



MEO Australia Limited

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11 October 2011

THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR MEO AUSTRALIA LIMITED SHAREHOLDING AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Shareholder,

Small Holdings Sale Facility

I am writing to advise all shareholders with a holding of MEO Australia Limited (**MEO**) shares valued at less than A\$500 (referred to as **Small Holdings**) and who have a registered address in Australia, that MEO is implementing a small holdings share sale facility (the **Small Holdings Sale Facility**) in accordance with Rule 5.4 of MEO's constitution.

Our records indicate that you are the holder of less than A\$500 worth of MEO shares as at 7:00pm on Wednesday 5 October 2011 (i.e. **3,030 shares** or less), therefore your holding has been included in the Small Holdings Sale Facility. If the market value of your shareholding remains less than A\$500 on Tuesday 22 November 2011, as detailed below, your MEO shares will be sold and the proceeds from the sale remitted to you, unless you notify us otherwise.

If you wish to retain your shares, please notify us of your intention, by following the share retention procedure set out below.

Rationale for the Small Holdings Sale Facility

Investors holding small numbers of shares may find it difficult or expensive to dispose of those shares through the normal means. MEO is offering shareholders with Small Holdings an opportunity to sell their shares through the Small Holdings Sale Facility without incurring any brokerage fees as outlined below.

By implementing the Small Holdings Sale Facility, MEO reduces administration and share registry costs such as producing and distributing shareholding statements, annual reports, notices of meeting and other communications. The cost of maintaining shareholder accounts can be disproportionately high when compared with the dollar value of small shareholdings.

Retaining your MEO shares

- If you wish to **retain** your MEO shares, you must complete a 'Share Retention' form and return it in the enclosed envelope so that it is received by MEO's share registry by **5:00pm (Melbourne time) on Tuesday 22 November 2011**, which is the end of the notice period (**Notice Period**).
- If the market value of your MEO shares increases during the Notice Period, due to an increase in the MEO share price, so that your shares that were previously identified by MEO as being a Small Holding are no longer less than A\$500 (i.e. their value becomes equal to or greater than A\$500) at the end of the Notice Period, MEO will not sell your shares.
- Alternatively, if you increase your holding of MEO shares during the Notice Period to A\$500 or above, MEO will not sell your shares. If you sell your MEO shares prior to the end of the Notice Period, no further action will be taken.

Forms can be returned to the postal or hand delivery address for MEO's share registry listed on the 'Share Retention' form.

Sale process under the Small Holdings Sale Facility

If you do **nothing** (i.e. if you do not return a completed 'Share Retention' form and your MEO shareholding remains less than A\$500), your MEO shares will be sold as soon as practicable following the end of the Notice Period, which ends on Tuesday 22 November 2011.

Shareholders will not pay any brokerage or handling fees related to the sale of shares under the Small Holdings Sale Facility.

The price that will be paid to shareholders for each share sold through the Small Holdings Sale Facility will be the volume weighted average price received by E. L. & C. Baillieu Stockbroking Ltd (the "Broker") for the sale of all shares sold through the Small Holdings Sale Facility, which will be notified to you by MEO. The market price of MEO shares is subject to change from time to time, and the proceeds remitted to a shareholder for the sale of their shares under the Small Holdings Sale Facility may be more or less than the actual price that is received by the Broker for those shares.

The proceeds of the sale will be remitted to you as soon as practicable and, in any event, within 8 weeks after the end of the Notice Period. The proceeds of the share sale will be deposited into your bank account if you have previously provided direct credit payment instructions to MEO's share registry or alternatively will be sent to you by cheque at the address last recorded in MEO's register of members. If you wish to update your direct credit instructions or registered address, please contact Link Market Services on 1300 554 474. Proceeds will be paid in Australia dollars.

You do not have to sell your MEO shares if you do not wish to. However, your shares will be sold under the Small Holdings Sale Facility (if they remain a Small Holding at the end of the Notice Period), unless you lodge a Share Retention form by Tuesday 22 November 2011. In addition, you cannot sell part of your shareholding under the Small Holdings Sale Facility.

Timetable

The timetable for the Small Holdings Sale Facility is as follows:

Record date to determine Small Holdings	Wednesday 5 October 2011
Start date of Notice Period	Tuesday 11 October 2011
Closing date of Notice Period	Tuesday 22 November 2011
Sale proceeds remitted to shareholders	As soon as practicable and, in any event, within 8 weeks after the end of the Notice Period.

Please note the above timetable may be amended at any time by MEO.

The Small Holdings Sale Facility is authorised by MEO's constitution and ASX Listing Rules

Under ASX Listing Rule 15.13 and Rule 5.4 of MEO's constitution, MEO may notify shareholders who hold less than a marketable parcel of shares (that is, less than A\$500 worth of MEO shares) that it intends to sell their shares. This letter, and the 'Share Retention' form which accompanies this letter, satisfy the notice requirements under ASX Listing Rule 15.13 and Rule 5.4 of MEO's Constitution.

Shareholders who hold Small Holdings have the opportunity, however, to inform MEO that they wish to retain their shareholding. If a shareholder notifies MEO within the Notice Period, MEO will not sell those shares. Otherwise, after the Notice Period, MEO is entitled to sell the Small Holdings with the proceeds of sale remitted to the shareholder whose shares were sold. Shares will be sold in the ordinary course of trading on the ASX at prevailing market prices.

If your shares are in a CHES holding and remain in a CHES holding on Tuesday 22 November 2011, and your shares are to be sold under the Small Holdings Sale Facility, you should note that MEO may, without further notice to you, sell the relevant shares while they remain in your CHES holding, and may initiate a holding adjustment to move those shares to an issuer sponsored holding or a certificated holding for the purposes of that sale.

Appointment of a broker

MEO has arranged for the Broker to act as an execution-only broker to effect the sales under the Small Holdings Sale Facility. As noted above, shareholders will not pay any brokerage or handling fees related to the sale of shares under the Small Holdings Sale Facility. These sales will take place following the end of the Notice Period. The Broker may sell the shares under the Small Holdings Sale Facility in one or more trades and on one or more trading days as determined by the Broker in its discretion.

Other important information

Neither MEO, Link Market Services Limited nor the Broker makes any recommendation or gives any advice to you (including, regarding whether to retain your shares or permit them to be sold under the Small Holdings Sale Facility). Accordingly, you should ensure that the Small Holdings Sale Facility meets your own objectives, financial situation and needs. If you are in any doubt about whether to retain your shares or permit them to be sold, please consult your financial adviser.

The Small Holdings Sale Facility is being arranged by MEO and not the Broker. In providing services to MEO in connection with this facility, the Broker is not providing services on behalf of, for, or to any shareholder or accepting any duty or responsibility to any shareholder and the Broker gives no assurance as to the sale price that will be achieved for the sale of any shares under the Small Holdings Sale Facility.

MEO reserves the right, for any reason, to modify the Notice Period, or to terminate or suspend the Small Holdings Sale Facility. Modification to the Notice Period, or suspension or termination of the Small Holdings Sale Facility, will be notified by way of a market announcement on ASX.

Information on the market price of MEO shares is available from the ASX website (www.asx.com.au) under the code "MEO".

If you have any questions regarding how the Small Holdings Sale Facility works, or you have a number of holdings that you wish to consolidate, please contact MEO's Share Registry on 1300 554 474 (within Australia) or on + 61 2 8280 7111 (outside Australia).

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Naylor', with a horizontal line underneath.

Colin Naylor
Company Secretary



MEO Australia Limited

ABN 43 066 447 952

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 2 8280 7111
ASX Code: MEO
Website: www.linkmarketservices.com.au



SRN/HIN:

Number of Shares held as at
the Record Date, 7:00pm (AEDT)
on 5 October 2011:

Closing Date: 5:00pm (AEDT) 22 November 2011

IMPORTANT NOTICE

Please complete this form if you do not wish your Shares in MEO Australia Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARES RETENTION FORM

If you wish to retain your Shareholding in MEO Australia Limited ("MEO") you must complete this form and return it to MEO's Registry, so that it is received no later than 5:00pm (AEDT), on 22 November 2011. Forms may be mailed or delivered to the addresses below.

Mailing Address

MEO Australia Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

or

Hand Delivery

MEO Australia Limited
C/- Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000 **(Do not use this address for mailing purposes)**

This form must be received by MEO's Registry no later than 5:00pm (AEDT), on 22 November 2011, if you would like to **RETAIN** your Shares.

Retention of Shares

I/We the Shareholder(s) described above by signing this form, hereby give notice that I/we wish to retain my/our Shareholding in MEO Australia Limited.

Contact Details

Enter your telephone number(s) where we may contact you regarding this form.

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Shareholder Signature(s) – This MUST be completed

Shareholder 1

Individual or Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date

This form should be signed by the Shareholder. If a joint holding, all Shareholders should sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a Shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your Shareholding and if some or all of the information is not collected then it might not be possible to administer your Shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEDT) ON 22 NOVEMBER 2011**

If you require further information on how to complete this form, please contact the MEO Australia Limited Registry Information Line on 1300 554 474 (within Australia) or +61 2 8280 7111 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

MEO RSS001

