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ASX & Media Release

MEO High-Grades its Exploration Portfolio

- Comprehensive review of exploration portfolio completed
- Opportunities prioritised based on potential to deliver significant shareholder value
- Top priority opportunities identified as:
 - Cuba – Block 9
 - New Zealand– PEP51153
 - Australia – WA-488-P, WA-454-P
- Process to unlock significant value in Tassie Shoal Projects to continue
- Review completion and resultant expenditure prioritisation reflects increased strategic focus and fiscal discipline

MELBOURNE, AUSTRALIA (16th October, 2015)

MEO Australia Limited (ASX: **MEO**) advises that it has completed a strategic review of its exploration portfolio that has identified and prioritised the projects that MEO considers have the most potential to deliver significant shareholder value.

As a result of this review MEO will focus on the following priority exploration projects:

Country – Basin	Block	Comments
Cuba	Block 9 (MEO 100%)*	<ul style="list-style-type: none"> • Early mover advantage in oil rich area with significant company-making potential • Quality, low-cost technical work to add value ahead of potential farm-out and drilling
New Zealand – Taranaki	PEP51153 (MEO 30%)	<ul style="list-style-type: none"> • Evaluating potential to restart oil production from Puka • Evaluating potential to drill high quality Shannon prospect in 2016
Australia – Petrel	WA-488-P (MEO 70%)	<ul style="list-style-type: none"> • Giant Beehive oil prospect in shallow water • Farm down to fund MEO's share of activities (potential 3D seismic & well)
Australia – Petrel	WA-454-P (MEO 50%)	<ul style="list-style-type: none"> • Breakwater prospect anticipated to be drilled in 2017 • MEO 80% carried by Origin farmin • MEO will seek partner to carry the remainder 20%
Australia – Vulcan	AC/P50, 51, 53 (MEO 100%)	<ul style="list-style-type: none"> • New oil play on trend with recent reported West-1 (Auriga) discovery near Crux • Quality, low-cost technical work to add value ahead of potential farm-out and drilling

* Subject to Petro Australis conditional 40% back-in option

In addition, MEO will continue to actively progress its Tassie Shoal Projects and seek pathways to unlock shareholder value from these projects which have minimal holding costs. MEO's Environmental approvals for the Tassie Shoal Methanol Project are valid to 2052. The Tassie Shoal Projects represent a strategic asset and a significant store of potential value as surrounding titleholders seek to commercialise their stranded resources.



As a consequence of this exercise MEO has decided to discontinue its involvement in a number of exploration projects at the earliest opportunity:

- NT/P68 (MEO 100% of Heron area). MEO undertook an assessment of the Heron discovery and concluded that it was too small to be a potential gas supply source for the Tassie Shoal projects.
- WA-360-P (MEO 62.5%) and WA-361-P (MEO 50%). The remaining prospectivity in these permits is considered too high risk for MEO's exploration strategy, relative to MEO's other assets.

MEO has advised the other Joint Venture participants of these permits of its intention to withdraw, which in all cases is expected to be achieved in good order within 6 months.

Commenting on the announcement, MEO's MD & CEO Peter Stickland said:

"We are pleased to have completed this strategic review, which has resulted in a more focussed and higher impact portfolio. MEO has excellent oil and gas opportunities in its portfolio, notably the recently awarded Block 9 in Cuba, near term drilling opportunities in New Zealand and high quality prospects in Breakwater (WA-454-P) and Beehive (WA-488-P). In addition, the Tassie Shoal Projects are a store of significant potential value that MEO will continue to seek pathways to unlock.

MEO is demonstrating its fiscal discipline by divesting of exploration projects that no longer have the risk-reward profile that fits with the company's strategic objectives. In doing so our resources can be re-focussed onto existing projects and new opportunities that have greater potential to generate shareholder value."

Peter Stickland
Managing Director and Chief Executive Officer