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ASX & Media Release

Execution of 30% Farm out for WA-488-P

Key Points:

- MEO completes 30% farmout of WA-488-P to a wholly owned subsidiary of SGX-listed Rex International Holding
- Agreement includes options, which if exercised, will result in MEO retaining a fully carried 20% interest in the drilling of Beehive-1.
- Farmin follows assessment of Beehive prospect using the proprietary evaluation software Rex Virtual Drilling™
- Farmout provides further validation of prospectivity of WA-488-P, which contains the Beehive prospect, one of the largest hydrocarbon prospects in Australia

MELBOURNE, AUSTRALIA (21st May, 2015)

MEO Australia Limited (ASX: **MEO**) is pleased to advise the execution of final documentation to farmout of a 30% participating interest in the WA-488-P exploration permit to a wholly owned subsidiary of SGX-listed Rex International Holding (“Rex”).

Commenting on the announcement, MEO’s MD & CEO Peter Stickland said: *“MEO is pleased to have completed the farm-out of WA-488-P to Rex. Rex’s assessment provides an independent verification of the strong prospectivity of block WA-488-P. Importantly, the agreement significantly increases the potential for MEO to be fully funded through the drilling of Beehive-1.*

MEO continues to engage with a number of other parties who are also evaluating WA-488-P and additional parties can be accommodated in the Permit by the current agreement.”

Transaction Details

The execution of the farm-out agreement provide Rex with an immediate 30% participating interest in the WA-488-P permit while MEO retains a 70% interest.

The final farmout terms includes options for Rex to increase its participating interest (if MEO has not secured alternative funding) by an additional 10% in return for procuring full funding of a 3D seismic survey over the Beehive prospect, which Rex can increase to 20% if it commits by 30 June 2015 to fund the 3D Seismic Survey and paying MEO US\$500,000 cash.

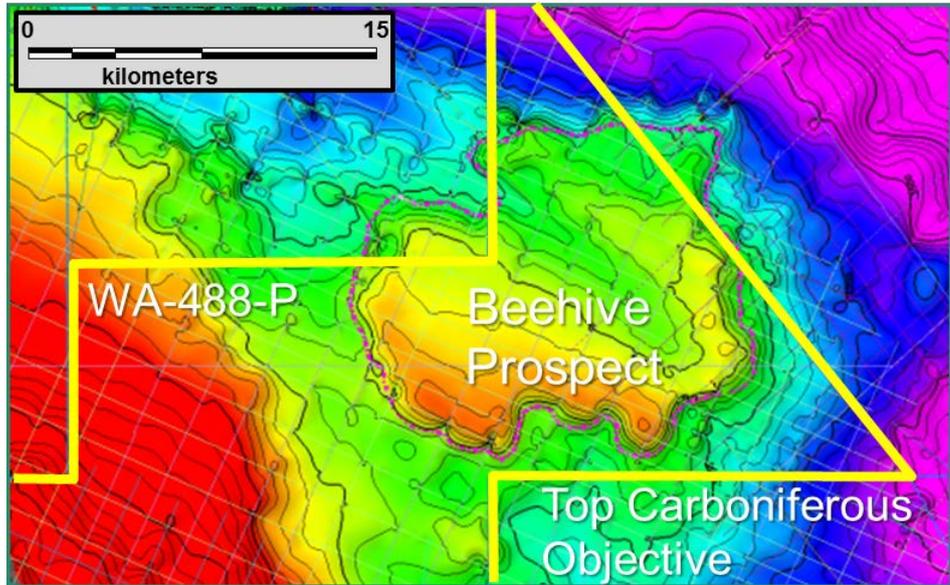
Rex has a further option to increase its participating interest in return for procuring full funding of the proposed Beehive-1 well (if MEO has not secured alternative funding). If this option is exercised by Rex or its nominee, MEO will have a full carry through a Beehive-1 well for its residual 20% participating interest.



Background

During the due diligence process, Rex undertook a technical assessment of the Beehive prospect utilising its proprietary seismic evaluation technology Rex Virtual Drilling™. Rex advise that Rex Virtual Drilling analyses conventional seismic data and extracts information which can present information about the presence of liquid hydrocarbons. The results of the analysis were encouraging, providing a positive response for oil consistent with MEO’s geological assessment.

Both MEO and Rex recognised that obtaining a 3D seismic survey over the Beehive Prospect would enable the optimisation of the Beehive-1 well location and further de-risk the prospect. An extension and suspension to the current WA-488-P permit term will be sought if the Joint Venture considers there to be insufficient time to plan for and acquire the 3D seismic survey ahead of drilling



Beehive-1, which is currently scheduled for late 2016.

Figure 1: Beehive located in WA-488-P is a potentially giant structure

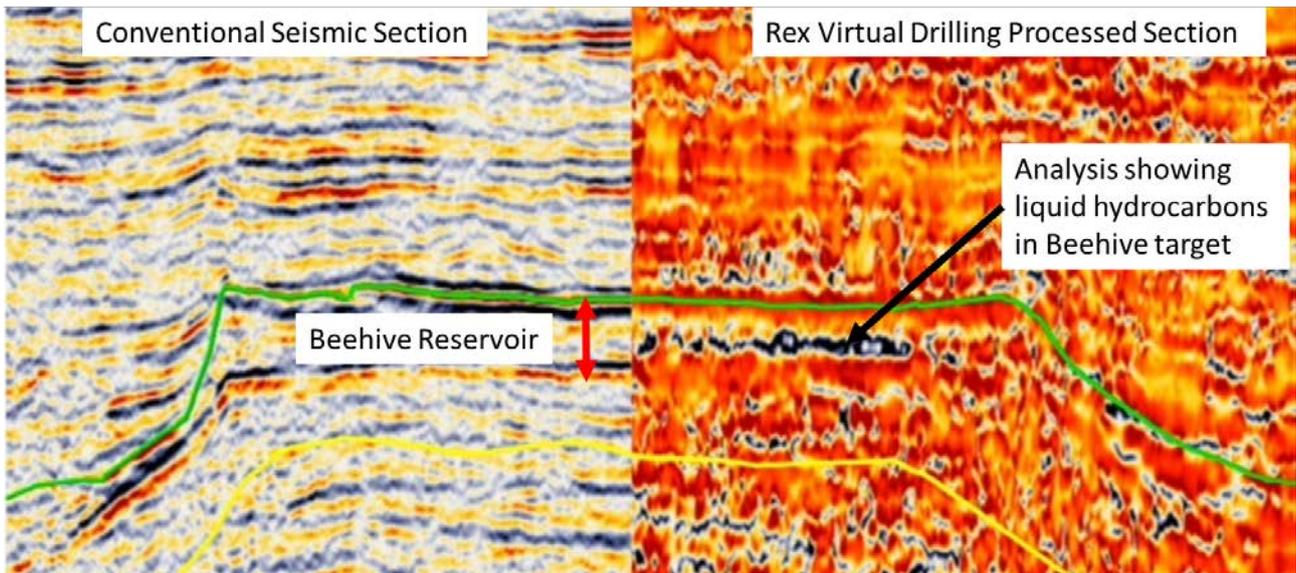


Figure 2: Rex Virtual drilling analysis (right) showing liquid hydrocarbon indications (black) in the Beehive target formation.



Beehive Prospective Resources (100%, unrisks)*

Beehive Prospect	CoS	Low	Best	Mean	High
Carboniferous (MMstb)	16%	104	598	925	2,182
Ordovician (MMstb)	8%	67	328	546	1,314

Prospective Resources Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

A supplementary target's statement will be lodged by MEO in respect of the above update shortly.

Peter Stickland

Managing Director and Chief Executive Officer

Background on Rex

Rex International Holding is listed on Singapore Exchange Securities Trading Limited's Catalist Board. The Company owns a key set of proprietary and innovative exploration technologies, Rex Technologies, originating from the Company's Swedish founders. These include the game-changing Rex Virtual Drilling technology, the world's first direct hydrocarbon indicator using seismic data. Through the exploration accuracy of Rex Technologies which are applicable to both onshore and offshore oil exploration, the oil discovery success rate is significantly increased. The Company also owns the unique Rexonic ultrasound technology which is used for well bore cleaning which allows for substantially increased oil production in wells that have issues with clogging and deposits.

Rex International Holding has stakes in exploration assets in the Middle East, Norway, the US and Trinidad & Tobago. These offshore and onshore concessions cover an aggregate area of over 26,000 square kilometres in regions known for previous oil and gas discoveries.