

12 November 2015

Update on Investment and Funding Agreement with Oilex

Zeta Resources Limited (“Zeta” or the “Company”)(ASX:ZER) is a 10.3% shareholder in Oilex Limited (“Oilex”)(ASX:OEX) and provides the following update on its investment and funding agreements.

Today, Zeta commenced proceedings in the Federal Court of Australia seeking orders that:

- the funding agreements entered into with Oilex are void or that the Court should order that Zeta is not obliged to pay under the funding agreements;
- Oilex pay damages or compensation including interest and costs.

In the Federal Court proceeding, Zeta claims that Oilex engaged in misleading or deceptive conduct or conduct likely to be misleading or deceptive and contravened its continuous disclosure obligations under the ASX listing rules and the *Corporations Act 2001*.

In short, Zeta claims that Oilex failed to disclose to the market and to Zeta the fact that its Indian joint venture partner (Gujarat State Petroleum Corporation Limited (“GSPC”)) in the joint venture relating to one of Oilex’s principal undertakings, the Cambay Field Project, had for some time been in default in paying cash calls due under the joint venture agreement.

Leading up to Oilex’s capital raising, Oilex had instead previously (and on a number of occasions) announced to the market that GSPC was a strong and supportive joint venture partner. In the Federal Court proceeding, Zeta claims that, in circumstances where Oilex was seeking to raise A\$30 million to fund the 2015/16 work program for the Cambay Field Project in India, it should have disclosed the true position as to its dealings with GSPC. GSPC holds a 55% joint venture interest in the Cambay Field Project.

Had Zeta known of the true position at the time of its decisions to invest were made, it would have had a different view as to the prospects of Oilex and it would not have made its investments in Oilex. Zeta was not informed of the true position relating to GSPC at any time before it entered into the funding agreements.

Zeta has paid more than A\$4.5 million to Oilex since July under the funding agreements.

The Company will continue to keep shareholders updated.

Background

On 7 July 2015, Oilex announced a placement and rights issue to raise A\$30.0 million to fund the 2015/16 work program for the Cambay Field Project in India.

This work program included a firm two well drilling campaign and five firm workovers to enhance gas production from the Cambay Field.

Oilex's funding agreement included a fully underwritten A\$7.0 million rights issue, a first tranche placement to raise A\$1.8 million and a second tranche placement to raise A\$21.2 million, subject to shareholder approval.

As part of the second tranche placement, Zeta had agreed to subscribe for 225,490,196 ordinary Oilex shares at a price of A\$0.0418 per share to raise approximately \$9.5 million. The settlement of the shares was deferred for up to a maximum of five months in order for Oilex to obtain shareholder approval to place the shares.

On 3 August 2015, following a significant shortfall in the Oilex rights issue, Zeta and Oilex reached a revised agreement. Under this revised agreement, Zeta subscribed for 62,011,067 shares from the rights issue shortfall at a price of A\$0.041 per share for total consideration of A\$2.55 million.

Zeta also agreed to subscribe for 50 million Oilex shares priced at A\$0.041 per share following Oilex shareholder approval which was received at a general meeting on 12 August 2015.

A further 124,019,608 shares were to be issued to Zeta at a price of A\$0.0418 per share, to be settled no later than 12 November 2015. Upon settlement, a further A\$4,243,500 of 20 year, zero coupon unsecured convertible notes in Oilex were to be issued to Zeta instead of the balance of shares which had originally been envisaged to be issues to Zeta.

Full details of the funding agreements can be found in Oilex's ASX announcements dated 7 July 2015 and 3 August 2015.

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