



**MEO Australia Limited**  
ABN 43 066 447 952

Level 17  
500 Collins Street  
Melbourne Victoria 3000 Australia

Tel: (+61 3) 8625 6000  
Fax: (+61 3) 9614 0660  
Email: [admin@meoaustralia.com.au](mailto:admin@meoaustralia.com.au)  
Website: [www.meoaustralia.com.au](http://www.meoaustralia.com.au)

**ASX & MEDIA RELEASE**

**MANAGING DIRECTOR SIGNS NEW EMPLOYMENT AGREEMENT**

MELBOURNE, AUSTRALIA (1<sup>th</sup> July, 2011) (ASX: **MEO**; OTC: **MEOAY**)

The Board of Directors of MEO Australia Limited (**MEO** or **the Company**) is delighted to announce that Managing Director and Chief Executive Officer, Mr Jürgen Hendrich, has entered into a new employment agreement with MEO and will continue in the position of Managing Director and Chief Executive Officer with effect from 1<sup>st</sup> July 2011. Mr Hendrich signed an executive service agreement in 2008 which was for a 3 year term ending on 1<sup>st</sup> July 2011.

MEO Chairman, Mr Nicholas Heath, said the Board was delighted that Jürgen has agreed to continue in the role of Managing Director and Chief Executive Officer and can continue his efforts to build the Company. “Jürgen and his team have worked tirelessly to add value to the Company by pursuing a range of project opportunities and securing material cash value for the Company’s exploration permit interests. Jürgen is committed to maintaining the Company’s growth and building a sustainable business” said Mr Heath.

Mr Heath highlighted the farmout to Petrobras in WA-360-P in 2010, the farmout to ENI in NT/P68 in 2011, the safety and environmental performance of the company during the drilling of the Artemis-1 and Zeus-1 exploration wells, recruitment of high calibre staff, and the recent announcements on acquiring exploration acreage in Indonesia as some of the key achievements during Jürgen’s initial three year term.

A summary of the key terms and conditions of the new employment contract are attached.

**Nicholas Heath**  
**Chairman**

## **Summary of Key Terms and Conditions of Employment of Mr Jürgen Hendrich**

**Term:** From 1 July 2011 until either the Company or Mr Hendrich terminates the Agreement

**Notice:** The Company may terminate the Agreement at any time by giving the Executive 3 Months' notice in writing. Mr Hendrich may terminate the Agreement at any time by giving 3 Months' notice in writing to the Company or immediately upon giving notice that a "fundamental change" to his employment has occurred. The Company may terminate without notice in the event of serious misconduct. The Company may elect to pay Mr Hendrich in lieu of part or all of any notice period.

**Base Salary:** From 1st July 2011, the Total Fixed Remuneration is \$495,000 per annum (including compulsory superannuation) which will be reviewed on an annual basis with effect from 1st July.

**Deferred Compensation:** Subject to shareholder approval at the 2011 Annual General Meeting, Mr Hendrich is granted 3.0 million share options at an exercise price of \$0.50 per share option.

**Short Term Incentive (STI):** Mr Hendrich will be eligible to participate in the Company's short term incentive plan (STI Plan) each year (or part thereof) during the Term. The Executive's participation in the STI Plan, and all payments and benefits under the STI Plan, are at the absolute discretion of the Board.

**Long Term Incentive (LTI):** Subject to receiving any required or appropriate shareholder approvals, Mr Hendrich will be eligible to participate in the Company's long term incentive arrangements (as amended or replaced) from time to time on terms to be decided by the Board.

**Payments on Termination:** Where the Company terminates Mr Hendrich's employment (except in circumstances of serious misconduct) or Mr Hendrich's employment ceases because of a "fundamental change", Mr Hendrich is entitled to a lump sum payment of up to 12 months Total Fixed Remuneration (inclusive of any amount payable to Mr Hendrich in lieu of notice).