

March 12, 2024

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Update on Italian Energy Production Portfolio

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA; OTCQB: ZENAF), the listed international energy production and development company, is pleased to announce the full completion of an acquisition in Italy, as well as providing an update on its Italian energy production portfolio.

Acquisition of additional stake in Sant'Andrea natural gas production concession ("Sant'Andrea")

The Company is pleased to announce that it has acquired, and received the necessary final regulatory approvals, for the acquisition of an additional 10% interest in Sant'Andrea (the "Acquisition") from Petrorep Italiana S.R.L. ("Petrorep").

Following completion of the Acquisition, Zenith's 40% interest in Sant'Andrea has increased to 50%.

As previously announced, the Company plans to reactivate the S. Antonio-1 well located in Sant'Andrea, with an expected initial production rate of approximately 1,500 cubic metres of natural gas per day.

Under the terms of the acquisition, Petrorep has paid Zenith's Italian subsidiary the amount of **EUR 248,000** (approximately GBP 212,000 or NOK 2,850,000) to cover its share of future plugging and abandonment costs calculated pro rata based on its participation in Sant'Andrea.

The Company is confident that production from Sant'Andrea will commence in October 2024.

Zenith's partners in Sant'Andrea have communicated that they do not intend to fund the costs associated with its reactivation. Zenith will therefore receive full entitlement to the production revenue to be received from Sant'Andrea, as well as bearing the full costs associated with the reactivation of production, estimated in the amount of EUR 20,000.

Italian Electricity Production - Torrente Cigno Concession ("Torrente Cigno")

The Company continues to generate electricity at the Torrente Cigno with an average monthly production of approximately 950 megawatt hours ("MWh").

Electricity prices averaged approximately **EUR 96** per MWh during January 2024 and averaged approximately **EUR 84** during the month of February 2024, resulting in cumulative net revenues of approximately EUR 171,000 for the period.

Zenith's current net production costs remain fixed at approximately EUR 35,000 per month.

Andrea Cattaneo, Chief Executive Officer, commented:

"We are pleased to have increased our participation in Sant'Andrea which we hope to bring to production later this year, creating an additional revenue stream for the Company.

I am pleased to report that the Company is currently evaluating a potentially significant additional acquisition in Italy, and I look forward to providing updates in due course if negotiations prove successful."

Further Information:

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Notes to Editors:

Zenith Energy Ltd. is a revenue generating, independent energy company with energy production, exploration and development assets in North Africa, the US and Europe. The Company is listed on the London Stock Exchange Main Market (LSE: ZEN), the Euronext Growth of the Oslo Stock Exchange (OSE: ZENA) and the Venture Market of the OTCQB (OTCQB: ZENAF).

Zenith's strategic focus is on pursuing development opportunities through the development of proven revenue generating energy production assets, as well as low-risk exploration activities in assets with existing production.

For more information, please visit: www.zenithenergy.ca

Twitter: @zenithenergyltd

LinkedIn: <https://bit.ly/3A5PRJb>

Market Abuse Regulation (MAR) Disclosure

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.