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ASX & Media Release **Operations Update**

- **Assessment of resource potential of Upper Sheet and Shallow Tertiary plays on the Cuba Block 9 PSC progressing with initial results expected in Q4 2016**
- **Opportunities for accelerated drilling on Block 9 currently being explored with a plan for an initial drilling program expected to be prepared by Q1 2017**
- **A potential high impact well on Cuba Block 10 operated by Sherritt International, next to Block 9, drilling this year**
- **Assessment of New Zealand acreage prospectivity underway with forward drilling program to be determined in Q4 2016**
- **Farmout process underway to fund drilling of the potentially giant Beehive Prospect in the Bonaparte Basin**

MELBOURNE, AUSTRALIA (15th August, 2016)

MEO Australia Limited (ASX: **MEO**) is pleased to provide the following update regarding the progress and near term plans of the Company's key projects.

Cuba – Block 9 Production Sharing Contract

- Following on from the assessment of the resource potential of the Lower Sheet play, the Company's assessment of the resource potential of the remaining two plays, the Upper Sheet and Shallow Tertiary plays, is progressing as planned. MEO expects to complete the preliminary stage of this assessment in the fourth quarter of 2016. These resources are in addition to the previously announced resource potential of the Lower Sheet play.
- MEO has also commenced the work required to accelerate the potential for early drilling in Block 9 based on the significant resource potential identified in the Lower Sheet play. MEO has identified the A2 Lead and follow up to the Marti-5 oil recovery as targets which could potentially be drilled on existing data. MEO is aiming to finalise a drilling plan by the first quarter of 2017 for up to two wells in Block 9.
- Sherritt International Corporation plans this year to drill a high impact well on neighbouring Block 10 PSC which, if successful, will provide further validation of the significant prospectivity of MEO's Block 9 PSC in Cuba.
- To support these activities, MEO has opened a representative office in Havana and appointed former Cupet Exploration Director Dr Rafael Tenreyro as its representative in Cuba.

New Zealand – PEP51153

- The Joint Venture is progressing its assessment of the prospectivity of PEP51153 and in the fourth quarter will consider whether to proceed with drilling a high impact exploration well.



Offshore Australia – WA-488-P

- The farmout process for the Beehive prospect has commenced, with preliminary discussions underway with a number of parties.
- Reprocessing and inversion studies undertaken by MEO support that Beehive is one of the largest undrilled hydrocarbon prospects in Australia.
- MEO is seeking to complete the farmout process in the fourth quarter of 2016.

MEO Managing Director & CEO Peter Stickland commented:

"While MEO has a number of exciting opportunities in its portfolio, Cuba Block 9 is particularly significant for the Company and we are busy working on a number of fronts to accelerate the potential for drilling on Block 9. Given the huge resource potential we identified in the first of the three play types on Block 9, we are looking forward to seeing the results of the assessment of the remaining two plays. We are also excited to be working towards progressing early drilling opportunities which we identified during the assessment of the Lower Sheet play with the A2 Lead and follow up to the Marti-5 oil recovery being particularly exciting. We look forward to keeping the market informed as we progress these activities in the coming months."

A handwritten signature in blue ink, appearing to read 'Peter Stickland'.

Peter Stickland

Managing Director & Chief Executive Officer