

Scheme Update

Zenith Energy Limited (ASX: ZEN) ('Zenith' or 'the Company') refers to the Scheme Implementation Deed dated 6 March 2020 ('SID') in relation to the agreed acquisition of the Company by Elemental Infrastructure BidCo Pty Ltd ('Elemental'), an entity owned by funds managed or advised by Pacific Equity Partners ('PEP Funds') ('the Zenith Scheme').

Following the announcement of the Zenith Scheme, the Company was notified that Apex Opportunities Fund Pty Limited ('Apex') had acquired a substantial interest in Zenith of 15.45% (refer to ASX announcement dated 8 April 2020), which was subsequently increased to 17.61% (refer to ASX announcement dated 24 April 2020). Zenith understands that Apex is controlled by Infrastructure Specialist Asset Management Ltd (as trustee of the Diversified Infrastructure Trust) ('ICG') and OPTrust Private Markets Group (an investment division of OPSEU Pension Plan Trust Fund) ('OPT') (together with APEX, each of 'ICG' and 'OPT' are 'Apex Consortium Members').

Consent to release confidential information

Elemental has advised that the size of Apex's interest in Zenith would, in Elemental's view, make the Zenith Scheme challenging to implement if Apex were to vote against the Zenith Scheme. As a result of this, Elemental has requested the Zenith Board to consent to Elemental releasing confidential Zenith information to the Apex Consortium Members for the purposes of exploring, on a preliminary basis, the possibility of the Apex Consortium Members entering into an agreement with the PEP Funds under which the Apex Consortium Members would take an equity position in the Elemental group holding structure ('Revised Proposal').

Elemental has indicated that as the Revised Proposal contemplates the Apex Consortium Members taking equity in the existing Elemental group structure, if the Apex Consortium Members and the PEP Funds were to reach agreement on a Revised Proposal, Elemental does not currently contemplate any material changes to the terms of the SID other than to the extent necessary to accommodate the revised equity structure of the Elemental group.

The Independent Board Committee ('IBC') established to consider the Zenith Scheme has considered Elemental's request and will consider any Revised Proposal.

The Board is not aware of any voting intention by Apex and is precluded by the terms of the SID from engaging with Apex in respect of any competing proposal (other than in limited circumstances set out in the SID) and the IBC considers this relevant in providing consent to Elemental to release confidential information to the Apex Consortium, and has determined to do so.

The IBC notes that there is no certainty that the investigations by the Apex Consortium will lead to any agreement with PEP Funds or to a Revised Proposal or a Revised Proposal that the IBC will recommend to Zenith Shareholders.



ASX RELEASE

6 May 2020

The Zenith Board is committed to acting in the best interests of, and maximising value for, Zenith shareholders.

Zenith Scheme

Elemental has confirmed to Zenith that the above arrangements do not constitute a breach or termination event by either Elemental or Zenith under the existing SID and that the Zenith Scheme remains in place while Elemental and the Apex Consortium Members evaluate the Revised Proposal.

The Company advises it has deferred the first court hearing for the Zenith Scheme which was due to take place during the week of 5 May 2020 and will not be rescheduled before the week commencing 18 May 2020. A further update on the Zenith Scheme timetable will be provided in due course.

ENDS

Issued by: Zenith Energy Limited ACN 615 682 203 www.zenithenergyltd.com

Authorised by: the Zenith Energy Board of Directors

For more information, please contact:

Investor relations

Hamish Moffat
Managing Director
+61 8 9416 2000

Media

Citadel-MAGNUS
John Gardner / Russell Quinn
+61 409 296 511 / +61 403 322 097
jgardner@citadelmagnus.com / rquinn@citadelmagnus.com

ZENITH ENERGY LIMITED

PERTH | 24 Brennan Way, Belmont, WA, 6104 | **P** +61 (0) 8 9416 2000 | **F** +61 (0) 8 9477 1833
E info@zenithenergyltd.com | **W** www.zenithenergyltd.com | **ACN** 615 682 203

