



ANNUAL GENERAL MEETING

Managing Directors Report

November 2018



NOVA POWER STATION

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CORPORATE SNAPSHOT



CAPITAL STRUCTURE*

ASX Code	ZEN
Shares on Issue	98,000,000
Market Capitalisation	\$73 million

BOARD AND MANAGEMENT

Doug Walker	Executive Chairman
Hamish Moffat	Managing Director
Darren Smith	Non-Executive Director
Stephanie Unwin	Non-Executive Director
Peter Torre	Joint Company Secretary
Rebecca Stringer-Krein	Chief Financial Officer / Company Secretary
Graham Cooper	Chief Operating Officer

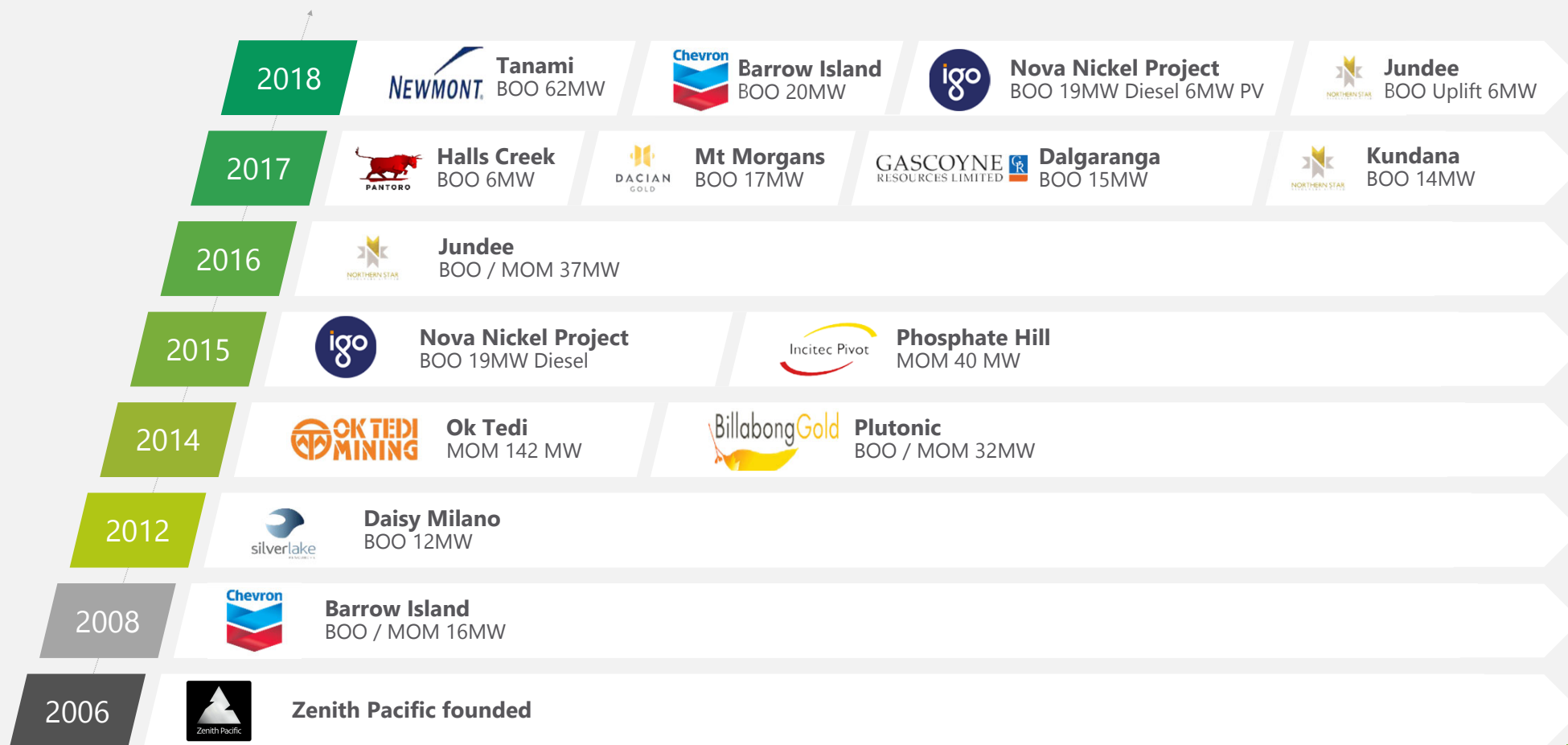
*Share price \$0.745 as at 27 November 2018

SHARE PRICE SINCE ASX LISTING, MAY 2017



OUR HERITAGE

Tier 1 clients across Australia and South East Asia



OUR PRESENCE



MT MORGANS





JUNDEE POWER STATION

**BUILDING AUSTRALIA'S
LEADING INDEPENDENT
POWER PRODUCER**



- Serving resources and energy sector clients operating in **remote locations**
- Specialising in **tailored, reliable, cost effective solutions** utilising gas, diesel, solar and hybrid generation
- Tier 1 clients with **12 contracts in place** and robust pipeline of opportunities
- **Perth and Cairns offices** delivering solutions across Australia and South East Asia
- Total generation capacity in excess of **423MW** under control and expanding rapidly

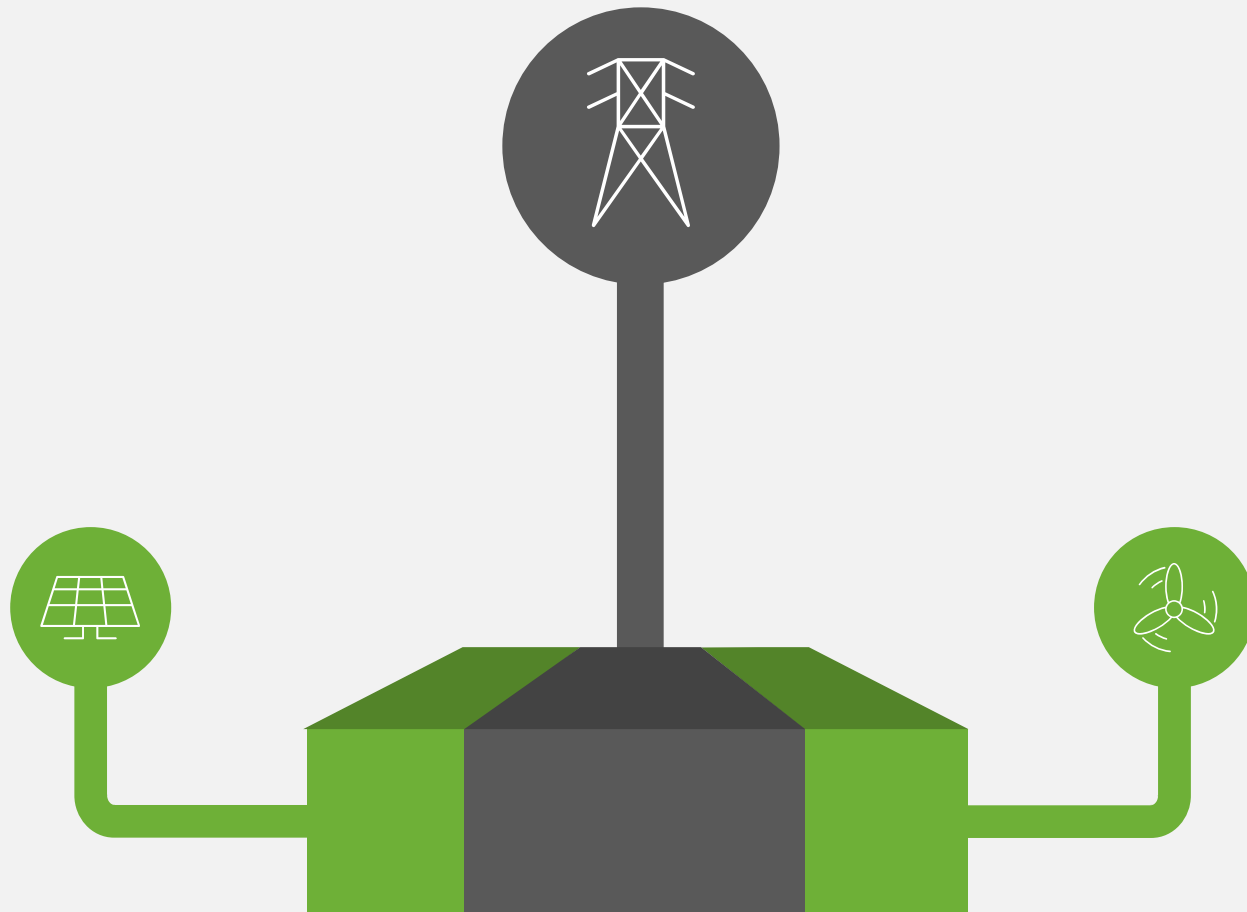
WHAT WE DO



ZENITH ENERGY

(Interactive fly-through of Tanami Project not available on PDF upload)

INTEGRATED HYBRID SOLUTIONS



OUTPERFORMING FORECASTS

FY18 earnings demonstrate successful delivery of innovative remote power solutions



REVENUE



\$51.43m | +64%*

EBITDA



\$18.22m | +85%

NPAT



\$8.47m | +171%

PROPERTY, PLANT
& EQUIPMENT



\$75.99 | +93%

**all percentages are over the previous corresponding period (30 June 2017)*

STRONG BALANCE SHEET GROWTH



	2018	2017	2016
	\$m	\$m	\$m
Cash	1.99	19.29	2.52
Receivables	9.22	3.78	4.70
Inventories	2.69	0.65	1.21
Current Tax Asset	0.76	1.38	0.43
Non-Current Tax Asset	0.84	0.77	0.32
Property, Plant & Equipment	75.99	39.43	24.77
Intangibles	0.01	0.01	0.01
Other Assets	4.92	3.85	0.61
TOTAL ASSETS	96.42	69.16	34.56
Current Liabilities (ex debt)	9.69	5.36	3.62
Current Debt*	7.41	16.63	3.73
Current Tax	1.58	0.10	-
Non Current debt	30.73	8.17	16.81
Other	2.46	2.86	3.24
TOTAL LIABILITIES	51.86	33.12	27.41
NET ASSETS	44.56	36.04	7.15
NET TANGIBLE ASSETS	44.55	36.03	7.14

	2018	2017	2016
EPS (cents) ^{1,2,3}	8.695	5.88	3.93
1. 2018 EPS based on 98m ordinary shares on issue			
2. 2017 EPS based on weighted average ordinary shares of 53.15			
3. 2016 EPS based on weighted average ordinary shares of 40.80m			

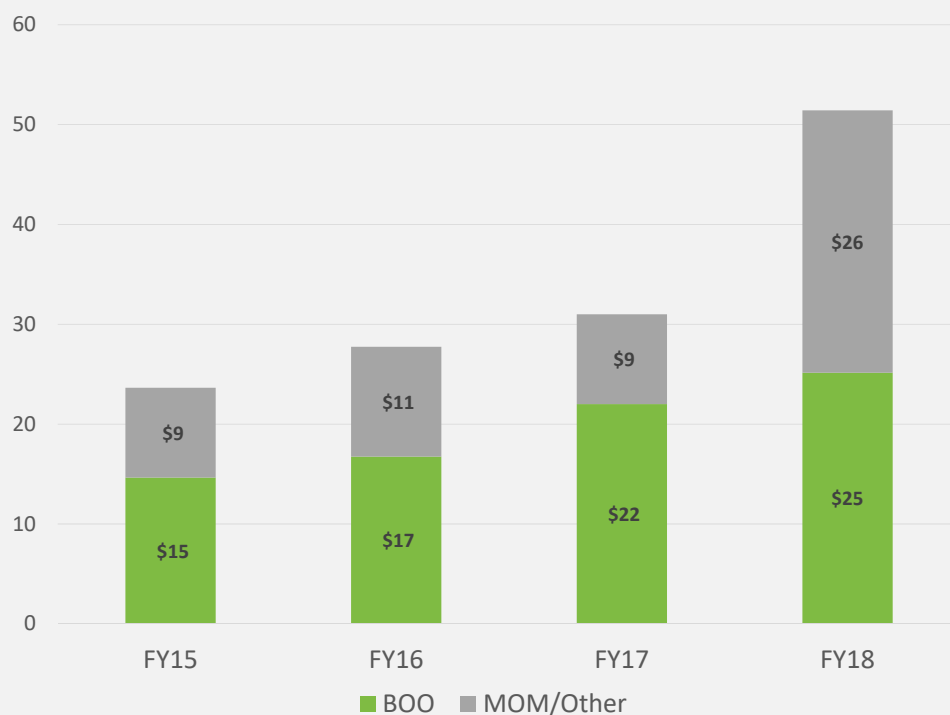
*At 30 June 2017, Zenith was in the process of converting a \$16m Trade Advance facility to a long term Equipment Finance facility, this was finalised after balance date.

STRONG GROWTH IN BOO

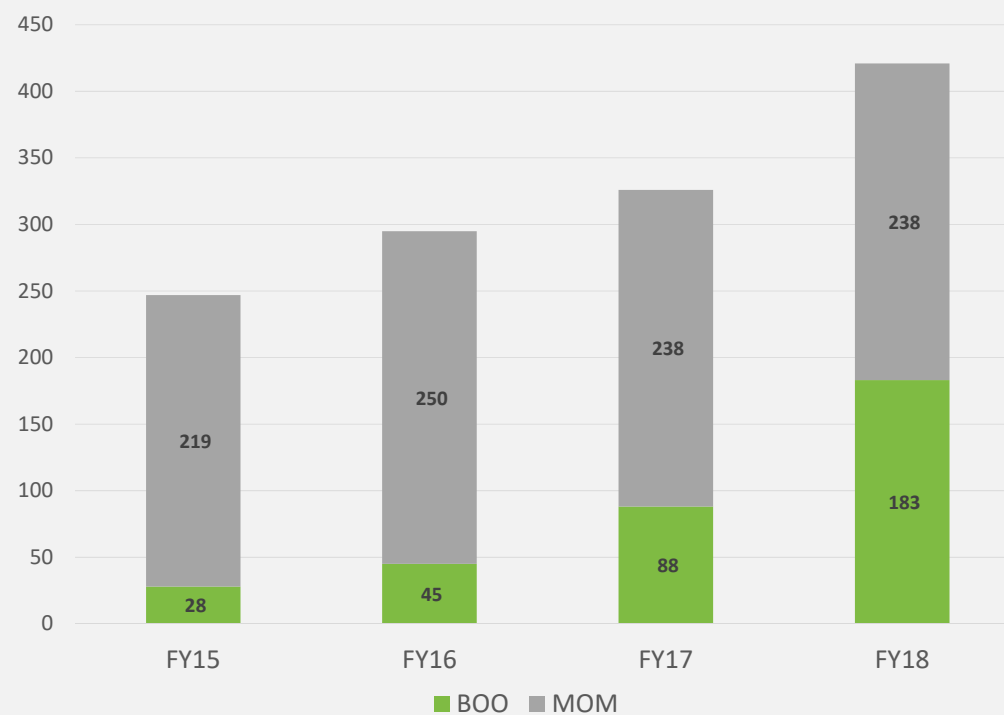


Build Own Operate contracts were expected to account for \$23m of total revenue in FY18, BOO exceeded expectations and delivered ~\$25m during this period

REVENUE BREAKDOWN (\$m)



MW BREAKDOWN



OUTLOOK FY19



FY18 demonstrated Zenith's ability to successfully deliver multiple power stations in a single period. FY19 will deliver full year benefit of the Mt Morgans and Dalgaranga power stations, with the company focussing on its BOO revenue stream, expected to be ~\$35-38m^{1,2,3,4}.

REVENUE



\$50m-\$55m

EBITDA



\$19m-\$21m

1. Inclusive of MOM revenue component for two hybrid projects, where it is not feasible to isolate BOO v MOM margins
2. Tanami expected to commence production of power under the PPA in Q3 FY19
3. Barrow Island will transition from a hybrid to a full BOO PPA at the end of construction in December 2019
4. BOO Revenues forecast to grow ~\$10 - \$13m over FY18

DELIVERING ON ROBUST PIPELINE OF OPPORTUNITIES



MT MORGANS POWER STATION



Continued delivery of innovative, reliable and cost effective solutions:

Daisy Milano Project: Five year extension and amendment to BOO PPA agreement to incorporate a further 3.3MW of installed capacity with Silver Lake Resources***

Jundee Project: Amendment to BOO PPA agreement to incorporate a further 6MW of installed capacity with Northern Star Resources***

Nova Project: Amendment to BOO PPA agreement to incorporate a Solar PV facility with Independence Group**

Barrow Island Project: Ten-year contract to supply electricity under an upgraded BOO PPA agreement with Chevron Australia*

Phosphate Hill Project: One-year extension of its MOM Power Purchase Agreement (PPA) with Incitec Pivot

Tanami Gold Project: Ten-year contract to supply electricity under a BOO PPA with Newmont Mining Services

Mt Morgans Project: Power station was commissioned on 28 March, 2018 under the Eight-year BOO PPA with Dacian Gold

Dalgaranga Project: Power station became operational on 17 May, 2018 under the Six-year BOO PPA with Gascoyne Resources

**Executed in August, 2018*

***Executed in September, 2018*

****Executed in November, 2018*

*****Executed in November, 2018*

ZENITH ENERGY | ASX: ZEN

EXCEEDED EXPECTATIONS



And materially expanded contracted position and growth pipeline

AT IPO

- Build Own Operate (BOO) capacity of **95MW**
- Pipeline of **124MW** of near term opportunities

TODAY

- Since listing, converted **95MW** of pipeline to contracted BOO capacity of ~of **183MW**
- Expanded pipeline to **400+MW** of near term opportunities

TOMORROW

Aim to convert significant % of the 400+MW pipeline to contracted capacity

- Expand pipeline of prospective remote power generation opportunities
- Continue to explore early opportunities in renewable power, smart-grid, storage and Micro-Grid

Converted 95MW of pipeline to contracted capacity

Aim to convert material portion of 400+MW pipeline to contracted capacity

CONTRACT TERMS

AVERAGE
PPA TERM

7.3 YRS

AVERAGE
STATION AGE

1.7 YRS

AVERAGE
REMAINING TERM

5.86 YRS

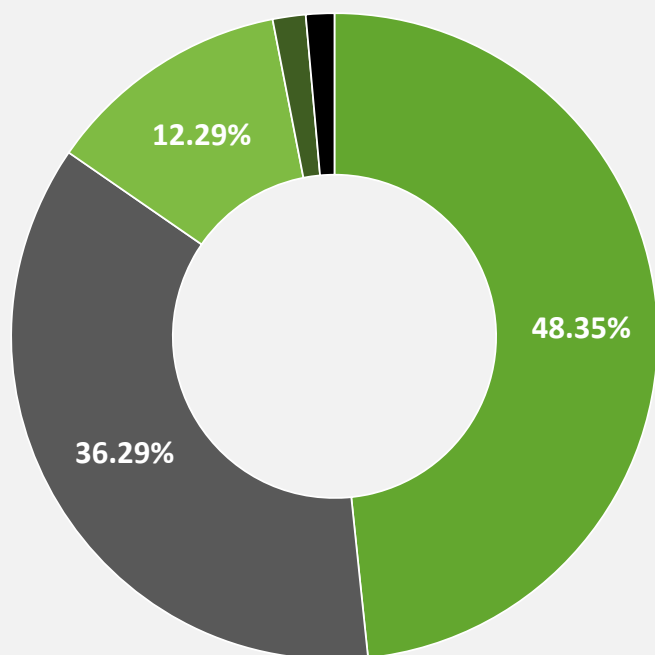


NOVA POWER STATION

FUEL TYPE

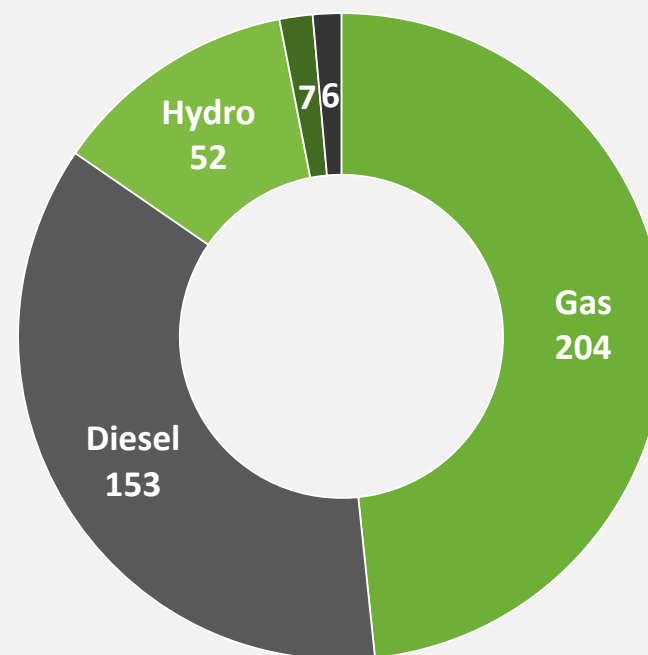


TOTAL CONTRACTED CAPACITY BREAKDOWN



■ Gas ■ Diesel ■ Hydro ■ Steam ■ Solar

FUEL TYPE MW BREAKDOWN



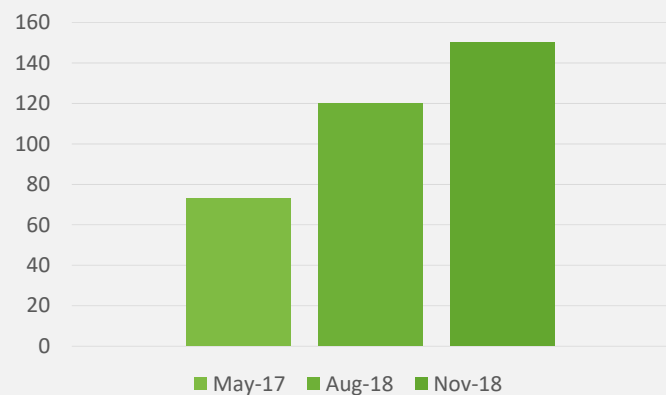
■ Gas ■ Diesel ■ Hydro ■ Steam ■ Solar

* Zenith has 26MW of dual fuel generating capacity, which are run using 99% gas

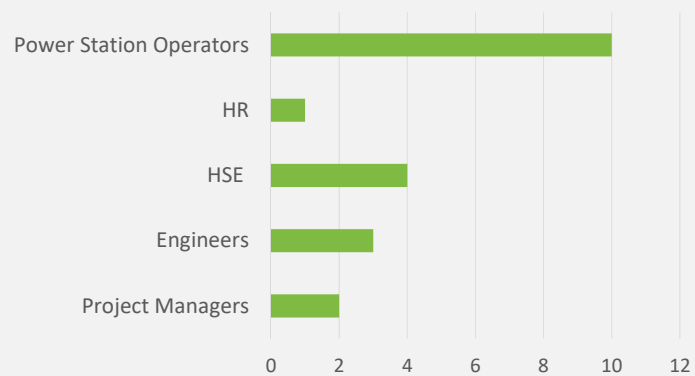
PEOPLE



EMPLOYEES



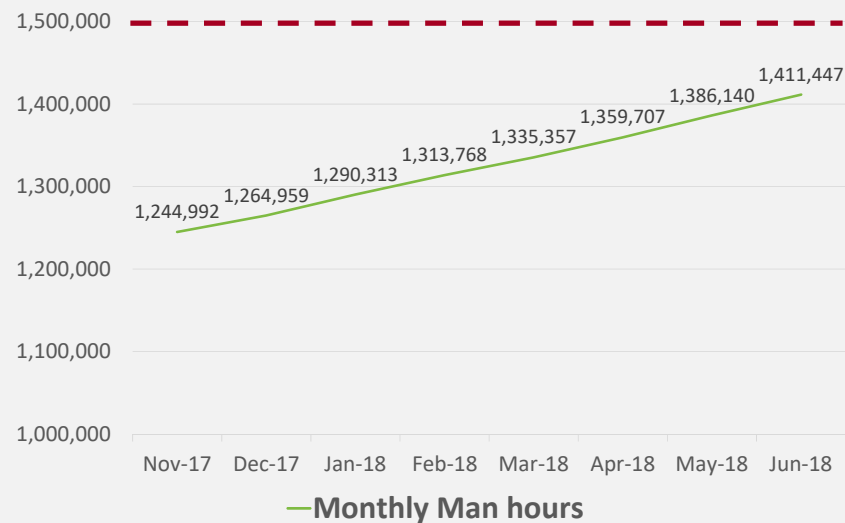
KEY ROLES ADDED FY18



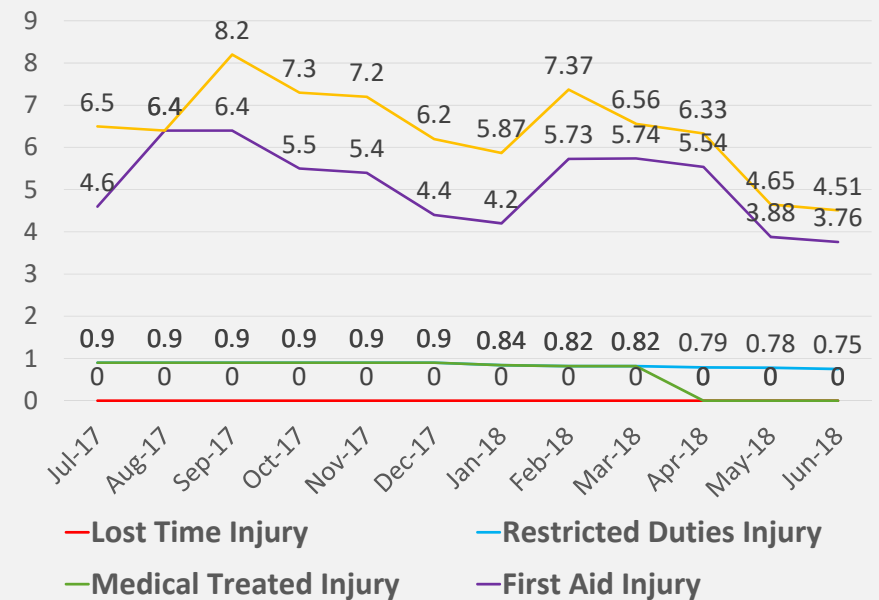
SAFETY



LTI MAN HOURS



INJURY FREQUENCY RATE



At 30 August 2018 Zenith achieved 1.5 million working hours LTI (lost-time due to injury) free, which equates to more than nine years without any significant or lost-time injury.



DEAD BULLOCK SOAK CONSTRUCTION



GRANITES CONSTRUCTION



WELL-POSITIONED FOR FURTHER GROWTH



DALGARANGA POWER STATION

**BUILDING A
STRONG TRACK
RECORD OF
DELIVERY**

**ROBUST
PIPELINE OF
OPPORTUNITIES**

**EXPERIENCED
AND CAPABLE
MANAGEMENT
TEAM**

**STRONG
BALANCE
SHEET**



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