

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Operational Update

Team B commences sidetrack operations at well M-195 in Azerbaijan

Calgary, Alberta, April 18, 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 the local drilling contractor operating as 'Team B' has initiated a sidetrack operation at the Muradkhanli field well M-195. This sidetrack has required the arrival of a more sophisticated workover rig operated by the local drilling contractor. The Company confirms that this new workover rig has arrived to the well site location and that sidetrack activities have begun today, 18 April, 2017.

Team B was successful in removing several obstructions and fixing a previously observed casing displacement at the 2780-meter level in this older well which was first drilled in 1980. Milling and reaming operations were then continued to a depth of 3026 meters and in the open-hole section below. Unexpected difficulties were encountered in the open-hole section due to various amounts of metal debris which prevented the completion of workover operations aimed at installing a new casing screen. After extensive consultations with the local management team and industry experts, Zenith's engineering and geological team has decided to proceed with a sidetrack operation in order to reach an undisturbed section of the oil-bearing reservoir with greater oil producing potential. A window will be cut in the 168 mm casing at approximately 2955-2960m depth and a 139.7mm bit will be used to drill a sidetrack hole to a depth of approximately 3020 meters while taking gyro-directional surveys to monitor the direction and inclination of the sidetrack hole. A 114.3mm casing will then be cemented in the new hole and a slimmer hole will be subsequently drilled to a total depth of approximately 3065 meters. This section of wellbore, from 3020 meters to total depth, will be left as open-hole.

The Company will provide a final update when operations at well M-195 have been completed.

Dr. Dario Sodero, Senior Geologist and Director, commented:

"When re-entering older wells, it is often impossible to predict the exact conditions of the casing and what kinds of metal debris may be found at the bottom of the well, especially when dealing with 'Soviet era' drilling and completion techniques. It is unfortunate that the M-195 well could not be completed as per the initial work programme; operations conducted by Team B have however proved to be a good learning experience for Zenith in Azerbaijan. I expect that Team B will be very proficient in drilling the sidetracked hole with the valuable consultancy of international directional drilling experts. I am confident that the new uncontaminated section of reservoir rock will yield good results when placed on production. This would reward the Company's decision to begin the workover programme specifically at well M-195 which, whilst relatively more challenging than other wells, has excellent production upside potential."

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.

For further information, please contact:

José Ramón López-Portillo

Chairman of the Board

Andrea Cattaneo

CEO & President

Email: info@zenithenergy.ca

Telephone: + 1 (587) 315 9031

Telefax: + 1 (403) 775 4474

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this news release contains forward-looking statements and information. The forward-looking statements and information are based on certain key expectations and assumptions made by Zenith. Although Zenith believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Zenith can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Zenith undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.