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Our Ref:

DMC:AGG:150216

Your Ref:

25 May 2015

ASX Market Announcements
FACSIMILE: 1300 135 638

(No. of pages including this page 5)

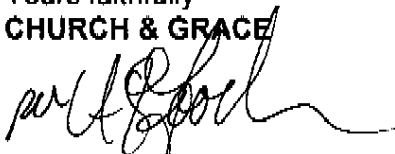
Dear Sirs

**On-Market Takeover Bid for Pan Pacific Petroleum NL
First Supplementary Bidder's Statement**

We act for Zeta Energy Pte Limited, the bidder under an on-market takeover bid for Pan Pacific Petroleum NL (ACN 000 749 799) (ASX: PPP), a company listed on ASX and NZX. The bidder is a wholly-owned subsidiary of Zeta Resources Limited (ARBN 162 902 481) (ASX: ZER).

We attach First Supplementary Bidder's Statement for immediate release.

Yours faithfully

CHURCH & GRACE**David Crompton**Email: dcrompton@churchgrace.com.au

attach

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FIRST SUPPLEMENTARY BIDDER'S STATEMENT

25 MAY 2015

IN RESPECT OF THE ON-MARKET CASH OFFER BY

ZETA ENERGY PTE LIMITED

(a wholly owned subsidiary of ZETA RESOURCES LIMITED

ARBN 162 902 481 (ASX: ZER))

TO ACQUIRE ALL THE ORDINARY SHARES IN

PAN PACIFIC PETROLEUM NL

ACN 000 749 799

FOR 5 CENTS CASH PER SHARE

Nature of this Document

This is the first supplementary bidder's statement dated 25 May 2015 ("*First Supplement*") issued by Zeta Energy Pte Limited ("*Zeta Energy*") under section 643 of the *Corporations Act 2001* (Cth) in relation to its on-market offer for all the ordinary shares it does not currently hold in Pan Pacific Petroleum NL ("*Pan Pacific*"). This First Supplement supplements, and is to be read together with, the Bidder's Statement dated 10 April 2015 ("*Bidder's Statement*").

A copy of this First Supplement was lodged with ASIC and sent to the ASX on 25 May 2015. Neither ASIC nor ASX, nor any of the officers of either of them, take any responsibility for the content of this First Supplement. You should read this First Supplement and seek independent advice if you have any queries in respect of the Offer.

Supplementary Information

The following supplementary information is added to the Bidder's Statement.

Pan Pacific has issued a Supplementary Target's Statement¹ dated 20 May 2015 which attaches a copy of the Pan Pacific's Media Release² dated 20 May 2015. That Media Release refers to an announcement of a resolution of Pan Pacific's board of directors that Pan Pacific will seek offers for the purchase of all of its assets. That Media Release:

- advises that "[Pan Pacific] will seek offers for its assets that are within or greater than the respective asset value ranges³" in the Independent Expert's Report⁴ ("RSM Opinion") contained in Pan Pacific's Target's Statement⁵; and
- makes statements based on "the assumption⁶ that [Pan Pacific] will achieve sales of all of [Pan Pacific]'s assets" within those asset ranges.

Zeta Energy responds:

1. Zeta Energy's offer expires at 4pm (AEST) this Wednesday, 27 May 2015.
2. What the market price for Pan Pacific Shares will be after the close of Zeta Energy's offer is unknown. The share price may return to its levels of immediately before Zeta Energy's offer was announced, which are below the amount of Zeta Energy's offer. The RSM Opinion:
 - notes⁷ that the valuation of Pan Pacific Shares "exceeds the price at which, based on current market conditions, RSMBCC⁸ would expect Pan Pacific [S]hares to trade on the ASX in the absence of a takeover offer"; and
 - states⁹ "The trading price of Pan Pacific [S]hares may return to pre-announcement levels. Our analysis shows that the shares rose by around 15% upon the announcement of the Offer and closed at \$0.051 on 17 April 2015, which represents a 13% increase over the pre Offer price".
3. The illiquidity¹⁰ of Pan Pacific Shares means that a shareholder's ability to sell any material volume of Pan Pacific Shares on market is severely limited – either without potentially affecting the market price or at all.
4. Zeta Energy's offer of 5 cents CASH per Pan Pacific Share offers all shareholders a certain value outcome.
5. The resolution of Pan Pacific's board, to seek offers for all of Pan Pacific's assets, amounts to a decision that Pan Pacific's business be wound up. Pan Pacific has provided no explanation of, or reasoning for, such a significant change of business strategy other than comparison between the RSM Opinion and Zeta Energy's offer of 5 cents CASH per share.
6. Pan Pacific's conclusion¹¹, that a sale by Pan Pacific of its assets will deliver a superior outcome, or any outcome, to shareholders is ENTIRELY DEPENDENT ON ASSUMPTIONS, including assumptions:
 - that Pan Pacific can sell its assets;

¹ Referred to below as "Supplementary Target's Statement".

² Referred to below as "Media Release".

³ Emphasis added.

⁴ RSM Bird Cameron Corporate Pty Ltd's Independent Expert's Report dated 21 April 2015, a copy of which is set out in annexure A to Pan Pacific's Target's Statement dated 24 April 2015.

⁵ Dated 24 April 2015.

⁶ Emphasis added.

⁷ Paragraph 2.7.

⁸ RSM Bird Cameron Corporate Pty Ltd.

⁹ Paragraph 2.11 at the sixth dot point.

¹⁰ See paragraphs 2.11 at the third dot point, 5.58 and 8.50 of the RSM Opinion.

¹¹ Page 2 of the Supplementary Target's Statement.

- that Pan Pacific can sell its assets for prices within or above particular price ranges referred to in the RSM Opinion; and
 - that Pan Pacific can sell its assets within the particular time frames¹² referred to in the Media Release.
- 7. The RSM Opinion was prepared for particular purposes¹³ and is based on assumptions¹⁴ and estimates¹⁵; it is not a guarantee that that any particular prices can be received on the sale of Pan Pacific's assets; that a sale of Pan Pacific's assets can be achieved or that a sale of Pan Pacific's assets can be achieved within particular time frames¹⁶ referred to in the Media Release.**
- 8. The outcome, let alone the success, of any process for sale of Pan Pacific's assets is extremely uncertain as to timing and prices offered to Pan Pacific for its assets.** Prices offered to the Company can be expected to be dependent on the oil price at the time of a proposed sale.

Important Information and Notices

(a) Defined terms and interpretation

Unless otherwise noted, capitalised terms and certain abbreviations defined in the Bidder's Statement have the same meaning in this First Supplement. This First Supplement prevails to the extent of any inconsistency with the Bidder's Statement.

(b) Consents

Zeta Energy has relied on the modification to section 636(3) of the Corporations Act set out in ASIC Class Order CO13/521 to include references to certain statements which are made in, or based on, statements made in the following documents lodged by Pan Pacific with ASIC or ASX:

- Pan Pacific's Target's Statement dated 24 April 2015, which includes a copy of RSM Bird Cameron Corporate Pty Ltd's Independent Expert's Report dated 21 April 2015.
- Pan Pacific's Supplementary Target's Statement dated 20 May 2015.

Pursuant to the Class Order, the consent of a person who made a statement in those documents is not required for the inclusion of such statements in this First Supplement. As required by the Class Order, Zeta Energy will make available a copy of these documents (or of relevant extracts from these documents), free of charge, to any Pan Pacific Shareholder who requests it during the Offer Period. To obtain a copy of these documents (or the relevant extracts), you may telephone +65 9777 9732 from Monday to Friday between 9:00 am and 5:00 pm (AEST).

(c) Investment decisions

Nothing in this First Supplement constitutes, or is intended to constitute, independent legal, taxation or other advice.

This document does not take into account the individual investment objectives, financial situation or particular needs of each Shareholder or any other person, and should be relied on as the sole basis for any investment decision relating to Shares. Pan Pacific Shareholders should seek independent financial, legal and taxation advice before deciding whether to accept or reject the Offer.

(d) Forward-looking statements

This First Supplement includes both historical and forward-looking statements in connection with Zeta Energy and Pan Pacific, including statements of current intention or expectation. As such forward-looking statements relate to future matters, they are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. None of Zeta Energy, any of Zeta Energy's directors or officers or any person involved in the preparation of this First Supplement makes, or should be taken as making, any

¹² That is, "indicatively within [sic] next 4 – 6 months"

¹³ To "express an opinion as to whether [Zeta Energy's Offer is fair and reasonable to shareholders not associated with Zeta Energy or Zeta Resources" [paragraph 1.5 of the RSM Opinion]. See also paragraphs 4.1 – 4.4 of the RSM Opinion.

¹⁴ See paragraphs of the RSM Opinion including 7.19, 7.20, 8.4, 8.6 – 8.10, 8.12, 8.15, 8.17 and 8.2 – 8.28.

¹⁵ See paragraphs of the RSM Opinion including 7.14, 8.10 and 8.39.

¹⁶ That is, "indicatively within [sic] next 4 – 6 months"

representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent that it is required by law. The forward-looking statements contained in this First Supplement reflect views held only as at the date of this First Supplement. Subject to any obligations under the law or the ASX Listing Rules, Zeta Energy does not give any undertaking to update or revise any forward-looking statements after the date of this First Supplement to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

(e) Disclaimer as to Information on Pan Pacific

The information in this First Supplement relating to Pan Pacific has been prepared by Zeta Energy using publicly available information about Pan Pacific. The information in this First Supplement concerning Pan Pacific has not been independently verified by Zeta Energy or its directors. Accordingly, subject to the Corporations Act, Zeta Energy does not make, and should not be interpreted as making, any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Approval of First Supplement

This First Supplement has been approved by a resolution of the directors of Zeta Energy dated 25 May 2015.

Signed for and on behalf of Zeta Energy by:



Jonathan Chi
Director
Zeta Energy Pte Limited
25 May 2015