

**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 Shares or CDIs 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 Shares or CDIs in the Company, you should retain these documents.

# **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 24 154 575 872*

## **NOTICE OF GENERAL MEETING**

### **REDENOMINATION OF NOMINAL SHARE CAPITAL, RE-ELECTION OF COMPANY DIRECTOR, APPROVALS FOR SECURITY ISSUES AND DISAPPLICATION OF PRE-EMPTION RIGHTS**

Notice convening a General Meeting of the Company to be held at the offices of Transcontinental Investments Pty Ltd, level 14, 191 St Georges Terrace, Perth, Western Australia, Australia on 14 September 2016 at 4.00 p.m. AWST (9.00 a.m. BST) 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, United Kingdom, as soon as possible but in any event by not later than 4 p.m. AWST (9.00a.m. BST) on 12 September 2016. 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.

**PART 1**  
**NOTICE OF GENERAL MEETING**

**ZETA PETROLEUM PLC**

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

**NOTICE IS HEREBY GIVEN** that a general meeting of Zeta Petroleum Plc (**Company**) will be held at the offices of Transcontinental Investments Pty Ltd, level 14, 191 St Georges Terrace, Perth, Western Australia, Australia at 4 p.m. AWST (9 a.m. BST) on 14 September 2016, for the transaction of the following business:

**Ordinary Business**

**RESOLUTION 1 – Redenomination of nominal Share value**

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

*“That, in accordance with section 622 of the Companies Act , with effect from 25 August 2016 (**Specified Date**) the existing Shares of £0.04 each in the capital of the Company shall be redenominated as an ordinary share of A\$0.0655 in the capital of the Company using the Australian dollar: Pound Sterling sell rate of exchange prevailing as at the day before the Specified Date (A\$1.6375:£1), using the mechanism specified by s623 of the Companies Act.*

**RESOLUTION 2 – Renounceable Rights Issue**

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

*“That, subject to the passing of Resolutions 1 and 9 the Directors be authorised pursuant to s551 of the Companies Act 2006 (the “**Companies Act**”), to allot up to a maximum of 27,165,111 new securities via a pro rata Renounceable Rights Issue (the “**Rights Issue**”) for the issue of 2 new CHESS Depository Interests (“CDIs”) for every 1 CDI or Ordinary Share held by Zeta Shareholders at A\$0.06 per CDI, with 1 free attaching option to be issued for every 2 new CDIs subscribed for exercisable at A\$0.10 each on or before 30 September 2019, and otherwise on the terms and conditions set out in the Explanatory Statement. The maximum number of securities to be allotted under the Rights Issue will consist of 18,110,074 new CDIs and 9,055,037 free attaching options. The authority referred to in this Resolution shall expire no later than the date of the Company’s 2017 Annual General Meeting, unless previously revoked, renewed or varied by the Company in general meeting.”*

**RESOLUTION 3 – Election of Mr Simon Trevisan as a Director of the Company**

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

*“For the purposes of ASX Listing Rule 14.4, Article 20.2 of the Company’s Articles of Association, and for all other purposes, to elect Mr Simon Trevisan as a Director of the Company, who was appointed by the Board of Directors (the “**Board**”) as a Director since the Company’s last Annual General Meeting.”*

#### **RESOLUTION 4 – Approval of issue of Free Attaching Options to Transcontinental Investments Pty Ltd**

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 up to 900,000 free attaching options exercisable at A\$0.10 each on or before 30 September 2019 to Transcontinental Investments Pty Ltd, 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 Transcontinental Investments Pty Ltd and any of its 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 Form of Proxy, 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 Form of Proxy to vote as the proxy decides.

#### **RESOLUTION 5 – Ratification of the issue of CDIs to Transcontinental Investments Pty Ltd**

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

*“That subject to the passing of Resolution 10 and for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,088,256 CDIs at an issue price of \$0.06 each, to Transcontinental Investments Pty Ltd 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 Transcontinental Investments Pty Ltd and of its Associates. 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 Form of Proxy 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 Form of Proxy to vote as the proxy decides.

#### **RESOLUTION 6 – Approval for Related Parties to participate in the shortfall to the Renounceable Rights Issue – Transcontinental Investments Pty Ltd**

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

*“That, subject to the passing of Resolutions 1, 2, 9 and 10, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 CDIs and 500,000 free attaching options exercisable at A\$0.10 each on or before 30 September 2019 to Transcontinental Investments Pty Ltd, 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 Transcontinental Investments Pty Ltd and any of its Associates and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed. 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 Form of Proxy, 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 Form of Proxy to vote as the proxy decides.

#### **RESOLUTION 7 – Approval for Related Parties to participate in the shortfall to the Renounceable Rights Issue – Mr Greg Hancock**

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

*“That, subject to the passing of Resolutions 1, 2, 9 and 10, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 370,000 CDIs and 185,000 free attaching options exercisable at A\$0.10 each on or before 30 September 2019 to Mr Greg Hancock (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 Mr Greg Hancock (or his nominee) and any of their Associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of a Shareholder, if the resolution is passed. 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 Form of Proxy, 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 Form of Proxy to vote as the proxy decides.

**RESOLUTION 8 – Approval for Related Parties to participate in the shortfall to the Renounceable Rights Issue – Mr Oliver Cairns**

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

*“That, subject to the passing of Resolutions 1, 2, 9 and 10, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 100,000 CDIs and 50,000 free attaching options exercisable at A\$0.10 each on or before 30 September 2019 to Mr Oliver Cairns (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 Mr Oliver Cairns (or his nominee) and any of their Associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of a Shareholder, if the resolution is passed. 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 Form of Proxy, 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 Form of Proxy to vote as the proxy decides.

**Special Business**

**RESOLUTION 9 – Adjustment of nominal value of Shares in connection with redenomination**

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*“That, subject to the passing of Resolution 1 by the required majority, the share capital of the Company be and is hereby reduced by rounding down the fixed nominal value of the Company’s ordinary shares to A\$0.06 in accordance with section 626 of the Companies Act 2006”.*

**RESOLUTION 10 – No Pre-emption Rights on the Allotment of Securities under Rights Issue**

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

*“That, the Directors be and they are hereby empowered pursuant to s570 of the Companies Act 2006 (the “Companies Act”) to allot equity securities (as defined in s560 of the Companies Act) for cash as if s561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate number of 27,165,111 securities and provided that this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire no later than the date of the Company’s 2017 Annual General Meeting. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.”*

If granted this authority will replace the existing authority granted at the general meeting of the Company held on 17 September 2012.

**BY ORDER OF THE BOARD**

Ben Hodges  
Company Secretary

Dated: 26 August 2016

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 CHESS 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 4 p.m. AWST (9.00 a.m. BST) 12 September 2016 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. AWST on 12 September 2016 or, in the event of any adjournment of the meeting, at 6.00 p.m. AWST 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 4 p.m. AWST (9.00 a.m. BST) 12 September 2016.

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.

## PART 2

### EXPLANATORY STATEMENT TO THE NOTICE OF GENERAL MEETING

This Explanatory Statement forms part of a Notice convening the General Meeting of Shareholders of Zeta Petroleum plc to be held at the offices of Transcontinental Investments Pty Ltd, level 14, 191 St Georges Terrace, Perth, Western Australia, Australia, at 4.00 p.m. AWST (9.00 a.m. BST) on 14 September 2016. This Explanatory Statement is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolution proposed. Certain terms used in this Explanatory Statement are defined in Part 4.

#### RESOLUTION 1 – REDENOMINATION OF NOMINAL SHARE VALUE

Section 622 of the Companies Act 2006 allows a Company to change the denomination of the nominal value of its shares. The Company is listed on the Australian Stock Exchange with its CDIs being quoted in Australian dollars. The Directors consider it appropriate that the nominal value of the Company's 9,055,037 Shares on issue as at the date of this Notice be changed from British Pounds Sterling into Australian dollars to align the currency of its nominal share value with the currency in which it is quoted.

The new nominal value of the Company's Shares will be A\$0.0655 post redenomination, calculated in accordance with section 623 of the Companies Act 2006 using the NatWest Bank sell currency rate of A\$1.6375 prevailing at close of business in London on the day before the Specified Date.

#### RESOLUTION 2 – RENOUNCEABLE RIGHTS ISSUE

##### Background

On 27 July 2016 the Company announced its intention to undertake a renounceable rights issue (**Renounceable Rights Issue**) for the issue of two (2) new CDIs for every one (1) CDI or Share held by Shareholders as at the Record Date, at an issue price of A\$0.06 per new CDI, with one (1) free attaching option to be issued for every two (2) new CDIs subscribed for, exercisable at A\$0.10 each on or before 30 September 2019 (**Free Attaching Option**).

##### Requirements of Companies Act 2006

Shareholder approval is hereby being sought to the grant to the Board of authority to allot equity securities (within the meaning of section 560 of the Companies Act) up to a maximum of 27,165,111 equity securities to enable the Company to execute the Renounceable Rights Issue.

##### Timetable

An indicative timetable for the Renounceable Rights Issue is as follows:

Event	Target date
Prospectus lodged with ASIC and provided to ASX	Wednesday, 14 September 2016
Securities quoted on an "ex" basis	Monday, 19 September 2016
Rights trading commences	Monday, 19 September 2016
Record date	Tuesday, 20 September 2016
Prospectus and Application Form sent to CDI holders and Shareholders	Friday, 23 September 2016
Offer opens	Friday, 23 September 2016
Rights trading ends	Tuesday, 27 September 2016
Offer closes	Wednesday, 5 October 2016

Issue date	Monday, 10 October 2016
Ordinary trading of new securities commences	Tuesday, 11 October 2016

**Note:** These dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close the Offer early or accept late Applications, either generally or in particular cases, without notification. Potential Applicants who wish to submit an Application and subscribe for CDIs and Free Attaching Options are encouraged to do so as soon as possible after the Offer opens as the Offer may close at any time without notice.

### **RESOLUTION 3 – ELECTION OF MR SIMON TREVISAN AS A DIRECTOR OF THE COMPANY**

Article 20.2 of the Company's Articles of Association and ASX Listing Rule 14.4 require any Director appointed by the Board since the date of the last Annual General Meeting to retire at the next General Meeting. Mr Simon Trevisan was appointed as a Director of the Company on 28 July 2016 and is accordingly retiring from office and offering himself for election.

Mr Trevisan is the managing director of the Transcontinental Group of companies including TRG Properties Pty Ltd and Transcontinental Investments Pty Ltd. He has 20 years' experience in public and private investments, corporate finance and management of large public and private businesses. He has been responsible for the funding and management of a number of public companies and TRG Properties' substantial property investments. His experience includes the establishment and listing of Mediterranean Oil & Gas plc, an AIM listed oil and gas company with production and a substantial oil discovery in Italy. Mr Trevisan was Executive Chairman of ASX listed gold explorer Aurex Consolidated Ltd and a founding executive director of ASX listed Ausgold Limited and Regalpoint Resources Ltd. He was also responsible for arranging debt funding for the development of in excess of \$500 million of property and significantly involved in arranging and drawing down one of the first foreign bank project facilities for a resources development in Indonesia. He has a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia and a Masters Degree in Business and Technology from the University of New South Wales. Before becoming managing director of the Transcontinental Group, Mr Trevisan practiced as a solicitor with Allens Arthur Robison Legal Group firm, Parker and Parker, in the corporate and natural resources divisions.

Mr Trevisan is currently a director of medical devices company, Neurotech International Ltd and ASX listed companies Regalpoint Resources Ltd and BMG Resources Limited. He is a board member of not for profit St George's College Foundation.

The Directors, other than Mr Trevisan, support the election of Mr Trevisan and recommend that Shareholders vote in favour of Resolution 3.

### **RESOLUTION 4 – APPROVAL OF ISSUE OF FREE ATTACHING OPTIONS TO TRANSCONTINENTAL INVESTMENTS PTY LTD**

#### **Background**

As announced on 27 July 2016, the Company has entered into a placement agreement (**Placement Agreement**) with Transcontinental Investments Pty Ltd (**Transcontinental**) pursuant to which the Company raised A\$108,000, issued to Transcontinental 1,800,000 new fully paid CDIs at an issue price of A\$0.06 each, and agreed to issue to Transcontinental one free attaching option exercisable at A\$0.10 each on or before 30 September 2019 (**Free Attaching Option**) for every two new fully paid CDIs issued, being a total of 900,000 Free Attaching Options.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue to Transcontinental of up to 900,000 Free Attaching Options.

No funds will be raised from the issue of the 900,000 Free Attaching Options as they are proposed to be issued as free attaching options pursuant to the Placement Agreement, in respect of which the Company has already received A\$108,000.



### **Requirements of Listing Rules**

Listing Rule 10.11 restricts the Company from issuing securities to a Related Party of the Company, unless approval is obtained from Shareholders.

The effect of passing Resolution 4 will be to allow the Company to issue up to 900,000 Free Attaching Options to Transcontinental without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is not received for Resolution 4, the Company will not issue the 900,000 Free Attaching Options to Transcontinental.

### **Technical information required by ASX Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Free Attaching Options will be issued to Transcontinental Investments Pty Ltd.
- (b) The maximum number of Free Attaching Options to be issued is 900,000 Free Attaching Options.
- (c) The Free Attaching Options will be issued no later than one (1) month after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) Transcontinental is a Related Party of the Company as Mr Simon Trevisan, who is a Director of the Company, is also a director, joint controller and substantial shareholder of Transcontinental.
- (e) The Free Attaching Options will have an issue price of A\$nil each, and will be exercisable at A\$0.10 each on or before 30 September 2019. The full terms and conditions of the Free Attaching Options is set out in Part 3.
- (f) Any CDIs issued on the exercise of any Free Attaching Options will rank equally in all respects with the Company's existing class of quoted CDIs.
- (g) A voting exclusion statement is included in the Notice of Meeting for Resolution 4.
- (h) No funds will be raised by the issue of the Free Attaching Options as they are proposed to be issued as free attaching options pursuant to the Placement Agreement, pursuant to which the Company has already received A\$108,000.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue 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.

### **Directors' recommendation**

The Directors (except Mr Simon Trevisan) recommend that Shareholders vote in favour of Resolution 4.

## **RESOLUTION 5 – RATIFICATION OF THE ISSUE OF CDIs TO TRANSCONTINENTAL INVESTMENTS PTY LTD**

### **Background**

As set out with respect to Resolution 4 above, on 27 July 2016, the Company entered into the Placement Agreement with Transcontinental pursuant to which the Company raised A\$108,000, and issued to Transcontinental 1,800,000 new fully paid CDIs at an issue price of A\$0.06 each, and agreed to issue to Transcontinental one Free Attaching Option exercisable at A\$0.10 each on or before 30 September 2019 for every two new fully paid CDIs issued.

Of the 1,800,000 CDIs issued by the Company, 1,088,256 CDIs were issued under the Company's existing capacity under Listing Rule 7.1, and the remainder were issued under the Company's existing capacity under Listing Rule 7.1A.

At the time Transcontinental was issued the CDIs, being 27 July 2016, Transcontinental was not

a Related Party of the Company, as Mr Simon Trevisan, who is a director, joint controller and substantial shareholder of Transcontinental, had not been appointed as a Director of the Company until 28 July 2016. Consequently, approval for the purposes of Listing Rule 10.11 is not required for the issue of the 1,800,000 CDIs.

### **Requirements of Listing Rules**

Listing Rule 7.1 permits entities to issue equity securities up to 15% of its issued capital over a 12 month period without shareholder approval.

Listing Rule 7.4 states that an issue of securities by a company made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it. Accordingly, if Resolution 4 is approved, the 1,088,256 CDIs issued by the Company to Transcontinental will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

### **Technical information required by ASX Listing Rule 7.4**

In accordance with Listing Rule 7.5, the following information is provided in to enable Shareholders to assess the merits of Resolution 4 for the purposes of Listing Rule 7.4:

- (a) The number of new fully paid CDIs that were issued is 1,088,256 CDIs.
- (b) The issue price of the CDIs issued was A\$0.06 each.
- (c) The CDIs that were issued were issued on the same terms and conditions as all other CDIs on issue in the Company.
- (d) The CDIs were issued to Transcontinental Investments Pty Ltd.
- (e) The funds raised from the issue of the CDIs will be used by the Company to settle outstanding creditors, maintain and fund exploration costs in Zeta's 39% interest in the Jimbolia licence and for general working capital purposes.
- (f) A voting exclusion statement is included in the Notice of Meeting for Resolution 5.

### **Directors' recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 5.

## **RESOLUTIONS 6 TO 8 – APPROVAL FOR RELATED PARTIES TO PARTICIPATE IN THE SHORTFALL TO THE RENOUNCEABLE RIGHTS ISSUE**

### **Background**

On 27 July 2016, the Company announced its intention to undertake a renounceable rights issue (**Renounceable Rights Issue**) on the basis of two (2) new CDIs for every one (1) CDI or Share held by Shareholders as at the Record Date, at an issue price of A\$0.06 per new CDI (**CDI**), with one (1) free attaching option to be issued for every two (2) new CDIs subscribed for, exercisable at A\$0.10 each on or before 30 September 2019 (**Free Attaching Option**).

Transcontinental Investments Pty Ltd (**Transcontinental**), which is a Related Party of the Company as Mr Simon Trevisan who is a Director of the Company is also a director, joint controller and substantial shareholder in Transcontinental, has indicated its intention to participate in any shortfall of the Renounceable Rights Issue up to a maximum of 1,000,000 of new CDIs and 500,000 Free Attaching Options.

Mr Greg Hancock, being a Related Party of the Company by virtue of being a Director of the Company has indicated his intention to participate in any shortfall of the Renounceable Rights Issue up to a maximum of 370,000 of new CDIs and 185,000 Free Attaching Options.

Mr Oliver Cairns, being a related party of the Company by virtue of being a Director of the Company has indicated his intention to participate in any shortfall of the Renounceable Rights Issue up to a maximum of 100,000 of new CDIs and 50,000 Free Attaching Options.

The non-interested Directors of the Company being Messrs Stephen West and Timothy Osborne, have determined that subject to Shareholder approval being obtained:

- (a) Transcontinental be permitted to participate in any shortfall of the Renounceable Rights Issue up to a maximum of 1,000,000 of new CDIs and 500,000 Free Attaching Options;
- (b) Mr Greg Hancock be permitted to participate in any shortfall of the Renounceable Rights Issue up to a maximum of 370,000 of new CDIs and 185,000 Free Attaching Options; and
- (c) Mr Oliver Cairns be permitted to participate in any shortfall of the Renounceable Rights Issue up to a maximum of 100,000 of new CDIs and 50,000 free attaching Options exercisable at A\$0.10 at any time on or before 30 September 2019.

Resolutions 6 to 8 seek Shareholder approval for the issue of the aforementioned CDIs and Free Attaching Options to Transcontinental, Mr Hancock and Mr Cairns.

Resolutions 6 to 8 are subject to the approval by Shareholders of Resolutions 1, 2, 9 and 10.

The effect of passing each of Resolutions 6 to 8 will be to allow the Company to issue up to 1,470,000 **CDIs** and 735,000 **Free Attaching Options** without using up the Company's 15% placement capacity under Listing Rule 7.1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue 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.

### **Requirements of Listing Rules**

Listing Rule 10.11 restricts the Company from issuing securities to a Related Party of the Company, unless approval is obtained from Shareholders.

The effect of passing each of Resolutions 6 to 8 will be to allow the Company to issue up to 1,470,000 and 735,000 without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is not received for any of Resolutions 6, 7 or 8, the Company will not issue to the relevant Related Party, the CDIs and Free Attaching Options that are the subject of the relevant Resolution.

### **Technical information required by ASX Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The CDIs and Free Attaching Options will be issued to the following persons:
  - (i) pursuant to Resolution 6, to Transcontinental Investments Pty Ltd;
  - (ii) pursuant to Resolution 7, to Mr Greg Hancock; and
  - (iii) pursuant to Resolution 8, to Mr Oliver Cairns.
- (b) The maximum number of CDIs and Free Attaching Options to be issued pursuant to each of Resolutions 6 to 8 is as follows:
  - (i) 1,000,000 CDIs and 500,000 Free Attaching Options to Transcontinental Investments Pty Ltd;
  - (ii) 370,000 CDIs and 185,000 Free Attaching Options to Mr Greg Hancock; and
  - (iii) 100,000 CDIs and 50,000 Free Attaching Options to Oliver Cairns.
- (c) Subject to ASX granting a waiver from Listing Rule 10.13.3, the CDIs and Free Attaching Options proposed to be issued pursuant to Resolutions 6 to 8 will be issued at the same time as other CDIs and Free Attaching Options to be issued to other participants in the Renounceable Rights Issue, rather than within 1 month after the date of the General Meeting, but in any event no later than 3 months after the date of the Meeting, or within such other time as may be permitted by the Listing Rules or any waiver(s) of the Listing Rules granted by ASX.

- (d) Transcontinental Investments Pty Ltd is a Related Party of the Company as Mr Simon Trevisan who is a Director of the Company is also a director, joint controller and substantial shareholder of Transcontinental, and Messrs Greg Hancock and Oliver Cairns are Related Parties of the Company as they are Directors of the Company.
- (e) The CDIs will be issued on the same terms and conditions as all other CDIs on issue in the Company.
- (f) The Free Attaching Options will have an issue price of A\$nil each, and will be exercisable at A\$0.10 each on or before 30 September 2019. The full terms and conditions of the Free Attaching Options is set out in Part 3.
- (g) Any CDIs issued on the exercise of any Free Attaching Options will rank equally in all respects with the Company's existing class of quoted CDIs.
- (h) A voting exclusion statement is included in the Notice.
- (i) The funds raised will be used to settle outstanding creditors, maintain and fund exploration costs in the Company's 39% interest in the Jimbolia licence and for general working capital.

### **RESOLUTION 9 – ADJUSTMENT OF NOMINAL VALUE OF SHARES IN CONNECTION WITH REDENOMINATION**

Subject to the passing of Resolution 1 by the required majority, the Company seeks Shareholder approval with effect from the Specified Date to round down the fixed nominal value of the Company's Shares to A\$0.06 in accordance with section 626 of the Companies Act 2006. Section 626 allows for an adjustment in nominal value of shares by not more than 10% of the Company's allotted share capital where a Company feels it is suitable to do so. Accordingly, the Company seeks to round down the nominal value of the Company's Shares to two decimal points.

The change in the nominal value of the Company's Shares will have no effect on the carrying value of the Company's assets and liabilities in the Company's accounts and will not affect the balance sheet of the Company, nor the trading value of the Company's CDIs traded on the ASX.

The principal purpose of the change is to allow the Company to issue shares at an issue price it feels is more suitable: either equal to, or above the fixed nominal value, as s626 permits it to do.

Resolution 9 is a special resolution.

### **RESOLUTION 10 – DISAPPLICATION OF PRE-EMPTION RIGHTS**

Resolution 10 seeks authority pursuant to section 570 of the Companies Act for the Directors to allot equity securities (as defined in section 560 of the Companies Act) for cash as if the statutory pre-emption rights contained in section 561(1) of the Companies Act did not apply to any such allotment up to an aggregate number of 27,165,111 securities to provide the Company with sufficient capacity to allot further shares and to grant further rights to subscribe for, or to convert any security into, shares at any time until the date of the Company's 2017 Annual General Meeting, subject always to the ASX Listing Rules.

The purpose of this Resolution is to allow the Company to raise capital via equity issues to external investors, without having to go through the pre-emption rights process of first offering the equity securities to existing shareholders.

Resolution 10 is a special resolution.

### PART 3 TERMS OF FREE ATTACHING OPTIONS

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

- (a) Each Free Attaching Option has an issue price of A\$nil.
  - (b) Each Free Attaching Option gives the optionholder the right to subscribe for one CDI.
  - (c) The Free Attaching Options will expire at 5.00pm (WST) 30 September 2019 (**Expiry Date**). Any Free Attaching Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (d) The amount payable upon exercise of each Free Attaching Option will be A\$0.10 (**Exercise Price**).
  - (e) The Free Attaching 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.
  - (f) An optionholder may exercise their Free Attaching Options by lodging with the Company, before the Expiry Date:
    - (i) A written notice of exercise of Free Attaching Options specifying the number of Free Attaching Options being exercised; and
    - (ii) A cheque or electronic funds transfer for the Exercise Price for the number of Free Attaching Options being exercised;
- (Exercise Notice).**
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
  - (h) 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 Free Attaching Options specified in the Exercise Notice.
  - (i) On receipt of an Exercise Notice accompanied by the Exercise Price, the Company will either:
    - (i) within 5 business days after the issue of CDIs issued upon exercise of the Options, issue a “cleansing notice” that complies with section 708A(6) of the Corporations Act to meet certain requirements in respect of the “secondary trading” provisions contained in sections 707 and 708A of the Corporations Act; or
    - (ii) within 15 business days of receipt of the Exercise Notice, issue the CDIs issued upon exercise of the Options pursuant to a prospectus which the Company will prepare and lodge with ASIC.
  - (j) The Free Attaching Options are not transferable.
  - (k) All CDIs issued upon the exercise of Free Attaching Options will upon issue rank pari passu in all respects with the Company’s existing class of CDIs.
  - (l) The Company will not apply for quotation of the Free Attaching Options on ASX. The Company will apply for quotation of all CDIs issued pursuant to the exercise of Free Attaching Options on ASX within 10 Business Days after the date of issue of those CDIs.
  - (m) 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 Listing Rules, the UK Companies Act 2006 and otherwise at the time of the reconstruction.
  - (n) There are no participating rights or entitlements inherent in the Free Attaching Options and optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Free Attaching 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 Free Attaching Options prior to the date for determining entitlements to participate in any such issue.

- (o) A Free Attaching Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Free Attaching Option can be exercised.

## PART 4 DEFINITIONS

In the Explanatory Statement:

**“Applicant”** means a person who applies for new CDIs and Free Attaching Options under and in accordance with the Prospectus.

**“Application”** means a valid application for new CDIs and Free Attaching Options offered under the Prospectus.

**“Application Form”** means an application form attached to or accompanying the Prospectus.

**“ASX”** means ASX Limited ACN 008 624 691.

**“A\$”** means Australian dollar.

**“Associate”** has the meaning set out in the Listing Rules.

**“Board”** means the board of Directors.

**“Business Day”** has the meaning given to it in the Listing Rules.

**“Chairman”** means the chairman of the Board.

**“CHESS Depository Interests” or “CDIs”** means the depository interests representing Shares that are traded on the ASX, the legal title to which Shares is held by Chess Depository Nominees Pty Ltd for and on behalf of CDI holders.

**“Company”** means Zeta Petroleum plc ABN 24 154 575 872.

**“Director”** means a director of the Company.

**“Explanatory Statement”** means the Explanatory Statement to the Notice of Meeting, set out in Part 2.

**“Form of Proxy”** means the proxy form accompanying the Notice.

**“Listing Rules”** means the official listing rules of ASX, as amended from time to time.

**“Notice” or “Notice of Meeting”** means the notice of meeting to which this Explanatory Statement is attached.

**“Offer”** means the offer of new CDIs and Free Attaching Options under the Prospectus.

**“Prospectus”** means the prospectus to be issued with respect to the Renounceable Rights Issue.

**“Record Date”** means the date for determining Shareholders’ entitlement to participate in the Renounceable Rights Issue.

**“Related Party”** has the meaning given to it in the Listing Rules.

**“Section”** means a section of this Explanatory Statement.

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

**“Shareholder”** means the holder of a Share.

**“Transcontinental”** means Transcontinental Investments Pty Ltd ACN 009 017 985.

