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ASX & Media Release

MEO Secures Cornerstone Investor \$1.4 million raised via private placement to fund Cuban exploration

Key Points:

- MEO executes private placement agreement with London listed Leni Gas Cuba Limited, to raise \$1.4 million
- 140,716,573 new shares to be issued at \$0.01 per share upon receipt of funds
- Funds to be used to advance Cuba Block 9 exploration
- Placement strongly validates substantial upside potential of Block 9
- MEO current cash reserves increased to ~\$5.0 million

MELBOURNE, AUSTRALIA (29th February, 2016)

MEO Australia Limited (ASX: **MEO**) (“MEO” or the “Company”) is pleased to announce it has executed a Private Placement Agreement with London listed Leni Gas Cuba Limited (ISDX: CUBA) (“Leni Gas Cuba”) to raise \$1.4 million, with funds to be used to advance MEO’s exploration program on the Company’s newly awarded 2,380km² onshore oil block, Block 9 in Cuba.

Under the placement agreement, MEO will issue Leni Gas Cuba 140,716,573 shares at an issue price of A\$0.01 per share. The placement of shares to Leni Gas Cuba falls within MEO’s placement capacity and will make Leni Gas Cuba MEO’s single largest shareholder with a 15.8% interest in the Company.

Leni Gas Cuba is a specialist Cuban investment company listed in London and has businesses in Cuba ranging from oil and gas interests, tourism and import/export.

Cuba boasts exceptional oil and gas prospectivity. The Block 9 PSC area is in a proven hydrocarbon system with multiple discoveries within close proximity, including the multi-billion barrel Varadero oil field. Block 9 contains the Motembo field, the first oil field discovered in Cuba. An ongoing technical review of Block 9 has confirmed the significant prospectivity of the PSC area, with initial analysis identifying recovered oil from a number of previously drilled wells and a number of structural leads and prospects (see Figure 1). MEO expects to complete its preliminary assessment of Block 9’s prospectivity and reprocessing of 2D seismic data by mid-year.

MEO is prequalified as an onshore and shallow water operator in Cuba and was awarded a 100% interest in the Block 9 PSC on 3rd September, 2015. Petro Australis Limited holds a conditional 40% back-in option.

MEO’s established position in Cuba provides a strong early mover advantage ahead of ongoing strengthening of diplomatic relations between Cuba and the US.

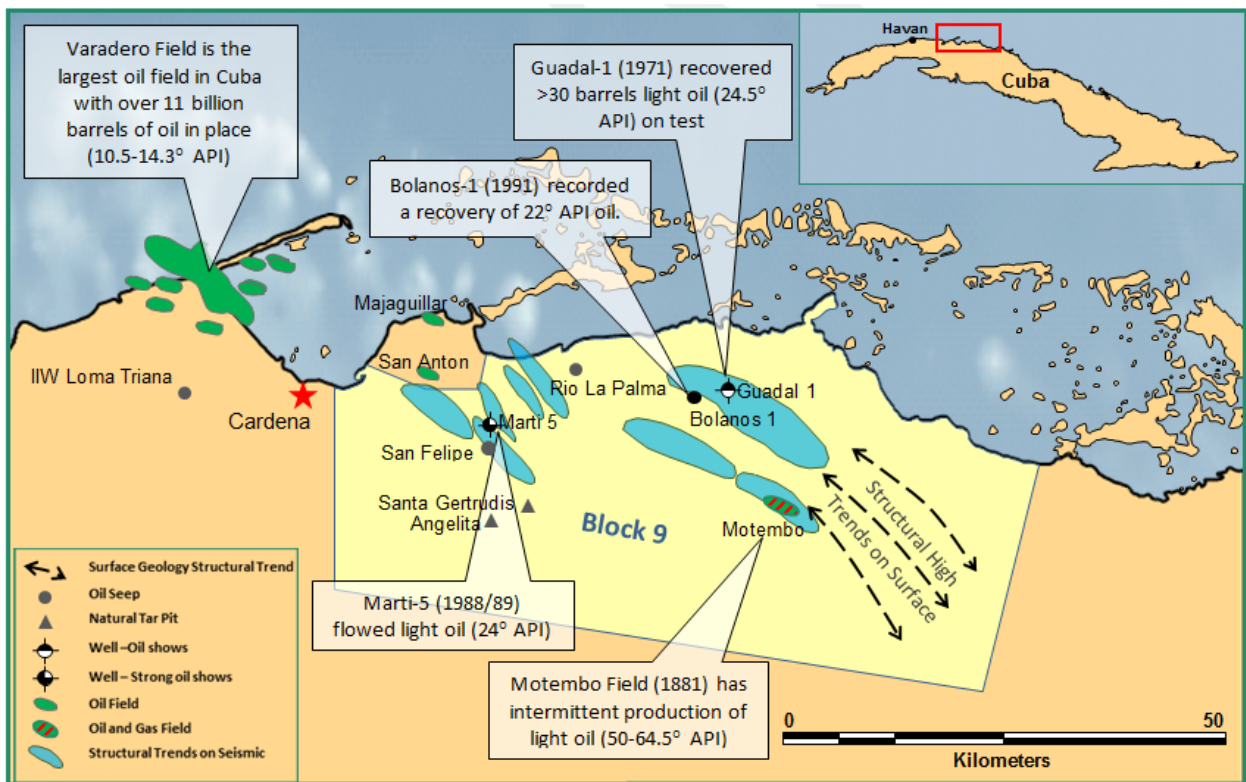


Figure 1 – Initial interpretation of prospective trends in Block 9

MEO’s CEO and MD Peter Stickland commented:

“We are delighted to welcome Leni Gas Cuba as a cornerstone investor. Leni Gas Cuba’s focus on Cuba is strongly aligned with MEO’s objective of advancing its Cuban interests, particularly with the exploration program at Block 9.

The placement is a strong validation of the significant value upside potential of Block 9 and highlights Leni Gas Cuba’s confidence in MEO’s assets and activities.”

Peter Stickland
 Managing Director & Chief Executive Officer

Contingent and Prospective Resources: The information in this ASX Release that relates to Contingent Resources and Prospective Resources for MEO is based on, and fairly represents, information and supporting documentation compiled by Peter Stickland, the Managing Director and Chief Executive Officer of MEO. Mr Stickland B.Sc. (Hons) has over 25 years of relevant experience, is a member of the European Association of Geoscientists & Engineers and the Petroleum and Exploration Society of Australia, and consents to the publication of the resource assessments contained herein. The Contingent Resource and Prospective Resource estimates are consistent with the definitions of hydrocarbon resources that appear in the Listing Rules.