Media Release

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Zeta Petroleum plc (‘Zeta’ or ‘the Company’)

Quarterly Activities Review – Period Ended 30 June 2013

Zeta Petroleum plc, the ASX listed Romanian focused oil and gas exploration and production company provides its quarterly activities review for the period ended 30 June 2013.

Highlights:

Suceava (50% Zeta, 50% Raffles Energy - operator)

- Previously discovered Dornesti Sud-1 well confirmed as commercial following successful production test at a rate of 26,000 cubic metres per day (‘m3/day’)
- Dornesti Sud-1 well currently suspended ready for production
- Potential for rapid payback from the Dornesti Sud-1 well with low cost development options being considered
- Production at Climauti gas field generated net revenues to Zeta of US$60,000 for the quarter
- Data sharing agreement signed with a subsidiary of Chevron Corporation (NYSE: CVX), relating to the Suceava concession and the adjoining 6,284 sq km Chevron-operated Barlad concession

Jimbolia (39% Zeta, 51% NIS Petrol SRL - Operator, 10% Armax)

- Jimbolia-100 declared a live well in May 2013 by the Operator, NIS Petrol SRL (a wholly owned subsidiary of NIS Gazprom Neft)
- Replacement rig is now on site and testing of the Jimbolia-100 well is underway

Bobocu (100% owned and operated by Zeta)

- Discussions on-going with potential partners to finance drilling of a sidetrack of the Bobocu 310 well to bring previously producing gas field back into production

Other activities

- Assessing other onshore oil and gas opportunities within Romania and Eastern Europe that may complement and enhance Zeta’s current portfolio
- Letter of intent to participate in the next licencing round (expected to open later this year) submitted to the relevant Romanian authorities

- Significant reduction in working capital expenditure following series of cost cutting measures
- Annual General Meeting held on 28 June 2013 and all resolutions unanimously passed

Zeta Petroleum plc Managing Director Stephen West said, "We are on course to materially increase net production and revenues in the second half of the year, as we look to monetise our existing asset base. Bringing the Dornesti Sud-1 well on the Suceava concession into production represents a low cost, low risk opportunity to significantly grow production, while, subject to positive test results, the live well at Jimbolia has the potential to transform both our production profile as well as our proven reserves.

"In addition, our multi-stage portfolio of licences in Romania continues to grow. Post-quarter end, we acquired, at minimal up-front cost, a 100% interest in the previously producing Grivita Nord oil concession, which we estimate has P50 reserves of 448,000 barrels of oil with an unrisked NPV10 of US$25.55 million. By participating in the next licensing round, we hope to secure additional licences in Romania, while a data sharing agreement with Chevron provides us with a low cost opportunity to investigate the prospectivity of the Barlad concession. With all this activity in mind, this is an exciting period for Zeta and I look forward to providing further updates in due course."

Full Details:

Suceava (50% Zeta, 50% Raffles Energy (Operator)):

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

Existing Gas Discovery Wells

Zeta and Raffles Energy commenced a feasibility study on how best to bring two existing gas discovery wells into production in 2013, and in the process, significantly increase current production from the concession. Both wells were successfully drilled by previous owners of the concession and 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 feasibility study is considering low cost development options to bring the two existing gas discovery wells back into production, including construction of conventional facilities and a pipeline from the two wells to an existing main pipeline, as well as utilising gas-to-power technology. The maximum cost of the Dornesti Sud development work is estimated at US$1.2 million gross (US$600,000 net to Zeta).

In anticipation of the completion of the feasibility study it was decided to re-enter the Dornesti Sud-1 well and conduct a production test. During production testing, the Dornesti Sud-1 well tested at 26,000m3/day, a rate which confirms that it can be commercially developed. The well has now been suspended ready for production.

Figure 1 - Dornesti Sud-1 Well - day-time flare, night-time flare, Xmas tree

Based on the results of the latest production test at the Dornesti Sud-1 well combined with the relatively low capital outlay, the Directors believe the well has the potential for rapid payback of capital.

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

Climauti Gas Field

During the quarter, production from the Climauti Gas Field reduced from a rate of approximately 14,600m3/day to a rate of approximately 8,600m3/day in June 2013. This production decline is interpreted by the Operator to be due to sand entering the well perforations. Encouragingly, the production rate has been steadily increasing up to a current rate of 10,100m3/day during July 2013, which suggests that the well perforations may clean themselves without any intervention required by the Operator. During the quarter the well generated approximately US$60,000 net revenue to Zeta.

Data Sharing Agreement with Chevron

The data sharing agreement with Chevron Romania Exploration and Production SRL (‘Chevron’), a subsidiary of Chevron Corporation (NYSE: CVX), was approved by the regulator, the National Agency for Minerals and Resources in April 2013. During the quarter Zeta and Raffles Energy commenced discussions with Chevron on setting up reciprocal data rooms and it is expected that the exchange of data will commence in Q3 2013.

The agreement covers the exchange of well data and similar information relating to the Suceava concession and the adjoining 6,284 sq km Chevron-operated Barlad concession.

Figure 2 - Location of Suceava and Barlad Concessions

The agreement gives the relevant parties access to certain data on each concession including historic well and seismic data. The exchange of such data has the approval of the regulator, the National Agency for Minerals and Resources. The Suceava concession lies contiguous to the north west of the Barlad concession.

Zeta, alongside Raffles, will be evaluating existing data for the Barlad concession with a view to identifying conventional hydrocarbon targets in the area. The Barlad concession lies adjacent to the Roman-Secuieni gas field operated by Romgaz, one of the largest commercial gas fields in Romania. Between 1970 and 1980, approximately 85 exploration wells were drilled on the Barlad concession; many of these wells show indications for the presence of gas in Sarmatian and Badenian clastic reservoirs. In addition, numerous 2D seismic survey lines were carried out with multiple structures identified.

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

The Jimbolia-100 appraisal well was drilled to its target depth of 2,590 metres on 21 February 2013 and the drilling logs acquired from the well indicate the presence of hydrocarbons in multiple sands, which are consistent with the two previous discovery wells drilled on the concession: Jimbolia-1 which oil tested at 120 barrels of oil per day (bopd) and Jimbolia-6 which tested oil at 36bopd.

The Operator has advised that four targets in the well will be perforated and tested: first target 2,559m to 2,565m; second target 2,547m to 2,550m; third target 2,533m to 2,536m; and fourth target 2,522m to 2,526m.

Figure 3 - Jimbolia-100 Well - wellsite (night view), Xmas tree

After the well was drilled to target depth, the Operator decided to replace the drilling rig with a lighter workover rig for the testing operation. After some delays, the replacement workover rig arrived on site in late June 2013 and testing commenced in July 2013. The results of the testing operation will be announced to the market shortly.

The Jimbolia-100 well is targeting the Jimbolia Veche discovery, which has two hydrocarbon bearing intervals and 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 IV reservoir, with the lower interval (16m) flowing 33% CO_2, 61% CH_4 and condensate at rates of 196Mscf/d, and the upper interval (8m) testing gas (no flow rate details available).

Bobocu (100% owned and operated):

The Bobocu Gas Field previously produced from 1977 until it was abandoned prematurely in 1995 and is located to the north of the Buzau valley, approximately 20km northeast of Buzau and 110km northeast of Bucharest.

Bobocu-310 Well

During the drilling of the Bobocu 310 well in September 2012 multiple gas shows were encountered and the wireline logs indicated gas bearing reservoir. Initial testing of the well did not yield commercial gas and it was decided to suspend the well 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 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 and then new development wells. The Company believes that the Bobocu field remains 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 and discussions are taking place with potential partners.

Prospecting Permits (100% owned and operated)

Zeta holds in excess of 6,000 sq km of non-exclusive prospecting permits in the eastern Moldavian region of Romania, which is a known hydrocarbon-prone area. The prospecting permits give the Company the right to data in relation to the prospecting areas and also the right, but not the obligation, to request that part of a prospecting area is placed into a bidding round in which the Company will have the opportunity to bid for a licence over the selected prospecting area. During the quarter Zeta submitted, to the National Agency for Minerals and Resources (Romania), an evaluation report and letter of intent to participate in the next licencing round which is expected to open later this year.

Other Opportunities

In line with its strategy, the Company continues to assess other onshore oil and gas opportunities within Romania and Eastern Europe 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.

Corporate Affairs

On 28 June 2013 the Company held its Annual General Meeting and all resolutions were unanimously passed on a show of hands.

During the quarter the Company implemented a series of cost cutting measures in order to reduce working capital expenditure. These cost cutting measures included a reduction in staff headcount, Mr Philip Crookall (formerly Chief Operating Officer) agreeing to step down to a non-executive director position, all non-executive directors agreeing to a 50% reduction in director fees and Mr Stephen West (Managing Director) agreeing to a 40% reduction in director fees.

At the end of the quarter the Company maintained a cash position of approximately A$146,000 as well as income from its producing Romanian gas asset. The Directors believe that the Company's current cash position, together with the reduction in working capital expenditure and income from gas sales, is sufficient to fund working capital for at least 12 months. In addition, on 17 July 2013 the Company announced it is undertaking a 1 for 1 non-renounceable rights issue to raise up to A$1.33 million (before costs) at an offer price of A$0.01 per Chess Depositary Interest ('CDI'), together with one free attaching share option for every two CDIs subscribed for and issued.

****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 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 a director of Zeta Petroleum plc.