



PRESS RELEASE

ZENITH ANNOUNCES 3rd QUARTER RESULTS

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

Calgary, Alberta, March 1, 2017, Zenith Energy Ltd. ("**Zenith**" or the "**Company**") (LSE: **ZEN**; TSX.V: **ZEE**) the dual listed international oil & gas production company is pleased to announce its quarterly financial results from the three months ended December 31, 2016 ("**Q3-2016**" or the "**Quarter**") and the nine months ended December 31, 2016 ("**YTD-2016**").

These results were posted on SEDAR on February 28, 2017 in accordance with TSX rules. This is the first quarterly report to be published since the Company was admitted to trading on the London Stock Exchange on January 11 2017 and is therefore the first set of financials announced by the Company via the Regulatory News Service (**RNS**).

Highlights

- First full quarter of production from our asset in Azerbaijan
- Q3 profit of \$341,000 generated in Azerbaijan
- Average production of 322 boepd across the group
- Net loss of \$1,555,692 for the three months ending December 31, 2016 which includes non-recurring costs of approx. \$890,000 in relation to London listing and options award
- Net profit of \$614,713,380 for the nine months ending December 31, 2016

Corporate Activities

- Significant progress achieved towards LSE Main Market listing (Completed post quarter end)
- \$593,000 raised from existing investors to help fund corporate activities towards London listing
- Senior management team strengthened by appointment of CFO

Exciting Outlook / Subsequent Events

- London listing achieved on January 11, 2017
- Gross fundraising of £3,187,000 completed in January 2017.
- Comprehensive Azerbaijan workover programme started in February 2017.
- Argentine assets sold in February 2017 to strengthen balance sheet allowing management to focus on improving profitability at other assets
- Re-assignment of costs of approx. \$1,600,000 in Q4 post successful fundraise and completion of the business combination of the Azeri assets
- Loan payment of USD\$700,000 made on January 20, 2017 to significantly reduce corporate debt
- \$407,000 of convertible loan debt was converted on January 30, 2017 resulting in the issuance of 3,700,000 new shares

Andrea Cattaneo, Zenith CEO, commented:

"I am pleased to present our first set of quarterly results since listing on the London Stock Exchange. The quarter ending December 31, 2016 clearly evidences how Zenith is now gradually and increasingly reaping the rewards of its oil production revenues. The Company's primary objective emphatically remains to achieve incremental oil production increases through a systematic field rehabilitation programme in Azerbaijan. It should be underlined that these financial statements also reflect one-time costs related to the Company's recent listing on the London

Stock Exchange which will not be incurred in the future. I look forward to presenting the next quarterly results which will further reflect the Company's positive direction, and to updating the Market with news in relation to the workover of well M-195 in Azerbaijan."

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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