

ZENITH SCHEME UPDATE

Key points

- Early stage submissions of proxy votes in relation to the Scheme indicate a risk the relevant Scheme Resolution may not be passed.
- The overwhelmingly majority of shareholders (by number) have voted in favour of the Scheme, but a substantial shareholder has voted against it.
- Zenith's Independent Board Committee continues to unanimously recommend that Zenith Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Zenith Shareholders ('Standard Qualifications').
- The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Zenith shareholders, in the absence of a superior proposal. The Total Scheme Consideration of \$1.01 is that the top end of the \$0.89 to \$1.02 range determined by the Independent Expert.
- Zenith Shareholders are entitled to change their proxies up until 10am on Wednesday 29 July 2020.

Zenith Energy Limited (ASX: ZEN) ('Zenith' or 'the Company') announces an important update to shareholders regarding early stages of the submission of proxy votes for the proposed scheme of arrangement ('Scheme') in relation to the proposed acquisition of Zenith by Elemental Infrastructure BidCo Pty Ltd ('Elemental'). Terms not otherwise defined have the meaning given in the Scheme Booklet released to the ASX on 25 June 2020 in connection with the Scheme.

Scheme Meeting Update

For the Scheme to proceed, Zenith Shareholders must vote in favour of the Scheme by the following requisite majorities:

- a) a majority in number (more than 50%) of Zenith Shareholders present and voting at the relevant Scheme Meeting (whether electronically or by appointing a proxy, corporate representative or attorney to attend and vote at the relevant Scheme Meeting electronically) (unless the Court orders otherwise); and
- b) at least 75% of the total number of votes cast on the Scheme Resolution by Zenith Shareholders present and voting at the relevant Scheme Meeting (whether electronically or by appointing a proxy, corporate representative or attorney to attend and vote at the relevant Scheme Meeting electronically on your behalf).

To date the proxies indicate overwhelming support for the Zenith Scheme from Zenith Shareholders by number. However, the Company notes that a substantial shareholder, together with a small number of minor shareholders, have lodged proxies representing approximately 19.59 million Zenith

ASX RELEASE

13 July 2020

shares (or 22.25% of eligible votes on the General Scheme Resolution) against the resolution to approve the Zenith Scheme. As a consequence, there is a risk the relevant Scheme Resolution may not be passed by the requisite majorities and the Zenith Scheme may not be implemented.

The Company notes that Zenith Shareholders are required to lodge their proxies and are entitled to change their proxies up until 10am on Wednesday 29 July 2020.

Zenith has advised Elemental of these early voting intentions.

Recommendation of the Independent Board Committee (IBC)

The IBC continues to unanimously recommend that Zenith Shareholders vote in favour of the Scheme subject to the Standard Qualifications. The IBC reiterates its view that the Zenith Scheme provides certainty of outcome and value for all of the non-Rollover shareholders, with the Total Scheme Consideration of \$1.01 being at the top end of the \$0.89 to \$1.02 range determined by the Independent Expert. The IBC has commissioned Orient Capital to engage with shareholders to ensure that all shareholders are fully informed of the advantages and disadvantages of the Scheme as set out in the Scheme Booklet.

For further information in relation to the Zenith Scheme, Zenith Shareholders should consult the Scheme Booklet (<https://www.zenithenergyltd.com/investor-centre/scheme-of-arrangement>).

Zenith Shareholders should read the Scheme Booklet in its entirety, and consider its contents carefully, before deciding whether or not to vote in favour of the relevant Scheme Resolution to approve the Scheme. If shareholders are in any doubt about what they should do, they should consult with a financial, legal, taxation or other professional adviser.

If shareholders have any questions in relation to this Scheme Booklet or the Zenith Scheme, please contact the Zenith Shareholder Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (outside Australia), Monday to Friday between 6.30am and 5.30pm (Perth time).

ENDS

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