

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The whole text of this document should be read.

If you have sold or transferred all of your Shares in Zeta Petroleum plc (the “Company”), please send this document, together with the accompanying form of proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

ZETA PETROLEUM PLC

*(Incorporated in England and Wales under the Companies Act 1985
with registered number 05560854 and registered as a foreign company
in Australia with Australian registered business number 154 575 872)*

Notice of Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at the offices of Watson, Farley & Williams LLP, 15 Appold Street, London EC2A 2HB, United Kingdom at 9.00 a.m. (UK time) on 30 June 2014 is set out in this document. Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting.

Whether or not you propose to be present at the Annual General Meeting, Shareholders are requested to complete and return the enclosed Form of Proxy to the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 9.00 a.m. (UK time) on 26 June 2014 or, in the event that the meeting is adjourned, not less than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting.

ZETA PETROLEUM PLC
(the “Company”)
*(Incorporated in England and Wales under the Companies Act 1985
with registered number 05560854 and registered as a foreign company
in Australia with Australian registered business number 154 575 872)*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting of the Company will be held at the offices of Watson, Farley & Williams LLP, 15 Appold Street, London EC2A 2HB, United Kingdom at 9.00 a.m. (UK time) on 30 June 2014 to consider and, if thought fit, pass the following resolutions.

The attached explanatory notes are provided to supply Shareholders with information to enable them to make an informed decision regarding the resolutions in this notice.

Ordinary Business

Ordinary Resolution 1 — Annual report and accounts

To receive and consider the audited accounts of the Company for the financial year ended 31 December 2013 and the reports of the directors of the Company (“Directors” and each a “Director”) and auditors therein.

Ordinary Resolution 2 — Re-election of Director

For the purposes of ASX Listing Rule 14.4 and for all other purposes, to re-elect Mr Bogdan Popescu as a Director of the Company, who has been appointed by the Board of Directors (the “Board”) as a Director since the last Annual General Meeting.

Ordinary Resolution 3 — Re-election of Director

For the purposes of ASX Listing Rule 14.4 and for all other purposes, to re-elect Mr Oliver Cairns as a Director of the Company, who has been appointed by the Board as a Director since the last Annual General Meeting.

Ordinary Resolution 4 — Re-election of Director

For the purposes of ASX Listing Rule 14.4 and for all other purposes, to re-elect Mr James Hayward as a Director of the Company, who has been appointed by the Board as a Director since the last Annual General Meeting.

Ordinary Resolution 5 — Re-election of Director retiring by rotation

For the purposes of ASX Listing Rule 14.4 and for all other purposes, to re-elect Mr Stephen West as a Director of the Company, who retires by rotation in accordance with the Company’s Articles of Association.

Ordinary Resolution 6 – Auditor reappointment

To re-appoint BDO LLP as the Company auditor until the next Annual General Meeting of the Company.

Ordinary Resolution 7 – Auditor remuneration

To authorise the Directors to fix the remuneration of the Company auditor.

Ordinary Resolution 8 – Approval of issue of Shares to Related Party – Stephen West

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,968,404 Shares to Stephen West, a Director (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Stephen West (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Ordinary Resolution 9 – Approval of issue of Shares to Related Party – Bogdan Popescu

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 15,153,145 Shares to Bogdan Popescu, a Director (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Bogdan Popescu (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Ordinary Resolution 10 – Approval of issue of Options to Related Party – Stephen West

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, Exception 9(a) of ASX Listing Rule 7.2 and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Stephen West, a Director (or his nominee) under the Employee Option Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Ordinary Resolution 11 – Approval of issue of Options to Related Party – Bogdan Popescu

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, Exception 9(a) of ASX Listing Rule 7.2 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Bogdan Popescu, a Director (or his nominee) under the Employee Option Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Ordinary Resolution 12 – Approval of issue of Options to Related Party – Oliver Cairns

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, Exception 9(a) of ASX Listing Rule 7.2 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Oliver Cairns, a Director (or his nominee) under the Employee Option Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Ordinary Resolution 13 – Approval of issue of Options to Related Party – James Hayward

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, Exception 9(a) of ASX Listing Rule 7.2 and for all other purposes, approval is given for the Company to issue 1,000,000 Options to James Hayward, a director (or his nominee) under the Employee Option Plan in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Special Business

Special Resolution 14 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 4 June 2014

Registered Office
1 Berkeley Street, London W1J 8DJ, United Kingdom

By Order of the Board
ZETA PETROLEUM PLC

B. Hodges
Secretary

Action to be Taken

Each Shareholder is entitled to appoint one or more proxies to attend, speak and vote instead of that Shareholder. A proxy need not be a Shareholder.

Shareholders should kindly complete and return the enclosed Form of Proxy as soon as possible, whether or not they expect to be able to attend the Annual General Meeting. Return of a Form of Proxy will not prevent a Shareholder from attending, speaking and voting in person at the meeting if that Shareholder so wishes.

Holders of CHESSE Depository Interests ("CDI") are invited to attend but are not entitled to vote personally at the Annual General Meeting. Chess Depository Nominees Pty Ltd ("CDN") holds legal title in the Company's Shares for and on behalf of CDI holders. As the holders of beneficial interest in the Company's Shares that are held by CDN, CDI holders should direct CDN on how to vote with respect to the Resolutions described in the Notice of Annual General Meeting using the enclosed CDI Voting Instruction Form. CDN must exercise its rights to vote by proxy at the Annual General Meeting in accordance with the directions of CDI holders.

Recommendation

The Board is of the opinion that these proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend all Shareholders to vote in favour of the resolutions, as they intended to do in respect of their own beneficial holdings (subject to any relevant voting exclusions).

NOTES

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and vote in that member's place. A member may appoint more than one proxy in relation to this meeting provided that each proxy is appointed to exercise rights attached to a different Share or Shares held by that member. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms should be signed and returned together in the same envelope. A proxy need not also be a member. Completion and return of a Form of Proxy will not preclude a member from attending the meeting and voting in person, if they so wish and are so entitled.
2. To be valid, the enclosed Form(s) of Proxy and any power(s) of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be completed and returned so as to be received by the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 9.00 a.m. (UK time) on 26 June 2014 or, in the event that the meeting is adjourned, not less than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting.
3. Members will be entitled to attend and vote at this meeting if they are registered on the register of members of the Company by 6.00 p.m. (UK time) on 26 June 2014 or, in the event of any adjournment of the meeting, at 6.00 p.m. (UK time) on the date which is 2 days before the start of the adjourned meeting (excluding any part of a day which is not a working day).
4. In the case of joint holders, the vote of the senior who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names are stated in the register of members of the Company in respect of the joint holding.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of the powers as a member provided that they do not do so in relation to the same Shares. A resolution of the directors, or other governing body, of the corporation will be required in order to evidence the valid appointment of the corporate representative, in accordance with section 323 of the UK Companies Act 2006.
6. You may not use any electronic address (within the meaning of section 333(4) of the UK Companies Act 2006) provided in this notice or in any related documents (including the form of proxy and the annual report and accounts) to communicate with the Company for any purposes other than those expressly stated.
7. Your personal data includes all data provided by you, or on your behalf, which relates to you as a Shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

APPENDIX A – EXPLANATORY STATEMENT TO THE NOTICE OF ANNUAL GENERAL MEETING

The 2014 Annual General Meeting of Zeta Petroleum plc will be held at the offices of Watson, Farley & Williams LLP, 15 Appold Street, London EC2A 2HB, United Kingdom at 9.00 a.m. (UK time) on 30 June 2014 to consider the following matters:

RESOLUTION 1

The Board is required to present to the meeting the audited accounts, and the reports of the Directors and the auditors, for the financial year ended 31 December 2013, which may be found on pages 5 to 18 of the annual report and accounts for the Company dated 28 March 2014 (the “Annual Report and Accounts”).

RESOLUTIONS 2 TO 5 (INCLUSIVE)

Resolutions 2 to 5 relate to the re-election of Directors pursuant to the requirements of the Company’s Articles of Association. Details of the relevant Directors are shown on pages 1 and 4 of the Annual Report and Accounts.

RESOLUTIONS 2 TO 4 (INCLUSIVE)

Article 20.2 of the Company’s Articles of Association and ASX Listing Rule 14.4 require any Director appointed by the Board to retire at the next Annual General Meeting. Each of Bogdan Popescu, Oliver Cairns and James Hayward have been appointed as Directors of the Company since the date of the last Annual General Meeting and are accordingly retiring from office and offering themselves for re-election.

RESOLUTION 5

Article 25.2 of the Company’s Articles of Association and ASX Listing Rule 14.4 require one third of the Directors (excluding any Directors which have been appointed by the Board since the last Annual General Meeting) to retire by rotation at every Annual General Meeting. Accordingly Stephen West is retiring by rotation and is offering himself for re-election.

RESOLUTIONS 6 TO 7 (INCLUSIVE)

These two resolutions request Shareholders to vote on the re-appointment of BDO LLP as Company auditor (Resolution 6) and to authorise the Directors to fix the remuneration of the Company auditor (Resolution 7).

RESOLUTIONS 8 AND 9 – ISSUE OF SHARES TO RELATED PARTIES – STEPHEN WEST AND BOGDAN POPESCU

General

The Director Mr Stephen West previously agreed to defer payment of his fees for the 9 month period commencing October 2013 and ending June 2014 and the Director Mr Bogdan Popescu previously agreed to defer partial payment of his fees for the 7 month period commencing October 2013 and ending April 2014 in order that the Company could preserve its cash reserves to be allocated toward the Company’s work programme on its oil and gas assets. It has now been agreed by the non-interested Directors of the Company that the accrued fees of the Director Mr Stephen West for the 9 month period and that the accrued fees of the Director Mr Bogdan Popescu for the 7 month period should be made payable by way of the issue of Shares, subject to approval by Shareholders, so that the Company may continue to conserve cash.

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 17,121,549 Shares (**Related Party Shares**) to Messrs West and Popescu (or their nominees) (**Related Parties**) on the terms and conditions set out below, in lieu of the director fees for the period from October 2013 to June 2014 for Mr West and in lieu of the director fees for the period October 2013 to April 2014 for Mr Popescu.

Resolutions 8 and 9 seek Shareholder approval for the grant of the Related Party Shares to the Related Parties.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Shares involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information Required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Shares:

- (a) the related parties are Messrs Stephen West and Bogdan Popescu and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Shares to be issued to the Related Parties is:
 - (i) 1,968,404 Related Party Shares to Stephen West; and
 - (ii) 15,153,145 Related Party Shares to Bogdan Popescu;
- (c) the Related Party Shares will be issued no later than 1 month after the date of the Meeting;
- (d) the Related Party Shares will be issued in lieu of paying cash for directors fees and salaries, accordingly no funds will be raised;
- (e) the value of the Related Party Shares to be issued to Stephen West is £7,546. The value of the Related Party Shares to be issued to Bogdan Popescu is €70,000. In respect of Stephen West these values were calculated using the closing Share price of the Company on 26 May 2014, being \$0.007 per Share and an exchange rate of GBP:AUD - 1:1.8259. In respect of Bogdan Popescu, the amount of Related Party Shares to be issued to him in lieu of director fees was calculated on a monthly basis using the prevailing EUR:AUD exchange rate and closing Share price of the Company at the end of each month.
- (f) the Related Party Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Shares to the Related Parties will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

RESOLUTIONS 10 TO 13 (INCLUSIVE) – ISSUE OF OPTIONS TO RELATED PARTIES – STEPHEN WEST, BOGDAN POPESCU, OLIVER CAIRNS AND JAMES HAYWARD

General

As disclosed in the Company's IPO Prospectus dated 23 March 2012, the Company has adopted an employee incentive scheme titled "Employee Share Option Plan" (**Employee Option Plan**). The terms of the Employee Option Plan are summarised in Schedule 1.

It is proposed that, subject to obtaining Shareholder approval, the Company will issue a total of 5,000,000 Options to Messrs West, Popescu, Cairns and Hayward (**Related Parties**) under the Employee Option Plan as an incentive to further motivate and reward their performances with the Company, in accordance with the terms and conditions set out below.

Under the Employee Option Plan rules, the Board in its absolute discretion may from time to time determine that eligible persons (which includes directors and employees) be invited to participate in the Employee Option Plan.

The Employee Option Plan has been used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Principles and Recommendations recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Pursuant to Resolutions 10 to 13, Options will be issued to non-executive Directors being the Related Parties. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Principles and Recommendations, the Company considers that it is appropriate for non-executive Directors to participate in the Employee Option Plan given the size of the Company.

The Company considers that the issue of the Options is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

The terms and conditions of the Options are contained in Schedule 2 of this Notice.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Resolutions 10 to 13 are passed, Options will be issued to the Related Parties who are all Directors. Therefore, the Company requires Shareholder approval to issue the Options to the Related Parties.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options as approval is being obtained under ASX Listing Rule 10.14 and Exception 9(a) of ASX Listing Rule 7.2. The issue of Options to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

Technical Information Required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Options to the Related Parties:

- (a) the related parties are Messrs Stephen West, Bogdan Popescu, Oliver Cairns and James Hayward and they are related parties by virtue of being Directors;
- (b) the maximum number of Options to be issued to the Related Parties is as follows:
 - (i) 2,000,000 Options to Stephen West;
 - (ii) 1,000,000 Options to Bogdan Popescu;
 - (iii) 1,000,000 Options to Oliver Cairns; and
 - (iv) 1,000,000 Options to James Hayward;
- (c) the Options will be issued for nil cash consideration under the terms of the Employee Option Plan and accordingly no funds will be raised;
- (d) the persons referred to in ASX Listing Rule 10.14 who have received Options under the Employee Option Plan since listing and the number and acquisition price of the Options received by them are as follows: (Stephen West – 5,000,000 Options issued for nil consideration; Phil Crookall – 3,000,000 Options issued for nil consideration; Tim Osborne – 1,000,000 Options issued for nil consideration; and Bogdan Popescu – 2,000,000 Options issued for nil consideration);
- (e) as at the date of this Notice, the persons covered by ASX Listing Rule 10.14 that the Board have declared to be eligible to be issued Options under the Employee Option Plan are all Directors and employees of the Company;
- (f) no loans have been provided to the Related Parties in relation to the acquisition of Options; and
- (g) the Options will be issued to the Related Parties no later than 12 months after the date of the Meeting;

RESOLUTION 14

General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 14, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 14 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 14 is a special resolution. Accordingly at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting (in person or by proxy) must be in favour of Resolution 14 for it to be passed.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$1,640,557.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has four classes of Equity Securities on issue, being the Shares/CDIs (ASX Code: ZTA), listed options to expire on 15 July 2015 (ASX Code: ZTAOA), listed options to expire on 30 June 2015 (ASX Code: ZTAOB) and listed options to expire on 15 June 2015 (ASX Code: ZTAOC).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (3) plus the number of Shares issued in the previous 12 months with Shareholder approval under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
- (4) less the number of Shares cancelled in the 12 months.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Technical Information Required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 14:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

provided that, in respect of Shares, these are not issued at less than their nominal value (being the lowest issue price permitted under the UK Companies Act 2006).

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

("10% Placement Capacity Period").

(c) Risk of Voting Dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable "A" in ASX Listing Rule 7.1A.2)	Issue Price (per Share)	Dilution		
		\$0.0035 50% decrease in Issue Price	\$0.007 Issue Price	\$0.014 100% Increase in Issue Price
254,312,567 Shares Current Variable A	Shares issued - 10% voting dilution	25,431,257 Shares	25,431,257 Shares	25,431,257 Shares
	Funds raised	\$89,009	\$178,019	\$356,038
381,468,851 Shares 50% increase in current Variable A	Shares issued - 10% voting dilution	38,146,885 Shares	38,146,885 Shares	38,146,885 Shares
	Funds raised	\$133,514	\$267,028	\$534,056
508,625,134 Shares 100% increase in current Variable A	Shares issued - 10% voting dilution	50,862,513 Shares	50,862,513 Shares	50,862,513 Shares
	Funds raised	\$178,019	\$356,038	\$712,075

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- There are currently 251,483,799 Shares on issue comprising:
 - 234,362,250 existing Shares as at the date of this Notice of Meeting; and
 - 17,121,549 Shares which will be issued if Resolutions 8 and 9 are passed at this Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 26 May 2014.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting .

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- as non-cash consideration for the acquisition of new oil and gas assets, investments and payment for the provision of other professional services. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; and, if relevant, the UK Companies Act 2006;
- as cash consideration in which case the Company intends to use the funds raised towards the acquisition of new assets or investments (including expenses associated with such acquisition), for the continued exploration and development of the Company's assets and and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placements.

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be the vendors of the new resources assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 28 June 2013 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 June 2013, the Company otherwise issued a total of 101,000,010 Shares (all issued pursuant to a pro rata entitlement offer to Shareholders) and 67,976,514 Options (51,626,514 of which were issued pursuant to the pro rata entitlement offer to Shareholders) which represents approximately 127% of the total diluted number of Equity Securities on issue in the Company on 30 June 2013, which was 133,362,240.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

(g) Compliance with ASX Listing Rule 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(h) Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 14.

SCHEDULE 1 – TERMS OF THE EMPLOYEE OPTION PLAN

The Company has established an Employee Share Option Plan (**ESOP**). The full terms of the ESOP may be inspected at the registered office of the Company during normal business hours, and a summary of the material terms is below:

- (a) The objective of the ESOP is to encourage participation by employees in the Company through Share ownership and to attract, motivate and maintain employees of the Company.
- (b) The Board shall have the discretion to approve the grant of options under the ESOP and decide the terms and conditions of such grants. However, each employee option shall be issued for nil consideration.
- (c) The exercise price of employee options granted under the ESOP will be determined by the Board prior to their being granted. To the extent that the ASX Listing Rules or the UK Companies Act 2006 specify or require a minimum price, the exercise price must not be less than any minimum price specified in the ASX Listing Rules or the UK Companies Act.
- (d) The employee options shall be subject to such performance targets as may be fixed by the Board prior to their being granted.
- (e) The options granted under the ESOP do not give any right to participate in rights issues until Shares are issued pursuant to the exercise of the relevant option.
- (f) Employee options are not transferrable.
- (g) Employee options not exercised after six (6) months of cessation of employment shall automatically lapse at this time.
- (h) The maximum number of employee options that may be offered to participants under the ESOP shall not exceed 25% of the issued share capital of the Company from time to time.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE NEW LISTED OPTIONS

The Options entitle the holder to subscribe for CDIs on the following terms and conditions:

- (a) Each Option gives the optionholder the right to subscribe for one CDI.
- (b) The Options will expire at 5.00pm (WST) on 30 June 2021 (“Expiry Date”). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.04 (“Exercise Price”).
- (d) The Options held by each optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised; (“Exercise Notice”).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of CDIs required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All CDIs issued upon the exercise of Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. The Company will apply for quotation of all CDIs issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those CDIs.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are to be changed in a manner consistent with the Corporations Act (as appropriate), the ASX Listing Rules, the UK Companies Act 2006 and otherwise at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 30 JUNE 2013

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 14 May 2014 Appendix 3B – 20 May 2014	5,000,000	Unquoted Options ⁴	GM Investment & Co. Ltd	Nil	Non-cash Consideration: Pursuant to a loan agreement with GM Investment & Co. for US\$850,000. Current value ⁹ = \$4
Issue – 28 February 2014 Appendix 3B – 28 February 2014	1,126,506	Quoted Options ³	Pursuit Capital Pty Ltd	Nil	Non-cash Consideration: Nil cash consideration – corporate adviser options issued pursuant to the prospectus dated 18 July 2013 Current value ⁹ = \$3,379
Issue – 28 February 2014 Appendix 3B – 28 February 2014	1,000,000	Unquoted Options ⁵	Loeb Aron & Co.	Nil	Non-cash Consideration: Issued pursuant to a broker engagement letter Current value ⁹ = \$nil
Issue – 28 February 2014 Appendix 3B – 28 February 2014	3,000,000	Unquoted Options ⁶	Employee of the Company	Nil	Non-cash Consideration: Performance based remuneration for services provided to the Company. Current value ⁹ = \$2
Issue – 18 September 2013 Appendix 3B – 18 September 2013	15,304,500 7,652,250	CDIs for Ordinary Shares ² Quoted Options ³	Clients of Pursuit Capital applying for shortfall pursuant to rights issue prospectus dated 18 July 2013	\$0.01 per CDI Nil cash consideration (one free attaching option for every 2 CDIs issued)	Cash Amount raised = \$153,045 Amount spent = \$153,045 Use of funds The funds were used to pay staff costs (as to \$125,045), legal costs (as to \$15,000) and geological consultancy fees (as to \$13,000) Amount remaining = \$nil Proposed use of remaining funds ⁸ N/a
Issue – 3 September 2013 Appendix 3B – 4 September 2013	7,350,000	Quoted Options ⁷	Eligible shareholders accepting entitlements pursuant to a prospectus dated 18 July 2013	\$0.001	Cash Amount raised = \$7,350 Amount spent = \$7,350 Use of funds The funds were used to pay legal fees in respect of the issue of these options Amount remaining = \$nil Proposed use of remaining funds ⁸ N/a
Issue – 3 September 2013 Appendix 3B – 17 July 2013	85,695,510 42,847,758	CDIs for Ordinary Shares ² Quoted Options ³	Eligible shareholders accepting entitlements pursuant to a prospectus dated 18 July 2013	\$0.01 per CDI Nil cash consideration (one free attaching option for every 2 CDIs issued)	Cash Amount raised = \$856,955 Amount spent = \$856,955 Use of funds The funds were used to pay for the partial payment for a generator on the Company's Dornesti Sud-1 discovery well on the Suceava licence (as to \$173,000), costs involved with a technical study on a potential new venture (as to \$15,000), security costs on the Bobucu well (as to \$16,000), staff costs (as to \$304,000), costs in respect of the Company's entitlement issue (as to \$85,000), audit and tax costs (as to \$54,000), corporate finance costs (as to \$30,000), legal costs (as to \$37,000), share registry costs (as to \$35,000), public relations costs (as to \$24,000) and general working capital (as to \$83,000). Amount remaining = \$nil Proposed use of remaining funds ⁸ N/a

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- CDIs for fully paid ordinary shares in the capital of the Company, ASX Code: ZTA (terms are set out in the Articles of Association).
- Quoted Options, exercisable at \$0.04 each, on or before 30 June 2015, ASX Code: ZTAOB.
- Unquoted Options, exercisable at \$0.05 each, on or before 14 May 2020.
- Unquoted Options, exercisable at \$0.04 each, on or before 6 February 2016.
- Unquoted Options, exercisable at \$0.04 each, on or before 6 February 2021.
- Quoted Options, exercisable at \$0.04 each, on or before 15 June 2014, ASX Code: ZTAOC.
- This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
- In respect of quoted Equity Securities the value is based on the closing price of the securities as at 26 May 2014. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

APPENDIX – GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

CDI has the meaning given on page 3 of this notice.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Employee Option Plan means the Plan adopted by the Company on 11 January 2012 and summarised in Schedule 1

Equity Securities has the meaning defined in the ASX Listing Rules.

Option means an option to acquire a Share / CDI.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share or CDI.

