

ASX & Media Release

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

Key Points:

- MEO advised that farminee has obtained final board approval for the exercise of option to farm in to exploration permit WA-488-P
- The Beehive prospect in WA-488-P is one of the largest hydrocarbon prospects in Australia

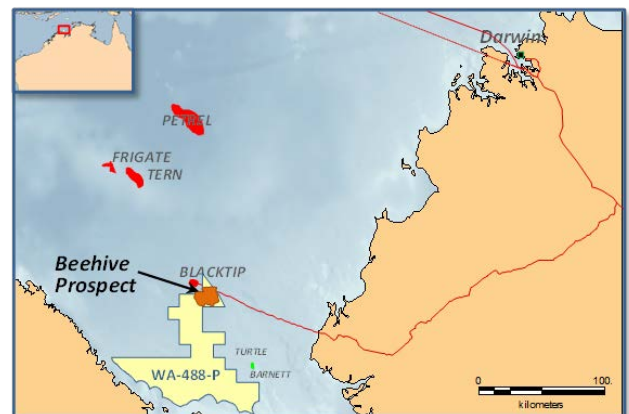
MELBOURNE, AUSTRALIA (17th March, 2015)

MEO Australia Limited (ASX: **MEO**) advises that its wholly owned subsidiary has been formally notified by the international exploration company (the Farminee*) that it has received final board approval to proceed with the exercise of its option to farm into WA-488-P. (Refer ASX Release of 18th February, 2015.)

Subject to final farm in documentation and customary regulatory approvals, the exercise of the option provides the Farminee with a 30% participating interest in the permit with further options (if MEO has not secured alternative funding) to increase their participating interest by an additional 10% in return for procuring full funding of a 3D seismic survey over the Beehive prospect and an additional 40% for procuring full funding of the proposed Beehive-1 well.

If these further options are utilised by the Farminee or its nominee, MEO will have a full carry through a Beehive-1 well for its residual 20% participating interest. Alternatively, in the absence of the exercise of the additional equity options, the Farminee also has the right to withdraw from the permit if MEO has not entered into other arrangements to fund its future work program prior to 4 months before the end of Permit Year 3.

Final farm in documentation is scheduled to be completed within approximately 8 weeks.



MEO's MD & CEO Peter Stickland, commented on the announcement:

"MEO is pleased that the Farminee has received final board approval for its farm in to WA-488-P. The Beehive prospect is one of the largest hydrocarbon prospects in Australia and it is MEO's strategy to farm down its interest in order to participate in the drilling of this quality prospect at minimal cost to MEO. 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."



Peter Stickland

Managing Director & Chief Executive Officer

* The Farminee shall remain confidential until such time as a Farm in Agreement is executed