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ASX & Media Release

Update on sale of Kea's interest in PEP51153 (Puka)

Key Points:

- Kea shareholders approve sale of its 70% interest in PEP51153 to Caliera Fund
- MEO retains 30% interest
- Sale transfers majority of PEP51153 to well-funded company and significantly increases likelihood of drilling activity in 2015-16

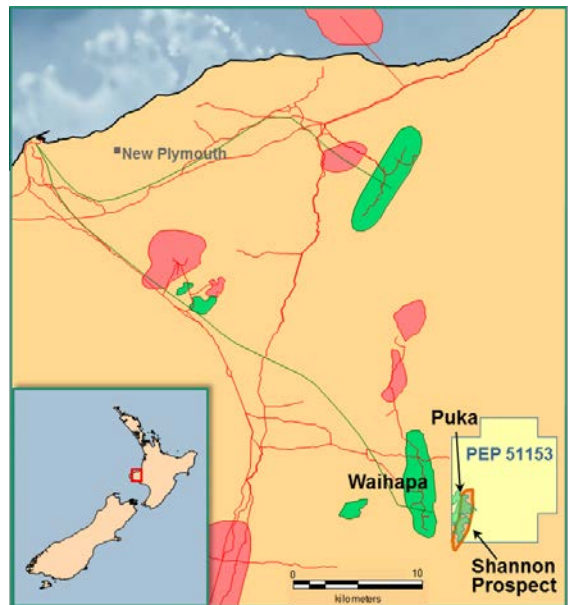
MELBOURNE, AUSTRALIA (15th July, 2015)

MEO Australia Limited (ASX: **MEO**), on behalf of its wholly owned subsidiary MEO New Zealand Pty Limited, advises that shareholders of Kea Petroleum Limited (Kea) have approved the sale of its 70% interest in PEP51153 to Caliera Fund Limited (Caliera), a privately-owned New Zealand company. The sale is subject to New Zealand regulatory approval.

PEP51153, located in New Zealand's onshore Taranaki basin, contains the Puka oil field (currently suspended) and the Shannon oil prospect. MEO elected not to exercise its pre-emptive right in purchasing Kea's 70% as it considers its current 30%, non-operating interest an appropriate risk-reward profile for this permit.

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 receipt of regulatory approval, and will update shareholders in due course.



Peter Stickland
Managing Director & Chief Executive Officer