

January 4, 2022

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Update on record profitability of Italian electricity production

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA), the listed international energy production and development company, is pleased to provide an update on its electricity generation activities at the Torrente Cigno concession in Italy, which have achieved a new record level of profitability due to the sustained favourable energy pricing climate.

New record profitability of electricity generation operations

During the month of December 2021, the Company produced a total of approximately 1,020 MWh, the highest production rate recorded during the past 12 months, following the performance of targeted maintenance work during the month of November 2021 to optimise the efficiency of the electricity generation infrastructure.

Electricity prices during the month of December 2021 averaged approximately EUR 264 per MWh, resulting in net revenues of approximately EUR 269,000 per month. The current net production costs remain fixed at approximately EUR 35,000 per month.

Luca Benedetto, Chief Financial Officer and Managing Director of Italian operations, commented:

"The remarkable performance of our Italian electricity production operations was an extremely positive development during the second part of last year and continues to exceed expectations by providing increasingly significant cashflow to support the further development of Zenith's Italian portfolio."

"We shall look to expand our Italian portfolio during 2022 by way of potential acquisitions, as well as by enhancing the productivity of certain assets within our portfolio, which hold a number of highly prospective development opportunities, starting with the further development of the Torrente Cigno concession."

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.

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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 complete value-accretive hydrocarbon production opportunities in the oil & gas sector, specifically in Africa.