



NEWS RELEASE

**OPERATIONAL UPDATE
TEAM A COMPLETES SUBMERSIBLE PUMP REPLACEMENT ACTIVITIES**

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

Calgary, Alberta, April 10, 2017, Zenith Energy Ltd. ("**Zenith**" or the "**Company**"), the dual listed international oil & gas production company, is pleased to announce that field workover Team A, comprised of the Company's field personnel and operating Zenith's fully owned workover rig, has completed pump replacements at a number of different wells.

On March 16, 2017 the Company announced that three wells, M-70 and M-48 in the Muradkhanli field and well C-34 in the Jafarli field, had been scheduled for submersible pump replacements and that these operations were to be carried out by the recently mobilized Team A.

A total of four wells have undergone pump replacements and one well has undergone pump repair work. Team A has now successfully completed pump replacements at M-67 and M-70 in the Muradkhanli field as well as C-31 and C-34 in the Jafarli field. In addition to these activities, well C-39 in the Jafarli field has undergone pump repair work.

The previously announced planned pump replacement of well M-48 has upon further technical investigation been deemed unnecessary at this point in time and has not taken place.

The Company is pleased to report that the pump replacement activities executed by Team A have yielded an increase in production at these four wells. The total increase in production from these initial activities is 14bopd. It should be noted that a pump replacement should not be compared to a well workover with regards to its production upside potential. These pump replacements are not included in the workover program and the main focus has been the trialing of Zenith's newly refurbished workover rig.

As announced by the Company on March 16, 2017 Team A is now in a position to prepare and subsequently engage in the technically more demanding workover of well M-45. The necessary technical skills and familiarity in working as a team have now been established through these introductory exercises and are expected to further develop as Team A progresses with higher impact workovers as part of the field rehabilitation program.

Team A is currently awaiting delivery of all the ancillary tools and piping necessary for the workover of M-45. These parts are expected to arrive at the Muradkhanli field later this week.

The Company will provide an update when the workover of well M-45 begins and also report on the progress of Team B in the workover of well M-195 in the coming week.

Andrea Cattaneo, Zenith CEO, commented:

"It is very encouraging that Zenith's internal field rehabilitation team operating the Company's fully owned workover rig, named Team A, has succeeded in its introductory activities by undertaking relatively simple submersible pump replacements that have increased production from the wells. These activities also had the objective of assessing the technical capabilities of the Team and their modus operandi. The speed and efficiency of Team A has been impressive.

The Board is increasingly of the view that the use of the Company's own personnel and equipment for its field rehabilitation operations is the preferred choice going forward as opposed to sub-contracting fieldwork to more expensive third party contractors. The recent success of

Team A further reinforces the merits of this position. Team A can now graduate to become a fully-fledged workover team and begin the workover of well M-45.

This reflects our guiding principle of being a low cost operator. The use of the Company's resources is always evaluated in consideration of this budgetary model. Zenith's 14bopd production increase achieved from pump replacement activities, whilst a relatively small number at first glance, is of greater importance if one considers the increase in revenue resultant from production relative to the extremely low operational expenditure incurred by applying the Company's own resources to achieve this result. The cost-benefit aspect of Zenith's in-house field rehabilitation operations should therefore not be overlooked.

I am also pleased to report that the Company is making progress in its negotiations for the acquisition and financing of a high-specification Chinese drilling rig. The arrival of this drilling rig will allow the Company to begin a systematic development drilling campaign that would be highly cost-effective and underpin the Company's projected long-term production increases in Azerbaijan.

In the interests of clarity it should also be underlined that the workover program will continue with growing momentum in the period before the drilling rig arrives and will then run parallel to the drilling program to maximize oil production from the field.

I can also confirm that an update regarding the workover of well M-195 will be provided during the week."

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.

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