



## MEO Australia Limited

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### ASX & Media Release

## Major Cost Reduction Initiative Implemented

#### Key Point:

- Annual savings of approximately \$200,000 achieved from senior personnel salary reduction

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

MEO Australia Limited (“MEO” or the “Company”) (ASX: **MEO**) advises of a revised remuneration arrangement with its senior staff as part of the Company’s ongoing cost reduction initiatives.

The Company’s senior staff members have voluntarily agreed to a 20% reduction in the cash component of their annual remuneration package in exchange for Exercisable Performance Rights (summary on next page). The implementation of this revised remuneration arrangement is consistent with the revised employment terms accepted by Managing Director Peter Stickland following approval by shareholders at the 2015 Annual General Meeting to grant Exercisable Performance Rights (see ASX announcement 7 December 2015).

On an annualised basis the revised arrangements result in a reduction in cash cost to MEO of approximately \$200,000. The arrangement is consistent with the Company’s strategy to continually assess and reduce costs to preserve its cash position while retaining the ability to undertake exploration and study programs on its projects.

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

*“Our Senior Staff have shown tremendous commitment to MEO over the past few years. During this period our staff have agreed to reduced conditions and working part-time to support MEO. The agreement announced today not only saves MEO circa \$200,000 per annum in cash salary costs, the offsetting Exercisable Performance Rights builds an even stronger alignment between staff and shareholders and is a strong demonstration our senior staff’s belief in the future success of MEO.”*

**Peter Stickland**

Managing Director & Chief Executive Officer

## Exercisable Performance Rights Summary

The number of Exercisable Performance Rights has been determined by dividing the reduction in cash salary by the Volume Weighted Average Price (VWAP) of MEO shares in January 2016. The January 2016 VWAP is \$0.0099. The total number of Exercisable Performance Rights that have been granted is 20,940,032.

The major conditions relating to the Exercisable Performance Rights are as follows:

- Number of Exercisable Performance Rights Granted 20,940,032
- Vesting Date 31 January 2017
- Expiry Date 5pm (Melbourne time) 31 January 2019
- Service Condition Exercisable Performance Rights vest and become exercisable after 12 months continuous service ending 31 January 2017.
- There is no exercise price payable on exercise of the Exercisable Performance Rights.
- On exercise, each Exercisable Performance Right entitles the holder to 1 fully paid ordinary share in the Company.