

ZENITH ENERGY LTD

NEWS RELEASE

ZENITH WINS BID ROUND FOR BLOCK "C" IN ALBANIA

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FOR IMMEDIATE RELEASE (TSX.V: ZEE)

Calgary, Alberta / TheNewswire / May 12, 2016 / Zenith Energy Ltd. ("Zenith" or the "Company") (TSX VENTURE: ZEE) is pleased to announce that the Company was informed yesterday that its bid for the exploration concession denoted as "Block C", an onshore exploration block within Albania, was successful.

The bid round, initiated almost twelve months ago by Albanian authorities, was comprised of a total of four concessions. Zenith received the formal letter confirming its successful tender from Agjencia Kombëtare e Burimeve Natyrore (AKBN), the National Agency of Natural Resources of Tirana, a wholly-controlled government agency of the Ministry of Energy, which is responsible for the development and control of natural resources within Albanian territory.

Zenith understands that another block, identified for the purposes of the tender as "Block 4", was awarded to Shell Upstream Albania B.V., a wholly owned subsidiary of Royal Dutch Shell PLC, which also recently acquired the Albanian assets of Petroman Energy Inc., a junior Canadian energy company. These developments are indicative of the increasing interest in Albania by energy majors.

Block C covers an area of 222,395 acres (347.5 square miles or 900 square kilometers) and is located south of the city of Durrës, in the central region of the Albanian coast. The geological setting of the Block C concession is part of the Peri-Adriatic molasses foredeep and possesses similarities to the southern Italian Bradanic foredeep, essentially being a mirror image of the geological structure on the western side of the Adriatic Sea. Accordingly, Zenith's geologists and engineers domiciled in Italy should possess practical experience from domestic operations to expedite success in Albania. Given the close proximity of the two nations, Zenith also stands to benefit from minimal transportation costs when sourcing expertise.

The type of petroleum system identified on Block C is generally associated with rich natural gas reservoirs, including the prolific Albanian Divjake-Ballaj gas field, with an estimated 2.2 billion cubic meters (77.7 Bcf) of OGIP (Source: Albpetrol S.h.a.). Past exploration activity in the region of Block C has also indicated the potential for oil prospects within this block. Zenith is particularly intrigued with the potential of this concession given that, to date, all producing fields in Albania had been found above a depth of 2200 meters due to technical limits and limited seismic information, so deeper targets provide additional opportunities for exploration success.

The award is conditional to the negotiation of a petroleum agreement, and subsequent government and board of director approvals. Zenith will now work with AKBN to negotiate and execute a production sharing contract. The Company will have seven years to conduct initial exploration activities, which allows the financial commitments to be largely deferred. Management considers this deferral of costs advantageous given the projected demand for new reserves over the longer term and the outlook for world pricing beyond 2020.

The Albanian acquisition will provide another opportunity for Zenith Energy to demonstrate its ability to operate with the highest of internationally recognized petroleum standards. Zenith is experienced in working in conjunction with government and environmental agencies within Argentina, Italy and Azerbaijan. The acquisition of the exploration block is viewed by management as enabling Zenith to provide scale for procuring existing production within Albania in line with the Company's existing and proven strategy. Management is particularly interested in growing corporate profitability in tandem with gross revenues, so the ability to

leverage to Brent pricing with this acquisition should complement the Company's premium natural gas pricing from Italian operations and the high impact growth and development opportunity evolving within Azerbaijan.

Andrea Cattaneo, Zenith's CEO and President, comments: "It seems that there is growing momentum with Zenith's activities. We look forward to a strategic investment into the Republic of Albania's proven oil and gas industry. The country continues to present extensive economic opportunities for foreign investors and solid value within the sector. The region is a geographic fit for Zenith's ongoing development strategy and provides both favorable pricing for production and compelling upside from exploration. Moreover, as the Albanian concession is a mere 60 km away from the Company's Italian assets in Puglia and Molise, and there is geological evidence confirming a similar hydrocarbon system between the territories, Zenith will be able to leverage the technical knowledge and experience of its personnel in Italy to maximize its effectiveness in Albania."

About Zenith Energy Ltd.

Zenith focuses on near term producing properties that can be further optimized with its engineering and technical expertise. To maximize shareholder value, Zenith targets acquisitions of production opportunities that offer strong logistics and close proximity to refineries and pipelines. Zenith's management and directors have extensive international and governmental experience and possess the technical knowledge to execute this strategy.

Zenith management is actively pursuing onshore fields with low acquisition costs from national or senior companies that have chosen to allocate their capital to unlock non-traditional resources with typically higher costs. Zenith's acquisition costs are further minimized by a strategy of reinvesting a portion of future cash flows back into remediation and capital improvements typically forgone on older fields. Combining the use of modern technological practices and the Company's technical expertise, management continues to demonstrate the capacity to increase production and optimize remaining reserves.

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Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward-looking statements and information concerning (i) the Company's goal of acquiring producing properties in Albania, (ii) the current and future production potential of Company properties, (iii) the revenue associated with production, (iv) the pricing and profitability of oil and gas production, and (v) successful exploration and a subsequent ability to achieve production. The forward-looking statements and information are based on certain key expectations and assumptions made by Zenith, including the ability to execute its strategy and realize its growth opportunities including its ability to finance and execute its plans. Although Zenith believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Zenith can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, Zenith being unable to finance or realize growth opportunities. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Zenith undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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