

Media Release
7 January 2015



ZETAPETROLEUMPLC

Zeta Petroleum plc / Index: ASX / Epic: ZTA / Sector: Oil & Gas

Zeta Petroleum plc ('Zeta' or 'the Company')
Amended, Restated and Consolidated Loan Agreement

Zeta Petroleum plc (ASX - ZTA:AU), the ASX listed oil and gas company with production, appraisal and exploration assets in onshore Romania, is pleased to announce that it has reached agreement with its major shareholder, GM Investment & Co Limited ("GMI") for the amendment, restatement and consolidation of two previously existing loans (the "Consolidated Loan"). The Consolidated Loan is now unsecured and denominated in Australian Dollars and at the date of signing amounted to AUD3,101,613 inclusive of accrued but unpaid interest.

Details of the previous loans and a summary of the Consolidated Loan are as follows:

- i) The Company announced on 14 May 2014 that it had entered into a loan agreement with GMI for USD850,000 for a period of 48 months, secured by a registered debenture, with a 10% coupon rate and monthly repayments of USD20,000 to commence seven months after drawdown. In the Consolidated Loan agreement this loan is referred to as the First Tranche and was restated into AUD973,978. The total amount of the First Tranche inclusive of interest accrued but unpaid as at the date of entering into the Consolidated Loan agreement was AUD1,037,158.
- ii) The Company announced on 10 September 2014 that it had entered into a further loan agreement with GMI for AUD2,000,000 for a period of 6 months with a 10% coupon rate. In the Consolidated Loan agreement this loan is referred to as the Second Tranche. The total amount of the Second Tranche inclusive of interest accrued but unpaid as at the date of entering into the Consolidated Loan agreement was AUD2,064,455.
- iii) The Consolidated Loan matures on 14 May 2020, has a 10% coupon with interest being accrued daily, compounded quarterly and payable upon maturity unless otherwise converted into ordinary shares. It is unsecured and the extant debenture in respect of the First Tranche will be released. Repayment is to be made in USD and the position is unhedged. GMI has the option to convert any part or all of the Consolidated Loan amount and accrued but unpaid interest at any time following the Borrower being listed on the London Stock Exchange ("LSE") ('Admission') within the authorities approved by shareholders as long as conversion will not result in GMI holding greater than 29.9% of the issued share capital of Zeta. The ordinary shares issued upon any conversion of the Consolidated Loan will be issued at the lower of a 20 per cent discount to the issue price at Admission, or the volume weighted average price of Zeta's ordinary shares as traded on the LSE during the five days prior to the conversion date.



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GMI retains options over 5,000,000 ordinary shares in the Company at an exercise price of 5 cents per share with an exercise period of six years, granted under the terms of the original loan agreement of the First Tranche.

Commenting on the above matters, Andy Morrison, Chief Executive Officer of Zeta said, *“We are very pleased with the further support and expression of confidence received from our major shareholder which strengthens the Company’s balance sheet and ensures that the higher cash flow generated as a result of recently announced operational developments will remain available to grow the business whilst we work towards a listing on the London Stock Exchange. We look forward to providing further updates on our growth projects in due course.”*

****ENDS****

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