Media Release

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

Zeta Petroleum plc, the ASX listed Romanian focused oil and gas exploration and production company is pleased to provide a positive update on its project portfolio and development programme.

Overview:

- Multi-stage, multi-project portfolio in Romania covering proven working hydrocarbon systems
- Highly active development programme aimed at unlocking inherent portfolio value
- Active drilling campaign with two wells being drilled in Q4 2012 targeting identified shallow and deep targets
- Fully funded shallow exploration well to be drilled on the Suceava concession in November 2012 by Raffles Energy, targeting one of multiple potential shallow targets
- NIS Gazprom Neft fully funding appraisal well on the proven Jimbolia concession in December 2012 – follows signing of Joint Venture in August 2012
- Updated geological model for Bobocu expected to be released by late October 2012 to lead to future well targeting and potential
- Production from Suceava generating cash towards covering overheads – current cash position of c. A$3.3 million
- Evaluation work being carried out on over 6,000 sq km of prospecting permits aimed at generating additional exploration acreage
- Evaluating additional onshore oil and gas opportunities within Romania and Eastern Europe to enhance the current portfolio
- Multiple potential value triggers and strong news flow over the coming months

Zeta Petroleum Managing Director Stephen West said, "We have a broad portfolio of oil & gas projects which all have the potential to positively impact our operational performance and production profile in the near term. We have two wells planned and *financed, targeting oil at Jimbolia and gas at Suceava, which will be drilled before the end of the year. In addition, at Suceava we have multiple targets to exploit, which due to the shallow nature, are low cost to drill, can be quickly connected to existing gas processing and export infrastructure and importantly have short paybacks. We have a second structure at Jimbolia where a previous discovery has also been made which needs to be tested, as well as 6,000 sq km of prospecting permits, which we believe will yield further exploration acreage.*

"Following the Bobocu well results, we are examining the data to recalibrate our geological model in order to maximise the value of this previously producing field. Finally, with other regional opportunities, plus a cash position of A$3.3 million, I am confident of the future. I look forward to generating value in our portfolio and a subsequent re-rating of our stock which I believe does not currently reflect the quality of our portfolio, partners or prospects."

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

The Company is pleased to report that work is progressing well with regards to Zeta's 50% interest in the Suceava licence. In May 2012 50 sq km of 2D seismic was acquired over the concession, which has assisted with the identification of significant shallow conventional gas potential. Multiple leads and prospects have already been identified, with up to 80Bcf (unrisked) at depths of 400 to 1,000 metres.

This potential has already been proven with production from the Climauti gas field, which is also on the concession, at rates of approximately 17,000m^3/day from Sarmatian reservoirs at around 460 metres depth. This is currently generating circa $25,000 per month net revenue to Zeta and should ultimately yield approximately 2Bcf gross of recoverable gas reserves.

We anticipate that the Operator and holder of the other 50% interest, Raffles Energy SRL, a wholly owned subsidiary of Singapore based Raffles Energy Pte Ltd, will commence drilling the next well in November 2012. A drilling location for the new exploration well has been selected, the Musenita-1 well, and government and environmental permitting procedures and contract tendering has commenced. The Company has the funds to contribute its 50% share towards the cost.

The broad development strategy for the Suceava concession is to step wells out from the current producing Climauti Gas Field and connect them back via short pipelines in order to fast-track additional production. With multiple shallow targets translating into low drilling expenditure and well payback estimates of c.18 months, the Board and the Operator are excited about the cash generation potential of these step-out wells. Furthermore, the concession is large geographically and in the medium term, more targets that have already been identified will also be investigated for further exploration drilling.

Jimbolia (39% Zeta, 51% NIS Gazprom Neft (Operator), 10% Armax):

In August 2012, the Company farmed out a 51% interest in its Jimbolia licence to NIS Gazprom Neft, in return for NIS Gazprom Neft funding the drilling of an appraisal well, which is targeted to spud in December 2012. A drilling location for a new appraisal/development well has been selected, the Jimbolia 100 well, and government and environmental permitting procedures and contract tendering has commenced.

Prior to farming into the Jimbolia licence, NIS Gazprom Neft conducted an extensive assessment of the licence, which is located in the proven producing eastern part of the Pannonian Basin and contains the Jimbolia Oil Field. The Jimbolia licence contains two discoveries, Jimbolia Veche and Jimbolia Vest that were made in 1983 by Petrom.

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 identified the Pliocene VIII, which is 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). The discovered oil in the Jimbolia Oil Field has only been tested and not produced.

On a wider basis, the Board believe there is additional potential in the Jimbolia Vest discovery which was tested, but not produced, over two intervals of the Lower Pliocene IV, 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 310 well data is now being evaluated, results of which will be incorporated into the field's geological model in order to plan the next well on the prospect. The Company expects to be in a position to update the market on the results of the updated geological model by the end of October 2012.

The geological model is aimed at unlocking the value of the Bobocu Gas Field, which before the 310 well was drilled, had a Pmean contingent resource of 44Bcf and a Pmean prospective resource of 14Bcf. Although the initial testing of the 310 well did not yield commercial gas, the intention remains to bring this field back into production by drilling new development wells and, where possible, undertaking workovers of existing wells. The new model will be applied to the existing data, which includes 75 sq km of 3D seismic, and from this the Company will evaluate the remaining five drill ready targets already identified.

Previous production from the field is from several reservoirs at a depth of 2,500m to 2,700m, within stratigraphic traps of a delta lobe environment ("Delta Wedge Sequence"). Some of the delta wedge lobes have previously been produced but have remaining resources, and there is mapped potential in undrilled delta wedge lobes similar to the seismic on the previously produced lobes. The Company has also identified further exploration targets both in the intervals above and below the Delta Wedge Sequence.

The Company believes that the previously identified prospectivity remains and will pursue suitable avenues from which to advance its exploitation. With 100% control of the Bobocu field, there are various development options available.

Prospecting Permits (100% owned and operated):

Zeta holds in excess of 6,000sqkm 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. The Company has performed an extensive evaluation of these permits and Zeta has completed a detailed mapping programme. Zeta is in the process of finalising a report that will be lodged with the government, detailing areas that the Company would like included in the next government bidding round for exploration blocks.

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 the 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:

The Company maintains a cash position of approximately A$3.3 million as well as income from its producing Romanian asset and accordingly, is fully funded for the next two wells to be drilled in Romania this year.

On 18 September 2012 the Company lodged a Prospectus for shareholders to participate in a pro-rata non-renounceable rights issue of Loyalty Options on a one-for-four basis. The price payable on application for each Loyalty Option is A$0.01 and will raise up to approximately A$333,406 (before expenses). The Loyalty Options will have an exercise price of A$0.30 exercisable on or before 15 July 2015.

Summary:

The Company has an active development programme aimed at proving the inherent value of its portfolio. The team, in tandem with its partners, is focussed on crystallising the value of its asset base and building an Eastern European focussed oil and gas company. With significant events occurring in the next six months, the Company looks forward to regularly communicating its progress to the market and delivering on its objectives.

****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 Chief Operating Officer of Zeta Petroleum plc.