



Pan Pacific Petroleum

SCHEME BOOKLET

for the proposed scheme of arrangement in relation to the proposed acquisition by Zeta Resources Limited of all your Pan Pacific Petroleum NL shares

Your Independent Directors unanimously recommend that you
VOTE IN FAVOUR
of the Scheme, in the absence of a Superior Offer

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

If you have any questions in relation to the Scheme or this Scheme Booklet, please call the Company Secretary on +61 8 9420 9310 any time between 9.00am and 5.00pm (WST) Monday to Friday.

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Important Notices

Date of this Scheme Booklet

This Scheme Booklet is dated 13 September 2017.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet (other than in the Independent Expert's Report contained in Annexure 1) and the Proxy Form accompanying this Scheme Booklet are either defined in brackets when first used or are defined in the glossary in Section 14. The glossary also sets out some rules of interpretation which apply to this Scheme Booklet. The Independent Expert's Report contains its own defined terms which may be different from those set out in the glossary in Section 14.

Purpose of this Scheme Booklet

This Scheme Booklet includes the Explanatory Statement for the Scheme required by section 412(1) of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved). This Scheme Booklet provides all information required to be given to PPP Shareholders or that is otherwise material to the decision of PPP Shareholders as to whether or not to vote in favour of the Scheme at the Scheme Meeting.

General

This Scheme Booklet is important. You should read this Scheme Booklet carefully before making a decision about how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

No investment advice

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any PPP Shareholder or any other person. It is important that you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to Zeta Shares, PPP Shares or any other securities. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

PPP Shareholders should consult their taxation adviser as to the applicable tax consequences of the Scheme. A summary of the Australian taxation considerations is detailed in Section 11.

Responsibility statement

The PPP Information has been prepared by PPP and is the responsibility of PPP. Neither Zeta nor any of its directors, officers or advisers is responsible for the accuracy or completeness of the information contained in this Scheme Booklet other than the Zeta Information.

The Zeta Information has been prepared by Zeta and is the responsibility of Zeta. Neither PPP nor any of its directors, officers or advisers is responsible for the accuracy or completeness of any Zeta Information contained in the Scheme Booklet.

BDO has prepared, and is responsible for, the Independent Expert's Report contained in Annexure 1. None of PPP, Zeta, their respective Related Entities or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report.

Role of ASIC

A copy of this Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this

Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Date.

Role of ASX

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Court order under subsection 411(1) of the Corporations Act

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (b) has prepared, or is responsible for the content of, the Explanatory Statement.

Notice to PPP Shareholders in Ineligible Jurisdictions

This Scheme Booklet complies with Australian disclosure requirements. These disclosure requirements may be different to those in other countries. It is important that PPP Shareholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific tax advice in relation to the Australian and overseas tax consequences of the Scheme.

Restrictions in the Ineligible Jurisdictions may make it impractical or unlawful for Zeta Shares to be issued under the Scheme to, or received under the Scheme by, PPP Shareholders in those jurisdictions. A PPP Shareholder whose address shown in the PPP Register is in a jurisdiction outside Australia and New Zealand will be a Foreign Holder for the purposes of the Scheme. PPP Shareholders recorded on the PPP Register as having an address within an Ineligible Jurisdiction should refer to Section 5.5 for more information.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any place in which, or to any person whom, it would not be lawful to make such an offer.

Notice to PPP Shareholders in New Zealand

Zeta Shares to be issued under the Scheme to New Zealand resident PPP Shareholders will be issued under the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of Zeta Shares to New Zealand resident PPP Shareholders is not a regulated offer for the purposes of the Financial Markets Conduct Act 2013 (NZ) and this Scheme Booklet is not a New Zealand product disclosure statement and has not been registered with, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (NZ) (or any other relevant New Zealand law). This booklet may not contain all the information that a product disclosure statement is required to contain under New Zealand law.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future, including forward looking statements and information ("forward looking statements"). The forward looking statements in this Scheme Booklet, including statements relating to the Merged Entity and the transactions contemplated by the Scheme Implementation Agreement, are not based on historical facts, but rather reflect the current views and expectations of PPP or, in relation to the Zeta Information, Zeta concerning future events

and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, estimates of reserves and resources and future costs of Zeta or PPP are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of PPP, Zeta or the Merged Entity to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which PPP, Zeta and the Merged Entity will operate in the future, including the price of oil and gas, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, commodity price volatility, discrepancies between actual and estimated production, resource recoveries, operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of oil and gas exploration and production, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to permits. Refer to Section 9 for a discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of PPP and Zeta is no assurance of their or the Merged Entity's future financial performance. Neither PPP, Zeta and their respective directors, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this Scheme Booklet will actually occur.

The forward looking statements in this Scheme Booklet reflect views and expectations held only at the date of this Scheme Booklet. PPP believes that all forward looking statements included in the PPP Information have been made on a reasonable basis and Zeta believes that all forward looking statements included in the Zeta Information have been made on a reasonable basis. However, none of PPP, Zeta and their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Scheme Booklet will actually occur. PPP Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, PPP, Zeta and their respective directors disclaim any obligation to revise or update, after the date of this Scheme Booklet, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Currency

All references in this Scheme Booklet to:

- “A\$”, “AUD” and “Australian dollars” are to Australian currency; and
- “US\$”, “USD” and “US dollars” are to United States currency.

Privacy and personal information

PPP and Zeta will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of PPP Shareholders together with contact details of individuals appointed by PPP Shareholders as proxies, body corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

PPP Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the PPP Registry if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to PPP and Zeta and their respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, PPP may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively, or at all.

PPP Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the PPP Register. The PPP Register contains personal information about PPP Shareholders.

Letter from the Independent Directors of PPP

Dear PPP Shareholder

On 13 June 2017, PPP and Zeta announced on ASX that they had entered into a scheme implementation agreement under which, subject to the satisfaction or waiver, as applicable, of defined conditions, Zeta (or its nominee) will acquire all of the PPP Shares held by Scheme Participants through a scheme of arrangement.

If the Scheme is implemented, Scheme Participants will receive the Scheme Consideration as either:

- (a) **(Zeta Share Consideration)** 1 Zeta Share per 10 PPP Shares; or
- (b) **(Cash Consideration)** if so elected, A\$0.038 cash per PPP Share,

(see Sections 5.4 and 5.5 in respect of Small Parcel Holders and Foreign Holders).

A key feature of the Scheme is the ability for PPP Shareholders to elect before the Record Date to receive their Scheme Consideration in cash or Zeta Shares, allowing PPP Shareholders the option to diversify their risk through Zeta's investments, or realise their investment in PPP Shares.

The Zeta Share Consideration values the equity in PPP at approximately A\$22.2 million and represents a 42% premium to the last recorded trading price of PPP Shares prior to the Announcement Date and a 38% premium to the 30-day trading VWAP of PPP Shares prior to the Announcement Date (on the basis of a Zeta Share price of \$0.382, being the 30-day VWAP of Zeta). The Cash Consideration values the equity in PPP at approximately A\$22.1 million and represents a 41% premium to the last recorded trading price of PPP Shares prior to the Announcement Date and a 38% premium to the 30-day trading VWAP of PPP Shares prior to the Announcement Date.

Following the disposal of PPP's shares in Pan Pacific Petroleum (Vietnam) Pty Ltd on 16 June 2017, PPP has no main undertaking and has been actively reviewing new oil and gas opportunities as well as opportunities in other sectors.

Zeta is an ASX listed active, resources focused holding and development company. Zeta invests in a range of resources entities, including those focused on oil and gas, gold and base metals exploration and production.

The Independent PPP Board has unanimously recommended that all PPP Shareholders vote in favour of the Scheme in the absence of a Superior Offer.

The Independent Expert, BDO, appointed by the Directors of PPP, has concluded that, in the absence of a Superior Offer, the Scheme is in the best interest of PPP Shareholders.

I urge you to read this Scheme Booklet (including the Independent Expert's Report) carefully in full, and if required, to seek your own legal, financial or other professional advice. I encourage you to closely consider the merits of the Scheme as described in this Scheme Booklet.

At the Scheme Meeting, PPP Shareholders will be asked to approve the Scheme, and I strongly encourage you to vote either by attending the Scheme Meeting or by completing the accompanying Proxy Form so that it is received at the address shown on the Proxy Form by 2.00pm (WST) on 14 October 2017.

Grant Worner and Patrick Burke

The Independent Directors of PPP

Letter from the Independent Directors of Zeta

Dear PPP Shareholder

It is our pleasure to write to you regarding the proposed combination of PPP and Zeta.

On 13 June 2017, PPP announced that it had entered into a scheme implementation agreement under which Zeta (or its nominee) will acquire all of the PPP Shares that it does not already own by way of a recommended court approved scheme of arrangement.

Under the Scheme, PPP shareholders can elect to receive either A\$0.038 cash per PPP share (**Cash Consideration**) or one Zeta Share for every 10 PPP Shares (**Zeta Share Consideration**). This values PPP at approximately \$22.1 million.

We, the independent directors of Zeta, are recommending that you support this scheme, for the following reasons:

- (1) Unless you are a Small Parcel Holder, you have the choice of receiving cash or shares in Zeta.
- (2) Both the Cash Consideration and the Zeta Share Consideration have been made by Zeta at significant premiums to the share price of PPP prior to the Announcement Date.
- (3) PPP has now sold its major assets. In the absence of any further activity, PPP Shareholders can now either realise immediate value (via the Cash Consideration), or become a shareholder in an active resources company (via the Zeta Share Consideration).
- (4) No Superior Offer has been proposed to PPP, or is being proposed by PPP.

While you may wish to elect to receive the Cash Consideration, it is our hope that you become shareholders in Zeta. Zeta is listed on ASX and invests in resource companies and assets globally. More information about Zeta can be found in this Scheme Booklet and on Zeta's website at www.zetaresources.limited.

Martin Botha and Xi Xi

The Independent Directors of Zeta

Important dates and times for the Scheme⁽¹⁾

Latest time and date for lodgement of completed Proxy Form for the Scheme Meeting	2.00pm (WST) on 14 October 2017
Time and date for determining eligibility of PPP Shareholders to vote at the Scheme Meeting	5.00pm (WST) on 14 October 2017
Time and date of the Scheme Meeting	2.00pm (WST) on 16 October 2017
Court hearing for approval of the Scheme	23 October 2017
Effective Date of the Scheme	24 October 2017
Last date of trading of PPP Shares on ASX	24 October 2017
Record Date for determining entitlements to the Scheme Consideration	31 October 2017
Deadline for receipt of Election Forms from PPP Shareholders, electing to have their Scheme Consideration paid in cash.	5.00pm (WST) on 31 October 2017
Implementation Date for the Scheme and issue of the Scheme Consideration	7 November 2017
Despatch of holding statements for Zeta Shares issued under the Scheme	8 November 2017

- (1) All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of PPP and Zeta, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Scheme by each of PPP and Zeta. Any changes to the above timetable will be announced to ASX and will be available under PPP's profile on ASX at www.asx.com.au.

1. Summary of the Scheme

1.1 Introduction

This summary identifies key features of the Scheme but must be read in conjunction with the additional detailed information for PPP Shareholders set out in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

On 13 June 2017, PPP and Zeta announced to ASX that they had entered into a scheme implementation agreement under which, subject to the satisfaction or waiver, as applicable, of defined conditions, Zeta (or its nominee) will acquire all of the PPP Shares held by Scheme Participants through a scheme of arrangement for the Scheme Consideration of:

- (a) 1 Zeta Share per 10 PPP Shares; or
- (b) if so elected, A\$0.038 cash per PPP Share,

(see Sections 5.4 and 5.5 in respect of Small Parcel Holders and Foreign Holders).

This values the equity in PPP at approximately:

- (a) A\$22.1 million, based on the Cash Consideration;
- (b) an implied value of A\$21.5 million, for the Zeta Share Consideration, based on the closing price of Zeta Shares of A\$0.382 on ASX as at 9 June 2017, being the last trading day prior to the Announcement Date; and
- (c) an implied value of A\$22.1 million, for the Zeta Share Consideration, based on the closing price of Zeta Shares of A\$0.38 on ASX as at 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet.

If the Scheme is approved by the Requisite Majority and by the Court, and if all other conditions to the Scheme are satisfied or waived (where applicable), all PPP Shares (other than those held by Excluded Shareholders) will be transferred to Zeta (or its nominee) with effect from the Implementation Date and without the need for any further act by the PPP Shareholders (other than acts required to be performed by PPP, its Directors or officers, as attorney or agent for the PPP Shareholders). From the Implementation Date, PPP will become a wholly-owned Subsidiary of Zeta. PPP Shares are expected to be delisted from ASX shortly after the Implementation Date, subject to satisfaction of any conditions under the Listing Rules (as modified or waived).

A copy of the Scheme is set out in Annexure 3.

1.2 What you will receive if the Scheme is approved

If the Scheme is approved, on the Implementation Date, Scheme Participants will be issued the Scheme Consideration for the transfer of the Scheme Shares held by them on the Record Date.

If you are a Small Parcel Holder on the Record Date and the Scheme becomes Effective, you may not make an Election and will receive the Cash Consideration for your PPP Shares.

Foreign Holders that elect to receive the Zeta Share Consideration will not be issued Zeta Shares. Instead, if the Scheme becomes Effective, your PPP Shares will be transferred to Zeta (or its nominee) and the Zeta Shares which would have been issued to you as Scheme Consideration will be issued by Zeta to the Sale Agent. Zeta will instruct the Sale Agent to sell those Zeta Shares within 20 Business Days following the Implementation Date. The Sale Agent will then be instructed to promptly

remit the net sale proceeds to you (if any, minus applicable taxes, charges and brokerage costs) within two Business Days.

Further details about the Scheme Consideration, Small Parcel Holders and Foreign Holders are set out in Sections 5.2, 5.4 and 5.5 respectively.

1.3 Independent Directors' recommendations

Your Independent Directors have determined that the Scheme is in the best interests of PPP Shareholders and unanimously recommend that PPP Shareholders vote in favour of the Scheme in the absence of a Superior Offer. Each of the Independent Directors will (in the absence of a Superior Offer) vote, or procure the voting of any PPP Shares held by or controlled by an Independent Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting.

The reasons to vote in favour of or against the Scheme, as considered by the Independent Directors, are set out in Section 2.

The implications for PPP Shareholders if the Scheme does not proceed are set out in Section 3 under the heading titled, "What happens if the Scheme is not approved".

1.4 Independent Expert

PPP has commissioned BDO as the Independent Expert to prepare a report to ascertain whether the Scheme is in the best interests of PPP Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Offer:

- (a) the Zeta Share Consideration is not fair but reasonable and therefore in the best interest of PPP Shareholders; and
- (b) the Cash Consideration is fair and reasonable and therefore in the best interest of PPP Shareholders.

The Independent Expert's Report is set out in Annexure 1.

1.5 Implementation, timetable and procedures

If the Scheme is approved by PPP Shareholders and the Court, and all other conditions to the Scheme are satisfied or waived (where applicable), it is expected that the Scheme will be implemented on or around 7 November 2017. The key dates and times in relation to the Scheme are set out at the beginning of this Scheme Booklet. These key dates are indicative only and are subject to change.

1.6 Conditions to the Scheme

Implementation of the Scheme is subject to a number of outstanding conditions precedent that are summarised in Section 12.13(a).

Details about the conditions to the Scheme that have been satisfied or waived at the date of this Scheme Booklet are set out in Section 12.13(b).

A description of all of the conditions to the Scheme is included in the Scheme Implementation Agreement in Annexure 2.

1.7 Scheme Meeting

The Scheme Meeting, to approve the Scheme, is scheduled to be held at the Central Park Theatrette, 152-158 St Georges Terrace, Perth WA 6000 on 16 October 2017 at 2.00pm (WST). Voting eligibility for the Scheme Meeting will be determined as at 5.00pm (WST) on 14 October 2017.

Further details of the Scheme Meeting, including how to vote, are contained in Section 4. The Notice of Scheme Meeting is contained in Annexure 5.

1.8 Voting thresholds

(a) Scheme

Before the Scheme can become Effective, the Scheme must be approved by the Requisite Majority, being:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of PPP Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) at least 75% of the total number of votes which are cast at the Scheme Meeting,

where Excluded Shareholders, being Zeta and its Associates, will not be entitled to vote at the Scheme Meeting.

(b) Court Approval

If the Scheme is approved at the Scheme Meeting, and all other conditions of the Scheme have been satisfied or waived (where applicable), the Court will be asked to approve the Scheme on the Second Court Date in accordance with section 411(4)(b) of the Corporations Act. The Second Court Date is expected to be on or around 23 October 2017.

1.9 Tax implications

The transfer of your PPP Shares in accordance with the Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A summary of relevant Australian tax implications for Scheme Participants is contained in Section 11.

1.10 What to do next

(a) Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

(b) Consider your options

PPP Shareholders should refer to Section 2 for further guidance on the reasons to vote in favour of or against the Scheme and Section 9 for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the Company Secretary on +61 8 9420 9310 any time between 9.00am and 5.00pm (WST) Monday to Friday or consult your legal, investment, taxation, financial or other professional adviser.

(c) **Vote at the Scheme Meeting**

Your Independent Directors urge you to vote on the Scheme Resolution at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Offer.

2. Reasons to vote in favour of or against the Scheme

Set out below are some of the reasons why the Independent Directors consider that you should vote in favour of the Scheme. Also set out below is a summary of some of the reasons why you may decide to vote against the Scheme. You should read this Scheme Booklet in full before deciding whether or not to vote in favour of the Scheme.

While your Independent Directors acknowledge that there are reasons to vote against the Scheme, they believe the advantages of the Scheme significantly outweigh the disadvantages.

2.1 Reasons to vote in favour of the Scheme

<p>Your Independent Directors recommend the Scheme</p>	<p>Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Offer.</p> <p>Your Independent Directors intend to vote in favour of the Scheme with respect to any PPP Shares they hold or control, in the absence of a Superior Offer.</p>
<p>The Independent Expert, BDO, has concluded that the Scheme is in your best interests</p>	<p>The Independent Expert, BDO, has concluded that, in the absence of a Superior Offer:</p> <ul style="list-style-type: none"> • the Zeta Share Consideration is not fair but reasonable and therefore in the best interest of PPP Shareholders; and • the Cash Consideration is fair and reasonable and therefore in the best interest of PPP Shareholders. <p>The Independent Expert's Report is set out in Annexure 1.</p>
<p>The value of the Scheme Consideration represents a substantial premium</p>	<p>The Scheme Consideration represents a premium to historical trading prices of PPP Shares.</p> <p>Based on the closing price of PPP Shares on 9 June 2017, being the last trading day of PPP Shares prior to the Announcement Date:</p> <ul style="list-style-type: none"> • the Cash Consideration represents: <ul style="list-style-type: none"> • a 41% premium to the last recorded trading price of PPP Shares; and • a 38% premium to the 30-trading day VWAP of PPP Shares; • the Zeta Share Consideration represents:¹ <ul style="list-style-type: none"> • a 42% premium to the last recorded trading price of PPP Shares; and • a 38% premium to the 30-trading day VWAP of PPP Shares. <p>Based on the closing price of PPP Shares on 8 September 2017, being the last practicable day prior to finalisation of this Scheme Booklet:</p> <ul style="list-style-type: none"> • the Cash Consideration represents:

¹ On the basis of a Zeta Share price of \$0.382, being the 30-day VWAP of Zeta.

	<ul style="list-style-type: none"> • a 4.1% premium to the last recorded trading price of PPP Shares; and • a 3.2% premium to the 30-trading day VWAP of PPP Shares; • the Zeta Share Consideration represents²: <ul style="list-style-type: none"> • a 4.1% premium to the last recorded trading price of PPP Shares; and • a 3.2% premium to the 30-trading day VWAP of PPP Shares. <p>The value of the Zeta Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Zeta Share price.</p>
<p>PPP Shareholders have flexibility in being able to choose their desired Scheme Consideration</p>	<p>Scheme Participants (other than Small Parcel Holders) have the choice of receiving their Scheme Consideration in the form of either the Zeta Shares or cash as follows:</p> <ul style="list-style-type: none"> • 1 Zeta Share per 10 PPP Shares held; or • A\$0.038 per PPP Share held. <p>The flexibility permits Scheme Participants to choose the form of Scheme Consideration that best matches their personal circumstances.</p> <p>If you are a Foreign Holder and elected or deemed to have elected to receive the Zeta Share Consideration, the Zeta Shares which would have been issued to you as Scheme Consideration will be issued by Zeta to the Sale Agent. The Sale Agent will then sell those Zeta Shares on market and remit the net sale proceeds to you (minus applicable taxes, charges and brokerage costs, if any).</p> <p>Those Scheme Participants who do not make a valid Election prior to 5.00pm (WST) on the Record Date will receive the Zeta Share Consideration.</p> <p>You may vary or withdraw an Election by following the instructions on the Election Form and notifying the PPP Registry with instruction to vary or withdraw your Election prior to 5.00pm (WST) on the Record Date.</p>
<p>Shareholders' risk will be diversified through Zeta's investments</p>	<p>Scheme Participants that receive the Zeta Share Consideration will be able to diversify their risk through Zeta's investments in a number of other mining and resource companies with different activities in different geographical locations.</p> <p>Notwithstanding this, there are risks associated in holding Zeta Shares. Refer to Section 9 for the risks associated with the Merged Entity.</p>

² On the basis of a Zeta Share price of \$0.38, being the 30-day VWAP of Zeta.

<p>The Cash Consideration provides certainty of value and timing to PPP Shareholders</p>	<p>The Cash Consideration of A\$0.038 per PPP Share provides certainty of value and timing in relation to realising an investment in PPP Shares.</p> <p>PPP Shareholders who elect to receive the Cash Consideration and Small Parcel Holders will no longer be exposed to the risks associated with holding PPP Shares or the risks associated in the Merged Entity.</p>
<p>Partial CGT scrip-for-scrip roll-over for Australian resident Shareholders</p>	<p>Eligible PPP Shareholders who are Australian residents for tax purposes and who would otherwise realise a capital gain on the disposal of their PPP Shares will be able to obtain partial CGT scrip-for-scrip roll-over if the Zeta Share Consideration is received.</p> <p>PPP Shareholders should refer to Section 11 for further details in relation to the Australian tax consequences of the Scheme.</p> <p>It is recommended you seek professional tax advice.</p>
<p>No brokerage costs</p>	<p>PPP Shareholders will not be required to pay any brokerage or other costs in connection with the disposal of their PPP Shares under the Scheme. Brokerage and other costs may be deducted from the proceeds of sale of Zeta Shares for Foreign Holders that elect, or who have been deemed to have elected, to receive the Zeta Share Consideration, as outlined in Section 5.5.</p>
<p>If the Scheme is not implemented the PPP Share price may fall</p>	<p>If the Scheme is not implemented, PPP will remain a stand-alone entity. Should this occur, as PPP does not currently have any active operations, PPP will be required to immediately seek new investment or business opportunities. If no suitable asset is found, the quotation of PPP's securities may be suspended until it demonstrates a sufficient level of operation. Refer to Section 6.2 for further details.</p> <p>In tandem with the Scheme, the PPP Board is exploring opportunities for assets and investments it may acquire as an Alternative Transactions. Refer to Section 12.12 for further details in relation to Alternative Transactions.</p> <p>In addition, if the Scheme is not implemented, your Independent Directors expect that the PPP Share price may trade below its current trading levels in the near term (although it is difficult to predict the PPP Share price movement with any certainty).</p>
<p>No Superior Offer has emerged</p>	<p>Since the initial announcement of the Scheme on 13 June 2017, and up to the date of this Scheme Booklet, no Superior Offer has emerged and the PPP Board is not aware of any Superior Offer that is likely to emerge.</p>

2.2 Reasons to vote against the Scheme

<p>You may disagree with your Independent Directors' unanimous recommendation or the Independent Expert's conclusion</p>	<p>In concluding that the Scheme is in the best interests of PPP Shareholders, in the absence of a Superior Offer, the Independent Directors and Independent Expert are making judgements based on future events which are not predictable with certainty and which may prove to be incorrect (either positively or negatively).</p> <p>PPP Shareholders may not agree with the Independent Directors' unanimous recommendation or the Independent Expert's conclusion and are not obliged to follow the recommendation.</p>
<p>The Merged Entity will be subject to a number of risks to which PPP is not currently exposed</p>	<p>If the Scheme becomes Effective, Scheme Participants that receive the Zeta Share Consideration may be subject to certain risks which PPP is not currently exposed to, including the following:</p> <ul style="list-style-type: none"> • risks related to the holding of interests in companies in the mining and resources sectors; • volatility of invested company share prices; • movements in commodities other than oil & gas; • reduced liquidity of Zeta Shares compared to PPP Shares; and • fluctuations in price of Zeta Shares. <p>These different risks will mean that the Merged Entity will have a different risk profile to that of PPP on a stand-alone basis. You may prefer to retain your exposure to PPP's risks and investment profile as a stand-alone entity including its size, capital structure and geographic exposure.</p> <p>Further details of these risks can be found in Section 9.</p>
<p>Price changes</p>	<p>Following Implementation of the Scheme, the value of Zeta Shares may rise or fall based on market conditions and the financial and operational performance of the Merged Entity.</p> <p>If the price of Zeta Shares fall, the value of the Zeta Shares received by PPP Shareholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that PPP Shareholders will actually realise the implied value of the Scheme Consideration.</p>
<p>You will be exposed to differences between applicable corporations and securities laws</p>	<p>If the Scheme is implemented, PPP Shareholders that receive the Zeta Share Consideration will hold shares in a company incorporated in Bermuda, rather than a company incorporated in Australia. As a company incorporated in Bermuda, Zeta is subject to the Bermuda Companies Act and is not subject to many of the provisions of the Corporations Act to which PPP is currently subject and with which PPP Shareholders are familiar.</p> <p>Further details of certain provisions of Bermuda law to which Zeta is subject, and a comparison of the key differences between the Corporations Act and the Bermuda Companies Act can be found in Section 10.</p> <p>Your Independent Directors particularly draw your attention to the</p>

	<p>fact that:</p> <ul style="list-style-type: none"> the takeover protection provisions currently afforded to PPP Shareholders by chapter 6 of the Corporations Act do not apply to Zeta. As set out in Section 10.1(o), no takeover protection is provided by the Bermuda Companies Act; and under Bermuda law, a Bermudan company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. The bye-laws of Zeta contain a provision by virtue of which its shareholders waive any claim or right of action that they have, both individually and on Zeta's behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer. Refer to Section 10.1(c) for further details.
<p>You may believe there is an opportunity for increased value from PPP remaining as a stand-alone entity</p>	<p>You may believe that PPP Shareholders will have the opportunity for greater returns over the long term by continued investment in PPP as a stand-alone entity.</p> <p>In assessing and recommending the Scheme, your Independent Directors have evaluated the benefits of PPP continuing as an independent company against the value of the Scheme. In deciding that they should recommend the Scheme, your Independent Directors determined that, on balance, the value and other benefits provided by the Scheme was more favourable to PPP Shareholders than to seek alternative assets and to develop those assets as a stand-alone entity.</p>
<p>A Superior Offer for PPP, if it were to continue as a stand-alone entity, may materialise in the future</p>	<p>It is possible that, if PPP were to continue as a stand-alone entity, a Superior Offer for PPP which is more attractive for PPP Shareholders may materialise in the future.</p> <p>Until the Scheme becomes Effective, there is nothing preventing other parties from making Competing Transactions for PPP, unsolicited or otherwise.</p> <p>Your Independent Directors may consider a Competing Transaction that is or would reasonably be expected to result in a Superior Offer. Zeta has the right, but not the obligation, to match any Superior Offer.</p> <p>As at the date of this Scheme Booklet, no Superior Offer has emerged and the PPP Board is not aware of any Superior Offer that is likely to emerge.</p> <p>If a Superior Offer for PPP emerges prior to the Implementation Date or the End Date (whichever occurs earliest) your Independent Directors will carefully consider the proposal and will inform you of any material developments.</p> <p>Further details relating to Competing Transactions and Superior Offers are in Sections 5.6 and 12.14 and the Scheme Implementation Agreement in Annexure 2.</p>

<p>If you are a Foreign Holder that elected, or is deemed to have elected, to receive the Zeta Share Consideration, your Zeta Shares will be issued to the Sale Agent, to be sold, which may result in a tax liability</p>	<p>If the Scheme becomes Effective, Zeta Shares that would otherwise be issued to a Foreign Holder that elected, or is deemed to have elected, to receive the Zeta Share Consideration, will be issued to the Sale Agent, who will then sell those Zeta Shares and remit the proceeds net of costs (if any) to the Foreign Holder. The sale of those Zeta Shares may result in a tax liability for the Foreign Holder.</p>
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2.3 Other relevant considerations

<p>The Scheme is conditional</p>	<p>The Scheme is conditional on approval by the Requisite Majority and by the Court.</p> <p>The Scheme is also conditional on a number of other conditions including regulatory approvals, which are detailed in Section 12.13. As at the date of this Scheme Booklet, your Directors are not aware of any matter which they expect will result in a breach of, or lead to non-performance of, any of those conditions. Refer to Section 12.13(a) for the conditions which remain outstanding and Section 12.13(b) for the conditions which have been satisfied as at the date of this Scheme Booklet.</p>
<p>All or nothing proposal</p>	<p>If the Scheme is approved by the Requisite Majority and the Court and all of the other conditions to the Scheme are either satisfied or waived (where applicable):</p> <ul style="list-style-type: none"> • the Scheme will bind all Scheme Participants, including those who do not vote on the Scheme Resolution and those who vote against it, meaning that all Scheme Participants will have their PPP Shares transferred to Zeta (or its nominee) and will receive the Scheme Consideration (or in the case of Foreign Holders that elect, or are deemed to have elected, to receive the Zeta Share Consideration, the net proceeds of sale of the relevant Zeta Shares); • PPP will become a wholly-owned Subsidiary of Zeta; and • PPP will request ASX remove PPP from the official list of ASX. <p>If any of the conditions to the Scheme are not satisfied or waived (where applicable) on or before the Second Court Date, the Scheme Implementation Agreement may be terminated, the Scheme will not be implemented and PPP will remain a stand-alone entity.</p>

3. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Scheme, but must be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Questions about the Scheme	
What is the Scheme?	<p>The Scheme is a proposed acquisition of PPP by Zeta to be implemented by way of a scheme of arrangement between PPP and the PPP Shareholders as at the Record Date under which all of the PPP Shares (other than those held by Excluded Shareholders) will be transferred to Zeta (or its nominee) in consideration for the Scheme Consideration.</p> <p>The Scheme requires the approval of both the Requisite Majority at the Scheme Meeting and the Court.</p> <p>The terms of the Scheme are detailed in full in Annexure 3.</p>
What is the Scheme Consideration?	<p>If the Scheme is implemented, the Scheme Consideration, being:</p> <ul style="list-style-type: none"> • 1 Zeta Share per 10 PPP Shares; or • if so elected, and in the case of Small Parcel Holders, A\$0.038 cash per PPP Share, <p>will be issued or sent (as applicable) to Scheme Participants on the Implementation Date, unless you are a Foreign Holder that elected to receive the Zeta Share Consideration.</p>
What will be the effect of the Scheme?	<p>If the Scheme is approved by the Requisite Majority and the Court:</p> <ul style="list-style-type: none"> • all your PPP Shares will be transferred to Zeta (or its nominee); • in exchange, you will receive the Scheme Consideration for each PPP Share you hold, unless you are a Foreign Holder that elected to receive the Zeta Share Consideration; and • PPP will become a wholly-owned Subsidiary of Zeta and will be removed from the official list of ASX.
What value does the Scheme imply for my PPP Shares?	<p>The Scheme Consideration is:</p> <ul style="list-style-type: none"> • 1 Zeta Share per 10 PPP Shares; or • if so elected, and in the case of Small Parcel Holders, A\$0.038 cash PPP Share. <p>This values the equity in PPP at approximately:</p> <ul style="list-style-type: none"> • A\$22.1 million, based on the Cash Consideration; • an implied value of A\$22.2 million, for the Zeta Share Consideration, based on the 30-day VWAP of Zeta Shares of A\$0.382 on ASX up to 9 June 2017, being the last trading day prior to the Announcement Date; and • an implied value of A\$22.1 million, for the Zeta Share

Questions about the Scheme	
	<p>Consideration, based on the 30-day VWAP of Zeta Shares of A\$0.38 on ASX up to 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet.</p> <p>The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the Zeta Share price. Refer to Section 7.14 for the recent price history of Zeta Shares.</p>
<p>Are there conditions that need to be satisfied before the Scheme can proceed?</p>	<p>Implementation of the Scheme is subject to satisfaction (or waiver in some cases) of a number of conditions contained in the Scheme Implementation Agreement, set out in Annexure 2.</p> <p>A number of those conditions remain outstanding as at the date of this Scheme Booklet as described in Section 12.13(a). A description of the conditions that have already been satisfied or waived (where applicable) is included in Section 12.13(b).</p>
<p>What is the Independent Directors' recommendation?</p>	<p>Your Independent Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Offer.</p> <p>Your Independent Directors intend to vote in favour of the Scheme with respect to any PPP Shares they hold or control, in the absence of a Superior Offer.</p>
<p>What are the reasons to vote in favour of the Scheme?</p>	<p>Refer to Section 2.1 for the reasons why the Independent Directors consider PPP Shareholders should vote in favour of the Scheme in the absence of a Superior Offer.</p>
<p>What are the reasons to vote against the Scheme?</p>	<p>Refer to Section 2.2 for the reasons why the Independent Directors consider PPP Shareholders may decide to vote against the Scheme.</p>
<p>What are the risks for me if the Scheme is implemented?</p>	<p>If the Scheme is implemented, you will be entitled to receive the Scheme Consideration (unless you are a Foreign Holder that elected to receive the Zeta Share Consideration). PPP Shareholders who receive the Zeta Share Consideration, rather than the Cash Consideration, will be subject to the risks involved in a holding of Zeta Shares. Certain of these risks are described in Section 9.</p>
<p>What is the Independent Expert's conclusion?</p>	<p>The Independent Expert has concluded that, in the absence of a Superior Offer:</p> <ul style="list-style-type: none"> • the Zeta Share Consideration is not fair but reasonable and therefore in the best interest of PPP Shareholders; and • the Cash Consideration is fair and reasonable and therefore in the best interest of PPP Shareholders. <p>The Independent Expert's Report is in Annexure 1.</p>

Questions about the Scheme	
If I wish to support the Scheme, what should I do?	<p>If you are a PPP Shareholder and wish to support the Scheme, you should vote your PPP Shares in favour of the Scheme Resolution at the Scheme Meeting. If you are unable to attend the Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney.</p> <p>Refer to Section 4 for directions on how to vote and important voting information generally.</p>
What happens if I vote against the Scheme?	<p>If, despite your Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting.</p> <p>If the Scheme is approved by the Requisite Majority and by the Court, and all other conditions to the Scheme are satisfied or waived (where applicable), your PPP Shares will be transferred to Zeta (or its nominee) in consideration for Zeta paying, or issuing to you or the Sale Agent on your behalf (as applicable), the Scheme Consideration for your PPP Shares. This will occur even if you voted against the Scheme at the Scheme Meeting.</p> <p>If the Scheme is not approved by the Requisite Majority or the Court, PPP will remain a stand-alone entity and you will remain a PPP Shareholder.</p>
How will the Scheme be implemented?	<p>If the Scheme becomes Effective, no further action is required on the part of the Scheme Participants in order to implement the Scheme. Under the Scheme, PPP is given authority to effect a valid transfer of all Scheme Shares to Zeta (or its nominee) and to enter the name of Zeta (or its nominee) in the PPP Register as holder of all Scheme Shares.</p> <p>If the Scheme becomes Effective, each PPP Shareholder (other than Foreign Holders that elect, or are deemed to have elected, to receive the Zeta Share Consideration) will receive the Scheme Consideration on the Implementation Date for each PPP Share they hold as at the Record Date and PPP will be de-listed from ASX.</p> <p>Scheme Participants that receive the Zeta Share Consideration will become a holder of Zeta Shares and will be bound by Zeta's constating documents and the applicable corporate, securities and other laws of Bermuda.</p>
What happens if the Scheme is not approved?	<p>If the Scheme is not approved by the Requisite Majority or the Court, the Scheme will not be implemented.</p> <p>Further, if any of the conditions to the Scheme are not satisfied or waived (where applicable), including if the Scheme is not approved by the Requisite Majority and by the Court, the Scheme Implementation Agreement may be terminated, the Scheme will not be implemented and PPP will remain as a stand-alone entity.</p> <p>The consequences of the Scheme not being implemented include:</p>

Questions about the Scheme	
	<ul style="list-style-type: none"> • you will retain your PPP Shares, you will not be issued the Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in PPP Shares (refer to Section 9.3); • PPP will be required to seek new investment or business opportunities to demonstrate a sufficient level of operation to justify the continued quotation of the PPP Shares on ASX; • the existing PPP Board and management will continue to operate PPP's business; • the expected benefits of the Scheme (as detailed in Section 2.1) will not be realised; • the PPP Share price may fall to the extent that the market reflects an assumption that the Scheme will be completed; • PPP will have incurred significant costs and management time and resources for no outcome; • PPP may be liable to pay the Reimbursement Fee Amount (A\$200,000) to Zeta. However, the Reimbursement Fee Amount is not payable if the Requisite Majority do not approve the Scheme. For further details in relation to the Reimbursement Fee Amount payable by PPP, refer to Section 12.16; and • Zeta may be liable to pay the Reimbursement Fee Amount (A\$200,000) to PPP. However, the Reimbursement Fee Amount is not payable if the Requisite Majority do not approve the Scheme. For further details in relation to the Reimbursement Fee Amount payable by Zeta, refer to Section 12.17.
What happens if a Superior Offer emerges?	<p>As at the date of this Scheme Booklet, no Superior Offer for PPP has emerged.</p> <p>Until the Implementation Date (if the Scheme is approved by the Requisite Majority and the Court) or the End Date (whichever occurs earlier), there is nothing preventing third parties from making Competing Transactions for PPP, unsolicited or otherwise.</p> <p>It is possible that, if PPP were to continue as a stand-alone entity, a Superior Offer for PPP may materialise in the future.</p> <p>Further details regarding Competing Transactions and Superior Offers are detailed in Sections 5.6 and 12.14.</p>

Questions about the Scheme	
<p>What are the tax implications of the Scheme?</p>	<p>The taxation consequences of the Scheme for PPP Shareholders will depend on whether you receive the Zeta Share Consideration or the Cash Consideration and will be subject to your personal facts and circumstances.</p> <p>Section 11 provides a general outline of the Australian tax consequences of the Scheme.</p> <p>You should consult your own tax adviser for a full understanding of the applicable tax consequences to you resulting from the Scheme.</p>

Questions about your entitlements	
<p>Who is entitled to participate in the Scheme?</p>	<p>Each person (other than Excluded Shareholders) who is a PPP Shareholder as at 5.00pm (WST) on the Record Date (expected to be 31 October 2017) will be entitled to participate in the Scheme.</p>
<p>How do I make a valid Scheme Consideration Election?</p>	<p>If you are a Scheme Participant who is not a Small Parcel Holder, you can elect the form of Scheme Consideration you would prefer to receive by completing the enclosed Election Form in accordance with the instructions on the Election Form and returning it to the PPP Registry prior to 5.00pm (WST) on the Record Date.</p> <p>Refer to Section 5.3 for further details.</p>
<p>What happens if I do not make an Election in time or if the Election is invalid?</p>	<p>If an Election is not received by the PPP Registry prior to 5.00pm (WST) on the Record Date, you will be deemed to have elected to receive the Scheme Consideration in the form of Zeta Shares.</p> <p>If you make an invalid Election or if you do not make an Election, you will receive the Scheme Consideration in the form of Zeta Shares.</p> <p>Refer to Section 5.3 for details on how to make a valid Election.</p>
<p>Can I elect to receive part Cash Consideration and part Zeta Share Consideration?</p>	<p>No. A Scheme Participant who is not a Small Parcel Holder may only elect one of the following Scheme Consideration alternatives:</p> <ul style="list-style-type: none"> • (Zeta Share Consideration) 1 Zeta Share per 10 PPP Shares; or • (Cash Consideration) A\$0.038 cash PPP Share.
<p>Can I vary or withdraw my Election?</p>	<p>You can vary or withdraw your Election by following the instructions on the Election Form at any time prior to 5.00pm (AST) on the Record Date. If your valid instructions are not received by this time, you will receive the Scheme Consideration in accordance with your last valid Election Form.</p>

Questions about your entitlements	
What if I am a Small Parcel Holder?	<p>If you are a PPP Shareholder with a registered address in Australia or New Zealand but hold less than a Marketable Parcel of PPP Shares (equating to a holding of A\$500 of PPP Shares or less) on the Record Date, you will not be entitled to make an Election. Instead you will receive the Cash Consideration.</p> <p>Refer to Section 5.4 for further details.</p>
What if I am a Foreign Holder?	<p>If you are a PPP Shareholder with a registered address in an Ineligible Jurisdiction on the Record Date, you will be entitled to make an Election. However, if you elect to receive the Zeta Share Consideration or don't make an Election, you will not be issued any Zeta Shares.</p> <p>The Zeta Shares that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent, who will sell those Zeta Shares and remit the proceeds of such sale to you (if any), net of costs.</p> <p>Refer to Section 5.4 for further details.</p>
What happens if the market price of Zeta Shares increases or decreases?	<p>The implied value of the Zeta Shares offered as Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the Zeta Share price.</p>
How will fractional entitlements to Zeta Shares be treated?	<p>If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a Zeta Share, your fractional entitlement will be rounded down to the nearest whole number of Zeta Shares.</p>
When will I be sent or issued the Scheme Consideration?	<p>If the Scheme is implemented, you will be sent or issued your Scheme Consideration (or in the case of a Foreign Holder that elected or is deemed to have elected to receive the Zeta Share Consideration, to the Sale Agent) on the Implementation Date, which is expected to be on 7 November 2017.</p> <p>Zeta will procure that evidence of ownership is sent to those PPP Shareholders who receive the Zeta Share Consideration in respect of those Zeta Shares on or as promptly as practical following the Implementation Date, but in any event no later than 5 Business Days after the Implementation Date.</p> <p>PPP Shareholders that elect to receive the Cash Consideration and Small Parcel Holders will be paid the Cash Consideration by PPP:</p> <ul style="list-style-type: none"> • if you have made an election prior to the Record Date to receive payments from PPP by electronic funds transfer to a bank account nominated by you, by direct credit to your nominated bank account; or • otherwise, by sending a cheque to you by post.

Questions about your entitlements	
Will I have to pay brokerage fees on the disposal of my PPP Shares?	No brokerage fees or other costs are payable in connection with the issue or payment of the Scheme Consideration. If you are a Foreign Holder that elected, or is deemed to have elected, to receive the Zeta Share Consideration, the Sale Agent will deduct brokerage or other costs from the sale of Zeta Shares that would otherwise have been issued to you and pay you the net amount.
If I receive Zeta Share Consideration, when can I start trading my Zeta Shares on the ASX?	<p>Zeta will apply to ASX for the Zeta Shares issued as Zeta Share Consideration to be quoted on ASX and to trade on ASX on a deferred settlement basis from the commencing of trading on the first trading day after the Effective Date.</p> <p>Subject to confirmation from ASX, the Zeta Shares issued as Zeta Share Consideration will trade on a normal settlement basis with effect from the fifth trading day after the Implementation Date (or such later date as ASX requires).</p> <p>Scheme Participants who sell Zeta Shares before they receive their holding statements or confirm their holding of Zeta Shares do so at their own risk.</p>

Questions about voting	
Who can vote?	<p>If you are registered as a PPP Shareholder (other than an Excluded Shareholder) at 5.00pm (WST) on 14 October 2017 you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting.</p> <p>Refer to Section 4 for further details.</p>
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting to approve the Scheme is scheduled to be held at the Central Park Theatre, 152-158 St Georges Terrace, Perth WA 6000 on 16 October 2017 commencing at 2.00pm (WST).</p> <p>Further details of the Scheme Meeting, including how to vote are contained in Section 4. The Notice of Scheme Meeting is contained in Annexure 5.</p>
What vote is required to approve the Scheme?	<p>The Scheme needs to be approved by the Requisite Majority, which is:</p> <ul style="list-style-type: none"> • unless the Court orders otherwise, a majority in number (more than 50%) of PPP Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and • at least 75% of the total number of votes cast on the resolution, <p>where Excluded Shareholders are not entitled to vote on the Scheme Resolution.</p>

Questions about voting	
Is voting compulsory?	<p>No, voting is not compulsory. However, your vote is important.</p> <p>If you cannot attend the Scheme Meeting scheduled to be held on 16 October 2017 at 2.00pm (WST) you are encouraged to complete and return the Proxy Form enclosed with this Scheme Booklet.</p> <p>For further details regarding voting and submitting Proxy Forms for the Scheme Meeting, refer to Section 4.</p>
Why should I vote?	<p>Your vote will be important in determining whether the Scheme will proceed.</p> <p>Your Independent Directors have determined that the Scheme is in the best interests of PPP Shareholders and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Offer.</p>
What happens if I do not vote?	<p>If you do not vote and the Scheme is approved by a Requisite Majority and the Court, your PPP Shares will be transferred to Zeta (or its nominee) in exchange for the Scheme Consideration, unless you are a Foreign Holder that elected, or is deemed to have elected, to receive the Zeta Share Consideration, in which case the Sale Agent will sell your Zeta Shares and remit the proceeds to you, net of costs.</p> <p>If the Scheme is not approved, PPP will remain a stand-alone entity and you will remain a PPP Shareholder.</p>
Can I attend the Court and oppose the Court approval of the Scheme?	<p>If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on PPP, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on PPP at least one Business Day before the Second Court Date.</p>
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your PPP Shares on market at any time before the close of trading on ASX on the Effective Date; or • do nothing and abstain from voting.
What if I cannot, or do not wish to, attend the Scheme Meeting?	<p>If you cannot, or do not wish to, attend the Scheme Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and submitting Proxy Forms for the Scheme Meeting, refer to Section 4.</p>

Questions about voting

How do the Directors intend to vote in respect of their own PPP Shares?

Each Independent Director intends to vote in favour of the Scheme with respect to any PPP Shares they hold or control, in the absence of a Superior Offer.

Mr Peter Sullivan, Chairman and Non-Executive Director of PPP, has decided to abstain from voting on the Scheme due to his directorship on the Zeta Board.

At the date of this Scheme Booklet, your Independent Directors do not control any PPP Shares on issue.

Questions about Zeta

Who is Zeta?

Zeta is an active, resources focused holding and development company incorporated under the laws of Bermuda and was admitted to the official list of ASX on 12 June 2013.

Zeta invests in a range of resources entities, including those focused on oil and gas, gold and base metals exploration and production.

Zeta is an active investor, preferring to take significant stakes in its investments, so that it can influence the direction and management of the underlying businesses. In most of Zeta's largest investments, Zeta is the largest shareholder, and frequently has board representation.

Zeta is managed by ICM, a global fund manager, with 20 specialist staff members, and over 45 staff in total with offices located worldwide. ICM manages directly and indirectly over US\$20 billion in funds.

Refer to Section 7 for further information on Zeta and Section 8 for further information on the Merged Entity.

Why does Zeta wish to implement the Scheme?

Zeta considers that the creation of the Merged Entity has the potential to provide significant benefit to Zeta and Zeta Shareholders. In particular, Zeta considers that the Scheme offers an opportunity to:

- unlock the potential value of PPP's cash reserves through reinvestment in the Zeta Group and its various investments in other resources companies;
- create a Merged Entity with greater financial resources, and a stronger balance sheet than either Zeta and PPP have as independent entities; and
- diversify Zeta's existing shareholder base and increase the liquidity of its Zeta Shares (assuming a reasonable number of PPP Shareholders elect, or are deemed to elect, to receive the Zeta Share Consideration).

Questions about Zeta

What are Zeta's intentions in relation to the Merged Entity if the Scheme proceeds?

If the Scheme proceeds, Zeta intends to continue to invest the Merged Entity in the same manner that Zeta is managed today. Refer to Section 8 for further information on the Merged Entity.

PPP Shareholders should be aware that if the Scheme proceeds, PPP Shareholders that receive the Zeta Share Consideration will be exposed to various risks of the Merged Entity that not currently associated with your investment in PPP Shares, which are described in Section 9.

General questions

What other information is available?

You should read the detailed information in relation to the Scheme provided in this Scheme Booklet.

Further information in relation to PPP can be obtained from ASX on its website www.asx.com.au, or on PPP's website www.panpacificpetroleum.com.au.

Further information in relation to Zeta can be obtained on Zeta's website www.zetaresources.limited.

Who can help answer my questions about the Scheme?

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the Company Secretary on +61 8 9420 9310 any time between 9.00am and 5.00pm (WST) Monday to Friday or consult your legal, investment, taxation, financial or other professional adviser.

4. Scheme Meeting and voting information

This Section contains information relating to voting entitlements and information on how to vote at the Scheme Meeting for PPP Shareholders.

4.1 Scheme Meeting

(a) Time and location

The Scheme Meeting to approve the Scheme is scheduled to be held at the Central Park Theatre, 152-158 St Georges Terrace, Perth WA 6000 on 16 October 2017 at 2.00pm (WST).

(b) Requisite Majority

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of PPP Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) at least 75% of the total number of votes which are cast at the Scheme Meeting,

for the Scheme Resolution to be passed. Excluded Shareholders, being Zeta and its Associates, will not be entitled to vote on the Scheme Resolution.

(c) Notice of Scheme Meeting

The Scheme Resolution is set out in the Notice of Scheme Meeting in Annexure 5.

4.2 Entitlement and ability to vote at the Scheme Meeting

If you are registered as a PPP Shareholder as at 5.00pm (WST) on 14 October 2017, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. Voting on the Scheme Resolution will be by poll.

(a) Voting in person

If you wish to vote in person, you should attend the Scheme Meeting.

(b) Voting by proxy

Your personalised Proxy Form for the Scheme Meeting accompanies this Scheme Booklet.

You can appoint a proxy by completing and returning to PPP the enclosed Proxy Form for the Scheme Meeting. The Proxy Form must be received by PPP by no later than 2.00pm (WST) on 14 October 2017.

You must return the Proxy Form to PPP by either:

- (i) posting it in the envelope provided, hand delivering or faxing it to the PPP Registry:

Mail to:

Pan Pacific Petroleum NL
C/- Link Market Services Limited
Locked Bag A14 Sydney South
New South Wales 1235 Australia

Hand deliver to:

Pan Pacific Petroleum NL
C/- Link Market Services Limited
1A Homebush Bay Drive, Rhodes
New South Wales 2138 Australia

Fax to:

02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)

- (ii) Lodging it online at www.linkmarketservices.com.au, instructions as follows:

Select 'Investor Login' and login to your portfolio or enter Pan Petroleum NL or the ASX code PPP in the issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your Proxy Form), postcode and security code which is shown on the screen and click 'Login' to your single holding. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the PPP Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to PPP).

If you complete and return a Proxy Form, you may still attend the meeting in person, revoke the proxy and vote at the meeting. Proxy Forms may also be revoked by contacting the PPP Registry or submitting a new Proxy Form prior to 2.00pm (WST) on 14 October 2017 or 48 hours before any adjourned or postponed Scheme Meeting.

(c) **Undirected proxies**

A PPP Shareholder who has submitted a proxy has the right to appoint the chairman of the Scheme Meeting, or another person (who need not be a PPP Shareholder) to represent him, her or it at the Scheme Meeting and vote on the Scheme Resolution, by inserting the name of his, her or its desired representative in the space provided for that purpose on the Proxy Form. A PPP Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes.

Any instrument of proxy in which the name of the appointee is not filled in will be deemed to have been given in favour of the chairman of the Scheme Meeting.

The chairman of the Scheme Meeting intends to vote all undirected proxies in favour of the Scheme Resolution.

(d) **Voting by corporate representative**

To vote in person at the Scheme Meeting, a PPP Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate PPP Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A certificate with or without the seal of the body corporate PPP Shareholder, signed by two directors of that body corporate or signed by one director and one secretary, or any other document as the chairman of the Scheme Meeting in his sole discretion considers sufficient, will be evidence of the appointment, or of the revocation of the appointment, as the case may be, of a representative.

(e) **Voting by attorney**

A PPP Shareholder may appoint a person (whether a PPP Shareholder or not) as its attorney to attend and vote at the Scheme Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointer or the appointer's attorney duly authorised in writing, or if the appointer is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the Directors may prescribe or accept. A fax of a written power of attorney is valid provided it has been provided to PPP on the fax numbers in Section 4.2(b) by no later than 2.00pm (WST) on 14 October 2017. Such fax will be deemed to have been served on PPP upon the receipt of a transmission report confirming successful transmission of that fax.

5. Key considerations

The purpose of this Section 5 is to identify significant issues for you to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting, you should carefully consider the factors discussed below and the risk factors outlined in Section 9, as well as the other information contained in this Scheme Booklet.

5.1 Background

Under the Scheme, Zeta will acquire all of the Scheme Shares through a scheme of arrangement under Australian law.

The Scheme is subject to, among other things, approval by the Requisite Majority at the Scheme Meeting, approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date and the satisfaction or waiver (where applicable) of certain conditions. For further details of the conditions, refer to Section 12.12.

If the Scheme becomes Effective, PPP will become a wholly-owned Subsidiary of Zeta and PPP will request ASX remove PPP from the official list of ASX on or shortly after the Implementation Date. PPP Shareholders (except Foreign Holders that elect, or are deemed to have elected, to receive the Zeta Share Consideration) will be issued or paid the Scheme Consideration for the transfer of the PPP Shares held by them on the Record Date.

5.2 What you will receive under the Scheme

Zeta has entered into the Deed Poll under which it has offered to acquire the PPP Shares held by Scheme Participants for the Scheme Consideration. The Scheme Consideration is:

- (a) **(Zeta Share Consideration)** 1 Zeta Share per 10 PPP Shares; or
- (b) **(Cash Consideration)** if so elected and for Small Parcel Holders, A\$0.038 cash per PPP Share,

in accordance with the terms of the Scheme and the Scheme Implementation Agreement.

If you are a Scheme Participant who is not a Small Parcel Holder, you can elect the form of Scheme Consideration you would prefer to receive by completing the enclosed Election Form in accordance with the instructions on the Election Form and returning it to the PPP Registry prior to 5.00pm (WST) on the Record Date. Refer to Section 5.3 for information about the election process.

If the number of PPP Shares you hold on the Record Date means that your aggregate entitlement to Zeta Shares is not a whole number, your entitlement will be rounded down to the nearest whole number of Zeta Shares.

If you are a PPP Shareholder with a registered address in an Ineligible Jurisdiction on the Record Date, you will be entitled to make an Election. However, if you elect, or are deemed to have elected, to receive the Zeta Share Consideration, you will not be issued any Zeta Shares. The Zeta Shares that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent, who will sell those Zeta Shares and remit the proceeds of such sale to you (if any), net of costs.

If you are a PPP Shareholder with a registered address in Australia or New Zealand but hold less than a Marketable Parcel of PPP Shares (equating to a holding of A\$500 PPP Shares or less) on the Record Date, you will not be entitled to make an Election. Instead you will receive the Cash Consideration.

PPP Shareholders that elect to receive the Cash Consideration and Small Parcel Holders will be paid the Cash Consideration by PPP:

- (a) if you have made an election prior to the Record Date to receive payments from PPP by electronic funds transfer to a bank account nominated by you, by direct credit to your nominated bank account; or
- (b) otherwise, by sending a cheque to you by post.

Details on the Australian tax considerations in relation to the Scheme Consideration can be found in Section 11.

5.3 Election of Scheme Consideration

If you are a Scheme Participant who is not a Small Parcel Holder, you can elect to receive your Scheme Consideration in the form of cash instead of Zeta Shares by making a valid Election. You should consider the information in this Section 5 before deciding whether to make an Election.

The decision whether to elect to receive the Cash Consideration or the Zeta Share Consideration will depend on your individual circumstances. You should seek advice from your own financial, legal or other professional adviser before deciding whether to make this Election.

If the Scheme becomes Effective and you have not made a valid Election to receive the Cash Consideration you will receive the Scheme Consideration in the form of Zeta Shares, unless you are a Small Parcel Holder.

(a) Zeta Shares

Zeta Shares are ordinary shares in the share capital of Zeta. The rights and liabilities attaching to Zeta Shares are subject to Zeta's bye-laws, the Bermuda Companies Act, the common law of Bermuda and the Listing Rules. All Zeta Shares, when issued, are and will be issued as fully paid and non-assessable shares.

A summary of the rights and liabilities attaching to Zeta Shares is detailed in Section 7.16.

(b) How to make an Election

To make an Election, you should complete and return the Election Form accompanying this Scheme Booklet, in accordance with the instructions on that form. The deadline for receipt of Election Forms by the PPP Registry is 5.00pm (WST) on the Record Date. If you do not make a valid Election by 5.00pm (WST) on the Record Date, you will receive the Zeta Share Consideration.

Small Parcel Holders may not make an Election. Refer to Section 5.4 for further details.

Unless you are a trustee or nominee:

- (i) you may only make an Election under the Scheme in respect of all your PPP Shares under the Scheme; and
- (ii) if you make an Election under the Scheme, it will be deemed to apply to all your PPP Shares under the Scheme regardless of whether the number of relevant PPP Shares you hold at 5.00pm (WST) on the Record Date of the Scheme is greater or less than the number you held at the time you made your election.

If you hold one or more parcels of PPP Shares as trustee or nominee for, or otherwise on account of, another person, you may establish separate holdings for each of your beneficiaries and make individual Elections for each holding. However, you may not accept instructions from a beneficiary to make an Election unless it is in respect of the Scheme Consideration attributable to all parcels of PPP Shares held by you on behalf of that beneficiary.

(c) **How to vary or withdraw an Election**

You may vary or withdraw an Election following the instructions on the Election Form. The deadline for receipt by the PPP Registry of instructions to vary or withdraw an Election is 5.00pm (WST) on the Record Date. If your valid instructions are not received by this time, you will receive the Scheme Consideration in accordance with your last valid Election Form, or if no valid Election Form has been received, you will receive the Zeta Share Consideration.

5.4 Small Parcel Holders

If you are a PPP Shareholder with a registered address in the PPP Register in Australia or New Zealand but you hold less than a Marketable Parcel of PPP Shares (equating to a holding of A\$500 PPP Shares or less on the Record Date), you will not be entitled to make an Election. Instead you will receive the Cash Consideration.

If you are a Small Parcel Holder and make an Election for the Zeta Share Consideration, your Election will be invalid.

5.5 Foreign Holders

Restrictions in certain foreign countries may make it impractical or unlawful for Zeta Shares to be offered or issued under the Scheme to PPP Shareholders in those countries.

Scheme Participants whose address is shown in the PPP Register as being in an Ineligible Jurisdiction which Zeta has determined, acting reasonably, does not permit the issue of the Zeta Shares to that PPP Shareholder, either unconditionally or after compliance with terms that Zeta reasonably regards as acceptable and practicable, will be regarded as Foreign Holders for the purposes of the Scheme.

Zeta is under no obligation to issue and allot, and will not issue, any Zeta Shares to any Foreign Holder. Foreign Holders that elect to receive the Zeta Share Consideration or who do not make an Election to receive the Cash Consideration will not be issued Zeta Shares. Instead, if the Scheme becomes Effective, Zeta will issue the Zeta Shares to which the Foreign Holder would otherwise have been entitled to the Sale Agent, on trust for the Foreign Holder, for sale on market in such manner, or such financial markets, at such price and such other terms as the Sale Agent determines in good faith.

The Sale Agent will be instructed to sell the Zeta Shares as follows:

- (a) as soon as reasonably practicable, but no more than 20 Business Days after the Implementation Date, the Sale Agent will be instructed to arrange for the sale of all the Zeta Shares allotted to it, held for the benefit of those Foreign Holders that elected, or who were deemed to have elected, to receive the Zeta Share Consideration. The sales will be effected in such manner, on such financial market, at such price and on such other terms as the Sale Agent determines in good faith at the sole risk of the Foreign Holders; and
- (b) within two Business Days after receiving the proceeds in respect of the sale proceeds, the Sale Agent will be instructed to account to each Foreign Holder that elected, or was deemed to have elected, to receive the Zeta Share Consideration for his or her pro rata share of the aggregate sale proceeds, less any applicable costs or fees, brokerage, taxes and charges, by sending to each Foreign Holder an A\$ cheque drawn in the name of the Foreign Holder for the relevant amount.

Each Foreign Holder that elected, or was deemed to have elected, to receive the Zeta Share Consideration will receive their pro rata share of the aggregate sale proceeds on an averaged basis so that all those Foreign Holders will receive the same A\$ equivalent price per Zeta Share that they would have otherwise been entitled to (subject to rounding down to the nearest whole A\$ cent). The actual price received by those Foreign Holders for their Zeta Shares that are sold by the Sale Agent may be more or less than the actual price that is received by the Sale Agent for those Zeta Shares,

less any applicable costs or fees, brokerage, taxes and charges in respect of those Zeta Shares. Foreign Holders that elect, or are deemed to have elected, to receive the Zeta Share Consideration will receive the proceeds of the sale of their Zeta Shares as soon as practicable by a cheque drawn in the name of the Foreign Holder in A\$ and receive the cheque by ordinary pre-paid post sent to their address as it appears on the PPP Register on the Record Date.

5.6 Competing Transactions

During the Exclusivity Period, in accordance with the Scheme Implementation Agreement, PPP is required to notify Zeta of any approach, proposal, request for information by a third party or an intention by PPP to provide any information to a third party which may reasonable be expected to lead a Competing Transaction.

If the Directors receive a bona fide Competing Transaction from a third party, unsolicited or otherwise, that the PPP Board determines, having regard to advice from its legal adviser and the Directors' fiduciary duties and obligations, is a Superior Offer, PPP must give notice of the Superior Offer to Zeta. Zeta has the right, but not the obligation, within five (5) Business Days of receipt of that notice to offer to amend the terms of the Scheme, make a takeover bid for PPP or propose any other form of transaction.

Your Directors will carefully consider any Competing Transaction, unsolicited or otherwise, received from a third party (provided it does not breach the terms of the Scheme Implementation Agreement) and inform you of any material developments. However, presently your Directors are not aware of any such proposals.

Further details on Competing Transactions are described in Section 12.14.

5.7 Alternative Transactions

PPP is not bound by any exclusivity arrangements other than an obligation to notify Zeta of any Competing Proposals. Prior to the Scheme becoming Effective, PPP may explore opportunities for assets and investments. If such an opportunity is identified as an Alternative Transaction and is approved by the PPP Board, PPP will be entitled to progress this opportunity and terminate the Scheme Implementation Agreement. No Reimbursement Fee Amount will be payable by PPP to Zeta in those circumstances.

5.8 Independent Directors' recommendation

Your Independent Directors believe that the Scheme is in the best interests of PPP Shareholders, and they unanimously recommend that PPP Shareholders vote in favour of the Scheme, in the absence of a Superior Offer.

Your Independent Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons outlined in Section 2.1.

Each of the Independent Directors (set out in Section 6.4) will vote or procure the voting of, any PPP Share (as applicable) held by or controlled by an Independent Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Offer. As at the date of this Scheme Booklet, your Independent Directors do not control any PPP Shares on issue.

Mr Peter Sullivan, Chairman and Non-Executive Director of PPP, has decided to abstain from recommending and voting on the Scheme due to his directorship on the Zeta Board.

The reasons PPP Shareholders might elect to vote against the Scheme and other relevant considerations are detailed in Sections 2.2 and 2.3 respectively.

5.9 Independent Expert's Report

The Independent Expert, BDO, has reviewed the terms of the Scheme and concluded that in the absence of a Superior Offer:

- (a) the Zeta Share Consideration is not fair but reasonable and therefore in the best interest of PPP Shareholders; and
- (b) the Cash Consideration is fair and reasonable and therefore in the best interest of PPP Shareholders.

The Independent Expert has assessed the fair value of a PPP Share to be in the range of A\$0.035 to A\$0.039 per PPP Share. This reflects the estimated full underlying value of PPP, including a premium for control. The Independent Expert has estimated the value of one Zeta Share to be in the range of A\$0.251 to A\$0.278. Accordingly, the Independent Expert has concluded that, in the absence of a Superior Offer:

- (a) the Zeta Share Consideration is not fair but reasonable and therefore in the best interest of PPP Shareholders; and
- (b) the Cash Consideration is fair and reasonable and therefore in the best interest of PPP Shareholders.

PPP Shareholders should understand that the value of the Scheme Consideration could change, potentially significantly, as a result of changes in the price of oil and gas, exchange rates or the operational prospects for the assets of Zeta and PPP, or for other reasons. More information in relation to these risks is provided in Section 9 and in the Independent Expert's Report.

The Independent Expert's Report is in Annexure 1 and should be read in its entirety, including the assumptions on which the conclusions are based.

5.10 What are your options and what should you do?

You have the following four options in relation to your PPP Shares. PPP encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your PPP Shares.

(a) **Vote in favour of the Scheme at the Scheme Meeting**

Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Offer. The reasons for your Directors' unanimous recommendation are detailed in Section 2.1.

To vote in favour of the Scheme, you need to vote in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally, including voting by proxy and other methods, please refer to Section 4.

(b) **Vote against the Scheme at the Scheme Meeting**

If, despite your Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally, including voting by proxy and other methods, please refer to Section 4.

However, you should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all PPP Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

(c) Sell your PPP Shares on ASX

The Scheme does not preclude you from selling your PPP Shares on market for cash, if you wish, provided you do so before close of trading in PPP Shares on ASX on the Effective Date (currently expected to be 24 October 2017) when trading in PPP Shares will end.

Since the Announcement Date, PPP shares have traded on ASX at prices above the closing share price on 9 June 2017 (being the last ASX trading day for PPP Shares prior to the Announcement Date).

If you are considering selling your PPP Shares on ASX you should have regard to the prevailing trading prices of PPP Shares at that time.

If you sell your PPP Shares on market for cash, you:

- (i) will not be entitled to receive the Scheme Consideration;
- (ii) may incur a brokerage charge;
- (iii) may experience tax consequences, including incurring Australian CGT; and
- (iv) will not be able to participate in a Superior Offer, if one emerges, noting that, as at the date of this Scheme Booklet, your Directors have not received notice from any third party of an intention to make any unsolicited Competing Transaction.

(d) Do nothing

If, despite your Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all PPP Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority, you will not be entitled to receive any Scheme Consideration.

5.11 Dealing with your Zeta Shares

If the Scheme is implemented, all of the Scheme Shares held by Scheme Participants will be transferred to Zeta (or its nominee) on the Implementation Date and in exchange, each Scheme Participant will be paid or, other than a Foreign Holder, issued the Scheme Consideration (as applicable). Where Scheme Participants are issued the Zeta Share Consideration, such Zeta Shares will commence trading on a normal settlement basis with effect from the fifth trading day after the Implementation Date (or such later date as ASX requires). Scheme Participants who sell Zeta Shares before they receive their holding statements or confirm their holding of Zeta Shares do so at their own risk.

6. Information about PPP

6.1 Introduction

The information contained in this Section 6 has been prepared by PPP. The information concerning PPP, and the intentions, views and opinions contained in this Section, are the responsibility of PPP. Zeta and Zeta's representatives do not assume any responsibility for the accuracy or completeness of the information in this Section 6.

6.2 Overview of PPP

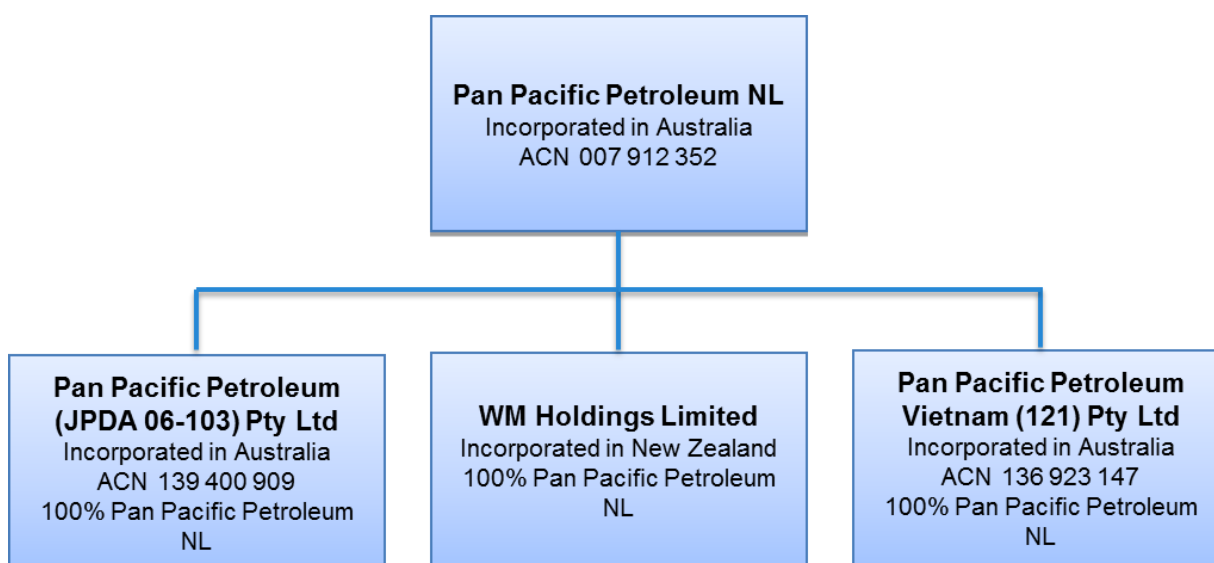
PPP is an Australian public company which has been listed on the official list of ASX since 9 April 1983. PPP is an oil and gas exploration production company and has historically operated in New Zealand, Australia, Vietnam and the Timor Leste - Australia Joint Petroleum Development Area.

Following the recent sale of its 5% participating interest in a production sharing contract for the oil and gas block 07/03 located in the Nam Con Son Basin of Vietnam, PPP does not currently have any active operations. ASX has confirmed that it will require PPP, within a period of six months from 16 June 2017, to demonstrate a sufficient level of operation to justify the continued quotation of its securities on ASX. In the event that the Scheme is not implemented, PPP will be required to seek new investment or business opportunities. If PPP makes a significant acquisition, ASX may also require PPP to "re-comply" with the requirements for listing in Chapters 1 and 2 of the Listing Rules.

PPP has been actively reviewing new oil and gas opportunities. Prior to the Scheme becoming Effective, PPP may explore opportunities for assets and investments. If such an opportunity is identified as an Alternative Transaction and is approved by the PPP Board, PPP will be entitled to progress this opportunity and terminate the Scheme Implementation Agreement. No Reimbursement Fee Amount will be payable by PPP to Zeta in those circumstances.

In addition to the information about PPP contained in this Section 6, the Independent Expert's Report in Annexure 1 contains further detailed information on PPP.

6.3 Organisational Structure



PPP is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the Listing Rules. Refer to Section 6.12 for further information.

6.4 Directors

The current Directors are as follows:

Mr Peter Sullivan - Chairman and Non-Executive Director

Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years, including project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. He has specialised in providing strategic corporate, financial and investment advice to companies principally in the resource sector. He has served as a Director for numerous listed and unlisted companies and been closely involved with their development.

Mr Sullivan is Chairman of Zeta Resources Limited (listed on ASX in 2013), non-executive director of Panoramic Resources Limited (appointed 2015), non-executive director of Resolute Mining Limited (appointed 1999), non-executive director of GME Resources Limited (appointed 1996), and non-executive director of Bligh Resources Limited (appointed 2017).

Mr Grant Worner - Executive Director

Mr Worner has more than 25 years' experience in the oil and gas industry with more than 22 years working for BP in three continents and the last 10 years operating at executive level for BP, New Guinea Energy Limited, Cue Energy Resources Limited, and his own specialist management consultancy firm. On 24 August 2015, wOrner Pty Ltd, a company associated with Mr Worner entered into an agreement to provide consultancy services and represent PPP on all joint venture matters.

Mr Worner has led teams and businesses in exploration, trading, refining, and marketing in Europe, the US, Papua New Guinea, Indonesia, New Zealand and Australia. His skills have been developed across technical and commercial disciplines and he has a well-established network in the investment community and the oil and gas industry and is a Graduate of the Australian Institute of Company Directors.

Mr Worner has been Chairman of Cue Energy Resources Limited since 29 March 2016 and was previously a director from 4 March 2016.

On 1 July 2017, Mr Worner was appointed as the Chief Operating Officer of Vix Technology Pty Ltd, a company controlled by UIL Limited, Zeta's major shareholder. Mr Worner's employment with Vix Technology Pty Ltd arose independently of PPP and Zeta, through Mr Worner's directorship with Cue Energy Resources Limited. Mr Worner's position on the PPP Board is independent of Zeta and UIL Limited. Mr Worner confirms that his position on as Chief Operating Officer of Vix Technology Pty Ltd has no effect on his decision making as an Independent Director of PPP and that he is not associated with Zeta or UIL Limited.

Mr Patrick Burke - Non-Executive Director

Mr Burke holds a Bachelor of Law degree from the University of Western Australia. He has over 20 years of legal and corporate advisory experience, and has acted as a director and consultant to a large number of ASX small to midcap resources and oil & gas companies over the past 10 years. His legal expertise is in corporate commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, structuring and pricing, negotiation, funding, due diligence and management of process. He has extensive operational, business development and management

experience in ASX small to midcaps as well as strong commercial and financial relationships. He contributes general commercial and legal skills.

Mr Burke is currently a director of ASX listed Triton Minerals Limited, Bligh Resources Limited, ATC Alloys Limited and dual NASDAQ and ASX listed Uranium Resources, Inc. In the past three years, Mr Burke has held directorships with Shareroot Ltd (resigned 12 January 2016), Anatolia Energy Limited (resigned 10 November 2016) and xTV Networks Limited (resigned 2 February 2015).

On 13 July 2017, Zeta declared its takeover offer for Bligh Resources Limited unconditional such that Zeta now has voting power in Bligh Resources Limited of 85.75%. Mr Burke's position on the PPP Board and the Bligh Resources Limited board is independent of Zeta. Mr Burke confirms that his position on as a non-executive director of Bligh Resources Limited has no effect on his decision making as an Independent Director of PPP and that he is not associated with Zeta.

6.5 Assets and on-going activity

(a) Sale of PPPV

During the 2016/17 financial year, PPP completed the sale of shares in PPPV to Repsol Exploracion S.A for US\$5 million, which held a 5% participating interest and all associated assets and agreements in a production sharing contract for the Oil and Gas Block 07/03 located in the Nam Com Son Basin, Vietnam (**Block 07/03**).

Following completion of a two year structured program to finalise the development of Block 07/03 by the operator of the production sharing contract, PPP was faced with the decision to raise either an additional US\$40 million to fund the development project or to monetise its investment of Block 07/03 and divest its interest through the sale of PPPV. Having evaluated the potential benefits, risks and costs of the opportunity, PPP made the decision to sell its participating interest in the production sharing contract. Completion of the sale of PPPV to Repsol Exploracion S.A occurred on 16 June 2017.

(b) Termination of JPDA 06-103 Production Sharing Contract

PPP is a party to the joint venture relating to a joint petroleum development area located within the northern Bonaparte Basin, offshore northwest Australia, issued pursuant to the Timor Sea Treaty between Timor-Leste and Australia. In 2013, Oilex (JPDA 06-103) Limited, as operator and on behalf of the joint venture submitted a request to the designated authority, the Autoridade Nacional do Petróleo e Minerais (**ANP**), to terminate the production sharing contract (**PSC**) by mutual agreement in accordance with its terms and without penalty or claim due to concerns associated with uncertainty of the PSC tenure.

The ANP responded to the joint venture indicating that the request had been rejected and that the PSC would be terminated on 15 July 2015 and a monetary claim sought for payment of the estimated cost of exploration activities not carried out in 2013 and certain local content obligations set out in the PSC.

The ANP has subsequently provided notice of termination effective 15 July 2015 with a demand for payment of approximately US\$17m on a joint and several basis (net US\$2.6m to PPP on a several basis). The terms of the PSC provide that any penalty is joint and several. Accordingly, if a settlement is reached or an arbitration tribunal ultimately makes an award against the joint venture on a joint and several basis and some or all of the other joint venture parties do not pay their proportionate penalty, PPP could be liable for up to the full award.

The joint venture has disputed the financial claim and the parties continue to discuss the financial liability of the joint venture with the aim of reaching an amicable settlement for a lesser amount. At the date of this Scheme Booklet, neither the ANP nor any of the joint venture parties has referred this dispute to arbitration.

(c) Shares owned by PPP

In addition to PPP's assets described in this Section 6.5, PPP also holds 727,346 shares in New Zealand Oil & Gas Limited and 8,750,000 shares in Horizon Gold Limited.

On 10 August 2017, Zeta announced its intentions to make a partial takeover offer to acquire not less than 41.955% of all the shares of New Zealand Oil & Gas Limited that it does not already hold or control for NZD\$0.72 per fully paid ordinary share in New Zealand Oil & Gas Limited. PPP and Zeta have entered into a lock-up agreement under which PPP has agreed not to dispose of, or assign its rights to, any shares owned or controlled by PPP in New Zealand Oil and Gas Limited. In addition, PPP has undertaken to accept the partial takeover offer, on the same terms as announced by Zeta on 10 August 2017.

6.6 Search for new assets and capital management

PPP has been actively reviewing new oil and gas opportunities throughout the 2017 calendar year whilst it disposed of its previous oil and gas assets and correspondingly increased its cash reserves. PPP retained its cash reserves during this time to enable it to action one or more investments, should a suitable opportunity have arisen. PPP is mindful that any acquisition in a new oil and gas opportunity would require significant capital, both in up front acquisition costs and in relation to on-going commitments.

The PPP Board has reviewed several oil and gas opportunities across a number of jurisdictions throughout the 2017 calendar year. However, having regard to the scarcity of capital currently available to participants in oil and gas sector, the opportunities identified were either:

- (a) distressed assets or companies; or
- (b) higher risk exploration ventures,

which the PPP Board considered were high-risk undertakings which would not guarantee returns for PPP Shareholders more favourable than the Scheme Consideration. Accordingly, having regard to these opportunities, the Independent PPP Board ultimately determined that the Scheme is in the best interests of PPP Shareholders.

Further, as discussed in Section 6.5(b), PPP is engaged in a dispute pursuant to which the ANP has demanded payment of approximately US\$17m from the joint venture (net US\$2.6m to PPP on a several basis). The terms of the PSC states that any penalty is joint and several. The parties continue to discuss the financial liability of the joint venture. Whilst resolution of the dispute remains outstanding, the PPP Board considers it prudent to retain sufficient cash reserves to enable PPP to satisfy any liability of PPP to the ANP in connection with the PSC, as well as conduct a review of potential oil and gas opportunities.

Having regard PPP's search for new oil and gas opportunities and the dispute with the ANP, the PPP Board did not consider that a capital management action (such as a capital reduction or share buy-back) was in the best interests of PPP Shareholders prior to entry into of the Scheme Implementation Agreement. Should the Scheme not proceed for any reason and PPP remains unable to find a suitable oil and gas opportunity, PPP will consider undertaking one or more capital management actions.

Prior to the Scheme becoming Effective, PPP may explore opportunities for assets and investments. If such an opportunity is identified as an Alternative Transaction and is approved by the PPP Board, PPP will be entitled to progress this opportunity and terminate the Scheme Implementation Agreement. No Reimbursement Fee Amount will be payable by PPP to Zeta in those circumstances.

6.7 Material contracts

(a) Consultancy Agreement - wOrner Pty Ltd

wOrner Pty Ltd provides the services of Grant Worner as Managing Director to a maximum of five days per month (unless otherwise agreed in writing) at a rate of \$375 + GST per hour to a maximum of \$3,000 + GST per day. The Consultancy Agreement may be terminated by either party giving one month's notice in writing.

(b) Scheme Implementation Agreement

Refer to Section 12 for further information relating to the Scheme Implementation Agreement.

6.8 Historical financial information

(a) Basis of preparation

This Section 6.8 summarises certain historical financial information about PPP for the financial years ended 30 June 2017, 30 June 2016 and 30 June 2015. The financial information in this Section is a summary only and is prepared for the purposes of this Scheme Booklet.

The change in presentation of historical financial information from Australian dollars to US dollars was the result of a review conducted by PPP in 2016 of the predominate inflows and outflows, following a change in PPP's ultimate holding company who reports in US dollars. As a result of the Board's review of costs and downsizing to conserve funds, the accounting function was moved to South Africa to a related party of the ultimate holding company effective 1 July 2016, with all transactions being recorded in US dollars. As a result, PPP determined that the US dollar is the functional currency of the group. The change in functional currency was applied with effect from 1 July 2016 in accordance with the requirements of the accounting standards. Following the change in functional currency, PPP elected to change its presentational currency from Australian dollars to US dollars.

Full financial statements for PPP for the financial years ended 30 June 2017, 30 June 2016 and 30 June 2015 were released to ASX and are available from ASX's website www.asx.com.au. You may also contact the Company Secretary on +61 8 9420 9310 any time between 9.00am and 5.00pm (WST) Monday to Friday to request copies of PPP's financial statements.

The financial statements of PPP for the year ended 30 June 2015, 30 June 2016 and 30 June 2017 were audited by Ernst & Young. An unmodified audit opinion was issued on these financial statements. The PPP Board has indicated that there were reasonable grounds to believe that PPP will be able to pay its debts as and when they become due and payable.

(b) **Consolidated statement of financial position**

Below is a summary of PPP's consolidated statement of financial position for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

	30 June 2017 US\$'000	30 June 2016 US\$'000	30 June 2015 A\$'000
Assets			
Cash and cash equivalents	16,419	18,819	18,946
Trade and other receivables	275	418	11,134
Inventories	-	1,787	1,520
Available for sale (AFS) investments – held for sale	2,351	841	2,415
Current tax receivable – Income tax	-	-	1,621
Total current assets	19,045	21285	35,636
Non-current assets			
Trade and other receivables	-	972	48
Plant and equipment	-	23	48
Exploration and evaluation assets	-	11,331	12,966
Oil & gas assets – production	-	-	17,030
Deferred tax asset	-	2,702	4,610
Total non-current assets	-	15,028	34,702
Total assets	19,045	36,893	70,338
Liabilities			
Trade and other payables	286	1,259	4,162
Employee benefits	85	39	266
Current tax provision – Royalty tax	-	133	498
Provisions	900	1,100	263
Total current liabilities	1,271	2,531	5,189
Employee benefits	-	-	-
Provisions	-	12,963	16,983
Total non-current liabilities	-	12,963	16,983
Total liabilities	1,271	15,494	22,172
Net assets	17,774	21,399	48,166
Equity			
Issued capital	31,458	31,458	47,450
Reserves	4,201	4,560	5,048
FC translation reserve	-	-	-
Retained earnings	(17,885)	(14,619)	(4,332)
Current year (profit)/loss	-	-	-
Total equity	17,774	21,399	48,166

(c) **Consolidated statement of profit or loss and other comprehensive income**

Below is a summary of PPP's consolidated statement of profit or loss and other comprehensive income for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

	30 June 2017 US\$'000	30 June 2016 US\$'000	30 June 2015 A\$'000
Sales Revenue	-	7,222	21,753
Production and other costs	-	(12,069)	(22,109)
Gross (loss)/profit	-	(3,603)	(356)
Other Income	384	749	240
Impairment of oil and gas assets	(33)	(8,142)	(15,537)
Provisions made	(951)	-	-
Other expenses	(450)	(988)	(6,536)
Administrative expenses	(1,541)	(1,826)	(3,350)
Results from operating activities	(2,591)	(13,810)	(25,539)
Financial income	11	1,682	180
Financial expenses	(173)	(188)	(1,988)
Net financing (expense)/income	(162)	(1,494)	(1,808)
Loss before income tax	(2,753)	(12,316)	(27,347)
NZ royalty benefit/(expense)	-	4,240	2,597
Income tax benefit	-	(7,000)	1,153
Total tax (expense)/benefit	-	(2,760)	3,750
Loss for the period	(3,266)	(15,076)	(23,597)
Other comprehensive income			
<i>Other comprehensive income to be re-classified to profit or loss in subsequent periods</i>			
Foreign currency translation of foreign operations	69	(13)	8,667
Net gain on Available For Sale financial assets	(428)	(355)	164
Other comprehensive income/(loss) for the period, net of income tax	(359)	(368)	8,831
Total comprehensive loss for the period	(3,625)	(15,444)	(14,766)

(d) **Consolidated statement of cash flows**

Below is a summary of PPP's consolidated statement of cash flows for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

	30 June 2017 US\$'000	30 June 2016 US\$'000	30 June 2015 A\$'000
Cash flows from operating activities			
Cash receipts from customers	4,037	12,711	14,545
Cash paid to suppliers and employees	(2,998)	(8,628)	(12,416)
Cash from operations	1,039	4,083	2,129
Payments in respect of areas of interest in:			
- Exploration and/or evaluation phase	(726)	(2,717)	-
Exploration and evaluation expenditure	(78)	-	(24,296)
Interest received	44	111	228
Tax paid (including NZ royalty tax)	(343)	554	(600)
Net cash generated in / (used) in operating activities	(64)	2,031	(22,539)
Cash flows from investing activities			
Payments for plant and equipment	1	(12)	-
Development asset refund / (payment)	-	525	(6,483)
Redemption from cash collateralisation	-	856	1,334
Proceeds from the sale of subsidiaries	5,000	-	-
Payment on the sale of subsidiary	(5,455)	-	-
Sale / (purchase) of AFS investment	(1,900)	933	(1,406)
Net cash flows (used in)/from investing activities	(2,354)	(2,302)	(6,555)
Cash flows from financing activities	42	(163)	-
Net cash flows used in financing activities	42	(163)	-
Net increase / (decrease) in cash and cash equivalents	(2,376)	4,170	(28,852)
Cash and cash equivalents at 1 July	18,819	14,549	45,067
Effect of exchange rate fluctuations on cash held	(24)	98	2,731
Cash and cash equivalents at 30 June	16,419	18,817	18,946

6.9 Material changes in PPP's financial position

To the knowledge of your Directors, the financial position of PPP has not materially changed since 30 June 2017, except as disclosed elsewhere in this Scheme Booklet.

6.10 Recent share price history

Figure 1 depicts the trading history of PPP over the last 12 months up to the Announcement Date.



Figure 1: Trading history of PPP (Source: IRESS)

As at 9 June 2017, being the last trading day prior to the Announcement Date:

- (a) the last recorded trade price of PPP Shares was A\$0.027; and
- (b) the 30-trading day VWAP of PPP Shares was A\$0.028.

As at 9 June 2017, being the last trading day prior to the Announcement Date:

- (a) the Cash Consideration represents:
 - (i) a 41% premium to the last recorded trading price of PPP Shares; and
 - (ii) a 38% premium to the 30-trading day VWAP of PPP Shares;
- (b) the Zeta Share Consideration represents:³
 - (i) a 42% premium to the last recorded trading price of PPP Shares; and
 - (ii) a 38% premium to the 30-trading day VWAP of PPP Shares.

As at 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet:

- (a) the last recorded traded price of PPP Shares was A\$0.0365;

³ On the basis of a Zeta Share price of \$0.382, being the 30 day VWAP of Zeta.

- (b) the 30-trading day VWAP of PPP Shares was A\$0.037;
- (c) the highest recorded traded price of PPP Shares in the previous 3 months was A\$0.038 on 14 July 2017; and
- (d) the lowest recorded traded price of PPP Shares in the previous 3 months was A\$0.026 on 22 May and 17 May 2017.

As at 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet:

- (a) the Cash Consideration represents:
 - (i) a 4.1% premium to the last recorded trading price of PPP Shares; and
 - (ii) a 3.2% premium to the 30-trading day VWAP of PPP Shares;
- (b) the Zeta Share Consideration represents:⁴
 - (i) a 4.1% premium to the last recorded trading price of PPP Shares; and
 - (ii) a 3.2% premium to the 30-trading day VWAP of PPP Shares.

The current price of PPP Shares and Zeta Shares on ASX can be obtained from the ASX website at www.asx.com.au.

6.11 PPP issued securities

As at 8 September 2017, being the latest practical date prior to finalisation of this Scheme Booklet, there were 581,942,846 PPP Shares on issue.

6.12 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111 AC(1) of the Corporations Act, PPP is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

PPP's most recent announcements are available from PPP's website at www.panpacpetroleum.com.au.

ASX maintains files containing publicly available information about entities listed on their exchange. PPP's files are available for inspection at PPP's registered office during normal business hours and are available on the ASX website (www.asx.com.au).

Additionally, copies of documents lodged with ASIC in relation to PPP may be obtained from or inspected at an ASIC service centre. Please note, ASIC may charge a fee in respect of such services. The following documents are available for inspection free of charge prior to the Scheme Meeting during normal business hours at the registered office of PPP:

- (a) PPP's constitution;
- (b) PPP's annual report for the financial year ended 30 June 2016;
- (c) PPP's annual report for the financial year ended 30 June 2017; and

⁴ On the basis of a Zeta Share price of \$0.38, being the 30 day VWAP of Zeta.

(d) PPP's public announcements.

The annual report and public announcements are available at PPP's website at www.panpacificpetroleum.com.au.

6.13 Further information

For the risks associated with the Scheme, refer to Section 9. In particular, Section 9.3 outlines the risks to PPP if the Scheme does not proceed.

7. Information about Zeta

7.1 Introduction

The information contained in this Section 7 has been prepared by Zeta. The information concerning Zeta, and the intentions, views and opinions contained in this Section, are the responsibility of Zeta. PPP and PPP's representatives do not assume any responsibility for the accuracy or completeness of the information in this Section 7.

7.2 Overview of Zeta

Zeta is a closed-end investment company incorporated under the laws of Bermuda under the Bermuda Companies Act, whose ordinary shares are listed on the ASX. Zeta was admitted to the official list of ASX on 12 June 2013. The business of Zeta consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of generating a return for shareholders with an acceptable level of risk. Zeta has borrowings ("gearing"), the proceeds from which can also be invested with the aim of enhancing returns to shareholders. This gearing increases the potential risk to shareholders should the value of the investments fall.

Zeta has contracted with an external investment manager, ICM, to manage its investments. Zeta's general administration is undertaken by ICM Corporate Services (Pty) Ltd. Zeta has a board of non-executive directors who oversee and monitor the activities of ICM Limited and the other service providers and ensure that the investment policy is adhered to.

7.3 Organisational structure

Zeta's holding company is UIL which holds 85.49% of the issued Zeta Shares. UIL is in turn held by 61.78% by General Provincial Life Pension Fund (L) Limited, which is 100% controlled by Union Mutual Limited. Other than PPP, Zeta's Subsidiaries are Kumarina Resources Pty Ltd, Zeta Energy Pte Ltd, Zeta Investments Limited and Bligh Resources Limited.

7.4 Investment objectives and strategy

Zeta is an active, resources focused investment holding and development company the business of which consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of generating a return for shareholders with an acceptable level of risk. Zeta invests in a range of resources entities, including those focused on oil and gas, gold and base metals exploration and production.

Zeta intends to have a mid to long term investment horizon and does not expect to be trading its positions on a frequent basis. Zeta also works with its investee companies to seek to maximise their value and may make follow-on investments into these companies or increase investment through market purchases as appropriate.

The Zeta Directors are responsible for the determination of the company's investment policy and have overall responsibility for the company's day-to-day activities. Zeta is advised by its investment manager, ICM, pursuant to the terms of the Investment Management Agreement. Refer to Section 7.10 for further details.

7.5 Directors

The current directors of Zeta are as follows:

Mr Peter Sullivan - Chairman and Non-Executive Director

Mr Sullivan was appointed a director on 7 June 2013. Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years, including project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. He has specialised in providing strategic corporate, financial and investment advice to companies principally in the resource sector. He has served as a Director for numerous listed and unlisted companies and been closely involved with their development.

Mr Sullivan is Chairman of Pan Pacific Petroleum NL (listed on ASX in 1983), non-executive director of Panoramic Resources Limited (appointed 2015), non-executive director of Resolute Mining Limited (appointed 1999), non-executive director of GME Resources Limited (appointed 1996) and non-executive director of Bligh Resources Limited (appointed 2017).

Mr Marthinus (Martin) Botha - Non-Executive Director

Mr Botha was appointed a director on 7 June 2013. Mr Botha has over 30 years' experience in banking, with the last 26 years spent in leadership roles building Standard Bank Plc's (part of The Standard Bank of South Africa Limited) international operations. Mr Botha's specific primary responsibilities included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies. Mr Botha holds a Bachelor of Engineering degree in Survey.

Mr Botha is a non-executive chairman of Resolute Mining Limited (appointed 2014).

Ms Xi Xi - Non-Executive Director

Ms Xi Xi was appointed a director on 7 June 2013. Ms Xi is a financial analyst with more than 15 years' experience in the mining, energy and natural resource industry, ranging from managing companies focused on international exploration and development of mining projects to restructuring and overseeing a portfolio of private and public companies. Ms Xi holds dual Bachelor of Science degrees in Chemical Engineering and Economics from the Colorado School of Mines and a Master of Arts in International Relations and China Studies from Johns Hopkins School of Advanced International Studies.

Ms Xi is a non-executive director of Galaxy Resources Limited (appointed 2017).

7.6 Interests and dealings in PPP securities

(a) **Relevant interests and voting power in PPP**

As at the date of this Scheme Booklet, Zeta has a relevant interest in 296,269,023 PPP Shares, representing voting power (as defined in the Corporations Act) of 50.91% in PPP. Neither Zeta, nor any of its associates will vote at the Scheme Meeting.

(b) **Dealing in PPP securities in previous four months**

Except for the consideration to be provided under the Scheme, during the period of four months before the date of this Scheme Booklet, neither Zeta nor any of its associates have provided or agreed to provide consideration for any PPP Shares under a purchase agreement.

(c) Benefits to holders of PPP securities

Other than as detailed in this Scheme Booklet, during the period of 4 months ending on the date of this Scheme Booklet, neither Zeta, nor any of its associates have given, offered to give, or agreed to give a benefit to another person that was likely to induce the other person (or an associate of that person), to:

- (i) vote in favour of the Scheme; or
- (ii) dispose of PPP Shares,

which was not offered to all other PPP Shareholders.

7.7 Investment portfolio

Zeta's investment portfolio as at 30 June 2017 includes the following key investments:

Company	Number of shares	% of issued shares held
Listed		
Panoramic Resources Limited	118,369,868	27.620%
Resolute Mining Limited	20,784,000	2.820%
GME Resources Limited	23,588,258	5.088%
Horizon Gold Limited ⁽¹⁾	53,086,229	69.37%
Bligh Resources Limited ⁽²⁾	100,412,123	42.374%
Unlisted		
Seacrest LP	10,665,300	24.834%
Kumarina Resources Pty Ltd	26,245,610	100%
Zeta Energy Pte. Ltd	1	100%
Zeta Investments Limited	1,000	100%
Held by Zeta Energy Pte. Ltd		
New Zealand Oil & Gas Limited ⁽³⁾	27,831,121	17.457%
Oilex Limited	121,323,567	7.203%
Pan Pacific Petroleum NL	296,269,023	50.910%

Note:

- (1) Zeta's relevant interest in Horizon Gold Limited arises as a result of its relevant interest in PPP and Panoramic Resources Limited.
- (2) Subsequent to 30 June 2017, Zeta has increased its voting power in Bligh Resources Limited to 210,149,014 shares (85.75%).
- (3) Zeta Energy Pte. Ltd's relevant interest in New Zealand Oil and Gas Limited arises as a result of a direct interest and its relevant interest in PPP.

7.8 Capital structure

(a) Zeta issued securities

As at 8 September 2017, being the latest practical date prior to finalisation of this Scheme Booklet, the authorised and issued share capital of Zeta is as follows:

Authorised capital	US\$
5,000,000,000 ordinary shares with a par value of \$0.00001 each	50,000.00
Issued capital	
100,000,000 ordinary shares with a par value of \$0.00001	900.00
86,461,440 unlisted options, exercise price A\$0.001 expiring 7 December 2019	17,265,320

(b) Substantial holders of Zeta Shares

As at 8 September 2017, being the latest practical date prior to finalisation of this Scheme Booklet, Zeta has the following substantial shareholders:

Shareholder	Number of Zeta Shares	% of issued Zeta Shares held
UIL Limited	85,539,612	85.5%
Peter Ross Sullivan	5,670,632	5.67%

(c) Top 20 holders

As at 8 September 2017, being the latest practical date prior to finalisation of this Scheme Booklet, the names of the 20 largest Zeta Shareholders are as follows:

Shareholder	Number of Zeta Shares	% of issued Zeta Shares held
JP Morgan Nominees Australia Limited	85,539,612	85.54%
HSBC Custody Nominees Australia Limited	7,932,184	7.93%
James Noel Sullivan	1,308,595	1.31%
Hardrock Capital Pty Limited	625,000	0.63%
Calimo Pty Limited	576,510	0.58%
Cherryburn Pty Limited	350,000	0.35%
Gillian Clare Sellers	350,000	0.35%
Custodial Services Limited	281,300	0.28%
John Gillis Broinowski	260,000	0.26%

Shareholder	Number of Zeta Shares	% of issued Zeta Shares held
Uuro Pty Limited	250,000	0.25%
ACS (NSW) Pty Limited	222,305	0.22%
AO Peter Irving Burrows	200,000	0.20%
Australian Executor Trustees Limited	200,000	0.20%
Pendan Pty Limited	127,675	0.13%
Minturn Pty Limited	120,000	0.12%
Alexandra M Saville	109,818	0.11%
TJ + KM Russell	80,000	0.08%
Stephanie Saville	70,110	0.07%
Bouchi Pty Limited	64,000	0.06%
John Dugald F Morrison	60,000	0.06%
TOTAL	98,727,109	98.73%

7.9 Interests of directors and senior management of Zeta

The number of Zeta Shares indirectly and directly controlled by Zeta directors and management as at 8 September 2017 is provided in the table below:

Shareholder	Number of Zeta Shares	% of issued Zeta Shares held
Peter Ross Sullivan	5,670,632	5.67%
Marthinus (Martin) Botha	-	-
Xi Xi	-	-

7.10 Investment Management Agreement

Zeta and ICM have entered into the Investment Management Agreement, pursuant to which ICM is appointed as Zeta's investment manager.

ICM is a Bermuda based fund manager and corporate adviser. It is licensed to carry on business as an exempted company pursuant to section 129A of the Bermuda Companies Act. ICM specialises in managing and advising on investments in relation to mining and resources, utilities and infrastructure, financial services, fixed interest products and agriculture. ICM is also investment adviser to Bermuda Commercial Bank Limited, one of Bermuda's four licenced banks.

ICM's appointment under the Investment Management Agreement is for a period of 5 years, which commenced on 3 June 2013. Further information regarding ICM can be found on ICM's website (www.icm.limited).

The key terms of the Investment Management Agreement are as follows:

(a) **Investment mandate**

ICM shall be entitled to invest in the following classes of assets, on Zeta's behalf:

- (i) securities (being shares options or warrants) in listed and unlisted mining and resource companies;
- (ii) units in listed and unlisted mining and resource funds;
- (iii) bonds and convertible notes in listed or unlisted mining and resource companies;
- (iv) direct investment in mining and resource projects; and
- (v) such other assets or investments, as may be approved in writing by the Zeta Directors from time to time,

(each a **Permitted Asset Class**).

(b) **Services**

ICM shall provide such investment management and advisory services to Zeta, as the Zeta Directors require from time to time, in connection with the management and investment of Zeta's assets and shall manage the investment, disposal and re-investment of Zeta's assets in accordance with Zeta's investment strategy and with a view to achieving Zeta's investment objectives.

(c) **Term**

The Investment Management Agreement has a term of 5 years which commenced on 3 June 2013, unless terminated earlier by Zeta or ICM.

(d) **Extension or renewal**

The Investment Management Agreement does not contain any provisions relating to the renewal or extension of the agreement at the end of its term.

(e) **Termination**

The Investment Management Agreement may be terminated in the following circumstances:

- (i) by Zeta giving 6 months' notice in writing to ICM (or such lesser period as Zeta and ICM agree in writing);
- (ii) by ICM giving 6 months' notice in writing to Zeta (or such lesser period as Zeta and ICM agree in writing);
- (iii) ICM's appointment may be terminated forthwith on notice from Zeta, if:
 - (A) ICM commits a material breach of the Investment Management Agreement and fails to rectify such breach within 30 days of being requested to do so;
 - (B) ICM enters into liquidation, whether voluntarily or compulsorily, or enters into any composition or compromise with its creditors, or suffers any similar action relating to a default in its obligations in respect of indebtedness;

- (C) ICM has a receiver or administrator appointed in respect of any of its assets or undertaking; or
 - (D) ICM fails to obtain, or ceases to hold or comply with, any licence, permission, authorisation or consent required under any applicable law to permit it to carry out its obligations under the Investment Management Agreement;
- (iv) ICM may terminate its own appointment forthwith by giving notice to Zeta, if Zeta:
- (A) commits a material breach of the Investment Management Agreement and fails to rectify such breach within 30 days of being requested to do so;
 - (B) enters into liquidation, whether voluntarily or compulsorily, or enters into any composition or compromise with its creditors, or suffers any similar action relating to a default in its obligations in respect of indebtedness; or
 - (C) has a receiver or administrator appointed in respect of any of its assets or undertaking; or
- (v) forthwith by Zeta, if Zeta goes into voluntary liquidation pursuant to its Bye-laws.

Termination of the Investment Management Agreement is without prejudice to any claim by Zeta or ICM against the other for any breach of the Investment Management Agreement, prior to such termination, or any other rights which have accrued up to that point.

(f) **Fees**

ICM is entitled to a management fee and a performance fee as follows:

(i) **Management Fee**

On 31 March, 30 June, 30 September and 31 December each year during the term of the Investment Management Agreement (each a **Calculation Date**), the gross assets of Zeta, less all current liabilities and all holdings in funds or companies of which ICM or one of its subsidiaries is manager and/or adviser, shall be calculated, with the amount resulting being the Funds Managed. Within 10 Business Days after each Calculation Date, Zeta shall pay to ICM an amount equal to 0.125% of the Funds Managed on that Calculation Date (**Management Fee**). If any such period is less than three months, the Management Fee shall be reduced on a pro-rated time basis.

(ii) **Performance Fee**

On each Calculation Date, Zeta shall pay ICM a fee (**Performance Fee**) determined as at each Calculation Date as follows:

$$PF = (A-B) \times 15\%$$

Where:

PF is the Performance Fee (excluding VAT), if any, payable to ICM;

A is Adjusted Equity Funds as at that Calculation Date;

B is the Base Equity Funds, being the higher of:

- (1) the Equity Funds of Zeta on the Implementation Date;

- (2) the Equity Funds on the last day of the Calculation Period in respect of which a Performance Fee was last paid under the Investment Management Agreement; and
- (3) the Equity Funds on the last day of the previous Calculation Period, increased by the Real Percentage Yield of the Reference Index during that Calculation Period,

for the purpose of the above calculation:

Adjusted Equity Funds means Equity Funds adjusted by adding back any dividends paid or accrued relating to that Calculation Period, plus any accrual for unpaid performance fees arising for that Calculation Period;

Calculation Date means the last day of each Calculation Period;

Calculation Period means each successive period starting on the first day of an accounting reference period of the Company and ending on the earlier of (i) the last day of that accounting reference period (ii) the termination of ICM's appointment for any reason and (iii) the commencement of the winding up of Zeta, provided that in respect of the first Calculation Period under the Investment Management Agreement, such period shall be deemed to have commenced on the Implementation Date;

Equity Funds means the net asset value (including revenue items) attributable to Zeta's Shares;

Inflation means the rate of Australian inflation in annual percentage terms calculated by reference to the year on year change in the Consumer Price Index excluding mortgage interest payments as issued by the Australian Bureau of Statistics, calculated as monthly average;

Real Percentage Yield means the average percentage income yield on the Reference Index for the relevant Calculation Period, calculated on a monthly basis, reduced by the percentage rate of UK corporation tax, plus Inflation; and

Reference Index means the S&P/ASX 300 Metals and Mining Index.

(g) **Exclusivity**

Under the Investment Management Agreement, Zeta is precluded from appointing another entity as a manager or as an adviser to act jointly with ICM, or otherwise, during the term of the Investment Management Agreement.

The Investment Management Agreement does not preclude ICM from providing investment management services to other entities and ICM does, currently, provide investment management services to other entities.

(h) **Discretions**

The Investment Management Agreement vests the following power and discretions in ICM:

- (i) subject to ICM's duties, all rights and powers of whatsoever nature as shall be necessary for ICM properly and efficiently to perform its services under the Investment Management Agreement; and
- (ii) subject to the requirement to obtain the prior written approval of the Zeta Directors for transactions or investments which have a value in excess of the higher of US\$5 million

or 10% of Zeta's net tangible assets, discretion, on Zeta's behalf, to manage, buy, sell, retain, convert, exchange or otherwise deal in Zeta's assets, which are in a Permitted Asset Class, as and when ICM thinks fit.

(i) **Related party protocols**

Subject to the requirement to obtain the prior written approval of the Zeta Directors, the Investment Management Agreement does not contain any protocols relating to transactions with related parties of ICM. The Investment Management Agreement provides that ICM may effect or advise on transactions which may involve a potential conflict of interest with its duty to Zeta, subject to the requirements to obtain the prior written approval of Zeta Directors, act in the best interests of Zeta and without prejudice to its obligation to comply with the objectives, policies and restrictions of Zeta.

(j) **Change of control provisions**

The Investment Management Agreement does not provide ICM or Zeta with any right to terminate the Investment Management Agreement if there is a change in control of the other. Further, the Investment Management Agreement does not provide either party with any pre-emptive rights over Zeta's portfolio or over ICM, upon a change of control of the other.

7.11 Funding arrangements for Scheme Consideration

(a) **Scheme Consideration**

Scheme Participants who are not a Small Parcel Holder can elect the form of Scheme Consideration they would prefer to receive, either in the form of Zeta Shares or cash. Under the terms of the Deed Poll, subject to the Scheme becoming Effective, Zeta has undertaken in favour of each Scheme Participant to:

- (i) issue the Zeta Share Consideration to Scheme Participants; and
- (ii) pay the Cash Consideration to PPP on behalf of each Scheme Participant, by no later than one Business Day prior to the Implementation Date.

Based on the number of PPP Shares on issue as at the date of this Scheme Booklet, and assuming the number of PPP Shares held by Small Parcel Holders remains unchanged (currently a total of 4,191,697 PPP Shares are held by Small Parcel Holders), the maximum:

- (i) Zeta Shares to be issued under the Scheme (assuming all Scheme Participants receive the Zeta Share Consideration), will be approximately 28,148,213 Zeta Shares (**Maximum Zeta Share Consideration**); or
- (ii) Cash payable under the Scheme (assuming all Scheme Participants receive the Cash Consideration), will be approximately A\$10.855 million (**Maximum Cash Consideration**).

(b) **Overview of funding arrangements**

Zeta does not require Zeta Shareholder approval to issue the Maximum Zeta Share Consideration.

Zeta has in aggregate existing cash reserves and entitlements to cash in excess of the Maximum Cash Consideration, together with all associated transaction costs. Zeta intends to fund the Maximum Cash Consideration solely through those sources, however, Zeta has not earmarked any particular cash amounts held by it at the date of this Scheme Booklet to satisfy its payment obligations under the Scheme.

Zeta's entitlement to cash is pursuant to a revolving facility agreement dated 1 September 2016 with UIL Limited, the major Zeta Shareholder and a company listed on the London Stock Exchange (**Facility Agreement**). There is no maximum limit on the amount that may be drawn down by Zeta under the Facility Agreement.

The Facility Agreement provides for funds to be made available to Zeta for the purpose of working capital and/or investment. Pursuant to the Facility Agreement, funds sufficient to fund the Maximum Cash Consideration and all associated transaction costs are available to Zeta on terms that will ensure Zeta is able to satisfy its payment obligations under the Scheme. Notably, funds made available to Zeta under the Facility Agreement:

- (i) are immediately available to Zeta;
- (ii) are available to Zeta on an unconditional basis;
- (iii) are not subject to any limitations to drawdown; and
- (iv) are sufficient to fund the Maximum Cash Consideration and all associated transaction costs.

UIL Limited holds in excess of £154.8 million (approximately A\$258 million based on GBP:AUD exchange rate of 1:1.67) in cash and cash entitlements (including liquid investments) at the date of this Scheme Booklet which can be used to meet its commitments under the Facility Agreement.

Zeta's existing cash reserves and entitlements to cash are not subject to any conditions or security interests and are not required for other arrangements of Zeta or any other member of the Zeta Group.

The Zeta Group has in aggregate existing cash reserves and entitlements to cash in excess of the Maximum Cash Consideration, together with all associated transaction costs and intends to fund the Maximum Cash Consideration solely through those sources. Zeta intends to draw down against the Facility Agreement to meet its payment obligations under the Scheme.

(c) **Certainty of funding**

Having regard to the arrangements noted in Section 7.11(b), Zeta is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its obligations issue and pay the Scheme Consideration and all associated transaction costs if the Scheme becomes Effective.

7.12 Historical financial information

(a) **Basis of preparation**

This Section 7.12 summarises certain historical financial information about Zeta for the half year ended 31 December 2016, and the financial years ended 30 June 2016 and 30 June 2015. The financial information in this Section is a summary only and is prepared for the purposes of this Scheme Booklet.

Full financial statements for Zeta for the half year ended 31 December 2016, and the financial years ended 30 June 2016 and 30 June 2015 were released to ASX and are available from ASX's website www.asx.com.au and Zeta's website at www.zetaresources.limited.

(b) **Adjustments adopted in compiling the pro forma financial information**

The pro forma financial information contained in this Section 7.12 has been prepared by adjusting the historical financial information to reflect the financial effects of the following subsequent events which have occurred in the period between 31 December 2016 and the date of this Scheme Booklet:

- (i) in May 2017, New Zealand Oil and Gas Limited distributed a return of capital, halving the number of shares held by Zeta in this entity. Zeta used NZ\$15.1 million of the funds received from the return of capital to repay its loan with UIL which reduced the loan to subsidiaries and loan from parent balance as at 31 December 2016 by US\$10.5 million, based on the average NZD:USD exchange rate over May of 0.6951; and
- (ii) from 11 January 2017 to 10 July 2017 Zeta increased its shareholding in Bligh Resources Limited from 8,000,000 shares to 210,149,014 shares (comprising 85.77% in Bligh Resources Limited) for an aggregate of US\$5.6 million based on an average AUD:USD exchange rate over the period January to July 2017 of 0.7544. This has resulted in an increase in Zeta's investment in subsidiaries and the loan from parent balance as at 31 December 2016 by US\$5.8 million and by US\$5.6 million, respectively.

Further adjustments have been made to the value ascribed to Zeta's investments in listed and unlisted companies as well as additional loans utilised from its parent. The pro forma financial information has been presented in abbreviated form and does not contain all the disclosures usually provided in an annual report prepared in accordance with the Corporations Act.

(c) **Consolidated statement of financial position**

Below is a summary of Zeta's consolidated statement of financial position for the years ended 30 June 2015, 30 June 2016 and the half-year ended 31 December 2016.

	Unaudited pro-forma US\$	31 December 2016 US\$	30 June 2016 US\$	30 June 2015 US\$
Non-current assets				
Investment in subsidiaries	8,806,817	2,989,024	3,086,091	3,193,721
Investments	47,722,536	47,879,451	49,813,042	43,686,192
Loans to subsidiaries	30,027,206	43,981,172	29,803,322	23,894,270
Current assets				
Cash and cash equivalents	6,345	6,345	238,893	193,267
Trade and other receivables	–	–	12,109	13,171
Balance due from brokers	–	–	–	119,912
Total assets	86,562,904	94,855,992	82,953,457	71,100,533
Non-current liabilities				
Loan from subsidiary	(5,480,434)	(5,480,434)	(3,754,667)	(4,395,787)
Loan from parent	(27,857,029)	(28,262,241)	(36,165,296)	(35,408,212)
Current Liabilities				
Trade and other payables	(411,158)	(411,158)	(192,220)	(175,974)
Balance due to brokers	–	–	(78,140)	–
Total liabilities	(33,748,621)	(34,153,833)	(40,190,323)	(39,979,973)
NET ASSETS	52,814,283	60,702,159	42,763,134	31,120,560
Equity				
Share capital	900	900	900	832
Share premium	66,233,041	66,233,041	66,233,041	64,881,364
Options	17,265,320	17,265,320	17,265,320	–
Accumulated losses	(30,684,978)	(22,797,102)	(40,736,127)	(33,761,636)
TOTAL EQUITY	52,814,283	60,702,159	42,763,134	31,120,560

(d) **Consolidated statement of profit or loss and other comprehensive income**

Below is a summary of Zeta's consolidated statement of profit or loss and other comprehensive income for the years ended 30 June 2015, 30 June 2016 and the half-year ended 31 December 2016.

	31 December 2016	30 June 2016	30 June 2015
	US\$	US\$	US\$
Revenue			
Investment income/(loss)	20,274,163	(4,036,767)	(42,418,422)
Other income/(losses)	41,404	1,437,732	(6,090,197)
Expenses			
Directors fees	(75,000)	(150,000)	(150,000)
Foreign exchange losses	(405,114)	-	-
Interest expense	(1,398,643)	(3,371,114)	(3,164,318)
Management and consulting fees	(324,406)	(560,884)	(432,656)
Operating and administration expenses	(173,379)	(293,458)	(986,420)
Loss before income tax	17,939,025	(6,974,491)	(53,242,013)
Income tax	-	-	-
Profit/(loss) for the year	17,939,025	(6,974,491)	(53,242,013)
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	17,939,025	(6,974,491)	(53,242,013)
Profit/(loss) per share			
Basic and diluted profit/(loss) per share (cents per share)	9.62	(0.05)	(0.57)

(e) **Consolidated statement of cash flows**

Below is a summary of Zeta's consolidated statement of cash flows for the years ended 30 June 2015, 30 June 2016 and the half-year ended 31 December 2016.

	31 December 2016 US\$	30 June 2016 US\$	30 June 2015 US\$
Cash flows from operating activities			
Cash utilised by operations	2,465	(90,994)	(3,748,481)
Interest received	14	25,262	1,343
Interest expense	(1,398,643)	(3,371,114)	(3,164,318)
Net cash flows from operating activities	(1,396,164)	(3,436,846)	(6,911,456)
Cash flows from investing activities			
Investments purchased	(3,436,918)	(4,334,188)	(22,713,820)
Investments sold	19,992,411	760,235	57,499,531
Increase in loan to subsidiaries	(8,809,475)	(12,416,348)	(35,321,826)
Net cash flows from investing activities	7,746,018	(15,990,301)	(536,115)
Cash flows from financing activities			
Proceeds from issue of shares	-	1,351,745	-
Proceeds from issue of options	-	17,265,320	-
Increase/(decrease) in loan from parent via issue of shares and options	-	(18,617,065)	-
Increase/(decrease) in loan from parent from additional funding	(7,903,055)	19,374,149	20,958,619
Increase/(decrease) in loan from subsidiaries	1,725,767	(641,120)	(7,551,796)
Net cash flows from financing activities	(6,177,288)	18,733,029	13,406,823
Net movement in cash and cash equivalents	172,566	(694,118)	5,959,252
Cash and cash equivalents at the beginning of the year	238,893	193,267	188,012
Effect of exchange rate fluctuations on cash held	(405,114)	739,744	(5,953,997)
Cash and cash equivalents at end of the year	6,345	238,893	193,267

7.13 Material changes in Zeta's financial position

To the knowledge of the Zeta Directors, and except as disclosed elsewhere in this Scheme Booklet, the financial position of Zeta has not materially changed since 31 December 2016 (including Section 7.12(b)).

7.14 Market for securities and Zeta Share Performance

The latest recorded price of Zeta Shares on 9 June 2017, being the last trading day prior to the Announcement date was A\$0.37. The latest recorded price of Zeta Shares on 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet was A\$0.38.

Figure 1 depicts the trading history of Zeta over the last 12 months up to the Announcement Date.



Figure 1: Trading history of Zeta (Source: IRESS)

As at 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet:

- (a) the last recorded trade price of Zeta Shares was A\$0.38;
- (b) the 30-trading day VWAP of Zeta Shares was A\$0.38;
- (c) the 60-trading day VWAP of Zeta Shares was A\$0.372;
- (d) the 90-trading day VWAP of Zeta Shares was A\$0.372;
- (e) the highest recorded trade price of Zeta Shares in the previous 3 months was A\$0.38 on 4 September 2017, 29 August 2017, 14 August 2017 and 11 August 2017; and
- (f) the lowest recorded trade price of Zeta Shares in the previous 3 months was A\$0.36 on 18 July, 13 July and 3 July 2017.

The current price of Zeta Shares can be obtained from the ASX website (www.asx.com.au).

7.15 Dividends

Zeta has not historically paid any dividends and no dividends have been declared or are payable or are planned to be made.

7.16 Rights and liabilities attaching to Zeta Shares

The rights and liabilities attaching to Zeta Shares are in the Zeta's bye-laws and are affected by the Bermuda Companies Act, the common law of Bermuda and the Listing Rules.

A summary of the principal rights and liabilities attaching to Zeta Shares is provided below. Sections 7.17 and 10.2 also contain summaries of certain material differences between the rights attaching to Zeta Shares and the equivalent rights attaching to PPP Shares.

Zeta's bye-laws are available to PPP Shareholders free of charge. Please call the Company Secretary of PPP on +61 8 9420 9310 any time between 9.00am and 5.00pm (WST) Monday to Friday to request a copy.

(a) Profits and dividends

The directors of Zeta may in their sole discretion (subject to any preferred dividend rights attached to any class of shares and to the Bermuda Companies Act) declare and pay a dividend or make a distribution out of contributed surplus to the shareholders of Zeta according to their rights and interests, including interim dividends, which may be declared and paid in proportion to the amount paid up on each share. Payment or satisfaction of any dividend or distribution out of contributed surplus may be made in cash or by the issue of fully paid Zeta Shares or by the distribution of specific assets.

Contributed surplus is a North American concept recognised under the generally accepted accounting principles of the Canadian Institute of Chartered Accountants, which are applied in Bermuda. Contributed surplus includes proceeds from donated shares, credits resulting from the redemption or conversion of shares at less than the amount of the nominal capital or par value, the excess value of shares acquired over the nominal value of those shares issued in a share exchange (should the board of directors of Zeta elect to treat it as such) and donations of cash or other assets to the company.

Zeta does not have any current intention to declare and pay a dividend or make a distribution out of contributed surplus.

(b) Voting rights

Subject to any rights or restrictions attaching to any class of shares in Zeta, at any general meeting of Zeta, each shareholder of Zeta entitled to vote may vote in person or by proxy, or, if it is a company, by representative each of whom shall be entitled to speak and to one vote on a show of hands and each shareholder of Zeta present in person or by proxy, or, if it is a company, by representative shall be entitled on a poll to one vote for each fully paid Zeta Share held.

No shareholder of Zeta shall be entitled to vote at any general meeting, unless all calls presently payable by him in respect of Zeta Shares have been paid. On a poll a shareholder or proxy or representative, if entitled to more than one vote, need not use all his votes or cast all the votes he uses in the same way.

(c) **Appointment and removal of directors**

Shareholders of Zeta in general meeting may by ordinary resolution appoint any person as a new director, or as a director to fill up all or any vacated offices resulting from one or more directors retiring at, or ceasing to hold office at the conclusion of, that meeting.

The board of directors or shareholders of Zeta in general meeting shall have the power to appoint any person as a director to fill a vacancy on the board of directors occurring as a result of the death, disability, disqualification or resignation of any director or as a result of an increase in the size of the board of directors.

Zeta's directors who are subject to retirement by rotation shall retire from office at annual general meetings of Zeta Shareholders no later than the longer of:

- (i) the third annual general meeting; or
- (ii) 3 years,

after that directors last election or appointment and shall be eligible for re-election thereafter.

(d) **Rights to convene general meetings**

The President or Chairman (if any), or any two directors, or any director and the company secretary, or the board of directors of Zeta, may convene a special general meeting whenever in their judgment such a meeting is necessary.

The board of directors of Zeta shall, on the requisition of shareholders of Zeta holding at the date of the deposit of the requisition no less than one-tenth of such of the paid up share capital of Zeta carrying the right to vote, proceed to convene a special general meeting and the provisions of the Bermuda Companies Act shall apply.

(e) **Rights on a winding up**

Subject to the terms of issue of Zeta Shares, if Zeta shall be wound up, the liquidator may, with the sanction of a resolution of Zeta's shareholders and any other sanction required by the Bermuda Companies Act, divide amongst the shareholders of Zeta in specie or kind the whole or any part of the assets of Zeta (whether they shall consist of property of the same kind or not) and may for such purposes set such values as the liquidator deems fair upon any property to be so divided and may determine how such division shall be carried out as between the shareholders of Zeta or different classes of shareholders. The liquidator may, with such a sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the shareholders of Zeta as the liquidator shall think fit, but so that no shareholder of Zeta shall be compelled to accept any shares or other assets upon which there is any liability.

(f) **Variation of rights**

If, at any time, the share capital of Zeta is divided into different classes of shares, the rights attached to any class may, unless otherwise provided by the terms of issue of the shares of that class, be varied with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of such shares at which the quorum is at least two persons holding or representing by proxy, one-third of the issued shares of that class.

7.17 Material differences in rights attaching to PPP Shares

Copies of PPP's constitution and Zeta's bye-laws are available for inspection and comparison at PPP's registered office during normal business hours. The rights attaching to PPP Shares are derived from both PPP's constitution and the Corporations Act. The rights attaching to Zeta's Shares are derived from Zeta's bye-laws, the Bermuda Companies Act and the common law of Bermuda.

(a) **Reports and notices**

There are no material differences between the provisions in PPP's constitution and Zeta's bye-laws that relate to reports and notices.

(b) **General Meetings**

The provisions in both PPP's constitution and Zeta's bye-laws in relation to general meetings are substantially similar, including the use of proxies.

(c) **Voting**

There are no material differences between the provisions of PPP's constitution and Zeta's bye-laws that relate to voting.

(d) **Dividends**

There are no material differences between PPP's constitution and Zeta's bye-laws in relation to dividends.

(e) **Winding up**

There are no material differences between the provisions in PPP's constitution and Zeta's bye-laws that relate to winding up.

(f) **Transfer of shares**

There are no material differences between the provisions in PPP's constitution and Zeta's bye-laws that relate to the transfer of shares.

(g) **Future increases in capital**

There are no material differences between the provisions in PPP's constitution and Zeta's bye-laws with respect to future increases in capital.

(h) **Variation of rights attaching to shares**

The provisions in both PPP's constitution and Zeta's bye-laws in relation to the variation of rights attaching to shares differ slightly in terms of the procedure to be followed.

Under PPP's constitution, the company may vary or cancel rights attached to a class of shares or convert shares from one class into another by a special resolution of the company and:

- (i) a special resolution passed at a meeting of the members holding shares in that class; or
- (ii) obtaining the written consent of members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

Under Zeta's bye-laws, if at any time where the share capital is divided into different classes of shares, the rights attaching to any class of shares may be varied by:

- (i) obtaining the written consent of the holders of 75% of the issued shares of that class; or
- (ii) a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of that class. The quorum at such meeting must be 2 persons at least holding or representing by proxy one third of the issued shares of that class.

Apart from the above, there are no material differences between the provisions in PPP's constitution or Zeta's bye-laws that relate to variation of rights attaching to shares.

(i) **Directors**

There are no material differences between the provisions in PPP's constitution or Zeta's bye-laws relating to the rotation, election and retirement of directors.

(j) **"Two strikes" in relation to remuneration reports**

None of Zeta's bye-laws, the Bermuda Companies Act or the common law of Bermuda contain an equivalent to the "two strikes" rule relating to remuneration reports in Part 2G.2 Division 9 of the Corporations Act, which enables shareholders to put to the vote a "spill resolution".

7.18 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111 AC(1) of the Corporations Act, Zeta is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Zeta's most recent announcements are available from Zeta's website at www.zetaresources.limited.

ASX maintains files containing publicly available information about entities listed on their exchange. PPP's files are available for inspection at PPP's registered office during normal business hours and are available on the ASX website (www.asx.com.au)

8. Information about the Merged Entity

8.1 Overview of the Merged Entity

On implementation of the Scheme, Zeta will continue to be a company existing under the laws of Bermuda, and PPP will become a wholly owned subsidiary of Zeta. Former PPP Shareholders that elect to receive the Zeta Share Consideration will become holders of Zeta Shares, quoted on ASX.

If the Scheme is implemented:

- (a) Zeta (or its nominee) will become the holder of all PPP Shares and PPP will become a wholly owned Subsidiary of Zeta;
- (b) Zeta Shares will be quoted on ASX; and
- (c) PPP will request ASX remove PPP from the official list of ASX.

The Merged Entity will create a listed investment company, investing broadly in the same manner as Zeta. Zeta will continue being an active, resources-focussed holding and development company

8.2 Post-Scheme intentions of Zeta

As PPP does not currently have any active operations or major assets, implementation of the Scheme will have no effect on the business, assets or operations of PPP. Post-Scheme, Zeta:

- (a) intends to continue to operate the Merged Entity in the same manner as Zeta is operated today;
- (b) intends to continue the business of PPP as currently conducted;
- (c) does not intend to make any major changes to the business of PPP or redeploy any fixed assets of PPP;
- (d) does not intend to change or affect the future employment of the present employees of PPP, other than to reconstitute the PPP Board as described in Section 8.3; and
- (e) does not intend to change PPP's current registered address, which is the same as Zeta's Australian office as of 4 July 2017.

8.3 Board composition

Following implementation of the Scheme:

- (a) the current Zeta Directors, being Messrs Sullivan and Botha and Ms Xi will continue to form the Zeta Board; and
- (b) the current PPP Directors, being Messrs Sullivan, Burke and Worner will continue to form the PPP Board.

In due course, Zeta may seek to appoint its nominees to the PPP Board in addition to or replacement of the current PPP Directors. Details of the current Zeta Directors can be found at Section 7.5 and details of the current PPP Directors can be found at Section 6.4.

8.4 Capital structure of Merged Entity

As at the date of this Scheme Booklet, Zeta has 100,000,000 Zeta Shares issued and outstanding.

If the Scheme is implemented, assuming all Scheme Participants receive the Zeta Share Consideration and the number of PPP Shares held by Small Parcel Holders remains unchanged (currently a total of 4,191,697 PPP Shares are held by Small Parcel Holders), Zeta will issue up to a maximum 28,148,213 Zeta Shares to Scheme Participants or the Sale Agent (in the case of Foreign Holders) as Scheme Consideration.

As a result of the implementation of the Scheme, the overall shareholding interest of PPP Shareholders in the Merged Entity will range between 0% and approximately 13.12% on a fully diluted basis and 21.97% on an undiluted basis, depending on the level of Scheme Participants receiving the Zeta Share Consideration compared to the Cash Consideration.

As described in Section 7.8(b), Zeta currently has two substantial shareholders, being UIL and Peter Sullivan, whose shareholding will be diluted to a position where their holdings in the Merged Entity will be approximately 80.15% and 2.64% respectively, on a fully diluted basis and assuming all PPP Shareholders (excluding Small Parcel Holders) elect to receive the Zeta Share Consideration.

The following table provides a summary of the expected capital structure of Zeta upon implementation of the Scheme, based on various levels of Scheme Participants receiving the Zeta Share Consideration:

	0%	25%	50%	75%	100%
Zeta Shares currently on issue	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Zeta Shares to be issued as Scheme Consideration ⁽¹⁾	0	703,705	14,074,106	21,111,159	28,148,213
Interest of Zeta held by PPP Shareholders on an undiluted basis	0%	0.70%	12.34%	17.43%	21.97%
Interest of Zeta held by PPP Shareholders on a fully diluted basis	0%	0.38%	7.02%	10.17%	13.12%

Note:

- (1) Assuming the number of PPP Shares held by Small Parcel Holders remains unchanged. Currently a total of 4,191,697 PPP Shares are held by Small Parcel Holders.

8.5 Pro-forma financial information

Set out below are the unaudited pro forma consolidated balance sheets of the Merged Entity after the Scheme and adjusted for transactions relating to the Scheme. The pro forma consolidated balance sheets are to be read in conjunction with the notes to and forming part of the financial statements.

Three scenarios are presented based on the Election of Scheme Participants to receive cash or Zeta Shares for their PPP Shares:

- **(100% Zeta Shares)**: assumes all Scheme Participants elect to receive the Zeta Share Consideration for their PPP Shares;
- **(50% split)**: assumes 50% of Scheme Shares are acquired for Zeta Share Consideration and 50% is acquired for Cash Consideration; and
- **(100% cash)**: assumes all Scheme Participants elect to receive the Cash Consideration for their PPP Shares.

(a) 100% Zeta Shares pro forma Merged Entity balance sheet

	Zeta US\$'000	PPP US\$'000	Adjustments US\$'000	Merged Entity US\$'000
Non-current assets				
Investment in subsidiaries	8,807	-	17,520	26,327
Investments	47,723	-		47,723
Loans to subsidiaries	30,027	-	(8,984)	21,043
Current assets				
Cash and cash equivalents	6	16,419		6
Available for Sale Investments		2,351		-
Current tax receivable – Income tax	-	275		-
Total assets	86,563	19,045		95,099
Non-current liabilities				
Loan from subsidiary	(5,481)	-		(5,481)
Loan from parent	(27,857)	-		(27,857)
Current Liabilities				
Trade and other payables	(411)	(286)		(411)
Employee benefits	-	(85)		-
Provisions	-	(900)		-
Total liabilities	(33,749)	(1,271)		(33,749)
NET ASSETS	52,814	17,774		61,350
Equity				
Share capital	1	31,458		1
Share premium	66,233	-	8,536	74,769
Options	17,265	-		17,265
Reserves	-	4,201		-
Accumulated losses	(30,685)	(17,885)		(30,685)
TOTAL EQUITY	52,814	17,774		61,350

(b) 50% split pro forma Merged Entity balance sheet

	Zeta US\$'000	PPP US\$'000	Adjustments US\$'000	Merged Entity US\$'000
Non-current assets				
Investment in subsidiaries	8,807	-	17,520	26,327
Investments	47,723	-		47,723
Loans to subsidiaries	30,027	-	(8,984)	21,043
Current assets				
Cash and cash equivalents	6	16,419		6
Available for Sale Investments		2,351		-
Current tax receivable – Income tax	-	275		-
Total assets	86,563	19,045		95,099
Non-current liabilities				
Loan from subsidiary	(5,481)	-		(5,481)
Loan from parent	(27,857)	-	(4,268)	(32,125)
Current Liabilities				
Trade and other payables	(411)	(286)		(411)
Employee benefits	-	(85)		-
Provisions	-	(900)		-
Total liabilities	(33,749)	(1,271)		(38,017)
NET ASSETS	52,814	17,774		57,082
Equity				
Share capital	1	31,458		1
Share premium	66,233	-	4,268	70,501
Options	17,265	-		17,265
Reserves	-	4,201		-
Accumulated losses	(30,685)	(17,885)		(30,685)
TOTAL EQUITY	52,814	17,774		57,082

(c) 100% cash pro forma Merged Entity balance sheet

	Zeta US\$'000	PPP US\$'000	Adjustments US\$'000	Merged Entity US\$'000
Non-current assets				
Investment in subsidiaries	8,807	-	17,520	26,327
Investments	47,723	-		47,723
Loans to subsidiaries	30,027	-	(8,984)	21,043
Current assets				
Cash and cash equivalents	6	16,419		6
Available for Sale Investments		2,351		-
Current tax receivable – Income tax	-	275		-
Total assets	86,563	19,045		95,099
Non-current liabilities				
Loan from subsidiary	(5,481)	-		(5,481)
Loan from parent	(27,857)	-	(8,536)	(36,393)
Current Liabilities				
Trade and other payables	(411)	(286)		(411)
Employee benefits	-	(85)		-
Provisions	-	(900)		-
Total liabilities	(33,749)	(1,271)		(42,285)
NET ASSETS	52,814	17,774		52,814
Equity				
Share capital	1	31,458		1
Share premium	66,233	-		66,233
Options	17,265	-		17,265
Reserves	-	4,201		-
Accumulated losses	(30,685)	(17,885)		(30,685)
TOTAL EQUITY	52,814	17,774		52,814

(d) **Basis of preparation**

The pro forma balance sheets of the Merged Entity have been prepared as if the Scheme had been implemented and that Scheme Participants were issued the following number of Zeta Shares for their PPP Shares under the three scenarios presented:

- (i) 100% Zeta Shares: 28,148,213
- (ii) 50% split: 14,074,106
- (iii) 100% cash: Nil

(e) **Summary of significant accounting policies**

The accounting policies of Zeta and PPP are considered materially different. The significant accounting policies adopted in the preparation of the historical financial information are disclosed in the latest Zeta and PPP annual reports. Zeta carries on the business of an investment holding company and accordingly applies the consolidation exemption for investments in subsidiaries. The financial information for the Merged Entity has therefore been prepared adopting the significant accounting policies utilised in the preparation of Zeta annual financial statements in which its investment in PPP is not consolidated but shown at valuation through profit and loss.

(f) **Currency rate**

The currency rate adopted in the preparation of these merged financial statements is A\$1 equals US\$0.798021.

(g) **Investment in Subsidiaries**

	US\$'000	US\$'000	US\$'000
Balance as per unaudited accounts	8,807	8,807	8,807
Pro forma adjustments	100% Zeta Shares	50% Split	100% Cash
Adjustment of currently owned shares	8,984	8,984	8,984
Addition of PPP shareholding	8,536	8,536	8,536
Total Pro forma adjustments	17,520	17,520	17,520
Total merged investment total in subsidiaries	26,327	26,327	26,327

(h) **Loans to Subsidiaries**

	US\$'000	US\$'000	US\$'000
Balance as per unaudited accounts	30,027	30,027	30,027
Pro forma adjustments	100% Zeta Shares	50% Split	100% Cash
Adjustment of currently owned shares to investment in Subsidiaries	(8,984)	(8,984)	(8,984)
Total pro forma adjustments	(8,984)	(8,984)	(8,984)
Total merged investment total in subsidiaries	21,043	21,043	21,043

(i) **Loan from parent**

	US\$'000	US\$'000	US\$'000
Balance as per unaudited accounts	(27,857)	(27,857)	(27,857)
Pro forma adjustments	100% Zeta Shares	50% Split	100% Cash
Funding by parent of allotment of Zeta Shares through the Scheme	-	(4,268)	(8,536)
Total pro forma adjustments	-	(4,268)	(8,536)
Total merged investment total in subsidiaries	(27,857)	(32,125)	(36,393)

(j) **Issued capital**

	US\$'000	US\$'000	US\$'000
Balance as per unaudited accounts	66,233	66,233	66,233
Pro forma adjustments	100% Zeta Shares	50% Split	100% Cash
New Zeta Shares issued	8,536	4,268	-
Total pro forma adjustments	8,536	4,268	-
Total merged investment total in subsidiaries	74,769	70,501	66,233

9. Risk factors

9.1 Introduction

If the Scheme is implemented, PPP Shareholders (other than Small Parcel Holders and Foreign Holders) will be entitled to receive the Scheme Consideration in the form of Zeta Shares. The value of Zeta Shares will be influenced by a number of factors, many of which will be beyond the control of the management of the Merged Entity.

This Section outlines:

- (a) risks related to the Scheme (refer to Section 9.2);
- (b) risks related to PPP if the Scheme does not proceed (refer to Section 9.3); and
- (c) risks related the Merged Entity (refer to Section 9.4).

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to the Merged Entity or the Scheme. Additional risks and uncertainties not currently known to Zeta or PPP may also have an adverse impact on the Merged Entity's business.

This Section does not take into account the investment objectives, financial situation, position or particular needs of PPP Shareholders. Each PPP Shareholder should consult their legal, financial or other professional adviser if they have any queries.

9.2 Risks related to the Scheme

- (a) **The Zeta Shares issued in connection with the Scheme may have a market value different than expected**

Pursuant to the Scheme, each Scheme Participant (other than Small Parcel Holders) will be entitled to receive the Scheme Consideration in the form of Zeta Shares. The value that such Scheme Participants may realise on the sale of the Zeta Shares issued as the Zeta Share Consideration will depend on the price at which the Zeta Shares trade on the ASX after the Implementation Date.

The market value of the Zeta Shares after the Implementation Date may vary significantly from the market value of the Zeta Shares immediately prior to the Announcement Date and at the date of this Scheme Booklet. If the market value of Zeta Shares declines, the value of the Zeta Share Consideration received by PPP Shareholders will decline as well. Variations may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Zeta, PPP and the Merged Entity, regulatory considerations, general market and economic conditions, changes in metal prices and other factors over which neither PPP nor Zeta has control.

- (b) **Completion of the Scheme is subject to several conditions that must be satisfied or waived**

Completion of the Scheme is subject to a number of conditions. There can be no certainty, nor can PPP provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of other conditions precedent to the Scheme which are outside the control of PPP or Zeta, including, but not limited to, approval of the Scheme by the Requisite Majority and required regulatory and third party approvals and consents (refer to Annexure 2).

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of PPP Shares may be adversely affected.

(c) **The Scheme Implementation Agreement may be terminated by PPP or Zeta in certain circumstances, in which case PPP may not be able to solicit an alternative transaction**

Each of PPP and Zeta has the right to terminate the Scheme Implementation Agreement in certain circumstances. Accordingly, there is no certainty that the Scheme Implementation Agreement will not be terminated by either PPP or Zeta before the implementation of the Scheme.

If the Scheme Implementation Agreement is terminated, there is no assurance that the PPP Board will be able to find a party willing to pay an equivalent or greater price for PPP Shares than the price to be paid pursuant to the terms of the Scheme Implementation Agreement.

(d) **The issuance of a significant number of Zeta Shares could adversely affect the market price of Zeta Shares**

If the Scheme is implemented, a significant number of additional Zeta Shares will be available for trading in the public market. The increase in the number of Zeta Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Zeta Shares.

(e) **Zeta is governed by Bermudan law**

As a company incorporated in Bermuda, Zeta is subject to the Bermuda Companies Act and is not subject to many provisions of the Corporations Act to which PPP is currently subject. It does, however, remain subject to some provisions of the Corporations Act as a result of its registration as a foreign company in Australia and to the Listing Rules as a result of its listing on ASX. This will result in reduced investor and shareholder protections following implementation of the Scheme.

It is important to note that there are significant differences between Australian company law and Bermudan company law including in relation to share capital, membership, payment of dividends and distributions, and protection of minority shareholders.

The Bermuda Companies Act does not provide the same level of shareholder rights and protection that a shareholder of an Australian incorporated company may be accorded. In particular, no takeover protection is provided by the Bermuda Companies Act. Where a person seeks to obtain control of the Company by acquiring Shares, under Bermuda law, Shareholders may not be granted a reasonable opportunity to participate in the benefits of any successful takeover or receive any compensation in the form of a “control premium” which would ordinarily be paid by a person obtaining control of an Australian incorporated company.

In addition, as a result of being incorporated in Bermuda, it may be more difficult for investors to enforce judgements obtained in the courts of Australia against the Company.

A comparison of some of the material provisions of Australian company law and Bermudan corporate law as they relate to PPP and Zeta respectively is in Section 10, along with a description of certain securities laws where applicable.

9.3 Risks related to PPP if the Scheme does not proceed

(a) **Acquiring new assets**

Following the sale of PPPV and its 5% participating interest in Block 07/03, PPP does not currently have any active operations. ASX has confirmed that it requires PPP, within a period of

six months from 16 June 2017, to demonstrate a sufficient level of operation to justify the continued quotation of its securities on ASX.

In the event that the Scheme is not implemented, PPP will be required to seek new investment or business opportunities. There is a risk that PPP may not be able to acquire a suitable project or business acquisition within the prescribed time period, or if it does, it may be required to "re-comply" with the requirements for listing in chapters 1 and 2 of the Listing Rules which may incur substantial costs. Any new investment or business acquisition may change the risk profile of PPP, particularly if the new investment is located in another jurisdiction, involving a new commodity and/or changes to PPP's capital/funding requirements.

(b) Litigation

All industries are subject to legal claims, with and without merit. Defence and settlement costs associated with litigation can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on PPP's financial condition.

As summarised in Section 6.5(b), the ANP terminated the PSC and has demanded payment of approximately US\$17m, net US\$2.6m to PPP (on a several basis). The joint venture has disputed the financial claim and the parties continue to discuss the financial liability of the joint venture, however, there is no guarantee the parties will reach an amicable settlement for a lesser amount or that the matter may be referred to arbitration.

The terms of the PSC state that any penalty is joint and several. If a settlement is reached or an arbitration tribunal ultimately makes an award against the joint venture on a joint and several basis, there is no guarantee that the other joint venture parties will pay their proportionate penalty. In those circumstances, PPP could be liable for up to the full award.

(c) Future capital and operating requirements

If PPP remains a stand-alone entity, it will continue to incur operating costs and it may require additional financial resources to acquire a suitable project, business acquisition or to fund such projects or business. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to PPP or PPP Shareholders. PPP may in the future raise additional funds through public or private financing.

If additional funds are raised through the issue of equity securities, the percentage ownership of the current PPP Shareholders may be reduced and such securities may, subject to requisite PPP Shareholder approval, have rights, preferences or privileges senior to those of the holders of PPP's securities then in issue.

If adequate funds are not available to satisfy either short or long-term capital requirements, PPP may be required to limit its operations significantly.

(d) PPP Shareholders will not receive the Scheme Consideration

If the Scheme is not implemented, PPP Shareholders will retain their PPP Shares and will not receive the Scheme Consideration. If the Scheme is not implemented, PPP will remain listed on ASX and will continue to operate its business. In those circumstances, PPP Shareholders will continue to be exposed to the risks and benefits of owning PPP Shares.

(e) PPP Share price may experience price and volume fluctuation and may fall

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the success of PPP. Share price fluctuations could result

from national and global economic and financial conditions, the market's response to the Scheme, changes in oil and gas prices, market perceptions of PPP, regulatory changes affecting the PPP's operations, variations in PPP's operating results, business development of PPP or its competitors and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of PPP's securities in the future if the Scheme does not proceed.

In addition, the PPP Directors believe that if the Scheme is not implemented, the PPP Share price may fall below its recent trading price.

(f) Transaction costs will be incurred

If the Scheme is not implemented, PPP's transactions costs will be borne by PPP alone, subject to any off-set by way of reimbursement fee payment from Zeta (if applicable).

9.4 Risks related to the Merged Entity

Scheme Participants that receive the Zeta Share Consideration will be exposed to the risks of the business operations of Zeta and the risks each of the entities which Zeta has an investment. Therefore, as a shareholder in Zeta, you will continue to be exposed to the underlying risks associated with the industry of PPP.

(a) Risks related to the holding of interests

The Merged Entity's business involves holding interests in companies in the mining and resources sectors. As a result, the Merged Entity is exposed to the risks which affect each of those companies. Given that the companies are involved in the mining and resources industry, many of those risks will include those discussed in this Section.

In addition, the Merged Entity will become subject to the country risk of each of the countries in which the companies it holds an interest in operate. These countries include Australia, East Timor, Egypt, Mali, Ghana, Namibia, New Zealand and India. Political changes, conflict and changes in government policies may impact the profitability and viability of the operations of those companies. Any such impact may have a knock on effect in relation to the Merged Entity.

(b) Litigation

All industries are subject to legal claims, with and without merit. Defence and settlement costs associated with litigation can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on the Merged Entity's future cash flow, results of operations or financial condition.

As summarised in Section 6.5(b), the ANP terminated the PSC and has demanded payment of approximately US\$17m, net US\$2.6m to PPP (on a several basis). The joint venture has disputed the financial claim and the parties continue to discuss the financial liability of the joint venture, however, there is no guarantee the parties will reach an amicable settlement for a lesser amount or that the matter may be referred to arbitration.

The terms of the PSC state that any penalty is joint and several. If a settlement is reached or an arbitration tribunal ultimately makes an award against the joint venture on a joint and several basis, there is no guarantee that the other joint venture parties will pay their proportionate penalty. In those circumstances, PPP could be liable for up to the full award.

(c) **Investment in publicly quoted securities**

The Merged Entity's investment in various listed companies in the mining and resources sectors may be difficult to realise. The value of the Merged Entity's investments may go down as well as up and the market price of the Merged Entity's investments may not reflect the underlying value of those investments. The Merged Entity may therefore realise less than, or lose all of, its investment.

(d) **Volatility of invested company share prices**

The share price of emerging companies quoted on stock exchanges can be highly volatile and shareholdings illiquid. The price at which the securities of the companies in which the Merged Entity invests are quoted and the price at which the Merged Entity may realise its investments in those companies may be influenced by a significant number of factors, some specific to those companies and their operations and some of which affect quoted companies generally. These factors could include the performance of those companies, large purchases or sales of the securities of those companies, legislative changes and general, economic, political or regulatory conditions.

(e) **Risk factors relating to the operations of the Merged Entity**

The Merged Entity may not realise the benefits currently anticipated due to challenges associated with integrating the business operations, exploration activities, technology and personnel of Zeta and PPP.

The success of the Merged Entity will depend in large part on the success of management of the Merged Entity in integrating the business operations, exploration activities, technologies and personnel of Zeta and PPP after the Effective Date. The failure of the Merged Entity to achieve such integration could result in the failure of the Merged Entity to realise any of the anticipated benefits of the Scheme and could impair the results of operations, profitability and financial results of the Merged Entity.

In addition, the overall integration of the business operations, exploration activities, technologies and personnel of Zeta and PPP into the Merged Entity may result in unanticipated operational problems, expenses, liabilities and diversion of management's attention.

(f) **Ability to raise additional capital**

The extent to which the Merged Entity will require additional capital (debt or equity) will depend upon, among other things, the degree to which it generates positive cash flows from its operations. There is a risk that any positive cash flows generated will not be sufficient to implement medium to long-term strategic objectives of the Merged Entity, in which case the Merged Entity may need to consider raising additional capital.

Such capital, if it is available, could be raised by way of the issue of additional equity or debt or other appropriate means determined by the Merged Entity. However, the Merged Entity's ability to raise capital (whether equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Merged Entity will vary according to a number of factors, including the Merged Entity's prior performance, success of exploration and development programs, any feasibility studies, capital market and industry conditions and the price of relevant commodities and exchange rates.

There is no assurance that the Merged Entity will be successful in obtaining required financing as and when needed. Volatile markets for commodities may make it difficult or impossible for the Merged Entity to obtain equity or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Merged Entity to postpone any

development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations, and impact on its ability to implement its planned strategy.

(g) General economic and financial conditions

The financial markets globally have experienced significant volatility and market participants have faced significant liquidity constraints since the onset of the global financial crisis, which began to unfold in the autumn of 2007 and worsened after August 2008. While Australia's economy has not been affected to the same extent as most other countries, the global financial turmoil has still affected Australia's economy, causing declines in debt and equity prices. A side effect of these events was an increased concern about the stability of the financial markets generally and the strength of counterparties, and many lenders and institutional investors reduced funding to borrowers, which significantly reduced the liquidity in the global financial system.

In response to the crisis, the governments of many countries, including Australia, took unprecedented actions to restore investor confidence, provide liquidity and support medium-term growth. While many countries, including Australia, have reported improvement of the situation in the financial markets, a further economic downturn could still occur, and additional state support measures might be required. Adverse changes arising from systemic risks in global financial systems could slow or disrupt the economies of many countries, thereby adversely affecting the Merged Entity's access to capital and the cost of capital and, more generally, its business, prospects, financial condition, cash flows and results of operations.

(h) Nature of mineral and oil & gas exploration and development

Mineral and oil & gas development is a speculative business, characterised by a number of significant uncertainties. For example, unprofitable efforts may result not only from the failure to discover mineral deposits or oil & gas fields but also from finding mineral deposits or oil & gas that are insufficient in quantity and/or quality to return a profit from production. Even deposits or fields that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining or drilling operation may fail to perform adequately. The marketability of commodities acquired or discovered by the Merged Entity may be affected by numerous factors which are beyond the Merged Entity's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining or drilling facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of commodities, and environmental protection, a combination of which may result in the Merged Entity not receiving an adequate return on invested capital.

While the discovery of a mineral structure or oil & gas may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines or wells. Major expenditures may be required to establish reserves by drilling, constructing, mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Merged Entity's projects or the current or proposed exploration programmes on any of the properties in respect of which the Merged Entity has, or will have, exploration rights will result in a profitable commercial operation.

The Merged Entity's operations will be subject to all the hazards and risks normally incidental to the exploration, development and production of precious metals, base metals and oil & gas, any of which activities could result in damage to life or property, environmental damage and possible legal liability for any or all damage caused. The Merged Entity's activities may be subject to prolonged disruptions due to adverse weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered during operations.

Development and operations of mines, oil & gas facilities and production and processing facilities may also be affected by mechanical difficulties, operational errors, labour disputes, damage to or shortage of equipment, earthquakes, fires or other natural disasters, civil unrest, leaks or pollution. These events are largely beyond the control of the Merged Entity.

Whether a mineral deposit or oil & gas field will be commercially viable depends on a number of factors, some of which are particular attributes of the deposit or field, proximity to infrastructure, financing costs and government regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals, base metals or oil & gas and environmental protection). The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Merged entity not receiving an adequate return on invested capital.

(i) **Commodity price volatility**

The market price of commodities including metals and oil & gas is volatile and beyond the Merged Entity's control and may adversely affect the feasibility or future profitability of potential projects. The level of interest rates, the rate of inflation, world supply of precious and base metals, oil & gas and stability of exchange rates can all cause significant fluctuations in precious and base metal and oil & gas prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

The decision to put a mine or an oil & gas field into production, and the commitment of the funds necessary for that purpose, must be made long before the first revenues from production will be received. Commodity price fluctuations as well as forecast production costs between the time that such a decision is made and the commencement of production can completely change the economics of any project. Although it is possible to protect against commodity price fluctuations by hedging in certain circumstances, the volatility of commodity prices represents a substantial risk in the mining and oil & gas industry generally, which no amount of planning or technical expertise can eliminate.

It is not possible to accurately predict future movements in commodity prices or supply and demand dynamics for the resources in which the Merged Entity operates or may, in the future, operate particularly in the current uncertain economic environment.

(j) **Key Personnel Risk**

In common with other services and businesses in this industry sector, the Merged Entity's business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Merged Entity is, and will continue to be to a significant extent, dependent on the expertise and experience of the key personnel and the loss of one or more of such key personnel could have a material adverse effect on the Merged Entity. The Merged Entity will compete with numerous other minerals and oil & gas companies (many of which have greater resources) and individuals for the recruitment and retention of qualified employees and contractors.

(k) **Insurance**

While the Merged Entity may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Merged Entity cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Merged Entity's earnings and competitive position in the future and, potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant

capital outlays, adversely affecting the Merged Entity's earnings and competitive position in the future and, potentially, its financial position.

(l) **Liquidity risk**

UIL is currently a major shareholder of Zeta and holds 85.5% of the Zeta Shares on issue. Following implementation of the Scheme, UIL will continue to be a major shareholder and will have at least a 66.75% shareholding interest in Zeta. It is therefore possible that the market for Zeta Shares will be less liquid than the market for PPP Shares. This may have the effect of reducing the volume of Zeta Shares that can be bought and sold on ASX and the speed at which they can be bought and sold. This reduced liquidity may also result in Zeta Shares trading at a discount to their inherent value.

(m) **Dividends**

Payment of future dividends by the Merged Entity will be at the discretion of the Merged Entity's Board after taking into account many factors, including, but not limited to, the Merged Entity's operating results, financial condition and current and anticipated cash needs. As a result, shareholders may have to rely on capital appreciation, if any, to earn a return on investment in Zeta Shares in the foreseeable future. Furthermore, the Merged Entity may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

(n) **Competition**

The resources industry is intensely competitive in all of its phases and the Merged Entity will compete with many companies possessing greater financial and technical resources than the Merged Entity. Competition in the resources industry is primarily for resource rich properties that can be developed and produced economically, the technical expertise to find, develop and operate such properties, the labour to operate the properties, and the capital for the purpose of funding such properties. Many competitors not only explore for resources, but conduct refining and marketing operations on a global basis. Such competition may result in the Merged Entity being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Merged Entity's prospects for resource exploration and success in the future.

(o) **Risks of future potential acquisitions**

In the future, as part of its growth strategy, the Merged Entity may acquire other companies or businesses, including mineral interests. Acquisitions by the Merged Entity may require the use of significant amounts of cash, dilutive issues of equity securities and the incurrence of debt, each of which could have a material adverse effect on the Merged Entity's business, results of operations, financial condition or the market price of Shares.

Acquisitions involve numerous risks, including difficulties with the assimilation of the operations of any acquired business or group and the diversion of management's attention from other business concerns. If such acquisitions do occur, there can be no assurance that the Merged Entity's business, results of operations or financial condition would not be materially and adversely affected thereby. The implementation of future acquisitions which the Merged Entity may wish to make could be affected by regulatory and other restraints and factors.

(p) **Environmental Risk**

The exploration for commodities, development of mines and oil & gas facilities, and production of metals or oil & gas can be hazardous to the environment and environmental damage may occur that is costly to remedy. If the Merged Entity is responsible for any environmental damage, the Merged Entity may incur substantial remediation costs or liabilities to third parties.

The Merged Entity will be involved in operations that may be subject to environmental and safety regulation (including regular environmental impact assessment and permitting). This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances for which the Merged Entity may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Merged Entity.

(q) **Currency risk**

Zeta reports its financial results and maintain its accounts in US dollars. The Merged Entity has interests in companies which are quoted on stock exchanges in Australia, Canada, New Zealand and the United Kingdom and will, therefore, be exposed to fluctuations in the value of the currencies in which those stocks are traded. There can be no assurance that the Merged Entity will not be materially and adversely affected by such fluctuations.

(r) **Taxation risks**

A change to the Australian taxation regime may affect PPP or PPP Shareholders. Personal tax liabilities are the responsibility of each individual shareholder. Further, should there be any changes in Bermudan tax law this could have an adverse cash impact on shareholders of Zeta.

(s) **Zeta Shares may experience price and volume fluctuations**

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the success of the Merged Entity. Share price fluctuations could result from national and global economic and financial conditions, the market's response to the Scheme, changes in base metal prices, market perceptions of the Merged Entity, regulatory changes affecting the Merged Entity's operations, variations in the Merged Entity's operating results, business development of the Merged Entity or its competitors and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be junior companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Merged Entity's securities in the future capital requirements.

(t) **Securities investment risks**

PPP Shareholders should be aware that there are risks associated with any securities investment. The market price of a publicly traded stock is determined by the stock market and will be subject to a range of factors in Australia and overseas, including economic growth, interest rates, exchange rates, inflation, employment levels, change in government, fiscal, monetary and regulatory policy in relevant jurisdictions. These factors may materially affect the market price of Zeta Shares, regardless of the Merged Entity's operational performance.

10. Summary of certain aspects of Bermuda law

If the Scheme is implemented, PPP Shareholders that receive the Zeta Share Consideration will receive and hold shares in a company incorporated in Bermuda, rather than a company incorporated in Australia. As a company incorporated in Bermuda, Zeta:

- (i) will be subject to the provisions of the Bermuda Companies Act, and will not be subject to many provisions of the Corporations Act; and
- (ii) will be subject to Bermuda taxation laws, which may have different consequences for PPP Shareholders than Australian taxation laws.

A summary of the significant provisions of the Bermuda Companies Act to which Zeta will be subject, and some of the key differences from the equivalent provisions of the Corporations Act is provided in Sections 10.1 and 10.2 respectively. A summary of Bermuda tax considerations that are relevant to holding shares in a company incorporated in Bermuda is provided in Section 10.3.

10.1 Summary of certain provisions of Bermuda law

Below is a summary of certain provisions of Bermudan company law. As a number of these provisions are capable of being qualified by the constitutive documents of a company, it is important that this summary be read in conjunction with the memorandum of association and bye-laws of Zeta. Copies of PPP's constitution and Zeta's bye-laws are available for inspection and comparison at PPP's registered office during normal business hours.

The following statements are summaries, and they do not address all aspects of Bermudan law that may be relevant to Zeta or its shareholders.

(a) Duties of directors

The bye-laws of Zeta provide that its business is to be managed and conducted by the Zeta Board. At common law, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements:

- (i) a duty to act in good faith in the best interests of the company;
- (ii) a duty not to make a personal profit from opportunities that arise from the office of director;
- (iii) a duty to avoid conflicts of interest; and
- (iv) a duty to exercise powers for the purpose for which such powers were intended.

The Bermuda Companies Act also imposes a duty on directors and officers of a Bermudan company to:

- (i) act honestly and in good faith with a view to the best interests of the company; and
- (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company.

(b) **Challenging the actions of directors**

Directors and officers of a Bermudan company generally owe fiduciary duties to the company, and not to the company's individual shareholders. Zeta Shareholders may not have a direct cause of action against Zeta's directors (see "Shareholders' suits" below).

(c) **Shareholders' suits**

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermudan courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

The bye-laws of Zeta contain a provision by virtue of which its shareholders waive any claim or right of action that they have, both individually and on Zeta's behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer.

(d) **Interested directors**

Bermuda law and Zeta's bye-laws provide that if a director has an interest in a material contract or proposed material contract with Zeta or any of its subsidiaries or has a material interest in any person that is a party to such a contract, the director must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the directors. Zeta's bye-laws provide that, after a director has made such a declaration of interest, he is allowed to be counted for the purpose of determining whether a quorum is present and to vote on a transaction in which he has an interest, unless disqualified from doing so by the chairman of the relevant board meeting.

(e) **Indemnification of directors**

Section 98 of the Bermuda Companies Act provides generally that a Bermudan company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermudan company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favour or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act.

Zeta's bye-laws provide that it indemnifies its officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty in relation to the company. Such bye-laws further provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of Zeta's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of

any fraud or dishonesty of such director or officer. Section 98A of the Bermuda Companies Act permits Zeta to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not Zeta may otherwise indemnify such officer or director.

(f) Inspection of corporate records

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association. The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented to the annual general meeting. The register of shareholders of a company is also open to inspection by shareholders and by members of the general public without charge. The register of shareholders is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of shareholders for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. A company is also required to file with the Registrar of Companies in Bermuda a list of its directors to be maintained on a register, which register will be available for public inspection subject to such conditions as the Registrar may impose and on payment of such fees as may be prescribed. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Where a company, the shares of which are listed on an appointed stock exchange (such as ASX), sends its summarised financial statements to its shareholders pursuant to section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarised financial statements) must be made available for inspection by the public at the company's registered office.

(g) Voting rights and quorum requirements

Under Bermuda law, the voting rights of shareholders are regulated by the company's bye-laws and, in certain circumstances, by the Bermuda Companies Act. Pursuant to Zeta's bye-laws, the quorum required for a general meeting of shareholders is two or more persons entitled to vote present in person or by proxy throughout the meeting. Generally, except as otherwise provided in the bye-laws, or the Bermuda Companies Act, any action or resolution requiring approval of the shareholders may be passed by a simple majority of votes cast.

Any individual who is a shareholder of Zeta and who is present at a meeting may vote in person, as may any corporate shareholder that is represented by a duly authorised representative at a meeting of shareholders. Zeta's bye-laws also permit attendance at general meetings by proxy, provided the instrument appointing the proxy is in the form specified in the bye-laws or such other form as the Zeta Board may determine. Under Zeta's bye-laws, each holder of ordinary shares is entitled to one vote per ordinary share held.

(h) Approval of corporate matters by written resolution

The Bermuda Companies Act and Zeta's bye-laws provide that shareholders may take action by written resolution. A resolution in writing is passed when it is signed by the shareholders of the company who at the date of the notice of the resolution represent such majority of votes as would be required if the resolution had been voted on at a meeting or when it is signed by all the shareholders of the company or such other majority of shareholders as may be provided by the bye-laws of the company.

(i) **Variation of rights attaching to shares**

Pursuant to Zeta's bye-laws, if, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of 75% of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. Zeta's bye-laws further provide the rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of such shares or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(j) **Transfer of shares**

The Zeta Board may refuse to register any transfer of uncertificated shares where the Listing Rules so permit and shall refuse to register any transfer of shares where the Listing Rules so require or where the transfer is in breach of the Listing Rules or the Bermuda Companies Act.

The permission of the Bermuda Monetary Authority is required, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of shares of Bermuda companies (which, subject to the below would otherwise include Zeta Shares) to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission. The Bermuda Monetary Authority, in its notice to the public dated 1 June 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermudan company from and/or to a non-resident of Bermuda for exchange control purposes for so long as any "Equity Securities" of the company (which includes Zeta Shares) are listed on an "Appointed Stock Exchange" (which includes ASX).

(k) **Calling of shareholders meetings**

Unless the shareholders of a company have elected by shareholder resolution to waive the requirement, under Bermuda law, a company is required to convene at least one general meeting of shareholders each calendar year. Bermuda law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. Zeta's bye-laws provide that the President or the Chairman (if any), or any two directors, or any director and the company secretary, or the board of directors, may convene an annual general meeting or a special general meeting. Under Zeta's bye-laws, at least 21 days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting. The quorum required for a general meeting of shareholders is two or more persons entitled to vote present in person or by proxy throughout the meeting.

(l) **Dividends**

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realisable value of its assets would thereby be less

than its liabilities. Under Zeta's bye-laws, each ordinary share is entitled to dividends if, as and when, dividends are declared by the Zeta Board, subject to any preferred dividend right of the holders of any preference shares.

(m) **Shareholder proposals**

Shareholder(s) may, as set forth below and at their own expense (unless the company otherwise resolves), require the company to: (i) give notice to all shareholders entitled to receive notice of the annual general meeting of any resolution that the shareholder(s) may properly move at the next annual general meeting; and/or (ii) circulate to all shareholders entitled to receive notice of any general meeting a statement in respect of any matter referred to in the proposed resolution or any business to be conducted at such general meeting. The number of shareholders necessary for such a requisition is either: (i) any number of shareholders representing not less than 5% of the total voting rights of all shareholders entitled to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders.

(n) **Amalgamations, mergers and business combinations**

The amalgamation or merger of a Bermudan company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons at least holding or representing more than one-third of the issued shares of the company (or class, as the case may be).

Under Bermuda law, in the event of an amalgamation of a Bermudan company with another company or corporation, a shareholder of the Bermudan company who did not vote in favour of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the shareholders' meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Each share of an amalgamating or merging company carries the right to vote in respect of an amalgamation or merger whether or not it otherwise carries the right to vote.

(o) **Takeovers**

An acquirer of a Bermudan company is generally able to acquire compulsorily the ordinary shares of minority holders in the following ways:

- (i) By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of ordinary shares, representing in the aggregate a majority in number and at least 75% in value of the ordinary shareholders present and voting at a court ordered meeting held to consider the scheme or arrangement. The scheme of arrangement must then be sanctioned by the Supreme Court of Bermuda. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of ordinary shares could be compelled to sell their shares under the terms of the scheme of arrangement.
- (ii) If the acquiring party is a company it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the "offeror"), or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares

to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

- (iii) Where one or more parties holds not less than 95% of the shares or a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

(p) **Transactions requiring shareholder approval**

The types of "transactions" that require shareholder approval under Bermuda law are determined on a case by case basis and are governed by the Bermuda Companies Act and Zeta's bye-laws. Generally speaking, the following types of transactions will require shareholder approval: amalgamations, business combinations, mergers, schemes of arrangement, compromises among creditors and/or members, voluntary liquidations, certain repurchases of shares, certain alterations of capital and variations of the rights attaching to shares. The above does not purport to be an exhaustive list but sets out common transactions which require shareholder approval.

(q) **Disclosure of periodic financial information**

The Bermuda Companies Act requires that a Bermudan company make available to members the financial statements for the relevant accounting period. This requirement may be waived if all of the members and all of the directors of the company agree. Subject to certain exceptions provided in the Bermuda Companies Act, a company must send to every member a copy of financial statements, prepared in accordance with generally accepted accounting principles and containing all such information and documents as required by the Bermuda Companies Act (**Financial Statements**), at least five days before the general meeting of the company at which the Financial Statements are to be tabled.

A Bermudan company listed on an appointed stock exchange may send to its members summarised financial statements derived from the Financial Statements for the relevant period instead of the Financial Statements. The summarised financial statements must include a summarised report of the Financial Statements. The summarised financial statements must be sent to members not less than 21 days before the general meeting at which the Financial Statements are to be tabled, and a copy of the summarised financial statements must be made available for inspection by the public at the company's registered office. The company must also make a copy of the full Financial Statements available for inspection by the public at the company's registered office. Summarised financial statements must be accompanied by a notice informing members how they may elect to receive the company's Financial Statements.

(r) **Information to be sent to security holders**

A Bermudan company must provide to its shareholders notices of general meetings, the financial statements of the company and other documents as required under the Bermuda Companies Act.

10.2 Comparison of Australian and Bermuda legal regimes

The summary below is a comparison of some of the material provisions of Australian company law and Bermudan corporate law as they relate to PPP and Zeta respectively. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing shares subject to these laws. The laws, regulations, policies and procedures described below are subject to change from time to time.

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Rights attaching to shares		
Share Capital	Under Australian law there is no concept of authorised capital or par value.	Under Bermuda law, issued share capital is the aggregate par value of the company's issued shares, and the share premium account is the aggregate amount paid for issued shares over and above their par value. Par value is the base amount of each share.
Purchase of own shares	<p>Under the Corporations Act, PPP may buy-back its shares under a specific buy-back scheme:</p> <ul style="list-style-type: none"> • if the buy-back does not materially prejudice PPP's ability to pay its creditors; and • PPP follows the procedures prescribed in the Corporations Act. <p>Share buy-backs that intend to buy-back more than 10% of the votes attaching to the smallest number of shares in the previous 12 months require approval by PPP's Shareholders by way of ordinary resolution.</p> <p>The form of shareholder approval (e.g. ordinary resolution or special/unanimous resolution), if required, and the notice period and disclosure requirements to be given to PPP Shareholders will depend on the type of buy-back. Generally, buy-back schemes can be characterised as minimum holding, equal access, selective, on-market or relating to employee share schemes.</p>	<p>Under Bermuda law, a company has the power, subject to its bye-laws, to purchase its own shares. A company may not purchase its own shares if on the date the purchase is to be effected, there are reasonable grounds for believing the company is, or after the purchase would be, unable to pay its liabilities as and when they become due. A purchase by a company of its own shares may be authorised by the company's board of directors.</p> <p>Pursuant to its bye-laws, Zeta has the power to purchase its own shares.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Transfer of shares	<p>Under PPP's constitution, the Directors may refuse to register any transfer of PPP Shares where the Listing Rules permit PPP to do so. The Directors will refuse to register any transfer of PPP Shares where:</p> <ul style="list-style-type: none"> • the Corporations Act or the Listing Rules require PPP to do so, or the transfer is in breach of the Listing Rules; or • those PPP Shares are restricted securities and the transfer is in breach of any restriction agreement in respect of those PPP Shares. 	<p>Subject to the bye-laws, both Certificated Shares and Uncertificated Shares, which are not Restricted Securities may be transferred.</p> <p>In respect of Certificated Shares:</p> <ul style="list-style-type: none"> • Zeta Directors may refuse to register any transfer where the shares are not fully paid, • Zeta Directors shall refuse to register any transfer where all necessary consents and approval in Bermuda have not been obtained; and • the Listing Rules require Zeta to do so, or the transfer is in breach of the Listing Rules; or <p>in any such case as are permitted under the Bermuda Companies Act.</p> <p>In respect of Uncertificated Shares</p> <ul style="list-style-type: none"> • Zeta Directors may refuse to register any transfer where the Listing Rules so permit, and • Zeta Directors shall refuse to register any transfer where the Listing Rules so require.
Voting rights	<p>Under PPP's constitution, generally, each PPP Shareholder has one vote on a show of hands and, on a poll, one vote for each share fully paid and if not fully paid, a fraction of a vote equivalent to the portion of the share paid up.</p>	<p>Subject to Zeta's bye-laws the holders of ordinary shares are entitled to one vote on a show of hands and, on a poll, one vote for each share fully paid and if not fully paid, a fraction of a vote equivalent to the portion of the share paid up.</p> <p>Holders of Restricted Securities with an entitlement to vote shall not be entitled to vote on any resolution whether on a show of hands or a poll in respected of those Restricted Securities during a breach of the Listing Rules or in relation to a breach of the restriction agreement relating to such shares.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Dividends and distribution	<p>Under PPP's constitution, the Directors may determine that a dividend, whether interim or final, is payable to the PPP Shareholders. The Directors may fix the amount of the dividend, the record date for determining entitlements to, and for the payment of, a dividend and the method of payment of a dividend.</p> <p>Under the Corporations Act, PPP must not pay a dividend unless:</p> <ul style="list-style-type: none"> • PPP's assets exceed its liabilities immediately prior to the dividend declaration (and the excess is sufficient for the payment of the dividend); • the payment of the dividend is fair and reasonable to the PPP Shareholders as a whole; and • the payment of the dividend does not materially prejudice PPP's ability to pay its creditors. 	<p>Under the Bermuda Companies Act, a company may not declare or pay dividends if there are reasonable grounds for believing that:</p> <ul style="list-style-type: none"> • the company is, or would after the payment be, unable to pay its liabilities as they become due; or • that the realisable value of its assets would thereby be less than its liabilities (the "Bermudan Dividend Test"). <p>The Zeta Board may (subject to the Zeta bye-laws and the Bermuda Dividend Test) declare a dividend to Zeta Shareholders in proportion to their shares and such dividend may be paid in cash or specie.</p> <p>The Zeta Board may fix the amount of the dividend, the record date for determining entitlements to, and for the payment of, a dividend and the method of payment of a dividend.</p> <p>If a breach of the Listing Rules occurs, any Zeta Shareholders holding Restricted Securities will cease to be entitled to any dividends or distributions for as long as the breach remains.</p>
Variation of class rights	<p>Under PPP's constitution, if at any time the share capital of PPP is divided into different classes of PPP shares, the rights attached to any class may be varied or cancelled (unless otherwise provided by the constitution or by the terms of the issue of that class of PPP Shares) with the consent in writing of holders of the PPP Shares included in that class who are entitled to at least 75% of the votes that may be cast in respect of those PPP Shares or by a special resolution passed at a separate meeting of the PPP Shareholders included in that class.</p>	<p>If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Zeta is being wound-up, be varied with the consent in writing of the holders of 75% of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons holding or representing by proxy at least one-third of the issued shares of the class.</p> <p>The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
		shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
Access to share register	<p>Under the Corporations Act a shareholder has a right to inspect and request a copy of the register of members. A company must give a person a copy of the register within seven days of an application. Such an application must state each purpose for which the person is accessing a copy.</p> <p>The purpose must not be a prescribed purpose under the Corporations Act, which includes:</p> <ul style="list-style-type: none"> • soliciting a donation from a member of a company; • soliciting a member of a company by a person who is authorised to assume or use the word stockbroker or sharebroker in accordance with section 923B of the Corporations Act; • gathering information about the personal wealth of a member of a company; or • making an unsolicited offer to purchase a financial product made by a person. <p>Further, a person must not use information about a person obtained from a register to contact or send material to the person, or knowingly disclose such information for that purpose. However, that prohibition does not apply if the use of the information is relevant to the holding of the interests recorded in the register or the exercise of the rights attached to them. Similarly the prohibition does not apply if the company approves the use or disclosure of the information to contact or send material to the persons.</p>	<p>Pursuant to the Bermuda Companies Act, the register of members of Zeta is open to inspection by Zeta Shareholders and by members of the general public without charge.</p> <p>The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). Zeta is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Capital raising		
Issue of shares	Under PPP's constitution, unissued PPP shares are under the control of the directors who, subject to the Corporations Act, the Listing Rules and any rights from the time being attached to any special class of PPP shares may, on behalf of PPP, allot, issue or otherwise dispose of those unissued PPP shares to such persons, for such price, on such conditions, at such times and with such preferred, deferred or other special rights or special restrictions, whether with regard to dividend, voting, return of capital, participant in the property of PPP on a winding up or otherwise, as the Directors think fit.	Subject to Zeta's bye-laws and any resolution of the Zeta Shareholders, the Zeta Board has the power to issue any unissued shares on such terms and conditions as they determine. In addition, any preference shares may be issued or converted into shares that (at a determinable date or at the option of Zeta or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Zeta Board (before the issue or conversion).
Continuous disclosure	Under the Listing Rules, PPP is required to disclose to ASX any information concerning PPP that a reasonable person would expect to have a material effect on the price or the value of its shares (or options).	The Bermuda Companies Act does not contain any provisions regarding the disclosure of material information. However, as an entity listed on ASX, Zeta is subject to the provisions of Chapter 3 of the Listing Rules and Chapter 6CA of the Corporations Act, regarding continuous disclosure.
Directors		
Number of directors	Under PPP's constitution, the number of Directors must be not less than three or more than seven. Under the Corporations Act at least two directors of PPP must reside in Australia.	Pursuant to the bye-laws, the number of Zeta Directors must not be less than three and not more than ten. The Zeta Board is authorised to fix the number of Zeta Directors up to the maximum of ten Zeta Directors from time to time. At least one of the Zeta Directors shall not be an employee of Zeta or any other entity in the Zeta Group.
Directors' remuneration	Under PPP's constitution, the remuneration of Director may be: <ul style="list-style-type: none"> a stated salary or a fixed sum for attendance at each meeting of Directors or both; or a share of a fixed sum determined by PPP to be the remuneration payable to all Directors which is to be divided between the Directors in the 	The remuneration (if any) of the Zeta Directors who do not hold executive office for their services shall not exceed in aggregate US\$200,000 per annum or such higher amount (the "Maximum") as may be determined by the Zeta Shareholders in a Zeta general meeting from time to time. The Zeta Directors may also be paid all travel, hotel and other expenses

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<p>proportions agreed or equally, and if it is a stated salary, the remuneration will accrue from day to day.</p> <p>Under PPP's constitution the remuneration of the executive directors must not be by way of commission on, or percentage of, profits or operating revenue.</p>	<p>properly incurred by them in attending and returning from the meetings of the Zeta Board, any committee appointed by the Zeta Board, general meetings, or in connection with the business of Zeta or their duties as Zeta Directors generally.</p> <p>Provided that the aggregate remuneration paid to the non-executive directors does not exceed the Maximum, the Zeta Board will determine:</p> <ul style="list-style-type: none"> the amount of remuneration to be paid to, or applied for the benefit of, each non-executive Zeta Director; and the proportions and the manner in which such remuneration will be paid or applied, <p>and until so determined, the aggregate fixed sum will be paid to the non-executive directors equally.</p>
Powers of the Board	<p>Under PPP's constitution, the business of PPP is to be managed by the PPP Board, and the PPP Board may exercise each and every right, power or capacity of PPP, which PPP is authorised or permitted to exercise and do and which are not by PPP's constitution, or by statute directed or required to be exercised or done by PPP in general meeting.</p>	<p>Pursuant to Zeta's bye-laws, the Zeta Board is to manage the business of Zeta and to exercise all powers of the company that are not by the Bermuda Companies Act or the bye-laws required to be exercised by the Zeta Shareholders in general meeting.</p>
Transactions involving directors, officers and other related parties	<p>Under the Corporations Act, PPP is prohibited from giving related parties (including Directors) a financial benefit unless it:</p> <ul style="list-style-type: none"> obtains the approval of PPP Shareholders and gives the benefit within 15 months after approval; or the financial benefit is exempt (such as benefits given on arms' length terms). <p>A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and</p>	<p>Under Bermuda law and Zeta's bye laws, a director must disclose to the company if that director has an interest in a material contract or proposed material contract with the company or any of its subsidiaries. A director is not precluded from voting at meetings of the board by reason of having a material personal interest in the subject matter under consideration by the board.</p> <p>The Bermuda Companies Act does not contain any provisions relating to dealings with directors, other than the requirement to disclose interests noted above, or controlling</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<p>certain relatives of such persons.</p> <p>Under the Listing Rules, listed companies such as PPP are prohibited from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the company unless it obtains the approval of shareholders. The related parties include a director, a person who has or has had in the prior 6 month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's length terms.</p> <p>Additionally, the Listing Rules prohibit a company such as PPP from issuing (or agreeing to issue) shares to a director unless it obtains the approval of shareholders or the share issue is exempt (such as pro rata issues to all shareholders, an underwriting agreement or under a dividend or distribution plan).</p> <p>Under the Corporations Act, a director who has a material personal interest in a matter that relates to the affairs of a company must give the other directors notice of that interest.</p> <p>A director who has a material personal interest in a matter must not be present at a meeting where the matter is being considered or vote on the matter unless:</p> <ul style="list-style-type: none"> • the interest did not need to be disclosed in certain prescribed circumstances; • the directors who do not have a material personal interest have passed a resolution that, identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the company and states that those directors are satisfied that the interest should not disqualify the director from 	<p>shareholders</p> <p>The Bermuda Companies Act contains limited restrictions on related party transactions.</p> <p>However, as an entity listed on the ASX, Zeta will be subject to the restrictions on related party transactions contained in Chapter 10 of the Listing Rules following implementation of the Scheme.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<p>voting or being present; or</p> <ul style="list-style-type: none"> ASIC approves. <p>Directors of PPP, when entering into transactions with PPP, are subject to the common law and statutory duties to avoid conflicts of interest imposed by Australian law.</p>	
Removal of directors	<p>Under the Corporations Act, PPP Shareholders may remove a director by passing a resolution to do so at a general meeting. A notice of intention to move the resolution must be given to PPP at least two months before the meeting is to be held. However, if PPP calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than two months after the notice of intention is given.</p>	<p>Zeta Shareholders entitled to vote for the election of a Zeta Director may, at any special general meeting remove a Zeta Director provided that:</p> <ul style="list-style-type: none"> the notice of any such meeting convened for the purpose of removing a director shall contain a statement of the intention to do so; be served on such Zeta Director not less than 14 days before the meeting; and at such meeting the Zeta Director shall be entitled to be heard on the motion for such director's removal. <p>Zeta Shareholders may fill the vacancy at the meeting at which such Zeta Director is removed and in the absence of such election or appointment, the Zeta Board may fill the vacancy.</p>
Rotation of directors	<p>Under the Listing Rules, the Directors of PPP, other than the managing director, are to retire by rotation.</p> <p>Under PPP's constitution, at every annual general meeting, one third of the directors (other than the managing director) or, any director who, if that director did not retire at that annual general meeting, would at the next annual general meeting, have held that office for more than three years, must automatically retire from office. Such directors are entitled to be re-elected.</p>	<p>All Zeta Directors who are subject to retirement (a "Retirement Director") by rotation must retire from office no later than the longer of the third annual general meeting or three years following that director's last election or appointment provided that if Zeta has three or more Retirement Directors, one-third of the Retirement Directors must retire at each annual general meeting. If the Company has less than three directors, one Retirement Director must retire at each annual general meeting. Such directors are entitled to be re-elected.</p> <p>A managing director will not be subject to retirement.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Retirement benefits	<p>Under the Corporations Act, PPP is allowed to pay benefits to Directors and officers on their retirement or termination. Such benefits require shareholder approval in certain circumstances.</p> <p>Under the Listing Rules, termination benefits to Directors (that are or may be payable to all officers) must not exceed 5% of the equity interests of PPP as set out in its latest financial statements given to ASX. The 5% limit may however be exceeded with shareholder approval.</p>	<p>No additional Bermuda law requirements. Retirement benefits are subject to the Listing Rules.</p>
Indemnification of directors and officeholders	<p>Under the Corporations Act, indemnification of PPP's Directors against specific liabilities is prohibited. These are liabilities:</p> <ul style="list-style-type: none"> • owed to a company or a Related Body Corporate; • for a pecuniary penalty order or a compensation order; or • that is owed to someone other than a company or a Related Body Corporate and did not arise out of conduct in good faith. <p>Additionally, under the Corporations Act an indemnity for legal costs in specific circumstances (such as where an officer is liable, found guilty or where the grounds for a court order have been made out) is prohibited. Payments by PPP of insurance premiums which cover conduct that involves a wilful breach of duty or a breach of certain statutory directors duties is also prohibited under the Corporations Act.</p>	<p>The Bermuda Companies Act provides generally that a Bermudan company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Directors' liability	Under the Corporations Act, there is a general prohibition on PPP or a related body corporate exempting officers from liability.	Under Bermuda law, a Bermudan company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Pursuant to Zeta's bye-laws, Zeta may indemnify the Zeta Board except for instances of fraud or dishonesty.
Directors' duties	<p>Under Australian law, the Directors of PPP have certain fiduciary obligations to PPP. These fiduciary obligations include:</p> <ul style="list-style-type: none"> • a duty to act in good faith in the best interests of the company; • a duty to act for a proper purpose; • a duty not to fetter their discretion; • a duty to exercise reasonable care and diligence; • a duty to avoid conflicts of interest; • a duty not to use their position to their advantage; and • a duty not to misappropriate company property. 	<p>Under Bermuda common law, the Zeta Board owe a fiduciary duty to Zeta to act in good faith in their dealings with or on behalf of Zeta and exercise their powers and fulfil the duties of their office honestly.</p> <p>This duty includes the following elements:</p> <ul style="list-style-type: none"> • a duty to act in good faith in the best interests of Zeta; • a duty not to make a personal profit from opportunities that arise from the office of director; • a duty to avoid conflicts of interest; and • a duty to exercise powers for the purpose for which such powers were intended. <p>The Bermuda Companies Act also imposes a duty on directors and officers of a Bermudan company to:</p> <ul style="list-style-type: none"> • act honestly and in good faith with a view to the best interests of the company; and • exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. <p>In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Nomination of directors	Under PPP's constitution, PPP is required to accept nominations for the election of its directors up to 35 Business Days before the date of a general meeting at which the directors are elected.	No additional Bermuda requirements. The Listing Rules in relation to nomination of directors will apply.
Casual vacancies	<p>Under PPP's constitution, the PPP Board is authorised to appoint a person to fill a casual vacancy, or as an addition to the PPP Board.</p> <p>Under the Listing Rules, any such appointed director may hold office only until the next annual general meeting of PPP. They will then be eligible for election at that meeting but will not be taken into account in determining the number of directors who are to retire by rotation at that meeting.</p>	<p>Pursuant to the Bye-laws:</p> <ul style="list-style-type: none"> if a Zeta Director is removed from the Zeta Board, Zeta Shareholders may fill the vacancy at the meeting at which such Zeta Director is removed. In the absence of such election or appointment, the Zeta Board may fill the vacancy; and Zeta Shareholders or the Zeta Board shall have the power to appoint any person as a Zeta Director to fill a vacancy on the Zeta Board occurring as a result of the death, disability, disqualification or resignation of any Zeta Director or as a result of an increase in the size of the Zeta Board and to appoint an alternate director to any Zeta Director so appointed.
Corporate governance	The structures of the PPP Board and PPP's corporate policies as a whole, must comply with the requirements of the Listing Rules in relation to corporate governance.	No additional Bermuda requirements. As Zeta is listed on the ASX, the Listing Rules in relation to corporate governance will apply.
Insider trading	Under the Corporations Act, any person who possesses price sensitive information relating to PPP or its securities is prohibited (subject to exceptions) from buying or selling those securities or procuring others do so, or from communicating the information to third parties.	<p>There are two applicable sources of restrictions on insider trading in Bermuda - the Bermuda Stock Exchange ("BSX") Regulations and the Criminal Code 1907 (as amended from time to time), (the "Code") each of which only pertain to shares, debentures, instruments giving entitlement to investments, units in collective investment schemes, certificates representing investments, options, futures, interests in a partnership, and contracts for differences which are listed on the BSX.</p> <p>As Zeta is listed on the ASX, insider trading would only be applicable to Zeta in Bermuda under the Code.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Members' meetings		
Quorum of shareholders	Under PPP's constitution, the quorum for a general meeting of PPP Shareholders is two PPP Shareholders entitled to vote.	Pursuant to Zeta's bye-laws and provided the Zeta has more than one shareholder, the quorum for a general meeting of Zeta members is two persons who are entitled to vote and who are present in person or by proxy throughout the meeting.
Annual general meeting	Under the Corporations Act, the annual general meeting of PPP is required to be held at least once every calendar year and within five months after the end of each financial year (unless an extension is granted by ASIC).	Under Bermuda law, a company may elect to waive the requirement to convene at least one general meeting of shareholders each calendar year.
Notice of shareholders meetings	<p>Under the Corporations Act, not less than 28 days' notice of a general meeting must be given to PPP Shareholders.</p> <p>The notice of a meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting.</p>	<p>Zeta's bye-laws provide that the chairman or Zeta Board may convene an annual general meeting or a special general meeting. Under Zeta's bye-laws, at least 21 days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed:</p> <ul style="list-style-type: none"> • in the case of an annual general meeting, by all of the shareholders entitled to attend and vote at such meeting; or • in the case of a special general meeting, by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting.
Calling meetings	<p>Under the Corporations Act, a general meeting of PPP Shareholders may be called by individual Directors, or by PPP Shareholders holding at least 5% of the total votes that may be cast at the meeting, or at least 100 members who are entitled to vote.</p> <p>Additionally, under PPP's constitution, the PPP Board is given the power to convene a general</p>	<p>Any meeting called by Zeta Shareholders that is not an annual general meeting is a special general meeting.</p> <p>Bermuda law provides that a special general meeting of shareholders may be called by the Zeta Board and must be called upon the request of the shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	meeting at any time.	general meetings.
Shareholder proposed resolutions	Under the Corporations Act, PPP Shareholders holding at least 5% of the votes that may be cast at a general meeting, or at least 100 PPP Shareholders who are entitled to vote at the meeting may, by written notice to the company, propose a resolution for consideration at the next general meeting occurring more than two months' after the date of their notice.	Under the Bermuda Companies Act, on the requisition in writing of: <ul style="list-style-type: none"> • either any number of Zeta Shareholders representing not less than one-twentieth of the total voting rights of all Zeta Shareholders with a right to vote at the meeting; or • not less than one hundred Zeta Shareholders, the company must give: <ul style="list-style-type: none"> • to Zeta Shareholders entitled to receive notice of the next annual general meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting; and • to circulate to Zeta Shareholders entitled to have notice of any general meeting, sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.
Passing resolutions at a general meeting	Under Australian law, a resolution at a general meeting of PPP Shareholders is to be passed by a simple majority of votes cast by the PPP Shareholders present and voting at the meeting.	A resolution at a general meeting of the Zeta Shareholders is to be passed by simple majority of votes cast by the Zeta Shareholders present and voting at the meeting.
Special resolutions	Under the Corporations Act, a special resolution is to be passed by 75% of the votes cast by PPP Shareholders present and voting on the resolution. Approval by special resolution of PPP Shareholders is required for actions such as: <ul style="list-style-type: none"> • modifying or repealing a company's constitution; • changing a company's name or type; • selectively reducing or buying back capital (in some circumstances); 	Passing a resolution at a special general meeting of Zeta Shareholders is to be passed by the affirmative of the majority votes cast by Zeta Shareholders present and voting at the meeting.

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<ul style="list-style-type: none"> giving financial assistance in connection with the acquisition of shares in a company; and undertaking a voluntary winding up of a company. 	
Attending meetings	<p>PPP Shareholders entitled to vote at a meeting of shareholders can vote:</p> <ul style="list-style-type: none"> by attending the shareholder meeting and voting in person; by appointing an attorney to attend the shareholder meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or by appointing a proxy to attend the shareholder meeting and vote on their behalf. 	<p>Zeta Shareholders entitled to vote at a meeting of shareholders can vote:</p> <ul style="list-style-type: none"> by attending the shareholder meeting and voting in person; in the case of corporate shareholders, by appointing a corporate representative to attend the meeting and vote on its behalf; or by appointing a proxy to attend the shareholder meeting and vote on their behalf.

Relationship between the company and its shareholders

Derivative action and shareholder class action	<p>Under the Australian common law, PPP Shareholders do not have the right to bring a common law action on behalf of PPP.</p> <p>Under the Corporations Act, a statutory derivative action may be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder. In all cases, leave of the court is required. Such leave will be granted if:</p> <ul style="list-style-type: none"> it is probable that the company will not itself bring the proceedings or properly take responsibility for them; the applicant is acting in good faith; it is in the best interests of the company; there is a serious question to be tried; and either: <ul style="list-style-type: none"> at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave 	<p>Class actions and derivative actions are generally not available to shareholders under the Bermuda Companies Act. As mentioned in Section 10.1(c) above, the Bermudan courts would ordinarily be expected to permit a shareholder to commence an action in the name of the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in a violation of the company's bye-laws.</p>
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	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<p>and of the reasons for applying; or</p> <ul style="list-style-type: none"> ○ it is otherwise appropriate for the court to grant leave. 	
Relief from oppression	<p>Under the Corporations Act, any shareholder can bring an action in cases of conduct which is either contrary to the interests of PPP shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any PPP Shareholders in their capacity as a shareholder, or themselves in a capacity other than as a shareholder. Former PPP Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.</p>	<p>Under Bermuda law, when the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholder may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.</p>
Statutory rights of action for misrepresentations	<p>Under the Corporations Act, any shareholder who suffers loss as a result of misleading or deceptive conduct relating to securities can bring an action against the person engaged in the conduct. Similarly, any shareholder who suffers loss as a result of a misleading or deceptive statement contained in a disclosure document (i.e. a prospectus) can bring an action against the company, any director or the underwriter to the offer made through the disclosure document.</p>	<p>Under the Bermuda Companies Act, where a person subscribes for shares on the faith of a prospectus, and that prospectus contains untrue statements (which includes misleading statements), the officers of the company, the promoters of the company, and any person who has authorised the issue is (subject to certain defences) liable for any loss or damage.</p>
Inspection of books	<p>Under the Corporations Act, a shareholder must obtain a court order to obtain access to PPP's books and records.</p>	<p>Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association.</p> <p>Shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented to the annual general meeting.</p> <p>The register of members of a company is also open to inspection</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
		<p>by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year).</p> <p>A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda.</p> <p>A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge.</p> <p>A company is also required to file with the Registrar of Companies in Bermuda a list of its directors to be maintained on a register, which register will be available for public inspection subject to such conditions as the Registrar may impose and on payment of such fee as may be prescribed.</p> <p>Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.</p>
<p>Financial records and reports</p>	<p>Under the Corporations Act, PPP must report annually to its members, which report must include a financial report, directors' report (which includes the remuneration report) and the auditor's report on the financial report for each relevant year. The Listing Rules also require the company to provide a preliminary financial report to the ASX annually.</p>	<p>Pursuant to the Bermuda Companies Act, Zeta must keep proper records of account with the Zeta's registered office with respect to:</p> <ul style="list-style-type: none"> • all sums of money received and expended by Zeta and the matters in respect of which the receipt and expenditure takes place; • all sales and purchases of goods by Zeta; and • the assets and liabilities of Zeta. <p>In addition, because the shares of Zeta are listed on an Appointed Stock Exchange (as defined in the Bermuda Companies Act and which includes the ASX) full or summarised</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
		<p>financial statements must be laid before a general meeting of Zeta and a copy of the full financial statements must be made available for inspection by the public at Zeta's registered office.</p> <p>The Listing Rules also require Zeta to provide a preliminary financial report to the ASX annually.</p>
Takeovers		
Takeovers	<p>Under the Corporations Act any acquisition by a person of a "relevant interest" in a "voting share" of PPP is restricted where, because of a transaction, that person or someone else's percentage "voting power" in PPP increases above 20% (or, where the person's voting power was already above 20% and below 90%, increases in any way at all).</p> <p>There is an exception from these restrictions where the shares are acquired under takeover offers made under the Corporations Act to all shareholders (which must be on the same terms for all PPP Shareholders (subject to minor exceptions) and which must comply with the timetable and disclosure requirements of the Corporations Act).</p> <p>There are also other exceptions from the 20% limit for acquisitions made through permitted gateways such as acquisitions with shareholder approval or "creeping" by acquiring up to 3% every six months (if throughout the six months before the acquisition the person has had voting power in the company of at least 19%).</p> <p>The purpose of these provisions is to attempt to ensure that PPP Shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.</p>	<p>The Bermuda Companies Act does not prescribe a regime for the conduct of takeovers or contain a general prohibition on acquisitions of interests in Bermuda companies beyond a certain threshold in the same way as the Corporations Act.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
Amalgamations, mergers and business combinations	The Corporations Act contains no equivalent to the concept of an 'amalgamation' as provided in the Bermuda Companies Act.	<p>The amalgamation or merger of a Bermudan company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such a meeting is required to approve the amalgamation agreement, and the quorum for such a meeting must be two persons at least holding or representing more than one-third of the issued shares of the company (or class of shares, as the case may be).</p> <p>Each share of an amalgamating or merging company carries the right to vote in respect of an amalgamation or merger whether or not it otherwise carries the right to vote.</p>
Disclosure of substantial holdings	Under the Corporations Act, a shareholder who begins or ceases to have a substantial holding a company listed on ASX or has a substantial holding in a company listed on ASX and there is a movement by at least 1% in their holding, must give a notice to the company and ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the company.	There is no equivalent legislation under Bermuda law.
Compulsory acquisition	<p>Under the Corporations Act, if by the end of a takeover offer period, the bidder and its associates have:</p> <ul style="list-style-type: none"> obtained a relevant interest in 90% of the class of securities bid for; and acquired at least 75% of the securities that the bidder offered to acquire under the bid, <p>the bidder can compulsorily acquire the outstanding securities in that class.</p> <p>This right of compulsory acquisition can be exercised by the bidder during</p>	The Bermuda Companies Act provides two different regimes for compulsory acquisition of the shares of minority holders holding less than 10% or less than 5% of the issued share capital of a Bermudan company. Further details are set out in Section 10.1(o) above.

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<p>or within one month after the end of the offer period. Provided that notice of the compulsory acquisition is given to both ASIC and ASX, the bidder is then entitled to acquire the outstanding securities for the same price offered under the bid.</p> <p>Dissenting shareholders may contest the compulsory acquisition by court application, although the court may only stop the acquisition if it is satisfied the acquisition would not be at fair value.</p> <p>Under the Corporations Act, if a person and their associates obtain a relevant interest in 90% of the class of securities, not following a takeover offer, then that person may lodge a compulsory acquisition notice within 6 months to acquire the remaining 10% of the class of securities.</p> <p>This compulsory acquisition notice must be accompanied by an expert's (nominated by ASIC) report that states the terms proposed in the notice give fair value to the securities.</p> <p>Dissenting shareholders may contest the compulsory acquisition by court application.</p>	
Winding up		
Winding up	<p>Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors. The PPP Shareholders rank behind the creditors.</p> <p>Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the</p>	<p>Under Bermuda law, a company may be wound up by the Bermuda court on application presented by the company itself, its creditors (including contingent or prospective creditors) or its contributories.</p> <p>A company may also be wound up voluntarily where the members so resolve in general meeting. In the case of a voluntary winding up, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.</p>

	Rights of holders of PPP Shares	Rights of holders of Zeta Shares
	<p>commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.</p> <p>PPP's constitution states that if PPP is wound up and there is a surplus, the excess must be divided among the PPP Shareholders in proportion to the number of PPP Shares held by them, irrespective of the amounts paid up or credited as paid up on the PPP Shares.</p>	

10.3 Summary or relevant Bermudan tax considerations

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by Zeta or by its shareholders in respect of Zeta Shares. Zeta has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to Zeta or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by Zeta in respect of real property owned or leased by it in Bermuda.

11. Australian taxation considerations

11.1 Australian taxation outline

This Section provides a general summary of the potential Australian tax consequences for PPP Shareholders arising from the disposal of their PPP Shares under the Scheme. This summary is based on established judicial and administrative interpretations of the *Income Tax Assessment Act 1997* (Cth) (“ITAA 1997”), *Income Tax Assessment Act 1936* (Cth) (“ITAA 1936”), *Taxation Administration Act 1953* (Cth) (“TAA 1953”), *A New Tax System (Goods & Services Tax) Act 1999* (Cth) (“GST Act”) (collectively, the “Tax Acts”) and relevant stamp duty legislation (collectively referred to as the “taxation law”) as at the date of this scheme booklet. This summary does not take into account or anticipate changes in the taxation law or future judicial and administrative interpretations of the taxation law.

This summary is of a general nature and is not intended to be, nor should it be, an authoritative or complete statement of the laws applicable to the particular circumstances of a PPP Shareholder. PPP Shareholders should seek independent professional advice about the consequences of disposing their PPP Shares for cash or scrip, having regard to their own particular circumstances. PPP Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law. PPP Shareholders that acquired their PPP Shares before 20 September 1985 should seek their own legal advice.

The comments at Section 11.2 are relevant only to those PPP Shareholders who are Australian residents for tax purposes and who:

- (a) are not considered temporary residents for tax purposes;
- (b) hold their PPP Shares on capital account; and
- (c) do not hold their PPP Shares in connection with a business carried on through a permanent establishment outside of Australia.

Shares are generally taken to be held on capital account where they are:

- (a) not held on revenue account, or as trading stock; or
- (b) not subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997.

The comments at Section 11.3 are relevant to PPP Shareholders who are not Australian residents for tax purposes and who:

- (a) hold their PPP Shares on capital account; and
- (b) do not hold their PPP Shares in connection with a permanent establishment in Australia.

11.2 Australian resident shareholders

(a) Australian Capital Gains Tax (CGT)

The disposal of PPP Shares to Zeta will be a Capital Gains Tax (CGT) event for PPP Shareholders. This CGT event will occur on the Implementation Date.

PPP Shareholders will derive a capital gain on the disposal of their PPP Shares to the extent that:

- (i) the market value of any Zeta Shares they receive (described below);
- (ii) the Cash Consideration they receive; or
- (iii) in the case of Foreign Holders that elect, or are deemed to have elected, to receive the Zeta Share Consideration, their pro rata share of the net proceeds from the sale of all Zeta Shares by the Sale Agent,

exceeds the tax cost base of their PPP Shares. Conversely, PPP Shareholders will incur a capital loss on the disposal of their PPP Shares to the extent that the amount in (i), (ii) or (iii) above (as applicable) is less than the reduced tax cost base of their PPP Shares. Reduced cost base is broadly the tax cost base less specific legislative reductions.

The market value of a Zeta Share should be calculated as the VWAP of that share on the Implementation Date. As soon as practicable after the Implementation Date, Zeta will make available to holders of Zeta Shares a determination of market value as at the Implementation Date.

Generally the tax cost base of any PPP Shares will be equal to the consideration paid to acquire the PPP Shares. In addition, other incidental costs of acquiring the PPP Shares (such as brokerage fees and stamp duty) may be included in the tax cost base (or reduced cost base).

The sum of all of a PPP Shareholder's taxable capital gains for an income year reduced by any capital losses incurred during the year, or carried forward from previous years (known as the net capital gain), should be included in their Australian assessable income.

Australian resident individual PPP Shareholders who have held directly or indirectly (through trusts) their PPP Shares for greater than 12 months should be able to discount their capital gain by 50%. Similarly, an eligible superannuation entity that has held its PPP Shares for greater than 12 months should be able to discount its capital gain by 33.3%. The discount will generally be applied to a PPP Shareholder's capital gain for the period after the offset of any capital losses. Corporate PPP Shareholders are not entitled to discount their capital gain.

If a PPP Shareholder is unable to obtain the CGT relief described under Section 11.2(b) below entitled 'Availability of CGT roll-over relief', the total tax cost base of any Zeta Shares received will be the Australian dollar market value of the PPP Shares exchanged on the Implementation Date.

The date of acquisition for CGT purposes will be the Implementation Date. This date will be relevant for any future qualifications for the CGT discount with respect to CGT events happening to the Zeta Shares.

(b) Availability of CGT roll-over relief

PPP Shareholders who would make a capital gain on the disposal of the PPP Shares by making an Election to receive Zeta Shares should be eligible to make a choice whether or not to apply CGT roll-over relief on the Zeta Shares received as Scheme Consideration. The roll-over relief is not available if a PPP Shareholder makes a capital loss on the disposal of their PPP Shares.

PPP Shareholders that receive the Cash Consideration, Small Parcel Holders and Foreign Holders that elect, or are deemed to have elected, to receive the Zeta Share Consideration will not be qualified for CGT roll-over relief.

If a PPP Shareholder elects to apply CGT roll-over relief, a capital gain that they would otherwise make on the disposal of their PPP Shares, for which the Scheme Consideration comprises Zeta Shares, will be disregarded.

Where CGT roll-over relief is elected, a reasonably attributable part of the tax cost base of the PPP Shares disposed of would become the tax cost base of the Zeta Shares.

The portion that it is reasonably attributable is determined based on an allocation of the tax cost base of the PPP Shares to the Zeta Shares received.

For any subsequent determination of the application of the CGT discount, the date on which the PPP Shareholders, for which CGT roll-over relief has been elected, will be deemed to acquire the Zeta Shares, will be the day they acquired their PPP shares.

The benefit of choosing scrip-for-scrip roll-over relief will depend upon the individual circumstances of each PPP Shareholder.

(c) Consequences of holding Zeta Shares

(i) Subsequent disposal of Zeta Shares

If an Australian resident PPP Shareholder sells their Zeta Shares after the Implementation Date, any gain or loss will prima facie be subject to CGT as the Zeta Shares will be assets for CGT purposes.

(ii) Dividend income

Dividends received by Australian resident PPP Shareholders with respect to Zeta Shares must be included in their assessable income, including any amount of Bermudan withholding tax withheld with respect to those dividends. A foreign income tax offset may be available for any such dividend withholding tax.

Dividends received by Australian resident non-portfolio corporate PPP Shareholders with respect to Zeta Shares may be exempt. These PPP Shareholders should seek their own advice.

11.3 Non-resident shareholders

A PPP Shareholder who is not an Australian resident will not make a capital gain or capital loss from the disposal of its PPP Shares. This is because non-Australian residents only make capital gains and capital losses in respect of assets that are taxable Australian property, which a PPP Share is not.

A share in a company will only be taxable Australia property, broadly if:

- (a) the holder of that share together with its associates, held an interest of 10% or more in the company at the time of disposal, or for a 12 month period within 2 years preceding the disposal (this is referred to as a non-portfolio interest); and
- (b) more than 50% of the market value of the company's assets is attributable to direct or indirect interests in taxable Australian real property (this is referred to principal asset test).

Taxable Australian real property is, broadly:

- (a) real property situated in Australia (including leases of land, if the land is situated in Australia); and
- (b) a mining, quarrying or prospecting right (to the extent that the right is not real property), if the minerals, petroleum or quarry materials are situated in Australia.

PPP Shares are not taxable Australian property, even for non-Australian residents with associate inclusive interests of 10% or more, because less than 50% of the market value of its assets is attributable to direct or indirect interests in taxable Australian real property and therefore the principal asset test is not satisfied.

A non-resident PPP Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the PPP Shares as detailed in Section 11.2.

11.4 Australian goods and services tax (GST)

PPP Shareholders should not be liable to GST in respect of disposal of PPP Shares or acquisition of Zeta Shares pursuant to the Scheme.

PPP Shareholders may incur GST on costs (such as third party brokerage and adviser fees) that relate to the Scheme. PPP Shareholders that are registered for Australian GST may be entitled to recover a portion of the GST payable for some acquisitions. This will depend on each PPP Shareholder's individual circumstances.

11.5 Australian stamp duty

No stamp duty should be payable in any Australian jurisdiction by PPP Shareholders in respect of the disposal of their PPP Shares.

Further, no stamp duty should be payable in any Australian jurisdiction by PPP Shareholders in respect of the issue to them of Zeta Shares provided that:

- (a) all the Zeta Shares are quoted on ASX; and
- (b) immediately after the issue to them of the Zeta Shares, no PPP Shareholder, either directly or when aggregated with interests held by associates of that PPP Shareholder, is entitled to obtain an interest in Zeta of 90% or more.

12. Information about the Scheme

12.1 Scheme Implementation Agreement

PPP and Zeta have entered into the Scheme Implementation Agreement in connection with the proposed Scheme. The Scheme Implementation Agreement provides the obligations of PPP and Zeta in relation to the Scheme.

The Scheme Implementation Agreement is contained in Annexure 2.

12.2 Scheme Meeting

The Court has ordered that a meeting of PPP Shareholders be held at the Central Park Theatre, 152-158 St Georges Terrace, Perth WA 6000, 2.00pm (WST) on 16 October 2017 to consider the Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how PPP Shareholders should vote (on this matter PPP Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Scheme is conditional, among other things, on approval of the Scheme Resolution by the Requisite Majority, being:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of PPP Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) passed by at least 75% of the votes cast on the Scheme Resolution,

where Excluded Shareholders are not entitled to vote on the Scheme Resolution.

Further details of the consequences of the Scheme not being implemented are in Section 3 under the heading titled "What happens if the Scheme is not approved".

12.3 Court approval of the Scheme

PPP will apply to the Court for orders approving the Scheme if:

- (a) the Scheme Resolution is approved by the Requisite Majority at the Scheme Meeting; and
- (b) all other conditions to the Scheme are satisfied or waived (where applicable).

The date on which the Court hears PPP's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Scheme Resolution is approved by the Requisite Majority.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not

produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

PPP Shareholders have the right to seek leave to appear at the Court on the Second Court Date to oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme. If you wish to oppose approval by the Court of the Scheme at the Court hearing you may do so by filing with the Court, and serving on PPP, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on PPP at least one Business Day before the Second Court Date. That date is currently scheduled to occur on or around 23 October 2017. Any change to this date will be announced through ASX and will be available on ASX's website, www.asx.com.au. Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

12.4 Actions by PPP and Zeta

If Court orders approving the Scheme are obtained, the Directors and the Zeta Board will take or procure the taking of the steps required for the Scheme to be implemented. These will include the following:

- (a) PPP will lodge with ASIC an office copy of the Court order approving the Scheme, under section 411(10) of the Corporations Act, and the Scheme will become Effective;
- (b) on the close of trade on the Effective Date, PPP Shares will be suspended from trading on ASX;
- (c) by no later than 5.00pm (WST) on the Business Day prior to the Implementation Date, Zeta will deposit in a trust account maintained by PPP in immediately available funds the aggregate amount of funds necessary to pay the Scheme Consideration to Scheme Participants that made an Election for the Cash Consideration and Small Parcel Holders. PPP will hold these funds on trust for the benefit of those Scheme Participants;
- (d) on the Implementation Date, all of the Scheme Shares held by Scheme Participants at 5.00pm (WST) on the Record Date will be transferred to Zeta (or its nominee) and, in exchange, each Scheme Participant (other than Foreign Holders that elected, or were deemed to have elected, to receive the Zeta Share Consideration) will be issued the Zeta Shares, or paid out of the trust account referred to in Section 12.4(c) the Scheme Consideration;
- (e) on the Implementation Date, Zeta will issue the Zeta Share Consideration in respect of the Scheme Shares held by all Foreign Holders that elected, or are deemed to have elected, to receive the Zeta Share Consideration as at 5.00pm (WST) on the Record Date to the Sale Agent. Zeta will instruct the Sale Agent to sell those Zeta Shares within 20 Business Days following the Implementation Date. The Sale Agent must promptly remit the net proceeds of the sale of those Zeta Shares (after deducting any applicable, brokerage, foreign exchange, stamp duty and other selling costs, taxes and charges) (if any) to those Foreign Holders within two Business Days;
- (f) on the Implementation Date, Zeta will register the holders of Zeta Shares in the Zeta Register;
- (g) on the Implementation Date, PPP will enter the name of Zeta (or its nominee) in the PPP Register as the holder of the Scheme Shares;
- (h) on the Implementation Date, Zeta will procure that evidence of ownership in respect of the Zeta Shares is sent to PPP Shareholders (except Foreign Holders) on or as promptly as practical following the Implementation Date, but in any event no later than 5 Business Days after the Implementation Date;

- (i) on the Implementation Date, each of the Directors and each of PPP's nominee directors on the boards of each PPP Group member (other than nominees of Zeta, who will be appointed, and hold a majority of the seats on the PPP Board, as soon as practicable after the Second Court Date) will resign and be replaced by directors nominated by Zeta, if so requested by Zeta; and
- (j) once the Scheme is fully implemented, it is intended that PPP will request to be removed from the official list of ASX on the Implementation Date.

12.5 Effective Date

The Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Scheme becomes Effective, PPP will immediately give notice of the event to ASX. PPP Shares will be suspended from trading on ASX on the Effective Date.

Once the Scheme becomes Effective, PPP and Zeta will become bound to implement the Scheme in accordance with its terms.

12.6 Scheme

If the Scheme becomes Effective (i.e. after it is approved by PPP Shareholders and the Court), all PPP Shares outstanding at 5.00pm (WST) on the Record Date will be transferred to Zeta (or its nominee), in return for the issuance of Zeta Shares by Zeta or the payment out of the trust account referred to in Section 12.4(c) by PPP of the Scheme Consideration as described in Section 12.4(d). Refer to Annexure 3 for a copy of the Scheme.

The Scheme provides that each Scheme Participant warrants to Zeta and is deemed to have authorised to PPP to warrant to Zeta as agent and attorney for the Scheme Participant that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Zeta (or its nominee) under the Scheme will, as at the date of the transfer, be fully paid and free from all encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Zeta (or its nominee) under the Scheme.

12.7 Deed Poll

Zeta has executed a Deed Poll in favour of the Scheme Participants, by which it offers to acquire all of the PPP Shares held by Scheme Participants. In consideration of the acceptance of that offer and (subject to the Scheme becoming Effective) the transfer of each PPP Share to Zeta (or its nominee), Zeta undertakes in favour of each Scheme Participant to pay or, other than Foreign Holders, to issue the Scheme Consideration (as applicable) for each PPP Share, being:

- (a) 1 Zeta Share per 10 PPP Shares; or
- (b) if so elected and for Small Parcel Holders, A\$0.038 cash per PPP Share,

in accordance with the terms of the Scheme and the Scheme Implementation Agreement. Zeta will issue the Zeta Shares that Foreign Holders who elected to receive the Zeta Share Consideration are entitled to, to the Sale Agent who will sell those Zeta Shares and remit the funds (net of costs) to those Foreign Holders. Refer to Annexure 4 for a copy of the Deed Poll.

12.8 Record Date

The Record Date for the Scheme is 5.00pm (WST) on the date which is five Business Days after the Effective Date. Only PPP Shareholders who appear on the PPP Register at 5.00pm (WST) on the Record Date will be entitled to receive the Scheme Consideration.

12.9 Implementation Date

The Implementation Date for the Scheme is the date which is five Business Days after the Record Date for the Scheme.

On the Implementation Date for the Scheme, Zeta must:

- (a) issue Zeta Shares to PPP Shareholders entitled to them and cause their names and addresses to be recorded in the Zeta Register; and
- (b) issue Zeta Shares to the Sale Agent as nominee on trust for Foreign Holders that elected, or were deemed to have elected, to receive the Zeta Share Consideration and cause the name and address of the Sale Agent to be recorded in the Zeta Register.

In the case of PPP Shares held in joint names:

- (a) the Zeta Share Consideration will be issued to, and registered in the names of the joint holders and holding statements will be sent to the registered address as recorded on the PPP Register at 5.00pm (WST) on the Record Date; and
- (b) the Cash Consideration will be made payable to the joint holders and sent to the holder whose name first appears in the PPP Register as at 5.00pm (WST) on the Record Date.

In the case of PPP Shareholders who elect to receive the Cash Consideration and Small Parcel Holders:

- (a) at least one Business Day prior to the Implementation Date Zeta will deposit the Cash Consideration in cleared funds to a trust account operated by or on behalf of PPP; and
- (b) within five Business Days after the Implementation Date, PPP will pay or procure the payment of the Cash Consideration from the trust account to such PPP Shareholders by:
 - (i) dispatching cheques by post; or
 - (ii) in respect of those PPP Shareholders have made an election prior to the Record Date to receive payments from PPP by electronic funds transfer to a bank account nominated by you, by direct credit to those nominated bank accounts.

Once the relevant Scheme Consideration has been issued and paid, all PPP Shares at 5.00pm (WST) on the Record Date will be transferred to Zeta (or its nominee) without any need for further actions by PPP Shareholders.

12.10 Commencement of trading in Zeta Share on ASX

Trading in Zeta Shares issued as Zeta Share Consideration on ASX is expected to commence on a normal settlement basis with effect from the fifth trading day after the Implementation Date, currently expected to be 7 November 2017 (or such date as ASX requires). The actual dates will be announced by ASX and published on the PPP website (www.panpacpetroleum.com.au).

The exact number of Zeta Shares to be issued to PPP Shareholders will not be known until after the Record Date and will not be confirmed to them until they receive their holding statement following the

Implementation Date. Scheme Participants who sell Zeta Shares before they receive their holding statements or confirm their holding of Zeta Shares do so at their own risk.

12.11 Delisting of PPP

After the Scheme has been fully implemented, it is intended that PPP will request ASX remove PPP from the official list of ASX on the Implementation Date.

12.12 Alternative Transaction

As detailed in Section 12.14, PPP is not bound by any exclusivity arrangements other than an obligation to notify Zeta of any Competing Proposals. Prior to the Scheme becoming Effective, PPP may explore opportunities for assets and investments. If such an opportunity is identified as an Alternative Transaction and is approved by the PPP Board, PPP will be entitled to progress this opportunity and terminate the Scheme Implementation Agreement. No Reimbursement Fee Amount will be payable by PPP to Zeta in those circumstances. Refer to Section 6.6 for the status of PPP's search for new assets.

12.13 Conditions precedent to the Scheme

(a) Outstanding conditions precedent to Scheme

The Scheme and the obligations of PPP and Zeta to implement the Scheme are subject to the following outstanding conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Scheme Implementation Agreement on or prior to the Second Court Date:

- (i) **Regulatory Approvals:**
 - (A) **ASIC and ASX:** ASIC and ASX have issued or provided and not withdrawn, suspended, varied or revoked all such reliefs, confirmations, consents, approvals, modifications or exemptions which the parties agree are reasonably necessary or desirable to implement the Scheme;
 - (B) **Regulatory Authority:** all other regulatory approvals or waivers required to implement the Scheme being granted or obtained and those regulatory approvals or waivers not being withdrawn, cancelled, revoked or varied in a manner that is materially adverse to the parties;
- (ii) **Scheme Approval:** approval of the Scheme by the Requisite Majority;
- (iii) **No Restraining Orders:** no order or legal restraint enforced by a court of competent jurisdiction or any Regulatory Authority that prohibits, restricts, makes illegal or restrains the completion of the Scheme, and there is no other legal restraint or prohibition, preventing the consummation of any aspect of the Transaction;
- (iv) **Court Approval:** the Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party;
- (v) **Independent Expert:** the receipt of an Independent Expert Report concluding that the Scheme is in the best interest of PPP Shareholders and the Independent Expert not withdrawing or adversely modifying that conclusion before the Second Court Date;
- (vi) **ASX Listing:** ASX approving the Zeta Shares to be issued as Zeta Share Consideration for official quotation on ASX subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective;

- (vii) **No Material Adverse Event:** no PPP Material Adverse Event occurring between the date of the Scheme Implementation Agreement (being 12 June 2017) and 8.00am (WST) on the Second Court Date;
- (viii) **No Prescribed Occurrence:** no PPP Prescribed Occurrence occurring between the date of the Scheme Implementation Agreement (being 12 June 2017) and 8.00am (WST) on the Second Court Date; and
- (ix) **Representations and Warranties:** the representations and warranties made by PPP and Zeta in the Scheme Implementation Agreement being true and correct in all material respects as at the Second Court Date.

(b) **Conditions precedent to Scheme that have been satisfied or waived**

As at the date of this Scheme Booklet, none of the conditions to the Scheme have been satisfied or waived by PPP or Zeta.

12.14 Exclusivity arrangements

PPP is not restricted from soliciting, negotiating or providing an opportunity to undertake due diligence in respect of the PPP Group by a third party which may result in a Competing Transaction. However, during the Exclusivity Period, in accordance with the Scheme Implementation Agreement, PPP is required to notify Zeta of any approach, proposal, request for information by a third party or an intention by PPP to provide any information to a third party which may reasonable be expected to lead to a Competing Transaction.

If the Directors receive a bona fide Competing Transaction from a third party, unsolicited or otherwise, that the PPP Board determines, having regard to advice from its legal adviser and the Directors' fiduciary duties and obligations, is a Superior Offer, PPP must give notice of the Superior Offer to Zeta. Zeta then has the right, but not the obligation, within five (5) Business Days of receipt of that notice to offer to amend the terms of the Scheme, make a takeover bid for PPP or propose any other form of transaction.

Your Directors will carefully consider any Competing Transaction, unsolicited or otherwise, received from a third party (provided it does not breach the terms of the Scheme Implementation Agreement) and inform you of any material developments. However, entering into a Competing Transaction, unsolicited or otherwise, may require PPP to pay Zeta the Reimbursement Fee Amount. Refer to Section 12.16 for further details.

For more information refer to clause 10 of the Scheme Implementation Agreement in Annexure 2.

12.15 Termination of the Scheme Implementation Agreement

The Scheme Implementation Agreement may be terminated (in this Section 12.15 "terminate") in certain circumstances, including:

(a) **If Scheme fails to become Effective before the End Date**

Either PPP or Zeta may terminate if the End Date has passed before the Scheme has been implemented (other than as a result of a breach by the terminating party of its obligations under the Scheme Implementation Agreement).

(b) **If there is a material breach of the Scheme Implementation Agreement**

Either Zeta or PPP, with notice, may terminate if the other party is in material breach of the Scheme Implementation Agreement (other than for a breach of a representation or warranty) at any time prior to the Second Court Date and the material breach is not remedied within five Business Days.

(c) **If the Scheme is not approved by PPP Shareholders**

Either Zeta or PPP may terminate, if the Scheme is not approved by the Requisite Majority.

(d) **If the Court or Regulatory Authority restrains the Scheme**

Either Zeta or PPP may terminate, if the Court or other Regulatory Authority has issued an order, decree or ruling or taken other action which permanently restrains or prohibits the Scheme and that order, decree, ruling or other action has become final and cannot be appealed.

(e) **Conditions Precedent**

Either Zeta or PPP may terminate, if there is a breach or non-fulfilment of a condition precedent which is not waived and there is failure to agree on an alternative means of completing the Scheme, provided that condition precedent is for the benefit of that party.

(f) **PPP breaches any representation or warranty**

Zeta may terminate, if PPP breaches any representation or warranty given under the Scheme Implementation Agreement at any time prior to the Second Court Date and:

- (i) the breach cannot be remedied prior to the Second Court Date; and
- (ii) the breach amounts to or could reasonably be expected to amount to a PPP Material Adverse Event.

(g) **An Independent Director fails to recommend the Scheme or Transaction**

Zeta may terminate, if at any time prior to the Second Court Date, an Independent Director fails to recommend the Scheme or the Transaction or makes or withdraws his or her recommendation that PPP Shareholders vote in favour of the Scheme or makes a public statement indicating that he or she no longer supports the Scheme.

(h) **A PPP Prescribed Occurrence occurs**

Zeta may terminate, if a PPP Prescribed Occurrence occurs prior to the Second Court Date.

(i) **A PPP Material Adverse Event occurs**

Zeta may terminate, if a PPP Material Adverse Event occurs prior to the Second Court Date.

(j) **The PPP Board recommends a Superior Offer**

Zeta may terminate, if the PPP Board recommends a Superior Offer.

(k) **A Competing Transaction for PPP emerges**

Zeta may terminate, if a Competing Transaction is announced, made, or becomes open for acceptance, and pursuant to that Competing Transaction for PPP, the bidder for PPP acquires the voting power of 20% or more of PPP and that Competing Transaction is (or has become) free from any defeating conditions.

(l) **Zeta breaches any representation or warranty**

PPP may terminate, if Zeta breaches any representation or warranty given under the Scheme Implementation Agreement at any time prior to the Second Court Date and the breach cannot be remedied prior to the Second Court Date.

(m) **Entering an Alternative Transaction**

PPP may terminate, if at any time prior to the Effective Date the PPP Board unanimously resolves to enter into any agreement, commitment, arrangement or understanding in relation to the implementation of an Alternative Transaction.

For more information refer to Section 5.7 and clause 8 of the Scheme Implementation Agreement in Annexure 2.

12.16 PPP Reimbursement Fee Amount

PPP has agreed to pay to Zeta the Reimbursement Fee Amount (A\$200,000) if:

- (a) any Independent Director fails to recommend, or recommends against, qualifies their support of or withdraws its recommendation or approval of the Transaction, other than as a result of:
 - (i) the Independent Expert opining that the Scheme is not in the best interests of the PPP Shareholders;
 - (ii) an Alternative Transaction being approved by the PPP Board; or
 - (iii) a breach of a representation of warranty given by Zeta given under the Scheme Implementation Agreement;
- (b) any PPP Director recommends or promotes a Competing Transaction;
- (c) the Court does not (taking into account all appeals) approve the Scheme as a result of a material non-compliance by PPP of any of its obligations under the Scheme Implementation Agreement;
- (d) the Scheme does not become Effective prior to the End Date as a result of any non-compliance by PPP of any of its obligations under the Scheme Implementation Agreement;
- (e) a Competing Transaction is announced before the date of the Scheme Meeting and within 12 months of the announcement, a third party acquires the voting power of 20% or more of the issued PPP Shares; or
- (f) Zeta terminates the Scheme Implementation Agreement due to:
 - (i) a material breach of the Scheme Implementation Agreement (other than a representation or warranty) by PPP which continues for more than five (5) Business Days following notice of such breach; or
 - (ii) PPP's breach of the representations and warranties given under the Scheme Implementation Agreement and amounts to, or could reasonably be expected to amount to a PPP Material Adverse Event which cannot be remedied prior to the Second Court Date.

However, the Reimbursement Fee Amount (A\$200,000) is not payable by PPP once the Scheme becomes Effective, if a transaction is completed pursuant to a transaction which Zeta acquires 100% of the issued PPP Shares, or if the PPP Shareholders do not approve the Scheme at the Scheme Meeting.

12.17 Zeta Reimbursement Fee Amount

Zeta has agreed to pay to PPP the Reimbursement Fee Amount (A\$200,000) if:

- (a) any Independent Zeta Director fails to recommend, or recommends against, qualifies their support of, or withdraws its recommendation or approval of the Transaction, other than as a result of:
 - (i) a PPP Prescribed Occurrence or a PPP Material Adverse Event has occurred and is continuing;
 - (ii) a breach by PPP of a representation and warranty given under the Scheme Implementation Agreement; or
 - (iii) an Alternative Transaction being approved by the PPP Board;
- (b) the Court does not (taking into account all appeals) approve the Scheme as a result of a material non-compliance by Zeta of any of its obligations under the Scheme Implementation Agreement;
- (c) the Effective Date of the Scheme has not occurred prior to the End Date, as a consequence of non-compliance by Zeta with any of its obligations under the Scheme Implementation Agreement;
- (d) PPP terminates the Scheme Implementation Agreement due to:
 - (i) a material breach of the Scheme Implementation Agreement (other than a representation or warranty) by Zeta which continues for more than five (5) Business Days following notice of such breach; or
 - (ii) Zeta's breach of the representations and warranties given under the Scheme Implementation Agreement.

However, the Reimbursement Fee Amount (A\$200,000) is not payable by Zeta once the Scheme becomes Effective, if a transaction is completed pursuant to a transaction which Zeta acquires 100% of the issued PPP Shares, or if the PPP Shareholders do not approve the Scheme at the Scheme Meeting.

13. Additional information

13.1 Interests of Directors

The Directors have no interest in the outcome of the Scheme, except as provided for in this Scheme Booklet.

(a) PPP marketable securities

There are no marketable securities of PPP held by or controlled by any Directors as at the of this Scheme Booklet.

(b) Interest in Zeta

The number, description and amount of Zeta marketable securities held by or controlled by each Director as at the date of this Scheme Booklet are:

Director	Zeta Shares	Zeta Options
Mr Peter Sullivan	5,670,632 ⁽¹⁾	Nil
Mr Grant Worner	Nil	Nil
Mr Patrick Burke	Nil	Nil

Notes:

1. *Mr Sullivan has a relevant interest in:*
 - a. *4,545,632 Zeta Shares held via a nominee, of which Mr Sullivan is entitled to be the registered holder;*
 - b. *500,000 Zeta Shares held by Hardrock Capital Pty Ltd; and*
 - c. *625,000 Zeta Shares held by Hardrock Capital Pty Ltd as trustee for the CGLW (No2) Super Fund. Mr Sullivan is the controller of Hardrock Capital Pty Ltd.*

(c) Participation in the Scheme

Except as set out in this Section 13.1, all Directors will be treated in the same way under the Scheme as all other PPP Shareholders.

Mr Peter Sullivan has decided to abstain from voting on the Scheme due to his directorship on the Zeta Board.

(d) Termination Benefits

Except as set out in this Section 13.1, no other termination benefits are proposed to be paid to any Director or officer of PPP or any Related Entity.

(e) Interests of Directors in contracts entered into by Zeta

Except as set out in this Section 13.1, none of the Directors have any interests in contracts entered into by Zeta.

(f) Other agreements or arrangements with Directors in connection with the Scheme

Except as set out in this Section 13.1, there are no other agreements or arrangements between any Director of PPP and any other person in connection with or conditional upon the outcome of the Scheme.

13.2 Substantial Shareholders

As at 8 September 2017, being the last practicable date prior to finalisation of this Scheme Booklet, the following persons had notified PPP that they had voting power in 5% or more of PPP Shares:

Shareholder Name	Number of PPP Shares	% of PPP Shares
Zeta Energy Pte Ltd ⁽¹⁾	296,269,023	50.91%

Notes:

- Zeta Energy Pte Ltd is a wholly owned subsidiary of Zeta.*

13.3 Intentions of Zeta after the Implementation Date

If the Scheme is implemented, it will be a matter for Zeta to formulate its intentions in relation to:

- the continuation of the business of PPP;
- any major changes to be made to the business of PPP; and
- the future employment of the present employees of PPP.

The current intentions of Zeta in relation to the Merged Entity are detailed in Section 8.

13.4 Relevant interests of Zeta in PPP securities

Zeta has a relevant interest in 296,269,023 PPP Shares (50.91%) of the total number of PPP Shares on issue, from its wholly owned subsidiary, Zeta Energy Pte Ltd.

None of the Zeta Group has any intention to acquire any PPP Shares prior to the Scheme becoming Effective.

13.5 Dealings in PPP securities

Neither Zeta nor any Associate has provided, or agreed to provide, consideration for any PPP Shares under a purchase or agreement during the four months ended on the day immediately before the date of this Scheme Booklet.

During the period of four months ended on the day immediately before the date of this Scheme Booklet, neither Zeta nor any Associate has given, offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- vote in favour of the Scheme; or
- dispose of PPP Shares,

and the benefit has not been offered to all PPP Shareholders.

13.6 Lodgement of Scheme Booklet

This Scheme Booklet was given to ASIC on 13 September 2017 in accordance with section 411(2)(b) of the Corporations Act.

13.7 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any PPP Shareholder that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

13.8 Creditors of PPP

The Scheme, if implemented, is not expected to materially prejudice PPP's ability to pay its creditors as the Scheme involves the acquisition of PPP Shares for consideration provided by a third party, rather than the acquisition of PPP's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by PPP as a consequence of the Scheme. PPP has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

13.9 Interests of Zeta Directors

The Zeta Directors have no interest in the outcome of the Scheme, except as provided for in this Scheme Booklet.

13.10 Consents

(a) Consents

The following parties have given and have not withdrawn, before the registration of this Scheme Booklet by ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- (i) DLA Piper Australia as legal advisers to PPP;
- (ii) BDO as Independent Expert;
- (iii) Link Market Services Limited as the PPP Registry; and
- (iv) Zeta in respect of the Zeta Information only.

BDO has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that Report in the form and context in which they appear.

Ernst & Young has also given and not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the incorporation by reference in the Scheme Booklet of its audit reports with respect to financial statements of PPP for the years ended 30 June 2015, 30 June 2016 and 30 June 2017.

KPMG Inc has also given and not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the incorporation by reference in the Scheme Booklet of its audit reports with respect to financial statements of Zeta for the years ended 30 June 2015 and 30 June 2016 and its audit review report with respect to the financial statements of Zeta for the half year ended 31 December 2016.

(b) Disclaimer

Each person referred to in Section 13.10(a):

- (i) has not authorised or caused the issue of this Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in Section 13.10(a); and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person referred to in Section 13.10(a).

(c) **Fees**

Each of the persons named in Section 13.10 as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The estimated fees for professional services paid or payable by PPP to:

- (i) DLA Piper Australia to the date of this Scheme Booklet (including for Court related aspects of the Scheme) is approximately A\$130,000, plus GST; and
- (ii) BDO as Independent Expert is A\$35,000 plus GST.

13.11 Regulatory conditions and relief

(a) **PPP ASIC relief**

Paragraph 8302(h) of Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) requires this Scheme Booklet to set out whether, within the knowledge of the Directors, the financial position of PPP has materially changed since the date of the last balance sheet laid before the company's annual general meeting or sent to PPP Shareholders in accordance with section 314 or 317 of the Corporations Act, being 30 June 2016.

ASIC has granted PPP relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Directors, the financial position of PPP has materially changed since 30 June 2017 (being the last date of the period to which the financial statements for the year ended 30 June 2017 relate). Refer to Section 6.9 for details of the material changes in the financial position of PPP since 30 June 2017.

PPP will provide a copy of the financial statements for the financial year ended 30 June 2017 free of charge to anyone who requests a copy, prior to the Scheme being approved by the Court.

13.12 Supplementary information

If between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Zeta becomes aware of any of the following:

- (a) a material statement in the Zeta Information is false or misleading;
- (b) a material omission from the Zeta Information;
- (c) a significant change affecting a matter included in the Zeta Information; or

- (d) a significant new matter affecting Zeta that has arisen and that would have been required to be included in the Zeta Information if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Zeta will make available supplementary information to PPP. PPP will make any such supplementary material provided by Zeta available to PPP Shareholders by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to PPP's website (www.panpacpetroleum.com.au). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, PPP may also send such supplementary materials to PPP Shareholders.

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, PPP becomes aware of any of the following:

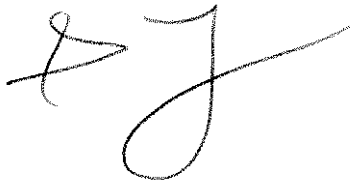
- (a) a material statement in this Scheme Booklet is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

PPP will make available supplementary material to PPP Shareholders. PPP intends to make available any supplementary material by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to PPP's website (www.panpacpetroleum.com.au). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, PPP may also send such supplementary materials to PPP Shareholders.

13.13 Other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director or Related Entity of PPP which has not previously been disclosed to PPP Shareholders.

THE ISSUE OF THIS SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF PAN PACIFIC PETROLEUM NL AND THIS SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF PAN PACIFIC PETROLEUM NL ON 13 SEPTEMBER 2017

A handwritten signature in black ink, appearing to be 'PB', with a long horizontal stroke extending to the right.

Patrick Burke
Director

14. Glossary

In this Scheme Booklet (and Annexures 3 to 5 of this Scheme Booklet), unless the context requires otherwise:

A\$ means the lawful currency of Australia.

Accounting Standards has the meaning given to it in section 9 of the Corporations Act.

Affiliate means, in relation to any specified person (other than a natural person), any other person (which shall include a natural person) directly or indirectly Controlling or Controlled by such specified person or under direct or indirect common control with such specified person.

Alternative Transaction means any bona fide proposal, agreement, arrangement, transaction or offer which would result in PPP or any member of the PPP Group:

- (a) directly or indirectly acquiring a legal, beneficial or economic interest or voting power in 20% or more of a third party's securities;
- (b) entering into, buying, disposing of, terminating or otherwise dealing with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of a third party's securities;
- (c) directly or indirectly acquiring, becoming the holder of, obtaining a right to acquire or holding or obtaining an interest (including a legal, beneficial or economic interest) in all or a substantial part or material part of the business conducted by, or property or assets of, the third party;
- (d) acquiring Control of a third party; or
- (e) otherwise acquiring, or merging with, a third party,

including by way of takeover bid, shareholder approved acquisition, scheme of arrangement, capital reduction, share buy-back or repurchase sale of assets, sale or purchase of securities or assets, assignment of assets and liabilities, strategic alliance, dual listed company structure or joint venture or synthetic merger. The variation of a proposal or offer constitutes a proposal or offer for the purposes of this definition.

Annexure means an annexure to this Scheme Booklet.

Announcement Date means the date on which Zeta and PPP announced to ASX that they had entered into a scheme implementation agreement, being 13 June 2017.

ANP has the meaning given in Section 6.5(b).

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to it in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Bermuda Companies Act means the Companies Act 1981 of Bermuda as may be amended or replaced from time to time.

BDO means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

Block 07/03 has the meaning given in Section 6.5(a).

Business Day means has the meaning given in the Listing Rules.

Cash Consideration means A\$0.038 cash for each Scheme Share held by a Scheme Participant.

Certificated Shares means a share in respect of which a certificate evidencing ownership has been issued by Zeta.

CGT means capital gains tax.

Competing Transaction means any bona fide proposal, agreement, arrangement, transaction or offer received by any member of the PPP Group from a third party which would result in the third party or its Affiliates:

- (a) directly or indirectly acquiring a legal, beneficial or economic interest or voting power in 20% or more of PPP Shares or of the securities of any of member of the PPP Group;
- (b) entering into, buying, disposing of, terminating or otherwise dealing with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of PPP's Shares or of the securities of any member of the PPP Group;
- (c) directly or indirectly acquiring, becoming the holder of, obtaining a right to acquire or holding or obtaining an interest (including a legal, beneficial or economic interest) in all or a substantial part or material part of the business conducted by, or property or assets of, the PPP Group;
- (d) acquiring Control of PPP or any material member of the PPP Group;
- (e) otherwise acquiring, or merging with, PPP or any member of the PPP Group; or
- (f) otherwise proposing a transaction similar in commercial and/or economic effect to PPP entering into the Transaction,

including by way of takeover bid, shareholder approved acquisition, scheme of arrangement, capital reduction, share buy-back or repurchase sale of assets, sale or purchase of securities or assets, assignment of assets and liabilities, strategic alliance, dual listed company structure or joint venture or synthetic merger. The variation of a proposal or offer constitutes a proposal or offer for the purposes of this definition.

Control has the meaning given to that term in section 50AA of the Corporations Act and **Controlled** has the corresponding meaning.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia.

Deed Poll means the Deed Poll dated 12 June 2017 executed by Zeta, as amended pursuant to the Deed of Amendment and Restatement dated 9 August 2017, and set out in Annexure 4.

Directors mean the directors of PPP.

Disclosure Letter means the letter dated the date of the Scheme Implementation Agreement delivered by PPP to Zeta in a form accepted by Zeta with respect to certain matters in the Scheme Implementation Agreement.

Effective means when used in relation to a Scheme, the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme comes into effect pursuant to section 411(10) of the Corporations Act.

Effective Date means the date on which the Scheme becomes Effective.

Election means an election by a PPP Shareholder (other than a Small Parcel Holder) to receive the Cash Consideration or the Zeta Share Consideration, which election is made by following the procedure in Section 5.3(b) under 'How to make an Election'.

Election Form means the form accompanying the Scheme Booklet, pursuant to which holders of PPP Shares (other than Small Parcel Holders) may elect whether to receive their Scheme Consideration in the form of Cash Consideration or Zeta Share Consideration.

Encumbrance means any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, security interest, title retention, preferential right or trust arrangement and any other security arrangement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by law or contract.

End Date means 30 November 2017 or such later date as agreed to in writing between PPP and Zeta in accordance with clause 3.9 of the Scheme Implementation Agreement.

Excluded Shareholders means Zeta and its Associates.

Exclusivity Period means the period commencing on 12 June 2017 and ending on the earlier of the date that the Scheme Implementation Agreement is terminated, the Implementation Date or the End Date.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, which is registered by ASIC in relation to the Scheme, copies of which are included in this Scheme Booklet.

Facility Agreement has the meaning given to that term in Section 7.11(b).

Fairly Disclosed has the meaning given in clause 1.2.16 of the Scheme Implementation Agreement.

Foreign Holder means a PPP Shareholder whose address shown in the PPP Register as at the Record Date is in an Ineligible Jurisdiction, unless, no less than three Business Days prior to the Scheme Meeting, PPP and Zeta agree in writing that it is lawful and not unduly onerous or unduly impracticable to issue that PPP Shareholder with the Scheme Consideration when the Scheme becomes Effective.

Financial Indebtedness means any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) guarantee;
- (d) financial or capital lease;
- (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or

- (f) obligation to deliver goods or provide services paid in advance by any financier, other than in the ordinary course of business.

GST has the meaning given to it in the GST Law.

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

ICM means ICM Limited (company number 44350).

Implementation Date means the fifth Business Day after the Record Date, or such other date agreed to in writing by PPP and Zeta.

Independent Expert means BDO.

Independent Expert's Report means the report of BDO in Annexure 1.

Independent Directors means all directors of PPP except Mr Peter Sullivan.

Independent Zeta Directors means all directors of Zeta except Mr Peter Sullivan.

Ineligible Jurisdiction means any place outside Australia and New Zealand.

Insolvency Event means in relation to a person:

- (a) the person is or becomes unable to pay its debts as and when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act, or would be presumed to be insolvent if that Act applied;
- (b) the person suspends or threatens to suspend payment of its debts generally;
- (c) the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or the making of any order, or the passing of any resolution, for the winding up, liquidation or bankruptcy of the party other than where the application or order (as the case may be) is set aside within 14 days;
- (d) the appointment of a provisional liquidator, liquidator, receiver or a receiver and manager or other insolvency official (whether under Australian law or foreign law) to the person or to the whole or a substantial part of the property or assets of the person;
- (e) the appointment of an administrator to the person;
- (f) the entry by a person into any compromise or arrangement with creditors; or
- (g) the person ceases or threatens to cease to carry on business, other than in accordance with a planned shutdown.

Investment Management Agreement means the investment management agreement entered into between Zeta and ICM dated 10 April 2013.

Listing Rules means the official listing rules of ASX.

Marketable Parcel has the meaning given to that term in the Listing Rules.

Maximum Cash Consideration has the meaning given to that term in Section 7.11(a).

Maximum Zeta Share Consideration has the meaning given to that term in Section 7.11(a).

Merged Entity means Zeta and its Subsidiaries following implementation of the Scheme (when PPP will be a wholly-owned Subsidiary of Zeta).

Notice of Scheme Meeting means the notice convening the Scheme Meeting together with the Proxy Forms for that meeting as set out in Annexure 5.

PPP means Pan Pacific Petroleum NL (ACN 000 749 799).

PPP Board means the board of directors of PPP.

PPP Group means PPP and its Subsidiaries, and a member of the PPP Group means any one of them.

PPP Information means the information contained in this Scheme Booklet, but does not include Zeta Information or the Independent Expert's Report in Annexure 1.

PPP Material Adverse Event means one or more changes, events, occurrences, facts or matters (including for the avoidance of doubt any actions of Regulatory Authorities) that occurs on or after the date of the Scheme Implementation Agreement, or is likely to occur on or after the date of the Scheme Implementation Agreement which, whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind, has had or is reasonably likely to have the result that the business, trading or financial position or assets of the PPP Group are materially adversely affected and the effect of a diminution or reduction in the value of the total net assets less the total liabilities of the PPP Group (taken as a whole) from that shown on PPP's balance sheet as at 31 December 2016 and excluding depreciation and amortisation of assets from 31 December 2016 by \$2 million or more (calculated on the basis of applicable accounting principles), other than those changes, events, occurrences or matters:

- (a) to the extent required or permitted by the Scheme Implementation Agreement, the Scheme or transactions contemplated by them;
- (b) caused by a fall in the trading price of shares in listed entities in which PPP holds shares;
- (c) to the extent that is Fairly Disclosed in the Disclosure Letter;
- (d) that took place with the written consent of Zeta; or
- (e) to the extent announced by PPP to ASX before the date of the Scheme Implementation Agreement.

For the avoidance of doubt, a fall in the trading price of a PPP Share will not itself constitute a PPP Material Adverse Event.

PPP Prescribed Occurrence means other than:

- (a) as required or permitted under the Scheme Implementation Agreement, the Scheme or Deed Poll;
- (b) matters which have been announced by PPP to ASX before the date of the Scheme Implementation Agreement;
- (c) to the extent that is Fairly Disclosed in the Disclosure Letter;
- (d) as agreed to in writing by Zeta,

the occurrence of any of the following on or after the date of this agreement and before 8.00am (WST) on the Second Court Date:

- (e) PPP converting all or any of its shares into a larger or smaller number of shares;
- (f) any member of the PPP Group resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (g) any member of the PPP Group:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (h) any member of the PPP Group declaring, paying or distributing or incurs a liability to make or pay any dividend, bonus or other share of its profits, income or assets or returning or agreeing to return any capital to its members;
- (i) a member of the PPP Group issuing securities, including without limitation shares, or granting an option (over its shares, or agreeing to make such an issue or grant such an option, including pursuant to a dividend reinvestment or other share plan, other than the issue of or an agreement to issue securities in a member of the PPP Group (other than PPP) to PPP or a wholly owned Subsidiary of PPP;
- (j) a member of the PPP Group issuing or agreeing to issue securities convertible into, or giving rights to be issued, PPP Shares, including pursuant to a dividend reinvestment or other share plan;
- (k) a member of the PPP Group making any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any member of the PPP Group;
- (l) a member of the PPP Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property or ceases or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (m) any disposal of shares or securities by a member of the PPP Group in any member of the PPP Group other than to a member of the PPP Group that is a wholly owned Subsidiary of PPP;
- (n) any member of the PPP Group exercises or waives any pre-emptive rights or rights of first or last refusal prior to the final date on which those rights may be exercised;
- (o) any member of the PPP Group:
 - (i) issues, or agrees to issue, or grants an option to subscribe for, debentures (as defined in section 9 of the Corporations Act);
 - (ii) terminates or materially amends a contract with an annual revenue or expenditure more than \$250,000;
 - (iii) enters into any new contract with an annual revenue or expenditure of more than \$250,000 with a third party, including any joint venture agreement, shareholders agreement or other profit sharing arrangement;
- (p) a member of the PPP Group:
 - (i) acquiring, leasing or disposing of;

- (ii) agreeing to acquire, lease or dispose of; or
- (iii) offering, proposing, announcing an intention or a bid or tendering for, any business, assets, entity or undertaking, the value of which exceeds \$250,000 (individually or in aggregate);
- (q) a member of the PPP Group entering into a contract or commitment that materially restrains that member from competing with any person or conducting activities in any material market;
- (r) a member of the PPP Group creating, or agreeing to create, any Encumbrance over the whole, or a substantial part, of its business or property or assets other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;
- (s) a member of the PPP Group:
 - (i) entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by a member of the PPP Group in excess of \$250,000 annually (individually or in aggregate);
 - (ii) (without limiting the foregoing) incurring or agreeing to incur capital expenditure on or after the date of this agreement of more than \$250,000 (individually or in aggregate);
 - (iii) waiving any material third party default where the financial impact on the relevant member of the PPP Group will be in excess of \$250,000 (individually or in aggregate);
 - (iv) accepting as a compromise of a matter less than the full compensation due to a member of the PPP Group, where the result of the compromise is that the member will receive an amount which is more than \$250,000 (individually or in aggregate) less than the amount of full compensation; or
 - (v) otherwise waiving, releasing, granting or transferring any rights with an annual revenue or expenditure of more than \$250,000 (individually or in aggregate);
- (t) other than pursuant to commitments that existed prior to the date of the Scheme Implementation Agreement, a member of the PPP providing financial accommodation by way of Financial Indebtedness other than to members of the PPP Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$250,000 (individually or in aggregate);
- (u) a member of the PPP Group entering into or resolving to enter into a transaction with any related party of PPP (other than a related party which is a member of the PPP Group) as defined in section 228 of the Corporations Act which would require shareholder approval under Chapter 2E or under Chapter 10 of the Listing Rules;
- (v) a material member of the PPP Group being deregistered as a company or otherwise dissolved except in the case of a member of the PPP Group with less than \$250,000 (individually or in aggregate) in net assets as at the date of the Scheme Implementation Agreement;
- (w) a member of the PPP Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in Accounting Standards;
- (x) PPP Shares cease to be quoted on ASX; or
- (y) if an Insolvency Event occurs in respect of any member of the PPP Group.

PPP Register means the share register of PPP kept pursuant to the Corporations Act.

PPP Registry means Link Market Services Limited (ACN 083 214 537).

PPP Share means a fully paid ordinary share in the capital of PPP.

PPP Shareholder means a person registered in the PPP Register as the holder of PPP Shares.

PPPV means Pan Pacific Petroleum (Vietnam) Pty Ltd (ACN 136 923 147).

Proxy Form means the proxy form that accompanies this Scheme Booklet or is available from the PPP Registry.

Record Date means 5.00pm (WST) on the fifth Business Day following the Effective Date, or such other date (after the Effective Date) as PPP and Zeta may agree in writing.

Regulatory Authorities includes:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute; and
- (d) in particular, ASX and ASIC.

Reimbursement Fee Amount means A\$200,000.

Related Bodies Corporate has the meaning it has in the Corporations Act.

Related Entity means, in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

Requisite Majority means in relation to the Scheme Resolution, a resolution passed by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of PPP Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) passed by at least 75% of the votes cast on the resolution,

where Excluded Shareholders are not entitled to vote on the Scheme Resolution.

Restricted Securities means securities of Zeta in relation to which a restriction agreement has been entered into between Zeta and holders of such securities in accordance with the Listing Rules.

Sale Agent means the person appointed by Zeta to sell the Zeta Shares that would otherwise be issued to or for the benefit of Foreign Holders that elected to receive the Zeta Share Consideration under the terms of the Scheme.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between PPP and PPP Shareholders, the form of which is contained in Annexure 3, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Zeta and PPP.

Scheme Booklet means this scheme booklet.

Scheme Consideration means the consideration to be issued or paid by Zeta to Scheme Participants (or to the Sale Agent, in respect of PPP Shares held by Foreign Holders that elected to receive the Zeta Share Consideration) for the transfer of each Scheme Share under the terms of the Scheme, being:

- (a) the Zeta Share Consideration; or
- (b) if so elected and in the case of Small Parcel Holders, the Cash Consideration.

Scheme Implementation Agreement means the scheme implementation agreement dated 12 June 2017 between PPP and Zeta, as amended pursuant to a deed of amendment and restatement dated 9 August 2017, being Annexure 2.

Scheme Meeting means the meeting of PPP Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act, to be held at the Central Park Theatre, 152-158 St Georges Terrace, Perth WA 6000, 2.00pm (WST) on 16 October 2017 and includes any adjournment of that meeting.

Scheme Participant means each person who is a PPP Shareholder as at 5.00pm (WST) on the Record Date (other than Zeta or its Affiliates).

Scheme Resolution means the resolution to be proposed to the PPP Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.

Scheme Shares means all of the PPP Shares on issue at the Record Date other than those held by Excluded Shareholders.

Second Court Date means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.

Section means a section of this Scheme Booklet.

Subsidiaries has the meaning given to that term in section 9 of the Corporations Act.

Superior Offer means a bona fide Competing Transaction that the PPP Board, acting reasonably and in good faith, and after taking advice from its external legal advisers and in consultation with its financial advisers (if any), determines:

- (a) is reasonably capable of being completed on a timely basis, taking into account all aspects of the Competing Transaction and the person making it, including without limitation having regard to timing considerations, legal, regulatory and financial matters and any conditions precedent; and
- (b) would or would be reasonably likely, if completed in accordance with its terms, to be more favourable to PPP Shareholders than the Scheme, after taking into account all of the terms and conditions of (including consideration, conditionality, funding, certainty and timing), and the identity, reputation and standing of the person making, the Competing Transaction.

Transaction means a restructure by way of scheme of arrangement, the effect of which will make PPP a wholly owned Subsidiary of Zeta following the acquisition of the Scheme Shares.

UIL means UIL Limited (company number 36480).

US\$ means the lawful currency of the United States of America.

VWAP means the volume weighted average price.

WST means Western Standard Time in Australia.

Zeta means Zeta Resources Limited (ARBN 162 902 481).

Zeta Board means the board of directors of Zeta.

Zeta Director means a member of the Zeta Board.

Zeta Group means Zeta and its Affiliates (other than members of the PPP Group).

Zeta Information means all the information contained in this Scheme Booklet regarding Zeta and the Zeta Group prepared by Zeta or its advisers, being the information in the Sections or parts of those Sections described below:

- (a) Letter from the Independent Directors of Zeta;
- (b) Section 3 under the part named, "Questions about Zeta";
- (c) Section 5.3(a);
- (d) Section 7;
- (e) Section 8
- (f) Section 9.4;
- (g) Section 13.3;
- (h) Section 13.4;
- (i) Section 13.5;
- (j) Section 13.9;
- (k) Section 14: the definitions contained in the Glossary for "Zeta", "Zeta Group", "Zeta Information", "Zeta Register", "Zeta Share" and "Zeta Shareholder",

except in each case to the extent that information is based on information provided or prepared by or on behalf of PPP.

Zeta Register means the register of registered shareholders of Zeta in Bermuda or any branch register thereof.

Zeta Share means a fully paid ordinary share in the capital of Zeta.

Zeta Share Consideration means one Zeta Share for every ten (10) Scheme Shares held by a Scheme Participant.

Zeta Shareholder means a person registered in the Zeta Register as the holder of one or more Zeta Shares, from time to time.

In this Scheme Booklet:

- (a) all dates and times are Australian Western Standard Time unless otherwise indicated;
- (b) words and phrases not otherwise defined in this Scheme Booklet (excluding the Annexures of this Scheme Booklet) have the same meaning (if any) as is given to them by the Corporations Act;
- (c) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (d) headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet; and
- (e) a reference to a Section is to a Section in this Scheme Booklet unless stated otherwise.

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ANNEXURE 1 – INDEPENDENT EXPERT'S REPORT





Financial Services Guide

6 September 2017

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Pan Pacific Petroleum NL ('PPP' or the 'Company') to provide an independent expert's report on the proposed acquisition of all the issued share capital of the Company, not already owned, by Zeta Resources Limited (or its nominee) ('Zeta') by way of a court approved scheme of arrangement ('Scheme'). You will be provided with a copy of our report as a retail client because you are a shareholder of PPP.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

BDO CORPORATE FINANCE (WA) PTY LTD



Financial Services Guide

Page 2

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$35,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from PPP for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('FOS'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter.

Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details

You may contact us using the details set out on page 1 of the accompanying report.



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

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38 Station Street
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PO Box 700 West Perth WA 6872
Australia

6 September 2017

The Directors
Pan Pacific Petroleum NL
Level 9, 45 Clarence Street
Sydney NSW 2000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 13 June 2017, Pan Pacific Petroleum NL ('PPP' or the '**Company**') announced that it had entered into a Scheme Implementation Agreement ('SIA') with Zeta Resources Limited ('Zeta') under which Zeta (or its nominee) will acquire all the issued share capital in the Company that it does not already own by way of a recommended court approved scheme of arrangement ('**the Scheme**').

Under the Scheme, PPP shareholders (who are not holders of unmarketable parcels) can elect to receive either A\$0.038 cash per PPP share that they hold ('**Cash Consideration**') or one Zeta share for every 10 PPP shares ('**Zeta Share Consideration**').

Zeta is a resources focused investment company which is listed on the Australian Securities Exchange ('ASX'). As at the date of this report Zeta has a relevant interest in approximately 50.91% of PPP's issued shares.

2. Summary and Opinion

2.1 Purpose of the report

The directors of PPP have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('**our Report**') to express an opinion as to whether or not the Scheme is in the best interests of the non-associated shareholders of PPP ('**Shareholders**').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 (Cth) ('**Corporations Act**' or '**the Act**') and is to be included in the Scheme Booklet for PPP in order to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 60 'Schemes of Arrangements' ('**RG 60**'), Regulatory Guide 111 'Content of Expert Reports' ('**RG 111**') and Regulatory Guide 112 'Independence of Experts' ('**RG 112**').

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this Report. We have considered:

- how the value of a PPP share prior to the Scheme, on a control basis, compares to the value of the Cash Consideration alternative and the Zeta Share Consideration alternative;
- a post-merger analysis;
- the likelihood of an alternative offer being made to PPP;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- the position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior offer:

- the Cash Consideration is fair and reasonable to Shareholders and therefore in the best interest of Shareholders; and
- the Zeta Share Consideration is not fair but reasonable and therefore in the best interest of Shareholders.

Overall, we believe that there are sufficient reasons for Shareholders to approve the Scheme in the absence of any higher offer and we therefore conclude that the Scheme is in the best interest of Shareholders.

2.4 Fairness

In section 13 we determined that:

- the value of one PPP share prior to the Scheme, on a control basis, compares to the Cash Consideration of A\$0.038 per PPP share; and
- the value of 10 PPP shares prior to the Scheme, on a control basis, compares to the Zeta Share Consideration of one share in the combined entity of PPP and Zeta following implementation of the Scheme ('Proposed Merged Entity'), as detailed below:

Cash Consideration alternative	Ref	Low A\$	High A\$
Value of one PPP share prior to the Scheme on a control basis	11.3	0.035	0.039
Value of the Cash Consideration	10.2	0.038	0.038

Source: BDO analysis