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ASX & Media Release

Acquires additional 5% equity in WA-360-P

Key Points:

- **Acquires additional 5% participating interest in WA-360-P for US\$7m cash**
- **Transaction will close after receipt of cash consideration from Petrobras**

MELBOURNE, AUSTRALIA (10th June, 2010) MEO Australia Limited (ASX: **MEO**) is pleased to advise that its wholly owned subsidiary North West Shelf Exploration Pty Ltd (**North West**) has executed a binding Sales and Purchase Agreement with Rankin Trend Pty Ltd, a wholly owned subsidiary of Moby Oil and Gas Limited (ASX: **MOG**), to acquire an additional 5% participating interest in exploration permit WA-360-P for a cash consideration of US\$7 million.

MEO will pay a deposit of US\$1.5 million within 5 business days of finalising equity transfer documentation expected before June 30th. The US\$5.5 million balance of the consideration is payable on the later of the date on which:

- MEO receives the cash consideration payable by Petrobras in respect the farm-in to WA-360-P; OR
- Regulatory approvals for the 5% equity transfer are obtained

WA-360-P hosts the Artemis prospect estimated to contain mean prospective gas resources of approximately 12 Tcf in close proximity to existing and planned liquefied natural gas (LNG) processing infrastructure. The additional 5% interest is free carried through the drilling of Artemis-1 planned for late 2010.

WA-360-P Participants	Before	After
Petrobras International Braspetro BV (a subsidiary of Petrobras)	50%*	50%
North West Shelf Exploration Pty Ltd a wholly owned MEO subsidiary	20%*	25% ⁺
Cue Energy Resources Limited (ASX: CUE)	15%	15%
Rankin Trend Pty Ltd a wholly owned subsidiary of Moby Oil & Gas (ASX: MOG)	15%	10% ⁺

* Following receipt of Australian regulatory approvals including Foreign Investment Review Board of equity transfer

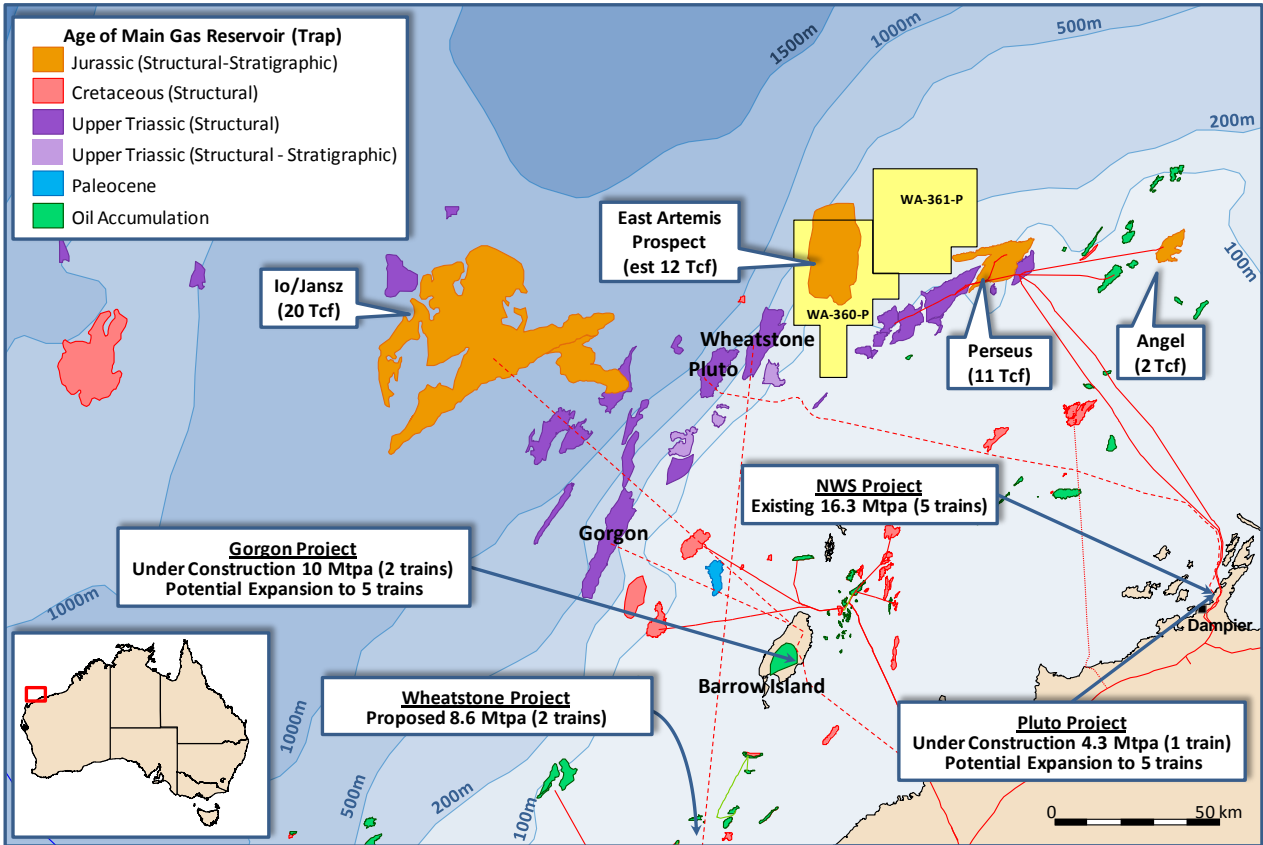
⁺ Following receipt of Australian regulatory approval of equity transfer

This additional strategic interest provides MEO shareholders with increased exposure to the Artemis prospect. Management is effectively re-investing the seismic related back costs that form part of the cash consideration to be received from Petrobras upon receipt of regulatory approvals, into this attractive project.

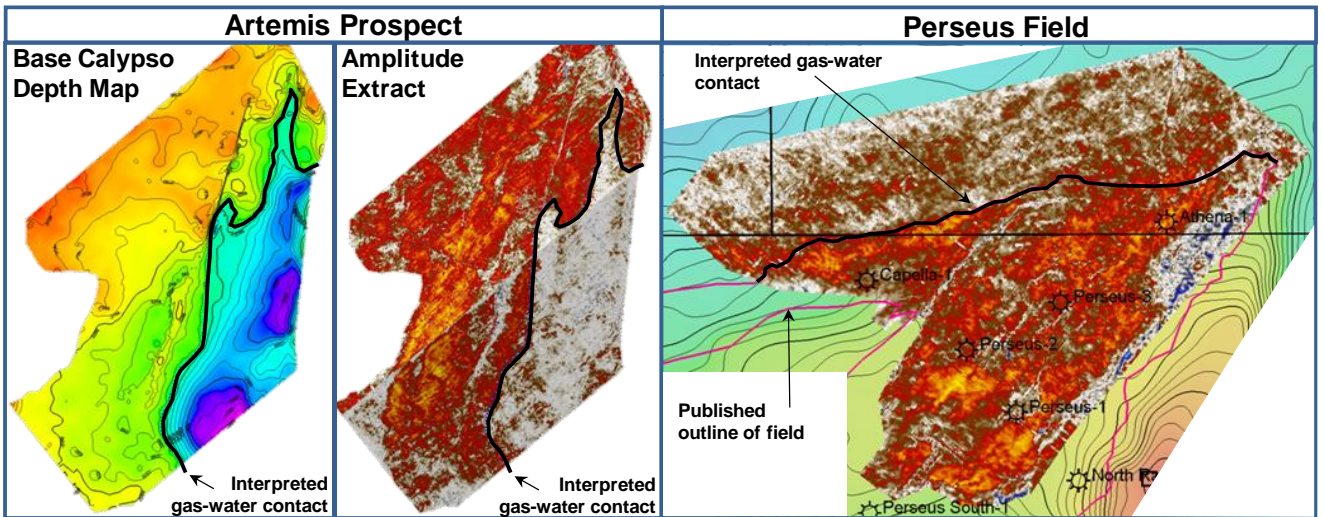
As Operator of exploration permit WA-360-P, MEO is continuing to work closely with Petrobras to prepare for the drilling of Artemis-1. These preparations involve progressing all regulatory approvals including FIRB, selecting a preferred well location, planning a site survey of the sea floor in the immediate vicinity of the preferred well location and finalising contracts for the drilling rig that MEO previously advised it had secured an option over. Further details will be released once contracts for these services have been finalised and executed. The technical evaluation and preparations for Artemis-1 have been reviewed and endorsed by all joint venture participants.

Jürgen Hendrich
 Managing Director & Chief Executive Officer

WA-360-P Location Map – adjacent to established gas fields and LNG infrastructure



Artemis prospect shows seismic amplitudes conforming to structure analogous Perseus gas field



East Artemis Prospect: Pre-Drill Prospective 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
Total	20.3	12.0

* assumes 60% recovery factor

For further information please refer to: <http://www.meoaustralia.com.au/content/Document/Artemis%20Overview%20Apr10.pdf>