



This document is a supplementary target's statement dated 27 May 2015 (**Second Supplementary Target's Statement**) under section 644 of the *Corporations Act 2001* (Cth). It is issued by Pan Pacific Petroleum NL ACN 000 749 799 (**Pan Pacific**) in relation to the on-market takeover bid by Zeta Energy Pte. Ltd. (**Zeta Energy**) to acquire all of the ordinary shares in Pan Pacific that Zeta Energy does not already hold. This Second Supplementary Target's Statement supplements and is to be read together with Pan Pacific's target's statement dated and lodged with ASIC on 24 April 2015 (**Target's Statement**) and its first Supplementary Target's Statement dated and lodged with ASIC on 20 May 2015 (**First Supplementary Target's Statement**). This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement and the First Supplementary Target's Statement. The glossary in Section 10 of the Target's Statement applies to this Second Supplementary Target's Statement unless the context requires otherwise.

27 May 2015

## **Second Supplementary Target's Statement: Withdrawal of Recommendation of Independent Directors**

### **1 Withdrawal of Independent Directors Recommendation**

The Independent Directors (being Mr Tony Radford and Mr Allan Tattersfield, who are the Directors of Pan Pacific not associated with Zeta Energy) have previously recommended that you reject the Offer by Zeta Energy because, among other reasons, the Offer Price of A\$0.05 per Pan Pacific Share does not reflect the underlying value of your Pan Pacific Shares and the Independent Expert has concluded that the Offer is **neither fair nor reasonable**.

As at 26 May 2015, Zeta Energy's relevant interests in Pan Pacific Shares had increased to 30.516% (according to Zeta Energy's notice of change of interests of substantial holder in Pan Pacific released on the ASX on 26 May 2015).

The Independent Directors remain of the view that Zeta Energy's Offer does not reflect the underlying value of your Pan Pacific Shares. However, given Zeta Energy's increased shareholding, the Independent Directors have decided to withdraw their recommendation that you do not accept the Offer because it is now the case that whether or not you should accept will depend on your particular investment objectives, financial position and needs.

Set out below are some reasons why you may decide to accept or not accept the Offer. You should consider your own investment objectives, financial position and needs in considering the reasons set out below.

### **2 Reasons why Pan Pacific Shareholders may decide to accept the Offer**

You may decide to accept the Offer for the following reasons:

- (a) As Zeta Energy currently has voting power of 30.516% of Pan Pacific, Zeta Energy may have effective control of Pan Pacific, which means that it may be in a position to control the outcome of members' resolutions, the composition of the Pan Pacific Board and senior management and also control the strategic direction of Pan Pacific. Consequently, Zeta Energy may be in a position to prevent the potential asset sale that was announced in the First Supplementary Target's Statement from proceeding;

- (b) given Zeta Energy has a relevant interest in 30.516% of Pan Pacific's Shares, the number of Pan Pacific Shares traded on the ASX in the future could be reduced, thereby potentially decreasing the value of the shareholdings of those Pan Pacific Shareholders who do not accept the Offer; and
- (c) no superior proposals to the Offer have been received, and given the size of Zeta Energy's shareholding, it is now unlikely that any such proposal will be received.

### **3 Reasons why Pan Pacific Shareholders may decide NOT to accept the Offer**

You may decide NOT to accept the Offer for the following reasons:

- (a) the Independent Directors remain of the view that the Offer price of \$A0.05 **does not** reflect the underlying value of your Pan Pacific Shares;
- (b) the value of your Pan Pacific Shares could increase with positive movements in the share market or positive developments within Pan Pacific; and
- (c) the Independent Directors have asked the Board to consider commencing an on-market buy-back of Pan Pacific Shares and the price offered for those shares in the buy-back may be above \$A0.05 (a decision has not yet been made by the Board).

It follows that if you accept the Offer you will no longer have the opportunity to participate in any increase in the price of Pan Pacific Shares that may occur in the future.

### **4 Independent Directors' Intentions**

Mr Allan Tattersfield intends to accept the Offer in respect of the Pan Pacific Shares that are quoted on the ASX that he owns or Controls in the absence of a superior offer.

Mr Tony Radford does not intend to accept the Offer in respect of the Pan Pacific Shares he holds directly.

In addition, Mr Radford has withdrawn the recommendation he previously made to his Associates who own or Control Pan Pacific Shares to not accept the Offer. Mr Radford will not seek to influence in any way the decision of his Associates on whether to accept the Offer.

### **5 Consents**

As permitted by ASIC Class Order 13/521, this Second Supplementary Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules), including the Target's Statement. Under ASIC Class Order 13/521, the consent of persons to whom such statements are attributed is not required for the inclusion of those statements in this Second Supplementary Target's Statement.

Any Pan Pacific shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may during the Offer Period obtain a copy free of charge by contacting the shareholder information line on (02) 99572177

(within Australia) or +61 2 9957 2177 (outside Australia) between 9:00am and 5:00pm (Australian Eastern Standard Time) on Monday to Friday.

**6 Authorisation**

This document has been approved by a resolution of the Pan Pacific Board.

Signed for and behalf of Pan Pacific:

A handwritten signature in black ink, appearing to read 'Kim Ware', with a stylized, cursive script.

Ms Kim Ware  
Company Secretary

A copy of this Second Supplementary Target's Statement has been lodged with ASIC and given to Zeta Energy and the ASX on 27 May 2015. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.