

1 October 2015

Zeta Resources Limited
("Zeta Resources" or the "Company")

Issue of New Convertible Shares

The board of Zeta Resources today resolved to seek approval from the Company's shareholders for the creation and issuance of a new class of convertible shares at the forthcoming AGM in November. The convertible shares will be issued to repay part of the debt owed by the Company to its parent company Utilico Investments Limited ("Utilico").

The number of convertible shares proposed to be issued is 93,230,720 at an issue price of A\$0.2817 per convertible share. The issue will reduce the debt owed by the Company to Utilico by A\$26.26 million. The convertible shares will be non-voting and will be unredeemable but convertible at the option of the holder on a 1:1 basis into ordinary shares. In the event of a reduction of capital or winding up, convertible shareholders shall not be entitled to any rights other than those applicable to the holders of ordinary shares on a pro rata basis.

The full terms and conditions of the new convertible shares will be included in the Notice of Meeting for the forthcoming AGM.

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