

Remote Energy Solutions – No Boundaries



Presenters:

Doug Walker – Executive Chairman

Hamish Moffat – Managing Director



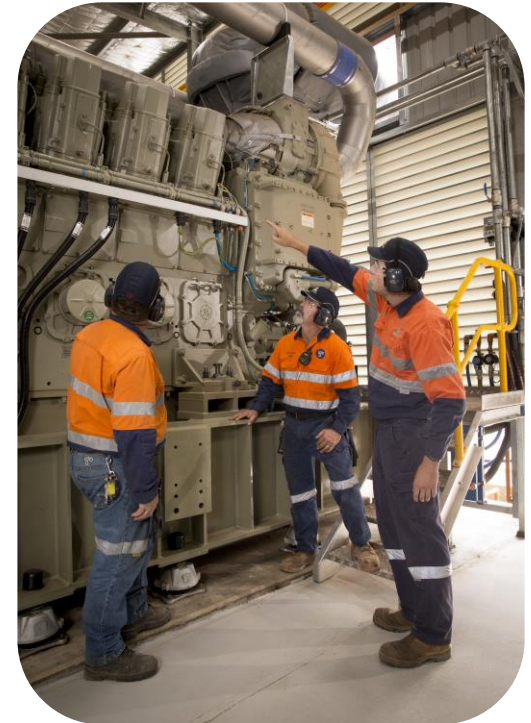
ZENITH ENERGY

INNOVATION - FLEXIBILITY - RELIABILITY

October 2017

Business Overview

- Leading Australian Independent Power Producer (IPP) providing **innovative, reliable and cost effective** remote power generation solutions
- Specialists in **bespoke solutions** utilising diesel, gas, solar and hybrid generation
- **Quality client base** with 10 projects currently under contract (8 under BOO and 2 under MOM)
- **Perth and Cairns offices** delivering solutions to WA, QLD and PNG based clients
- Board and management team with **outstanding industry experience**
- **Existing** contracts fully funded **with excess** capacity for growth



Corporate Overview

Capital Structure*

ASX Code	ZEN
Shares on Issue	98,000,000
Market Capitalisation	\$56.8 million
Cash	\$19 million
Debt	\$30 million
Enterprise Value	\$67.8 million

Share price \$0.58 as at 11 September 2017

Shareholders

Board and Management	51.14%*
Top 20 shareholders	85.96%*

Board and Management

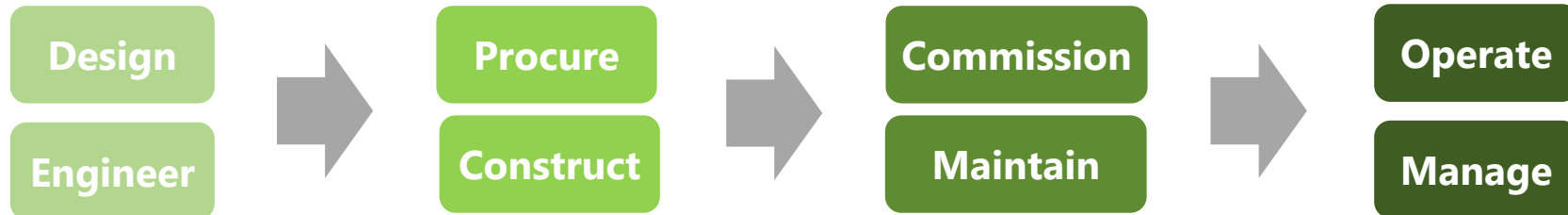
Doug Walker	Executive Chairman
Gavin Great	Executive Director
Hamish Moffat	Managing Director
Darren Smith	Non-Executive Director
Stephanie Unwin	Non- Executive Director
Rebecca Stringer-Krein	CFO



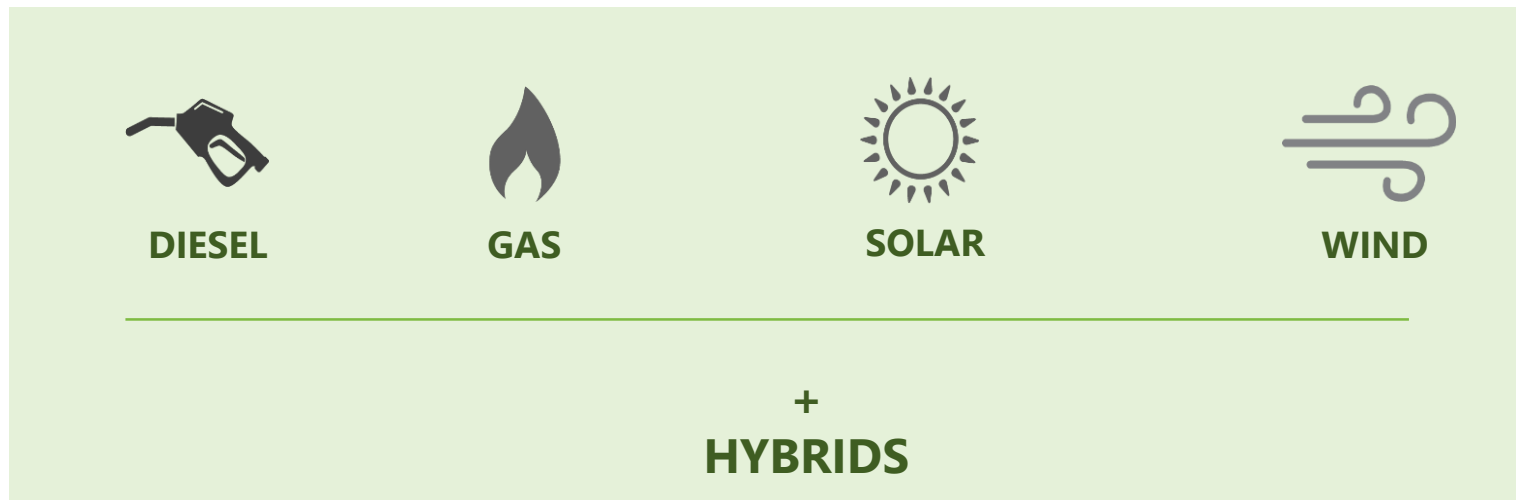
* Share data @5 September, using 30 June Statutory Financials

Our Capability

Vertically integrated business with capability across all phases of project development

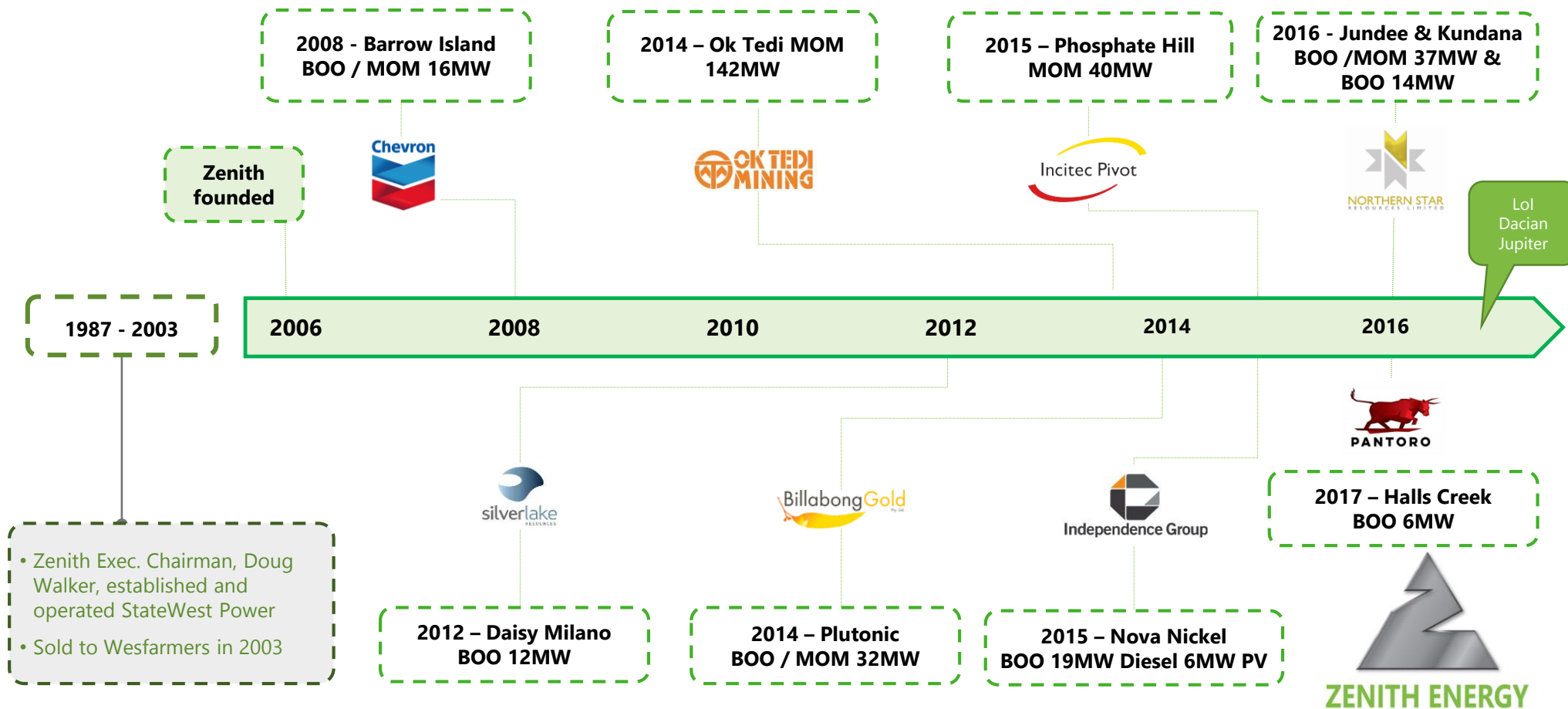


Capable of delivering systems utilising a range of technologies & fuel types



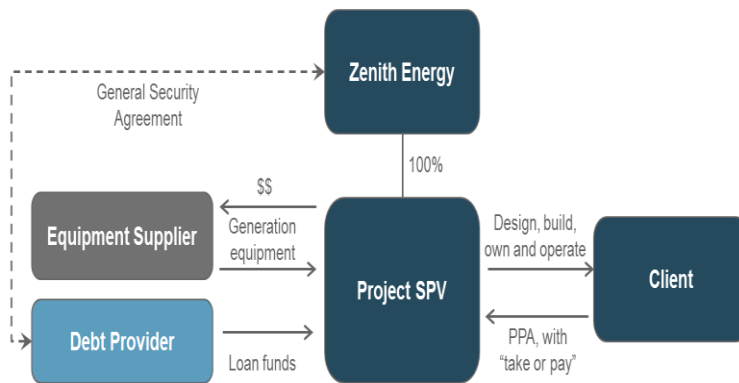
Company History

Zenith's founders have 30 years' experience in designing and constructing power stations



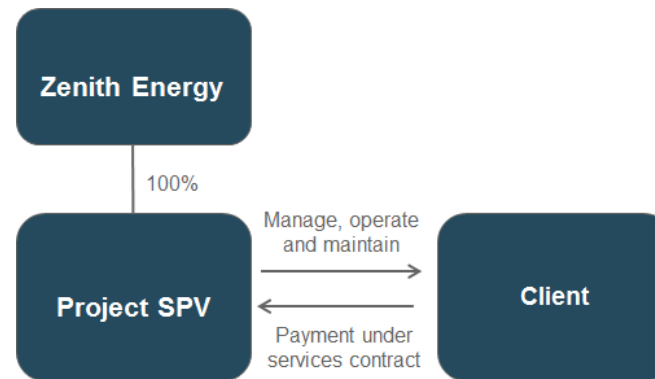
Operating Models

Build Own Operate (BOO)



- Owns or finance leases the power generation facilities
- Receives a capacity charge on a "take or pay" basis and an energy charge calculated on actual power usage

Manage Operate Maintain (MOM)

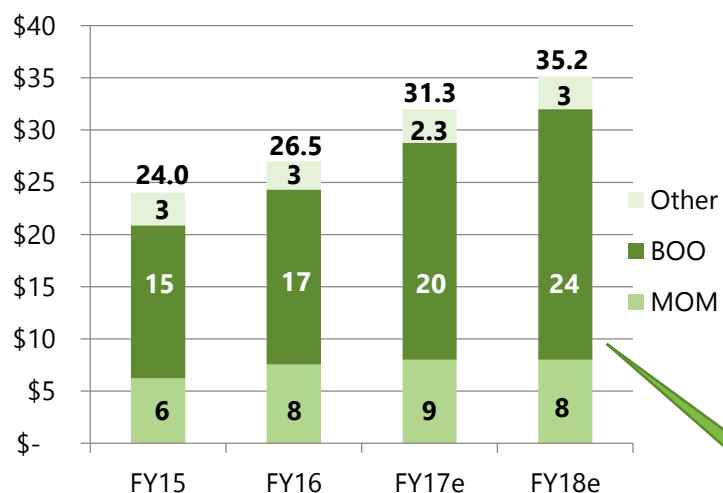


- Manage, Operates and Maintains power generation facilities that are owned by the client
- Fees received for operating and maintaining the client's power generation facilities

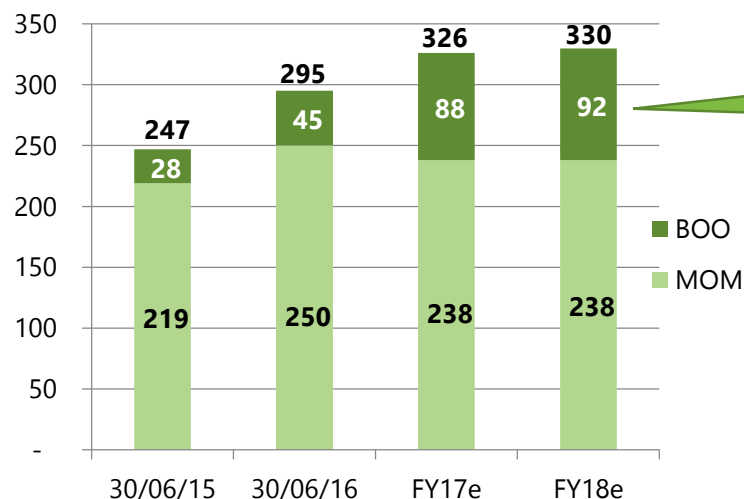
Business Model Breakdown

Build Own Operate model is expected to account for approximately two thirds of Zenith's revenue in FY17, and one quarter of installed capacity (MWs) by June 2017

Revenue (\$m)



Installed Capacity (MW)



Lol for 17MW Jupiter PPA

Lol for \$+ Jupiter PPA

Case Study – Nova Nickel Mine

Independence Group

Objective:

Deliver a state-of-the-art hybrid power generation facility for run-of-mine power needs

Zenith's Solution:

- Build Own Operate (BOO) contract for initial 10 year term
- First true hybrid remote power generation in Australia
- Contract commenced in 2016
- Highly reliable and fuel efficient 19 MW diesel power station (with solar array in development)
- Option to convert to gas as needed
- Estimated peak diesel fuel savings of 3 million litres per annum once solar array has been developed



Case Study – Jundee Gold Mine

Northern Star Resources

Objective:

Deliver a high efficiency Gas power generation facility for run-of-mine power needs whilst minimising the capital investment and enabling the client to maximise the value derived from their existing assets.

Zenith's Solution:

- Build Own Operate (BOO) contract for initial 10 year term
- Integration of latest remote power generation technology with clients existing assets and infrastructure
- Contract commenced in 2017
- Highly reliable and fuel efficient 18 MW gas power station
- Enabling client to achieve lowest quartile electricity cost



Growth Opportunities

Existing Clients

- New opportunities from Zenith's existing client base
- Integration of renewable power to existing and future operations
- Value accretive solutions / optimisation / technology upgrades / waste heat recovery

Pipeline Opportunities

- Opportunities identified across Australian resources sector, including renewable power hybrid generation
- Explore new projects in South-East Asia
- Evaluate geographic expansion to regions with limited capability

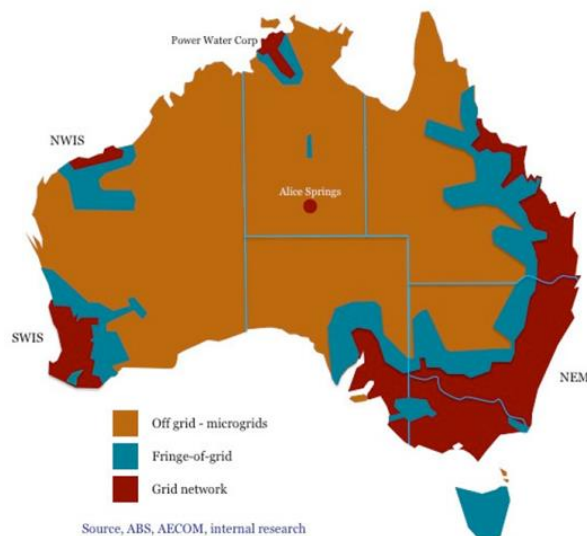
Grid Supply Power Generation

- Micro-Grid, Smart Energy – distributed generation
- Hybrid power solutions
- LNG / CNG – natural gas
- Renewables – PV
- Storage technology application

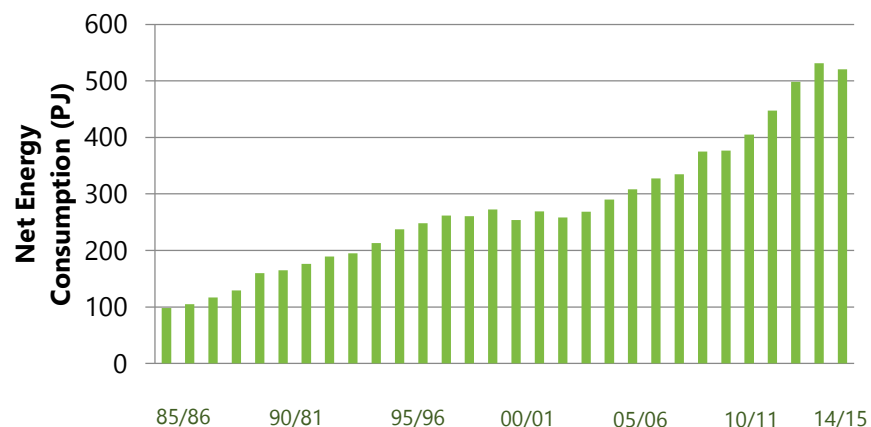
Off-Grid Electricity Generation Market

The off-grid market accounts for ~8% of Australia's total electricity capacity¹, with demand historically driven by the mining sector

The Off-Grid market¹



Energy Consumption in the Mining Sector²



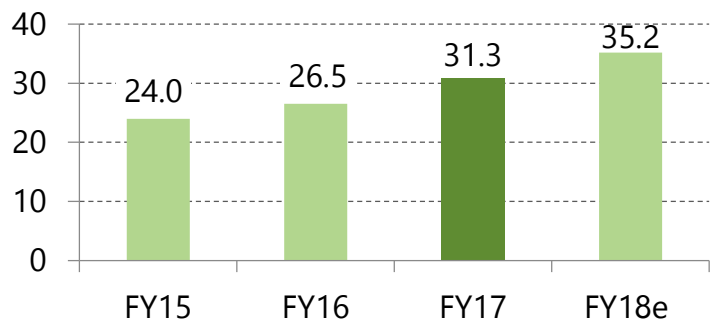
Energy consumption within the mining sector has grown more than fivefold since 1985, at a CAGR of 5.9%

Sources:

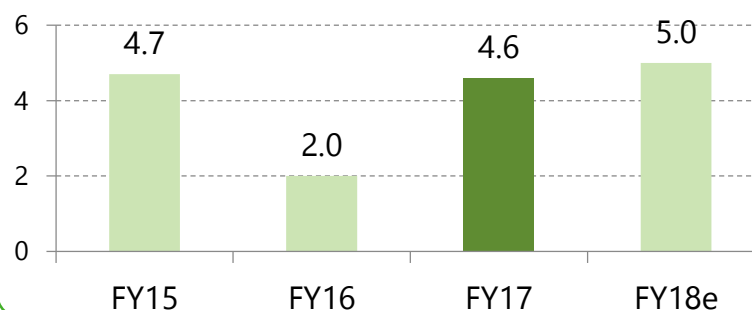
1. ARENA, ABS, AECOM
2. Australian Department of Industry, Innovation and Science, 2015, 2016

Financial Performance

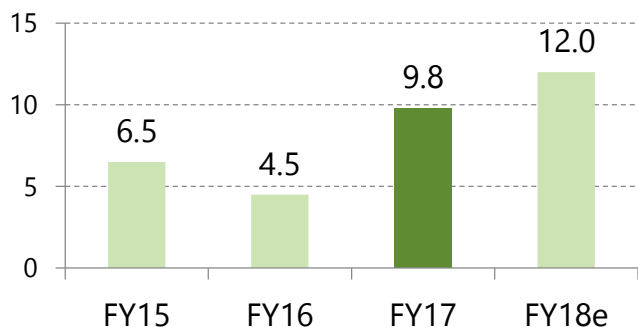
Revenue (\$m)



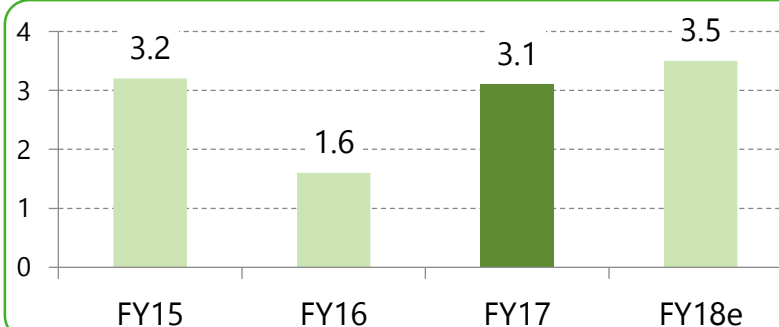
NPBT^{1,2} (\$m)



EBITDA¹ (\$m)



NPAT^{1,2} (\$m)



1. FY16 earnings figures were adversely impacted by weather event in PNG (OK Tedi contract)
2. FY17 figures include a one-off cost of \$1.6m in NPBT, NPAT for the dissolution of the Zenith-Solea JV
3. FY17 EBITDA of \$9.8m, 118% growth on FY16 (\$4.5m)



ZENITH ENERGY

Investment Proposition

Opportunity to generate substantial shareholder returns

Robust business with established client base

- Secure contracted income stream predominantly with large, financially strong, resources companies
- Clients include Chevron, Independence Group, Northern Star Resources, Ok Tedi Mining, Incitec Pivot
- "Take or Pay" arrangements providing downside protection under the Build Own Operate ("BOO") power generation model.

Strong financial metrics

- FY17 Revenue of \$31m, representing 17% growth on FY16
- Forecast FY18 Revenue of \$35.2m, representing 12% growth on FY17
- EBITDA margin has expanded from 17% in FY16 to 32% in FY17
- Strong cashflows and debt service coverage ratios (EBITDA/Interest of 6.5x as at 30 Jun 2017)
- FY17 Net asset growth over 180% on FY16 net of capital raise.

Outstanding Growth Opportunities

- Hybrid/renewable product offering provides huge potential upside to a growing market
- Microgrid generation opportunities
- Opportunities to replicate capability in overseas jurisdictions

Proven management team

- Prior to founding Zenith in 2006, the team owned and managed StateWest Power, which was formed in 1987 and sold to Wesfarmers in 2003
- Expertise spanning multiple generation formats (gas, diesel, solar, hybrid)



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