



NEWS RELEASE

WORKOVER RIG BEGINS OPERATIONS AT WELL M-195

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Calgary, Alberta, February 9, 2017, Zenith Energy Ltd. ("**Zenith**" or the "**Company**"), (LSE: **ZEN**; TSX.V: **ZEE**) the international oil and gas development and production company is pleased to announce that the workover of well M-195 at the Company's Muradkhanli field in Azerbaijan has begun.

As announced by the Company on January 24, 2017, wells M-195 and M-45 are the first two wells scheduled for workovers in the Company's Field Rehabilitation ('**Workover**') Programme.

The Muradkhanli field is the largest of three contiguous fields (Muradkhanli, Jafarli and Zardab) controlled and operated by Zenith Aran, Zenith's wholly owned subsidiary in Azerbaijan. Collectively the Muradkhanli, Jafarli and Zardab fields form the largest onshore oilfield of Azerbaijan.

Following the Company's additional capital raising announced on January 30, 2017, the Board of Directors has decided to double the number of workover rigs used in the Workover Programme. In addition to the workover rig owned by the Company, currently undergoing comprehensive reconditioning, Zenith has decided to use a second rig operated by a highly experienced local drilling company.

As a result of the increased operational resources at its disposal, the Company has decided to divide workover activities between two teams: 'Team A' and 'Team B'.

'Team A' will be comprised of the Company's field staff, operating the Company's rig. 'Team B' will be comprised of contractors operating the workover rig of the aforementioned local drilling company.

Workover of the M-195 and M-45 wells, the first two of ten wells scheduled for recompletion in 2017, has been assigned to Team B.

The continued employment of third party service providers will be evaluated by the Board of Directors following the completion of workover operations at wells M-195 and M-45. Zenith's strategic preference is to use its own staff and resources wherever possible, thereby ensuring better operational oversight and effective cost management. Future alternatives being considered by the Board of Directors include the purchase of an additional pre-owned workover rig, or the purchase of a new Chinese workover rig to be financed by the manufacturer.

The Company will provide regular updates on the progress of field rehabilitation operations in Azerbaijan.

Andrea Cattaneo, Zenith Energy CEO, comments:

"The beginning of the first well workover signals the start of a promising new phase in the Company's transformational operations in Azerbaijan. Zenith is a production company run from the field with a strong operational focus. Rather than creating fleeting short-term excitement on each workover, Zenith is pursuing a systematic and steady workover campaign which will bring our sizeable reserves into production.

The addition of a second workover rig, following the recent capital raising, will allow the

Company to accelerate the pace of field rehabilitation activities."

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.

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