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FINANCIAL REVIEW

MEO Australia shows potential

by **Elise Shaw**

Hartleys initiates coverage on MEO Australia with a "speculative buy" recommendation.

MEO is an oil and gas exploration and development company with geographic asset diversification and "a good mix of both oil and gas prospects".

Following the conclusion of a strategic review of assets, the company has decided to focus on exploration acreage in Cuba, PEP 51153 in the Taranaki Basin and the key Australian offshore assets located primarily within the Bonaparte Basin.

"MEO's work program in New Zealand, in particular the drilling of the Shannon prospect, is likely to generate the most significant near term news flow. A successful well could be quickly commercialised via the existing Puka production facility.

"Cash flow from this production could then be deployed on MEO's Cuban acreage, which we hope will ultimately attract a farm-in partner. In Australia, MEO continues to pursue a farm-in partner to drill the Beehive prospect, offshore the Bonaparte Basin.

"With an EV of only \$8m, any of these events has the potential to rerate the share price."

Read more:

<http://www.afr.com/markets/equity-markets/meo-australia-shows-potential-20151120-gl3t4t#ixzz3sGQeXvIX>



A Level 6, 10 Bridge St Sydney NSW 2000

ABN 28 169 080 997

T +61 2 8916 6124

E contact@mcpartners.com.au W www.mcpartners.com.au