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ASX & Media Release

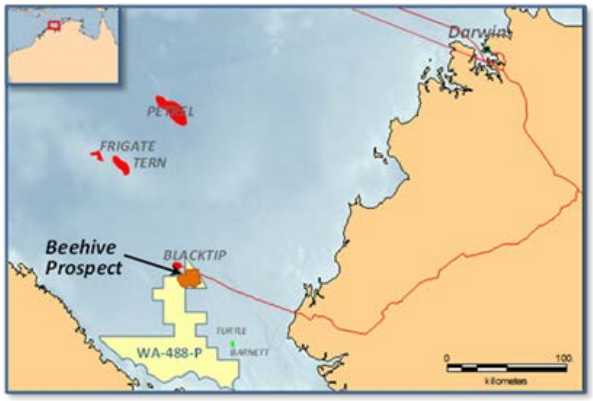
WA-488-P Giant Beehive Prospect Farmout Update

Key Points:

- Farmout process for giant Beehive prospect is progressing
- Multiple parties are currently actively engaged and reviewing the technical data
- Responses from current participants anticipated by end October 2016

MELBOURNE, AUSTRALIA (**12 September, 2016**)

MEO Australia Limited ("MEO") (ASX: **MEO**) provides the following update for the farmout process for WA-488-P (MEO 100%) containing the giant Beehive prospect.



Following conclusion of the recent successful seismic reprocessing and inversion project which has reinvigorated interest from major players, MEO commenced a farmout process to secure funding partners to progress the technical assessment of, and ultimately drill, the Beehive prospect.

To date, four substantial companies have engaged in the process and are actively reviewing the technical data for WA-488-P. MEO is seeking responses from these potential farminees by the end of October 2016, but timing remains subject to ongoing market conditions and the addition of any new parties to the process.

MEO Managing Director & CEO Peter Stickland commented:

"The Beehive prospect is one of the largest hydrocarbon structures in Australia and it is widely recognised that the recent seismic reprocessing and inversion have enhanced the characterisation of the prospect.

In the current environment it is encouraging that four companies have actively engaged in the farmout process so far.

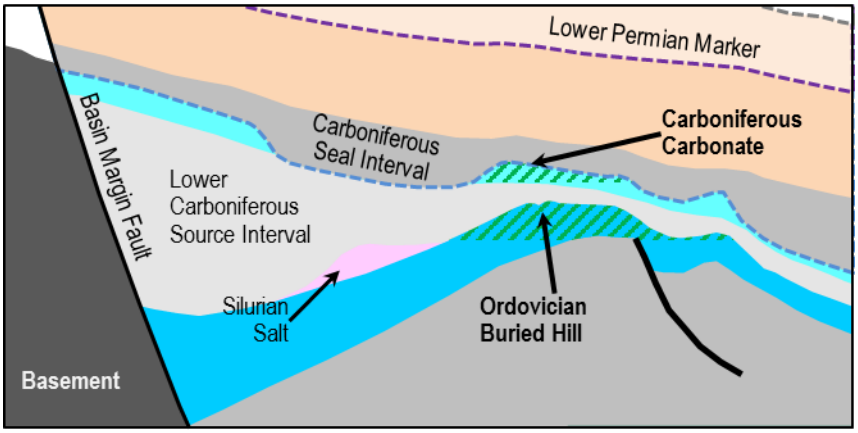
MEO's ambition is to bring parties into the WA-488-P joint venture to fund the advancement and ultimately drilling of Beehive. Doing so would not only secure an exciting drilling opportunity for MEO shareholders, but enable MEO to focus its resources on its Cuba opportunities where it is the only ASX listed company with exposure to the Cuban oil & gas industry."

Peter Stickland
Managing Director & Chief Executive Officer

Beehive Prospect summary (WA-488-P, MEO 100%)

Beehive is potentially a multi-billion barrel, oil prone prospect in the Bonaparte Basin located in 40m water depth next to the producing Blacktip field. It is potentially the largest undrilled oil prospect offshore Australia, developable by either FPSO or pipeline.

The Carboniferous age objective is a 180km^2 isolated carbonate build up with 400m of mapped vertical relief, analogous to the giant Tengiz field in the Caspian Basin. This play type is new and undrilled in the Bonaparte Basin.



Beehive is defined by a tight grid of pre-existing 2D seismic data, which MEO has reprocessed in order to further de-risk the prospect.

The Beehive prospect is characterised as having significant prospective resources as outlined in the following table:

Prospective Resources - Recoverable

Beehive Prospect*	COS	Low	Best	Mean	High
Carboniferous objective (MMboe)	16%	97	558	940	2,033

Prospective Resources Cautionary Statement: *The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*

The information that relates to Contingent Resources and Prospective Resources for MEO is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, the Managing Director and Chief Executive Officer of MEO. Mr Stickland B.Sc (Hons) has over 25 years of relevant experience, is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia, and consents to the publication of the resource assessments contained herein. The Contingent Resource and Prospective Resource estimates are consistent with the definitions of hydrocarbon resources that appear in the Listing Rules. Conversion factors: 6 Bscf gas equals 1 MMboe; 1 bbl condensate equals 1 boe.