



## MEO Australia Limited

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### ASX & Media Release

## MEO Completes Negotiations for Cuba “Block 9” PSC

### Key Points:

- MEO has agreed terms for entry to an onshore exploration PSC in the Republic of Cuba
- Award of Block 9 PSC (MEO 100%) is subject to final regulatory approval
- Block 9 contains natural oil seeps and has several small oil discoveries

MELBOURNE, AUSTRALIA (4<sup>th</sup> December, 2014)

MEO Australia Limited (ASX: **MEO**) advises that it has completed negotiations for 100% participating interest in a Production Sharing Contract (“PSC”) in the Republic of Cuba (“Cuba”). Detailed terms of the PSC have been agreed with the Commercial division of Cuba Petróleo Union (“CUPET”) and final PSC documents have been initialled by MEO and CUPET. Official execution and award is subject to final regulatory approval.

MEO has been in discussions with CUPET since qualifying as an onshore and shallow water operator in early 2013. Block 9 was MEO’s preferred entry block due to the confirmed presence of hydrocarbons and the close proximity to existing production and infrastructure. The geology of the block is analogous to petroleum systems in which MEO’s technical personnel have significant experience, a key factor that helped qualify MEO to apply for acreage in Cuba.

Block 9 covers approximately 2,380 km<sup>2</sup> of predominantly low lying farmland on the north coast of Cuba approximately 130 km east of Havana. It has an existing petroleum exploration dataset of modern 2D seismic and multiple wells. The block is close to the multi-billion barrel Varadero oil field and contains the Motembo field\*, the first major Cuban oil field which was discovered in 1881.

The exploration phase of the PSC term is split into 4 sub-periods totalling eight and a half years with withdrawal options at the end of each sub-period. The negotiated work program includes a commitment to an initial 18 month exploration sub-period during which existing exploration data in the block will be evaluated and selected seismic reprocessed before electing whether to proceed with a subsequent 24 month exploration sub-period which includes acquisition of new 2D seismic.

MEO has pursued this opportunity in collaboration with Petro Australis Limited, an unlisted Australian company. In the event that MEO is awarded the PSC and Petro Australis qualifies for participation in Cuba, it has an option to secure up to a 40% Participating Interest in Block 9 by reimbursing its share of costs MEO has incurred to date.

### **MEO’s CEO and MD Jürgen Hendrich, commented on the announcement:**

*“Without pre-empting the final regulatory approval process, we are very pleased to have reached this milestone after achieving pre-qualification in early 2013. We see significant potential in Cuba and in particular Block 9 and look forward to working closely with CUPET to our mutual benefit.”*

**Jürgen Hendrich**

Managing Director & Chief Executive Officer

\* In the event of block award, MEO will not be entitled to existing production from any field in the block.

# Location Map

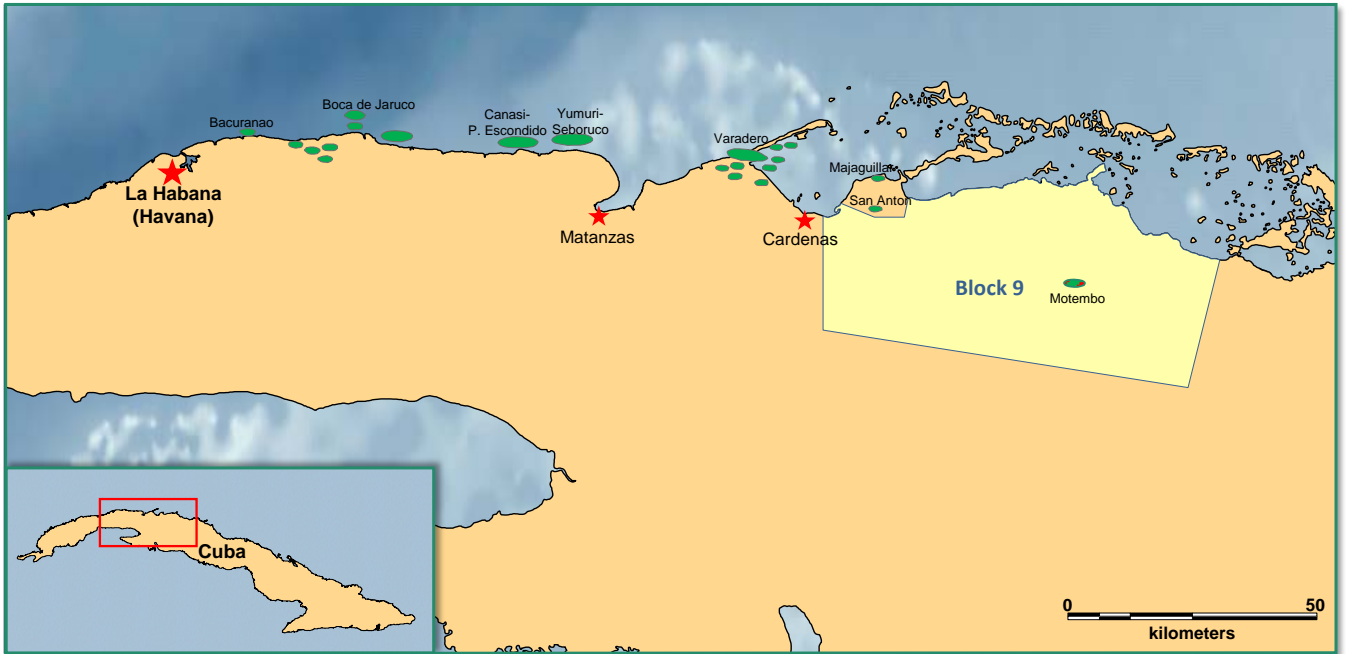


Figure 1. Block 9 location map showing adjacent fields.