

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Production restored at well M-66 in Azerbaijan

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 announce that production has successfully been restored at well M-66 in the Muradkhanli field.

Production History of well M-66

Well M-66 was drilled in 1978 with initial flow rates of 14 BOPD. Acid fracturing, performed shortly after completion, increased production to 284 BOPD. In 1999 well M-66 became shut in.

CTU Well Interventions

Well M-66 has been cleaned out to a depth of 3011 meters with a coiled tubing unit (CTU) using nitrogen. This procedure has restored production and achieved a flow rate of 15 BOPD. 150 barrels of oil which had accumulated in the wellbore were also recovered during the well intervention.

This operation is part of a larger, systematic programme towards economically maximizing production at non-producing and underperforming wells across Zenith's 642.4 km² contract area.

Team A, comprised of Zenith's field personnel operating the Company's workover rig, together with Team C, comprised of Smape Srl contractors operating a CTU, will now move to the Zardab field to engage in a series of high-impact workovers. A number of wells in this field produced in excess of 500 BOPD for a short period of time before they became plugged-up with sand.

Wells M-45 and M-195 Update

The Company is awaiting delivery of electric submersible pumps (ESP's) for both these wells. Zenith will release an update when the pumps have been installed and the resulting flow rates have been determined.

Zenith Chief Executive Officer, Andrea Cattaneo, commented:

"I am pleased with this result. The recently arrived coiled tubing unit is now being employed as much as possible in all our well interventions. Our technical skillset has also been enhanced by the arrival from Canada of two workover specialists, a reservoir engineer and a drilling engineer. Our operational capabilities will further improve when we complete the acquisition of a new Chinese manufactured workover rig. The Company will make an announcement when this is completed and a delivery date is defined.

M-66 was one of the many wells selected for coiled tubing interventions. The small operational outlay relative to the significant increase achieved in production revenue from this well should not be overlooked.

It is clear that there is a vast amount of oil under the surface in the Muradkhanli field. It should, however, also be underlined that well workovers on old Soviet wells will deliver only progressive production increases as opposed to the exceptional flow rates made possible by successfully drilling new wells. As stated in previous announcements, we intend to begin drilling activities in 2018.

I look forward to our operations in the Zardab field, where some of the Company's most promising wells are located. It is important to note that no significant operations have been performed in this field during the last twenty years. I am confident that the use of a coiled tubing unit, combined with a strengthened operational team, will deliver strong results."

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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