



# 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**

**Annual General Meeting to be held at offices of Tribis Pty Ltd, Level 14, 225 St Georges Terrace, Perth, Western Australia at 3.00pm (AWST) on Friday, 28 June 2019 as set out in this document.**

**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).**

### **IMPORTANT NOTE**

**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 this 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.

## Contents

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Important notices	1
Notice of Annual General Meeting	2
Voting Eligibility, Proxy Appointment and CDI Voting Instructions	5
Explanatory Statement	7

## Important dates

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<b>Last day for receipt of Proxy Forms*</b>	3.00pm AWST on 26 June 2019
<b>Eligibility to attend Meeting and vote – snapshot date</b>	1.00am AWST on 27 June 2019
<b>Annual General Meeting</b>	3.00pm AWST on 28 June 2019

\*Proxy Forms received after this time will be disregarded.

## Important notices

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Certain statements in the Explanatory Statement relate to the future. Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. These statements reflect views only as of the date of the Explanatory Statement. Neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in the Explanatory Statement will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

# Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting of Zeta Petroleum plc (**Company**) will be held at the offices of **Tribis Pty Ltd, Level 14, 225 St Georges Terrace, Perth, Western Australia** at 3.00pm (AWST) on Friday, 28 June 2019 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.

Capitalised terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary of the Explanatory Statement.

## Agenda

### Resolution 1 - Receipt of Annual Report and Accounts

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To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 31 December 2018, as contained in the Company's Annual Report dated 28 March 2019.

### Resolution 2: Re-election of Director retiring by rotation – Mr Stephen West

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 14.4, Article 25.4 of the Articles of Association and for all other purposes, Mr Stephen West, 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.”*

### Resolution 3: Auditor reappointment – BDO LLP

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To consider and, if thought fit, to pass, with or without amendment, 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.”*

### Resolution 4: Auditor remuneration

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To consider and, if thought fit, to pass, with or without amendment, 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.”*

## **Resolution 5: Approval of Placement for working capital**

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 CDIs, at an issue price of \$0.05 cents per CDI, to raise up to \$500,000 (before costs) (**Placement**), in the manner and on the terms and conditions set out in the Explanatory Statement.”*

## **Resolution 6: Approval to issue Placement CDIs to a Related Party - Tribis**

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to Resolution 5 being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,000,000 Placement CDIs, at an issue price of \$0.05 per CDI, up to the value of \$100,000 (before costs) within the Placement contemplated by Resolution 5, to Tribis Pty Ltd (ACN 009 017 985), a Related Party to the Company, on the terms and conditions set out in the Explanatory Statement.”*

## **Resolution 7: Approval to issue Placement CDIs to a Related Party – Mr Stephen West or a related entity**

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to Resolution 5 being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 500,000 Placement CDIs, at an issue price of \$0.05 per CDI, up to the value of \$25,000 (before costs) within the Placement contemplated by Resolution 5, to Mr Stephen West, or his associated entity, a Related Party to the Company, on the terms and conditions set out in the Explanatory Statement.”*

## **Resolution 8: Approval of Additional Placement Facility**

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To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

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

**Note:** Resolution 8 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.

By order of the Board

**Zeta Petroleum plc**



Dated 5 June 2019

**Mr Sean Meakin**  
Joint Company Secretary

## Voting Exclusions

For the purposes of ASX Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following parties and their 'Associates' (as defined in the ASX Listing Rules).

<b>Resolution</b>	<b>Excluded Party(ies)</b>
Resolution 2	Mr Stephen West
Resolution 5	Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity as of a holder of CDIs, if Resolution 5 is passed.
Resolution 6	Mr Simon Trevisan and Tribis Pty Ltd
Resolution 7	Mr Stephen West
Resolution 8	Any person who is expected to participate in, 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 CDIs, if Resolution 8 is passed.

The Company need not disregard a vote on a Resolution if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form; or
- the Chairperson 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.

The Chairperson may vote as proxy in accordance with an express authorisation on the Proxy Form

# Voting Eligibility, Proxy Appointment and CDI Voting Instructions

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## Voting eligibility for Shareholders – snapshot date

For the purposes of determining voting and attendance entitlements at the Meeting, CDIs or Shares will be taken to be held by the persons who are registered as holding the CDIs or Shares at **1.00am (AWST) on Thursday, 27 June 2019** (being 6.00pm (BST) on **26 June 2019**), 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 Tuesday, 25 June 2019** (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 **3.00pm (AWST)** (being **8.00am BST**) on **Wednesday, 26 June 2019 (Proxy date)**. 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 **3.00pm (AWST)** (being **8.00am BST**) on **Tuesday, 25 June 2019**. 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 Chairperson 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**

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The 2019 Annual General Meeting of Zeta Petroleum plc will be held at the offices of **Tribis Pty Ltd Level 14, 225 St Georges Terrace, Perth, Western Australia]** at 3.00pm (AWST) on Friday, 28 June 2019 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.

## **1. Resolution 1: Annual reports and accounts**

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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 2018, which may be found on pages 4 to 15 of the annual report and accounts for the Company dated 28 March 2019 (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.

## **1. Resolution 2: Re-election of Director retiring by rotation – Mr Stephen West**

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### **1.1 Background**

Resolution 2 seeks Shareholder approval for the re-election of Mr Stephen West 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 West is the non-executive Chairman of the Company, originally appointed to the Board on 12 September 2005.

Mr West 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 West'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>.

### **1.2 Directors' recommendation**

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



## **2. Resolutions 3 and 4: Auditor re-appointment and remuneration**

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

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

## **3. Resolution 5: Approval of Placement**

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### **3.1 Background**

Resolution 5 seeks Shareholder approval under Listing Rule 7.1 for the issue of CDIs to professional and sophisticated investors (who are not Related Parties) determined by the Company, to raise funds for ongoing working capital requirements (**Placement**).

The Resolution seeks approval to issue a maximum of 10,000,000 CDIs at an issue price of A\$0.05 per CDI.

As at the date of this Notice the Company has not arranged the Placement or placed any of the proposed Placement CDIs to investors.

The Company's securities have been suspended from trading on ASX since 21 April 2017. The Placement CDIs will be issued to investors and the Company will apply for quotation of the CDIs, however, the CDIs will not be able to be quoted and traded on ASX unless and until the Company has been re-admitted to quotation on ASX.

The Company's securities will not be reinstated to quotation on ASX unless and until the Company has:

- (a) obtained Shareholder approval for the purposes of ASX Listing Rule 11.1 of any acquisition and capital raising that the Company proposes to undertake; and
- (b) the Company has satisfied the requirements of Chapters 1 and 2 of the ASX Listing Rules.

### **3.2 Listing Rules information requirements**

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 5, the issue of Placement CDIs will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

In accordance with Listing Rule 7.3, the following information is provided to enable Shareholders to assess the merits of Resolution 5 for the purposes of Listing Rule 7.1:

- (a) The number of Placement CDIs to be issued will be calculated by dividing the amount to be raised under the Placement (i.e. up to \$500,000) by the issue price of the Placement CDIs (i.e. \$0.05 per CDI). The maximum number of Placement CDIs to be issued will not exceed 10,000,000 Placement CDIs.

For illustrative purposes, the table below sets out the number of Placement CDIs that may be issued assuming Placement CDIs to the value of approximately \$500,000 or \$250,000 are issued at an issue price of \$0.05.

	<b>Number of Capital Raising CDIs Issued</b>	<b>Funds raised</b>	<b>Dilution to Existing Shareholders</b>
<b>Issue price of \$0.05</b>	10,000,000	\$500,000	26.61%
<b>Issue price of \$0.05</b>	5,000,000	\$250,000	15.35%

**Notes:** The number of Placement CDIs to be issued cannot be definitively determined as at the date of the Notice but will not exceed 10,000,000 Placement CDIs. The potential dilution to existing Shareholders has been calculated based on the number of Placement CDIs to be issued and at the Company's current issued CDI and Share capital (being 27,578,097 CDIs and Shares at the date of the Notice) and assumes that no other CDIs are issued.

- (b) Placement CDIs issued under Resolution 5 will all be issued at the same time within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.
- (c) The issue price of Placement CDIs will be at an issue price of \$0.05 cents per CDI.
- (d) The Directors, in their absolute discretion, will determine the persons to whom the Placement CDIs will be issued.
- (e) Placement CDIs issued will be fully paid CDIs in the capital of the Company issued on the same terms and conditions as the existing CDIs and Shares on issue.
- (f) The Company intends to use the funds raised from the issue of Placement CDIs to sophisticated and professional investors for the Company's ongoing general working capital requirements. This may include costs of undertaking any capital raising for the purposes of re-listing on ASX. It is proposed that funds will be applied to following expenditure over the next 6 months (the following amounts are estimated amounts):

General corporate overheads, including director fees, administration service fees, ASX fees, accounting and auditing fees, office and share registry fees	\$150,000
Professional and other costs associated with investigating, negotiating and documenting any agreement for any proposed acquisition suitable for the Company's re-reinstatement to trading on ASX	\$100,000
Costs of the undertaking a capital raising suitable for the Company's re-reinstatement to trading on ASX, including prospectus preparation and professional costs	\$150,000
General working capital	\$100,000

## **4. Resolution 6: Approval to issue Placement CDIs to a Related Party/s – Tribis**

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### **4.1 Background**

The Company has entered into a subscription agreement with Tribis pursuant to which Tribis agrees to subscribe for, subject to Shareholder approval of Resolutions 5 and 6, 2,000,000 Placement CDIs, which represents a value of up to \$100,000 within the total contemplated Placement amount of up to \$500,000.

Resolution 6 is an ordinary resolution seeking Shareholder approval for the issue of Placement CDIs to Tribis pursuant to the Placement. Tribis is a Related Party of the Company as it is controlled by the Company's Non-Executive Director, Mr Simon Trevisan. Mr Trevisan is the managing director and controlling shareholder of Tribis. He is therefore deemed to control Tribis under section 50AA of the Corporations Act.

Tribis currently holds 23.21% of the issued capital of the Company, if Resolution 6 is approved and the Company places 2,000,000 CDI's to Tribis, assuming Resolution 7 below is approved, and the remaining 7,500,000 CDI's are placed to other professional and sophisticated Shareholders of the Company, Tribis will hold 22.35% of the issued capital of the Company following completion of the Placement.

### **4.2 Listing Rule information requirements**

Listing Rule 10.11 provides that a company must not issue or agree to issue any Equity Securities (e.g. Placement CDIs), to a Related Party without shareholder approval.

If Resolution 6 is not passed, the Company will be unable to issue the Placement CDIs to Tribis pursuant to the subscription agreements, and will therefore be unable to raise the relevant funds from the issue of these CDIs.

If Resolution 6 is approved under Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 6:

(a) **The name of the related party**

Tribis Pty Ltd, an entity controlled by the Company's Non-Executive Director, Mr Simon Trevisan

(b) **The maximum number of securities to be issued**

The maximum number of securities to be issued to Tribis is 2,000,000 Placement CDIs.

(c) **The date by which securities will be issued**

If the relevant Resolution is approved, the Placement CDIs will be issued on a date within 1 (one) month after the date of the Meeting (or such later date as permitted by the Listing Rules).

It is intended that the issue of all Placement CDIs will occur on one date.

(d) **The relationship requiring shareholder approval**

Tribis is deemed to be controlled by the Company's Non-Executive Director, Mr Simon Trevisan and is therefore a Related Party of the Company.

(e) **The issue price of the securities and a statement of the terms of the issue**

Placement CDIs will be issued at the same price as those Placement CDIs issued to non-Related Parties pursuant to Resolution 5, i.e. at an issue price of \$0.05 each to raise up to \$100,000 (before costs) of the total Placement value (i.e. up to \$500,000), and will be fully paid ordinary CDIs that rank equally with all existing CDIs or Shares then on issue.

The terms of Placement CDIs or Shares issued to Placement Participants reflect on the same terms applicable to Placement CDIs or Shares issued to non-Related Party Placement Participants.

(f) **The use or intended use of the funds raised**

The Company intends to use the funds raised for the purposes set out in Section 3.2 above.

(g) **Possible escrow**

At or before the time the Company's securities are re-instated to quotation on ASX, ASX may determine that some or all of the CDIs issued to Tribis will be classified as "restricted securities" and subject to escrow restrictions in the amount and for the period as determined by ASX in accordance with the Listing Rules.

#### **4.3 Directors' recommendation – Resolution 6**

The Directors (other than Mr Trevisan) recommend that Shareholders vote in favour of Resolution 6 to permit the Company to fulfil its obligations under the subscription agreement with Tribis to issue Placement CDIs to Tribis.

Mr Trevisan has a material personal interest in the outcome of Resolution 6 and therefore declines to make any recommendation as to how Shareholders should vote on that Resolution.

### **5. Resolution 7: Approval to issue Placement CDIs to a Related Party/s – Stephen West or a related entity**

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#### **5.1 Background**

The Company has entered into a subscription agreement with Stephen West pursuant to which Stephen West or an entity associated with or controlled by Stephen West ("associated entity"), agrees to subscribe for, subject to Shareholder approval of Resolutions 5 and 7, 500,000 Placement CDIs, which represents a value of up to \$25,000 within the total contemplated Placement amount of up to \$500,000.

Resolution 7 is an ordinary resolution seeking Shareholder approval for the issue of Placement CDIs to Stephen West, or a related entity pursuant to the Placement.

#### **5.2 Listing Rule information requirements**

Listing Rule 10.11 provides that a company must not issue or agree to issue any Equity Securities (e.g. Placement CDIs), to a Related Party without shareholder approval.

If Resolution 7 is not passed, the Company will be unable to issue the Placement CDIs to Stephen West or a related entity pursuant to the subscription agreements, and will therefore be unable to raise the relevant funds from the issue of these CDIs.

If Resolution 7 is approved under Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 7:

(a) **The name of the related party**

Mr Stephen West or his associated entity.

(b) **The maximum number of securities to be issued**

The maximum number of securities to be issued to Stephen West or his associated entity is 500,000 Placement CDIs.

(c) **The date by which securities will be issued**

If the relevant Resolution is approved, the Placement CDIs will be issued on a date within 1 (one) month after the date of the Meeting (or such later date as permitted by the Listing Rules).

It is intended that the issue of all Placement CDIs will occur on one date.

(d) **The relationship requiring shareholder approval**

Stephen West is a Non-Executive Director of the Company and this therefore a related party.

(e) **The issue price of the securities and a statement of the terms of the issue**

Placement CDIs will be issued at the same price as those Placement CDIs issued to non-Related Parties pursuant to Resolution 5, i.e. at an issue price of \$0.05 each to raise up to \$25,000 (before costs) of the total Placement value (i.e. up to \$500,000), and will be fully paid ordinary CDIs that rank equally with all existing CDIs or Shares then on issue.

The terms of Placement CDIs or Shares issued to Placement Participants reflect on the same terms applicable to Placement CDIs or Shares issued to non-Related Party Placement Participants.

(f) **The use or intended use of the funds raised**

The Company intends to use the funds raised for the purposes set out in Section 3.2 above.

(g) **Possible escrow**

At or before the time the Company's securities are re-instated to quotation on ASX, ASX may determine that some or all of the CDIs issued to Stephen West or his associated entity will be classified as "restricted securities" and subject to escrow restrictions in the amount and for the period as determined by ASX in accordance with the Listing Rules.

### **5.3 Directors' recommendation – Resolution 7**

The Directors (other than Mr West) recommend that Shareholders vote in favour of Resolution 7 to permit the Company to fulfil its obligations under the subscription agreement with Stephen West to issue Placement CDIs to Mr West.

Mr West has a material personal interest in the outcome of Resolution 7 and therefore declines to make any recommendation as to how Shareholders should vote on that Resolution.

## **6. Resolution 8: Approval of Additional Placement Facility**

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### **6.1 Background**

Resolution 8 seeks Shareholder approval for an additional issuing capacity under ASX Listing Rule 7.1A (Additional Placement Facility).

If approved, Resolution 8 would enable the Company to issue additional Equity Securities (calculated below) over a 12 month period without obtaining Shareholder approval.

Resolution 8 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

### **6.2 Applicable ASX Listing Rules**

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

The Company is an eligible entity (being an entity with 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.

### **6.3 Information on Additional Placement Facility**

#### **(a) 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.

#### **(b) 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 Resolution 8 is to allow the Company to issue Equity Securities equal to approximately 25% of its issued capital during the next 12 months without first obtaining specific Shareholder approval.

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 8 is passed as a special resolution, the Company will be permitted to issue (as at the date of this Notice) approximately:

- (i) 4,136,714 Equity Securities under the ASX Listing Rule 7.1 15% placement capacity; and
- (ii) 2,757,809 Equity Securities under the Additional Placement Capacity.

(c) **Formula for Additional Placement Facility**

If this Resolution 8 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.

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

where:

**A** = the number of fully paid ordinary securities 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;
- 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.

**6.4 ASX Listing Rule requirements**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) **Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued,

provided that, in respect of CDIs or 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 8 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) 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 Meeting; and
- (ii) 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 CDIs or Shares and the market price of CDIs or 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 CDIs or Shares	CDIs or Shares issued under LR 7.1A	2,757,809 CDIs or Shares	2,757,809 CDIs or Shares	2,757,809 CDIs or 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 CDIs or Shares	CDIs or Shares issued under LR 7.1A	4,136,714 CDIs or Shares	4,136,714 CDIs or Shares	4,136,714 CDIs or 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 CDIs or Shares	CDIs or Shares issued under LR 7.1A	5,515,619 CDIs or Shares	5,515,619 CDIs or Shares	5,515,619 CDIs or 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 bases/assumptions:

1. The price of CDIs or Shares and the value of A in the table have been adjusted accordingly. 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 CDIs or 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 CDIs or 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 by which Equity Securities may be issued**

Equity Securities may be issued under the Additional Placement Facility for 12 months after this Meeting (i.e. until 28 June 2020).

However, the approval to the Additional Placement Facility under this Resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), at a time after the Annual General Meeting.

(d) **Purpose for which Equity Securities may be issued**

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

- (i) 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
- (ii) 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.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under ASX Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of these assets/investments.

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

(f) **Additional information on issued securities**

Shareholders previously approved an Additional Placement Facility at the Company's 2018 annual general meeting.

No Equity Securities have been or will be issued in the 12 months before the Meeting.

## **6.5 Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

## 7. Glossary of defined terms

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In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>A\$ or \$</b>	Australian dollars.
<b>Additional Placement Facility</b>	Additional issuing capacity under ASX Listing Rule 7.1A for which the Company seeks approval under Resolution 8.
<b>Annual General Meeting or Meeting</b>	The annual general meeting of Shareholders or any adjournment thereof, convened by the Notice.
<b>Annual Report and Accounts</b>	The audited report of the Directors and auditors of the Company for the financial year ended 31 December 2018, including the annual financial report, the Directors' report and the Auditor's report.
<b>Articles of Association</b>	The articles of association of the Company.
<b>ASIC</b>	The Australian Securities & Investments Commission.
<b>Associate</b>	Has the meaning given to that term in Chapter 19 of the ASX Listing Rules.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>ASX Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>Auditor</b>	The auditor of the Company, BDO LLP.
<b>AWST</b>	Australian Western Standard Time, being the time in Perth, Western Australia, Australia.
<b>Board</b>	The Board of Directors of the Company.
<b>BST</b>	British Summer Time, being the time in the United Kingdom.
<b>Business Day</b>	Has the meaning given to that term in Chapter 19 of the ASX Listing Rules.
<b>CDI</b>	A Chess Depository Interest, representing a unit of beneficial ownership in a Share.
<b>CDI Holder</b>	A holder of a CDI.
<b>CDN</b>	CHESS Depository Nominees Pty Ltd (ACN 071 346 506).
<b>Chairperson</b>	The chair of the Annual General Meeting.
<b>Company</b>	Zeta Petroleum plc (registered number 05560854)
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Equity Security</b>	Has the meaning given to that term in ASX Listing Rule 19.12, being: (a) a share; (b) a unit; (c) a right to a share or unit or option; (d) an option over an issued or unissued security; (e) a convertible security; (f) any security that ASX decides to classify as an equity security; (g) but not a security that ASX decides to classify as a debt security.
<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice.

<b>Group</b>	The Company or any subsidiary of the Company.
<b>Non-Executive Director</b>	A non-executive director of the Company.
<b>Notice or Notice of Annual General Meeting</b>	The notice of annual general meeting which accompanies this Explanatory Statement.
<b>Option</b>	An option to subscribe for a Share or CDI.
<b>Placement</b>	The proposed issue of, subject to Shareholder approval of Resolution 5, up to 10,000,000 CDIs to professional and sophisticated investors at an issue price of \$0.05 per CDI.
<b>Placement Participant</b>	A participant in the proposed Placement including Related Parties to the Company.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Related Party</b>	Has the meaning given to that term in Chapter 19 of the ASX Listing Rules.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Section</b>	A section of this Explanatory Statement.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Shareholder</b>	The holder of a Share.
<b>Tribis</b>	Tribis Pty Ltd ACN 009 017 985
<b>UK Companies Act</b>	UK Companies Act 2006.
<b>Voting Instruction Form</b>	The voting instruction form, to be completed by CDI Holders, accompanying the Notice
<b>VWAP</b>	The volume-weighted average price of CDIs or Shares traded on ASX.