

**ASX & Media Release**

**Multi-Billion Barrel Potential of Beehive Prospect Supported by New Reprocessing and Inversion Studies**

**Key Points:**

- Substantial enhancement to data quality from completed seismic reprocessing and inversion study over Beehive prospect (WA-488-P, MEO 100%)
- Reprocessing and inversion studies support that Beehive is one of the largest undrilled hydrocarbon prospects in Australia – with multi-billion barrel potential
- New data very encouraging, providing strong support to key elements of Beehive prospect
- Renewed farmout effort anticipated in second half of 2016

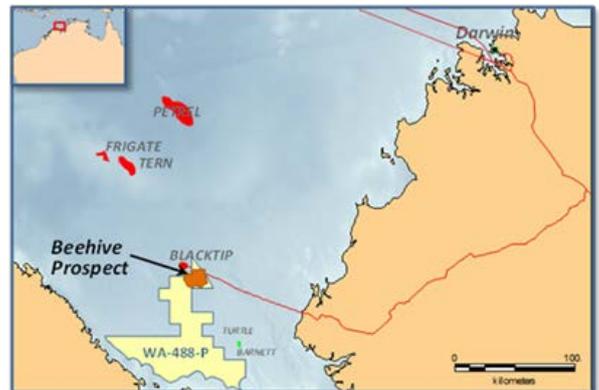
MELBOURNE, AUSTRALIA (2 June, 2016)

MEO Australia Limited (“MEO”) (ASX: **MEO**) advises that the seismic reprocessing and inversion study over the Beehive prospect in WA-488-P (MEO 100%) has now been completed, with very encouraging results.

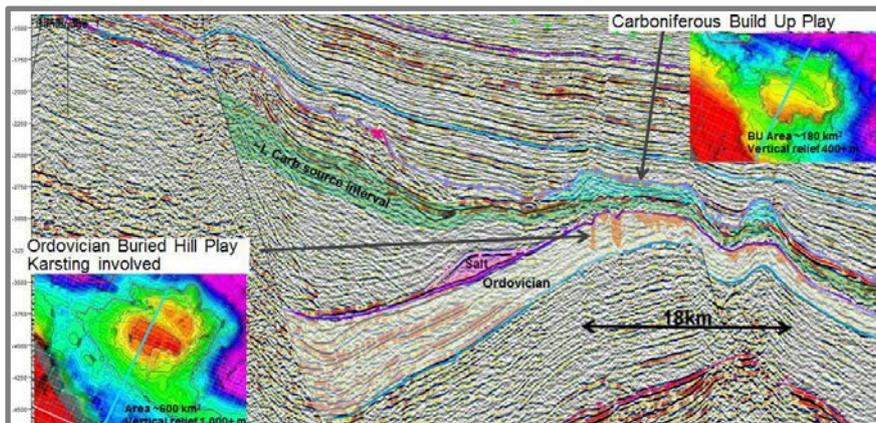
The seismic inversion results have reinforced the interim reprocessing results (see ASX announcement 14 April 2016) and have enhanced the understanding of the Beehive reservoir and seal units, providing additional confidence regarding the nature of the Beehive prospect.

Beehive is potentially a multi-billion barrel, dual objective, oil prone prospect in the Bonaparte Basin located in 40m water depth next to the producing Blacktip field.

The Carboniferous age objective is a 180km<sup>2</sup> isolated carbonate build up with 400m of mapped vertical relief, analogous to the giant Tengiz field in the Caspian Basin. This play type is new and undrilled in the Bonaparte Basin.



Beehive is defined by a tight grid of pre-existing 2D seismic data, which MEO has reprocessed in order to further de-risk the prospect.





Even prior to the recent reprocessing results the Beehive prospect was characterised as having significant prospective resources as outlined in the following table:

### Prospective Resources - Recoverable

Beehive Prospect*	COS	Low	Best	Mean	High
Carboniferous objective (MMboe)	16%	97	558	940	2,033
Ordovician objective (MMboe)	8%	63	305	534	1,220

**Prospective Resources Cautionary Statement:** *The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Future exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*

The seismic reprocessing and inversion undertaken by MEO over the Beehive prospect provides stronger evidence to support key elements of the Beehive prospect, in particular that the primary reservoir is a Carboniferous carbonate build up and that the overlying seal is a bland, shale prone sequence capable of trapping any hydrocarbons in the substantial structure have been retained.

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

*“The Beehive prospect is one of the largest hydrocarbon structures in Australia. Results from the reprocessing and inversion of seismic data across the Beehive prospect have exceeded our expectations. This study has generated multiple data sets, with a dramatic improvement in data quality.*

*All of the products are pointing in the same positive direction and strengthen our understanding of the likelihood of good reservoir and seal characteristics, which are key elements of the Beehive interpretation. MEO will now proceed to update its risk analysis and characterisation of the Beehive prospect and then seek a farmin partner to fund further exploration of the prospect.”*

**Peter Stickland**  
Managing Director & Chief Executive Officer

The information 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. Conversion factors: 6 Bscf gas equals 1 MMboe; 1 bbl condensate equals 1 boe.

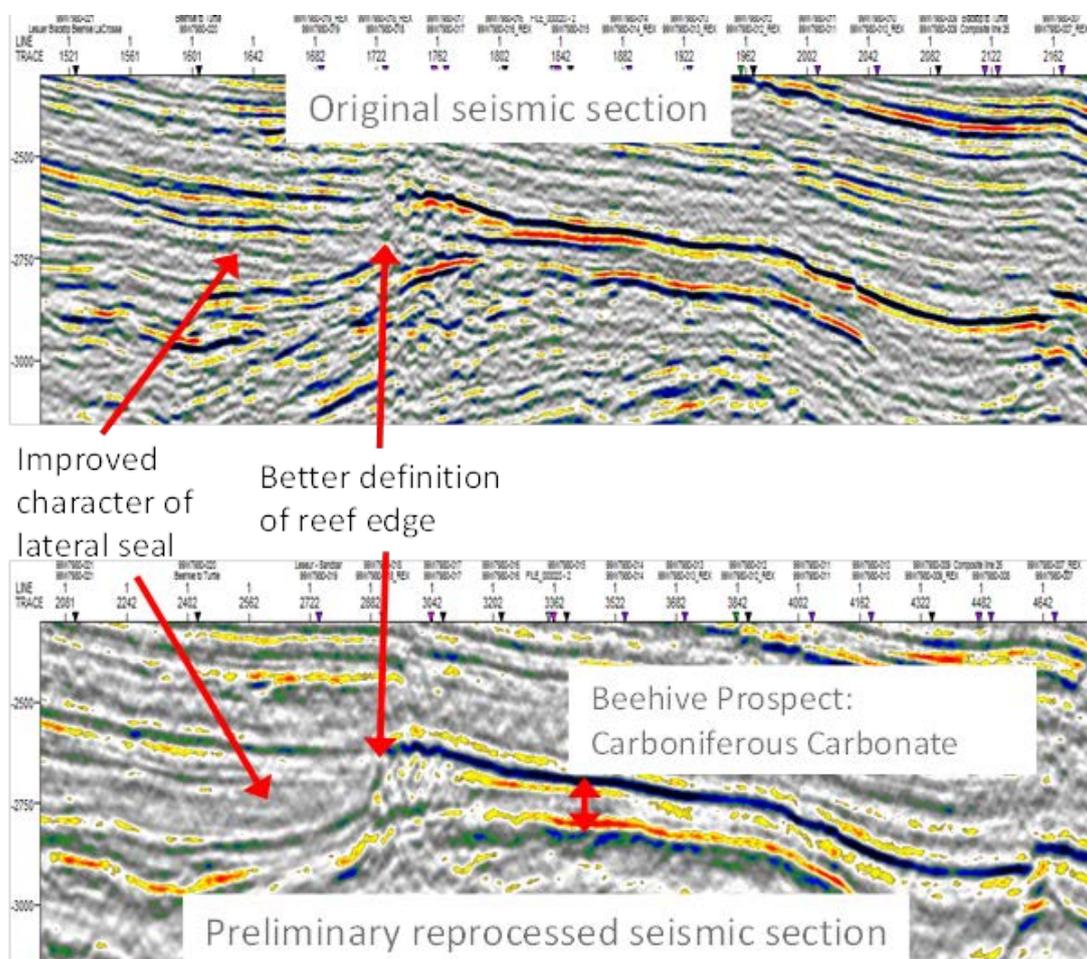


## Summary of Beehive Seismic Reprocessing and Inversion Project

MEO has undertaken a seismic reprocessing and inversion project for a representative set of seismic lines over Beehive, constrained by analysis of offset wells in the basin.

The key products from the study are:

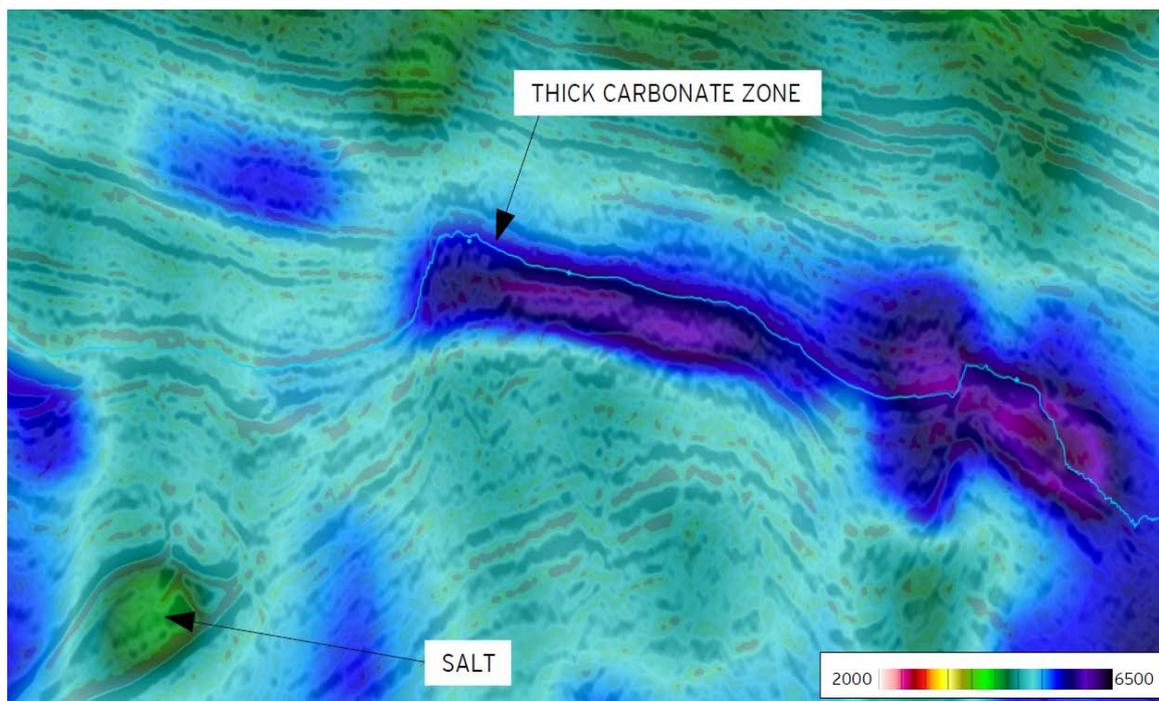
1. Higher quality reprocessed seismic reflectivity sections that provide improved definition of Beehive;
2. Interval velocity analyses that show velocities consistent with Beehive carbonate reef (build up) interpretation; and
3. Seismic inversion products that conclude that Beehive is most likely to have sealing shales overlying the carbonate reservoir section.



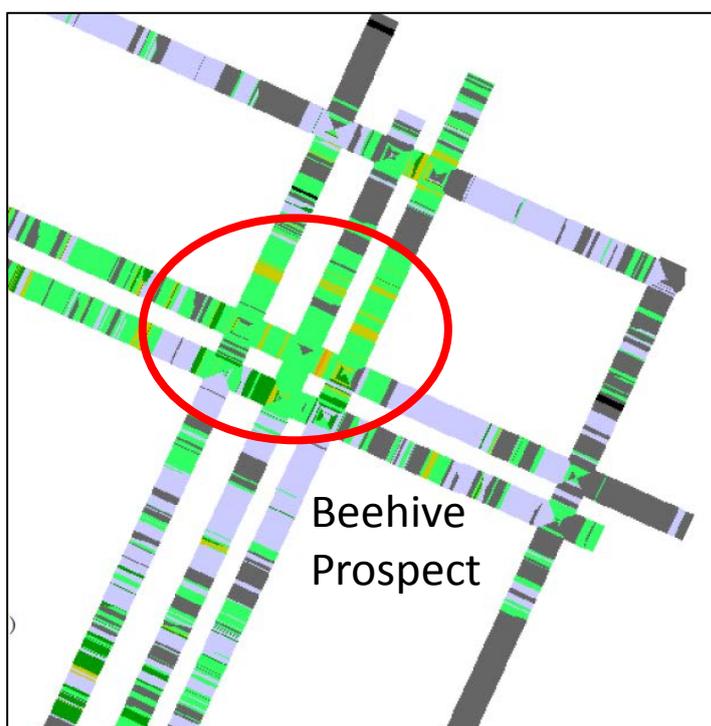
**Comparison of original and reprocessed seismic data showing improved data quality resulting in better definition of key elements of Beehive Prospect**

Reprocessed seismic shows:

- Clearer definition of the edge of the Carboniferous carbonate build up unit, which is the predicted reservoir at Beehive; and
- The encasing units, which are predicted to seal the Beehive prospect, appear increasingly bland, which is more likely to be a shale sequence with good sealing properties.



*Detailed interval velocity analysis over Beehive demonstrating interval velocities in the prospect consistent with carbonate reservoirs*



*Seismic inversion "ribbon map" predicting most likely outcome at Beehive is a quality seal (shale) overlying a carbonate reservoir (as indicated green-grey colours).*

**In Summary:** Velocity and inversion data sets support interpretation of good carbonate reservoir at Beehive encased by a competent sealing shale unit.