

## Media Release

# MEO Free-Carried Through AC/P50 and AC/P51 Seismic Reprocessing Work Programs

### Key Points:

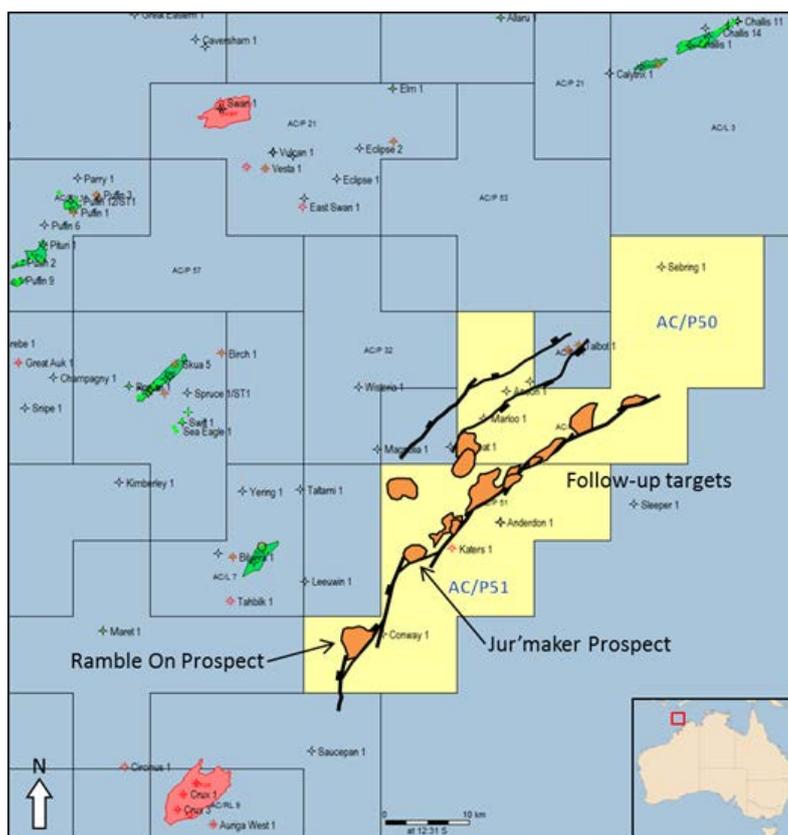
- MEO executes agreement granting Rouge Rock an option to acquire a 45% interest in AC/P50 and AC/P51 in exchange for undertaking and funding the remainder of the primary work program on both permits
- MEO retains a 55%\* interest in the permits and is free-carried through the 2016 and 2017 work programs, indicatively worth \$1.15 million
- Plan to undertake joint farmout with Rouge Rock in 2017 based on reprocessing results
- Agreement validates prospectivity of AC/P50 and AC/P51 and enables MEO to strategically prioritise capital on lower cost onshore projects

MELBOURNE, AUSTRALIA (5 July, 2016)

MEO Australia Limited (“MEO” or the “Company”) (ASX: **MEO**) is pleased to advise that it has executed an agreement with Rouge Rock Pty Ltd (“Rouge Rock”) which grants Rouge Rock an option to acquire a 45% interest in the AC/P50 and AC/P51 Exploration Permits (“Permits”). In exchange for the grant of the option, Rouge Rock will undertake and fund the remaining primary statutory work program for each permit consisting of seismic reprocessing and other technical activities (“Reprocessing Work”).

The Reprocessing Work must be completed in stages no later than as required by timing stated in the primary statutory work program which currently ends on 18<sup>th</sup> May 2018 for both Permits. Subject to completing the Reprocessing Work, Rouge Rock may exercise its option by providing notice to MEO prior 18<sup>th</sup> May, 2018, at which point it will acquire a 45% interest in the Permits.

The Permits are located in the Vulcan sub-basin off the North West coast of Australia, adjacent to a number of oil and gas discoveries, and are both currently 100%\* owned by MEO. The Ramble On and Jur'maker oil prospects have been identified in a proven petroleum system defined on modern 3D seismic data in a shallow water area suitable for drilling via a lower cost jack-up rig. The Permits were renewed in 2015 for 5 year term with a minimum work program of



studies and seismic reprocessing in the first 3 years.

The Reprocessing Work includes undertaking 3D broadband reprocessing, merging of the Zeppelin and Onnia 3D seismic data, and interpretation and mapping of the reprocessed seismic data. The indicative value of the Reprocessing Work is approximately \$1.15 million. Rouge Rock will also undertake additional technical work, including full wave form inversion of the Zeppelin and Onnia 3D seismic data and pre stack depth migration of the merged seismic data sets.

The enhanced technical products to be produced by Rouge Rock are intended to further de-risk the identified prospects and leads, facilitating a further farmout of the Permits to fund future discretionary exploration drilling. Subject to Rouge Rock exercising its option and acquiring an interest in the Permits, MEO and Rouge Rock intend to undertake a joint farmout process during 2017 based on the results of the Reprocessing Work.

If Rouge Rock elects to exercise its option to acquire an interest in the Permits, MEO and Rouge Rock's interests in the Permits will be as follows:

MEO	55%*
Rouge Rock	45%

**MEO Managing Director & CEO Peter Stickland commented:**

*"MEO has actively sought to bring in an additional partner for AC/P50 and AC/P51 to minimise the Company's exposure to exploration costs while at the same time advancing the prospectivity of these permits. The agreement with Rouge Rock will enable substantial value-adding work to be undertaken on the permits while at the same time reducing MEO's near term expenditure and allowing the Company to strategically focus its capital on lower cost onshore projects such as the Block 9 Production Sharing Contract in Cuba."*



**Peter Stickland**  
Managing Director & Chief Executive Officer

\*Subject to a 5% option granted to Far Cape Energy Pte Ltd