

ZENITH ENERGY LTD.
("Zenith" or the "Company")

Option Agreement and Update on CEO Salary Proposal

Calgary, Alberta, April 12, 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 that Andrea Cattaneo, the Chief Executive Officer of the Company, and Mirabaud & Cie SA ("Mirabaud") have today entered into a call option agreement (the "Option"). Under the Option, Mr. Cattaneo may purchase up to 6,000,000 (six million) common shares of no par value in the capital of the Company ("Common Shares") from Mirabaud at any time up to and including January 23, 2018 at a price of 14 pence per Common Share.

The Company announced on January 25, 2017 that Mr. Cattaneo had proposed to the Board of Directors to swap his full salary for the next twelve months, effective on February 1, 2017 (the "Salary Proposal"), in exchange for Common Shares (the "Salary Sacrifice Shares"). The Company's Board of Directors had agreed to the Salary Proposal subject to the filing of an application with the TSX Venture Exchange ("TSXV") and the receipt of approval of the Salary Proposal, including how such Salary Sacrifice Shares will be priced, from the TSXV.

The Company has been informed that the Salary Proposal will require the approval of shareholders, and the Board of Directors therefore proposes to put a resolution before shareholders at the next annual general meeting of the Company to approve the Salary Proposal, however with a revised start date of the beginning of the Company's financial year, i.e. April 1, 2017. This resolution will propose that the Salary Sacrifice Shares are issued on a quarterly basis (with the first batch to include all Salary Sacrifice Shares accrued since April 1, 2017) at a price that is the higher of: (i) the average price at which the Common Shares traded during the period, based on the mid-market closing price on the London Stock Exchange on each trading day, plus 15 per cent, and (ii) the discounted market price on the TSXV at the time the Salary Sacrifice Shares are issued. In the event that shareholders do not approve the Salary Proposal, Mr. Cattaneo will be entitled to his contractual salary to be paid in cash, backdated to April 1, 2017. Mr. Cattaneo will be paid his contractual salary in cash for the period February 1, 2017 to March 31, 2017.

For further information, please contact:

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