

January 6, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Debt Reduction & Exercise of Warrants

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA-ME), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce that it fully repaid one and partially settled the second of the two credit agreements entered into with a local financial institution in Azerbaijan for a total amount of approximately **US\$442,000**.

As disclosed in the latest audited accounts for the financial year ended March 31, 2020, the Company had two general line of credit agreements (the "**Credit Agreements**") for an outstanding combined principal amount of US\$480,000; interest has continued to accrue.

Following the aforementioned payments, the outstanding principal amount in relation to the remaining Credit Agreement is **US\$54,650.00** plus accrued interest which is now payable by June 30, 2021.

Exercise of Warrants

An investor in the Company has exercised warrants to acquire a total of 28,571,429 new common shares of no par value (the "**Common Shares**") in the capital of the Company with an exercise price of NOK 0.15 (equivalent to approximately £0.013) for a total consideration of 4,285,714 NOK (approximately £371,000) (the "**Warrant Shares**").

The Warrant Shares were issued yesterday, January 5, 2021, and will rank *pari passu* in all respects with the existing common shares of the Company.

An application for the Warrant Shares to be listed on the standard segment of the FCA Official List and to be admitted for trading on the London Stock Exchange Main Market for listed securities will be made within 12 months of the issue date.

Total Voting Rights

The Company wishes to announce, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the following revised information resulting from completion of the Financing.

Class of share	Total number of shares	Number of voting rights per share	Total number of voting rights per class of share
Common Shares in issue and admitted to trading on the Main Market of the London Stock Exchange	313,400,824	1	313,400,824
Common Shares in issue and admitted to trading on the Euronext Growth Market of the Oslo Børs - representing the total outstanding common share capital of the Company	1,070,644,350	1	1,070,644,350

Zenith holds 25,395,828 Common Shares in treasury. The above figure for total number of Common Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Further Information:

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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 onshore oil & gas sector, specifically in Africa. The Company's board of directors and senior management team have the experience and technical expertise to develop the Company successfully.

