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ASX & Media Release

Transfer of participating interest in New Zealand PEP 51153 completed

Key Points:

- Regulatory consent received for transfer of 30% participating interest in PEP 51153 to MEO

MELBOURNE, AUSTRALIA (30th April, 2014)

MEO Australia Limited (ASX: **MEO**) has been advised that New Zealand Petroleum and Minerals has consented to the transfer of a 30% participating interest in PEP 51153 from Kea Petroleum Plc ("KEA", AIM: KEA) to MEO New Zealand Pty Limited (a wholly owned subsidiary of MEO).

This consent represents the final condition precedent under the staged farm-in agreement announced by MEO on 7th April 2014. Further information about the Permit and farm-in are included in the attached information brochure.

MEO's CEO and MD Jürgen Hendrich commented on the announcement:

"We are very pleased to have the transfer of equity approved so expeditiously by the Regulator. MEO has been very warmly welcomed to New Zealand and we look forward to building a profitable business there."

Jürgen Hendrich
Managing Director & Chief Executive Office

Attachment: New Zealand – Taranaki Basin – PEP 51153 Information Brochure

Staged farm-in to onshore NZ permit

Summary

On 7th April 2014 MEO Australia Limited announced that its wholly owned subsidiary, MEO New Zealand Pty Limited (“MEO”), had executed binding agreements with KEA Petroleum PLC (“Kea”) for a staged farm-in to Kea’s 100% owned PEP 51153 exploration permit in the Taranaki Basin, onshore New Zealand.

Contains oil discovery with two producing wells

Existing Production

PEP 51153 covers an area of 104.4 km² and contains the 2012 Puka oil discovery in the Mount Messenger formation. The discovery wells, Puka-1 and Puka-2 (drilled 2013), are producing approximately 80 barrels oil per day (bopd) under an extended well test, limited by sub-optimal location and completion constraints. The Puka discovery requires successful appraisal to more fully quantify the resource size and productivity ahead of full field development.

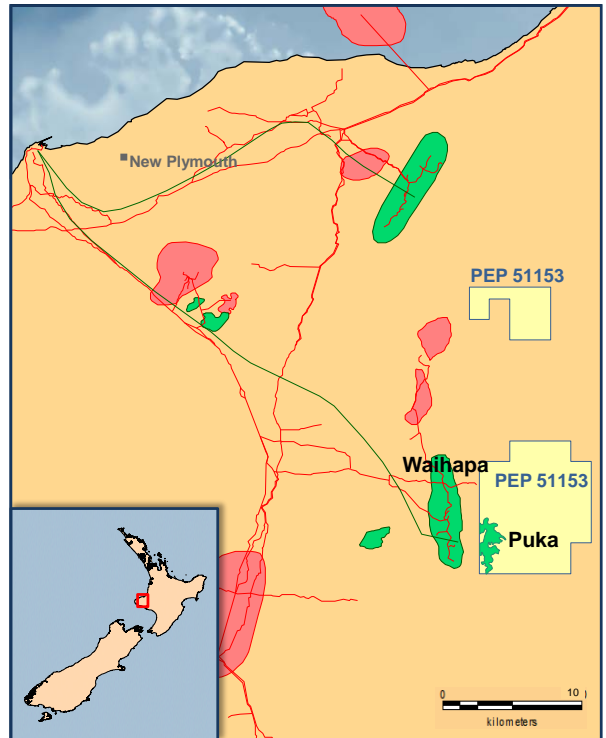


Figure 1. Location Map

Puka Field Contingent Resources

MEO assesses the Puka discovery to contain contingent resources of 3.0 million (2C) to 10.1 (3C) million barrels oil.

Contingent oil resources
3MMstb (2C)
10.1MMstb (3C)

Gross Contingent Resources (MMstb)		
1C	2C	3C
0.8	3.0	10.1

MEO Net Share	
Post Phase I	Post Phase II
30%	50%

A staged farm-in work program has been designed to progressively de-risk the project by increasing confidence in resource size and productivity without MEO being over-committed in the event that early results yield discouraging results.

Phase I Farmin work program

MEO is farming in to the permit by way of a staged work program. Phase I involves MEO earning an initial 30% interest by funding NZ\$4m of an initial work program capped at NZ\$5m. Any investment over this cap will be at the participating interest level. The program is expected to commence prior to the end of June 2014 and comprises two workovers designed to restore productive capacity to the existing Puka-1 and Puka-2 wells, testing of the suspended Douglas-1 exploration well using the same workover rig prior to plugging and abandoning the well and drilling a new well, Puka-3, using a dedicated drilling rig.

MEO earning 30% by funding NZ\$4m



Figure 2. Existing Puka A well pad (Puka-1 & Puka-2).

Workovers to increase production and test suspended well for fluid content

The workover of Puka-1 and Puka-2 has the potential to double to current production rate of 80 barrels/day. The suspended Douglas-1 exploration well is located some 4.5 km from the two discovery wells at the north eastern limit of the Puka discovery where 2m of oil pay was indicated on logs in the Mount Messenger sands above a possible oil-water-contact. Douglas-1 also tested a deeper objective which encountered good oil shows. Both zones

will be tested to confirm fluid compositions.

Additional well to test “sweet spot”

A new well, Puka-3, will be designed as a deviated well to target a potential reservoir “sweet spot” identified on the recent 3D seismic survey. Subject to receipt of regulatory approvals, Puka-3 will commence drilling around mid-year and in the event of success can be brought on line immediately to boost production and cash flow.

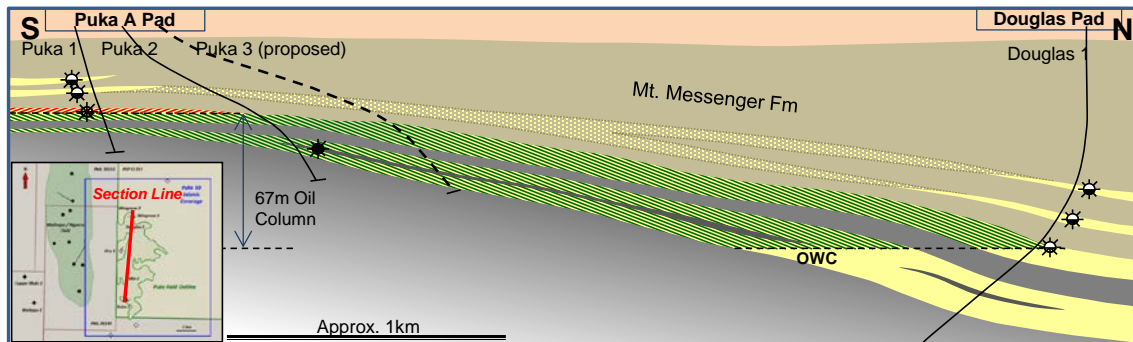


Figure 3. Indicative cross section of Puka field showing existing wells and proposed Puka-3 well path.

At the completion of Phase I, MEO will be entitled to 30% interest in the Puka field production, which the JV partners envisage could increase to approximately 500 bpd in the success case.

Phase II Farmin work program

Within 6 months of completing Phase I MEO, at its sole election, can elect to increase its participating interest to 50% of the project by funding NZ\$7.5m of the indicative Phase II work program.

Option to increase equity to 50% by funding NZ\$7.5m

MEO and Kea have agreed the quantum of investment (NZ\$9m) and objectives for this phase including:

- Acquiring sufficient data for reserves certification and potential full field development
- Applying horizontal drilling technology to determine productivity enhancement and improvement in ultimate recovery
- Drilling to potential reservoir sweet spot(s) identified on 3D seismic data
- Constructing a new well pad in a central location to host future central processing facilities

Program to test benefits of horizontal well

Targeting full field development by 2016

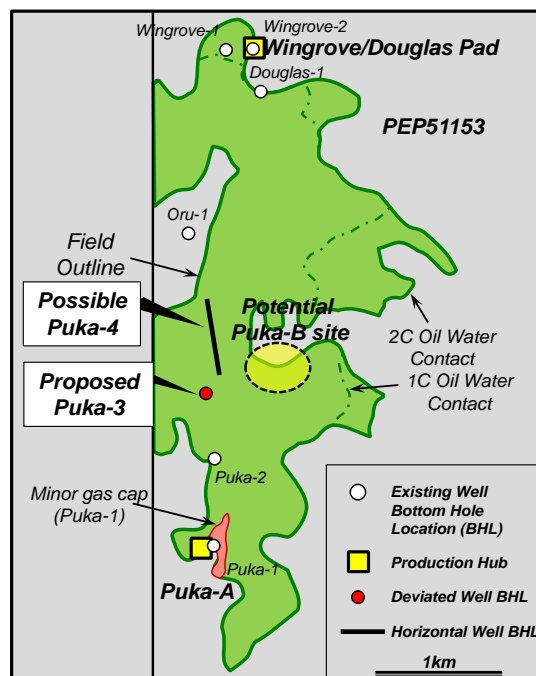


Figure 4. Puka field map showing existing and proposed well locations.

Both work program phases are designed to move the discovery towards full field development in 2016 by reducing uncertainties in relation to resource size and recovery.

Successful application of horizontal drilling technology has the potential to materially improve the economics of any full field development by enhancing production rates and improving oil recovery.

Contacts - For more information regarding this farm-in, please contact:

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