

July 3, 2017

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Team B strikes success at well M-45

Zenith Energy Ltd. ("**Zenith**" or the "**Company**") (LSE: ZEN; TSX.V: ZEE), the dual listed international oil & gas production company operating the largest onshore oilfield in Azerbaijan, is pleased to provide a positive update on operations at well M-45 in the Muradkhanli field.

Well M-45

The company has continued operations with the third party workover rig defined as Team B.

Team B has been able to catch the tubing on well M-45 which has opened up the productive zone. The well has since been stimulated and is flowing 46 BOPD. Due to the smaller sized casing above the production casing, the entire fish was not able to be pulled and was left in the hole. However, the productive zone is now open and the well can be produced. This was an overall success for team B.

The predicted production using an inflow production curve on this well shows that the Company should be able to produce 150 BOPD. The Company will test the well using compressed gas to obtain the necessary parameters to design the optimal Electric Submersible Pump (ESP) for M-45. The ESP is expected to be installed in the third week of July.

Zenith is now defining the next two wells to be worked on and will in due course make an announcement on the wells selected with their respective production histories.

Mike Palmer, Chief Operating Officer, Zenith Aran, the Company's Azerbaijan-based fully owned subsidiary, commented:

"I am very excited about the successful flow achieved at M-45. It has been a lot of hard work and we are happy to be able to move on to other workovers. We can now progress with our workover programme and have selected a series of high impact wells. We look forward to the next phase in the Company's field development."

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