

**ASX & Media Release**

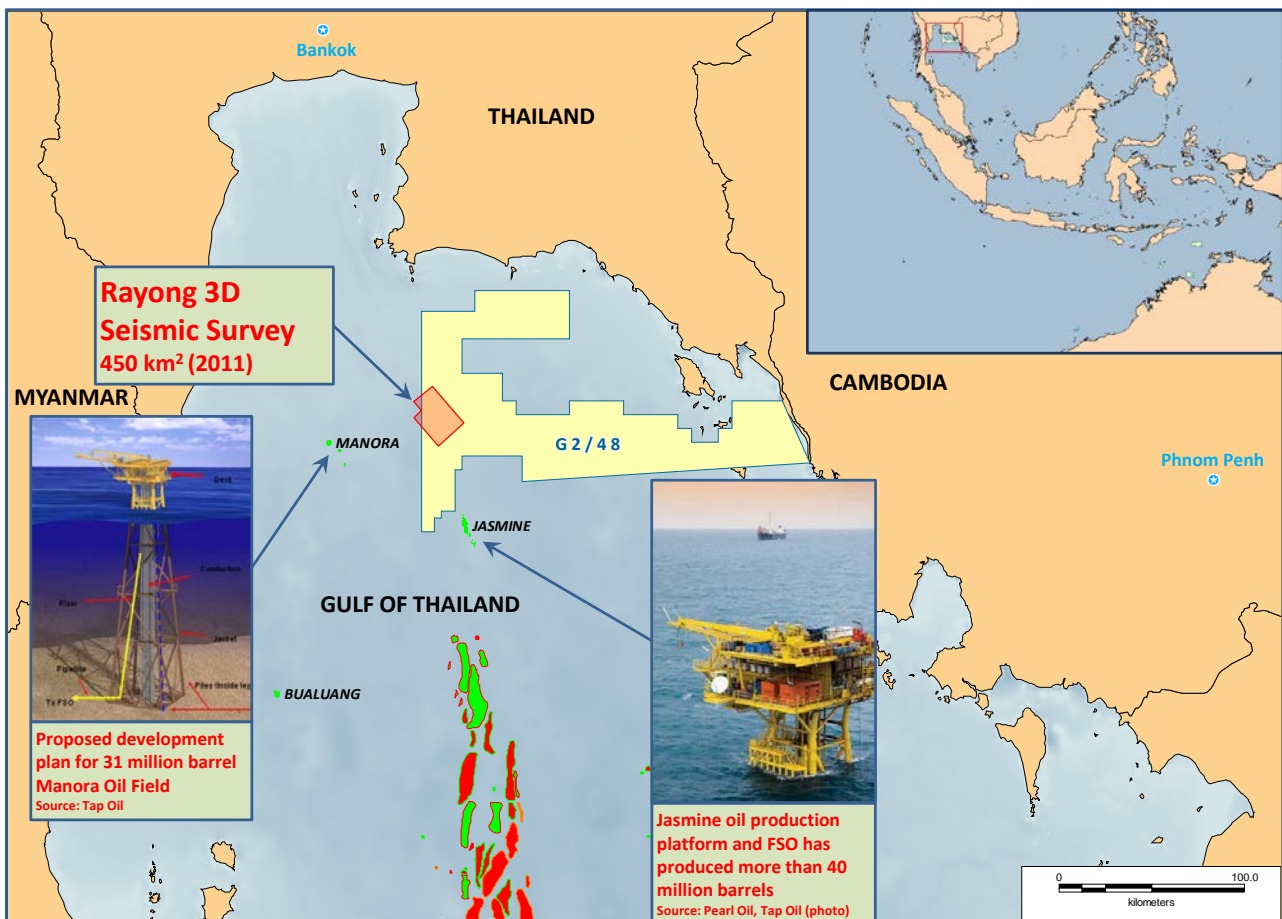
**Acquires 50% interest in Gulf of Thailand Block G2/48**

**Key Points:**

- Acquires 50% interest in Gulf of Thailand block G2/48
- Located in a shallow water emerging oil province
- Exploration well targeting oil scheduled for 3Q 2012

MELBOURNE, AUSTRALIA (27<sup>th</sup> February, 2012)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) is pleased to announce that its wholly owned subsidiary Rayong Offshore Exploration Limited has executed a binding farm-in agreement with Pearl Oil Offshore Limited (“Pearl Oil”) to acquire a 50% Participating Interest in the Block G2/48 Concession in the Gulf of Thailand. G2/48 is located in shallow water, proximal to the Jasmine producing oil field and the Manora oil discovery currently under development. Consideration for the farm-in comprises MEO reimbursing 50% of the costs of the 450 km<sup>2</sup> 3D seismic survey acquired in 4Q 2011, and paying 66.6% of the 2012 commitment well (capped at a gross well cost of US\$5 million, above which MEO will pay its participating interest). Pearl Oil will remain the Operator. The transaction is subject to the normal government approvals for transactions of this type.



In late 2011, Pearl Oil acquired approximately 450 km<sup>2</sup> of 3D seismic to mature one of the several oil prospects identified to the preferred concession commitment well. Drilling is currently scheduled to occur during 3Q-2012 subject to rig availability. Negotiations to secure a rig are advanced.

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

*"This farm-in is consistent with MEO's strategy of expanding our portfolio into South East Asia through a low cost entry approach targeting proven hydrocarbon systems with attractive targets.*

*We have evaluated a number of opportunities in the Gulf of Thailand during the past 12 months and this opportunity represents a compelling entry into an emerging oil play fairway.*

*The Thai fiscal terms makes even a modest sized commercial oil discovery very attractive to MEO shareholders.*

*Our newly acquired interest is proximal to Pearl Oil's producing Jasmine oil field (>40 million barrels cumulative production since 2005) and Pearl Oil's Manora oil development (2009 discovery).*

*At a corporate level, this transaction adds oil exploration exposure to the portfolio together with a third well to our 2012 drilling campaign which provides shareholders with a number of potential catalysts for value creation in the second half of this year.*

*We look forward to working with Pearl and leveraging their regional technical and development expertise."*



**Jürgen Hendrich**

Managing Director & Chief Executive Officer

For further information please see the attached MEO Gulf of Thailand Business Overview or visit our website: [www.meoaustralia.com.au](http://www.meoaustralia.com.au)

**Entry to an emerging oil province**

**Partnering with Pearl Energy, an established operator and oil producer**

**Substantial concession covering 9,449 km<sup>2</sup> with recently acquired 450 km<sup>2</sup> 3D seismic**

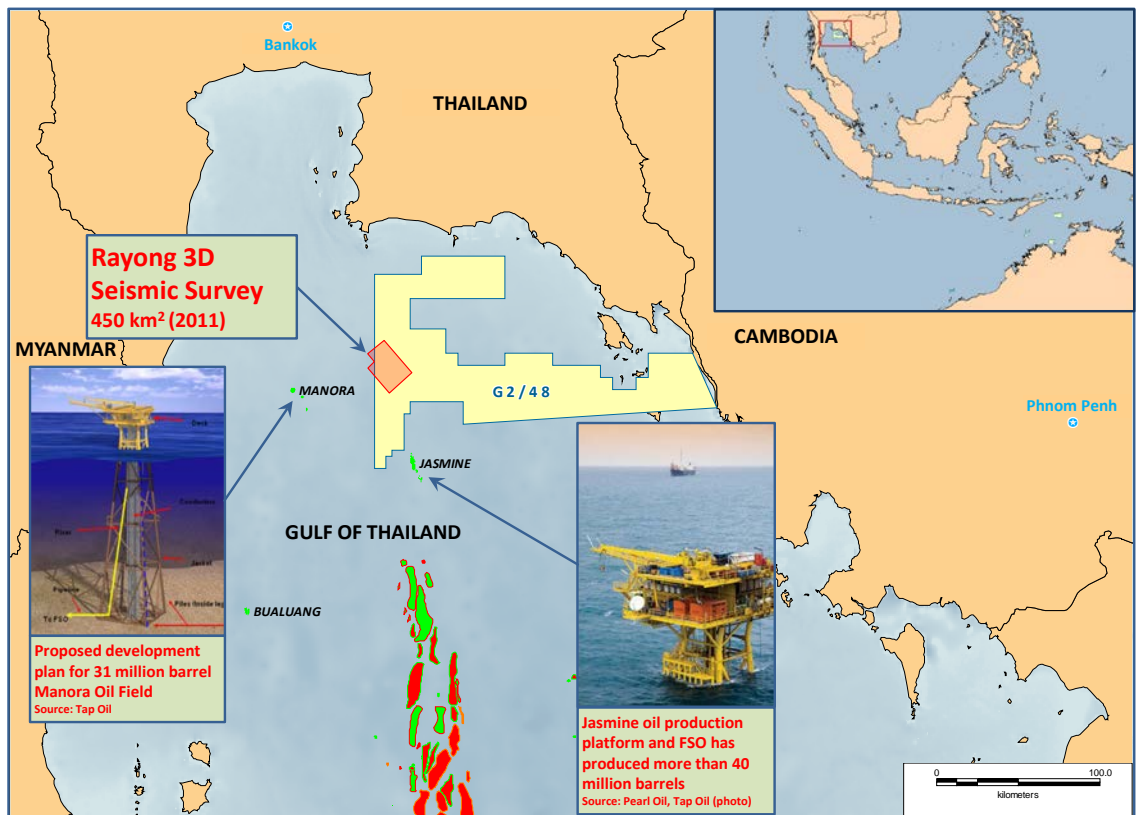
**Expect to drill commitment well during 3Q-2012 subject to rig availability**

## Thailand Exploration

The G2/48 exploration concession covers 9,449 km<sup>2</sup> in shallow waters of the Gulf of Thailand, central to an emerging oil province in the Rayong Basin, proximal to the producing Jasmine oil field and nearby Manora oil development.

MEO has partnered with Pearl Energy, the Southeast Asian operating arm of Mubadala Oil & Gas, a business unit of Mubadala Development Company, an established operator and oil producer in the Gulf of Thailand.

A commitment well targeting oil is expected to be drilled during 3Q 2012, subject to drilling rig availability. Negotiations to secure a drilling rig are at an advanced stage.



## G2/48 Prospectivity

**Proximal to Highly prospective oil exploration defined by 3D seismic**

**Inexpensive drilling – improves risk/reward**

The primary exploration targets in the Rayong Basin are Oligo-Miocene clastics analogous to the adjacent proven Kra Basin. A substantial prospects and leads inventory has been identified with potential target sizes ranging from 5 to 75 mmstb, ranging from moderate to high risk.

The 450 km<sup>2</sup> Rayong 3D seismic survey was acquired in late 2011 to enhance the definition of this inventory and to mature a drill target for the 2012 commitment well.

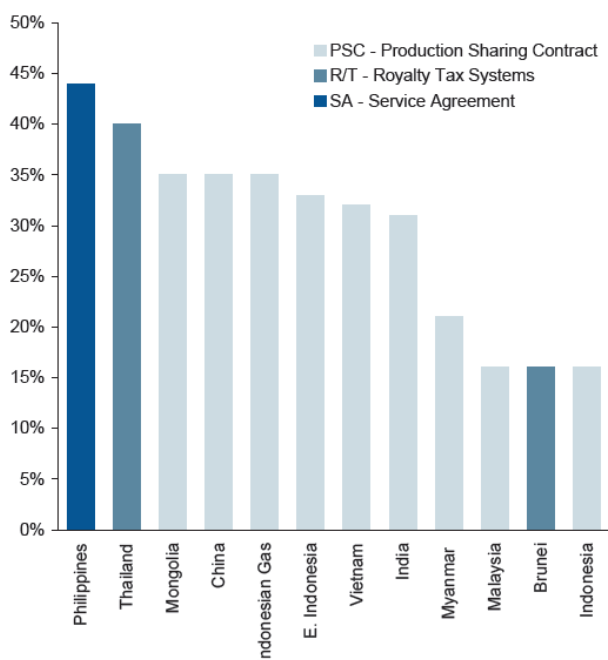
Exploration drilling in the Gulf of Thailand is relatively inexpensive by international standards with shallow water jack-up rigs testing targets at relatively shallow depths. Indicative costs run at approximately US \$5-\$10 million per well which enhances the risk/return profile of the exploration program.

## Thai III Fiscal Terms

G2/48 is administered under the Thai III petroleum fiscal terms which are some of the most attractive to explorers in the Asian region.

Asian Fiscal Regime Comparison - Contractor Take

High value oil:  
Contractor take  
circa US\$15-\$20  
per barrel  
(post Thai tax)



Source: Equatorial Partners

Concession Details and Work Program

The G2/48 Concession was awarded in January 2007. The exploration period is divided into two 3 year phases and the block is currently in Year 6 of the Second Obligation Period.

Moderate work commitments.

Permit	G2/48 Concession	2011				2012				2013									
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
MEO PI	50%*	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Operator	Pearl Oil	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
<b>Work program undertakings</b>		Seismic				1 Well				Permit renewal*									
<b>Activities</b>																			
<b>Historical</b>																			
Farm-in discussions		Farm-in																	
3D seismic acquisition						3D													
<b>Outlook</b>																			
JOA, Reg Approvals etc						CP's													
Well planning						Planning													
Drill commitment well										Well									

\* Subject to regulatory approval

Nearby Production and Developments

The nearby Jasmine oil field, directly south of G2/48, is operated by Pearl and commenced production in June 2005. To date, the field has produced over 40 million barrels of oil, at a peak rate of over 20,000 bopd via an FPSO.

G2/48 proximal to existing oil production & recent oil discovery

To the west of G2/48 the Manora oil discovery (operated by Pearl), discovered in late 2009, is under development. First oil production is scheduled in 2014. Currently estimated field size is 31 million barrels. The field is scheduled to produce at a peak rate of up to 15,000 bopd via a wellhead production platform linked to an FSO.