

Zenith Scheme Update

Zenith Energy Limited (ASX: ZEN) ('Zenith' or 'the Company') refers to its announcement dated 6 March 2020 in relation to the agreed acquisition of the Company by Elemental Infrastructure BidCo Pty Ltd ('Elemental').

Scheme Consideration –Special Dividend

As contemplated in the Scheme Implementation Deed ('SID') Zenith is pleased to confirm that the Board has determined the Company has the capacity to pay a \$0.13 per share fully franked dividend ('Special Dividend'), as part of the Scheme Consideration of \$1.01 per Zenith share cash, conditional on the Scheme becoming effective.

The payment of the Special Dividend provides the opportunity for eligible shareholders, subject to their marginal tax rate, to receive an additional benefit of up to \$0.05 per share from franking credits attached to the Special Dividend. This benefit is in addition to the Scheme Consideration of \$1.01 per Zenith share cash and would imply a value for those eligible shareholders of up to \$1.06 per share.

The value attributed to the franking credits will differ for individual shareholders depending on their specific circumstances. Shareholders should seek independent tax advice regarding to their individual circumstances. Further details will be provided in the Scheme Booklet.

The Special Dividend is expected to be paid in July 2020, with an anticipated record date of 5:00pm (WST) on Thursday, 25 June 2020 ('Special Dividend Record Date').

Accordingly, if the Scheme becomes effective and the Special Dividend is formally declared, Zenith shareholders will receive Scheme Consideration of \$1.01 per Zenith share cash comprising:

- \$0.88 per share cash, payable by Elemental; and
- \$0.13 per share cash as a Special Dividend, payable by Zenith.

The payment and amount of the Special Dividend is at the discretion of the Zenith Board and will be funded via an unsecured loan from Elemental. To the extent Zenith does not pay a Special Dividend, or declares a Special Dividend of less than \$0.13 per share, the cash payment by Elemental will be adjusted, such that the Scheme Consideration received by Zenith shareholders will remain \$1.01 per Zenith share.

ATO Class Ruling

Zenith has applied to the Australian Tax Office ('ATO') requesting a class ruling in relation to the tax implications of the Special Dividend, including the ability of shareholders to receive the benefits of the franking credits attaching to the Special Dividend.

Subject to the receipt of a favourable class ruling from the ATO, and depending on their individual tax circumstances, Zenith Shareholders may receive additional value from any franking credits attaching to the Special Dividend, as described above.

Update on Indicative Timetable for Scheme

Event	Date
First Court Date The date on which the Court makes orders convening the Scheme Meetings	Tuesday, 5 May 2020
Despatch of Notice of Meeting and Scheme Booklet The date the Notice of Meeting and Scheme Booklet is despatched to Shareholders	Thursday, 14 May 2020
Scheme Meeting Record Date Time and date for determining eligibility to vote at Scheme Meetings	5:00pm on Wednesday, 10 June 2020
Scheme Meeting Date of Scheme Meetings	Friday, 12 June 2020
Second Court Date For approval of the Scheme	Thursday, 18 June 2020
Scheme Effective Date The date on which the Scheme becomes effective and is binding on Zenith shareholders. Last day of trading in Zenith shares – Zenith to be suspended from trading on ASX from close of trading.	Friday, 19 June 2020
Special Dividend Record Date The date on which shareholders on the register will be entitled to receive the Special Dividend.	Tuesday, 23 June 2020
Scheme Record Date The date on which shareholders on the register will be entitled to receive the Scheme Consideration.	Thursday, 25 June 2020
Implementation Date Date on which the Scheme Consideration will be sent to Scheme Shareholders.	Thursday, 2 July 2020

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The dates outlined above are indicative only and are subject to all necessary approvals from the Court and other regulatory authorities. Any changes to the above timetable will be announced to the ASX and be available under Zenith's profile at www.asx.com.au.

The Company will provide further updates to Shareholders and the market regarding the status of the Scheme, as appropriate.

ENDS

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