



## MEO Australia Limited

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### Media Release

## Assignment of Offshore Australia Permit

#### Key Points:

- MEO assigns its 50% interest in WA-454-P exploration permit in offshore northern Australia

MELBOURNE, AUSTRALIA (4<sup>th</sup> July, 2016)

MEO Australia Limited (“MEO” or the “Company”) (ASX: **MEO**) advises that it has reached agreement to assign its 50% interest in the WA-454-P exploration permit, in the Bonaparte Gulf, offshore northern Australia to Origin Energy Resources Limited (“Origin”).

The assignment follows extensive consideration by the Company of its strategic focus and allocation of capital to its asset portfolio. MEO had actively sought an additional partner for WA-454-P to minimise the Company’s remaining exposure to overall exploration and drilling costs, however due to the current depressed farm-out market, this was unsuccessful. MEO determined that WA-454-P no longer had the risk-reward profile that matched the Company’s strategic objectives, which have increasingly moved towards lower cost onshore projects such as the Block 9 Production Sharing Contract in Cuba.

MEO received A\$5.6 million in cash payments from Origin from the original farm-out agreement for WA-454-P, in 2013-2014.

The agreement includes provisions to effectively back-date the assignment to December 2015 as consideration for MEO’s 50% interest, allowing MEO to avoid all expenditure associated with WA-454-P in 2016 and 2017, when an exploration well is obligated to be drilled and substantial expenditure incurred. Following MEO’s assignment, Origin will have a 100% interest in the permit.

#### **MEO Managing Director & CEO Peter Stickland commented:**

*“While it is disappointing to walk away from WA-454-P, the Company believes this is the most appropriate course of action given current cash reserves and macroeconomic factors. The exploration savings from the withdrawal enables MEO to focus on its lower cost and higher priority project, Block 9, onshore Cuba.”*

**Peter Stickland**  
Managing Director & Chief Executive Officer