

**ZETA PETROLEUM PLC**

**ARBN 154 575 872**

**A company registered in England and Wales**

**Company Number 05560854**

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## **PROSPECTUS**

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For a pro rata non-renounceable entitlement issue of 1 CDI for every 1 Share or CDI held by those Shareholders registered at the Record Date at an issue price of \$0.01 per CDI to raise up to \$1,333,622 (based on the number of CDIs and Shares on issue as at the date of this Prospectus) (together with 1 free attaching Option for every 2 CDIs subscribed for and issued (**Attaching Option**)) (**Offer**).

This Prospectus is also issued to enable the issue of 41,742,240 Options (**New Options**) (**New Options Offer**) at an issue price of \$0.001 per New Option to raise up to \$41,742 and on the terms and conditions set out in this Prospectus. Please refer to Section 4.10 for further details.

### **Corporate Adviser**

Pursuit Capital AFSL 339211

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Timothy Osborne (Non-Executive Chairman)  
Stephen West (Managing Director)  
Philip Crookall (Non-Executive Director)  
Cameron Manifold (Non-Executive Director)  
Piers Lewis (Non-Executive Director and Local Agent in Australia)

### Company Secretary

Ben Hodges

### Share Registry\*

#### Australia

Computershare Investor Services Pty Limited  
ABN: 48 078 279 277  
Level 2, 45 St Georges Terrace  
Perth WA 6000  
Australia

Telephone: 1300 850 505 (+61 3 9415 4000)

#### United Kingdom

Computershare Investor Services PLC  
The Pavillions  
Bridgwater Road  
Bristol BS99 6ZY  
United Kingdom

Telephone: +44 (0)870 702 0000  
Facsimile: +44 (0)870 703 6101

### Auditor\*

BDO LLP  
55 Baker Street  
London W1U 7EU  
United Kingdom

### ASX Code ZTA

### Registered Offices

#### Australia

Suite 2, Level 2  
28 Kings Park Road  
West Perth WA 6005  
Australia

Telephone: + 61 8 6102 0312  
Facsimile: +61 8 6102 2312

Email: [info@zetapetroleum.com](mailto:info@zetapetroleum.com)  
Website: [www.zetapetroleum.com](http://www.zetapetroleum.com)

#### United Kingdom

1 Berkeley Street  
London W1J 8DJ  
United Kingdom

Telephone: +44 (0)20 7016 8806  
Facsimile: +44 (0)20 7106 7762

#### Romania

5<sup>th</sup> Floor  
4-6 Ion Bogdan Street  
010539 Bucharest  
Romania

Telephone: +40 (0)21 319 2550  
Facsimile: +40 (0)21 310 9077

### Solicitors

#### Australia

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

#### United Kingdom

Watson, Farley and Williams LLP  
15 Appold Street  
London EC2A 2HB  
United Kingdom

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## 2. TIMETABLE

Shareholders approve New Options Offer	28 June 2013
Announcement of New Options Offer	10 July 2013
Announcement of Offer & Lodgement of Appendix 3B with ASX in respect of the Offer	17 July 2013
Lodgement of Prospectus with the ASIC and ASX and Notice sent to Optionholders in respect of the Offer and the New Options Offer	18 July 2013
Notice sent to Shareholders in respect of the Offer	22 July 2013
Ex date for the Offer	23 July 2013
Record Date for determining Entitlements under the Offer	29 July 2013
Prospectus despatched to Shareholders & Company announces despatch has been completed and Opening Date of the New Options Offer	1 August 2013
Closing Date for both the Offer and the New Options Offer*	26 August 2013
Securities quoted on a deferred settlement basis	27 August 2013
ASX notified of under subscriptions under the Offer	28 August 2013
Issue of Securities under the Offer and the New Options Offer and lodgement of Appendix 3B with ASX in respect of the New Options Offer	3 September 2013

\*The Directors may extend the Closing Date of the Offer by giving at least 6 Business Days notice to ASX prior to the Closing Date of the Offer. As such the date the Securities are expected to commence trading on ASX may vary. Also, the above dates in respect of the New Options Offer are indicative only and may change without notice. The Company reserves the right to extend the Closing Date in respect of the New Options Offer or close the New Options Offer early without notice.

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### 3. IMPORTANT NOTES

This Prospectus is dated 18 July 2013 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered under the Offer pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

Applications for New Options offered under the New Options Offer pursuant to this Prospectus can only be submitted on an original New Options Application Form.

The New Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. The New Options Offer is only available to those who are personally invited to accept the New Options Offer.

The Offer, Shortfall Offer and the New Options Offer do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia and the United Kingdom may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia or the United Kingdom should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The return of a duly completed Entitlement and Acceptance Form or Shortfall Application Form or New Options Application Form will be taken by the Company to constitute a representation and a warranty made by the applicant to the Company that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **3.1 Risk factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

### **3.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

### **3.3 CHES and CDIs**

Investors should note that as the Company is registered in England and Wales, they will be issued with CDIs rather than Shares (and Options for CDIs rather than Options for Shares) upon the acceptance of the Offer and/or Shortfall Offer and/or the New Options Offer under this Prospectus.

The Company participates in the Clearing House Electronic Subregister System (**CHES**), which is the ASX electronic transfer and settlement system in Australia. Settlement of trading of quoted securities on the ASX market takes place on CHES. CHES allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. No share or security certificates are issued in respect of shareholdings or security holdings that are quoted on ASX and settled on CHES, nor is it a requirement for transfer forms to be executed in relation to transfers that occur on CHES.

CDIs will be used by the Company to hold and transfer title to the Shares issued upon the acceptance of the Offer and/or the Shortfall Offer, and to the Shares issued upon the exercise of the Attaching Options and the New Options to be issued pursuant to this Prospectus. CDIs are electronic depository receipts issued and are units of beneficial ownership in securities registered in the name of CHES Depository Nominees Pty Ltd (**CDN**). CDN is a wholly-owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title is held by CDN. The CDIs to be issued upon the acceptance of the Offer and/or the Shortfall Offer, and to the Shares issued upon the exercise of the Attaching Options and the New Options to be issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI holders.

CDI holders have the same economic benefits of holding the underlying Shares. Holders of CDIs are able to transfer and settle transactions electronically on ASX.

Holders of CDIs are entitled to all dividends, rights and other entitlements as if they were legal owners of Shares, and are entitled to receive notices of general meetings of Shareholders. As holders of CDIs are not the legal owners of the underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI holders. Alternatively, if a holder of a CDI wishes to attend and vote at shareholder meetings, the holder may instruct CDN to appoint the holder (or a person nominated by the holder) as CDN's proxy in respect of the underlying Shares beneficially owned by such holder for the purposes of attending and voting at a shareholder meetings of the Company. Holders of CDIs are entitled to one vote for every underlying Share held by CDN.

Investors should also note that the provisions of the Corporations Act dealing with the notification of substantial holdings and takeovers do not apply to the Company.

### **3.4 Important information for United Kingdom residents**

Without limiting the statements above, the Securities will be offered in the United Kingdom in reliance on exemptions to the Financial Services and Markets Act 2000 (United Kingdom) (**FSMA**) and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**Financial Promotion Order**).

The total amount to be raised under the Offer, Shortfall Offer and the New Options Offer is less than €5,000,000 or its equivalent in \$ which means that this Prospectus does not constitute an 'approved prospectus' for the purposes of section 85 and schedule 11A of the FSMA or the United Kingdom's Prospectus Rules. Accordingly the Prospectus has not been registered, approved or examined by the United Kingdom Financial Conduct Authority or the United Kingdom Listing Authority and therefore may not contain all of the information that a disclosure document or prospectus is required to contain under the laws of England and Wales.

The Offer, Shortfall Offer and the New Options Offer are only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors of certain bodies corporate) of the Financial Promotion Order. Any investment to which this document relates is available to only those persons described above and persons who do not fall into that category should not rely on this document nor take any action in relation to it.

The Offer, Shortfall Offer and the New Options Offer may involve a foreign currency exchange risk as the currency for the Securities is not British Pounds.

### **3.5 United States**

The Offer, Shortfall Offer and the New Options Offer have not been, and the Securities offered under this Prospectus have not been, and will not be, registered under the *Securities Act of 1933* (United States) or the securities laws of any State or other jurisdiction of the United States and are not being made in the United States or to, or for the account or benefit of "US Persons" (as defined in the *Securities Act of 1933*). Without limitation, neither this Prospectus nor the accompanying Entitlement and Acceptance Form and/or New Options Application Form may be sent to investors in the United States or otherwise distributed in the United States.



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## **4. DETAILS OF THE OFFER AND THE NEW OPTIONS OFFER**

### **4.1 The Offer**

The Offer is being made as a non-renounceable entitlement issue of 1 CDI for every 1 Share or CDI held by Shareholders registered at the Record Date at an issue price of \$0.01 per CDI (together with 1 free Attaching Option for every 2 CDIs subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 133,362,240 CDIs and 66,681,120 Attaching Options will be issued pursuant to this Offer to raise up to \$1,333,622. No funds will be raised from the issue of the Attaching Options as they are free attaching to the CDIs.

As at the date of this Prospectus the Company has 30,296,340 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the CDIs offered under this Prospectus will rank equally with the Shares and CDIs on issue at the date of this Prospectus. Please refer to section 6.1 for further information regarding the rights and liabilities attaching to the Shares/CDIs.

The Attaching Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.4 of this Prospectus.

All CDIs issued on conversion of the Attaching Options and New Options will rank equally with the Shares and CDIs on issue at the date of this Prospectus.

The purpose of the Offer and the New Options Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

A summary of the New Options Offer is set out in Section 4.10 below.

### **4.2 Minimum subscription**

The minimum subscription in respect of the Offer is \$700,000. No Securities will be issued pursuant to the Offer until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

### **4.3 Acceptance**

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. You can also apply for additional Shortfall Securities under the Offer in addition to your Entitlement by completing the shortfall section contained in the Entitlement and Acceptance Form. The Directors reserve the right to issue Shortfall Securities at their absolute discretion.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:

- (i) complete the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency for the amount indicated on the Entitlement and Acceptance Form or pay via electronic funds transfer or BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
- (i) fill in the number of CDIs you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.01 per CDI) or pay via electronic funds transfer or BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (c) if you wish to accept your **full** Entitlement **and** apply for additional Shortfall Securities under the Shortfall Offer:
- (i) complete the Entitlement and Acceptance Form including filling in the number of Shortfall Securities you wish to apply for in the shortfall section on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.01 per CDI) or pay via electronic funds transfer or BPAY® by following the instructions set out below and in the Entitlement and Acceptance Form; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

#### **4.4 Payment by cheque/bank draft/money order/electronic funds transfer**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **“Zeta Petroleum plc”** and crossed **“Not Negotiable”**.

Your completed Entitlement and Acceptance Form and cheque, bank draft or money order must reach the Company’s share registry, at the address listed below, no later than 5.00pm WST on the Closing Date.

Zeta Petroleum plc  
 c/- Computershare Investor Services Pty Limited  
 GPO Box 505  
 Melbourne Victoria 3001  
 Australia

Alternatively, Applicants resident outside Australia may pay via electronic funds transfer by following the instructions set out in their Entitlement and Acceptance Form.

**Applicants should ensure they include their reference details if paying by electronic funds transfer.**

#### 4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of CDIs which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of CDIs (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One Attaching Option with an exercise price of \$0.04 and an expiry date of 30 June 2015 will be issued for every two CDIs subscribed for and issued under the Offer.

#### 4.6 Underwriting

The Offer and the New Options Offer are not underwritten.

#### 4.7 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of CDIs on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no Options have been exercised is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	7.5%	10,000,000	10,000,000	3.75%
Shareholder 2	5,000,000	3.75%	5,000,000	5,000,000	1.875%
Shareholder 3	1,500,000	1.125%	1,500,000	1,500,000	0.56%
Shareholder 4	400,000	0.300%	400,000	400,000	0.15%
Shareholder 5	50,000	0.0375%	50,000	50,000	0.01875%
Total	133,362,240	100%	133,362,240		266,724,480

Notes:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

#### 4.8 Corporate Adviser

Pursuit Capital Pty Ltd (**Corporate Adviser** or **Pursuit Capital**) has been appointed as corporate adviser to the Offer. The terms of the appointment of the Corporate Adviser are summarised in section 8.4 of this Prospectus.

#### 4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each CDI to be issued under the Shortfall Offer shall be \$0.01 being the price at which CDIs have been offered under the Offer and the Attaching Options issued under the Shortfall Offer will be issued for free.

Shareholders can apply for Shortfall Securities by following the instructions set out in the Entitlement and Acceptance Form and in section 4.3 above. Non-shareholders can apply for Shortfall Securities by completing and following the instructions on the Shortfall Application Form attached to the Prospectus. The Directors reserve the right to issue Shortfall Securities at their absolute discretion. Any application monies received for more than your final allocation of Shortfall Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

#### 4.10 New Options Offer

On 4 June 2013, the Company dispatched to Shareholders a notice of meeting relating to the annual general meeting of the Company to be held on 28 June 2013 (**AGM**).

On 15 June 2013, the Company had a certain class of Options on issue being 41,742,240 listed Options exercisable at \$0.20 each expiring at 5.00pm (WST) on 15 June 2013 (**Expired Options**).

These Expired Options expired without being exercised.

At the AGM, Shareholders resolved to issue 41,742,240 listed Options exercisable at \$0.04 each expiring at 5.00pm (WST) on 15 June 2014 for an issue price of \$0.001 each (**New Options**) pursuant to ASX Listing Rule 7.1 to previous holders of the Expired Options to raise approximately \$41,742.

The Expired Options only differ from the New Options in that the expiry date of the New Options is 15 June 2014 and the exercise price of the New Options is \$0.04.

In all other respects, the number and terms of the New Options remain identical to the number and terms of the Expired Options. All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.5 of this Prospectus.

All the New Options offered under this Prospectus are offered to parties unrelated to the Company pursuant to the ASX Listing Rule 7.1 approval obtained at the AGM. The New Options must be issued within three months of the Company obtaining that approval (i.e. by 27 September 2013).

The New Options Offer is being made to New Options Offerees to subscribe for the New Options they are entitled to subscribe for as set out in the New Options Application Form. The New Options will be issued to the New Options Offerees on the basis of one New Option for each one Expired Option held on 15 June 2013.

The primary purpose of the New Options Offer is to raise approximately \$41,742. The purpose of the Offer and the New Options Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

All of the CDIs issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the CDIs and Shares on issue at the date of this Prospectus. Please refer to section 6.1 for further information regarding the rights and liabilities attaching to the CDIs/Shares.

There is no minimum subscription in respect of the New Options Offer and there is no provision for oversubscriptions.

The New Options Offer will be open on 1 August 2013 and close at 5.00pm (WST) on 26 August 2013 or such later date as the Directors, in their absolute discretion and subject to compliance with the ASX Listing Rules and the Corporations Act, may determine.

**If you are a previous holder of Expired Options and wish to subscribe for the New Options pursuant to this Prospectus, you should complete and return the New Options Application Form accompanying your Prospectus along with payment for your New Options (at \$0.001 per New Option) to the Share Registry in accordance with the instructions set out in the New Options Application Form.**

No brokerage or commission will be payable by New Options Offerees pursuant to the New Options Offer.

#### **4.11 Taxation**

The Company makes no representation and provides no advice in relation to the tax consequences for any Shareholder or New Options Offeree relating to acceptance of the Offer or the New Options Offer. Shareholders and New Options Offerees should seek professional taxation advice regarding the tax consequences of accepting the Offer or the New Options Offer.

#### **4.12 ASX listing**

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

#### **4.13 Issue**

Securities issued pursuant to the Offer and the New Options Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of CDIs issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer and the New Options Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.14 Overseas shareholders**

The Offer, Shortfall Offer and the New Options Offer do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of CDIs these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer, Shortfall Offer and the New Options Offer are not being extended and CDIs and New Options will not be issued to Shareholders or previous holders of Expired Options with a registered address which is outside Australia or the United Kingdom (and are otherwise eligible to participate) unless such overseas Shareholders or previous holders of Expired Options are otherwise eligible to participate in the Offer and/or the Shortfall Offer and/or the New Options Offer pursuant to the relevant securities laws of their country of residence.

#### **4.15 Enquiries**

Any questions concerning the Offer or the New Options Offer should be directed to Olly Cairns, Pursuit Capital, on +61 (0)8 6267 9030, Ben Hodges, Company Secretary, on +44 (0)20 7016 8806 or Piers Lewis, Director and Local Agent, on +61 (0)8 6102 0312.

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## 5. PURPOSE AND EFFECT OF THE OFFER AND THE NEW OPTIONS OFFER

### 5.1 Purpose of the Offer and the New Options Offer

The purpose of the Offer is to raise up to \$1,333,622. No funds will be raised from the issue of the Attaching Options.

The primary purpose of the New Options Offer is to replace the Expired Options with the New Options and to raise approximately \$41,742

The funds raised from the Offer and the New Options Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer and the New Options Offer	Minimum Subscription under the Offer and assuming full subscription under the New Options Offer (\$)	Full Subscription under the Offer and assuming full subscription under the New Options Offer (\$)
1.	Capital expenditure on existing discovery well	600,000 (80.9%)	600,000 (43.6%)
2.	Discretionary exploration and appraisal work	-	530,000 (38.6%)
3.	Expenses of the Offer and the New Options Offer <sup>1</sup>	67,976 (9.2%)	109,309 (7.9%)
4.	Working capital	73,766 (9.9%)	136,055 (9.9%)
	<b>Total</b>	<b>741,742</b>	<b>1,375,364</b>

#### Notes:

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer and the New Options Offer.

As illustrated above, the Company intends to use a majority of the net proceeds of the Offer to fund the Company's forward work programmes on its assets, including bringing into production the Dornesti Sud-1 well, a discovery well on the Company's 50% owned Suceava gas concession in Romania, which has tested at a rate of 26,000 cubic metres per day ('m<sup>3</sup>/day'). The well is currently suspended ready for production.

In the event the Company raises more than the minimum subscription of \$700,000 under the Offer, the additional funds raised will be first applied towards additional expenses of the Offer, secondly applied against working capital and thirdly applied towards discretionary exploration and appraisal work.

On completion of the Offer and the New Options Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration



success of failure) 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 funds are applied on this basis.

## 5.2 Effect of the Offer and the New Options Offer

The principal effect of the Offer and the New Options Offer, assuming all Entitlements are accepted under the Offer, all New Options are issued under the New Options Offer and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,266,055 (after deducting the estimated expenses of the Offer and the New Options Offer) immediately after completion of the Offer and the New Options Offer;
- (b) increase the number of Shares/CDIs on issue from 133,362,240 as at the date of this Prospectus to 266,724,480 Shares/CDIs following completion of the Offer; and
- (c) increase the number of Options on issue from 30,296,340 as at the date of this Prospectus to 153,719,700 Options following completion of the Offer (which number includes 15,000,000 Options to be issued to the Corporate Adviser – please refer to Section 8.4 below for further details).

## 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 April 2013 and the unaudited pro-forma balance sheet as at 30 April 2013 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted under the Offer, all New Options are issued under the New Options Offer, no Options are exercised prior to the Record Date and including expenses of the Offer and the New Options Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 Dec 2012 £	UNAUDITED 30 Apr 2013 £	PROFORMA 30 Apr 2013 £
<b>CURRENT ASSETS</b>			
Cash and cash equivalents <sup>1</sup>	559,000	241,955	1,084,924
Trade and other receivables	709,000	269,461	269,461
Prepayments and accrued income	-	13,213	13,213
<b>TOTAL CURRENT ASSETS</b>	<b>1,268,000</b>	<b>524,629</b>	<b>1,367,598</b>

	AUDITED 30 Dec 2012 £	UNAUDITED 30 Apr 2013 £	PROFORMA 30 Apr 2013 £
<b>NON-CURRENT ASSETS</b>			
Exploration & evaluation	664,000	679,475	679,475
Property, plant & equipment	546,000	530,907	530,907
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,210,000</b>	<b>1,210,382</b>	<b>1,210,382</b>
<b>TOTAL ASSETS</b>	<b>2,478,000</b>	<b>1,735,011</b>	<b>2,577,980</b>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	584,000	150,636	150,636
<b>TOTAL CURRENT LIABILITIES</b>	<b>584,000</b>	<b>150,636</b>	<b>150,636</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	1,000	1,498	1,498
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,000</b>	<b>1,498</b>	<b>1,498</b>
<b>TOTAL LIABILITIES</b>	<b>585,000</b>	<b>152,134</b>	<b>152,134</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>1,893,000</b>	<b>1,582,876</b>	<b>2,425,846</b>
<b>EQUITY</b>			
Issued capital	133,000	133,362	266,724
Share premium reserve	6,832,000	6,832,156	7,586,751
Share based payments reserve	1,196,000	1,196,000	1,196,000
Share options reserve	2,096,000	2,096,065	2,123,858
Foreign currency translation reserve	387,000	(1,284)	(1,284)
Retained losses	(8,751,000)	(8,673,423)	(8,746,203)
<b>TOTAL EQUITY</b>	<b>1,893,000</b>	<b>1,582,876</b>	<b>2,425,846</b>

**Notes:**

1. Cash and cash equivalents had reduced to approximately £97,125 as at 30 June 2013
2. Proceeds of the Offer and expenses of the Offer have been converted from Australian dollars to British Pounds using an exchange rate of 0.6658.

#### **5.4 Effect on capital structure**

The effect of the Offer and the New Options Offer on the capital structure of the Company, assuming all Entitlements are accepted under the Offer, all New Options are issued under the New Options Offer and no Options are exercised

prior to the Record Date, is set out below.

## Shares

	Number
Shares and CDIs currently on issue	133,362,240
CDIs offered pursuant to the Offer	133,362,240
<b>Total Shares and CDIs on issue after completion of the Offer</b>	<b>266,724,480</b>

## Options

	Number
Options currently on issue: (Quoted exercisable at \$0.30 on or before 15 July 2015) (Unquoted exercisable at \$0.20 on or before 11 January 2019) (Unquoted exercisable at \$0.20 on or before 21 May 2017)	15,970,250 12,450,000 1,876,090
Attaching Options offered pursuant to the Offer (Quoted exercisable at \$0.04 on or before 30 June 2015)	66,681,120
Options issued to the Corporate Adviser	15,000,000
New Options offered pursuant to the New Options Offer (Quoted exercisable at \$0.04 on or before 15 June 2014)	41,742,240
<b>Total Options on issue after completion of the Offer</b>	<b>153,719,700</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 163,658,580 Shares/CDIs and on completion of the Offer (assuming all Entitlements are accepted under the Offer and all New Options are issued under the New Options Offer) would be 420,444,180 Shares/CDIs.

As at the date of this Prospectus, 7,900,208 CDIs/Shares and 11,876,090 Options were subject to ASX imposed escrow restrictions until 23 May 2014. No other CDIs/Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

### 5.5 Details of substantial holders

Based on publicly available information as at 17 July 2013, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
GM Investment & Co Limited	43,385,139	32.53
D Scanlen	10,000,000	7.50
S Pagel	9,094,375	6.82
Cresthaven Investments Pty Ltd	8,186,515	6.14
Banque Heritage	7,000,000	5.25

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

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## **6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **6.1 Rights Attaching to CDIs**

Full details of the rights and liabilities attaching to Shares are set out in the Company's Articles of Association, a copy of which is available for inspection at the Company's registered offices during normal business hours.

The following is a summary of the key provisions of the Articles of Association and the principal rights and restrictions of Shareholders. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and restrictions of Shareholders.

Investors should note that they will be issued with CDIs (and options for CDIs) upon acceptance of the Offer and/or the New Options Offer under this Prospectus. With the exception of voting arrangements, holders of CDIs have the same rights as holders of Shares, which are legally registered in their own name.

#### **(a) Application of Listing Rules**

For so long as the Company is admitted to the official list of the ASX, to the extent of any inconsistency between the Company's Articles of Association and the ASX Listing Rules, the ASX Listing Rules prevail.

#### **(b) General meetings**

The Board may, whenever it thinks fit, and in accordance with the UK Companies Act convene a general meeting. Notice of every general meeting shall be given to every member of the Company who is, under the Articles of Association, entitled to receive such notices from the Company.

#### **(c) Voting rights**

Subject to any special terms as to voting upon which Shares may be issued or may for the time being be held, on a show of hands every member present in person or by proxy shall have one vote. On a poll every member who is present in person or by proxy shall have one vote for every Share they hold.

Where there are two or more joint holders of a Share and more than one of them is present at a general meeting in person or by proxy and tenders a vote in respect of the Share, the Company will count only the vote cast by, or on behalf of, the member whose name appears first in the Company's register of members.

#### **(d) Dividends**

The Company may by ordinary resolution in a general meeting declare dividends to be paid out of the profits of the Company available for distribution (in accordance with the UK Companies Act). No dividend shall be declared in excess of the amount recommended by the Board.

Subject to the UK Companies Act, the Board may, provided that in its opinion the profits of the Company justify such payment, pay interim dividends from time to time of such amounts and on such dates and in respect of such periods as it thinks fit.

Except as otherwise provided by the rights attached to the Shares, all dividends shall be declared and paid pro rata according to the amounts paid up on the Shares in respect of which the dividend is declared and paid (divided) during any portion or portions of the period in respect of which the dividend is declared.

Any dividend unclaimed for a period of 12 years from the date on which the dividend becomes payable may be forfeited and may revert to the Company.

(e) **Winding up**

The Company presently has only issued one class of Shares, which all rank equally in the event of winding up.

A liquidator may, with the authority of a special resolution of Shareholders (and any other sanction required pursuant to law), divide among the Shareholders in proportion to their shareholdings in specie the whole or any part of the assets of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator may, with like authority, vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any assets in respect of which there is a liability (or potential liability).

(f) **Purchase of own Shares**

Subject to the UK Companies Act and to any rights conferred on the holders of any other Shares, the Company may with the authority of an ordinary or special resolution as may be required by the UK Companies Act, purchase its own Shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own Shares on such terms and in such manner as may be approved by such resolution and permitted by the UK Companies Act.

(g) **Transfer of Shares**

In relation to a transfer of Shares which are in certificated form:

- (i) such transfers may be effected by transfer in writing in any usual form or in such other form as the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee;
- (ii) the Board may refuse to register any transfer of partly paid Shares or Shares on which the Company has a lien or any instrument of transfer in favour of an entity which is not a natural or legal person, a minor, a person in respect of whom a receiving order or adjudication order in bankruptcy remains undischarged, a person with mental disorder or where the Share is to be held jointly by more than 4 persons; and
- (iii) the Board may not decline to register any instrument of transfer if the instrument of transfer is duly stamped (if required), is in

respect of only one class of share and is in favour of not more than four joint transferees, provided that to do so is not contrary to the ASX Listing Rules.

(h) **Alteration of capital**

The Company may by ordinary resolution, consolidate or sub-divide all or any of its Shares or cancel any Shares which have not been taken or agreed to be taken by any person.

Subject to the UK Companies Act and any other consent required by law, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

(i) **Takeover protection**

Please refer to Section 7.2(e). In addition, under the Articles of Association the Board may disenfranchise a Shareholder who does not make a takeover offer in circumstances where this would be required under the Takeover Code so that the protection is triggered upon acquiring 20% rather than 30% ownership in the Company (in line with standard provisions applying to Australian incorporated public companies listed on ASX).

## **6.2 Rights of CDI Holders**

With the exception of voting arrangements, CDI holders have the same rights as holders whose securities are legally registered in their own name. The ASX Settlement Operating Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI holders as if they were the legal owners of the underlying securities.

The ASX Settlement Operating Rules require the Company to give notices to CDI holders of general meetings of Shareholders. The notice of meeting must include a form permitting the CDI holder to direct CDN to cast proxy votes in accordance with the CDI holder's written directions. CDI holders cannot vote personally at Shareholder meetings. The CDI holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote at the meeting in person.

## **6.3 Converting from a CDI to a Share**

CDI holders may at any time convert their holding of CDIs (tradeable on ASX) to certificated Shares:

- (a) For CDIs held through the issuer sponsored sub-register, contacting Computershare Investor Services Pty Ltd in Australia directly to obtain the applicable request form. The removed holding would then be registered into the same address that appeared on the Australian CDI register; or
- (b) for CDIs held on the CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with Computershare Investor Services Pty Ltd in Australia to obtain and complete the request form.

Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred from CDN into the name of the CDI holder and a registered share certificate be issued. This will cause your Shares to be registered on the certificated UK register of Shares and trading will no longer be possible on the ASX.

A holder of Shares may also convert their Shares to CDIs, by contacting the Company Secretary in the United Kingdom (at +44 207 016 8806 or bhodges@zetapetroleum.com), Computershare Investor Services Pty Ltd in Australia, or their stockbroker (or applicable controlling participant). In this case, the Shares will be certificated if held in uncertified form, transferred from the Shareholder's name into the name of CDN and a holding statement will be issued for the CDIs. The CDIs will be tradeable on ASX.

## 6.4 Attaching Options

### (a) Entitlement

Each Option entitles the holder to subscribe for one CDI upon exercise of the Option.

### (b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

### (c) Expiry Date

Each Option will expire at 5.00pm (WST) on 30 June 2015 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### (g) Timing of issue of CDIs on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and

- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of CDIs required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of CDIs issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the CDIs does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors.

(h) **CDIs issued on exercise**

CDIs issued on exercise of the Options rank equally with the then issued shares and CDIs of the Company.

(i) **Quotation of CDIs issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the CDIs issued upon the exercise of the Options.

(j) **Reconstruction of capital**

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, the UK Companies Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.



(l) **Change in exercise price**

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.

(m) **Quoted**

The Company will apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 6.5 New Options

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

- (a) Each New Option gives the Optionholder the right to subscribe for one CDI.
- (b) The New Options will expire at 5.00pm (WST) on 15 June 2014 (**New Option Expiry Date**). Any New Option not exercised before the New Option Expiry Date will automatically lapse on the New Option Expiry Date.
- (c) The amount payable upon exercise of each New Option will be \$0.04 (**New Option Exercise Price**).
- (d) The New 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 New Options by lodging with the Company, before the New Option Expiry Date:
  - (i) a written notice of exercise of New Options specifying the number of New Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the New Option Exercise Price for the number of New Options being exercised;

**(New Option Exercise Notice)**.
- (f) A New Option Exercise Notice is only effective when the Company has received the full amount of the New Option Exercise Price in cleared funds.
- (g) Within 5 Business Days of receipt of the New Option Exercise Notice accompanied by the New Option Exercise Price, the Company will allot the number of CDIs required under these terms and conditions in respect of the number of New Options specified in the New Option Exercise Notice.
- (h) The New Options are transferable.

- (i) All CDIs allotted upon the exercise of New Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the New Options on ASX. The Company will also apply for quotation of all CDIs allotted pursuant to the exercise of New Options on ASX within 10 Business Days after the date of allotment 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, the UK Companies Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the New Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New 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 New Options prior to the date for determining entitlements to participate in any such issue.
- (m) A New Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the New Option can be exercised.

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## **7. RISK FACTORS**

### **7.1 Introduction**

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares and CDIs in the Company will increase from 133,362,240 currently on issue to 266,724,480. This means that each Share/CDI will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share/CDI will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of CDIs on ASX prior to the Prospectus being lodged of \$0.014 is not a reliable indicator as to the potential trading price of CDIs after implementation of the Offer.

#### **(b) Political risk**

The Company is conducting its activities in Romania. The Directors believe that the Government of Romania supports the development of natural resources by foreign investors. However, there is no assurance that future political and economic conditions in Romania will not result in the Government of Romania adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy may result in legislative changes affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return on capital, all of which may affect the Company's ability to develop its projects.

#### **(c) No geographical diversification**

The Company's projects are all located in Romania. Any circumstance or event which negatively impacts the ownership or development of these areas or which negatively affects Romania could materially affect

the financial performance of the Company and more significantly than if it had a diversified asset base.

(d) **Foreign exchange rate risk**

Any revenue received by the Company would likely be in Romanian New Lei (RON) derived from the sale of oil and gas and a large proportion of the Company's operating expenses would be incurred principally in British Pounds Sterling (GBP), Australian Dollars (AUD) and Euros (EUR). Furthermore the income and expenditure accounts will be initially prepared in British Pounds Sterling (GBP). Therefore, Australian dollar reported revenue will be directly impacted by movements in the RON oil and gas price and the RON/AUD, RON/GBP, RON/EUR and GBP/AUD exchange rates. Movements in the RON/AUD or GBP/AUD exchange rates and/or the RON oil and gas price may adversely or beneficially affect the Company's results or operations and cash flows.

(e) **No Takeover Protection under Corporations Act**

As a company incorporated in England and Wales, the rights of Shareholders are governed by English law. The rights of shareholders under English law differ in some respects from the rights of shareholders of companies incorporated in Australia.

As the Company is incorporated in England and Wales, the takeover provisions in the Corporations Act do not apply to the Company. In the United Kingdom, the City Code on Takeovers and Mergers (**City Code**) regulates takeovers and substantial shareholders and the Company is subject to the City Code.

(f) **Litigation Risk**

The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and contractual claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(g) **Funding Risk**

At the date of this Prospectus, the Company has only one income producing asset and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration, after the expenditure of the net proceeds raised under the Offer and the New Options Offer. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Company (or at all).

Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent development, commissioning and operational performance.

(h) **Intangibles Risk**

A significant percentage of the Company's assets are classified as intangible assets. Given the funding risk noted above, some investors may consider that there is an increased risk that the illiquidity of such intangible assets would mean they may be incapable of being distributed to Shareholders should the Company be unable to continue as a going concern.

(i) **Joint venture parties, agents and contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any earn-in agreement or joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

### 7.3 Industry specific

(a) **Exploration and development risks**

By its nature, the business of oil and gas exploration, project development and production contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programmes depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Drilling activities carry risk as they may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment. In addition, drilling and operations include reservoir risk such as the

presence of shale laminations in the otherwise homogeneous sandstone porosity.

Industry operating risks include fire, explosions, unanticipated reservoir problems which may affect field production performance, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty (such as lack of sufficient sub-surface data from correlative well logs and/or formation core analyses). The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) **Capital intensive business risk**

The drilling of wells to discover whether there is oil or gas is a highly capital intensive business and will require the Company to raise capital in the future. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms (or at all). Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

(c) **Oil and gas price fluctuations**

The demand for, and price of, oil and natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

(d) **Environmental Regulations risk**

The exploration, development and production of natural oil and gas can be hazardous to the environment. The Company's projects are subject to Romanian laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with

all exploration projects, the Company's projects may have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner. However, the Company could be subject to liability due to risks inherent to its activities. The Company may incur substantial costs for environmental rehabilitation, damage control and losses by third parties resulting from its operations.

(e) **Project Risk**

Oil and gas exploration and development licences are subject to periodic renewal and Ministerial discretion. In particular, there is no guarantee that applications for future exploration licences or production licences will be approved. Renewal and transfer conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the exploration licences comprising the Company's projects.

Interests in Romanian licences are governed by the relevant domestic legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in a licence if conditions are not met or if insufficient funds are available to meet expenditure commitments.

The imposition of new conditions or the inability to meet conditions may adversely affect the operations, financial position and/ or performance of the Company.

(f) **Resource estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter geological and geophysical data different from those predicted by past seismic data and drilling, resource estimates may have to be adjusted and development plans may have to be altered in a way which could have a positive or negative effect on the Company's operations.

## 7.4 General risks

### (a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### (b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- the general economic outlook;
- the introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### (a) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer and the New Options Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

### (c) Reliance on key personnel

The responsibility of overseeing the Company's day-to-day operations and strategic management depends substantially on its senior management and key personnel. There can be no assurance that there will be no detrimental impact on the Company if one or more of these employees cease their employment.



## **7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
17/07/2013	Pro-rata non renounceable rights issue and Appendix 3B
10/07/2013	Expiry of Listed Options and Issue of New Options
01/07/2013	Results of Meeting
21/06/2013	Company Presentation
11/06/2013	Successful Gas Production Test at Suceava
06/06/2013	Notice of Annual General Meeting/Proxy Form
27/05/2013	Operator Confirms Live Well at Jimbolia 100, Romania
17/05/2013	Appendix 3B
07/05/2013	Update on Testing Operation at Jimbolia 100 Well, Romania
30/04/2013	Quarterly Activities Report
30/04/2013	Quarterly Cashflow Report
22/04/2013	Data Sharing Agreement with Chevron in Romania
05/04/2013	Flow Testing Due to Commence at Jimbolia Well, Romania

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <http://www.zetapetroleum.com>.

### **8.3 Market price of CDIs**

The Company is a disclosing entity for the purposes of the Corporations Act and its CDIs are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the CDIs on ASX during the three months immediately preceding the date of lodgement of this Prospectus

with the ASIC and the respective dates of those sales were:

Highest	\$0.26	17 May 2013
Lowest	\$0.009	4 July 2013
Last	\$0.014	17 July 2013

#### 8.4 Mandate Letter

The Company has entered into a mandate letter with the Corporate Adviser pursuant to which the Corporate Adviser has agreed to assist the Company to conduct the Offer (**Corporate Adviser Mandate**). The Company has agreed to pay the Corporate Adviser:

- (a) a management fee of 1% of the total amount raised, either under the Offer or any concurrent placement (**Management Fee**); and
- (b) a brokerage commission equal to 5% of any funds raised by the Corporate Adviser, either under the Offer or any concurrent placement (**Placing Fee**) (the Corporate Adviser may agree to pay some of the Placing Fee to parties that assist in the capital raising); and

the Company has also agreed to issue 15,000,000 Options in the Company exercisable at \$0.04, expiring 30 June 2015 to the Corporate Adviser. These Options will be issued on the same terms and conditions as the Attaching Options which are set out in section 6.4. The Corporate Adviser may agree to allocate some of these Options to parties that assist in the capital raising.

#### 8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer or the New Options Offer; or
- (c) the Offer or the New Options Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer or the New Options Offer.

## **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

<b>Director</b>	<b>Shares</b>	<b>Options</b>	<b>Entitlement</b>	<b>\$</b>
Philip Crookall	437,328	3,109,332	437,328	4,373
Timothy Osborne	-	1,000,000	-	nil
Cameron Manifold <sup>1</sup>	112,500	28,125	112,500	1,125
Stephen West <sup>2</sup>	8,186,515	7,046,629	8,186,515	81,865
Piers Lewis <sup>3</sup>	50,000	12,500	50,000	500

The Board recommends all Shareholders take up their Entitlement.

<sup>1</sup>. Mr Manifold's Shares are held by the <Manifold Family S/F A/C>, in which Mr Manifold has an indirect beneficial interest.

<sup>2</sup>. Mr West's Shares, CDIs and Options are held by Cresthaven Investments Pty Ltd, a company in which Mr West has an indirect beneficial interest.

<sup>3</sup>. Mr Lewis's Shares are held by Cranley Consulting Pty Limited ATF The Cranley Consulting Trust, in which Mr Lewis has an indirect beneficial interest.

## **Remuneration**

The Articles of Association of the Company provide that the Non Executive Directors may be paid out of the funds of the Company for their services as directors such remuneration as the Directors may determine to be divided among the Non Executive Directors and in default of agreement then in equal shares. Unless otherwise approved by an ordinary resolution of the Company the aggregate of the remuneration of all the Non Executive Directors of the Company shall not exceed GBP 200,000 per annum.

The Articles of Association of the Company provide that the Executive Directors shall receive such remuneration whether by way of salary, commission, participation in profits or otherwise as the remuneration committee of the Company or the Board may determine.

In addition, a Director may be paid fees or other amounts (subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

The Company paid to the Directors fees totalling £291,000 for the year ended 30 December 2011 and fees totalling £392,000 and share based payments of £738,000<sup>2</sup> for the previous financial year to 31 December 2012.

Directors are also entitled to be reimbursed for all travel, hotel or other incidental expenses properly incurred in the course of conducting their duties.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director		2013 (£)	2012 (£)	2011 (£)
Philip Crookall	Basic salary/fees <sup>1</sup>	65,333	145,000	44,000
	Share options <sup>2</sup>	-	246,000	58,000
	<b>Total</b>	<b>65,333</b>	<b>391,000</b>	<b>102,000</b>
Timothy Osborne	Basic salary/fees <sup>3</sup>	17,000	15,000	-
	Share options <sup>2</sup>	-	82,000	-
	<b>Total</b>	<b>17,000</b>	<b>97,000</b>	-
Cameron Manifold	Basic salary/fees <sup>3</sup>	17,000	14,000	-
	Share options	-	-	-
	<b>Total</b>	<b>17,000</b>	<b>14,000</b>	-
Stephen West	Basic salary/fees <sup>4</sup>	183,333	197,000	150,000
	Share options <sup>2</sup>	-	410,000	-
	<b>Total</b>	<b>183,333</b>	<b>607,000</b>	<b>150,000</b>
Piers Lewis	Basic salary/fees	12,000	12,000	-
	Share options	-	-	-
	<b>Total</b>	<b>12,000</b>	<b>12,000</b>	-

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or

<sup>1</sup> Mr Crookall moved to a non-executive director role on 1 June 2013 and his basic salary and fees were reduced from £140,000 per annum to £12,000 per annum from this date

<sup>2</sup> Valued in accordance with the Black Scholes methodology as at accounting reference date. Values shown are not a reflection of current values which are considerably less.

<sup>3</sup> Non-executive directors fees were reduced from £24,000 per annum to £12,000 per annum effective 1 May 2013.

<sup>4</sup> Mr West's basic salary and fees were reduced from £230,000 per annum to £160,000 per annum on 1 May 2013.

- (ii) the Offer or the New Options Offer; or
- (c) the Offer or the New Options Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer or the New Options Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and the New Options Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$222,382 (excluding GST) for legal services provided to the Company.

Watson, Farley & Williams LLP has acted as the solicitors in the United Kingdom to the Company in relation to the Offer and the New Options Offer. The Company estimates it will pay Watson, Farley & Williams LLP \$10,000 (excluding VAT and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Watson, Farley & Williams LLP has been paid fees totalling £27,530 (approximately \$41,350) (excluding VAT) for legal services provided to the Company.

Pursuit Capital Pty Ltd will be paid a brokerage commission of 5% of the gross amounts raised by Pursuit Capital Pty Ltd under the Offer and a management fee of 1% of the total funds raised under the Offer for these services. Pursuit will also be issued 15,000,000 Options in the Company exercisable at \$0.04, expiring 30 June 2015 for services rendered in respect of the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Pursuit Capital Pty Ltd has been paid fees totalling \$419,650 (excluding GST) by the Company.

## **8.7 Consents**

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Computershare Investor Services has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;
- (d) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;
- (e) Watson, Farley & Williams LLP has given its written consent to being

named as the solicitors in the United Kingdom to the Company in this Prospectus. Watson, Farley & Williams LLP has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and

- (f) Pursuit Capital Pty Ltd has given its written consent to being named as Corporate Adviser to the Company in this Prospectus. Pursuit Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Expenses of the Offer and the New Options Offer

In the event that all Entitlements are accepted under the Offer and all New Options are issued under the New Options Offer the total expenses of the Offer and the New Options Offer (excluding GST) are estimated to be approximately \$67,976 for the minimum subscription (under the Offer) or \$109,309 for the full subscription (under the Offer), and are expected to be applied towards the items set out in the table below:

	Minimum Subscription (\$)	Full Subscription (\$)
ASIC fees	2,225	2,225
ASX fees	10,996	14,312
Manager to the Offer fees	20,309	58,326
Legal fees	30,000	30,000
Printing and distribution	2,500	2,500
Miscellaneous	1,946	1,946
<b>Total</b>	<b>67,976</b>	<b>109,309</b>

## 8.9 Electronic prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 (0)8 6102 0312 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.zetapetroleum.com>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## 8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad



range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### **8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **8.12 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**Stephen West**  
**Managing Director**  
**For and on behalf of**  
**Zeta Petroleum plc**

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer or a New Options Offeree who applies for New Options pursuant to the New Options Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form or New Options Application Form as the context requires.

**Articles of Association** means the articles of association of the Company as at the date of this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Attaching Option** means an Option issued on the terms set out in section 6.4 of this Prospectus.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**CDN** means CHES Depository Nominees Pty Limited.

**CDI** means a CHES Depository Interest representing a unit of beneficial ownership in a Share registered in the name of CDN.

**CHES** means Clearing House Electronic Subregister System.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Zeta Petroleum plc (ARBN 154 575 872).

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

**Directors** means the directors of the Company as at the date of this Prospectus.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Expired Options** has the meaning given to it in section 4.10 of this Prospectus.

**GBP** or **£** means pounds sterling.

**New Option** means an Option issued on the terms set out in section 6.5 of this Prospectus.

**New Options Offer** means the issue of New Options the subject of this Prospectus.

**New Options Offerees** means the previous holders of Expired Options to whom the New Options Offer is made.

**New Options Application Form** means the new options application form attached to or accompanying the Prospectus to be sent to New Options Offerees under which the New Options Offerees will accept the New Options Offer made to that New Options Offeree under this Prospectus.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share or CDI where relevant.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Securities** means CDIs and/or Attaching Options and/or New Options offered pursuant to the Prospectus.

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

**Shareholder** means a holder of a Share, or where relevant, a holder of a CDI.

**Shortfall** means the Securities not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 4.9 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall Offer.

**Takeover Code** means the UK City Code on Takeovers and Mergers.

**UK or United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

**UK Companies Act** means the UK Companies Act 2006.

**WST** means Western Standard Time as observed in Perth, Western Australia.