

Media Release
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Zeta Petroleum plc ('Zeta' or 'the Company')
Quarterly Activities Review – Period Ended 31 December 2014

Zeta Petroleum plc, the ASX listed oil and gas company with a balanced portfolio of production, appraisal and exploration assets in Romania provides its quarterly activities review for the period ended 31 December 2014.

HIGHLIGHTS:

Suceava – Gas Production and Appraisal (Zeta 50%)

- Production at the Climauti gas field continued to generate net revenues to Zeta with gross production of approximately 9,000m³/day (320,000 scf/d).
- Dornesti Gas to Power project completed with electricity production commencing on 5 December 2014 operating at 0.9MWh.
- Ruda-1 exploration well drilled and successfully tested for gas production. Well has been suspended waiting on a pipeline link to existing Climauti facility and is expected to be put on production by end of Q2 2015.
- NAMR approval received for an extension of the term of the Suceava concession for two years with the option of a third to enable further appraisal and development.

Jimbolia – Oil and Gas Appraisal (Zeta 39% - carried on Jimbolia-100 well)

- Jimbolia-100 production testing completed with natural gas flows encountered from three zones and condensate from one zone. Well was suspended pending analysis of economic viability of reserves and development plan.

Bobocu – Gas Development and Production (Zeta 100%)

- Technical studies completed and submitted to Romanian authorities together with declaration of Zeta's intention to proceed to development.
- Front-running farm-in and development partners identified and initial proposals received.

Zeta Petroleum plc Chief Executive Officer Andy Morrison said, *"We have made unprecedented progress in our operations during the quarter and we look forward to increased cash flows derived from successful developments at Dornesti-Sud and*



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Ruda-1. Encouragingly, our cash flows derive from domestic gas sales in Romania, so we are not immediately impacted by lower international oil prices.

2015 promises to be an exciting year ahead in which we expect to increase production and cash flows. This, combined with the valuable support received from our major shareholder and intention to list on the London Stock Exchange, places Zeta in a healthy position to be able expand our business in and beyond our existing licences going forward.”

FULL DETAILS:

SUCEAVA (50% ZETA, 50% RAFFLES ENERGY (OPERATOR)):

The 1,733sq km Suceava concession is located on the Moldavian Platform, approximately 370 km north of Bucharest. The Suceava concession includes the producing Climauti Gas Field, electricity production from the completed Dornesti Sud-1 Gas-to-Power project and planned gas production from the Ruda-1 Gas Field which is pending pipeline construction. An additional discovery well, SE-1 at Granicesti is awaiting further testing and possible development and there are a number of other similar leads and prospects in the concession area. An application has been received for an extension of the term of the concession for a further two years with the option of a third in order to continue appraisal and development beyond the existing discoveries.

Climauti Gas Field

During the quarter production at the Climauti gas field continued to produce gas at a gross rate of approximately 9,000m³/day (320,000scf/d) and to deliver net cash flow to Zeta of A\$89,000.

Dornesti-Sud Gas to Power Project

Electricity production at the Dornesti-Sud gas-to-power (“GTP”) project commenced on 5 December 2014. The project put the Dornesti-Sud field into experimental production by constructing a highly efficient power plant, based on a phased modular design that allows for build-up of electricity production to a rate of up to 2.5 MW. The facility is located next to the discovery (containing high calorific value conventional natural gas with over 99% methane, at approximately 500m depth) enabling direct conversion of the gas to electricity with connection to the nearby



national electricity grid. Dornesti represents the first gas field in Romania that has been developed with production directly via an on-site GTP solution.

Ruda-1 Gas field

The Ruda-1 exploration well was successfully drilled and tested and is expected to add to production from the licence area. Ruda-1 was targeting an exploration prospect analogue to the Climauti gas field. Drilling commenced on 28 November 2014 and reached target depth of 551 metres on 5 December. Mud and wire logs were then analysed which identified one zone at 454 – 458 meters for immediate testing. Test flows continued for 3 days with flow rates of up to 25,000m³/day (880,000scf/d) on a 12.0mm choke. The conventional natural gas (containing over 98% methane) was discovered in a good quality Sarmatian sandstone reservoir.

Ruda was completed as a production well and suspended. The plan is to connect this discovery to the Bilca gas processing plant operated by Raffles via a circa 750 meters tie back to the existing Climauti field to Bilca flowline. It is expected that the Ruda gas discovery will start the experimental production by the end of Q2 2015.

SE-1 “Granicesti” Discovery Well

It is expected that the SE-1 “Granicesti” well which was drilled in 2005 and tested at a stable gas flow rate of 25,500 m³/day (900,533 scf/d) will be re-tested in 2015 and placed into production.

JIMBOLIA (39% ZETA, 51% NIS PETROL SRL (OPERATOR), 10% ARMAX):

The Jimbolia concession is located in the proven and producing eastern part of the Pannonian Basin and consists of two discoveries: Jimbolia Veche and Jimbolia Vest.

Jimbolia Veche Discovery

In 2013 the Jimbolia-100 appraisal well was drilled to its target depth of 2,590 metres with four targets in the well identified to be perforated and tested. The third (2,533-2,536m) and fourth (2,522-2,526m) intervals naturally flowed condensate and gas during testing with maximum co-mingled flow rates of 21 barrels per day of condensate and 67,435 m³/day (2,381,467 scf/d) of gas (with a high CO₂ content).

During 2014 the Operator tested additional, upper zones in the well that encountered gas and which flowed naturally to surface using a range of choke sizes. The well was



not put into production due to technical complexity of conditions encountered during drilling and testing and has now been suspended pending an economic analysis of exploitation conditions.

The Jimbolia-100 well targeted the Jimbolia Veche discovery, which has a current Pmean contingent oil resource of 1.72MMbbls. Previous drilling by Petrom in 1983 identified the Pliocene VIII as an oil reservoir with a gas cap. This was penetrated by two wells, the Jimbolia-1, which flowed at rates up to 120 bbls/day and tested at a sustained rate of 50 bbls/day for 6 days and Jimbolia-6, in which tests indicate an oil leg with a condensate density of 780kg/m³ (50° API).

Jimbolia Vest Discovery

On a wider basis, the Board believes there is additional potential in the Jimbolia Vest discovery which was not produced. It tested two intervals of the Lower Pliocene V reservoir, with the lower interval (16m) flowing 33% CO₂, 61% CH₄ and condensate at rates of 196,000 scf/d, and the upper interval (8m) testing gas (no flow rate details available). Our partner NIS is currently producing at intervals from the Serbian extension of this field, Srpska Crna Field.

BOBOCU (100% OWNED AND OPERATED):

The Bobocu Gas Field previously produced from 1977 – 1995 and 2000 - 2001. Bobocu is located approximately 20km northeast of Buzau and 110km northeast of Bucharest.

Bobocu-310 Well

During the drilling of the Bobocu 310 well in 2012 multiple gas shows were encountered and the wireline logs indicated a gas bearing reservoir. Initial testing of the well did not yield commercial gas and it was decided to suspend the well in September 2012, pending further analysis.

The downhole well logs and pressure data from the Bobocu 310 well have been analysed and evaluated, and the results have been incorporated into the field's existing geological model, which includes 75 sq km of 3D seismic.

In addition to the evaluation work on the Bobocu 310 well data, the 3D seismic acquired over the field by the Company in 2010 was reprocessed using seismic inversion to improve its resolution by utilising the shear sonic log acquired in the



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Bobocu 310 well. This has further improved the accuracy of the Bobocu field geological model.

Sidetrack Well

Further to the extensive evaluation of the Bobocu 310 well results and the acquired logs, it is the Company's intention, subject to finance, to sidetrack a well from the existing Bobocu 310 well location targeting an up-dip area approximately 500 metres south of the existing well location.

Although the initial testing of the Bobocu 310 well did not yield commercial gas, the intention remains to bring this field back into production by initially drilling a sidetrack well followed by new development wells. The Company believes that the Bobocu field is prospective and will pursue suitable avenues from which to advance its exploitation. With 100% control of the Bobocu field, there are various development options available.

OTHER OPPORTUNITIES

In line with its strategy, the Company continues to assess other oil and gas opportunities in Romania and other European Union states that may complement and enhance the current portfolio. With an experienced team and an exciting platform of assets, the Company believes that it is ideally positioned to capitalise on a number of regional opportunities. This is particularly relevant with the increasing issues of energy security translating into countries being keen to develop their own energy sources.

****ENDS****



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The information provided in this press release that relates to Zeta Petroleum plc's hydrocarbon reserves is based on information compiled by or under the supervision of Mr Bogdan Popescu. Mr Popescu has the following qualifications: PhD (Sedimentology), MSc (Geology) and BSc (Geology). Mr Popescu has consented in writing to the inclusion of the information provided in this press release that relates to Zeta Petroleum plc's hydrocarbon reserves in the form and context in which it appears here. Mr Popescu is a director of Zeta Petroleum plc.