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Quarterly activities summary for Period ended 31st December 2015

Highlights during quarter

Strategic Review of Portfolio

- Aligning resources and activities with top priority opportunities:
 - Cuba – Block 9
 - New Zealand– PEP51153
 - Australia – WA-488-P, WA-454-P

Cuba

- Commenced prospectivity review of Block 9

WA-488-P

- Identified additional seismic inversion work to enhance the prospectivity of the Beehive prospect facilitating a 12 month suspension and extension

Corporate

- Retirement of two Non-Executive Directors and appointment of new Non-Executive Chairman
- Cash balance at end December is \$4.1m, in line with forecast in the September quarterly report

Melbourne, Australia (22nd January, 2016)

MEO Australia Limited (ASX: **MEO**) provides the following summary in relation to its activities during the quarter ended 31st December 2015.

Activity Summary

MEO is focused on growing a material oil and gas business through a three-pronged strategy:

- Risk-managed, high impact exploration
- Low-cost and value accretive acquisitions
- Commercialisation of the Tassie Shoals Projects

Cuba

The Production Sharing Contract (PSC) for Block 9, onshore Cuba, was executed on 3 September 2015. The Block 9 PSC area is in a proven hydrocarbon system with multiple discoveries within close proximity, including the multi-billion barrel Varadero oil field. It also contains the Motembo field - the first oil field discovered in Cuba. As an early mover into Cuba, MEO is now one of the few western companies with a footprint in the expanding Cuban hydrocarbon sector.

MEO has now received a considerable quantity of historical technical data from Block 9 and has commenced a detailed assessment of the prospectivity of the Block. In addition MEO has commenced preparations for the awarding of a contract to reprocess highgraded selected 2D seismic data in Block 9.

WA-488-P

During the Quarter, MEO identified additional seismic inversion work to enhance the prospectivity of the Beehive prospect and successfully applied for a 12 month suspension and extension of WA-488-P. During this time the additional seismic reprocessing and inversion will be undertaken. The potential drilling of the prospect has also been deferred by 12 months until late 2017.

New Zealand – PEP51153

Subsequent to the quarter MEO was advised that Kea Petroleum Limited (Kea), Operator of PEP51153 had appointed liquidators to liquidate the company. MEO subsequently exercised its contractual rights to assume Operatorship of PEP51153, subject to regulatory approval. MEO is a joint venture participant in PEP51153 (MEO 30%), and its interest in the permit is not affected by the appointment of liquidators to Kea. MEO considers its current 30% participating interest to be appropriate for a project such as PEP51153 however is closely monitoring the current liquidation process.

Exploration Portfolio Review

During the quarter MEO completed a strategic review of its exploration portfolio that identified and prioritised the projects the Company considers have the most potential to deliver significant shareholder value.

As a result of this review MEO is focused 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 exploration well (Shannon prospect or other) in 2016
Australia – Petrel	WA-488-P (MEO 100%)	<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 farm-in • MEO will seek partner to carry the remaining 20% cost
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

As a result of this exercise MEO elected to discontinue its involvement in a number of exploration projects including:

- NT/P68 – Heron (MEO 100%). 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 Shoals 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 commenced withdrawal processes for each of these permits.

Corporate Summary

At MEO's AGM on 25th November, Mr Greg Short retired as MEO's Chairman and as a Non-Executive Director, and Mr Stephen Hopley did not seek re-election as a Non-Executive Director. Mr Andrew Purcell was appointed Chairman of MEO from the conclusion of the AGM.

Cash balance at end of quarter

Consolidated cash balance at 30th September 2015 was A\$4.1 million, in line with the forecast in the September quarterly release.

New Ventures

MEO recognises the current business environment is conducive to acquiring assets at an attractive price. Screening for corporate options, early entry and asset opportunities continues.

Priorities for the current quarter ending 31st March 2016

- Progress activities in the Block 9 PSC, Onshore Cuba
- Resolve Operatorship of PEP51153 (onshore New Zealand)
- Continue to market farm-out opportunities, notably WA-488-P and WA-454-P
- Continue screening for corporate options and asset opportunities that enhance MEO shareholder value.



Peter Stickland

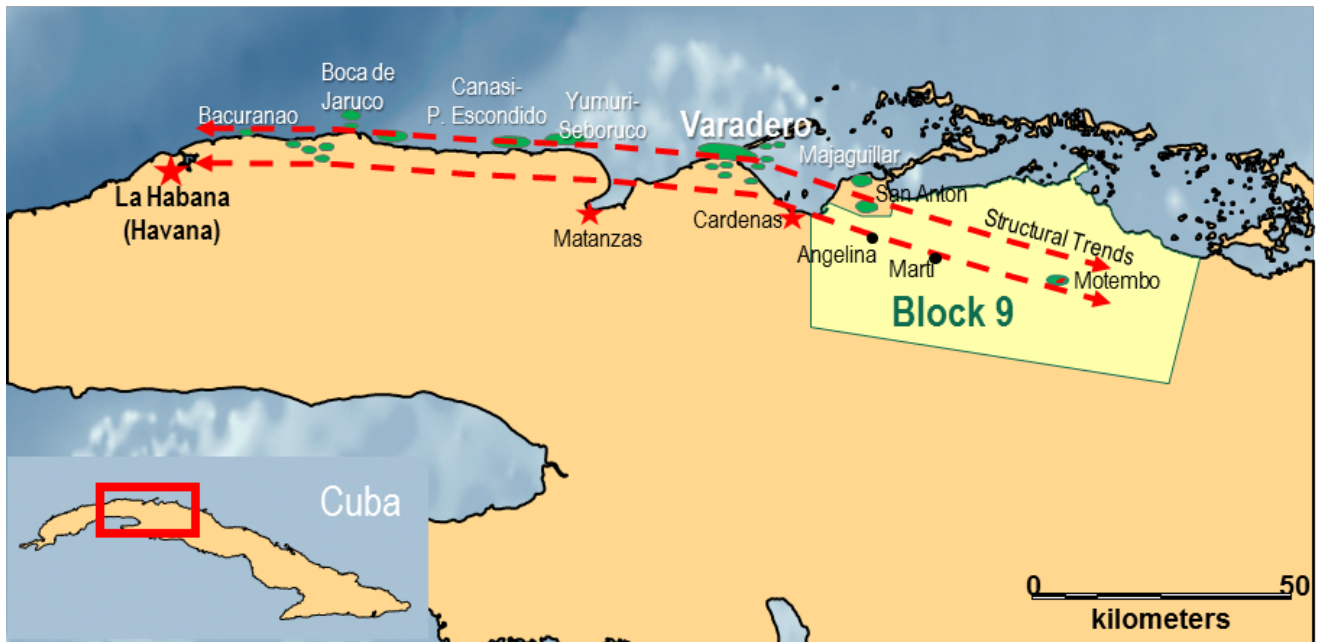
Managing Director and Chief Executive Officer

Attachments: Activity Summaries by Project Area

Cuba

The exploration period of the Block 9 PSC is split into four sub-periods with withdrawal options at the end of each sub-period. MEO will immediately commence work on the initial activity of evaluating the existing exploration data in the block and reprocessing selected 2D seismic data before determining whether to proceed with a subsequent 24-month exploration sub-period that includes acquisition of new 2D seismic data.

As an early mover into Cuba, MEO is now one of the few western companies with a footprint in the expanding Cuban hydrocarbon sector. The geology of the block has analogies to petroleum systems in which MEO's technical personnel have significant experience, and MEO sees substantial potential in Cuba overall and Block 9 in particular. MEO looks forward to working closely with CUPET to explore and develop Cuba's oil and gas resources.



New Zealand: Taranaki Basin

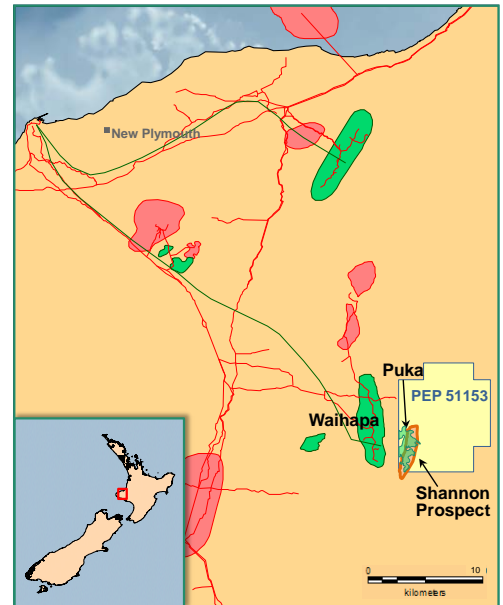
PEP 51153 (MEO 30%, Kea Petroleum Limited* 70% & Operator)

On 7th April 2014 MEO Australia Limited announced its wholly owned subsidiary, MEO New Zealand Pty Limited (“MEO”), had executed a binding farm-in agreement (FIA) with KEA Petroleum PLC (“Kea”) to earn a 30% interest in exploration permit PEP 51153 in the Taranaki Basin, onshore New Zealand

The PEP 51153 Joint Venture has identified a number of potential drilling candidates, including the Shannon Prospect on the 2013 3D seismic data. The Shannon Prospect is at the deeper Tikorangi objective updip of Douglas-1 (which encountered oil shows at this level) and is analogous to the nearby Waihapa oil field. The Shannon Prospect is potentially very robust as initial production can be routed through the existing Puka production pad.

The Joint Venture is seeking a variation to the obligation to acquire 7km of 2D seismic data by proposing alternative work that is likely to be of higher benefit advancing the prospectivity of the permit.

During the quarter production testing of the Puka oil field continued to be shut in due to unresolved mechanical problems with the Puka-1 well and the low current oil price environment. The Joint Venture is considering technical solutions to restart production from the Puka oil field.



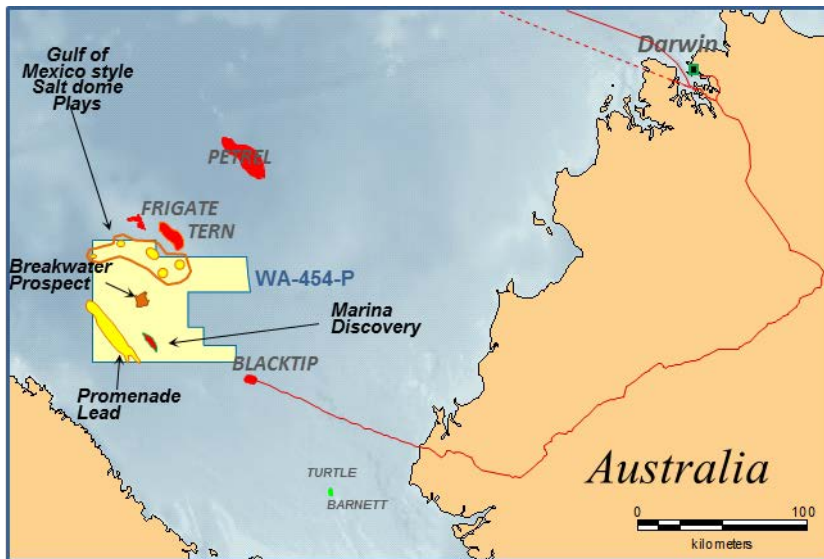
Indicative Activity Schedule

Permit	PEP 51153	2015				2016				2017													
		MEO Interest		30%		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr							
		Operator		Kea*		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Permit Year		7				8				9				10									
Work program		Seismic		1 Well																			
Activities																							
Acquire 7km seismic (or vary)		■																					
Drill Well (Shannon-1 or other)										■													

* In January 2016 MEO exercised its contractual rights to assume Operatorship of PEP51153, subject to regulatory approval, after being advised that liquidators had been appointed to Kea.

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 50%, Origin Energy 50% & Operator)



WA-454-P contains the Marina gas and probable oil discovery together with the Breakwater prospect and a number of promising leads. MEO was awarded the permit in June 2011 for an initial six (6) year exploration period.

The 601 km² Floyd 3D seismic survey was acquired in early 2012 over the Marina discovery, Breakwater prospect and a number of identified leads.

In July 2013, MEO executed a binding farm-in agreement with Origin Energy for a 50% participating interest in the permit. Origin reimbursed MEO A\$5.6m in past costs and will fund 80% of a well capped at A\$35m (100% well cost).

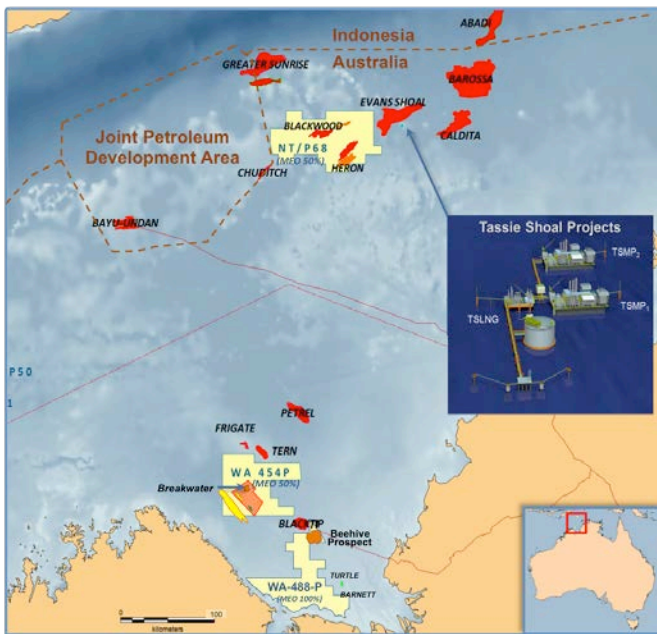
During the quarter MEO continued a marketing campaign to sell a portion of its 50% participating interest to defray MEO's 20% cost exposure to the Breakwater-1 well, scheduled for drilling prior to Q4-2017 subject to rig availability and receipt of customary regulatory approvals.

Indicative Activity Schedule

Permit	WA-454-P	2015				2016				2017											
		MEO PI		50%*		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		Operator		Origin		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		4				5				6											
Work program		Studies								1 well											
Activities																					
PSDM Reprocessing		[Yellow bar]																			
Mature Breakwater prospect						[Green bar]															
Fund 20% residual drilling obligation						[Blue bar]				Partial sale											
MEO option to withdraw														[Red diamond]							
Drill Breakwater-1 ^x														[Red square]							

Bonaparte Gulf: Petrel sub-Basin

WA-488-P (MEO 70%)*



WA-488-P is located adjacent to MEO’s WA-454-P (50%) permit and covers an area of 4,105 km². The permit was awarded to MEO in May 2012 as part of the acreage Gazettal Round.

MEO has identified the giant Beehive prospect, a new play type within the Bonaparte basin, leveraging the 2011 Ungani-1 oil discovery in Carboniferous aged reservoirs in the nearby Canning Basin.

During the quarter, MEO successfully applied for a 12 month suspension and extension of WA-488-P. During this time additional seismic reprocessing and inversion will be undertaken to enhance the Beehive prospect, with potential drilling deferred 12 month until 2017.

Indicative Activity Schedule

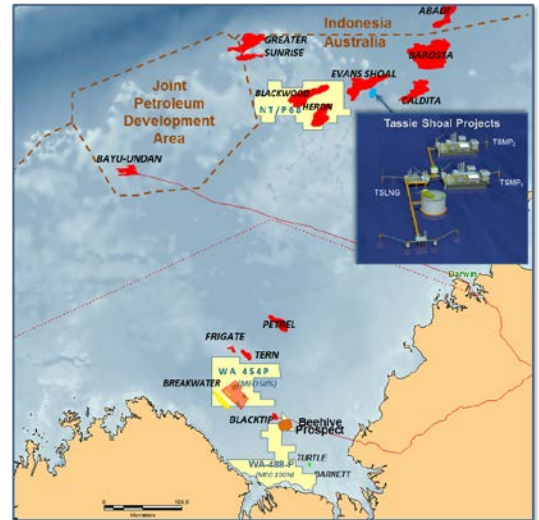
Permit	WA-488-P	2015				2016				2017							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator	MEO																
Permit Year		2								3							
Work program		Studies				Seismic Reprocessing & Inversion				1 Well*							
Activities																	
Reprocess 2D seismic & Inversion		[Bar]				[Bar]											
Partial sale process		[Bar]															

* Timing is indicative and subject to change

Tassie Shoal Gas Processing Projects

(MEO 100%)

During the quarter, MEO continued its direct dialogue with political and regulatory stakeholders to update them on the current status of efforts to commercialise the regional stranded high CO₂ gas resources as feedstock to Tassie Shoal.



Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

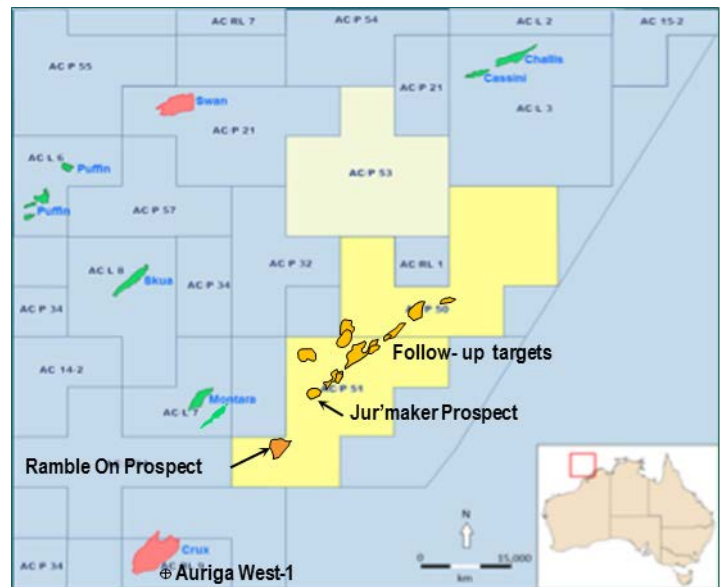
AC/P50, AC/P51, AC/P53 (MEO 100%)

MEO acquired the 507 km² Zeppelin 3D seismic survey across both AC/P50 and AC/P51 in early 2012.

Identification of Ramble On is the result of applying new ideas to old basins. It represents a new play type that has proven analogues in other Basins. Naturally, any new play type in a region will initially be assigned a higher risk until that play type can be demonstrated to work.

Earlier in 2015 MEO renewed both AC/P50 and AC/P51 for a further 5 years with a minimum work program requirement of studies and seismic reprocessing.

Ramble On prospect is on trend with the recent reported West-1 (Auriga) discovery near Crux resulting in renewed industry interest in the region. As a result, MEO re-opened its farm-out data room during the quarter.



Indicative Activity Schedule

Permit	AC/P50	2015				2016				2017																			
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr																	
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator		100%		MEO		1		2		3		3		3		3		3		3		3							
Permit Year		1				2				3				3															
Work program		Studies				Reprocessing				Studies																			
Activities																													
Seismic Interpretation		█																											
Reprocessing						█																							
Partial sale process		█				█				█				█															

Permit	AC/P51	2015				2016				2017																			
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr																	
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator		100%		MEO		1		2		3		3		3		3		3		3		3							
Permit Year		1				2				3				3															
Work program		Studies				Reprocessing				Studies																			
Activities																													
Seismic Interpretation		█																											
Reprocessing						█																							
Partial sale process		█				█				█				█															

Permit	AC/P53	2015				2016				2017																			
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr																	
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator		100%		MEO		5		6		6		6		6		6		6		6		6							
Permit Year		5				6				6				6															
Work program		Studies				1 Well				1 Well																			
Activities																													
Permit relinquish election ^x										◀																			
Seismic Interpretation		█				█																							
Partial Sale process		█				█				█				█															

North West Shelf: Offshore Carnarvon Basin

WA-360-P, WA-361-P (MEO Operator)

WA-360-P (MEO 62.5% & Operator)

WA-361-P (MEO 50% & Operator)

As a consequence of the recent Exploration Portfolio Review MEO decided to discontinue its involvement WA-360-P and WA-361-P at the earliest opportunity as 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 3 months at minimal additional cost to MEO.

