

THIS DOCUMENT AND THE ACCOMPANYING PROXY FORM AND VOTING INSTRUCTION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of these document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The whole text of this document should be read.

If you have sold or transferred all of your Shares or CDIs in Zeta Petroleum plc, please send this document, together with the accompanying Proxy Form and Voting Instruction Statement, to the purchaser or transferee, or to the stockbroker, bank or other agent through which the sale or transfer was effected, for delivery to the purchaser or transferee.

ZETA PETROLEUM PLC

*(Incorporated in England and Wales under the Companies Act 1985
with registered number 05560854 and registered as a foreign company
in Australia with Australian Registered Body Number 154 575 872)*

Notice of Annual General Meeting, Explanatory Statement, Proxy Form and Voting Instruction Form

Notice of the Annual General Meeting of the Company to be held at the offices of Tribis Pty Ltd, Level 14, 191 St Georges Terrace, Perth, Western Australia at 11.00a.m. (AWST) on 29 June 2018 is set out in this document. Shareholders will find enclosed a Proxy Form and a Voting Instruction Form for use at the Annual General Meeting.

Whether or not you propose to be present at the Annual General Meeting, please complete and submit a Proxy Form if you are a Shareholder or a Voting Instruction Form if you are a CDI Holder in accordance with the instructions printed on the enclosed Proxy Form or Voting Instruction Form (as applicable).

ZETA PETROLEUM PLC

(the “Company”)

*(Incorporated in England and Wales under the Companies Act 1985
with registered number 05560854 and registered as a foreign company
in Australia with Australian Registered Body Number 154 575 872)*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting of the Company will be held at the offices of **Tribis Pty Ltd, Level 14, 191 St Georges Terrace, Perth, Western Australia** at **11.00a.m. (AWST)** on **29 June 2018** to consider and, if thought fit, to pass the Resolutions set out below.

The attached Explanatory Statement is provided to supply Shareholders and CDI Holders with information to enable them to make an informed decision regarding the Resolutions in this Notice.

Ordinary Business

Ordinary Resolution 1 — Annual Report and Accounts

To receive and consider the audited accounts of the Company for the financial year ended 31 December 2017 and the reports of the Directors and auditors of the Company therein.

Ordinary Resolution 2 — Re-election of Director retiring by rotation – Mr Greg Hancock

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“For the purpose of ASX Listing Rule 14.4, Article 25.4 of the Articles of Association and for all other purposes, Mr Greg Hancock, being a Director who retires by rotation in accordance with Article 25.2 of the Articles of Association and, being eligible, who offers to stand for re-election, be re-elected as a Director of the Company.”

Ordinary Resolution 3 – Auditor reappointment – BDO LLP

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, BDO LLP, having consented to act, be appointed as auditor of the Company until the next annual general meeting of the Company.”

Ordinary Resolution 4 – Auditor remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Shareholders authorise the Directors to fix the remuneration of the auditor of the Company at an amount to be determined at the discretion of the Directors.”

Special Business

Special Resolution 5 – Approval of Additional Placement Facility

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of the issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Note: Resolution 5 is a Special Resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

Voting Instruction Statement: The Company will disregard any votes cast in favour of this Resolution by any person who may participate in the issue of Equity Securities under this Resolution, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any of their Associates. However, the Company need not disregard a vote on this Resolution if it is cast by a person as a proxy for a person who is entitled to

vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 29 May 2018

Registered Office

**C/- PRISM COSEC. Ashley Park House, 42-50
Hersham Road, Walton-on-Thames, Surrey, KT12 1
RZ, ENGLAND**

By Order of the Board
ZETA PETROLEUM PLC

S. Meakin

Joint Company Secretary

VOTING ELIGIBILITY, PROXY APPOINTMENT AND CDI VOTING INSTRUCTIONS

Voting eligibility for Shareholders – snapshot date

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **1:00am (AWST) on 28 June 2018** (being **6:00pm (BST) on 27 June 2018**), or, in the event that the Meeting is adjourned, at 1:00am (AWST) on the date immediately prior to the date of the adjourned Meeting (being 6:00pm (BST) on the date that is two days prior to the date of the adjourned Meeting) (excluding any part of a day which is not a working day).

Voting eligibility for CDI Holders

Holders of CHESSE Depository Interests in respect of ordinary shares (**CDIs**) are entitled to receive notice of and attend the Meeting, but are not entitled to vote personally at the Meeting. If you wish to vote personally at the Meeting, you must first convert your CDIs into Shares.

Chess Depository Nominees Pty Ltd (**CDN**) holds legal title to Shares for and on behalf of CDI Holders. You may instruct CDN, as the legal holder of Shares in the Company underlying your CDIs, how you wish to vote by way of completing the enclosed Voting Instruction Form. CDN must exercise its rights to vote in relation to the Shares underlying your CDIs by proxy at the Meeting in accordance with your directions on the Voting Instruction Form.

For the purposes of determining entitlement to attend the Meeting, and to instruct CDN to exercise its rights to vote in relation to the Shares underlying your CDIs, CDIs will be taken to be held by the persons who are registered as holding the CDIs at **5:00pm (AWST) on 26 June 2018** (being **10:00am (BST)**), or, in the event that the Meeting is adjourned, at 5:00pm (AWST) (being 10:00am BST) on the date that is three days prior to the date of the adjourned Meeting (excluding any part of a day which is not a working day).

Proxy Forms and Voting Instruction Forms

The **Proxy Form** (and any power of attorney or other authority, if any, under which a form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the form (and the power of attorney or other authority) must be completed and returned so as to be received by the Company's registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, United Kingdom BS99 6ZY by **11.00am (AWST)** (being **4.00am BST**) on **Wednesday, 27 June 2018**. In the event that the Meeting is adjourned, the Proxy Form must be received by the Company's registrars not less than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned Meeting.

The **Voting Instruction Form** (and any power of attorney or other authority, if any, under which a form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the form (and the power of attorney or other authority) must be completed and returned so as to be received by the Company's registrars at Computershare Investor Services Pty Ltd, Level 11, 172 St Georges Terrace, Perth, Western Australia, 6000 by **11.00am (AWST)** (being **4.00am BST**) on **Tuesday, 26 June 2018**. In the event that the Meeting is adjourned, the Voting Instruction Form must be received by the Company's registrars not less than 72 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned Meeting.

Appointment of a proxy by Shareholders

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on your behalf. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by photocopying the Proxy

Form. To appoint a second proxy you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Please also indicate on the Proxy Form if the proxy instruction is one of multiple instructions being given. All Proxy Forms should be signed and returned together in the same envelope.

Completion and return of a Proxy Form will not preclude a Shareholder from attending the Meeting and voting in person, if they so wish and are so entitled. If you have appointed a proxy and you attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

Any corporation that is a Shareholder may appoint one or more corporate representatives who may exercise, on its behalf, all of the powers as a Shareholder provided that they do not do so in relation to the same Shares. A resolution of the Directors, or other governing body, of the corporation will be required in order to evidence the valid appointment of the corporate representative, in accordance with section 323 of the UK Companies Act 2006.

Joint Shareholders

In the case of joint Shareholders, the vote of the senior who tenders a vote will be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose, seniority is determined by the order in which the names are stated in the register of Shareholders of the Company in respect of the joint holding.

Communications with the Company

You may not use any electronic address (within the meaning of section 333(4) of the UK Companies Act 2006) provided in this notice or in any related documents (including the Proxy Form, Voting Instruction Form and the annual report and accounts) to communicate with the Company for any purposes other than those expressly stated.

Use of personal data

Your personal data includes all data provided by you, or on your behalf, which relates to you as a Shareholder or CDI Holder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the Shareholder rights or CDI Holder rights, you exercise.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

EXPLANATORY STATEMENT TO THE NOTICE OF ANNUAL GENERAL MEETING

The 2018 Annual General Meeting of Zeta Petroleum plc will be held at the offices of **Tribis Pty Ltd, Level 14, 191 St Georges Terrace, Perth, Western Australia** at **11.00a.m. (AWST)** on **29 June 2018** to consider the matters set out below.

This Explanatory Statement has been prepared for the information of Shareholders and CDI Holders in relation to the business to be conducted at the Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

RESOLUTION 1 – ANNUAL REPORT AND ACCOUNTS

In accordance with Article 36.3 of the Company's Articles of Association, the Board is required to present to the Meeting the audited accounts, and the reports of the Directors and the auditors, for the financial year ended 31 December 2017, which may be found on pages 4 to 15 of the annual report and accounts for the Company dated 28 March 2018 (the **Annual Report and Accounts**).

The auditors shall be entitled to attend the Annual General Meeting and to receive notices of and other communications which a Shareholder is entitled to receive. The auditors shall be entitled to be heard at any Annual General Meeting on any part of the business of the Meeting which concerns them as auditors.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR RETIRING BY ROTATION – MR GREG HANCOCK

Resolution 2 seeks Shareholder approval for the re-election of Mr Greg Hancock as a Director of the Company.

Article 25.2 of the Company's Articles of Association, requires that one third of the Directors (excluding any Directors which have been appointed by the Board since the last annual general meeting who are required to retire separately under Article 20.2 of the Articles of Association) retire by rotation at every annual general meeting. If the number of Directors required to retire is not a multiple of three, the number nearest to but not exceeding 33.3% of Directors is the number of Directors who must retire from office.

In addition, ASX Listing Rule 14.4 prevents a Director from holding office past the third annual general meeting following that Director's appointment, or for more than three years, whichever is longer.

Mr Hancock is a non-executive Director of the Company, originally appointed to the Board on 24 April 2015.

Mr Hancock retires from office by rotation, as required by Article 25.2 of the Articles of Association, and being eligible, submits himself for re-election.

Mr Hancock's biography and credentials are shown on page 3 of the Annual Report and Accounts, and are also available on the Company's website at <http://www.zetapetroleum.com/About-Us/Board>.

The Directors, other than Mr Hancock, support the re-election of Mr Hancock and recommend that Shareholders vote in favour of Resolution 2.

RESOLUTIONS 3 AND 4 - AUDITOR RE-APPOINTMENT AND REMUNERATION

In accordance with Article 36.2 of the Articles of Association, Resolutions 3 and 4 seek Shareholder approval to:

- re-appoint BDO LLP as the auditor of the Company until the next annual general meeting of the Company (Resolution 3); and

- authorise the Directors to fix the remuneration of the auditor of the Company at an amount determined at the discretion of the Directors (Resolution 4).

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 and 4.

RESOLUTION 5 – APPROVAL OF ADDITIONAL PLACEMENT FACILITY

Background

Resolution 5 seeks Shareholder approval for an additional issuing capacity under ASX Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 5 would enable the Company to issue additional Equity Securities (as calculated below) over a 12 month period without obtaining Shareholder approval.

Resolution 5 is a Special Resolution. It must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

Applicable ASX Listing Rules

ASX Listing Rule 7.1A permits an eligible entity that has obtained the approval of shareholders by special resolution at an annual general meeting, to issue an additional 10% of its issued capital, over a 12 month period.

The Company is an eligible entity (being an entity with a market capitalisation of \$300 million or less and which is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this Resolution for the Additional Placement Facility.

Requirements of ASX Listing Rule 7.1A

Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being CDIs.

Number of Equity Securities that may be issued

ASX Listing Rule 7.1 permits the Company to issue Equity Securities equal to approximately 15% of the Company's issued capital over a 12 month period without Shareholder approval.

The Additional Placement Facility under ASX Listing Rule 7.1A is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. The effect of Shareholders passing this Resolution is to allow the Company to issue up to 25% of its issued capital during the next 12 months without obtaining specific Shareholder approval before the placements.

The exact number of additional Equity Securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the ASX Listing Rules (set out below).

At the date of this Notice the Company has 27,578,097 Shares on issue, (which includes 25,981,019 Shares that are represented by CDIs). If Resolution 5 is passed as a Special Resolution, the Company will be permitted to issue (as at the date of this Notice) 4,167,688 Equity Securities under Listing Rule 7.1 (15% placement capacity) and 2,778,459 Equity Securities under Listing Rule 7.1A (**Additional Placement Facility**).

Formula for Additional Placement Facility

If Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$\text{Additional Placement Facility} = (A \times D) - E$$

where:

A = the number of fully paid ordinary securities (i.e. Shares, and Shares that are represented by CDIs) on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4; and
- less the number of fully paid ordinary securities cancelled in the 12 months;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

Listing Rule information requirements

In accordance with the disclosure requirements of ASX Listing Rule 7.3A, the following information is provided in relation to Resolution 5:

(a) *Minimum price*

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in the relevant class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 ASX trading days of the date above, the date on which the Equity Securities are issued,

provided that, in respect of Shares, these are not issued at less than their nominal value (being the lowest issue price permitted under the UK Companies Act 2006).

(b) *Risk of economic and voting dilution*

If Resolution 5 is passed and the Company issues Equity Securities under the Additional Placement Facility, there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Notice; and

- the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date or the new Equity Securities may be issued in consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated based on:

- the market price of CDIs as at market close on 3 April 2017, being the last date on which CDIs were traded on ASX; and
- the current number of Shares on issue on as at the date of this Notice (comprising 27,578,097 Shares, of which 25,981,019 Shares are represented by CDIs).

Variable A in Listing Rule 7.1A		Dilution		
		\$0.071 (current market price)	\$0.0533 (25% decrease in market price)	\$0.0355 (50% decrease in market price)
Current issued capital = 27,578,097 Shares	Shares issued under Listing Rule 7.1A	2,757,809 Shares	2,757,809 Shares	2,757,809 Shares
	Voting dilution	10%	10%	10%
	Funds raised	\$195,804	\$146,991	\$97,902
	Economic dilution	0%	2.27%	4.55%
50% increase in issued capital = 41,367,146 Shares	Shares issued under Listing Rule 7.1A	4,136,714 Shares	4,136,714 Shares	4,136,714 Shares
	Voting dilution	10%	10%	10%
	Funds raised	\$293,707	\$220,487	\$146,853
	Economic dilution	0%	2.27%	4.55%
100% increase in issued capital = 55,156,194 Shares	Shares issued under Listing Rule 7.1A	5,515,619 Shares	5,515,619 Shares	5,515,619 Shares
	Voting dilution	10%	10%	10%
	Funds raised	\$391,609	\$293,982	\$195,804
	Economic dilution	0%	2.27%	4.55%

Notes: The above table has been prepared on the following assumptions:

1. The closing price of CDIs on the ASX was \$0.071 on 3 April 2017, being the last date on which the Company's CDIs were traded prior to the CDIs being placed into trading halt at the request of the Company on 18 April 2017, and subsequently voluntarily suspension at the request of the Company on 21 April 2017. The Company's CDIs remain suspended as at the date of this Notice.
2. The Company issues the maximum number of Equity Securities under the Additional Placement Facility.
3. Economic dilution (ED) is calculated using the following formula:
$$ED = (MP - (NMC / TS)) / MP$$
where:
MP = 0.071, being the market price of CDIs as at market close on 3 April 2017, being the last date on which CDIs were traded on ASX, expressed in dollars;
MC = the market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;
NMC = notional market capitalisation, being the market capitalisation plus the NSV;
NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and
TS = total shares on issue following new Equity Security issue.
4. The Company issues Shares (or CDIs) only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility.
5. Existing Shareholders' and CDI Holders' holdings do not change from the date of this Notice to the date of the issue under the Additional Placement Facility.
6. No Options are exercised before the date of issue of the Equity Securities.
7. The impact of placements under ASX Listing Rule 7.1 or following the exercise of Options is not included in the calculations.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Facility, based on that Shareholder's holding at the date of the Notice.

(c) *Date of issue*

Equity Securities may be issued under the Additional Placement Facility from the date of the Meeting until the first to occur of the following:

- 12 months after the date of the Meeting (i.e. until 29 June 2019); and
- the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), after which date, an approval under ASX Listing Rule 7.1A ceases to be valid.

(d) *Purpose of issue under Additional Placement Facility*

The Company may issue Equity Securities under the Additional Placement Facility for the following purposes:

- as cash consideration to fund the acquisition of new assets or investments (including expenses associated with such acquisition) and/or for general working capital purposes; and
- as non-cash consideration for the acquisition of new oil and gas assets, investments and payment for the provision of other professional services. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3 and, if relevant, the UK Companies Act 2006.

The Company will comply with the disclosure obligations under ASX Listing Rules 3.10.5A and 7.1A.4 upon the issue of any Equity Securities.

(e) *Allocation policy under the Additional Placement Facility*

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will be dependent upon the prevailing market conditions at the time of the proposed placements.

The recipients of the Equity Securities to be issued under the Additional Placement Facility have not yet been determined. However, the recipients of Equity Securities may consist of current Shareholders or new investors (or both), none of whom will be Related Parties of the Company.

The Company will determine the recipients at the time of the issue under the Additional Placement Facility, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the Additional Placement Facility will be the vendors of the new resources assets or investments.

(f) Total Equity Securities issued in the 12 months prior to the Meeting

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A for an Additional Placement Facility at its annual general meeting held on 30 June 2017 (**Previous Approval**).

The total number of Equity Securities issued in the 12 months before this Meeting is 619,480. This represents 1.65% of the total number of Equity Securities on issue at the commencement of that 12 month period.

The details for each separate issue of Equity Securities issued during the 12 months before the Meeting are as follows:

Date of issue	Equity Securities issued	Allottee	Issue price	Total cash consideration	Use of funds	Non-cash consideration and current value
10/07/2017	222,827 CDIs	GG Hancock Pty Ltd <Gregory Hancock S/F A/C>	\$0.06 each, being a 15.49% discount to the closing market price of CDIs on 3 April 2017, being the last date on which CDIs were traded on ASX prior to the date of issue.	Nil	The CDIs were issued in lieu of director fees and accordingly, no funds were raised by the issue.	Not applicable as the CDIs were issued in lieu of director fees. Current value: \$15,821

10/07/2017	111,414 Free Attaching Options (exercisable at \$0.10 each on or before 30 September 2019 and otherwise on the terms set out in the Schedule)	GG Hancock Pty Ltd <Gregory Hancock S/F A/C>	Nil	Nil	The Company did not raise any funds from the issue of the Options.	The Options were issued for nil cash consideration. Current value: \$407.26
10/07/2017	190,159 CDIs	Silverlight Holdings Pty Ltd <Cairns Investment A/C>	\$0.06 each, being an 15.49% discount to the closing market price of CDIs on 3 April 2017, being the last date on which CDIs were traded on ASX prior to the date of issue.	Nil	The CDIs were issued in lieu of director fees and accordingly, no funds were raised by the issue.	Not applicable as the CDIs were issued in lieu of director fees. Current value: \$13,501
10/07/2017	95,080 Free Attaching Options (exercisable at \$0.10 each on or before 30 September 2019 and otherwise on the terms set out in the Schedule)	Silverlight Holdings Pty Ltd <Cairns Investment A/C>	Nil	Nil	The Company did not raise any funds from the issue of the Options.	The Options were issued for nil cash consideration. Current value: \$347.55

Notes:

1. The current value of CDIs is based on a value of \$0.071 per CDI, being the closing price of CDIs on the ASX on 3 April 2017, the last date on which the Company's CDIs were traded prior to the CDIs being placed into trading halt at the request of the Company on 18 April 2017, and subsequently voluntarily suspension at the request of the Company on 21 April 2017. The Company's CDIs remain suspended as at the date of this Notice.
2. The Options have been valued using the Black-Scholes option pricing model as at 16 May 2018 based on a number of assumptions and variables, including the following
 - a. each Option will be exercised immediately prior to the expiry date;
 - b. the closing price of CDIs on the ASX on 3 April 2017 (being the last date on which CDIs were traded on ASX) was \$0.071;
 - c. a risk-free rate of 1.64% has been adopted;
 - d. a dividend yield rate of 0% has been adopted; and
 - e. a volatility factor of 33% has been adopted.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

GLOSSARY

\$ means Australian dollars.

Additional Placement Facility means the additional issuing capacity under ASX Listing Rule 7.1A for which the Company seeks approval under Resolution 5.

Articles of Association means the articles of association of the Company.

Associate has the meaning given to that term in the ASX Listing Rules.

ASX means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia, Australia.

BST British Summer Time, being the time in the United Kingdom.

CDI means a Chess Depository Interest, representing a unit of beneficial ownership in a Share.

CDI Holder means a holder of a CDI.

CDN means CHESSE Depository Nominees Pty Ltd (ACN 071 346 506).

Company means Zeta Petroleum plc (registered number 05560854).

Director means a director of the Company.

Equity Securities has the meaning given to that term in the ASX Listing Rules.

Explanatory Statement means this explanatory statement which accompanies and forms part of the Notice.

Meeting or **Annual General Meeting** means the annual general meeting of the Company to be held on 29 June 2018, convened by the Notice.

Notice means the notice convening the Meeting which accompanies this Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form, to be completed by Shareholders, accompanying the Notice.

Resolution means a resolution set out in the Notice.

Related Party has the meaning given to that term in the ASX Listing Rules.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Special Resolution means a resolution:

- (a) of which an intention to propose the resolution has been set out and the resolution has been stated in the Notice; and
- (b) that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

UK Companies Act means the UK Companies Act 2006.

Voting Instruction Form means the voting instruction form, to be completed by CDI Holders, accompanying the Notice.

SCHEDULE – TERMS AND CONDITIONS OF FREE ATTACHING OPTIONS

The Free Attaching Options entitle the holder to subscribe for CDIs on the following terms and conditions:

- (a) Each Free Attaching Option has an issue price of \$nil.
- (b) Each Free Attaching Option gives the holder (**Option Holder**) the right to subscribe for one CDI.
- (c) The Free Attaching Options will expire at 5.00pm (AWST) on 30 September 2019 (**Expiry Date**). Any Free Attaching Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Free Attaching Option will be \$0.10 (**Exercise Price**).
- (e) The Free Attaching Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Option Holder may exercise their Free Attaching Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Free Attaching Options specifying the number of Free Attaching Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Free Attaching Options being exercised;
- (g) (**Exercise Notice**).
 - (i) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (ii) Within 5 business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of CDIs required under these terms and conditions in respect of the number of Free Attaching Options specified in the Exercise Notice.
 - (iii) On receipt of an Exercise Notice accompanied by the Exercise Price, the Company will either:
 - (i) within 5 business days after the issue of CDIs issued upon exercise of the Options, issue a “cleansing notice” that complies with section 708A(6) of the Corporations Act 2001 (Cth) to meet certain requirements in respect of the “secondary trading” provisions contained in sections 707 and 708A of the Corporations Act 2001 (Cth); or
 - (ii) within 15 business days of receipt of the Exercise Notice, issue the CDIs issued upon exercise of the Options pursuant to a prospectus which the Company will prepare and lodge with ASIC.
- (h) The Free Attaching Options are not transferable.
- (i) All CDIs issued upon the exercise of Free Attaching Options will upon issue rank pari passu in all respects with the Company’s existing class of CDIs.
- (j) The Company will not apply for quotation of the Free Attaching Options on ASX. The Company will apply for quotation of all CDIs issued pursuant to the exercise of Free Attaching Options on ASX within 10 business days after the date of issue of those CDIs.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act 2001 (Cth) (as appropriate), the ASX Listing Rules, the UK Companies Act and otherwise at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Free Attaching Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Free Attaching Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option Holders the opportunity to exercise their Free Attaching Options prior to the date for determining entitlements to participate in any such issue.
- (m) A Free Attaching Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Free Attaching Option can be exercised.