

Media Release

26 July 2012



ZETAPETROLEUMPLC

New Energy and Gas Law; Liberalises Romanian Domestic Gas Market

Highlights

- **Romanian government has put in place legislation to deregulate its domestic gas market**
- **Regulated gas prices to be eliminated from 1 December 2012 for non-household clients**
- **Domestic gas prices likely to converge with Western European prices**

Romanian focused oil and gas explorer and developer; Zeta Petroleum plc ("Zeta" or the "Company") announces that a new Energy and Gas Law No. 123/2012 has been published in the Romanian Official Gazette no. 485, dated 16 July 2012.

The main objective of this New Law, as it relates to Zeta, is to put into Romanian legislation the provisions of the European Commission's (EC) *Third Energy Package* concerning common rules for the internal market in natural gas.

On 19 September 2007, the EC adopted the third package of legislative proposals for electricity and gas markets. The proposals were designed to create a competitive and integrated energy market that would allow European consumers to choose between different suppliers and all suppliers, irrespective of their size, to access the market.

The new law provides for a calendar to gradually to eliminate regulated prices for end clients. For gas, regulated prices shall be eliminated starting with 1 December 2012 for non-household clients and from 1 July 2013 for household clients.

Zeta Petroleum's Managing Director Mr Stephen West commented, "Zeta has long been attracted to Romania given its favourable and stable fiscal regime, proven hydrocarbon system and long established oil and gas industry.

"Romania has been a European Union (EU) member country since 2007 and a condition of its membership is that it is required to deregulate its gas market.

"The announcement of the official conversion into Romanian legislation of the EC directive supports our strategy to invest in Romania as we expect domestic gas prices to commence converging with Western European prices from early 2013."

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 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 (100% beneficial interest) Pmean prospective oil resources of 1.72MMbbls. Zeta also has a 12.5% fully carried interest in the Padureni Gas Field.

In addition, the Company holds a 100% interest in three prospecting permits covering an area of over 6,000km² 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.