



12 June 2017

PROPOSED BUY-BACK OF SHARES

This document is provided to all shareholders in accordance with the requirements set out in section 62 of the Companies Act 1993.

Z Energy Limited (*Z Energy*) wishes to make an offer to Z Energy LTI Trustee Limited (the *Trustee*) to buy back 258,296 shares (the *Shares*) which the Trustee is holding and which have been forfeited by employees participating in Z Energy's Restricted Share Long Term Incentive Plan (the *Buyback*).

The terms of the Buyback, which will be made under section 60(1)(b)(ii) of the Companies Act 1993 (and in accordance with clause 23.2 of Z Energy's constitution), are as follows:

- 1 Z Energy has entered into a Restricted Share Long Term Incentive Plan Put and Call Option Deed (the *Deed*) with the Trustee. Under the Deed, Z Energy can exercise a call option to require the Trustee to sell forfeited plan shares to Z Energy from time to time. Z Energy wishes to exercise that call option in relation to the Shares;
- 2 the Shares will be acquired by Z Energy and held as treasury stock; and
- 3 the total consideration for the acquisition of the Shares will be \$986,416.45 being the number of shares to be acquired by Z Energy at the price initially paid by the Trustee to acquire the shares.

Board resolutions

To initiate the proposed Buy-back the Board of Z Energy resolved on 10 May 2017:

"That the offer to buy-back the Shares (**Offer**) will be made at least 10 working days after a disclosure document has been sent to all shareholders in accordance with section 62 of the Companies Act 1993.

That the acquisition of the Shares under the Offer is in the best interests of Z Energy and of benefit to the remaining shareholders.

That the terms of the Offer and the consideration offered for the Shares are fair and reasonable to both Z Energy and the remaining shareholders.

That it is not aware of any information that will not be disclosed to shareholders:

- which is material to an assessment of the value of the shares; and
- as a result of which the terms of the Offer and consideration offered for the shares are unfair to the Trustee;

That on acquisition of Shares, those shares are to be held by Z Energy as treasury stock.

That the Board is satisfied that the Company will, immediately after acquiring the shares, satisfy the solvency test applied under section 52 of the Companies Act 1993.

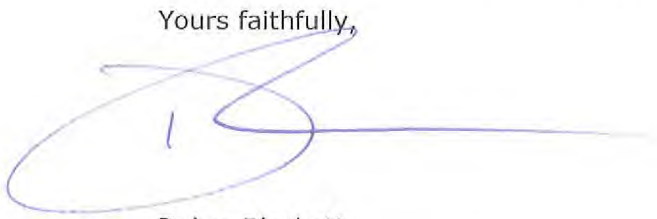
The grounds for the directors' conclusions under the resolutions in paragraphs 2 to 4 above (inclusive) are:

- the Offer will enable Z Energy to acquire and then transfer the Shares on-market without diluting the current shareholding; and
- the consideration for the Shares is the outstanding loan balance associated with such Shares and such consideration is less than the current value of Z Energy's shares."

No interested directors

None of the directors of the Company has any relevant interest in any of the Shares.

Yours faithfully,



Debra Blackett
Chief Governance Officer