



MEO Australia Limited
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30 April 2015

By ASX online platform

Companies Announcement Office
ASX Limited
Level 4
North Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir / Madam,

Second Supplementary Target's Statement – Off-market takeover bid by Mosman Oil and Gas Limited

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), we enclose a copy of the second supplementary target's statement dated 30 April 2015 (**Second Supplementary Target's Statement**) given by MEO Australia Limited (ABN 43 066 447 952) (**MEO**) in relation to the off-market takeover bid by Mosman Oil & Gas Limited (**Mosman**) for all of the fully paid ordinary shares in MEO.

The Second Supplementary Target's Statement supplements MEO's target statement dated 25 February 2015 and the first supplementary target's statement dated 18 March 2015.

The Second Supplementary Target's Statement has today been lodged with the Australian Securities and Investments Commission and sent to Mosman.

Yours sincerely,

Mr Colin Naylor
Company Secretary
MEO Australia Limited

The Directors of MEO Australia Limited recommend you

REJECT

the takeover offer from
Mosman Oil and Gas Limited

Your Directors recommend that you **REJECT the Mosman Offer and do nothing** in relation to any documents received from Mosman for the following reasons:

- Mosman has limited cash and its ability to continue as a going concern is uncertain;
- when announced, the revised Mosman takeover bid represented a discount of approximately 18.8% to the MEO Share closing price and the Mosman share price has since been volatile;
- the Mosman Replacement Bidder's Statement stated that Mosman might issue up to approximately 21.1 million more Mosman Shares before 30 September 2015, diluting shareholders to an unknown extent, and it appears some 10 million new Mosman Shares have been issued since the date of the Replacement Bidder's Statement; and
- the Mosman takeover bid is highly conditional, opportunistic and uncertain.

To **REJECT** the Mosman takeover bid, MEO shareholders should **simply do nothing** and not respond to any telephone calls or documents received from Mosman.

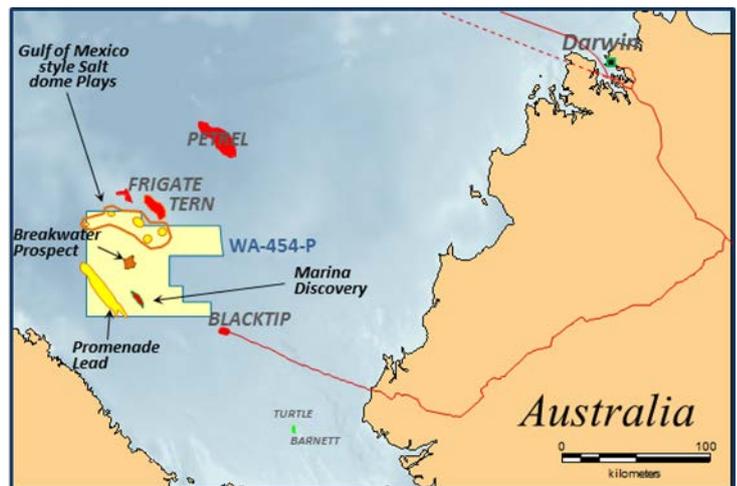
1 Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act. It is the second supplementary target's statement ("**Second Supplementary Target's Statement**") issued by MEO Australia Limited (ABN 43 066 447 952) ("**MEO**") in relation to the off market takeover offer to acquire all of the shares in MEO by Mosman Oil and Gas Limited (ABN 90 150 287 111) ("**Mosman**"). This Second Supplementary Target's Statement supplements, and should be read together with, MEO's target statement dated 25 February 2015 and the first supplementary target's statement dated 18 March 2015 (together, the "**Target's Statement**").

2 WA-454-P Work Program Variation Approved

On 12 March 2015, MEO announced the WA-454-P Joint Venture had determined it would make two applications to the National Offshore Petroleum Titles Administrator ("**NOPTA**") to vary the WA-454-P Permit work program.

MEO advises that the WA-454-P Joint Venture (MEO 50%) has been notified by the NOPTA of the approval of its application to vary the Permit work program by extending by 6 months Permit Year 4 (currently ending 8th June 2015) to provide further time to undertake additional seismic reprocessing and deferring the current well commitment from Permit Year 5 to Permit Year 6. The details of the revised WA-454-P Work Program are listed below.



As a result, the proposed Breakwater-1 exploration well is expected to be drilled prior to the revised permit expiry date of 8th December, 2017.

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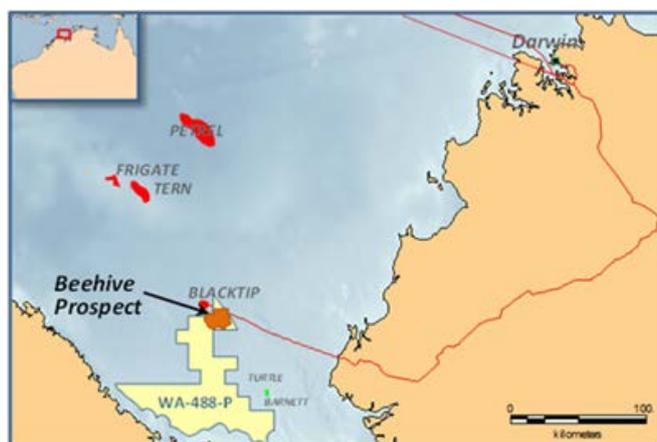
Revised WA-454-P Work Program (100% Joint Venture Share)

Year	Start Date	End Date	Minimum Work Requirements	Estimated Expenditure (Indicative Only)
4	9 Jun 2014	8 Dec 2015	Geotechnical Studies 600km ² 3D PSDM Reprocessing	A\$250,000 A\$600,000
5	9 Dec 2015	8 Dec 2016	Interpretation of 600km ² of 3D PSDM reprocessed data Geotechnical Studies	A\$250,000
6	9 Dec 2016	8 Dec 2017	One Exploration Well	A\$20,000,000

3 WA-488-P Work Program Variation Approved

MEO advises that it has been notified by the NOPTA of the approval of its application to vary the WA-488-P (MEO 70%*) work program by suspending and extending Permit Year 2 by 6 months. This additional time will provide an opportunity for MEO and prospective farminees to undertake further proprietary seismic processing and consider acquiring a 3D seismic survey over the Beehive prospect prior to drilling the Beehive-1 exploration well. The details of the revised WA-488-P Work Program are listed below.

If MEO and its prospective farminees determine that a 3D seismic survey is warranted, MEO intends to further apply to NOPTA to vary the WA-488-P work program to allow sufficient time to acquire, process and interpret the 3D seismic survey prior to drilling the Beehive-1 exploration well. If this variation were to be accepted, MEO would expect to drill Beehive-1 prior to November 2017. MEO gives no guarantee, express or implied, as to the outcome of the applications; such decisions are in the complete discretion of NOPTA.



Revised WA-488-P Work Program (100% Joint Venture Share)

Year	Start Date	End Date	Minimum Work Requirements	Estimated Expenditure (indicative only)
2	22 May 2014	21 Nov 2015	Geological and Geophysical Studies Survey Data Proprietary Processing	A\$200,000 A\$300,000
3	22 Nov 2015	21 Nov 2016	One Exploration Well	A\$20,000,000
4	22 Nov 2016	21 Nov 2017	400km2 New Seismic Survey	A\$5,000,000
5	22 Nov 2017	21 Nov 2018	Geological and Geophysical Studies	A\$200,000
6	22 Nov 2018	21 Nov 2019	One Exploration Well	A\$20,000,000

** subject to finalisation of the farmout of a 30% Participating Interest, which would leave MEO with a residual 70% interest following completion of that farmout – See ASX Release of 17th March, 2015.*

4 Options to farm in to AC/P50 and AC/P51

Options held by a potential Farminee to farm in to AC/P50 and AC/P51 permits (refer ASX Release 18th February, 2015) expire 30th April 2015 and the Farminee has provided written notice it will not exercise its options in relation to those permits.

5 Appendix 5B Statement

MEO released its Quarterly Activities Summary for the period ended 31 March 2015 and its Quarterly Cash Flow Summary for the period ended 31 March 2015 (“**Appendix 5B**”) on 29 April 2015. The Directors consider that some of the financial figures in the Appendix 5B could be considered information that is material to a MEO Shareholder’s decision whether to accept the Mosman Offer and information that, had it been known to the Directors on the date the original target’s statement was lodged with ASIC (i.e. 25 February 2015), may have been included in that document.

Extracted below is the financial information included in the Appendix 5B.

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (9 months)
		\$A'ooo	\$A'ooo
1.1	Receipts from product sales and related debtors	120	318
1.2	Payments for (a) exploration & evaluation	(622)	(5,329)
	(b) development	-	-
	(c) production	(162)	(338)
	(d) administration	(1,266)	(4,034)
	(e) redundancies	(581)	(581)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	42	173
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - R & D tax incentive refund (net)	-	273
	- Merger Break Fee	-	400
	- Neon merger costs	(584)	(655)
Net Operating Cash Flows		(3,053)	(9,774)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(411)
	(c) other fixed assets	-	(17)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	366	366
	(c) other fixed assets	112	112
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		478	50
1.13	Total operating and investing cash flows (carried forward)	(2,575)	(9,724)

1.13	Total operating and investing cash flows (brought forward)	(2,575)	(9,724)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,575)	(9,724)
1.20	Cash at beginning of quarter/year to date	9,727	15,990
1.21	Exchange rate adjustments to item 1.20	93	979
1.22	Cash at end of quarter	7,245	7,245

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	112
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	-	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration	600
Mosman defence costs	240
Redundancy payments	260
Total	1,800

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,249	5,593
5.2 Deposits at call	5,996	4,134
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.2.2)	7,245	9,727

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	750,488,387	750,488,387		
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options and Share Performance Rights (description and conversion factor) Directors & Senior Executive Officers	<i>OPTIONS</i> 1,500,000 2,700,000 500,000 1,200,000 4,330,000 1,500,000 -	- - - - - - -	<i>Exercise Price(cents)</i> 50 50 50 50 50 50 -	<i>Expiry Date</i> 4/10/2015 27/10/2015 1/7/2016 3/10/2016 1/12/2016 3/4/2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	<i>OPTIONS</i> 3,000,000 <i>SHARE PERFORMANCE RIGHTS</i> 350,000	-	50	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

6 Director's recommendation

Your Directors continue to recommend you **REJECT** the Mosman Offer for the reasons set out in the Target's Statement.

7 General

Unless the context otherwise requires, capitalised terms used in this Second Supplementary Target's Statement but not defined have the same meaning given to them in the Target's Statement. The Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

This Second Supplementary Target's Statement is dated 30 April 2015, which is the date it was lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

This Second Supplementary Target's Statement has been approved by a resolution of the MEO Directors. Each MEO Director has voted in favour of the resolution authorising this Second Supplementary Target's Statement.

Dated: 30 April 2015

Signed for and on behalf of MEO Australia Limited



Mr Gregory Short
Chairman
MEO Australia Limited