

CALGARY, ALBERTA--(Marketwired - Sep 14, 2015) - Zargon Oil & Gas Ltd. (TSX:ZAR)(TSX:ZAR.DB) ("Zargon" or the "Company") provides a Little Bow Alkaline Surfactant Polymer ("ASP") project update and provides the audio webcast link for Zargon's presentation at the Peters & Co. ("Peters") Energy Conference on September 17, 2015.

Little Bow ASP Project Update:

Since March 2014, Zargon has been operating an ASP tertiary recovery project in the Little Bow Mannville I pool in southern Alberta, where chemicals are injected in a dilute solution into a mostly depleted reservoir to recover additional oil reserves and oil production volumes. To date, approximately 24 percent of the project's phase 1 total chemical injections (ASP and polymer only stages) have been completed. Although the project's produced oil cuts had demonstrated encouraging oil banking, total oil production volumes had not met expectations. To address this performance issue, Zargon increased surfactant concentrations and undertook a \$4 million remedial and optimization summer-fall 2015 program, which included the now completed producer workovers and the drilling of three wells. The increasing and rebalancing injection capability component of the program (convert one flank water injector into ASP injection service, replace selected ASP injection lines, plus a number of injector stimulations) will be completed by the end of October 2015. The updated phase 1 production performance is presented in the accompanying graph:

To view Figure 1, please visit the following link:

<http://media3.marketwire.com/docs/Little%20Bow%20ASP%20-%20Phase%201%20Production%20jpg.jpg>

The data demonstrates recent production gains and a current rate of over 400 barrels of oil per day. Two thirds of this increase is attributable to initial production volumes from the three new wells. Encouragingly, each of the new wells encountered oil banks formed or forming at the top of the reservoir. Review of the summer/fall program results are resulting in a modified reservoir flow pattern interpretation that necessitates additional down-spacing locations to recover the forecast reserves. This review will be completed in time for our Q3 2015 press release on November 11, 2015.

For further information regarding the Little Bow ASP project, please refer to the Peters' conference corporate presentation available on the Company's website.

Peters 2015 Energy Toronto Conference:

Craig Hansen, President and CEO, will be presenting at the Peters 2015 Energy Conference in Toronto, Ontario. Webcast details are provided below:

Date: Thursday, September 17, 2015

Time: 7:50 a.m. Mountain Time (9:50 a.m. Eastern Time)

Event link: webcast: https://cc.talkpoint.com/pecl001/091515a_ae/?entity=25_Q3ON46Q

The related presentation and a link to the audio webcast are provided on Zargon's website at www.zargon.ca.

Based in Calgary, Alberta, Zargon's securities trade on the Toronto Stock Exchange and there are currently 30.30 million common shares outstanding.

FORWARD-LOOKING STATEMENTS

This press release offers our assessment of Zargon's future plans and operations as at September 14, 2015, and contains forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Such statements are generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "plan", "intend", "believe" and similar expressions (including the negatives thereof). In particular, this press release contains forward-looking statements pertaining to the following:

- *our plans and capital budgets;*
- *our corporate production volumes (ASP and conventional);*
- *our Little Bow ASP project results, including the resulting ASP reserves;*
- *our oil price hedges, budgets, and price forecasts;*
- *our projected cash flows and debt levels; and*
- *our dividend policy and the expected sources of funds for our dividends.*

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our

control, including such as those relating to results of operations and financial condition, general economic conditions, industry conditions, changes in regulatory and taxation regimes, volatility of commodity prices, escalation of operating and capital costs, currency fluctuations, the availability of services, imprecision of reserve estimates, geological, technical, drilling and processing problems, environmental risks, weather, the lack of availability of qualified personnel or management, stock market volatility, the ability to access sufficient capital from internal and external sources and competition from other industry participants for, among other things, capital, services, acquisitions of reserves, undeveloped lands and skilled personnel. Risks are described in more detail in our Annual Information Form, which is available on our website and at www.sedar.com.

Forward-looking statements are provided to allow investors to have a greater understanding of our business. You are cautioned that the assumptions, including among other things, future oil and natural gas prices; future capital expenditure levels; future production levels; future exchange rates; the cost of developing and expanding our assets; our ability to obtain equipment in a timely manner to carry out development activities; our ability to market our oil and natural gas successfully to current and new customers; the impact of increasing competition, our ability to obtain financing on acceptable terms; and our ability to add production and reserves through our development and acquisition activities used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained in this document is expressly qualified by this cautionary statement. Our policy for updating forward-looking statements is that Zargon disclaims, except as required by law, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

FURTHER INFORMATION

Zargon Oil & Gas Ltd. is a Calgary based oil and natural gas company working in the Western Canadian and Williston sedimentary basins and is focused on oil exploitation projects (waterfloods and tertiary ASP) that profitably increase oil production and recovery factors from existing oil reservoirs. Ultimately, these projects will provide a long-life low-decline oil production that will support many years of dividends.

In order to learn more about Zargon, we encourage you to visit Zargon's website at www.zargon.ca where you will find a current shareholder presentation, financial reports and historical news releases.

Contact

Zargon Oil & Gas Ltd.
C.H. Hansen
President and Chief Executive Officer
403-264-9992
Zargon Oil & Gas Ltd.
J.N. Post
Chief Financial Officer
403-264-9992
zargon@zargon.ca
www.zargon.ca