

ASX & Media Release

East Artemis pre-drill resource estimate upgraded

Key Points:

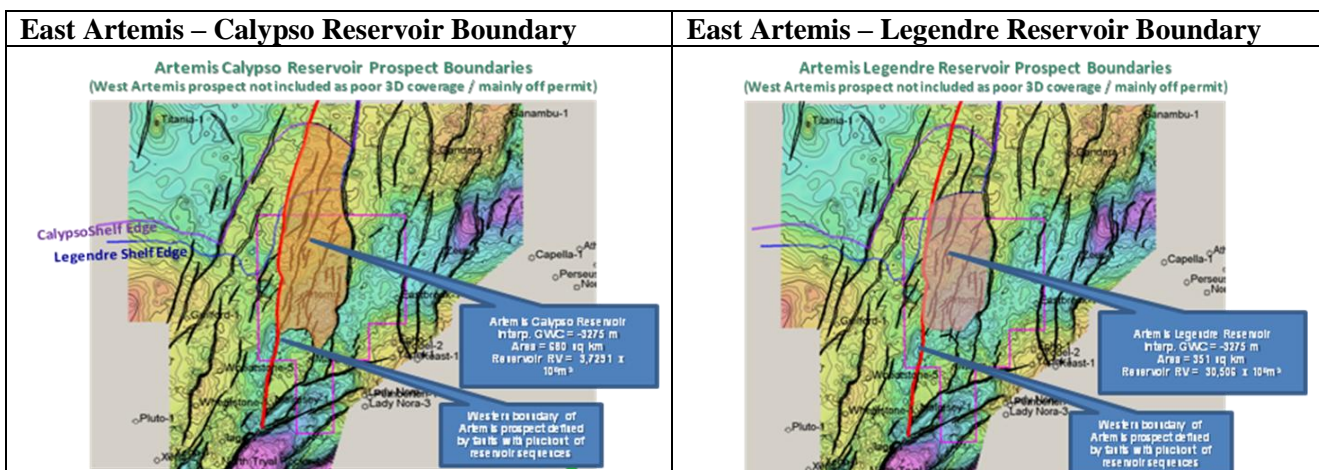
- Previously published gas-in-place estimates of 9.5 Tcf (within WA-360-P) materially upgraded
- Mean gas-in-place for Calypso sands estimated at 10.8 Tcf (6.4 Tcf @ 60% Recovery Factor)
- Mean gas-in-place for Legendre sands estimated at 9.5 Tcf (5.6 Tcf @ 60% Recovery Factor)
- New biostratigraphic data from Zeus-1 indicates increased reservoir thickness
- Newly acquired Artemis 3D seismic data indicates increased areal extent of Artemis prospect
- WA-360-P data room closing to new entrants 5pm EST, August 14th 2009, indicative offers expected by 31st August and farm-out expected to be concluded by 30th September

MELBOURNE, AUSTRALIA (August 14th, 2009) - MEO Australia Limited (ASX: MEO) advises that updated seismic interpretation and pre-drill resource estimates based on the Artemis 3D seismic data received early July, have now been sent to the 20 parties that remain in the WA-360-P farmout process. The data room closes to new entrants at 5pm today (Melbourne time). MEO has requested indicative offers from these parties by 31st August and remains confident that a transaction will be concluded by 30th September.

In its ASX releases dated 15th July and 21st July, MEO indicated that new biostratigraphic data received from analysis of drill cuttings from the Zeus-1 well suggested increased reservoir thickness due to the identification of the Calypso reservoir, and the newly received Artemis 3D seismic data suggested an increased areal extent of the Artemis prospect. These factors gave the Company confidence that the previously estimated 9.5 Tcf gas-in-place for Artemis would likely materially increase.

East Artemis Prospect – Revised Pre-Drill Resource Estimates		
Reservoir Unit	Estimated Mean Gas In Place (TCF)	Estimated Mean Gas Recoverable (TCF)*
Calypso	10.8	6.4
Legendre	9.5	5.6

* assumes 60% recovery factor



Impact of bio-stratigraphic data from Zeus-1

MEO recently received new bio-stratigraphic data from its Zeus-1 well. This data has caused the Company to upgrade its reservoir interpretation to include both Calypso and Legendre sandstones in the prognosed reservoir section at Artemis, resulting in a prediction of significantly thicker reservoir at Artemis than originally prognosed.

Impact of Artemis 3D seismic data

Velocity data from the new 3D has increased the size of the Artemis structure and concurrently increased confidence in MEO's depth conversion methodology. High amplitudes (often termed Direct Hydrocarbon Indicators or DHI's) are observed on both the existing and new data within the predicted reservoir section at Artemis. These high amplitudes exhibit a common depth termination which *may* represent a Gas Water Contact and therefore *may* indicate the presence of gas.

Depth conversion scenarios

Depth conversion complexities in this geographic environment (ie rapidly changing water depth) is the primary reason why the recent Iago, Wheatstone and Pluto gas discoveries remained hidden until this decade. These recent discoveries were drilled on DHI (direct hydrocarbon indicator) anomalies, before the depth conversion nuances were fully understood. Artemis shares similar DHI attributes as these gas discoveries.

MEO has developed two depth conversion scenarios based on these observed amplitude terminations that result in variations of the absolute depth of the trap. The Company's original depth conversion scenario placed the potential Artemis GWC at the same level as the Wheatstone GWC (-3,127m).

Presently, MEO's preferred depth conversion scenario places the potential Artemis GWC at -3,275m, significantly deeper than the Wheatstone GWC.

Importantly, the volumetrics remain the same irrespective of the two depth conversion scenarios. The calculated rock volumes are based on the extent and interpreted column height of the high seismic amplitudes which are independent of the depth conversion.

MEO's G&G team estimates the geological chance of success (GCS) for Artemis is 32%. While relatively high for an exploration play, investors are reminded that this implies the probability of failure is 68%.



Jürgen Hendrich

Managing Director & Chief Executive Officer

14th August, 2009

WA-360-P participants	Equity
North West Shelf Exploration Pty Ltd (MEO subsidiary, Operator)	70%
Cue Energy Resources Limited (ASX: CUE)	15%
Gascorp Australia Pty Ltd (<i>Unlisted</i>)	15%