

#### **MEO Australia Limited**

ABN 43 066 447 952

Level 23 500 Collins Street Melbourne Victoria 3000 Australia Tel: Fax: Email: Website:

+61 3 9614 0660 admin@meoaustralia.com.au www.meoaustralia.com.au

+61 3 8625 6000

#### **ASX & Media Release**

# MEO and Apache sign Option Agreement for AC/P50 and AC/P51

# **Key Points:**

- MEO grants Apache an option until 30<sup>th</sup> September 2014 to acquire a 70% interest in AC/P50 and AC/P51 at the time of permit renewal due in April 2015
- If exercised, Apache will assume operatorship and carry MEO's share of all costs up to and including the first well drilled in each of the permits

## MELBOURNE, AUSTRALIA (25<sup>th</sup> June, 2014)

MEO Australia Limited (ASX: **MEO**) advises that it has executed a binding option agreement with Apache Northwest Pty Ltd ("Apache") in relation to the AC/P50 and AC/P51 exploration permits. Under the agreement, Apache has an option until 30<sup>th</sup> September 2014 to elect to acquire a 70% interest in, and assume operatorship of, the permits commencing upon their renewal scheduled for April 2015. On exercise of these options Apache will carry MEO's share of all costs up to and including the first well to be drilled in each of the permits. Well costs including testing will be subject to a cap.

The permits are currently in the final year of their six year exploration term. In the event Apache exercises its option, exploration efforts will initially focus on the AC/P51 Ramble On oil prospect. MEO has defined the prospect on 3D seismic and estimates it to contain 39 MMbbl gross prospective recoverable resources (best estimate)\*.

Should Apache exercise the option, the parties will work together to renew the permits for another 5 years on terms mutually acceptable to MEO, Apache and the Titles Administrator. MEO and Apache have agreed to propose a firm well in the Primary Term of the AC/P51 renewal. The option agreement includes provisions for Apache to elect not to participate in AC/P50 if renewal cannot be obtained on satisfactory terms.

#### MEO's CEO and MD Jürgen Hendrich commented on the announcement:

"We are very pleased to have signed this Option Agreement with Apache who will now complete their evaluation of the permits before electing whether to proceed with farming in to the blocks."

ürgen Hendrich

Managing Director & Chief Executive Officer

<sup>\* &</sup>quot;Best" estimate. Refer to MEO's Contingent & Prospective Resources Update released on 3<sup>rd</sup> September 2013, an extract of which is included below.

# **Vulcan Basin AC/P50 & AC/P51 Exploration Permits**



## Ramble On Prospective Resources<sup>+</sup> (100% share)

Ramble On <i>Prospect</i> (100% Share)			Low	Best	Mean	High
Oil Dominant Scenario	Gas	Bscf	-	-	-	-
	Total Liquids	MMstb	8	39	56	130
Gas Dominant Scenario	Gas	Bscf	29	162	461	1,136
	Total Liquids	MMstb	1	6	16	39
Aggregate (oil equivalent)*	Total	MMboe	8	38	63	150

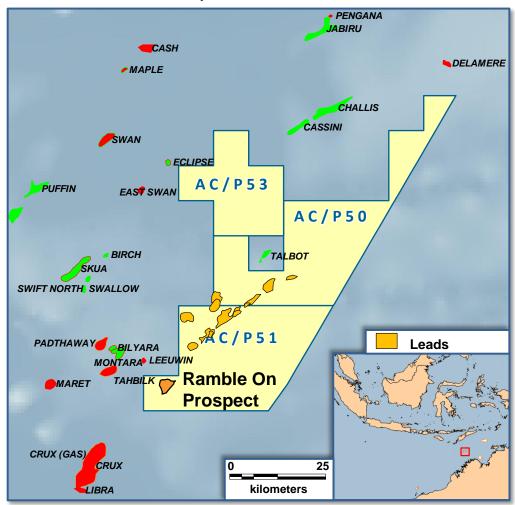
<sup>\*</sup> Aggregate Risk Weighted Average (80:20) of Oil Dominant and Gas Dominant Scenarios

## AC/P50 & AC/P51 Participants

Entity	Current Equity	Equity if Option Exercised
Vulcan Exploration Pty Ltd (wholly owned subsidiary of MEO Australia Limited)	100%*	30%*
Apache Northwest Pty Ltd (wholly owned subsidiary of Apache Corporation)	0%	70%

<sup>\*</sup> Under the terms of MEO's acquisition of the Permits, Red Rock Energy Pte Ltd has an option to acquire a 5% interest in each permit. Refer to MEO's ASX & Medial release dated 15<sup>th</sup> November 2010 for more information.

#### AC/P50 & AC/P51 Location Map:



<sup>&</sup>lt;sup>†</sup> The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) may relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.