

**THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action to be taken you should immediately take your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Existing Ordinary Shares in Zeta Petroleum plc (the “**Company**”), please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Existing Ordinary Shares in the Company, you should retain these documents.

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# **ZETA PETROLEUM PLC**

*Incorporated and registered in England and Wales with registered number 5560854 and registered as a foreign company in Australia with Australian registered business number 154 575 872*

## **SHARE CONSOLIDATION POSSIBLE SECONDARY LISTING AND NOTICE OF GENERAL MEETING**

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Notice convening a General Meeting of the Company to be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG on 27 March 2015 at 11.00 a.m. GMT is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event by not later than 11.00a.m. GMT on 25 March 2015. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

This document does not comprise or form part of any offer or invitation to acquire or to dispose of or to subscribe for any interests in shares or securities in the Company and none of its contents nor the fact of its existence may be relied on in connection with any contract therefor.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2015

Announcement of Share Consolidation	11 March
Publication of this document	12 March
Latest time and date for receipt of Forms of Proxy for the General Meeting	11 a.m. GMT on 25 March
Time and date of the General Meeting	11 a.m. GMT on 27 March
ASX informed that Shareholders have approved Share Consolidation	31 March
Last day for trading in pre-Share Consolidation securities	1 April
Trading in the reorganised securities on a deferred settlement basis commences	2 April
Last day for Company to register Share transfers on a pre-Share Consolidation basis	8 April
First day for Company to send notice to each holder of the change in their details of holdings and to register Ordinary Shares on a post-Share Consolidation basis and first day for issue of holding statements	9 April
Completion of the Share Consolidation and deferred settlement market ends	15 April
Last day for Ordinary Shares to be entered into holders' security holdings and for the Company to send notice to each holder of the change in their details of holdings.	

Note: All references to times in this timetable are to London times.

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

<b>“£”</b>	pounds sterling, the legal currency of the United Kingdom;
<b>“Articles”</b>	the articles of association of the Company for the time being;
<b>“ASX”</b>	the Australian Securities Exchange;
<b>“Board” or “Directors”</b>	the current directors of the Company, whose names are set out on page 5 of this document;
<b>“Broker”</b>	SP Angel Corporate Finance LLP;
<b>“Certificated” or “in Certificated Form”</b>	a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form;
<b>“CHESS Depository Interests” or “CDIs”</b>	the depository interests representing Ordinary Shares that are traded on the ASX, the legal title to which Ordinary Shares is held by Chess Depository Nominees Pty Ltd for and on behalf of CDI holders;
<b>“Company”</b>	Zeta Petroleum plc;
<b>“Existing Ordinary Shares”</b>	ordinary shares of £0.001 each in the capital of the Company in issue as at the date of this document;
<b>“Existing Ordinary Share Capital”</b>	the ordinary share capital of the Company at the date of this document, comprising 251,483,799 Existing Ordinary Shares;
<b>“Financial Conduct Authority” or “FCA”</b>	the United Kingdom Financial Conduct Authority;
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
<b>“General Meeting”</b>	the general meeting of the Company, convened for 11 a.m. GMT on 27 March 2015 at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG and any adjournment thereof, notice of which is set out at the end of this document;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“GMT”</b>	Standard time in the United Kingdom;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“London Listing”</b>	the possible listing of the New Ordinary Shares on the Official List of the FCA and on the Main Market of the London Stock Exchange;

<b>“New Ordinary Shares”</b>	ordinary shares of £0.04 each in the capital of the Company following the Share Consolidation;
<b>“Notice”</b>	the notice of the General Meeting set out at the end of this document;
<b>“Options”</b>	options to subscribe for Ordinary Shares;
<b>“Ordinary Shares”</b>	ordinary shares in the issued share capital of the Company from time to time;
<b>“Resolution”</b>	the resolution to be proposed at the General Meeting, as set out in the Notice;
<b>“Share Consolidation”</b>	the proposed consolidation of every 40 Existing Ordinary Shares into 1 New Ordinary Share;
<b>“Shareholders”</b>	the persons who are registered as holders of the Ordinary Shares;
<b>“Sterling” or “£”</b>	the legal currency of the UK;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland.

## PART I

### LETTER FROM THE CHAIRMAN

# ZETA PETROLEUM PLC

*Incorporated and registered in England & Wales under the Companies Act 1985 with registered number 5560854*

*Directors:*

Stephen West (Non-Executive Chairman)  
Oliver Cairns (Non-Executive Director)  
James Hayward (Non-Executive Director)  
Timothy Osborne (Non-Executive Director)  
Bogdan Popescu (Non-Executive Director)

*Registered Office:*

1 Berkeley Street  
London W1J 8DJ

11 March 2015

Dear Shareholder,

### SHARE CONSOLIDATION POSSIBLE SECONDARY LISTING AND NOTICE OF GENERAL MEETING

#### 1. INTRODUCTION

On 28 July 2014 Zeta Petroleum plc the ASX listed company announced that the Broker had been appointed to assist the Company with preparations for a possible secondary listing of its Ordinary Shares in the United Kingdom. This development followed the appointment of Andy Morrison as Chief Executive and certain Board changes in May 2014 and is part of plan to keep the Company's development plans on track in Romania and create value for Shareholders.

The Directors now propose to effect a consolidation of the Company's Existing Ordinary Share Capital, as described in more detail at paragraph 2 below. The Directors consider that the Share Consolidation is appropriate in view of the proposed London Listing and will be in the best interests of the Company's long term development.

The purpose of this document is to provide Shareholders with information regarding the Share Consolidation and seek your approval of the Resolution to effect it at the General Meeting.

The notice of General Meeting is set out at the end of this document. The General Meeting has been convened for 11.00 a.m. GMT on 27 March 2015 at the offices of Fladgate LLP at 16 Great Queen Street, London WC2B 5DG.

#### 2. SHARE CONSOLIDATION

The Company's Existing Ordinary Share Capital comprises 251,483,799 Existing Ordinary Shares.

The Resolution proposes that every 40 Existing Ordinary Shares of the Company be consolidated into one New Ordinary Share.

The Options in issue will, in accordance with their terms, be consolidated on the same consolidation ratio, and the exercise price of the Options will increase by the inverse of the consolidation ratio.

Holders of fewer than 40 Existing Ordinary Shares will not be entitled to a New Ordinary Share following the Share Consolidation. Holdings in excess of 40 Existing Ordinary Shares, but which are not exactly divisible by 40, will be rounded down to the nearest whole number of New Ordinary Shares following the Share Consolidation. Fractional entitlements, whether arising from holdings of more or fewer than 40 Existing Ordinary Shares, will be rounded down and may be aggregated and sold in the market with the proceeds retained for the benefit of the Company. Holdings of Options which are not exactly divisible by 40 will be rounded down to the nearest whole number following the Share Consolidation.

The New Ordinary Shares will continue to carry the same rights as attached to them immediately prior to the Share Consolidation as set out in the Articles and will continue to be traded on the ASX.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in Ordinary Shares during the period between the passing of the Resolution and the date on which Shareholders receive new share certificates.

Similarly, from the date of the Share Consolidation, all existing holding statements as regards Ordinary Shares will cease to have any effect, except as evidence of entitlement to a certain number of Ordinary Shares on a post-Share Consolidation basis. After the Share Consolidation becomes effective, the Company will arrange for new holding statements for New Ordinary Shares to be issued to holders. It is the responsibility of each Shareholder to check the number of Ordinary Shares held prior to any disposal or exercise.

An indicative timetable for the Share Consolidation is set out on page 2.

The estimated effect which the Share Consolidation will have on the capital structure of the Company is set out in the table below. The notes to that table also set out the estimated effect the Share Consolidation will have on the exercise price of the current Options in issue.

SHARES	Number
Current issued capital	251,483,799
Post-Share Consolidation issued capital	6,287,094
OPTIONS	Number
Number of options currently in issue	87,922,854
Post-Share Consolidation options in issue	2,198,070

**1. *Number of options currently in issue***

Consisting of 15,970,250 quoted Options exercisable at \$0.30 on or before 15 July 2015, 51,626,514 quoted Options exercisable at \$0.04 on or before 30 June 2015, 4,000,000 unquoted Options exercisable at \$0.20 on or before 11 January 2019, 3,000,000 unquoted Options exercisable at \$0.04 on or before 6 February 2021, 5,450,000 unquoted Options exercisable at \$0.04 on or before 4 July 2021, 1,876,090 unquoted Options exercisable at \$0.20 on or before 21 May 2017, 1,000,000 unquoted Options exercisable at \$0.04 on or before 6 February 2016 and 5,000,000 unquoted Options exercisable at \$0.05 on or before 14 May 2020.

**2. *Post-Share Consolidation options on issue***

Consisting of 399,256 quoted Options exercisable at \$12.00 on or before 15 July 2015, 1,290,662 quoted Options exercisable at \$1.60 on or before 30 June 2015, 100,000 unquoted Options exercisable at \$8.00 on or before 11 January 2019, 75,000 unquoted Options exercisable at \$1.60 on or before 6 February 2021, 136,250 unquoted Options exercisable at \$1.60 on or before 4 July 2021, 46,902 unquoted Options exercisable at \$8.00 on or before 21 May 2017, 25,000 unquoted Options exercisable at \$1.60 on or before 6 February 2016 and 125,000 unquoted Options exercisable at \$2.00 on or before 14 May 2020.

**3. PROPOSED SECONDARY LISTING**

The Share Consolidation is also being proposed as the Directors are now making preparations for a possible secondary listing of the New Ordinary Shares on the Standard segment of the Official List of the FCA and admission to trading on the Main Market of the London Stock Exchange. If it proceeds it is anticipated that the London Listing would take place by 30 June 2015.

**4. IRREVOCABLE UNDERTAKING**

GM Investment & Co Limited has given an irrevocable undertaking to vote in favour of the Resolution. GM Investment & Co Limited currently holds 34.5 per cent of the Existing Ordinary Share Capital but has agreed only to vote Ordinary Shares representing 29.9 per cent on the Resolution.

**5. OPTIONS**

The ASX Listing Rules require that the number of Options in issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio. Please refer to the capital structure table in section 2 above for details of the effect the Share Consolidation will have on the number and exercise price of the Options on issue in the Company.

At the date of this document the Company has a total of 87,922,854 Existing Ordinary Shares subject to Options. Following the Share Consolidation, these will equate to 2,198,070 New Ordinary Shares subject to Options.

**6. GENERAL MEETING**

You will find set out at the end of this document a notice convening the General Meeting to be held at 11.00 a.m. GMT on 27 March 2015 at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG at which the Resolution will be proposed to approve the Share Consolidation.

**7. RECOMMENDATION**

The Board is of the opinion that the Resolution is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 28,748,307 Existing Ordinary Shares, representing approximately 11.43 per cent of the Existing Ordinary Share Capital as at the date of this document.

Yours faithfully,

*Stephen West*  
Chairman

# ZETA PETROLEUM PLC

(the "Company")

*(Incorporated and registered in England and Wales with company number 5560854)*

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Fladgate LLP at 16 Great Queen Street at 11 a.m. GMT on 27 March 2015, to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution.

### **Special Business**

#### Special Resolution

THAT, for the purposes of ASX Listing Rule 7.20 and for all other purposes, the 251,483,799 ordinary shares of £0.001 in the capital of the Company (**Existing Ordinary Shares**) be consolidated into 6,287,094 ordinary shares of £0.04 each (**New Ordinary Shares**) (such New Ordinary Shares having the same rights, except as to nominal value, and being subject to the same restrictions as the Existing Ordinary Shares, each as set out in the Company's articles of association), so that every 40 Existing Ordinary Shares of £0.001 held by a shareholder in the capital of the Company at the date hereof be and are hereby consolidated into one New Ordinary Share of £0.04, provided that no member shall be entitled to a fraction of a share and any fractions of New Ordinary Shares arising out of the consolidation pursuant to this resolution will be aggregated and the Directors of the Company are authorised to round down any fractional entitlements and/or to sell (or appoint any other person to sell), the whole number of New Ordinary Shares so arising, in the latter case with the net proceeds of sale to be retained by the Company. For the purpose of implementing the provisions of this resolution, the Directors of the Company may nominate any person to execute transfers on behalf of any person entitled to any such fractions and may generally make all arrangements and do all acts and things which appear to the Directors of the Company to be necessary or appropriate for the settlement and/or disposal of such fractional entitlements.

### **BY ORDER OF THE BOARD**

Ben Hodges  
*Company Secretary*

Dated: 11 March 2015

*Registered office:*  
1 Berkeley Street  
London  
W1J 8DJ  
United Kingdom



## NOTES TO THE NOTICE OF GENERAL MEETING

### 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 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 ("CDIs") are invited to attend but are not entitled to vote personally at the 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 Resolution described in the Notice of General Meeting using the enclosed CDI Voting Instruction Form. CDN must exercise its rights to vote by proxy at the General Meeting in accordance with the directions of CDI holders.

### 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 11.00 a.m. GMT 25 March 2015 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. GMT on 25 March 2015 or, in the event of any adjournment of the meeting, at 6.00 p.m. GMT 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.
8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact Computershare Investor Services Plc at the address shown in note 2, above.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services Plc at the address shown in note 2, above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Computershare Investor Services Plc no later than 11.00 a.m. GMT 25 March 2015

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.



