Media Release

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Zeta Petroleum plc ('Zeta' or 'the Company')
Quarterly Activities Review – Period Ended 30 September 2012

Zeta Petroleum plc, the ASX listed Romanian focused oil and gas exploration and production company provides its quarterly activities review for the period ended 30 September 2012.

Highlights:

- Progress made at Zeta's four oil and gas projects in Romania at various stages of development
- Acquisition completed of 50% interest in producing Suceava gas concession ('Suceava')
- Preparations made towards the drilling of the Musenita-1 well targeting a new gas field near the producing Climauti Gas Field on Suceava; operated by Raffles and due to spud in November 2012
- 51% interest in Jimbolia oil concession ('Jimbolia') successfully farmed out to NIS Gazprom Neft a company 56% owned by Gazprom – the largest producer of natural gas worldwide
- Settled dispute with former partner on Jimbolia concession
- Planning underway for Jimbolia-100 well; due to spud in December 2012 targeting oil production in 2013
- A well drilled ('Bobocu-310'), tested and suspended at the Bobocu gas field project ('Bobocu')
    - Despite encountering multiple gas shows whilst drilling and the wireline logs indicating gas bearing reservoirs, initial testing of Bobocu-310 well did not yield commercial gas
- The Bobocu-310 well data is now being analysed and evaluated with results of the updated geological model expected shortly
- 6,000 sq km of prospecting permits in the eastern Moldavian region of Romania with the rights for data and opportunity to bid for licences
- Assessing other onshore oil and gas opportunities within Romania and Eastern Europe that may complement and enhance Zeta's current portfolio
- Strong cash position of A$3.3 million as at 30 September 2012 as well as income from its producing Romanian asset - fully funded for the next two wells to be drilled in Romania in 2012

- Prospectus lodged for 1 for 4 loyalty option issue

Zeta Petroleum plc Managing Director Stephen West said, "During the quarter, our highly active development programme has seen us drill a well at the Bobocu gas project, acquire a 50% interest in the producing Suceava licence, and farm-down a 51% interest in Jimbolia to NIS Gazprom Neft who will fund all the costs for an appraisal well to be drilled in December 2012. We now have two wells that will be drilled and completed in the next six months. As a result, the next two quarters promise to be just as active as the last. I look forward to reporting on our progress as we focus on crystallising the value of our asset base, and in the process build a leading Eastern European oil and gas company."

Full Details:

Suceava (50% Zeta, 50% Raffles (Operator)):

On the 31 July 2012 the Company completed its acquisition of a 50% interest in the Suceava concession from AIM listed Regal Petroleum plc. Suceava includes the producing Climauti Gas Field.

During the quarter, production from the Climauti Gas Field was steady at rates of approximately 16,000m³/day from Sarmatian reservoirs at around 460 metres depth. This production generated approximately $25,000 per month net revenue to Zeta.

On 29 August 2012 the Romanian National Agency for Minerals and Resources ('NAMR') certified the field concession as a production asset and the relevant approvals were received to move from the first year which was labelled as experimental production to a full production asset.

During the quarter a location for the next well to be drilled on the Suceava concession was agreed and the requisite permissions from NAMR were granted. Preparation of the well site for the Musenita-1 well is progressing well, with the access road and the well yard now complete. Dafora SA, a local drilling company, has been selected to supply the drilling rig following a tendering and rig audit process and we expect the rig to mobilise in early November 2012. Drilling is expected to take approximately 10 days followed by a testing program if successful. The Company has sufficient funds to contribute its 50% share towards the cost.

Musenita-1 Well: Road construction ***Musenita-1 Well: Dafora Rig***

The broad development strategy for the Suceava concession is to step wells out from the current producing Climauti Gas Field and connect them back via short pipelines in order to fast-track additional production. With multiple shallow targets translating into low drilling expenditure and well payback estimates of circa 18 months, the Company and the Operator are excited about the cash generation potential of these step out wells.

The concession is geographically large and in the medium term more targets that have already been identified will also be investigated for further exploration drilling.

Jimbolia (39% Zeta, 51% NIS Gazprom Neft (Operator), 10% Armax):

In August 2012, the Company entered into an agreement to farm out a 51% interest in its Jimbolia licence to NIS Gazprom Neft (‘NIS’), in return for NIS agreeing to fund the drilling of an appraisal well (‘Farmout Agreement’), which is targeted to spud in December 2012.

Prior to farming into the Jimbolia licence, NIS conducted an extensive assessment of the concession, which is located in the producing eastern part of the Pannonian Basin and contains the Jimbolia Oil Field. The Jimbolia concession contains, Jimbolia Veche and Jimbolia Vest, two discoveries that were made in 1983 by Petrom.

Contemporaneously with entering into the Farmout Agreement with NIS, Zeta entered into an agreement with Armax Gaz S.A. (‘Armax’), a previous joint venture partner on the Jimbolia concession, to settle an ongoing dispute (‘Settlement Agreement’). Under the terms of the Settlement Agreement, Zeta issued Armax with 2,600,000 new ordinary shares in Zeta in return for Armax withdrawing its claim for damages against the Company. In addition, Armax retained a 10% working interest in the Jimbolia concession.

After the completion of the Farmout Agreement and the Settlement Agreement the participating interests held in the Jimbolia concession are as follows:

NIS Gazprom Neft	51%
Zeta	39%
Armax	10%

During the quarter, a drilling location for a new appraisal/development well was selected, the Jimbolia 100 well, and government and environmental permitting procedures and contract tendering commenced.

The Jimbolia 100 well is targeting the Jimbolia Veche discovery, which has two hydrocarbon bearing intervals and a current Pmean contingent oil resource of 1.72 million barrels. Previous drilling identified the Pliocene VIII as an oil reservoir with a gas cap. This was penetrated by two wells, the Jimbolia-1, which flowed at rates up to 120 barrels per day (‘bbls/day’) and tested at a sustained rate of 50 bbls/day for six days and Jimbolia-6, in which tests indicate an oil leg with an oil density of 780kg/m3 (50° API). The discovered oil in the Jimbolia Oil Field has only been tested and not produced.

On a wider basis, the Board believes there is additional potential in the Jimbolia Vest discovery which was tested, but not produced, over two intervals of the Lower Pliocene IV reservoir, with the lower interval (16m) flowing 33% CO_2, 61% CH_4 and condensate at rates of 196Mscf/d, and the upper interval (8m) testing gas (no flow rate details available).

Bobocu (100% owned and operated):

The Bobocu-310 well, the first of six wells to be drilled on the Bobocu concession, spud on 23 July 2012 and was drilled to target depth of 2,704m on 15 August 2012. Wireline logs were then run in the hole to identify and test reservoir properties including porosity. During the wireline logging operation indications of gas were seen at multiple levels and the well was cased in preparation for testing.

Initial testing of the well was completed on 12 September 2012 and did not yield commercial gas, despite encountering multiple gas shows whilst drilling and the wireline logs indicating gas bearing reservoirs.

As a result of drilling the well, the Company has fulfilled its current work programme commitment on the Bobocu concession.

The Bobocu-310 well data is now being analysed and evaluated, results of which will be incorporated into the field's geological model in order to plan the next well on the prospect. The Company expects to be in a position to update the market on the results of the updated geological model shortly.

The Company believes that the previously identified prospectivity remains intact and will pursue suitable avenues from which to advance its exploitation. With 100% control of the Bobocu field, there are various development options available.

Prospecting Permits (100% owned and operated):

Zeta holds in excess of 6,000 sq km of non-exclusive prospecting permits in the eastern Moldavian region of Romania, which is a known hydrocarbon-prone area. The prospecting permits give the Company the right to data in relation to the prospecting areas and also the right, but not the obligation, to request that part of a prospecting area is placed into a bidding round in which the Company will have the opportunity to bid for a licence over the selected prospecting area. The Company has performed an extensive evaluation of these permits and during the quarter Zeta made good progress towards finalising the report that will be submitted along with a letter of intent to participate in the licencing round to NAMR by the end of October 2012.

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Other Opportunities:

In line with its strategy, the Company continues to assess other onshore oil and gas opportunities within Romania and Eastern Europe that may complement and enhance the current portfolio. With an experienced team and an exciting platform of assets, the Company believes that it is ideally positioned to capitalise on the regional opportunities. This is particularly relevant with the increasing issues of energy security translating into countries being keen to develop their own energy sources.

Corporate Affairs:

At the end of the quarter the Company maintained a cash position of approximately A$3.3 million as well as income from its producing Romanian asset and accordingly, is fully funded for the next two wells to be drilled in Romania this year.

On 18 September 2012 the Company lodged a Prospectus for shareholders to participate in a pro-rata non-renounceable rights issue of 33,340,560 share options on a one-for-four basis (‘Loyalty Option Issue’). The price payable on application for each share option was A$0.01 and have an exercise price of A$0.30 exercisable on or before 15 July 2015.

The Loyalty Option Issue closed on 24 October 2012 with firm commitments received for 15,970,250 new share options at a price of 1 cent each, raising $159,702.50 (before expenses). The shortfall of 17,370,310 share options from the Loyalty Option Issue will now be offered to existing and new investors at the discretion of the Company.

****ENDS****

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The information provided in this press release that relates to Zeta Petroleum plc's hydrocarbon reserves is based on information compiled by Mr Philip Crookall who is a competent person as defined in ASX Listing Rule 5.11. Mr Philip Crookall has consented in writing to the inclusion of the information provided in this press release that relates to Zeta Petroleum plc's hydrocarbon reserves in the form and context in which it appears here. Mr Philip Crookall is Chief Operating Officer of Zeta Petroleum plc.