



ZETAPETROLEUMPLC

Ms Elizabeth Harris  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 Georges Terrace  
Perth, WA  
Australia, 6000

18 May 2014

**Subject: Zeta Petroleum plc  
ASX letter dated 13.05.2014**

Dear Elizabeth,

We refer to your letter dated 13 May 2014 which raised some questions arising from our Quarterly Report for the period ended 31 March 2014 which was released to ASX Limited on 30 April 2014.

We respond to your questions 1-5 in the order in which you raise them;

1. In accordance with our announcement dated 14 May 2014 the Company has entered into a Loan Agreement that will enable it to fund its activities and to continue to invest in developing the business
2. The major part of the estimated cash flows for the next quarter are ear-marked for development. This is intended to fund the completion of a gas to power project at the Dornesti-1 discovery well on the Suceava licence area which will provide additional sales revenue to the Company. The Company is actively managing its administration expenses and we refer to our announcement on 12 May 2014 of board changes and the appointment of a new CEO which will together result in cost savings. Overall, therefore, the Company expects that operating cash flows around ongoing business will continue to improve. A summary of the key terms of engagement of Andy Morrison as CEO is given below.
3. The Company is progressing a pipeline of farm-out and other business development activities in order to continue to meet its business objectives and the appointment of a new CEO strengthens the Company's delivery capability in these important areas
4. We confirm that all material information has been disclosed to the market in accordance with Listing Rule 3.1
5. The Company announced its audited results on 31 March 2014 which contained an assessment by the auditors of the financial condition of the Company. In the opinion of the Directors, the only material change since that



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date has been the Loan Agreement mentioned above. Given the effect of the loan on the Company's cash balance combined with the steps currently being undertaken in point 3 above, the Company believes that it continues to be in compliance with Listing Rule 12.2

Further to our announcement of 12 May 2014 the Company provides the following summary of terms for Andy Morrison who has joined the Company as its Chief Executive:

Andy provides his services to the Company through an agreement with Spinnaker Management Resources Ltd ("SMRL") a company of which he is a director. Under the terms of the agreement with SMRL, Andy works for approximately 12 days per month for the Company and SMRL receives gross fees of £1,050 per day. The Company may elect to accrue fees in excess of 8 days per month and to settle the corresponding amounts in shares at the next available opportunity. The agreement provides for one month notice of termination by either Party.

Should you have any queries in relation to the above please let me know.

Yours faithfully

Ben Hodges  
Company Secretary





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9 May 2014

Mr Ben Hodges  
Company secretary  
Zeta Petroleum PLC  
Berkeley Street  
London W1J 8DJ

Dear Ben

**ZETA PETROLEUM PLC (the "Company")**

I refer to your letter dated 7 May 2014 applying for a waiver from ASX Listing Rule 6.24.

I am pleased to advise that ASX Limited (ASX) has decided to grant the waiver you have requested. ASX's decision is as follows:

**"DECISION**

1. Based solely on the information provided, ASX Limited ("ASX") grants Zeta Petroleum PLC (the "Company") a waiver from listing rule 6.24 to the extent necessary to permit the Company not to send the notice required by paragraph 6.1 of Appendix 6A, in relation to 7,350,000 quoted options exercisable at \$0.04 expiring on 15 June 2014 ("Options"), on the following conditions:
  - 1.1. The information required by paragraph 6.1 of Appendix 6A is provided to ASX Market Announcements by no later than 20 business days before expiry, together with a statement that an option expiry notice will not be sent to the Option holders.
  - 1.2. If the market price of the Company's ordinary shares exceeds \$0.03 before 15 June 2014 the Company immediately sends an option expiry notice to Option holders.
2. ASX has considered listing rule 6.24 only and makes no statement as to the Company's compliance with other listing rules."

As you will see, the waiver is subject to certain conditions. Under Listing Rule 18.1.1, these conditions must be complied with for the waiver to be effective.

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke this waiver at any time.

If you have any further enquiries in relation to this matter, please feel free to contact me on 08 9224 0011 or at Elizabeth.Harris@ASX.com.au.

Please feel free to contact me if you have any enquiries on the above.

Yours sincerely

Elizabeth Harris  
**Principal Adviser, Listings Compliance (Perth)**