

24 October 2017

Zeta Resources Limited

Pan Pacific Petroleum NL Scheme of Arrangement Preliminary Appendix 3B

Zeta Resources Limited (ASX:ZER, “**Zeta**”) notes that, subject to the scheme of arrangement (**Scheme**) between Pan Pacific Petroleum ML (ASX:PPP, “**PPP**”) and its shareholders (**PPP Shareholders**) becoming effective, Zeta will be required to issue new fully paid ordinary shares (**New Zeta Shares**) to PPP Shareholders as part of the consideration for the transfer of their shares in PPP to Zeta in accordance with the terms of the Scheme.

Attached for release to the market is a preliminary Appendix 3B setting out the approximate number of New Zeta Shares to be issued in accordance with the Scheme on the implementation date, which is currently expects to be 7 November 2017 (**Implementation Date**). The exact number of New Zeta Shares to be issued is subject to the composition of the PPP register of members as at the Scheme record date (expected to be 31 October 2017), including the number of ‘Small Parcel Holders’ (as defined in the Scheme), the number of PPP Shareholders that elect to receive the cash consideration in accordance with the terms of the Scheme and consequential rounding in accordance with the terms of the Scheme. Subject to the Scheme becoming effective, Zeta will lodge a final Appendix 3B in respect of the New Zeta Shares on the Implementation Date reflecting the exact number of New Zeta Shares to be issued in respect of the Scheme.

Zeta requests that ASX provide its preliminary approval for the quotation of the New Zeta Shares (i) on a deferred settlement basis on and from the business day after the Scheme becomes effective (which is expected to occur today, 24 October 2017), and (ii) on an ordinary settlement basis on and from the business day after the Implementation Date, subject in each case to the Scheme becoming effective and Zeta confirming the final number of shares comprising the New Zeta Shares on the Implementation Date.

Zeta Resources Limited

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About Zeta

Zeta is an exempted closed end investment company, whose ordinary shares are listed on the Australian Stock Exchange ("ASX"). The business of Zeta consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of generating a return for shareholders with an acceptable level of risk. Zeta has borrowings, the proceeds from which can also be invested with the aim of enhancing returns to shareholders.

Zeta has contracted with an external investment manager, ICM Limited ("Investment Manager"), to manage its investments and for the company secretarial function. Zeta's general administration is undertaken by ICM Corporate Services (Pty) Ltd. Zeta has a board of non-executive directors who oversee and monitor the activities of the Investment Manager and the other service providers and ensure that the investment policy is adhered to.

The Zeta webpage is available at: <http://zetaresources.limited/>

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Zeta Resources Limited (**Zeta**)

ARBN

162 902 481

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | *Class of *securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued | Approximately 28,148,213 New Shares to be issued under the scheme of arrangement (Scheme) between Pan Pacific Petroleum ACN 000 749 799 (PPP) and the holders of shares in PPP (PPP Shareholders) subject to the Scheme being approved by PPP Shareholders and the Federal Court of Australia and otherwise becoming effective. |
| 3 | Principal terms of the *securities (e.g. if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion) | The New Shares will be fully paid ordinary shares ranking equally with all existing fully paid ordinary shares in Zeta. |

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>Transfer of shares in PPP</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Subject to the approval of the PPP Shareholders and the Federal Court of Australia, and the Scheme becoming effective, the New Shares will be issued as part of the consideration payable to the PPP Shareholders under the Scheme. On the Implementation Date on the Scheme, which is expected to be 7 November 2017, each Scheme Shareholder (or in the case of Ineligible Foreign Shareholders, the Sale Facility Agent) will be issued 1 New Share for every 10 PPP shares held by them as at the scheme record date, subject to rounding in accordance with the Scheme.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>NA</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>NA</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>NA</p>

+ See chapter 19 for defined terms.

6d	Number of *securities issued with security holder approval under rule 7.1A	NA
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NA
6f	Number of *securities issued under an exception in rule 7.2	NA
6g	If *securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the *issue date and both values. Include the source of the VWAP calculation.	NA
6h	If *securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	NA
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	NA
7	<p>*Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Subject to the approval of the PPP Shareholders and the Federal Court of Australia, and the Scheme becoming effective, the New Shares will be issued on the Implementation Date, which is expected to be 7 November 2017.</p>

Appendix 3B
New issue announcement

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	After the issue of the New Shares there will be a total of approximately 128,148,213 fully paid ordinary shares on issue in Zeta	Fully paid ordinary shares
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9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		86,461,440	unlisted Options exercisable at A\$0.001 on or before 7 December 2019

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NA
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Part 2 - Pro rata issue

11	Is security holder approval required?	NA
12	Is the issue renounceable or non-renounceable?	NA
13	Ratio in which the +securities will be offered	NA
14	+Class of +securities to which the offer relates	NA
15	+Record date to determine entitlements	NA
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA
17	Policy for deciding entitlements in relation to fractions	NA

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	NA
19	Closing date for receipt of acceptances or renunciations	NA
20	Names of any underwriters	NA
21	Amount of any underwriting fee or commission	NA
22	Names of any brokers to the issue	NA
23	Fee or commission payable to the broker to the issue	NA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	NA
25	If the issue is contingent on security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do security holders sell their entitlements <i>in full</i> through a broker?	NA

- | | | |
|----|---|----|
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | NA |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | NA |
| 33 | *Issue date | NA |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of *securities
(tick one)
- (a) ☒ *Securities described in Part 1
- (b) ☐ All other *securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders
- 36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional *securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)


38	Number of *securities for which *quotation is sought					
39	*Class of *securities for which quotation is sought					
40	<p>Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?</p> <p>If the additional *securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another *security, clearly identify that other *security)</p>					
42	Number and *class of all *securities quoted on ASX (<i>including</i> the *securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>*Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	*Class		
Number	*Class					

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 24 October 2017

Print name:Dugald Morrison (ICM Limited).....

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+ See chapter 19 for defined terms.