



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

NZX / ASX / MEDIA RELEASE

12 May 2020

Z Energy Limited announces successful completion of NZ\$290 million Placement

Z Energy Limited (NZX/ASX:ZEL) (“**Z Energy**” or the “**Company**”) is pleased to announce that it has successfully completed the NZ\$290 million fully underwritten Placement of new shares, announced on 11 May 2020 (“**Placement**”). The Placement had been fully underwritten at \$2.75 per share and shares were allocated to existing shareholders and new investors at a price of NZ\$2.90 per share, resulting in the issuance of 100 million new fully paid ordinary shares (“**New Shares**”). The Placement issue price represents a discount of 7.6% to the last close price of NZ\$3.14 on 8 May 2020 and a discount of 7.3% to the 5-day VWAP of NZ\$3.13.

The Placement was conducted on an open access basis and existing shareholders that participated were given priority to obtain a pro rata allocation. Over 95% of the New Shares issued under the Placement were allocated to existing shareholders, with the remaining New Shares issued allocated to new investors, in accordance with Z Energy’s allocation policy. In total, the New Shares comprise 25% of Z Energy’s shares prior to the completion of the Placement. This means that Z Energy did not rely on the waiver from Listing Rule 4.5.1 granted by NZX Regulation on 11 May 2020.

Mike Bennetts, Z Energy Chief Executive Officer, said: “We are delighted with the strong support for the Placement from Z Energy’s existing shareholders and a small number of new shareholders in both local and offshore markets, attracting bids well in excess of the NZ\$290 million total offer amount.”

The proceeds of the Placement will be used to:

- pay down the existing bank term debt Facility A;
- enhance Z’s balance sheet, liquidity and provide financial flexibility, and may be netted off against Total Debt under debt facilities, to the extent Z Energy elects (and if netted off, must be used to pay down core debt);
- otherwise support the resilience of Z’s business to potential market conditions for the foreseeable future.

Z Energy Chair Abby Foote said, “We are very pleased with the level of support shown for the placement, especially from our existing shareholders. The equity raise will help Z navigate the current Covid-19 operating environment and position the company well for the future.”

Settlement of the Placement is expected to occur on 14 May 2020 on the ASX and 15 May 2020 on the NZX. New Shares are expected to be allotted and commence trading on the NZX and ASX on a normal settlement basis on 15 May 2020. The New Shares will rank equally in all respects with Z Energy's existing ordinary shares.

Share Purchase Plan

Z Energy will also offer eligible shareholders, being shareholders with a registered address in Australia or New Zealand on Z Energy's register as at 7.00pm (New Zealand time) / 5.00pm (AEST) on 8 May 2020 the opportunity to apply for up to NZ\$50,000/~AU\$47,000 (per shareholder) of new ordinary shares in Z Energy without incurring brokerage or transaction costs in accordance with a Share Purchase Plan ("**SPP**").

Shares issued under the SPP will rank equally with existing Z Energy shares from the date of issue. Z Energy may decide to accept applications (in whole or in part) that result in the SPP raising more or less than NZ\$60 million in its absolute discretion. Full details of the SPP will be set out in the SPP offer booklet, which is expected to be released to NZX and ASX and dispatched to eligible shareholders on 15 May 2020.

Key dates for the SPP

Event	Date
Record date	8 May 2020
Offer opens and offer booklet is dispatched	15 May 2020
Offer closes	29 May 2020
Announcement of the results of the SPP	1 June 2020
ASX settlement	4 June 2020
NZX and ASX allotment date	5 June 2020
NZX settlement and trading of new shares	5 June 2020
ASX trading of new shares	8 June 2020

Additional information

Further details about the Placement and the SPP are set out in the Investor Presentation released to the NZX and ASX on 11 May 2020.

For further information regarding this announcement, please contact:

Matt Hardwick, Corporate Affairs Manager
Mobile: +64 (0)27 787 4688

This announcement is authorised by the Board of Directors.

IMPORTANT INFORMATION

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

The distribution of this announcement in jurisdictions outside New Zealand and Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The new shares to be offered and sold in the Placement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The new shares to be offered and sold in the SPP may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States.