

Media Release

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ZETAPETROLEUMPLC

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

Quarterly Activities Review – Period Ended 30 June 2014

Zeta Petroleum plc, the ASX listed oil and gas exploration and production company provides its quarterly activities review for the period ended 30 June 2014.

Highlights:

**Suceava – Gas production, development and exploration
(50% Zeta, 50% Raffles Energy - Operator)**

Climauti gas field

- Production at Climauti gas field continued to generate net revenues to Zeta during the quarter with production at a stable production rate of approximately 12,000m³/day for the period.

Dornesti Sud-1 gas to power project

- Fencing and foundations completed
- Permits for 20kV installation at site have been received and construction works at the site began in June
- Electricity poles and under-road wiring completed
- First electricity production from Dornesti Sud-1 expected in late August 2014

**Jimbolia – Oil appraisal, development and exploration
(39% Zeta, 51% NIS Petrol SRL - Operator, 10% Armax)**

- No activity took place with additional testing of the Jimbolia-100 well planned for H2 2014 for which Zeta is fully carried

**Bobocu – Gas development and production
(100% owned and operated by Zeta)**

- The Company continued to assess potential options available to finance the drilling of a sidetrack of the Bobocu 310 well to bring previously producing gas field back into production



Other activities

- Continually assessing other onshore oil and gas opportunities that may complement and enhance Zeta's current portfolio

Zeta Petroleum plc Chief Executive Officer Andy Morrison said, *“The period under review has seen positive developments on our Suceava licence as the Dornesti Sud-1 gas to power project progressed on budget and schedule. We expect to achieve first electricity production in August before shifting our focus to re-testing the SE-1 discovery well in H2 2014; at our 100% owned Bobocu licence, we continued to investigate options for the financing of a sidetrack well from Bobocu-310 including seeking farm-in partners. We currently have several companies reviewing our technical data on the concession; while at Jimbolia, we are awaiting confirmation from the operator of a start date for additional testing of the Jimbolia-100 well which will be funded by NIS Gazprom Neft.*

In the meantime, production from the Climauti Gas Field on the Suceava concession continues to generate revenues for the Company.

Post period end, we announced on 28 July the appointments of SP Angel Corporate Finance LLP as international broker and equity capital markets advisor, and Sanlam Securities UK Limited as proposed Nominated Adviser, who will assist with our wider investor relations objectives and evaluate the possibility of securing a dual listing on AIM in London.

With new production coming on stream, securing finance for the Bobocu-310 sidetrack and a potential listing on the AIM market – H2 2014 is set to be an exciting period for Zeta.”

FULL DETAILS:

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

The 2,403sq km Suceava concession is located on the Moldavian Platform, approximately 370 km north of Bucharest and is contiguous to the Chevron owned Barlad concession. The Suceava concession includes the producing Climauti Gas Field.



Existing Gas Discovery Wells

Existing discovery wells flowed commercial rates of gas in tests: the SE-1 drilled in 2005, tested at a stable rate of 25,500 m³/day (peak rate in excess of 33,000 m³/day) and the Dornesti Sud-1, which was drilled in 2007, tested at 24,000 m³/day. The Dornesti Sud-1 well was re-entered and production tests carried out by the current consortium in June 2013. During production testing, the Dornesti Sud-1 well tested at 26,000m³/day, a rate which confirms that it can be commercially developed. The gas to power project is at an advanced stage and it is expected that first electricity production will commence in late August 2014.

The second existing and suspended discovery well, the SE-1 well, will also be examined after production has been established at the Dornesti Sud-1 well.

Climauti Gas Field

During the quarter the Climauti gas field continued to generate net revenue to Zeta in line with forecast. Production was temporarily reduced due to severe temperatures and then stabilised at approximately 12,000m³/day

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 67,435m³ per day of gas (with a high CO₂ content). The well has been suspended with additional testing to be completed in H2 2014.

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 an oil 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 tested, but not produced, over two intervals of the Lower Pliocene V reservoir, with the lower interval (16m) flowing 33% CO₂, 61% CH₄ and condensate at rates of 196Mscf/d, and the upper interval (8m) testing gas (no flow rate details available). Our partner NIS is currently producing 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 3-D seismic.

In addition to the evaluation work on the Bobocu 310 well data, the 3-D 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 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.



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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 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****

For further information please visit www.zetapetroleum.com or contact:

Andy Morrison

Zeta Petroleum plc

Tel: +44 (0)20 3755 5063

Ben Hodges

Zeta Petroleum plc

Tel: +44 (0)20 3755 5063