

Quarterly activities summary for Period ended 30th June 2015

Highlights during quarter:

Australia

- Executed farm-out of 30% of WA-488-P, subject to regulatory approvals
- Six month work program extension granted for WA-488-P
- Successful deferment of WA-454-P well commitment by up to 18 months
- AC/P50 and AC/P51 renewed for further 5 year term

New Zealand

- Sale of Kea's 70% interest of PEP51153 to well-funded Caliera, subject to regulatory approval
- Transaction strengthens the likelihood of a more aggressive approach to unlocking the value potential of PEP51153, including drilling activity in 2015-16

Cuba

- Continuing preparations for regulatory approval for Block 9 PSC, expected within coming months

Corporate

- Unsuccessful Mosman Oil & Gas takeover offer expires
- Cost cutting initiatives continue, with a 60% reduction in overheads compared to FY2014
- Cash balance at end June is \$5.8m, approximately \$0.4m higher than forecast in the March quarterly report.

Melbourne, Australia (23 July, 2015)

MEO Australia Limited (ASX: **MEO**) provides the following summary in relation to its activities during the quarter ended 30th June 2015.

Activity Summary

MEO's strategy is to participate in drilling a number of quality prospects at manageable cost to MEO's shareholders.

Australia

MEO continued to advance its exploration portfolio by executing the farm down of a 30% interest in WA-488-P as well as successfully varying the committed work programs for WA-488-P, WA-454-P and AC/P53. MEO also negotiated a six-month extension to NT/P68 and renewed AC/P50 and AC/P51 for a further five-year term. This activity lays the foundation towards both maturing MEO's prospect portfolio and allowing sufficient time to secure funding partners to proceed to the drilling of these prospects.

The WA-488-P farm-out for a 30% participating interest was executed with a wholly owned subsidiary of SGX-listed Rex International Holding ("Rex"). The agreement includes options, which if exercised, will result in MEO retaining a fully carried 20% interest in the drilling of Beehive-1. MEO successfully applied to extend the current

WA-488-P Permit Year 2 for six months, which will provide an opportunity for MEO and Rex to undertake further proprietary seismic processing and consider acquisition of a 3D seismic survey over the Beehive prospect.

In WA-454-P (MEO 50%) the regulator approved a six-month extension to Permit Year 4 and a deferral of the well commitment from Year 5 to Year 6. These variations will enable additional reprocessing to be undertaken prior to the drilling of the Breakwater-1 well. Also, MEO now has additional time to farm down a further 20-30% interest in the permit.

In NT/P68, MEO was granted a six-month extension to the current Permit Year 5 of NT/P68. MEO is focused on the Heron Area (MEO 100%) and will consider applying for a further five-year renewal to NT/P68 prior to the end of the current Permit Year in October 2015.

In relation to the Tassie Shoal projects, MEO met with regulatory stakeholders to discuss the ongoing investor interest in the Tassie Shoal Methanol Projects and the current status of efforts to encourage the commercialization of stranded high CO₂ gas resources as feedstock to Tassie Shoal. The planned formal meeting with the Evans Shoal Joint Venture, expected to occur in the second quarter of 2015, remains pending the finalization of agreed confidentiality arrangements. Firm timing of this meeting is not yet available.

New Zealand

Onshore New Zealand in PEP51153 (MEO 30%), production from Puka remained temporarily shut-in due to unresolved mechanical problems with the Puka-1 well and the low current oil price environment. Successful resolution of the mechanical problems and an improved oil price will be the catalysts for re-commencing production. The permit also contains the Shannon prospect at a deeper level, below the Puka oil field.

In July, Kea Petroleum Limited sold its 70% interest in PEP51153 to Caliera Fund Limited (Caliera), a privately-owned New Zealand company. MEO considers its current 30% non-operating interest as the appropriate risk-reward profile for this permit and thus elected not to exercise its pre-emptive right over this transaction. MEO considers the sale of PEP51153 to well-funded Caliera strengthens the likelihood of a more aggressive approach to unlocking the value potential of the permit, including drilling activity in 2015-16. MEO looks forward to discussing the future work program with Caliera following regulatory approval, and will update shareholders in due course.

As the drilling in WA-454-P and WA-488-P has been delayed, MEO is now in a position to consider a combination of farm-out and direct funding for the drilling of the Shannon-1 well.

Cuba

Regulatory approval of Block 9 PSC, onshore Cuba continued to progress during the reporting period, although at a slower pace than was initially advised to MEO. Finalisation of regulatory approval is expected in the coming months and in the meantime MEO continues to prepare for the commencement of the PSC.

Corporate Summary

MEO continued to implement a number of significant cost cutting initiatives to achieve a 60% reduction in overheads compared to the 2014 financial year.

The unsolicited off-market takeover offer from Mosman Oil and Gas Limited (Mosman) to acquire 100% of outstanding MEO shares expired on 12th June 2015. Mosman's offer, which was not recommended by the MEO Board, was unsuccessful and received acceptances of approximately only 2% of MEO shares.

Cash balance at end of quarter

Consolidated cash balance at 30th June 2015 was A\$5.8m, approximately \$0.4m higher than forecast in the March quarterly release.

New Ventures

Screening for New Venture opportunities concentrated on projects capable of generating near term operating income.

Priorities for the current quarter ending 30th September 2015

- Complete regulatory approval for execution of the Block 9 PSC, Onshore Cuba
- Confirm work program for PEP51153 (onshore New Zealand)
- Continue to market farm-out opportunities, notably WA-488-P, WA-454-P and potentially PEP51153 (onshore New Zealand)
- Continue screening for corporate options that enhance MEO shareholder value and asset opportunities capable of generating operating income



Peter Stickland

Managing Director and Chief Executive Officer

Attachments: Activity Summaries by Project Area

New Zealand: Taranaki Basin

PEP 51153 (MEO 30%, Kea Petroleum Limited 70% & Operator)

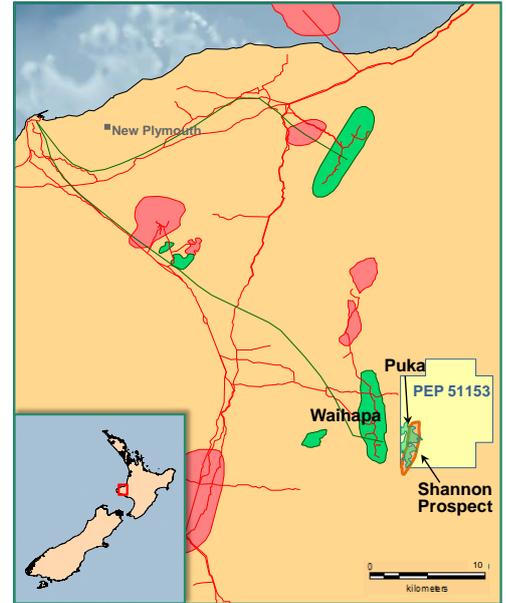


During the quarter, production testing of the Puka oil field remained shut in due to unresolved mechanical problems with the Puka-1 well and the low current oil price environment.

The Joint Venture has identified the Shannon Prospect, which was identified on the new 3D seismic data at the deeper Tikorangi objective updip of Douglas-1 (which encountered oil shows at this level) and is analogous to the nearby Waihapa oil field. The PEP 51153 joint venture partners are undertaking a marketing campaign aimed at attracting an additional partner to the permit to help fund the drilling of the Shannon prospect to establish whether the Tikorangi play can deliver a commercial discovery.

In the current year, Year 7, the Joint Venture is obliged to acquire 7km of 2D seismic data in PEP51153.

In July Kea Petroleum Limited sold its 70% interest in PEP51153 to Caliera Fund Limited (Caliera), a privately-owned New Zealand company. MEO considers its current 30% non-operating interest as the appropriate risk-reward profile for this permit and thus elected not to exercise its pre-emptive right over this transaction. MEO considers the sale of PEP51153 to well-funded Caliera strengthens the likelihood of a more aggressive approach to unlocking the value potential of the permit, including drilling activity in 2015-16. MEO looks forward to discussing the future work program with Caliera following regulatory approval, and will update shareholder in due course.

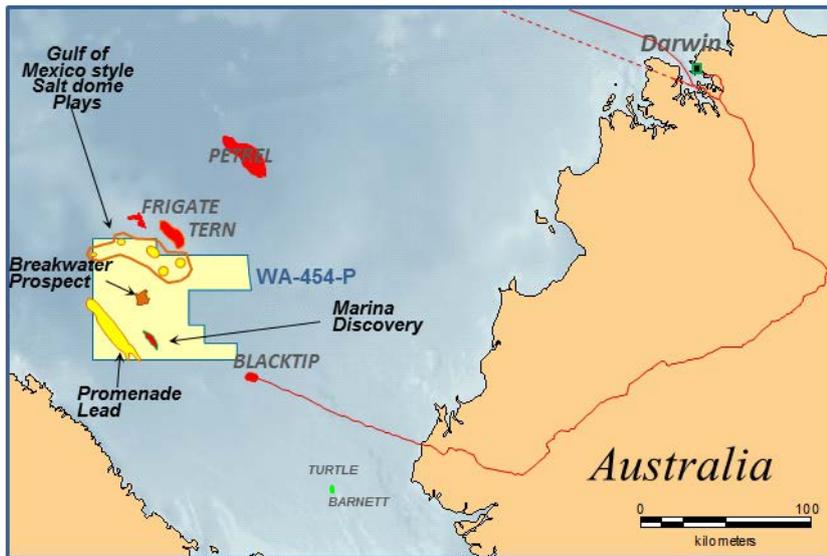


Indicative Activity Schedule

Permit	PEP 51153	2015				2016							
		MEO PI*		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
		Operator		J	F	M	A	M	J	J	A	S	O
Permit Year						7				8			
Work program						1 Well							
Activities													
Acquire 7km 2D seismic													
Farm-out of Shannon-1													
Drilling of Shannon-1										S-1			
MEO option to withdraw													

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 50%, Origin Energy 50% & Operator)



WA-454-P contains the Marina gas and probable oil discovery together with the Breakwater prospect and a number of promising leads. MEO was awarded the permit in June 2011 for an initial six (6) year exploration period.

The 601 km² Floyd 3D seismic survey was acquired in early 2012 over the Marina discovery, Breakwater prospect and a number of identified leads.

In July 2013, MEO executed a binding farm-in agreement with Origin Energy for a 50% participating interest in the permit. Origin reimbursed MEO A\$5.6m in past costs and will fund 80% of a well capped at A\$35m (100%

well cost).

During the quarter, the regulator approved a six-month extension to Permit Year 4 and a deferral of the well commitment from Year 5 to Year 6. These variations will enable additional seismic reprocessing to be undertaken prior to the Breakwater-1 well. MEO also now has additional time to farm down a 20-30% interest in the permit.

MEO continues a marketing campaign to sell a portion of its 50% participating interest to defray MEO's 20% cost exposure to the Breakwater-1 well, scheduled for drilling prior to Q4-2017 subject to rig availability and receipt of customary regulatory approvals.

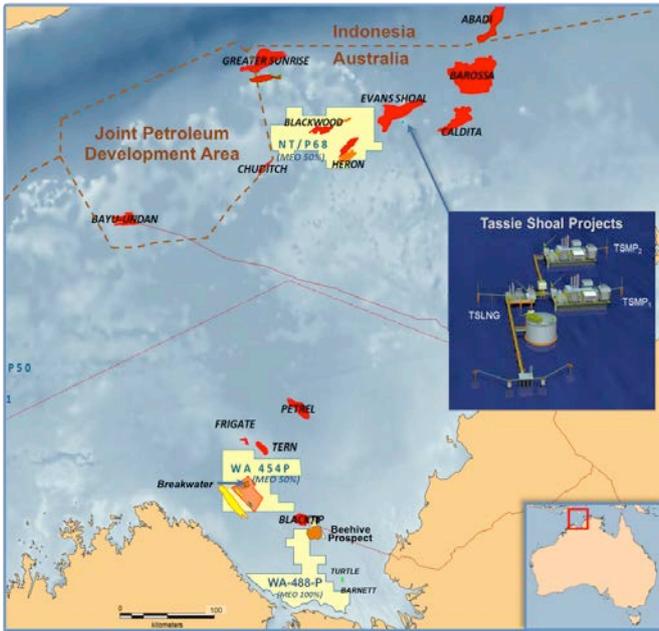
Indicative Activity Schedule

Permit	WA-454-P	2015								2016															
		Mar Qtr			Jun Qtr			Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr							
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Operator	MEO	Permit Year												4	5										6
Work program		Studies												Studies											
Activities																									
PSDM Reprocessing														[Yellow bar]											
Mature Breakwater prospect														[Green bar]											
Fund 20% residual drilling obligation														[Blue bar]											
MEO option to withdraw																								[Red diamond]	
Drill Breakwater-1 ^x																								[Red square]	

^x timing is indicative only and is subject to change; * pre-farmout

Bonaparte Gulf: Petrel sub-Basin

WA-488-P (MEO 70%)*



WA-488-P is located adjacent to MEO’s WA-454-P (50%) permit and covers an area of 4,105 km². The permit was awarded to MEO in May 2012 as part of the acreage Gazettal Round.

MEO has identified the giant Beehive prospect that it considers can be readily advanced to drillable prospect status by reprocessing existing 2D seismic data and integrating offset well data. Beehive represents a new play type within the Bonaparte basin, leveraging the 2011 Ungani-1 oil discovery in Carboniferous aged reservoirs in the nearby Canning Basin.

During the quarter, the farm-out for a 30% participating interest in WA-488-P was executed with a wholly owned subsidiary of SGX-listed Rex International Holding (“Rex”). The agreement includes options, which if exercised, will result in MEO retaining a fully carried 20% interest in the drilling of Beehive-1.

MEO also successfully applied to extend the current WA-488-P Year 2 for 6 months to provide an opportunity for MEO and Rex to undertake further proprietary seismic processing and consider acquisition of a 3D seismic survey over the Beehive prospect.

MEO continues to market the Beehive prospect to prospective industry partners considering participating in the Permit Year 3 well (commencing November 2015).

Indicative Activity Schedule

Permit MEO PI Operator	WA-488-P 70% MEO	2015								2016																							
		Mar Qtr			Jun Qtr			Sep Qtr		Dec Qtr		Mar Qtr			Jun Qtr			Sep Qtr		Dec Qtr													
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D								
Permit Year		2-Jan								3																							
Work program		Studies								1 Well ^x																							
Activities																																	
Reprocess 2D seismic		2D repro																															
Partial sale process																																	

^x timing is indicative only and is subject to change

*Subject to Regulatory Approvals

Timor Sea: Bonaparte Basin

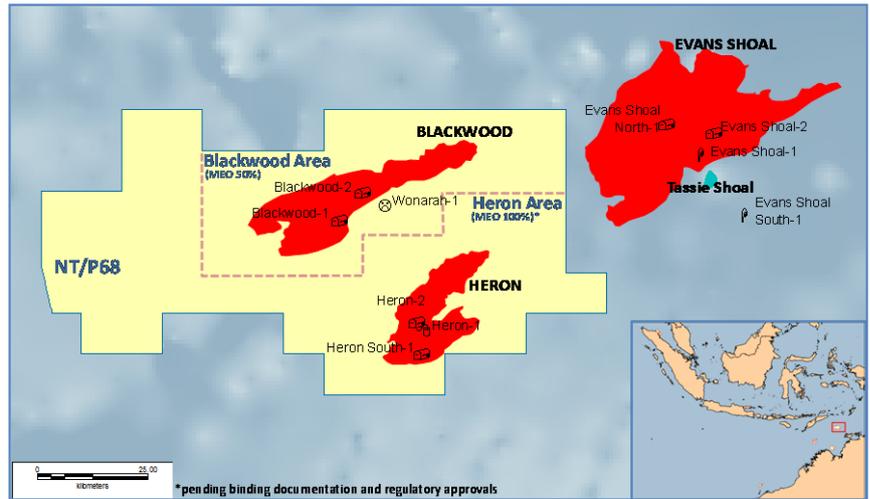
NT/P68 (Heron Area MEO 100%, Blackwood Area, MEO 0%, Eni Australia Ltd 100%)



MEO elected to focus its efforts on the Heron Area of NT/P68 (MEO 100%).

During the Quarter, MEO regained 100% Participating Interest in the Heron Area.

The Joint Venture also received approval for a variation to extend the current Year 5 of the work program by 6 months, which will allow MEO to conclude its Heron resource estimation study prior to making a decision on renewing the Permit.



Indicative Activity Schedule

Permit	NT/P68	2015								2016															
		Mar Qtr			Jun Qtr			Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr							
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Operator	Eni Australia																								
Permit Year														1				2							
Work program		Studies												pending											
Heron Resource Estimation																									
Submit permit renewal																									

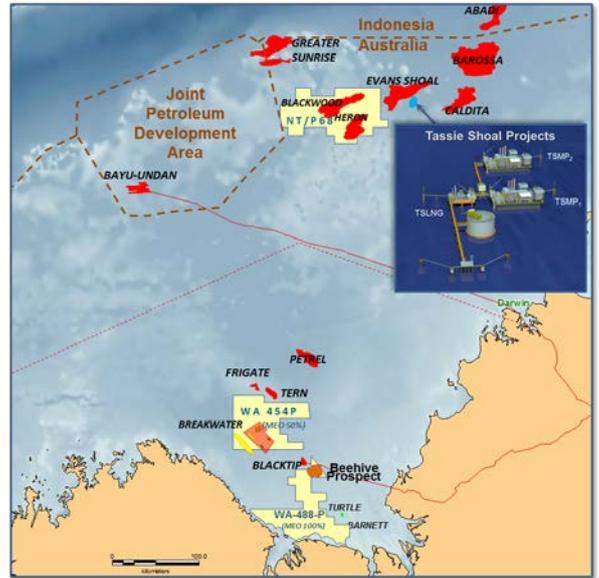
* 100% of Heron Area, 0% of Blackwood Area as detailed in 9th February 2015 ASX release

Tassie Shoal Gas Processing Projects (MEO 100%)



During the quarter, MEO continued business development activities, including meeting with regulatory stakeholders to discuss the ongoing investor interest in the Tassie Shoal Methanol Projects and the current status of efforts to encourage the commercialization of stranded high CO₂ gas resources as feedstock to Tassie Shoal.

A formal meeting between MEO and the Evans Shoal Joint Venture parties remains pending the finalization of agreed confidentiality arrangements.



Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P50, AC/P51, AC/P53 (MEO 100%)



MEO acquired the 507 km² Zeppelin 3D seismic survey across both AC/P50 and AC/P51 in early 2012.

Identification of Ramble On is the result of applying new ideas to old basins. It represents a new play type that has proven analogues in other Basins. Naturally, any new play type in a region will initially be assigned a higher risk until that play type can be demonstrated to work.

During the quarter MEO renewed both AC/P50 and AC/P51 for a further 5 years with a minimum work program requirement of studies and seismic reprocessing.

MEO also successfully varied the work program for AC/P53, advancing geotechnical studies to Year 5 and deferring the commitment well from Year 5 to Year 6

Indicative Activity Schedule

Permit MEO PI Operator	AC/P50 100% MEO	2015				2016			
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr
		J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D
Permit Year		6	1			2			
Work program		Studies	Studies			Reprocessing			
Seismic Interpretation									
Activities									
Partial sale process									

Permit MEO PI Operator	AC/P51 100% MEO	2015				2016			
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr
		J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D
Permit Year		6	1			2			
Work program		Studies	Studies			Reprocessing			
Seismic Interpretation									
Activities									
Partial sale process									

Permit MEO PI Operator	AC/P53 100% MEO	2015				2016			
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr
		J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D
Permit Year		4	5			6			
Work program		Studies	Studies			1 well			
Permit relinquish election ^x									
Activities									
Seismic Interpretation									
Partial sale process									

^x drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

North West Shelf: Offshore Carnarvon Basin

WA-360-P, WA-361-P (MEO Operator)



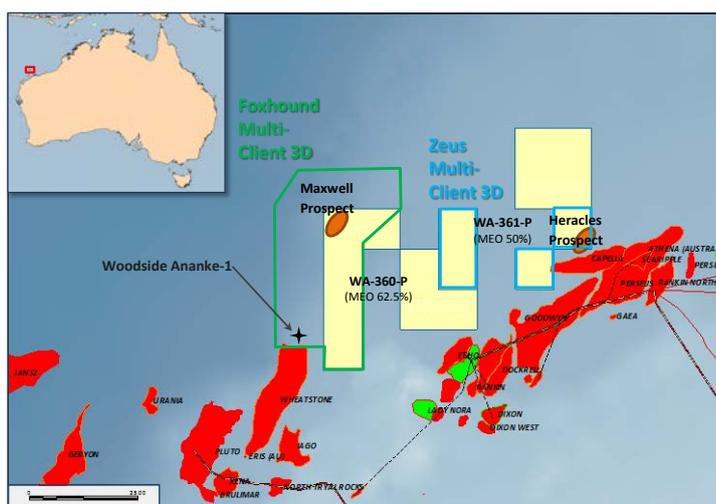
WA-360-P (MEO 62.5% & Operator)

The permit was renewed in early 2012 for an additional 5 years.

MEO has made its participating interest in the permit available for sale.

WA-361-P (MEO 50% & Operator)

The permit was renewed in early 2011 for five years. MEO has made its participating interest in the permit available for sale.



Indicative Activity Schedule

Permit MEO PI Operator	WA-360-P 62.5% MEO	2015				2016				
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	
		J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D	
Permit Year		3	4				5			
Work program		Studies				1 well ^x				
Activities		3D interpretation, studies								
		Partial sale process								
		Permit relinquish election ^x				◀▶				

^x drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

Permit MEO PI Operator	WA-361-P 50% MEO	2015				2016				
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	
		J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D	
Permit Year		4	5				1			
Work program		Studies				Pending Renewal				
		Relinquishment/renewal				◀▶				
Activities		Partial sale process								