



NEWS RELEASE

ZENITH ANNOUNCES PRIVATE PLACEMENT FINANCING AND SETTLEMENT OF DEBT FOR SHARES

FOR IMMEDIATE RELEASE (TSX.V: ZEE)

Calgary, Alberta / TheNewswire / October 19, 2016 / Zenith Energy Ltd. ("**Zenith**" or the "**Company**") is pleased to announce that it has undertaken a non-brokered private placement of 4,166,667 units of the Company ("**Units**") at a price of \$0.12 per Unit for aggregate gross proceeds of \$500,000 (the "**Private Placement**"). Subject to regulatory approvals, directors and officers of the Company are expected to subscribe for an aggregate of 2,209,000 Units for aggregate subscription proceeds of \$265,080.00.

Each Unit is comprised of one common share in the capital of Zenith ("**Common Share**") and one Common Share purchase warrant ("**Warrant**"). Each Warrant will be exercisable for one Common Share at a price of \$0.20 per share for a period of 24 months from the date of closing of the Private Placement.

Zenith also announces that the Company issued 724,235 Common Shares at a deemed price of \$0.085 per share, to settle debts owing by the Company for services rendered. In addition, Zenith has agreed to issue 325,000 Common Shares at a deemed price of \$0.08 per share, to a service provider to settle debts owing by the Company (the "**Share Settlement**").

The securities issued pursuant to the Private Placement and Share Settlement will be subject to a four month hold period. Both transactions are subject to the submission of final documentation and final approval of the TSX Venture Exchange.

About Zenith Energy Ltd.

Zenith focuses on the acquisition and further development of proven onshore oil and gas fields where production has declined over time, but which are capable of increased productivity following an injection of capital and optimization through its corporate 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.

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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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 the Private Placement and Share Settlement. The forward-looking statements and information are based on certain key expectations and assumptions made by Zenith, including the TSX Venture Exchange approving the Private Placement and Share Settlement. Although Zenith believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable expectations, 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, the TSX Venture Exchange not providing final approval for the Private Placement and/or the Share Settlement. 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.