MEO Australia Limited
ABN 43 066 447 952

Level 23
500 Collins Street
Melbourne Victoria 3000
Australia

Tel: +61 3 8625 6000
Fax: +61 3 9614 0660
Email: admin@meoaustralia.com.au
Website: www.meoaustralia.com.au

ASX & Media Release

WA-454-P farm out on track to launch 1st November

Key Points:

- MEO holds 100% of the WA-454-P exploration permit in the Joseph Bonaparte Gulf
- Permit contains proven discovered gas, probable oil and significant prospective resources
- Farmout process to launch November 1st with opening of data room

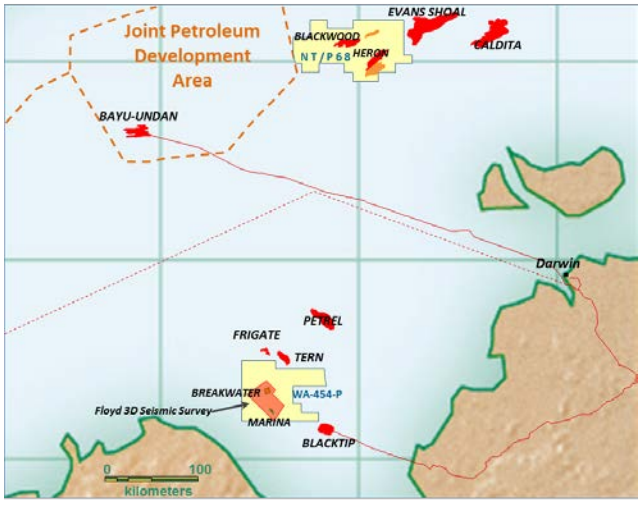
MELBOURNE, AUSTRALIA (**10th October, 2012**)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) advises that the data room for the WA-454-P exploration permit which contains the Marina-1 gas and probable oil discovery and the sizeable Breakwater prospect will open on November 1st.

The farmout brochure attached to this release provides an overview of the exploration permit and is being distributed to industry participants with the intention of securing a farminee to fund planned drilling in the permit. The farmout is scheduled to conclude by the end of 1Q-2013.

The Marina-1 discovery independently is assessed to contain 3C* contingent gas resources of up to 302 Bcf and 3C* contingent oil/condensate resources of up to 29.5 MMstb.

The nearby Breakwater prospect is an LNG scale prospect with potential for significant liquids located near discovered resources with plans for development using Floating LNG technology. The nearby Blacktip gas field supplies the Darwin domestic market. The "gas only case" prospective resource estimate is up to 2.7 Tcf with 87 MMstb condensate (High case*) while the "gas and oil case" prospective resource is up to 2.4 Tcf with 276 MMstb oil/condensate (High case*).



Prospective farminees are invited to contact MEO's commercial manager, Robert Gard to arrange data room access from November 1st.

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

"It is a credit to MEO's technical team that this permit is offered for farmout merely 18 months after being awarded by the Australian Government. The prospects for significant gas resources and potentially for liquids as well should ensure strong interest from industry."

Jürgen Hendrich
Managing Director & Chief Executive Officer

* refer to the "Resource Classifications" section attached

Resource Classifications

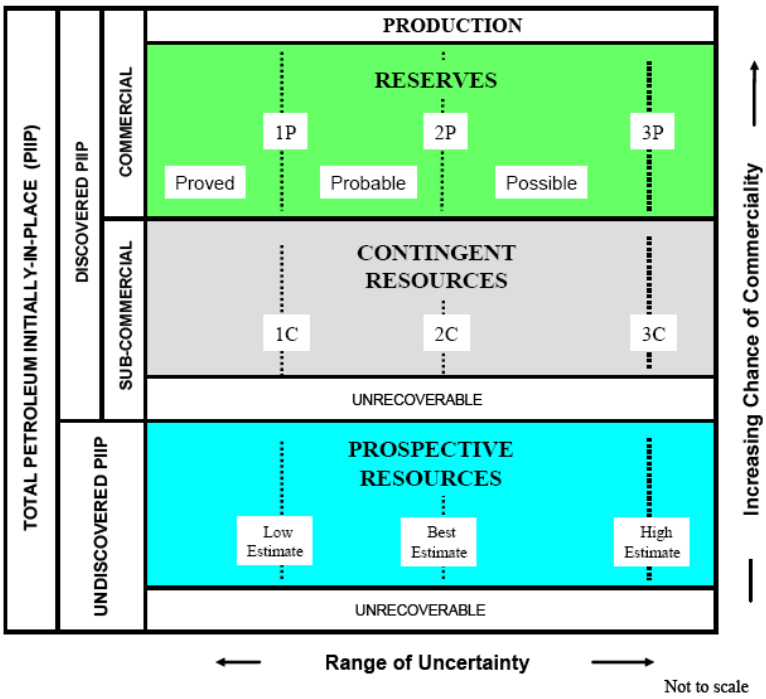


Figure 1. Petroleum Resources Classification Framework

The resource estimates included in this document were prepared by Senergy (GB) Limited (Senergy). In preparing the estimates Senergy used definitions and guidelines set out in the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

These definitions and Guidelines are summarised in the adjacent table.

Joseph Bonaparte Gulf: WA-454-P

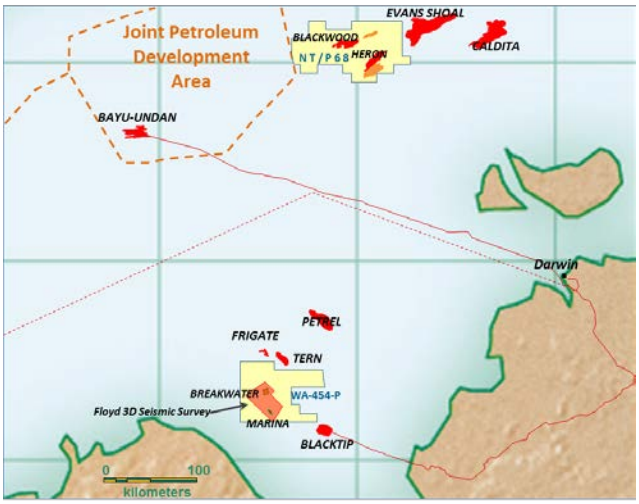
(Up to 50% Participating Interest available)

October 2012

Background

New 601 km² 3D seismic over oil/gas discovery and large prospect

MEO was awarded WA-454-P on 14th June 2011 as part of the 2010 gazettal round. The Permit contains the 2007 Marina-1 gas discovery, drilled by ExxonMobil and Drillsearch. In early 2012, MEO acquired the 601 km² Floyd 3D seismic survey over the Marina discovery, the Breakwater prospect and two additional leads. Concurrent with the 3D seismic acquisition, MEO commissioned Senergy to conduct an independent assessment of the Marina discovery and Breakwater prospect based on the existing 2D seismic and well log data. Interpretation by MEO has recently begun on the newly acquired Floyd 3D seismic survey.



Marina gas and probable oil discovery

5 zones including proven gas and probable oil

Senergy concluded that Marina-1 contains contingent resources in up to 5 zones:

- Gas is considered "*proven*" in Zones 1, 2, 3 & 4, however only "possible" in Zone 5.
- Oil is considered "*probable*" in Zone 1 and "*possible*" in Zone 2.
- There is *"additional potential"* for Oil in Zone 4, however no volumes were assessed.

Senergy's assessment of the contingent resources in Marina is summarised below. These resources are classified as "Contingent" since Marina is yet to be demonstrated to be commercial.

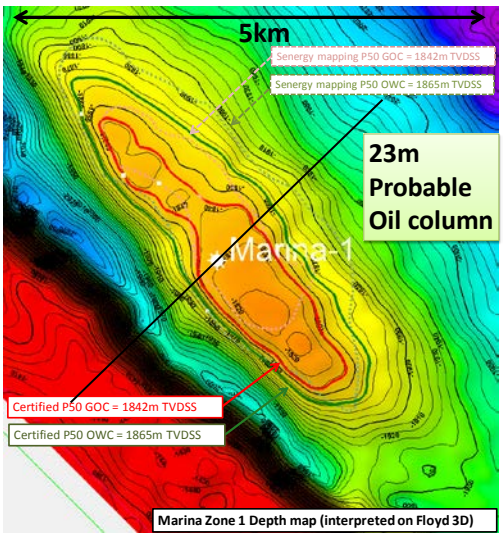
Initial interpretation of Marina on the Floyd 3D seismic confirms and supports our geological assessment qualitatively and quantitatively over the 5 hydrocarbon zones in the Early Permian reservoir. Volumetrics are yet to be updated but significant changes are not expected. The 3D seismic does however highlight additional potential for hydrocarbons deeper in the section below the TD of Marina-1. It should be noted that Marina-1 reached a total depth while still in mud gas shows. This additional potential remains to be assessed.

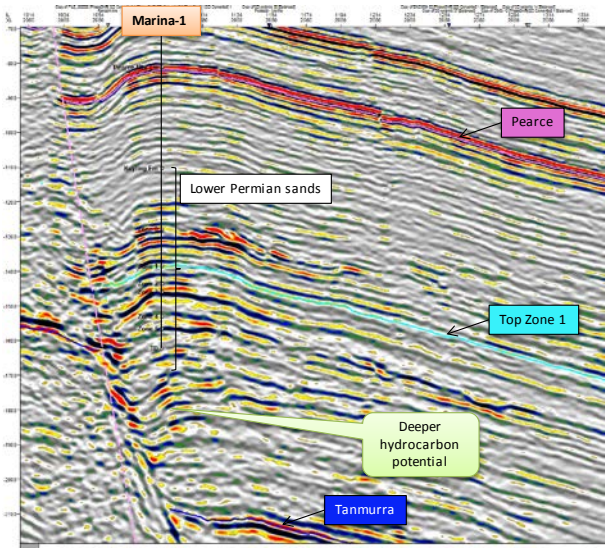
Marina Contingent Recoverable Resources (based on 2D seismic interpretation)

Up to 300Bscf and 30 MMstb recoverable with undrilled deeper potential

Ultimate Recovery	Low (1C)	Best (2C)	High (3C)
Gas (Bscf)	51	98	302
Oil & Condensate (MMstb)	0.4	6.5	29.5

4 way dip closure with 23m probable oil column in zone 1





Breakwater Exploration Prospect

Large salt related 4 way dip closure

The Breakwater prospect is a large, 4 way dip structure with an Early Permian Keyling sandstone reservoir objective. The trap is interpreted to be the response to a salt swell structure originating in the late Permian to early Triassic, and is therefore analogous to the Blacktip, Petrel and Tern gas fields which are also salt related structures. Senergy carried out an assessment of Breakwater based on 2D seismic mapping.

Amplitude anomalies show conformance with structure

Initial interpretation of Breakwater on the Floyd 3D confirms and supports the presence of a large structure in the hanging wall block, and an independent fault trap in the foot wall block. Seismic amplitude brightening is observed at reservoir level in both blocks. In the hanging wall block, the edge of the strong amplitudes show a conformance to structural closure, which may be interpreted as a hydrocarbon effect. Volumetrics are yet to be updated for the new 3D.

The most likely hydrocarbon phase at Breakwater is uncertain and consequently two scenarios, a gas and oil and a gas only case, have been considered. The un-risked volumes for both are summarised below.

Breakwater Prospective Recoverable Resources (based on 2D seismic interpretation)

Up to 2.8 Tcf and 270 MMstb recoverable

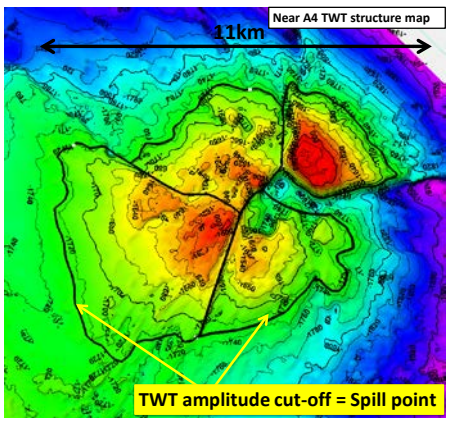
Scenario A: Gas and Oil	Low (1C)	Best (2C)	High (3C)
Gas (Bscf)	173	636	2,391
Condensate (MMstb)	8	41	201
Oil (MMstb)	1.1	11	75
Oil &Condensate (MMstb)	9.1	52	276

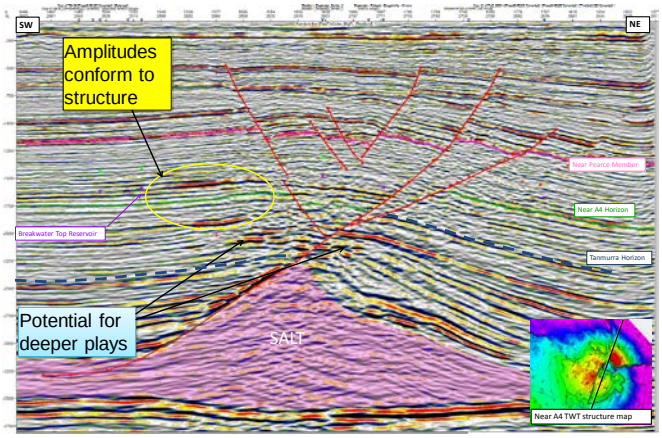
Scenario B: Gas only	Low (1C)	Best (2C)	High (3C)
Gas (Bscf)	205	751	2,798
Oil &Condensate (MMstb)	1.4	13	87

Multiple paths to development

Senergy concluded that in the event of successful discovery and appraisal, the best estimate volumes would likely be commercial. Possible development scenarios include tie-in to the existing Blacktip (957Bscf) production facilities, the proposed Floating Liquefied Natural Gas (FLNG) infrastructure to develop the Petrel (970 Bscf) and Tern (468 Bscf) gas fields, or a stand-alone development.

Multiple salt structures on block with Blacktip reservoir potential





Additional potential

Strat trap potential within same proven HCS

Seven additional salt structures are found on this block which makes it the highest concentration of salt structures found on the NWS. The Blacktip reservoirs have not been penetrated on any of these features. Additional stratigraphic trapping potential for these same proven reservoirs also exists on this block.

Contacts - For more information regarding this farmout, please contact:

Robert Gard, Commercial Manager, MEO Australia Limited
Email: robert.gard@meoaustralia.com.au
Phone: +61 3 8625 6000