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Quarterly activities summary for Period ended 31st March 2014

Significant activities during quarter:

- Completed Blackwood-2 drilling activities
- Relinquished Gulf of Thailand Concession G2/48
- Received regulatory approval for WA-361-P work program variation
- Completed due diligence & negotiated final terms for acquiring interest in Puka oil discovery

Activities subsequent to end of quarter:

- Executed binding farm-in agreement with Kea Petroleum to earn an initial 30% interest in the producing Puka oil discovery onshore New Zealand
- Received regulatory approval to vary work programs for AC/P50 & AC/P51

MELBOURNE, AUSTRALIA (29th April, 2014)

MEO Australia Limited (ASX: **MEO**) provides the following summary in relation to its activities during the quarter ended 31st March 2014.

Executive Summary

During the quarter, the completion of Blackwood-2 marked by the rig release on 3rd January 2014 established a reference date for two separate options Eni has in relation to NT/P68:

1. Within 5 months following completion of Blackwood-2 (ie by 3rd June 2014), Eni has to elect whether to drill a second Heron well by 12th February 2016 or withdraw from the Heron area of the permit.
2. Eni has an option to increase participating interest in the Blackwood area by 25% to 75% within 180 days of the completion of Blackwood-2 drilling, ie by 2nd July 2014.

The G2/48 Concession in the Gulf of Thailand was relinquished effective 6th January 2014. While discussions with the regulator after this effective date indicated that some flexibility would be entertained in relation to extending the Year 8 work program by 1 year, no such flexibility could be applied to deferring the well commitment by the same time increment. As MEO was not prepared to enter the new Concession year with a firm well commitment, discussions were held with two parties who had expressed interest in the Concession and were considering underwriting this contingent liability as a pre-condition to farming in. These discussions ultimately did not yield a binding farm-in offer and MEO consequently stood by its initial withdrawal notice.

In relation to WA-361-P, regulatory approval was received during the quarter to substitute the Permit Year 5 discretionary well with geological studies.

Partial sales processes remained in progress for a number of projects during the quarter.

Cash balance at end of quarter

Consolidated cash balance at 31st March 2014 was A\$12.9m.

New Ventures

Screening for attractive opportunities continued to concentrate on evaluating projects capable of generating operating income within 2-3 years of commencement. Due diligence was completed on the Puka oil discovery leading to MEO executing a binding farm-in agreement subsequent to the end of the quarter.

Events subsequent to the end of the quarter

On 7th April, MEO announced that its wholly owned subsidiary MEO New Zealand Pty Limited had executed a binding farm-in agreement with Kea Petroleum Plc (AIM: KEA) to earn an initial 30% participating interest in the permit containing the Puka Oil Discovery onshore Taranaki Basin New Zealand. Consideration for earning the 30% interest is by funding NZ\$4m of the NZ\$5m Phase I work program involving the workover of 2 wells, the testing of two intervals in a suspended well and the drilling of the Puka-3 appraisal/development well. Following completion of this Phase, MEO has 6 months to elect whether to remain in the permit and if so, whether to do so at the 30% equity level or increase to 50% by funding NZ\$7.5m of an NZ\$9m Phase II work program.

Concurrent with this transaction, MEO launched a Share Purchase Plan ("SPP") whereby existing shareholders can purchase up to \$15,000 of new shares at a 20% discount to the volume weighted average price of the shares during the last 5 trading days during the offer period. The SPP has been underwritten to MEO's 15% placing capacity and will close on 7th May 2014.

On 22nd April, MEO announced it had received regulatory approval for its work program variation requests in relation to AC/P50 (MEO 100%) and AC/P51 (MEO 100%). The final year discretionary well has been removed and replaced with geological studies aimed at maturing the current prospects, leads and play concepts.

Announcements since the previous quarterly activities report

The following ASX releases were made since the quarterly activities report (refer www.meoaustralia.com.au):

22/04/2014	Vulcan Sub-Basin AC/P50 and AC/P51 Work Program Variation
15/04/2014	Share Purchase Plan Offer Documentation
15/04/2014	Notice under ASIC Class Order 09/425
10/04/2014	MEO Investor update April 2014
10/04/2014	MEO Australia Limited announces Share Purchase Plan
08/04/2014	Request for trading halt
07/04/2014	Farm-in to onshore New Zealand oil discovery
20/02/2014	Half-Year Financial Report and Directors' Report 31 Dec 2013
21/01/2014	Carnarvon Basin WA-361-P Work Program Variation
16/01/2014	Quarterly Activities Summary for Period Ended 31st Dec 2013
16/01/2014	Quarterly Cash Flow Summary for Period Ended 31st Dec 2013
07/01/2014	Gulf of Thailand G2/48 update
06/01/2014	Blackwood-2 Progress Report No. 9 - Final

Priorities for the current quarter ending 30th June 2014

- Obtain regulatory approval for Puka oil acquisition and progress planning for Phase I field activity
- Complete evaluation of Blackwood-2 drilling results and integrate into understanding of NT/P68
- Actively market projects to attract partners to fund future drilling activity
- Select preferred location for Breakwater-1 in WA-454-P
- Continue screening for attractive new ventures opportunities



Jürgen Hendrich
Managing Director & Chief Executive Officer

Attachments: Activity Summaries by Project Area

New Zealand: Taranaki Basin

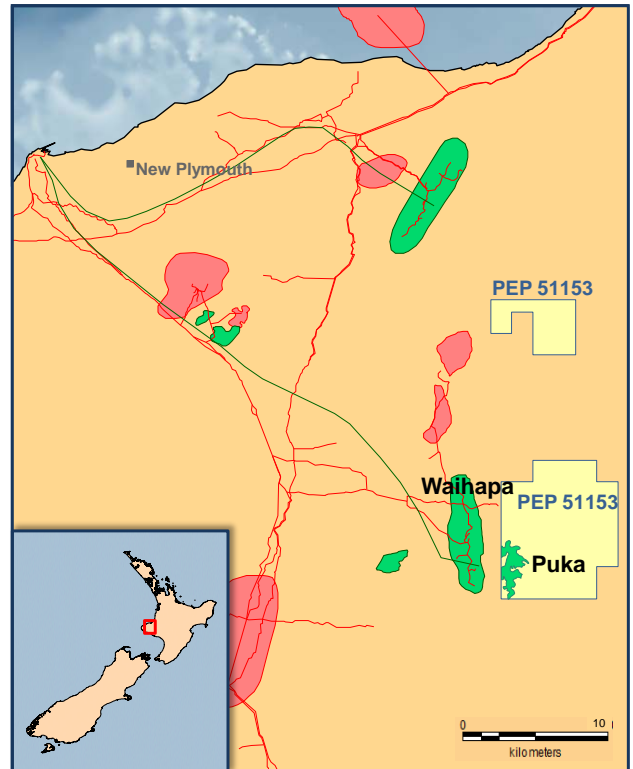
PEP 51153 (MEO 30%*, Kea Petroleum Limited 70% & Operator)



On 7th April 2014 MEO Australia Limited announced that its wholly owned subsidiary, MEO New Zealand Pty Limited (“MEO”), had executed binding agreements with KEA Petroleum PLC (“Kea”) for a staged farmin to Kea’s 100% owned PEP 51153 exploration permit in the Taranaki Basin, onshore New Zealand.

PEP 51153 covers an area of 104.4 km² and contains the 2012 Puka oil discovery in the Mount Messenger formation. The discovery wells, Puka-1 and Puka-2 (drilled 2013), are producing approximately 80 barrels oil per day (bopd) under an extended well test, limited by sub-optimal location and completion constraints. The Puka discovery requires successful appraisal to more fully quantify the resource size and productivity ahead of full field development.

MEO is farming in to the permit by way of a staged work program. Phase I involves MEO earning an initial 30% interest by funding NZ\$4m of an initial work program capped at NZ\$5m. Any investment over this cap will be at the participating interest level. The program is expected to commence prior to the end of June 2014 and comprises two workovers designed to restore productive capacity to the existing Puka-1 and Puka-2 wells, testing of the suspended Douglas-1 exploration well using the same workover rig prior to plugging and abandoning the well and drilling a new well, Puka-3, using a dedicated drilling rig.



The workover of Puka-1 and Puka-2 has the potential to double to current production rate of 80 barrels/day. The suspended Douglas-1 exploration well is located some 4.5 km from the two discovery wells at the north eastern limit of the Puka discovery where 2m of oil pay was indicated on logs in the Mount Messenger sands above a possible oil-water-contact. Douglas-1 also tested a deeper objective which encountered good oil shows. Both zones will be tested to confirm fluid compositions.

A new well, Puka-3, will be designed as a deviated well to target a potential reservoir “sweet spot” identified on the recent 3D seismic survey. Subject to receipt of regulatory approvals, Puka-3 will commence drilling around mid-year and in the event of success can be brought on line immediately to boost production and cash flow.

Within 6 months of completing Phase I MEO, at its sole election, can elect to increase its participating interest to 50% of the project by funding NZ\$7.5m of the indicative NZ\$9m Phase II work program.

Indicative Activity Schedule

Permit MEO PI* Operator	PEP 51153 30%* Kea	2013				2014				2015			
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
		J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D		
Permit Year		5/10		6/10				7/10				8/10	
Work program		2D repro		14 km 2D seismic								Well	
Activities													
Farmin Negotiation		Farmin											
Phase I													
P1 & P2 workovers		P1/2											
Douglas-1 testing		D-1											
Puka-3		P-3											
Post Phase I review		X											
Phase II election (6mths > Phase I)													
Phase II													
Puka-4		P-4											
Full field development planning													

* Interest held via MEO New Zealand Pty Limited, 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

* MEO’s 30% participating Interest in PEP 51153 is contingent upon completing the Phase 1 work Program

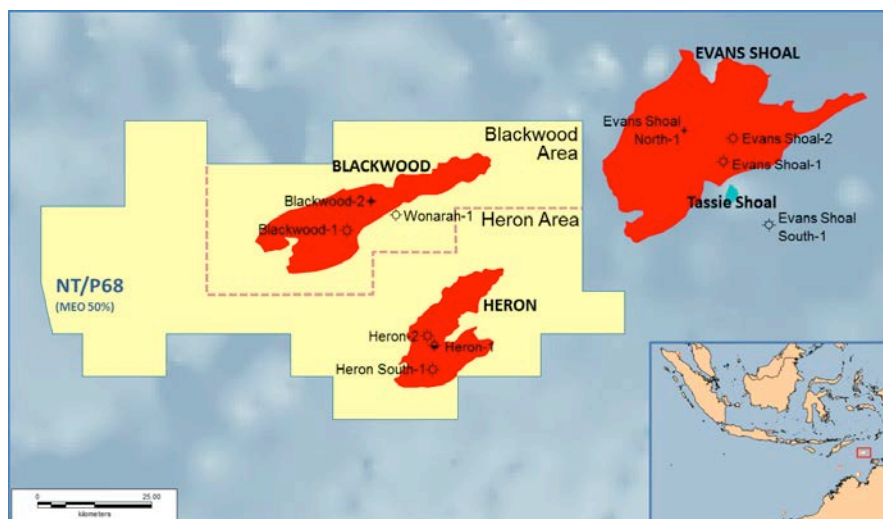
* MEO’s 30% participating Interest in PEP 51153 is contingent upon completing the Phase 1 work Program

Timor Sea: Bonaparte Basin

NT/P68 (MEO 50%, Eni Australia Ltd 50% & Operator)



Pursuant to a farm-in agreement with Eni Australia (refer ASX release dated 18th May 2011), Eni has earned an initial 50% interest in the Blackwood area of NT/P68 by acquiring the 766km² Bathurst 3D seismic survey and drilling Blackwood-2. Eni is also earning an initial 50% interest in the Heron area by funding the drilling of two wells on the greater Heron structures. The first of these, Heron South-1, was drilled in late 2012. Eni has until 3rd June 2014 to elect whether to drill a 2nd well or withdraw from the Heron area.



Eni has options to earn a further 25% participating interest in either or both the Heron and Blackwood areas by funding MEO's share of the work programme required to achieve a Final Investment Decision and make a one-off cash payment of US\$75m to MEO on achieving a Final Investment Decision in either area.

Blackwood-2 commenced drilling on 28th October 2013 and reached a total depth of 3,425mMDRT. Following evaluation by wireline logging tools, DST-1 was conducted over a 20m interval. No flow was recorded indicating low permeability reservoir. The rig was released on 3rd January 2014 following plugging and abandonment establishing the reference date for two options held by Eni.

1. The election date for the 2nd Heron well is 5 months after completion of Blackwood-2 ie **3rd June 2014**.
2. Increasing participating interest in the Blackwood area to 75% must be made within 180 days of the completion of Blackwood-2, ie by **2nd July 2014**.

During the quarter, technical discussions were held with the Operator to gain an understanding of the preliminary assessment of the implications of the Blackwood-2 drilling results.

Indicative Activity Schedule

Permit MEO PI Operator	NT/P68 50%* Eni Australia	2013					2014					2015					
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr						
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		4/5					5/5					1/5					
Work program		1 well*					Studies					pending					
Permit expiry												<>					
Submit permit renewal application												<>					
Activities																	
Drill Blackwood-2		BW-2															
2nd Heron well election (5mths >BW2)												If option exercised, drill 2nd Heron well by 12-Feb-2016					
Increase Blackwood equity to 75%																	
Planned drilling in nearby permits^x																	
Evans Shoal North-1		ESN-1															
NT/P48 (Evans Shoal) permit expiry		<> Extended to 24-Sep-2014 <>															
Barossa: appraisal drilling							2 wells										

* subject to completion of farm-in agreement as detailed in 18th May 2011 ASX release

* Permit Year 4 well obligation previously met by drilling Heron South-1 during Permit Year 3

^x timing is indicative only and subject to change

Tassie Shoal Gas Processing Projects

(MEO 100%)



During the quarter, MEO continued business development and technical assessment activities with potential midstream investors.

With respect to gas supply, MEO's potential midstream investor is considering an invitation to participate in an introductory meeting with the Evans Shoal Joint Venture in Australia. The Evans Shoal gas discovery is one of the potential supply sources for the Tassie Shoal Methanol Projects, considering its proximity, high CO₂ content and lack of practical development alternatives.

The Evans Shoal Joint Venture has advised they submitted a Retention Lease application in late 2013, which is currently being considered by the regulator. The regulator is also considering MEO's submission regarding Evans Shoal gas field commerciality. Subsequent to the end

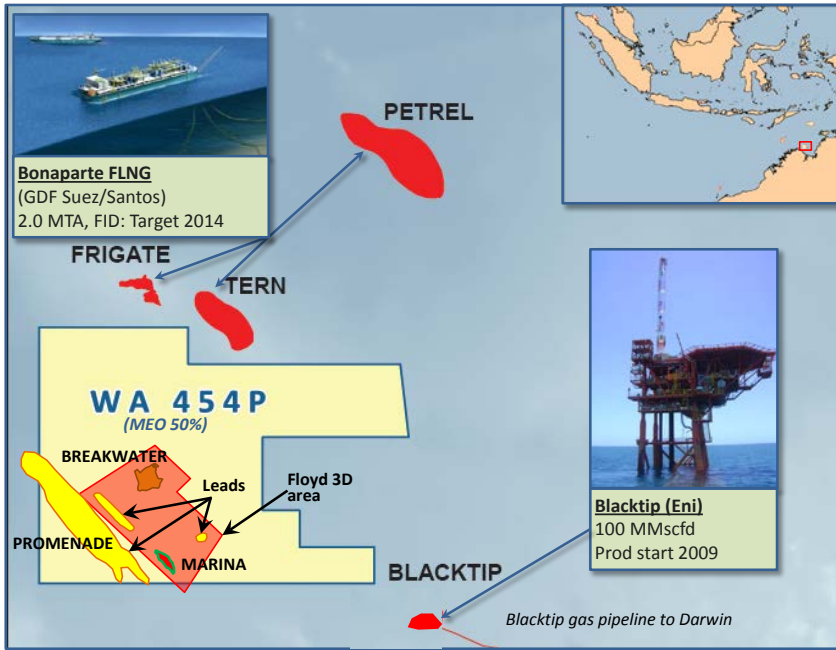
of the quarter, NOPTA requested additional information from MEO in relation to economics of the Tassie Shoal Methanol Project as it pertains to this submission.

The Hon Minister for Industry Mr. Ian Macfarlane continues to emphasise in industry forums the Government's "use it or lose it" policy that will be applied to discovered resources.

In terms of near term activity for other potential gas supply sources, up to three wells are expected to be drilled in the Barossa gas field (approximately 16% CO₂) commencing in the current quarter. These wells are being fully funded by SK E&S, an affiliate of South Korean conglomerate SK Group, to earn an interest in the NT/RL5 permit from ConocoPhillips and Santos. It is anticipated that the results from these wells will provide further clarity on gas resource estimates and field productivity which will be a key input into consideration of potential commercialisation opportunities.

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 50%)



WA-454-P contains the Marina gas and probable oil discovery together with the Breakwater prospect and a number of promising leads. MEO was awarded the permit in June 2011 for an initial six (6) year exploration period.

The 601 km² Floyd 3D seismic survey was acquired over the Marina discovery, Breakwater prospect and a number of identified leads in early 2012, satisfying the Year 1 obligation of 583 km² 3D.

In July 2013, MEO announced it had executed a binding farm-in agreement with Origin Energy for a 50% participating interest in the permit. Consideration for earning the interest includes MEO receiving A\$5.6m in past costs and Origin

funding 80% of a well with a cost cap of A\$35m (100% well cost).

During the quarter, the Operator began the process of selecting the preferred Breakwater-1 drilling location and making preparations for well planning.

MEO will continue marketing a portion of its residual 50% interest in the current quarter to defray its remaining 20% cost exposure to the Breakwater-1 well, indicatively scheduled to be drilled in 3Q-2015 subject to rig availability and receipt of customary regulatory approvals.

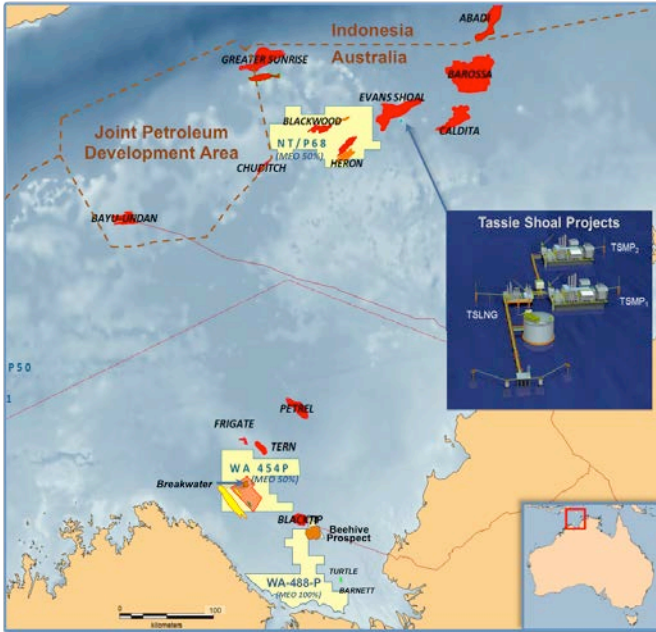
Indicative Activity Schedule

Permit	WA-454-P	2013				2014				2015									
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
		J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D								
Operator	MEO	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Permit Year		3/6				4/6				5/6									
Work program						Studies				1 well									
Activities																			
Transfer of title		■																	
Finalise Joint Operating Agreement		■																	
Transition to new Operator				■															
Mature Breakwater prospect				■															
Partial sale to fund balance 2015 v						■		Partial sale											
Secure rig for well								■											
Drill Breakwater-1 ^x														■ BWtr-1					

^x timing is indicative only and is subject to change

Bonaparte Gulf: Petrel sub-Basin

WA-488-P (MEO 100%)



WA-488-P is located adjacent to MEO's WA-454-P (50%) permit and covers an area of 4,105 km². The permit was awarded to MEO in May 2012 as part of the acreage Gazettal Round.

MEO has identified the giant Beehive prospect that it considers can be readily advanced to drillable prospect status by reprocessing existing 2D seismic data and integrating offset well data. Beehive represents a new play type within the Bonaparte basin, leveraging the 2011 Ungani-1 oil discovery in Carboniferous aged reservoirs in the nearby Canning Basin.

During the quarter, MEO continued to market the technical merits of the Beehive prospect to prospective industry partners considering participating in the Permit Year 3 (commencing May 2015) drilling commitment.

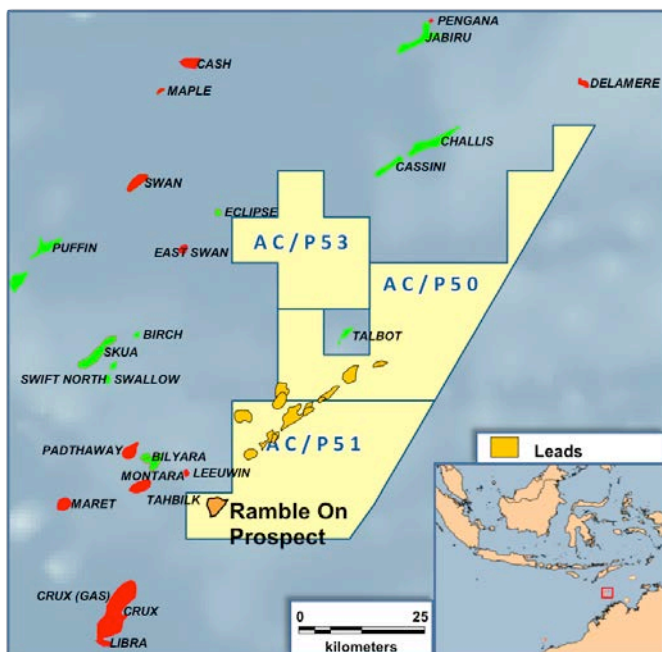
The partial sale process remains underway at the end of the quarter.

Indicative Activity Schedule: WA-488-P

Permit	WA-488-P	2013				2014				2015							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator	MEO	1/6				2/6				3/6							
Work program		400 km 2D Repro				Studies				1 Well							
Activities																	
Resource estimation		■															
Reprocess 2D seismic						■ 2D repro											
Partial sale process		■ Partial sale															
Secure rig										■							

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P50, AC/P51 (MEO 100%)



AC/P50 & AC/P51 were acquired from SilverWave Energy in late 2010 approximately 18 months into their initial 6 year exploration period. MEO acquired the 507 km² Zeppelin 3D seismic survey across both permits in early 2012.

The Ashore Cartier region is a proven hydrocarbon province with numerous modest sized oil and gas discoveries, made largely in the 1980's and 90's. Poor seismic image quality and a string of poor exploration results following the early discoveries resulted in a significant hiatus in exploration. More recently PTTEP is bringing Montara on line and has had drilling success nearby at Cash and Maple. Condensate-rich gas was discovered at Crux to the south west.

MEO has achieved an improvement in seismic image quality and has identified the Ramble On prospect on reprocessed 2D seismic data, together with a number of follow up leads.

Ramble On represents a new play type that has proven analogues in other Basins and is an example of applying new ideas to old basins. Any new play type in a region will naturally be assigned a higher risk until that play type can be established in the new area.

A number of leads have also been identified along trend with the Ramble On prospect and represent follow up potential if the play type works.

During the quarter, MEO continued to market both permits to industry participants with a view to attracting a partner to fund future drilling.

Concurrently, MEO lodged a work program variation request for both permits seeking to remove the Year 6 discretionary well from both permits to allow additional technical work to be undertaken to mature the identified prospects, leads and play concepts. The variation requests were granted subsequent to the end of the quarter, obviating the need to relinquish both permits in lieu of drilling a well in each permit.

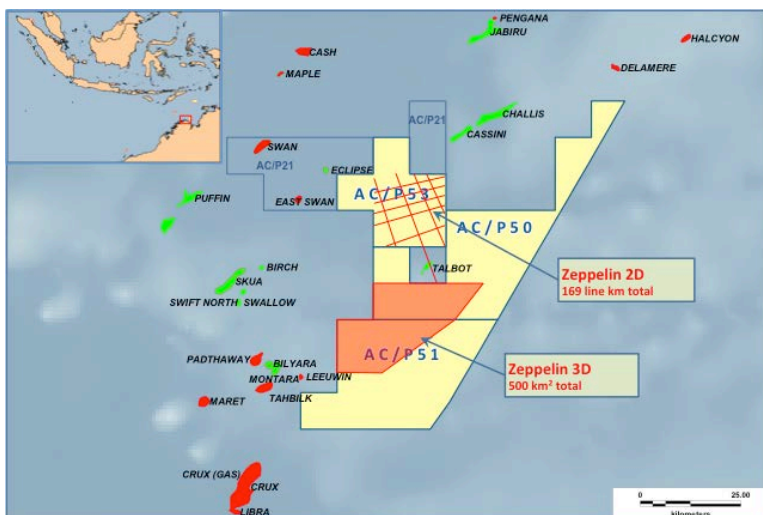
Indicative Activity Schedule

Permit	AC/P50	2013					2014					2015					
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator	MEO																
Permit Year		5/6					6/6					1/5					
Work program		Studies					Studies					pending					
Permit renewal or relinquishment												<>					
Permit relinquish election							X										
Work program variation																	
Activities																	
Partial sale process		Partial sale															

Permit	AC/P51	2013					2014					2015					
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator	MEO																
Permit Year		5/6					6/6					1/5					
Work program		4 km ² Multi Az reprocessi					Studies					pending					
Permit renewal or relinquishment												<>					
Permit relinquish election							X										
Submit variation request																	
Activities																	
Partial sale process		Partial sale															

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P53 (MEO 100%)



MEO was awarded AC/P53 as part of an acreage gazettal round in mid-2011. In early 2012, MEO acquired 169 line km of the Zeppelin long offset 2D seismic data featuring a tie line through the Talbot oil discovery in the adjacent Retention Licence AC/RL2.

Interpretation of the Zeppelin 2D long offset seismic survey continued during the quarter.

MEO held discussions with an industry participant that had expressed interest in the previous quarter seeking a better technical understanding of the permit. Discussions are continuing to explore mutually beneficial ways for potential co-operation.

Indicative Activity Schedule

Permit	AC/P53	2013			2014			2015			
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr
		J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D
Operator	MEO	3/6			4/6			5/6			
Work program		Studies			Studies			1 Well			
Permit relinquish election ^x								◀			
Activities		Interpret						Partial sale			
Zeppelin 2D - interpret											
Partial sale process											

^x drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

North West Shelf: Offshore Carnarvon Basin

WA-360-P, WA-361-P (MEO Operator)



WA-360-P (MEO 62.5% & Operator)

The permit was renewed in early 2012 for an additional 5 years.

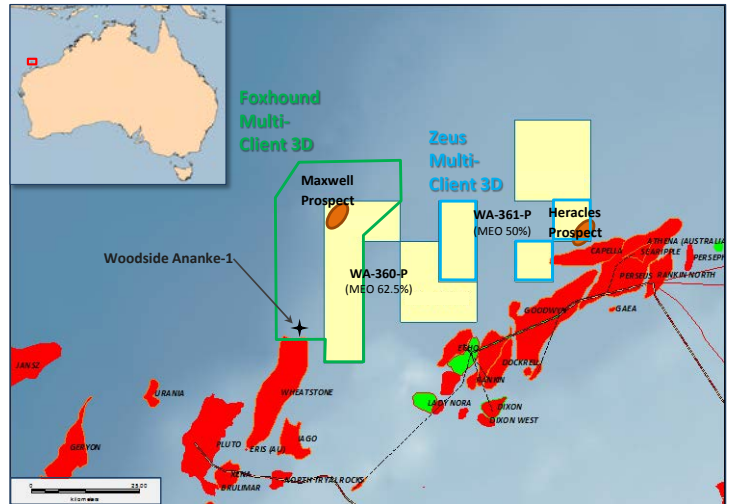
During the quarter, MEO continued marketing its equity in the permit to potential purchasers, while preparing to commence 3D seismic reprocessing to satisfy the current Permit Year obligation.

WA-361-P (MEO 50% & Operator)

The permit was renewed in early 2011 for five years.

During the quarter, MEO continued marketing its equity in the permit to potential purchasers.

Concurrently, MEO submitted a work program variation request to the Titles Administrator seeking to remove the discretionary well from Permit Year 4 (commencing February 2014) on the basis of insufficient prospectivity. In the event this request is not granted, MEO will relinquish the permit.

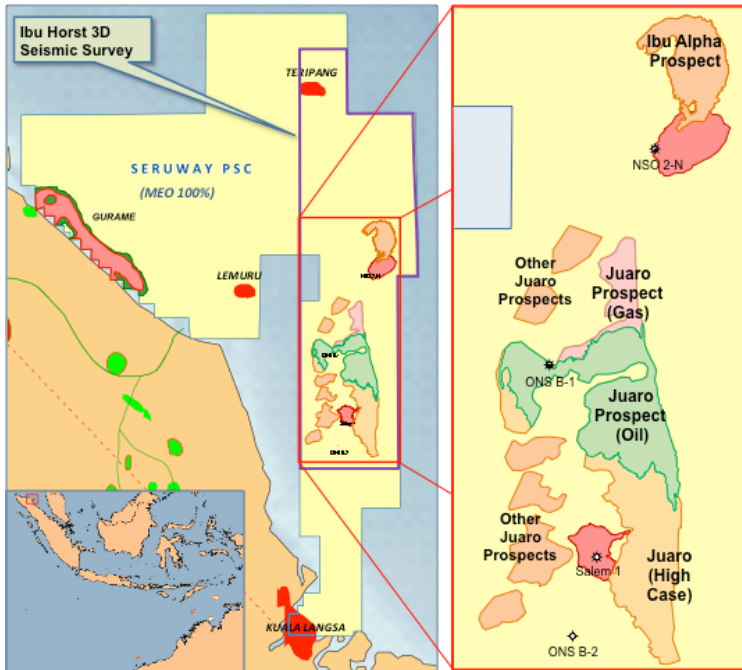


Indicative Activity Schedule

Permit	WA-360-P	2013					2014					2015																			
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr											
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Operator	MEO																														
Permit Year		2/5					3/5					4/5																			
Work program		648 km ² 3D reprocessing					3D interpretation, studies					Studies																			
Activities		3D interpretation					Repro																								
Foxhound 3D																															
Seismic reprocessing																															
Prospect identification																															
Partial sale process		Divestment																													
Ananke-1 data becomes open file																															
Integrate Ananke-1 data							Integrate																								
Partial sale process (2015)												->																			
Farmout (2015)												->																			
Permit	WA-361-P	2013					2014					2015																			
MEO PI	50%	Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr											
Operator	MEO	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Permit Year		3/5					4/5					5/5																			
Work program		3D interp, studies					Studies					Studies																			
Relinquishment/renewal																															
Submit work program variation		<>										<>																			
Activities		Divestment																													
Partial sale process																															

North Sumatra, Indonesia

Seruway PSC (MEO 100%*)



The Seruway PSC is held by wholly owned subsidiary Seruway Offshore Exploration Limited ("SOEL"). The PSC was acquired in mid-2011 in a corporate transaction and is located in Aceh province of North Sumatra, close to the Arun LNG facility. Domestic gas demand remains unfulfilled.

A number of undeveloped discoveries are featured within the PSC. SOEL acquired modern, high quality, 2012 vintage 3D data over the Ibu Horst area which features two main prospective areas of interest: 1) the Juaro Complex discovered by ONS B-1; and 2) Ibu Alpha discovered by NSO 2-N.

The Juaro Complex is considered to have potential for significant prospective oil resources in the main feature of the complex, with a series of subordinate, independent features offering follow up potential. Ibu Alpha is smaller with a higher chance of success.

The Kuala Langsa gas discovery straddles the adjacent permit and contains contingent resources inclusive of CO₂ up to 80%, providing a significant commercialization challenge.

Efforts to secure a funding partner for the permit concluded during the quarter. The reality of limited remaining PSC tenure represents a significant impediment to any incoming party. Discussions continued with the regulator to canvass various options to achieve longer tenure within the constraints of the regulatory framework.

Indicative Activity Schedule

Permit MEO PI Operator	Seruway PSC 100%* SOEL*	2013				2014				2015							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		9/10				10/10				Submit Plan of Development (POD)							
Work program		Mature Juaro				1 well ^x											
PSC expiry										<>							
Partial sale process		Partial sale															
Permit tenure discussions																	
Activities																	
Ibu Horst																	
Potential contingent well ^x										Well ^x							

* via Seruway Offshore Exploration Limited (SOEL); 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

^x drilling is contingent upon a) successful farmout, b) rig availability/drilling schedule & c) regulatory approvals

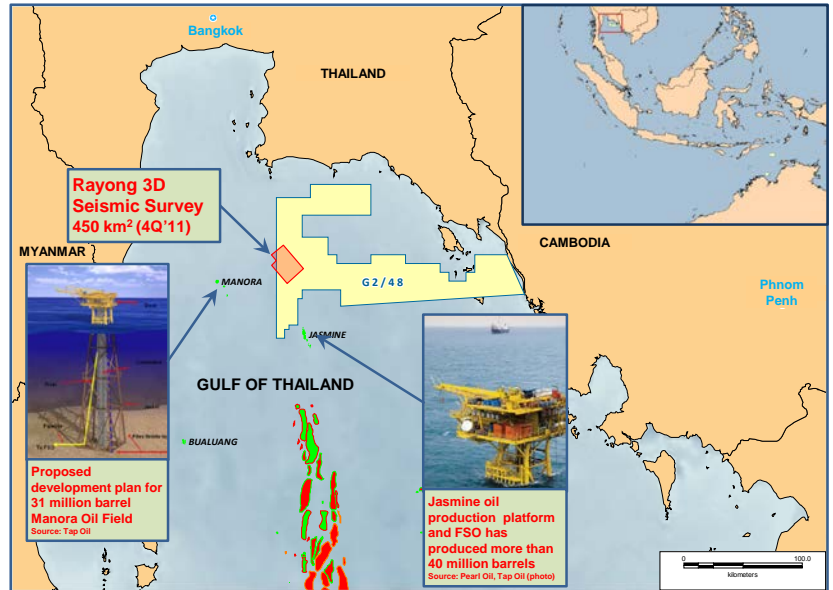
Gulf of Thailand

G2/48 PSC (MEO withdrew from the Concession effective 6th January 2014)



MEO acquired its 50% participating interest in G2/48 from Pearl Oil, a wholly owned subsidiary of Mubadala Petroleum (“Mubadala”). MEO reimbursed Mubadala 50% of the costs of the Rayong 3D seismic survey acquired in late 2011 and paid 66.7% of the first US\$5 million of the Year 6 obligation well (Sainampeung-1, drilled late 2012). Costs in excess of the US\$5 million cap were shared on a participating interest basis.

The permit was renewed in January 2013 for an additional 3 years. The work program includes a well in the 2nd renewal year (2014) with a drill/drop option at the end of each completed permit year.



During the quarter, Mubadala withdrew from the Concession effective 6th January 2014 and offered to transfer its participating interest to MEO’s wholly owned subsidiary Rayong Offshore Exploration Limited (“Rayong”), in the event that Rayong elected to continue in the permit.

Rayong subsequently also submitted a withdrawal notice to the regulator effective 6th January 2014 with accompanying work program variation request seeking deferral of the 2014 well obligation and associated well commitment into 2015. While flexibility was granted in relation to drilling the obligation well in 2015, the commitment date for the well remained January 2014. MEO sought to defray this contingent liability with two parties, but no transaction was possible in the very limited grace period offered by the regulator following the permit year expiry while discussions were in progress with interest parties. As such, the withdrawal notice stood.

Indicative Activity Schedule

Permit MEO PI Operator	G2/48 Concession 100%* MEO*	2013					2014					2015					
		Sep Qtr		Dec Qtr			Mar Qtr		Jun Qtr			Sep Qtr		Dec Qtr			
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		1/3 (Yr7)					2/3 (Yr8)					3/3 (Yr9)					
Work program		Studies					1 well*					Studies					
Withdrawn from concession							<>										
Activities																	
Partial sale process		Partial sale															

* via Rayong Offshore Exploration Limited; 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

New Ventures



MEO continued to screen for attractive new venture opportunities capable of generating operating income within 2-3 years as well as targeting attractive exploration projects capable of attracting industry partners and funding for drilling. Due diligence was completed on the Puka oil discovery culminating in a transaction after the close of the quarter.