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ASX AND MEDIA RELEASE

Zeus-1 update

Key Points:

- **12-1/4" hole drilled to 2,380m**
- **Preparing to secure rig and de-man ahead of rapidly forming tropical low**

MELBOURNE, AUSTRALIA (**February 3rd, 2009**) -- MEO Australia Limited (ASX: MEO) is pleased to advise the following update in relation to Zeus-1 (**MEO 35%, Operator**), being drilled in WA-361-P in the Carnarvon Basin, offshore Western Australia.

Progress to 0730 hrs WSDST

Since the last report, the rig was secured and moved 18m off location to ride out the storm subsequently named Tropical Cyclone Dominic. A total of 5.5 days was lost due to the cyclone and a seal failure on the Blow Out Preventer (BOP).

Drilling operations resumed in 12-1/4" hole over the weekend and at 0730 (WSDST) this morning had progressed according to prognosis to a depth of 2,380m.

Present operation

The Bureau of Meteorology has advised that a rapidly forming tropical low pressure system is expected to have a >50% chance of forming into a Tropical Cyclone by Thursday. On this basis, the drilling rig is being secured and de-manning operations have commenced as a precautionary measure while the formation of the tropical low is being closely monitored. Re-manning will commence and drilling operations will resume once the cyclone threat has dissipated.

Objectives of Zeus-1

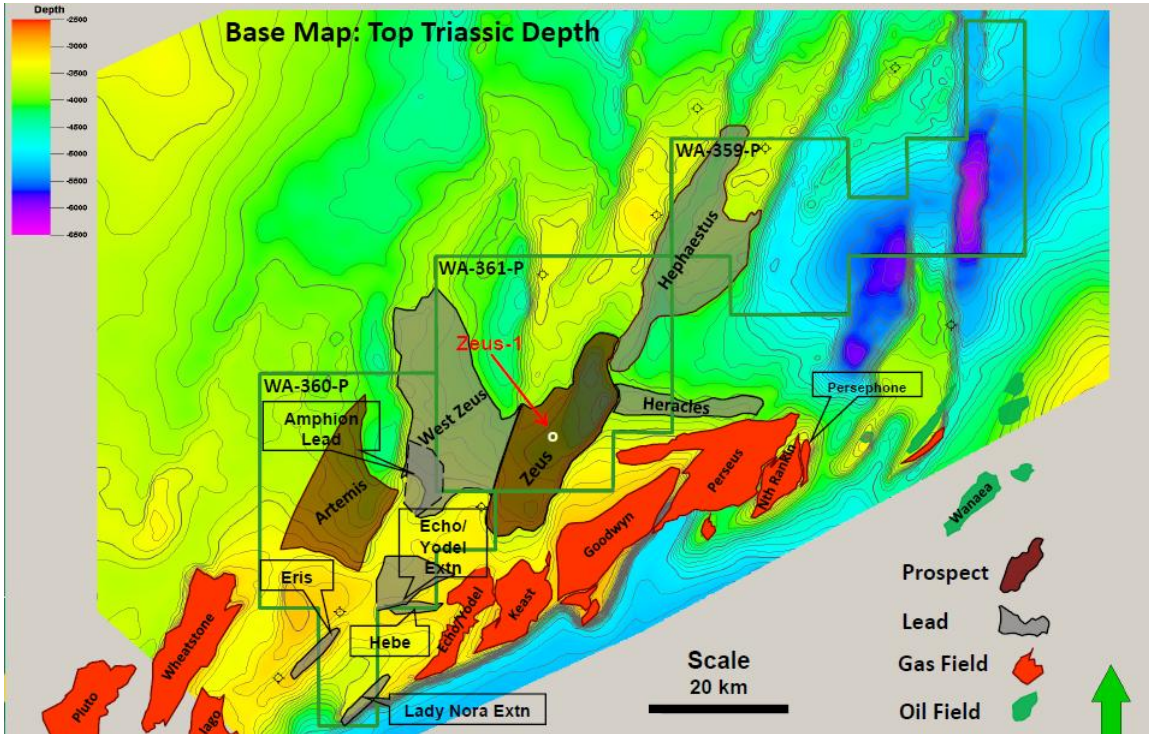
Zeus-1 is targeting potential gas-in-place of **15 Tcf** in the primary Legendre sands target and **3.7 Tcf** potential gas-in-place in the secondary Forestier sands target.

Zeus-1 & WA-361-P participants

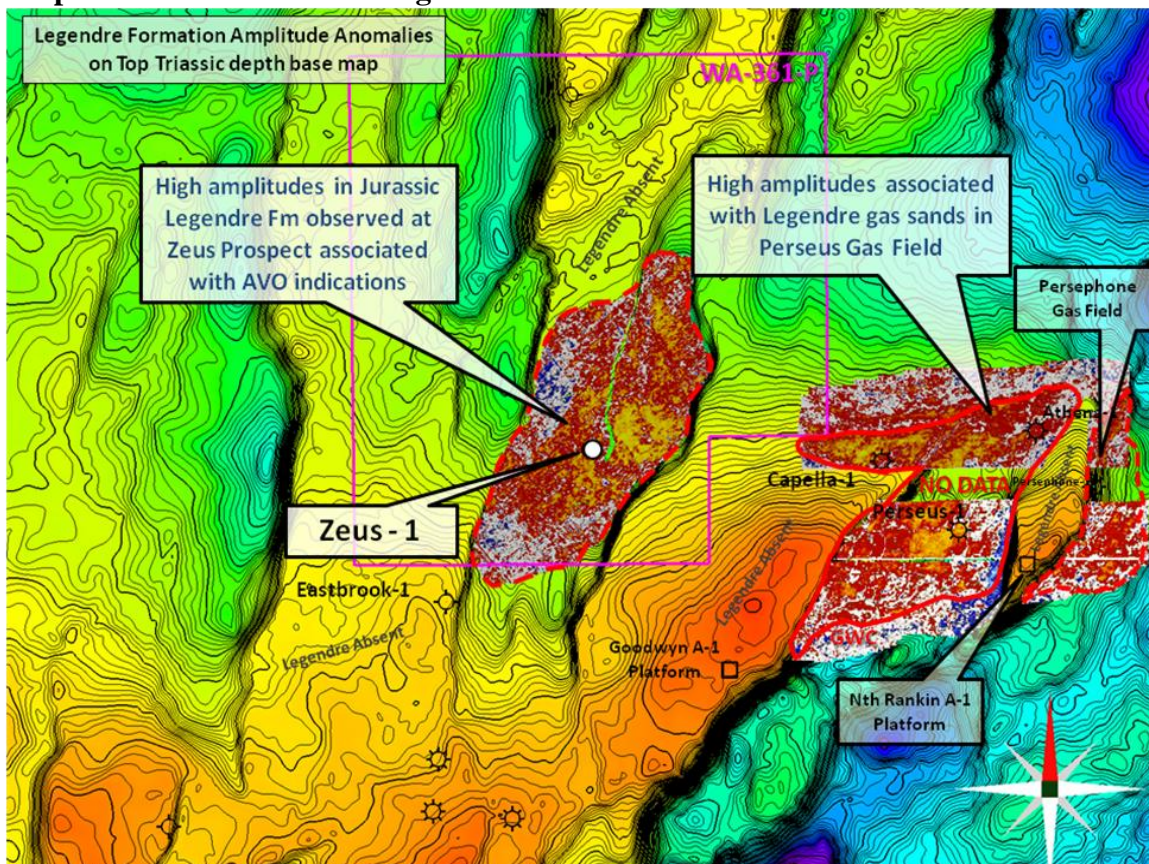
| Company | Equity | Remarks |
|---|---------------|----------------------------------|
| North West Shelf Exploration Pty Ltd <i>(Wholly owned subsidiary of MEO Australia Limited)</i> | 35% | Operator ASX: MEO |
| Resource Development International Limited | 35% | <i>(Unlisted public company)</i> |
| Cue Energy Resources Limited | 15% | ASX: CUE |
| Gascorp Australia Pty Ltd | 15% | <i>(Unlisted public company)</i> |

Jürgen Hendrich
Managing Director & CEO

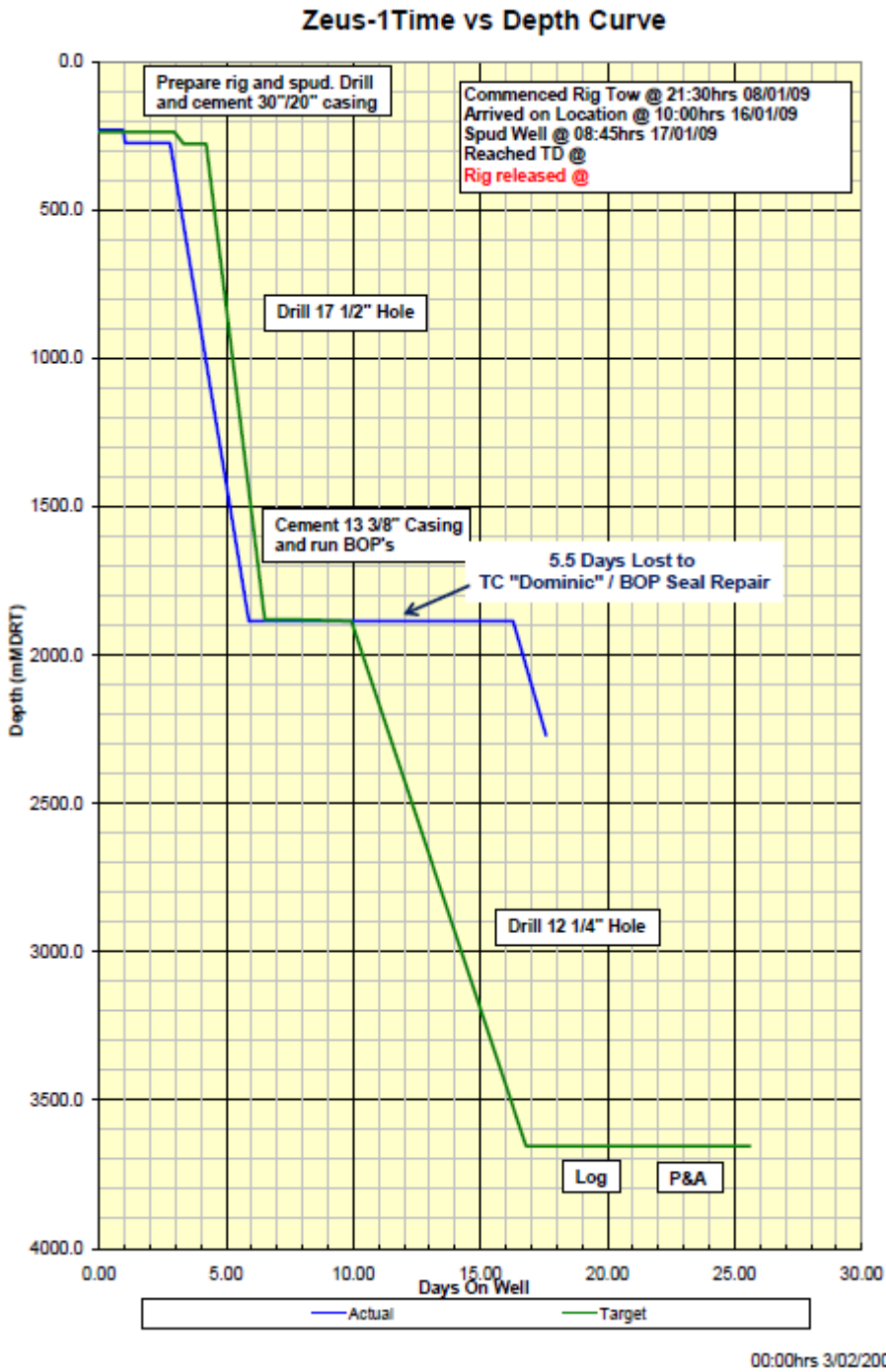
WA-361-P Permit Location



Amplitude extraction from Legendre sandstones in Zeus and Perseus



Attachment 1: Zeus-1 time vs depth curve to midnight on 2nd February 2009



**Attachment 2:
Zeus-1 Well Details**

DETAILS

| | |
|--------------------------------|---|
| Licence: | WA-361-P |
| Operator: | MEO Australia Limited |
| Rig: | Songa Venus |
| Surface location: | Latitude: 19 deg 30 min 17.67 sec Longitude: 115 deg 50 min 6.63 sec Ellipsoid: GDA94, GRS80 |
| Seawater Depth: | 212.4 m |
| Spud Date: | 17 th January 2009 |
| Target Strata: | Primary: Legendre Formation Secondary: Forestier Formation |
| Total Depth: | 3655 metres (MDRT). Actual TD: 3630m (MD - measured depth below the rig's rotary table - RT) |
| Primary Target Depth: | Top Legendre Fm 3455 metres (MDRT) |
| Secondary Target Depth: | Top Forestier Fm 3253 metres (MDRT) |
| Designated Authority: | W.A. Department of Industry and Resources |
| Reservoir Objectives: | <p><u>Legendre Formation:</u> Zeus is an analogue to the adjacent Perseus gas field. Determine the validity of the amplitude and AVO responses observed on the Rosie 3D seismic data. Positive amplitude and AVO responses are seen at multiple levels within the Legendre. In addition, determine if there are sands which are gas bearing that do not exhibit an AVO response.</p> <p><u>Forestier Formation:</u> Determine the validity of the amplitude and AVO responses observed in the basal Forestier. This section has not been penetrated in nearby wells and could contain sands equivalent to the Barrow Group.</p> |

MEO Pre-drill Gas-In-Place Estimates

| Target Reservoir | Gas-in-Place Estimates |
|---------------------|------------------------|
| Legendre Formation | 15.0 Tcf |
| Forestier Formation | 3.7 Tcf |

| | |
|-------------------------------|--|
| Production Objectives: | In a success case, hydrocarbon samples will be collected by MDT, no cased-hole tests are planned. |
| Well Design: | Zeus-1 is a vertical well. The well design is to drill a 36" hole to 295mRT and set a 30x20" conductor. A 13-3/8" casing string will be set in a 17-1/2" hole drilled to 1910mRT. Drill a 12-1/4" vertical hole to TD and log. There is provision for a contingent 9-5/8" casing at 3225mRT. |