

Media Release

17 July 2013



Zeta Petroleum plc / Index: ASX / Epic: ZTA / Sector: Oil & Gas

Zeta Petroleum plc ('Zeta' or 'the Company')
Pro-rata non-renounceable rights issue

Zeta Petroleum plc, the ASX listed Romanian focused oil and gas exploration and production company, announces it is undertaking a 1 for 1 non-renounceable rights issue to raise up to A\$1.33 million (before costs) at an offer price of A\$0.01 per Chess Depository Interest ('CDI'), together with one free attaching share option for every two CDIs subscribed for and issued ('Offer').

The Company intends to use a majority of the net proceeds of the rights issue to fund the Company's forward work programmes on its assets, including bringing the Dornesti Sud-1 well into production, a discovery well on the Company's 50% owned Suceava gas concession in Romania, which has tested at a rate of 26,000 cubic metres per day ('m³/day'). The well is currently suspended ready for production. The balance of the funds will be used towards covering the expenses of the Offer and for general working capital purposes.

Summary of the Offer

The Offer comprises of one (1) CDI for every one (1) existing Share or CDI held by eligible shareholders at A\$0.01 per CDI. As the Offer is non-renounceable, the rights cannot be transferred or sold. Up to approximately 133,362,240 fully paid CDIs in the capital of the Company and 66,681,120 free attaching share options will be issued pursuant to the Offer. The free attaching share options will be issued on the basis of one for every two CDIs subscribed for, and will be exercisable at a price of A\$0.04 and expire on 30 June 2015.

CDIs issued under the Offer will rank equally with all Shares and CDIs currently in issue. Shareholder approval is not required in relation to the issue of CDIs and share options pursuant to the Offer.

Certain major shareholders (representing a total interest of over 50%) have indicated that they intend to take up all of their entitlements under this rights issue. The minimum subscription in respect of the Offer is \$700,000. No CDIs will be issued pursuant to the Offer until the minimum subscription has been received.



ZETAPETROLEUMPLC

Further details of the Offer, including details of the timetable and key risks, will be set out in a prospectus which will be lodged with ASIC, released to the ASX and available on the Company's website. Attached is an Appendix 3B in respect of the Offer. Outlined below is a timetable of relevant events and dates relating to the Offer. These dates are indicative only and subject to change.

	Date
Lodgement of Prospectus with ASIC and notice sent to Optionholders	18 July 2013
Notice sent to Shareholders	22 July 2013
Ex Date	23 July 2013
Record Date for determining Shareholder entitlements	29 July 2013
Prospectus despatched to Shareholders	1 August 2013
Closing Date of Offer *	26 August 2013
Securities quoted on a deferred settlement basis	27 August 2013
Notify ASX of under-subscriptions (if any)	28 August 2013
Despatch date/Shares entered into Shareholders' security holdings	3 September 2013

*The Directors may extend the Closing Date by giving at least 6 business days' notice to ASX prior to the Closing Date. As such the date the new securities are expected to commence trading on ASX may vary.

Zeta Petroleum plc Managing Director Stephen West said, *"In line with our strategy to rapidly grow production and revenues, we will invest a large portion of the funds raised towards bringing the Dornesti Sud-1 well into commercial production so as to more than double our existing production at Suceava. Dornesti Sud-1 is just one of four potential wells over the next eighteen months that have the potential to significantly increase our production. In addition to a second gas discovery well on Suceava and a sidetrack well on Bobocu that will, subject to financing, be drilled and/or brought into production in 2014, testing is due to commence shortly on the NIS Gazprom Neft operated Jimbolia 100 well."*

****ENDS****

For further information please visit www.zetapetroleum.com or contact:

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Olly Cairns	Pursuit Capital Pty Ltd	Tel: +61 (0)8 6267 9030
Lottie Brocklehurst	St Brides Media & Finance Ltd	Tel: +44 (0)20 7236 1177
Frank Buhagiar	St Brides Media & Finance Ltd	Tel: +44 (0)20 7236 1177

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 Petroleum plc

ARBN

154 575 872

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 | a) CDIs for Ordinary Shares
b) Listed Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 133,362,240
b) 66,681,120 |
| 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) | a) Fully Paid Ordinary Shares
b) Listed Options with an exercise price of \$0.04 per option each convertible into CDIs at any time prior to 30 June 2015

All securities issued in accordance with the terms included in the entitlement issue Prospectus dated 18 July 2013. |

+ See chapter 19 for defined terms.

4	<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 	<p>a) Yes – CDIs b) No – Listed Options are a new class of quoted securities which will rank equally with all other listed CDIs upon conversion.</p>
5	Issue price or consideration	<p>a) 1 cent per CDI b) Nil – free attaching to CDIs</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To raise \$1,333,622 pursuant to the entitlement issue Prospectus dated 18 July 2013.</p>
6a	<p>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>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>28 June 2013</p>
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	<p>Not applicable</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Not applicable</p>
6e	<p>Number of +securities issued with security holder approval under rule</p>	<p>Not applicable</p>

+ See chapter 19 for defined terms.

	7.3, or another specific security holder approval (specify date of meeting)									
6f	Number of +securities issued under an exception in rule 7.2	a) 133,362,240 CDIs for Ordinary Shares b) 66,681,120 Listed Options								
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.	Not applicable								
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	Not applicable								
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	7.1 – 40,008,672 7.1A - 26,672,448								
7	+Issue dates 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. Cross reference: item 33 of Appendix 3B.	3 September 2013								
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>258,824,272</td> <td>Ordinary Shares / CDIs for Ordinary Shares</td> </tr> <tr> <td>15,970,250</td> <td>Options for CDIs exercisable at \$0.30 on or before 15 July 2015</td> </tr> <tr> <td>66,681,120</td> <td>Options for CDIs exercisable at \$0.04 on or before 30 June 2015</td> </tr> </tbody> </table>	Number	+Class	258,824,272	Ordinary Shares / CDIs for Ordinary Shares	15,970,250	Options for CDIs exercisable at \$0.30 on or before 15 July 2015	66,681,120	Options for CDIs exercisable at \$0.04 on or before 30 June 2015
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66,681,120	Options for CDIs exercisable at \$0.04 on or before 30 June 2015									

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	7,900,208	Ordinary Shares / CDIs for Ordinary Shares
	12,450,000	Management options exercisable at \$0.20 on or before 11 January 2019
	1,876,090	Corporate Advisor Options exercisable at \$0.20 on or before 21 May 2017
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 CDI for every 1 Share or CDI held, together with 1 free attaching Option for every 2 CDIs subscribed for and issued
14 +Class of +securities to which the offer relates	CDIs and Listed Options
15 +Record date to determine entitlements	29 July 2013
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17 Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up

+ 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.	Not applicable
19	Closing date for receipt of acceptances or renunciations	26 August 2013
20	Names of any underwriters	Issue not underwritten
21	Amount of any underwriting fee or commission	Nil
22	Names of any brokers to the issue	Pursuit Capital Pty Ltd
23	Fee or commission payable to the broker to the issue	5% of any funds raised by Pursuit Capital Pty Ltd as a placing fee, 1% of all funds raised under the Issue as a management fee. 15,000,000 Options also to be issued to the broker.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Nil
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	1 August 2013
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	18 July 2013
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable

+ See chapter 19 for defined terms.

30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	3 September 2013

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

Entities that have ticked box 34(b)

+ See chapter 19 for defined terms.

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 data-bbox="766 1243 1061 1288">Number</th> <th data-bbox="1061 1243 1359 1288">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1288 1061 1473"></td> <td data-bbox="1061 1288 1359 1473"></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.

+ See chapter 19 for defined terms.

- 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: 17 July 2013
Director

Print name: Stephen West

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	130,752,240
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	133,372,240 2,600,000
Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	266,724,480
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	40,008,672

+ See chapter 19 for defined terms.

Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	40,008,672
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
<p>Total [“A” x 0.15] – “C”</p>	<p>40,008,672</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	266,742,480

+ See chapter 19 for defined terms.

Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	26,672,448
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	26,672,448
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	26,672,448 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.