



**UPDATE ON DETAILS OF PRIVATE PLACEMENT IN LONDON STOCK EXCHANGE  
LISTING AND ADMISSION OF SHARES ISSUED FOLLOWING CONVERSION OF  
CONVERTIBLE NOTES**

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

Calgary, Alberta – January 31, 2017 – Further to its news release on January 13, 2017, Zenith Energy Ltd. (“**Zenith**” or the “**Company**”) **LSE: ZEN, TSX.V: ZEE** provides an update on the closed, non-brokered private placement of 33,910,774 common shares of the Company (“**Shares**”) at a price of GBP 0.07 per Share for aggregate gross proceeds of GBP 2,373,754 (the “**Private Placement**”). The purpose of this news release is for Zenith to inform the market that it paid finder's fees of GBP 113,500 and issued 1,114,286 broker warrants exercisable for 24 months from closing at a price of GBP 0.07 per common share to certain arm's-length parties under the private placement undertaken as part of the dual listing on the London Stock Exchange on 11 January 2017.

In addition, on 30 January 2017, the Company announced the proposed conversion of a tranche of Convertible Notes denominated in Swiss Francs, into 3,700,000 (three million seven hundred thousand) New Common Shares of Zenith. Application will be made for the New Common Shares to be admitted to the standard segment of the Official List of the Financial Conduct Authority and to trading on the Main Market for listed securities of the London Stock Exchange (“**Admission**”). It is expected that Admission will become effective and unconditional dealings in the New Common Shares will commence on or around 8.00am on 2 February 2017.

Following Admission of the aforementioned 3,700,000 shares, resultant from the conversion of convertible notes, and the 9,000,000 (nine million) shares issued from the Private Placement of 30 January 2017, the Company's issued share capital will comprise 111,264,867 common shares with one voting right per share. No shares are held in Treasury. The total number of voting rights in the Company will therefore be 111,264,867.

This figure of ‘111,264,867’ common shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company.

The Private Placement is subject to the submission of final documentation and final approval of the TSX Venture Exchange.

**About Zenith Energy Ltd.**

Zenith Energy Ltd. is an international oil & gas production company, incorporated in Canada, listed on the London Stock Exchange (ZEN) and the TSX Venture Exchange (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 in Azerbaijan through its fully owned subsidiary, has oilfields in Argentina and significant gas producing assets in Italy. The Company's Italian operations also include the production of electricity and condensate.

*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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