

ASX & Media Release
Puka-3 Progress Report No. 2

Key Points:

- Set 9-5/8" surface casing at 379mMDRT*
- At 6:00am, New Zealand time on 31st July 2014 Puka-3 was drilling ahead at 839mMDRT

MELBOURNE, AUSTRALIA (1st August, 2014)

MEO Australia Limited (ASX: **MEO**), on behalf of its wholly owned subsidiary MEO New Zealand Pty Limited, advises that Kea Petroleum Limited (KEA), Operator of PEP 51153, has reported that Puka-3 was drilling ahead at 839mMDRT at 06:00 local time on 31st July 2014 (KEA's AIM release is attached).

The well is being drilled to a True Vertical Depth of 1,580m (~2,280 mMDRT). The target is based on the recently reprocessed 50 km² 3D seismic survey acquired by KEA.



Puka-1 and Puka-2 were drilled on the basis of 2D seismic data and appear to have been drilled on the edge of the Puka field. Puka-3 is

being deviated approximately 1,475m to the North of the surface location aiming to intersect thicker sand development interpreted from the reprocessed 3D seismic.

As part of Phase 1 of the farm-in, the down-hole pump on Puka-2 was replaced and the well was gradually restored to production. Combined production from both wells has been sustained at approximately 110 BOPD with conservatively set pump stroke rate and other parameters for Puka-2. Production could be increased significantly subject to continued problem free production.

The permanent pipework servicing production from Puka-1 and Puka-2 wells has now been installed. Upon completion of Puka-3, MEO will become entitled to a 30% share of oil production from the Puka field.

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

"Puka-3 is a key component of our farm-in arrangement with Kea. The success of this well will further advance the Puka oil discovery towards the real economic prize, full field development."

Jürgen Hendrich
Managing Director & Chief Executive Office

Attachment: Kea Petroleum plc AIM & Media release
* mMDRT = metres Measured Depth Below Rotary Table

Kea Petroleum plc
("Kea" or "the Company")

Drilling of Puka-3 and Production Update

Kea Petroleum plc (AIM: KEA), the oil and gas company focused on New Zealand, is pleased to announce the following update on the drilling of Puka-3 and on production from Puka-1 and Puka-2.

PUKA-3 WELL PROGRESS

The Puka-3 appraisal well was drilling ahead at a depth of 839m, at 6:00am New Zealand time on 31 July 2014, following casing at 379m depth. The well is being drilled to a True Vertical Depth of 1,580m (2,280 mMDRT) and is targeting a structure identified by the recent 50 square kilometres of 3D seismic shot by the Company, and confirmed by reprocessing the data by Kea's joint venture partner, MEO.

Puka-1 and Puka-2 were drilled on the basis of 2D seismic data only and now appear to have been drilled on the edge of the Puka field whereas Puka-3 is being diverted approximately 1,475m to the North to target a thicker sand development with a view to increasing accessible net pay from the well. Total depth is expected to be achieved around mid-August.

PUKA-1 & 2 PRODUCTION

Kea is also pleased to report an improvement in oil production, up 48% from average daily production in the second quarter of 2014.

As part of Phase 1 of the MEO farm-in, the down-hole pump on Puka-2 was replaced. Following the resumption of production of Puka-2, combined production from Puka-1 and Puka-2 has been sustained at approximately 110 BOPD. The pump stroke rate and other parameters have been set conservatively and we believe that as long as no further issues are encountered production could be increased significantly.

The permanent pipework servicing production from Puka-1 and Puka-2 wells has now been installed and completes a further part of the MEO New Zealand Pty Ltd Phase 1 joint venture obligations.

During the first half of 2014 a total of 13,565 Barrels of Oil were sold generating US\$1,434,273 of revenue. These figures were achieved despite the shut in of Puka-2 due to mechanical failure of the downhole pump.

Ian Gowrie-Smith, Chairman of Kea Petroleum, commented:

"We are pleased that drilling of Puka-3 is progressing safely and on budget. The importance of success at Puka-3 cannot be over emphasised in terms of improved production volumes

and economics, but more importantly because we are confident that it will give us a better idea of the reserves and reservoir configuration. We are also pleased to see production starting to return to production figures previously expected.”

This release has been approved by non-executive director Peter Mikkelsen FGS, AAPG, who has consented to the inclusion of the technical information in this release in the form and context in which it appears.

BOPD = Barrels of Oil per Day

mMDRT = metres Measured Depth Below Rotary Table

For further information please contact:

Kea Petroleum plc

David Lees, Executive Director

Tel: +44 (0)20 7340 9970

WH Ireland Limited (Nomad)

James Joyce

Nick Field

Tel: +44 (0)20 7220 1666

Buchanan

Mark Court

Sophie Cowles

Tel: +44 (0)20 7466 5000

Notes to Editors:

Kea Petroleum is an AIM listed oil and gas exploration company with interests in three petroleum exploration permits in the Taranaki Basin of New Zealand. Kea listed on the London AIM market in February 2010.