



ZENITH FURTHER REDUCES DEBT

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FOR IMMEDIATE RELEASE
(LSE: ZEN, TSX.V: ZEE)

Calgary, Alberta - January 30, 2017 - Zenith Energy Ltd. ("**Zenith**" or the "**Company**"), **LSE: ZEN, TSX.V: ZEE** reports that, at the request of its bondholders, the Company has completed a further conversion of Convertible Notes (the "**Convertible Notes**") denominated in CHF (Swiss Franc), issuing an amount of 3,700,000 (three million seven hundred thousand) Common Shares (the "**Common Shares**") of Zenith with an aggregate value of CAD\$ 407,000 (approximately GBP 247,000).

The terms of this conversion were comprehensively outlined in the Prospectus issued by the Company on 11 January 2017, stating that the conversion mechanism requires a conversion price of CAD\$ 0.11 (GBP 0.0677). The Convertible Notes were originally issued in December 2011 for an amount of 1,080,000 Swiss Francs (CHF) with an interest rate of 9% per annum. The outstanding amount after this conversion is reduced to CHF 253,644.00 which is the equivalent of approximately CAD\$332,500 (GBP 201,832).

It should be noted, based on the most recent quarterly unaudited financial statements filed on SEDAR, that the Company's financial debt is approximately 2% of shareholders' equity.

Andrea Cattaneo, CEO of Zenith, commented:

"It is well known that the demise of many junior oil companies is chiefly the result of imprudent debt undertakings. The Board of Directors recognizes this risk and is therefore pleased by the decision of the bondholder to convert its convertible notes at this time. It also makes sense to issue these shares as soon as possible following the Company's IPO.

Further details on the conversion of these convertible notes will be available in the third quarter interim financial statements and management discussion and analysis for the period ending 31 December 2016. Being a Canadian issuer the Company publishes these documents quarterly, and in Zenith's case, publication is anticipated to take place a month from now".

About Zenith Energy Ltd.

Zenith Energy Ltd. is an international oil and gas production company, incorporated in Canada, listed on the London Stock Exchange (ZEN) and the Toronto Stock Exchange Venture (ZEE). The main focus of the Company is the acquisition of large onshore oil & gas fields in countries that offer strong asset protection and a business atmosphere conducive to stable and profitable production activities. Zenith operates the largest onshore oilfield of Azerbaijan through its fully owned subsidiary, has oil fields in Argentina and significant gas producing assets in Italy. The Company's Italian operations also include the production of electricity and condensate.

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

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 debt levels and the filing of interim financial statements. 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 realise its growth opportunities including its ability to raise financing needed to 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 obtain additional financing or other resources to realize its 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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