



ZETAPETROLEUMPLC

Media Release

31 August 2012

## Jimbolia Farmout to NIS Gazprom Neft

**London:** Romanian focused oil and gas explorer and developer; Zeta Petroleum plc ("Zeta" or the "Company") is pleased to announce that it has entered into an agreement with NIS Gazprom Neft ("NIS") to farmout a 51% interest in the Jimbolia concession in return for NIS funding 100% of the cost of the next exploration well to be drilled on the Jimbolia concession and the payment of contingent cash amounts to Zeta ("Farmout Agreement").

Under the terms of the Farmout Agreement, NIS shall be appointed Operator on the concession.

The Farmout Agreement is subject to a number of conditions precedent that must be satisfied or waived no later than 30 September 2012.

NIS is a company based in Serbia which is majority owned by Gazprom, the largest producer of natural gas in the world and the largest company in Russia.

Contemporaneously with entering into the Farmout Agreement with NIS, Zeta has entered into an agreement with Armax Gaz S.A. ("Armax"), a previous joint venture partner on the Jimbolia concession, to settle an ongoing dispute ("Settlement Agreement"). Under the terms of the Settlement Agreement Zeta shall issue Armax with 2,600,000 new ordinary shares in Zeta in return for Armax withdrawing its claim for damages against the Company. In addition, Armax shall retain a 10% working interest in the Jimbolia concession.

After the completion of the Farmout Agreement and the Settlement Agreement the participating interests held in the Jimbolia concession shall be as follows:

NIS	51%
Zeta	39%
Armax	10%

It is anticipated that an exploration well on the Jimbolia concession will spud later this year which, subject to satisfaction of the conditions precedent to the Farmout Agreement, will now be funded 100% by NIS.

Zeta Petroleum's Managing Director Mr Stephen West commented "We are extremely pleased with bringing in a partner of NIS/Gazprom's calibre on the Jimbolia concession. We are now well placed to drill the Jimbolia exploration well later this year, which is estimated to cost EUR 4 million, and bring this oil field into production."



**ZETAPETROLEUM**PLC

Ends

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**About Zeta Petroleum**

Founded in 2005, Zeta is focussed on the exploration and development of oil and gas projects in Romania and Eastern Europe. The Company has a 50% non-operated interest in the producing Suceava concession and drill ready assets: the Bobocu Gas Field (100% interest) with existing Pmean contingent gas resource of 44.36Bcf and Pmean prospective resources of 14.09Bcf and the Jimbolia Oil Field (39% interest) Pmean prospective oil resources of 1.72MMbbls.

In addition, the Company holds a 100% interest in three prospecting permits covering an area of over 6,000km<sup>2</sup> in known hydrocarbon prone areas in Romania, and has an aggressive growth strategy to expand into neighbouring Eastern Europe countries.

The information provided in this press release that relates to Zeta Petroleum plc's hydrocarbon reserves is based on information compiled by Mr Philip Crookall who is a competent person as defined in ASX Listing Rule 5.11. Mr Philip Crookall 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 Philip Crookall is Chief Operating Officer of Zeta Petroleum plc.