

13 June 2017

Pan Pacific Petroleum NL and Zeta Resources Limited enter into Scheme Implementation Agreement

- Pan Pacific Petroleum NL (**ASX:PPP / Company or PPP**) is pleased to announce that the Company and Zeta Resources Limited (**ASX:ZER / Zeta**), have entered into a Scheme Implementation Agreement under which Zeta (or its nominee) will acquire all of the issue share capital in the Company that it does not already own by way of a recommended court approved scheme of arrangement (**Scheme**)
- Under the Scheme, PPP shareholders can elect to receive either \$0.038 cash per PPP share (**Cash Consideration**) or one Zeta share for every 10 PPP shares (**Share Consideration**). This values PPP at approximately \$22.1 million
- The Cash Consideration of \$0.038 represents:
 - a 41% premium to the last closing share price of PPP; and
 - a 38% premium to the 30 day volume weighted average price (**VWAP**) of PPP shares
- The Share Consideration represents¹:
 - a 42% premium to the last closing share price of PPP; and
 - a 38% premium to the 30 day VWAP of PPP shares
- The Cash Consideration provides an opportunity for PPP shareholders to realise immediate value for their PPP shares whilst the Share Consideration allows PPP shareholders to become shareholders in Zeta
- Zeta is an active, resources focused holding and development company. Zeta invests in a range of resources entities, including those focused on oil and gas and base metals exploration and production
- Subject to an independent expert determining that the Scheme is in the best interests of PPP shareholders, each independent director of PPP has agreed to recommend Zeta's offer, in the absence of a superior proposal

Pan Pacific Petroleum NL (**ASX:PPP / Company or PPP**) is pleased to announce that the Company and Zeta Resources Limited (**ASX:ZER / Zeta**), have entered into a Scheme Implementation Agreement under which Zeta (or its nominee) will acquire all of the issue share capital in the Company that it does not already own by way of a recommended court approved scheme of arrangement under the Corporations Act (**Scheme**).

If the Scheme is implemented, PPP shareholders will be entitled to receive, at their election, either \$0.038 cash per PPP share (**Cash Consideration**) or one Zeta share for every 10 PPP shares (**Share Consideration**). This values PPP at approximately \$22.1 million.

The Cash Consideration of \$0.038 represents a 41% premium to the last closing share price of PPP and a 38% premium to the 30 day VWAP of PPP shares. The Share Consideration of one Zeta share for every 10 PPP shares represents a 42% premium to the last closing share price of PPP and a 38% premium to the 30 day VWAP of PPP shares.²

¹ On the basis of a Zeta share price of \$0.382, being the 30 day VWAP of Zeta

² On the basis of a Zeta share price of \$0.382, being the 30 day VWAP of Zeta



The Cash Consideration provides an opportunity for PPP shareholders to realise immediate value for their PPP shares whilst the Share Consideration allows PPP shareholders to become shareholders in Zeta.

Zeta is an ASX listed resources focused holding and development company. Zeta invests in a range of resources entities, including those focused on oil and gas and base metals exploration and production.

Zeta already has a relevant interest in approximately 50.91% of PPP shares.

PPP director, Patrick Burke said "This is a compelling proposal and provides PPP shareholders with the opportunity to realise a significant premium, either by cash or Zeta scrip".

The Independent PPP Directors Unanimously Recommend the Scheme

The independent directors of PPP, being Mr Patrick Burke and Mr Grant Worner, unanimously recommend that PPP shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding that the Scheme is in the best interests of PPP shareholders.

Mr Peter Sullivan is a director of PPP and Zeta and therefore considers it inappropriate to make a recommendation to PPP shareholders.

Details of the Scheme

PPP and Zeta have entered into a Scheme Implementation Agreement (**SIA**) under which PPP has agreed to propose the Scheme between PPP and its shareholders for the acquisition of all PPP shares by Zeta (or its nominee) for \$0.038 cash per PPP share or one Zeta share for every 10 PPP shares (at the election of a PPP shareholder). PPP shareholders who do not make an election will receive the Share Consideration.

PPP shareholders holding unmarketable parcels and Ineligible foreign PPP shareholders will not be entitled to elect the form of consideration they receive. PPP shareholders holding unmarketable parcels will receive the Cash Consideration. Zeta will issue the Share Consideration to which ineligible foreign PPP shareholder would have otherwise been entitled to receive to a sale agent, who will then sell those Zeta shares and remit proceeds (if any) to those ineligible foreign shareholders.

The Scheme is subject to a number of conditions including PPP shareholder and Federal Court of Australia approval, any required regulatory approvals and no material adverse change or prescribed occurrences occurring in respect of PPP. The Scheme is not conditional on due diligence or finance. Zeta will fund the Cash Consideration using existing cash reserves and entitlements to cash pursuant to funding arrangements entered into with UIL Limited, a member of the Zeta group, and Zeta does not require Zeta shareholder approval to issue the Share Consideration.

The SIA contains a customary notification obligation and a matching right but does not restrict PPP from pursuing new oil and gas opportunities or opportunities in other sectors. PPP intends to continue to actively review new opportunities to deliver value to PPP shareholders and should a suitable opportunity be found that is superior to the Scheme, the Scheme will not proceed.

The SIA also details the circumstances under which a \$200,000 break fee may be payable by PPP to Zeta or vice versa. A copy of the SIA will be released separately to ASX today.

Indicative Timetable and Next Steps*

PPP shareholders do not need to take any action at the present time.

Set out below is an indicative timetable for the Scheme:

Event	Expected Date
Lodge Scheme Booklet and Independent Expert's Report with ASIC for review	Early August 2017
First Court hearing date	Early September 2017
Despatch of Scheme Booklet	Early September 2017
Scheme Meeting held	Early October 2017
Second Court hearing date	Mid October 2017
Lodge court order with ASIC (Effective Date)	Mid October 2017
Record date	Late October 2017
Implementation date	Late October 2017

** The above dates are indicative only and are subject to change.*

Contact Information:

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