

May 31, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Debt Reduction & Issue of Warrants

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce that it has undertaken certain debt reduction activities.

On April 23, 2021, the Company announced that, in relation to its US\$2.5 million convertible loan facility (the "**Facility**") it had reduced its liability in respect of the Facility to US\$0.07 million.

The Company is pleased to confirm that, following recent repayments, the current liability in relation to the Facility now stands at approximately **US\$0.6 million**.

Further, as last announced on April 23, 2021, the Company had an outstanding credit agreement with a financial institution in Azerbaijan for an amount US\$25,000 plus accrued interest payable by June 30, 2021.

The Company is pleased to confirm that this liability has now been settled in full.

Issue of Warrants

The Company announces that in connection with the loan agreement of EUR 2.1 million (approximately £1.8 million or approximately NOK 21.4 million) (the "**Loan Agreement**") announced to the market on May 26, 2021 with Winance, a Dubai-based single-family office (the "**Lender**"), following the fulfilment of certain conditions precedent included in the Loan Agreement by the Lender, the Company has now issued the Lender with a total of 89,053,125 share purchase warrants (the "**Warrants**") at an exercise price of NOK 0.12 (equivalent to approximately £0.01) and with a duration of two years from the date of issue. Each Warrant will provide the Lender the right to one new common share in the share capital of Zenith upon exercise.

Further Information:

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The information included in this announcement is defined as inside information pursuant to MAR article 7 and is publicly disclosed in accordance with MAR article 17 and section 5 -12 of the Norwegian Securities Trading Act. The announcement is made by the contact person.

Notes to Editors:

Zenith Energy Ltd. is an international oil and gas production company, listed on the London Stock Exchange (LSE:ZEN) and the Euronext Growth Market of the Oslo Stock Exchange (OSE:ZENA).

Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the oil & gas sector, specifically in Africa.