



ASX Announcement

3 May 2019

Successful \$25m Placement

Leading Australian specialist independent power producer Zenith Energy Limited (ASX: ZEN) (“Zenith” or the “Company”) is pleased to announce that it has received binding commitments for a \$25 million placement to institutional and professional investors (“Placement”). The Company will also be inviting its existing shareholders to participate in a share purchase plan (“SPP”) to raise up to an additional \$5 million. The Placement and SPP together are referred to as the Capital Raising.

Under the Placement, which attracted strong interest in excess of the Shares available to allocate, the Company will issue a total of 43,103,448 new fully paid ordinary shares (“Shares”) at \$0.58 per Share. The Placement will be completed in two tranches. The first tranche of the Placement representing a total of 14,700,000 Shares will be completed, and the shares issued on or around Friday, 10 May 2019 utilising the Company’s existing placement capacity under ASX Listing Rule 7.1.

The second tranche of the Placement, which is subject to shareholder approval, comprises 28,403,448 Shares, including 3,123,155 shares to be subscribed for by directors of the Company. The directors’ subscriptions will be funded 50% in cash, and 50% via a Company loan, in relation to which interest and principal repayments will apply. The Company will seek the necessary shareholder and regulatory approvals for tranche two Placement Shares and Shares to be subscribed for by Directors of the Company at a general meeting of shareholders to be held before the end of June 2019.

All of the Shares issued will be on the same terms as, and rank equally in all respects with, the existing fully paid ordinary shares in the Company.

Share Purchase Plan

The Company will also offer its shareholders with registered addresses in Australia and New Zealand the opportunity to participate in the Capital Raising via a SPP at the Placement price of \$0.58 per share for up to \$15,000 per shareholder. The SPP will be restricted to a maximum amount of \$5 million.

The record date for participation in the SPP is 2 May 2019. Full details of the SPP and timetable will be set out in the SPP offer document to be forwarded to shareholders in mid-May.

ZENITH ENERGY LIMITED

PERTH | 24 Brennan Way, Belmont, WA, 6104 | **P** +61 (0) 8 9416 2000 | **F** +61 (0) 8 9477 1833

CAIRNS | 80 Fearnley Street, Cairns, QLD, 4870 | **P** + 61 (0) 7 4051 9533 | **F** +61 (0) 7 4051 9599

E info@zenithenergy.com | **W** www.zenithenergy.com | **ACN** 615 682 203



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Use of Funds

Funds raised from the Capital Raising will be applied to strengthening the balance sheet for ongoing construction of power generation infrastructure projects, headroom to convert future customer opportunities, general working capital and corporate purposes.

Doug Walker, Zenith Executive Chairman, said, *“We are delighted with the buoyant response from investors – this capital raise shows a strong endorsement of the Company’s performance and intended growth strategy. We are very pleased to welcome new institutional and retail investors to our register, and greatly appreciate the continued support of our existing investors.”*

Lead Manager

Euroz Securities Limited acted as Lead Manager and Bookrunner to the Placement.

ENDS

Hamish Moffat
Managing Director
+61 8 9416 2000
24 Brennan Way
Belmont, WA, 6104

Media:
Citadel-MAGNUS
John Gardner
+61 413 355 997

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