



21 May 2020

NAME
ADDRESS

Z – Amendments to Master Trust Deed

Dear investor

Firstly, thank you for your support as an investor in Z Energy Limited (**Z**).

We are writing to let you know that Z has amended its Master Trust Deed dated 11 August 2010 (as amended and/or restated from time to time including as amended and restated by deed dated 23 May 2019) (**Master Trust Deed**) under which Z issues debt securities from time to time.

Z currently has three series of fixed rate bonds issued under the Master Trust Deed (and supplemental trust deeds), quoted on the NZX Debt Market with NZX ticker codes ZEL040, ZEL050 and ZEL060. Our records show that you are a holder under one or more of these series. Trustees Executors Limited (**Supervisor**) acts as supervisor and trustee for the holders of these bonds.

The amendments to the Master Trust Deed have been made as part of various amendments Z has made to its debt facilities, including its bank facilities, due to the impact of Covid-19 on Z's business.

As you may be aware, Z has successfully completed a NZ\$290 million equity raising exercise and is targeting a further NZ\$60 million with a non underwritten share purchase plan. Z's intention is to deliver a robust capital structure that allows it to navigate the current market conditions while favourably positioning the business to take advantage of opportunities as the New Zealand economy begins to recover from the effects of Covid-19.

The amendments to the Master Trust Deed relate to this equity raising.

While Z will soon use some of the equity raising proceeds to repay NZ\$180 million of bank debt, Z will also have additional equity proceeds available. The Master Trust Deed amendments allow Z to designate a proportion of those excess equity proceeds to be deducted from "total debt" for the purposes of calculating its "Debt Coverage Ratio" for the next three calculation dates (September 2020, March 2021 and September 2021).

Any amounts that Z designates in this way must remain in an account with one of Z's lenders, and must only be used to repay pre-existing core debt. Z must give the Supervisor at least two business days' notice before withdrawing such amounts, including a description of the particular debt to be repaid. Z intends to apply any such designated amounts to repay its NZ\$150 million domestic bonds (ZEL040), when they become due in November 2021.

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You can obtain a copy of the Master Trust Deed (as amended), free of charge, at <https://companies-register.companiesoffice.govt.nz/>, on Z's investor centre or by contacting Link Market Services on 09 375 5998 or operations@linkmarketservices.co.nz

Again, thank you for your support. It's something we really appreciate and certainly never take for granted.

Matt Hardwick
Investor Relations Manager
Z Energy Limited