

Media Release

29 April 2015



ZETAPETROLEUMPLC

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

Zeta Petroleum plc ('Zeta' or 'the Company')

Quarterly Activities Review – Period Ended 31 March 2015

Zeta Petroleum plc, the ASX listed oil and gas company with a balanced portfolio of onshore low-cost production, appraisal and exploration assets in Romania provides its quarterly activities review for the period ended 31 March 2015.

HIGHLIGHTS:

Preparations for a London Listing

- Published an independent Competent Person's Report covering reserves, contingent resources and prospective resources on the Company's three concessions in Romania
- Updated the Corporate Presentation, setting out the Company's strategy
- Research coverage initiated by SP Angel as international broker
- Share consolidation approved by shareholders on 27 March 2015 and completed on 15 April 2015

Suceava – Gas Production and Appraisal (Zeta 50%)

- NAMR approval received for 2015-2016 work programme pursuant to the two year licence extension granted in December 2014
- Planning for tie-back of Ruda-1 well to Bilca gas processing plant advanced on schedule for completion during summer 2015
- First full quarter of electricity production and increased cash flow achieved from the Dornesti Gas to Power plant following its commissioning in December 2014
- Production at the Climauti gas field continued to generate net revenues to Zeta with gross production of approximately 9,000 m³/day (320,000 scf/d)

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

- Technical report on further production testing conducted at Jimbolia-100 during 2014 submitted to NAMR
- Evaluation of the economics of the possible development of Jimbolia-100 continues



Bobocu – Gas Development and Production (Zeta 100%)

- Further technical studies commissioned to optimise co-ordinates for the planned side-track of the Bobocu-310 well
- Farm-in discussions progressed during the quarter. Further announcements will be made at the appropriate time

Zeta Petroleum plc Chief Executive Officer Andy Morrison said, *“During the quarter, we were able to build on the good progress in our operations achieved in 2014. Following production from Climauti, cash flows increased from Dornesti where we enjoyed the first full quarter of electricity sales and we can look forward to a further addition once the Ruda-1 well is on-stream. Current gas production from our gas fields totals 0.5 mmscf/d gross and is generating monthly revenues of approximately A\$34,000.*

As a low operating-cost environment, onshore Romania remains attractive to the oil and gas industry in the current oil price environment with the result we are seeing increased interest in Romania as an E&P destination including ongoing interest in our farm-out process at Bobocu. We continue to review a number of potentially exciting development options in our portfolio and to evaluate other attractive projects in Romania and in the region.”

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 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.

Climauti Gas Field

During the quarter production at the Climauti gas field continued to produce gas at a gross rate of approximately 9,000 m³/day (320,000 scf/d) and to deliver net cash flow to Zeta of A\$21,000 per month.



Dornesti-Sud Gas to Power Project

Experimental production at the Dornesti-Sud continued during the period at 0.9MW. The phased modular design allows for build-up of electricity production to a rate of up to 2.5 MW and the partners are working to increase output to 1.2MW during 2015. Following commissioning, gross gas production at Dornesti-Sud was approximately 6,000m³/day (212,000 scf/d) delivering net cash flow to Zeta of A\$13,000 per month.

Ruda-1 Gas field

The Ruda-1 exploration well was successfully drilled and tested in Q4 2014 and is expected to add to production from the licence area. Ruda-1 was targeting an exploration prospect analogue to the Climauti gas field. Test flows were undertaken 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-1 was completed as a production well and suspended and the current intention is to connect this discovery to the Bilca gas processing plant operated by Raffles via a circa 750 metres tie back to the existing Climauti field to Bilca flowline. It is expected that the Ruda gas discovery will commence initial production during calendar Q3 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 and placed into production in 2016.

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 contains two discoveries that have future development potential: Jimbolia Veche and Jimbolia Vest. In 2013, the Jimbolia-100 well was drilled and discovered oil with a gas cap with a high CO₂ content.

In 2014, further testing was undertaken of intervals with gas indications in Jimbolia-100 and the completion of technical and economic studies and submitted to NAMR. Zeta was fully carried by NIS Petrol for the drilling and testing of Jimbolia-100.



Following the studies completed in 2014, the licence holders continue to evaluate the economics of the possible development of Jimbolia-100

BOBOCU (100% OWNED AND OPERATED):

The Bobocu Gas Field is located approximately 20km northeast of Buzau and 110km northeast of Bucharest. The Bobocu Concession contains the Bobocu field which ceased production in 2001 but has significant remaining development potential with independently assessed contingent resources of 22.67 Bcf. During the quarter, Zeta continued farm-out discussions with a number of parties in order to bring in a partner to fund the appraisal and development of Bobocu including the drilling of a side-track to the Bobocu-310 well and the farm-out process is at an advanced stage.

There is no current field redevelopment plan at Bobocu but, given its material level of contingent resources, a range of conceptual development plans that are economically attractive have been evaluated. Following technical work that was completed and submitted to NAMR in 2014, the Company confirmed its intention to prove its development concept by drilling a side-track to the Bobocu-310 well, targeting an up-dip area approximately 500 metres to the south of the existing well location. Further technical work is now under way to optimise the co-ordinates for the side-track. Based on progress achieved to date and interest from potential partners, the Board is confident that a farm-out of the Bobocu concession will be achieved to provide the funding required for the side-track operation.

Work commitments with NAMR are agreed on an annual (or biannual) basis but, given recent senior management changes at NAMR, Zeta expects that a revised work commitment programme on Bobocu for 2015 / 16 will be able to be agreed in Q2 or Q3 2015 with regard to the drilling of a side-track to the Bobocu-310 well or a new well. A side track well was originally part of Zeta's 2015 work commitments that were indicated to NAMR in 2014 to confirm the development concept at Bobocu.

OTHER OPPORTUNITIES

In line with its strategy, the Company continues to assess other oil and gas opportunities, primarily focusing on its centre of operations in Romania. Opportunities in other European Union states that may complement and enhance the current portfolio may also be considered. With an experienced team and an exciting



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platform of assets, the Company believes that it is well positioned to capitalise on opportunities.

****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.