



MEO Australia Limited

ABN 43 066 447 952

Level 23
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 8625 6000
Fax: (+61 3) 9614 0660
Email: admin@mEOaustralia.com.au
Website: www.mEOaustralia.com.au

Quarterly Activities Summary For Period Ended 31st March 2012

Highlights:

- Launched farmout of Seruway PSC, North Sumatra ahead of drilling Gurame SE-1x
- Continued negotiations for rig slot to drill Gurame SE-1x – earliest spud early October
- Gulf of Thailand well location selection advance, rig expected early 4Q
- Heron South-1 in NT/P68 on track for mid-August spud
- Received regulatory approval for transfer of additional 60% interest in South Madura PSC
- Processing of 3D seismic surveys continued in several permits
- Early interpretation of “Fast track” 3D seismic processed data sets in Seruway PSC, WA-454-P and AC/P50 & 51 yielding encouraging results

MELBOURNE, AUSTRALIA (20th July, 2012)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) provides the following summary in relation to its activities during the quarter ended 30th June 2012.

Executive Summary

The current quarter will see MEO resume drilling for the first time since late 2010. The first well in a three well program, Heron South-1, remains on track to commence drilling around mid-August in NT/P68 in the Bonaparte Basin, utilizing the Ensco-109 jack-up drilling rig. Eni Australia Limited (“Eni”) is the Operator. Interpretation of the Bathurst 3D seismic “fast-track” data provided encouragement that the Blackwood gas discovery potentially contains an easterly extension. Pre-stack depth migration (PSDM) processing of this data set continues and is expected to be finalized during 4Q.

During the quarter ending June 30th MEO launched a farmout of the Seruway PSC in North Sumatra, to attract a funding partner for the upcoming drilling of Gurame SE-1x, targeting the crest of the Gurame structure that is expected to host a significant gas cap to two deeper proven oil bearing horizons. The data room was heavily booked during May and demand necessitated extending the close to the end of June. Concurrently, the company continued negotiations to secure a drilling slot on a rig that is currently operating in the vicinity of the Seruway PSC. Current estimates are that the potential spud dates range from early October through to early January depending on which rig slot is secured. Any farmout transaction would need to close during the current quarter, ahead of the earliest commencement of drilling.

In the Gulf of Thailand, technical workshops were held to determine the most attractive drilling candidate. The Operator Pearl Oil Offshore Limited (a wholly owned subsidiary of Mubadala Petroleum) has secured a drilling rig for an expanded program, however the G2/48 Joint Venture has not yet confirmed which slot on the rig line it will be offered. At this stage, drilling looks likely in early 4Q.

A concerted investor relations program was also initiated during the quarter seeking to raise the profile of the company with the international investment community. In parallel, MEO upgraded its US ADR program to the OTCQX platform which facilitates real time electronic trading in North America in local currency.

Early in the quarter, MEO received Expressions of Interest (EOI's) from highly credible customers for 8.3 Mta of methanol demand, representing multiples of the 1.75 Mta output from the first Tassie Shoal Methanol Plant.

Regulatory approvals were also received for the transfer of a further 60% interest and Operatorship of the South Madura PSC.

Processing of several newly acquired seismic data sets continue during the quarter with the delivery of several “fast-track” volumes and “preliminary final” volumes. Several final processed surveys are expected this quarter.

Processing of the Floyd 3D seismic data continued during the quarter. A fast-track cube was delivered in early July and clearly illustrates the Marina gas and probable oil discovery is a robust structure. The significantly larger Breakwater prospect is also clearly imaged. Some slippage in processing timing now has the final processed cube expected to be delivered in September, with a farmout expected to be launched during 4Q.

On the North West Shelf, interpretation of the Foxhound “on permit” 3D seismic data confirmed the concept of the Maxwell prospect. Additional “off permit” multi-client 3D seismic data was purchased over WA-269-P by the WA-360-P joint venture to provide continuous 3D seismic coverage to the Wheatstone gas field. WA-269-P is Operated by Woodside who is drilling Ananke-1 during July/August and MEO believes this well will test the concept behind the Maxwell prospect. A positive result at Ananke-1 would significantly upgrade Maxwell.

In the adjoining WA-361-P exploration permit, processing of the Zeus multi-client 3D survey continued. Some slippage in processing will now see the final data volume delivered during the September quarter.

In the Ashmore Cartier region, the Zeppelin 3D seismic fast-track data was delivered in June. Preliminary evaluation has confirmed promising leads not previously evident on pre-existing seismic data. These will be further evaluated once the final processed data is delivered in September.

Offshore North Sumatra, the 708 km² Ibu Horst 3D seismic “fast track” data was delivered in April and confirmed the data quality is excellent. The final processed data is expected in August and will enable a comprehensive prospect inventory to be developed by year end.

Cash balance at end of quarter

The consolidated cash balance at 30th June was A\$55.3 million including a USD balance of \$19.2 million.

Priorities for the current quarter ending 30th September 2012

- Conclude Seruway PSC farm out with preferred farminee
- Secure rig slot and prepare to drill Gurame SE-1x
- Secure regulatory approvals for the G2/48 Gulf of Thailand farm-in
- Finalise G2/48 Gulf of Thailand preferred well location and confirm rig slot
- Complete seismic processing for Seruway PSC, WA-361-P, WA-454-P, AC/P50 and AC/P51
- Continue to screen New Venture opportunities for attractive growth options



Jürgen Hendrich

Managing Director & Chief Executive Officer

Attachments: Activity Summaries by Project Area

North West Shelf: Offshore Carnarvon Basin

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



WA-361-P (MEO 50% & Operator, Mineralogy 35%, Cue Energy 15%)
 MEO purchased 363 km² of the Zeus multi-client survey which fulfils the Permit Year 2 (Jan 2012 – Jan 2013) work program. A “QC” volume of the processed seismic data was received during the quarter, with the final data set expected during the current quarter.

WA-360-P (MEO 62.5% & Operator, Cue Energy 37.5%)

Following confirmation of the validity of the Maxwell prospect using the Foxhound 3D seismic data, the JV purchased additional 3D data “off permit” to infill the data gap between WA-360-P and the Wheatstone gas field. The Woodside Operated WA-269-P JV is drilling Ananke -1 immediately north of the Wheatstone gas field. A positive result would enhance the Maxwell prospect in WA-360-P.

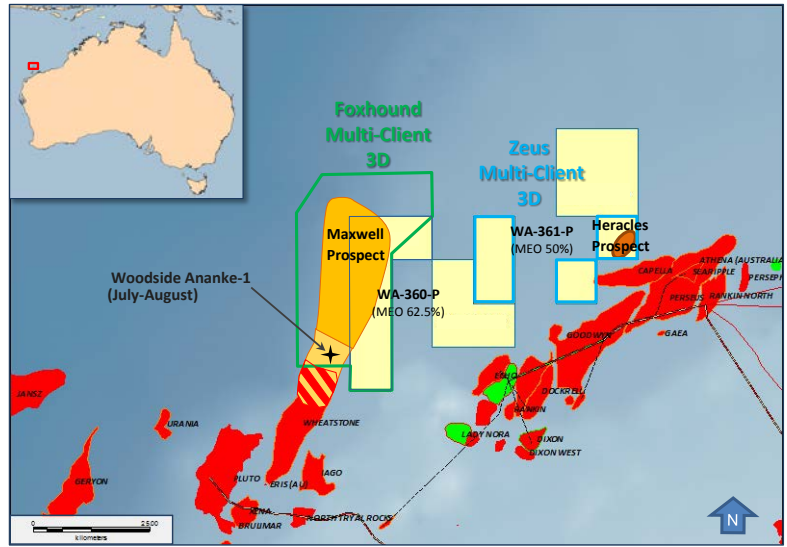


Figure 2. Location Map - Carnarvon Basin Permits showing the WA-360-P relinquishment, Zeus and Foxhound 3D Multiclient Surveys and prospects.

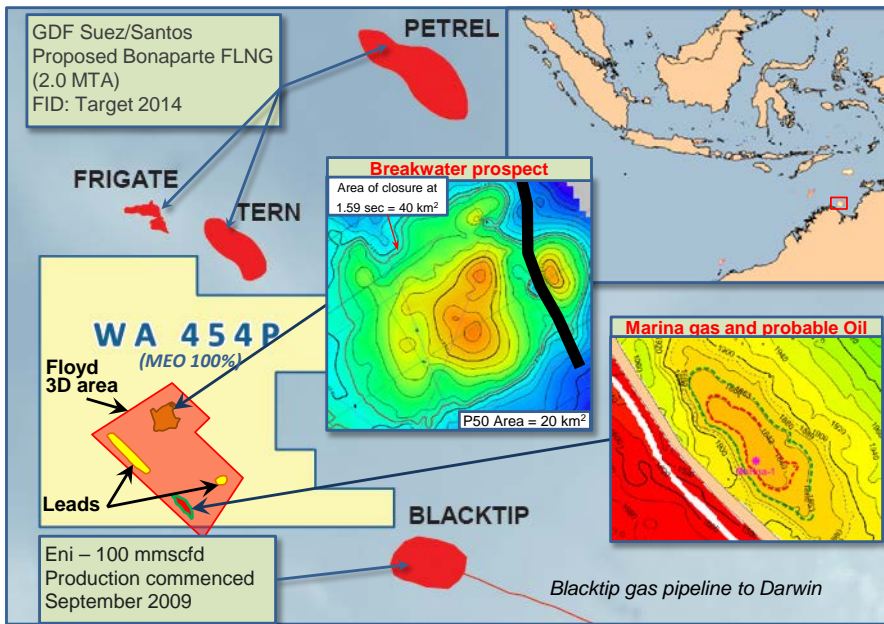
Work Activity Schedule: WA-360-P & WA-361-P

Permit	WA-360-P	2011				2012				2013							
		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																
Work program undertakings		Geo studies				Licence 363 km ² Foxhound 3D				648 km ² 3D reprocessing							
Activities																	
Studies		>Artemis-1 work															
Permit renewal		Renew															
Licence Foxhound 3D (on permit)						3D											
Licence Foxhound 3D (off permit)						3D											
Foxhound 3D						Interpret 3D											
Drill ready prospect										Farm-in ???							
Potential farm-in discussions										Repro Interp							
Seismic reprocessing																	
Drill ready prospect										Farm-in ???							
Potential farm-in discussions																	
<i>Drilling in adjoining permit</i>						<= Ananke#1											

Permit	WA-361-P	2011				2012				2013							
		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																
Work program undertakings		Geo studies				150 km ² new 3D, studies				3D interpretation, studies							
Activities																	
Zeus 3D (323 km ²)		Plan 3D				Process 3D				Interpret							
Drill ready prospect										Farm-in ???							
Potential farm-in talks																	

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 100%)



Processing of the 601 km² Floyd 3D seismic survey acquired by CGGVeritas Services SA, over the Marina gas and oil discovery together with the Breakwater prospect and surrounding exploration leads continued during the quarter.

A “fast-track” data set was delivered in early July and confirmed both the robustness of both the Marina discovery and the Breakwater prospect. A final volume is expected later this quarter.

MEO is planning to launch a farm-out process for this permit early 4Q this year following receipt of the final 3D.

Work Activity Schedule: WA-454-P

Permit	WA-454-P	2011				2012				2013							
		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
MEO PI	100%	583 km ² new 3D								Studies				Studies			
Operator	MEO																
Work program undertakings																	
Activities																	
Data assimilation		Data															
Resource estimation		Volume															
Floyd 3D seismic (601 km ²)		Planning 3D															
Work program variation		WPV															
Independent assessment		Volume															
Floyd 3D seismic (601 km ²)		Process															
Fast track 3D cube available		Process															
Interpretation of fast-track		◁															
Drill ready prospect(s)		◁															
Farm-in discussions		Farm in															
Potential drilling		? 1-2 wells ?															

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P50, AC/P51, AC/P53 (MEO 100%)



AC/P50 & AC/P51

Processing of the 507 km² Zeppelin 3D seismic survey over AC/P50 and AC/P51 continued during the quarter. A “fast-track” data set was delivered in June and preliminary evaluation has indicated the presence of several promising 3-way dip closed structural leads that will require further investigation once the final processed dataset arrives later this quarter.

AC/P53

Processing of the Zeppelin 2D long offset seismic survey will commence upon completion of the Zeppelin 3D seismic survey.

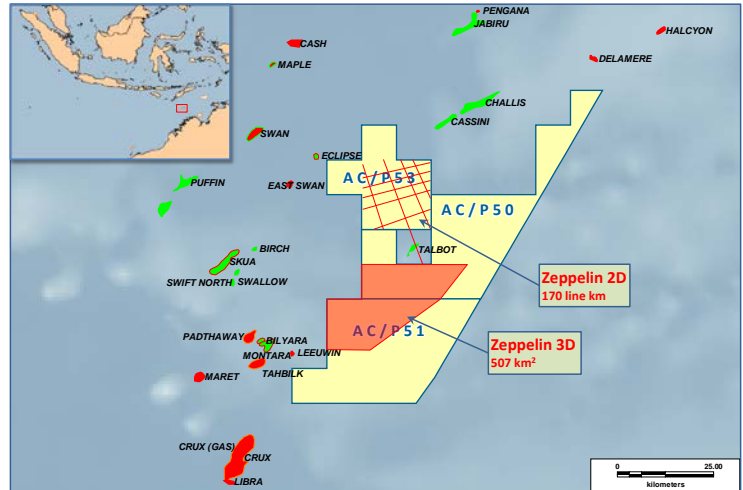


Figure 3. Location Map Zeppelin 2D & 3D Seismic Surveys

Work Activity Schedule:

Permit	AC/P50	2011				2012				2013							
		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
Work program undertakings		200 km ² 3D				Studies				1 discretionary well							
Activities		Planning 3D 3D				Preliminary Final Interpret				Farm-in talks Optional well							
Zeppelin 3D		Planning 3D 3D				Preliminary Final Interpret				Farm-in talks Optional well							
Zeppelin 3D - process		WPV				Preliminary Final Interpret				Farm-in talks Optional well							
Zeppelin 3D - interpret						Interpret				Farm-in talks Optional well							
Drill ready prospect										Farm-in talks Optional well							
Farm-in discussions										Farm-in talks Optional well							
Discretionary well (2013/14)										Optional well							
Permit	AC/P51	2011				2012				2013							
		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
Work program undertakings		276 km ² 3D				Studies				1,000 km 2D							
Activities		Planning 3D 3D				Preliminary Final Interpret				Farm-in talks Optional well							
Zeppelin 3D		Planning 3D 3D				Preliminary Final Interpret				Farm-in talks Optional well							
Work program variation		WPV				Preliminary Final Interpret				Farm-in talks Optional well							
Zeppelin 3D - process						Interpret				Farm-in talks Optional well							
Zeppelin 3D - interpret										Farm-in talks Optional well							
Drill ready prospect										Farm-in talks Optional well							
Farm-in discussions										Farm-in talks Optional well							
Discretionary well (2014/15)										Optional well							
Permit	AC/P53	2011				2012				2013							
		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
Work program undertakings		825 km ² 3D repro, studies				150 km long offset 2D				Studies							
Activities		Planning 2D 2D				Repro Process interp				Potential farm-in discussions							
Zeppelin 2D		Planning 2D 2D				Repro Process interp				Potential farm-in discussions							
Work program variation		WPV				Repro Process interp				Potential farm-in discussions							
Reprocess existing 3D						Repro Process interp				Potential farm-in discussions							
Zeppelin 2D - process						Repro Process interp				Potential farm-in discussions							
Zeppelin 2D - interpret						interp				Potential farm-in discussions							
Lead inventory										Potential farm-in discussions							
Farm-in discussions										Potential farm-in discussions							

North Sumatra, Indonesia

Seruway PSC (MEO* 100%)

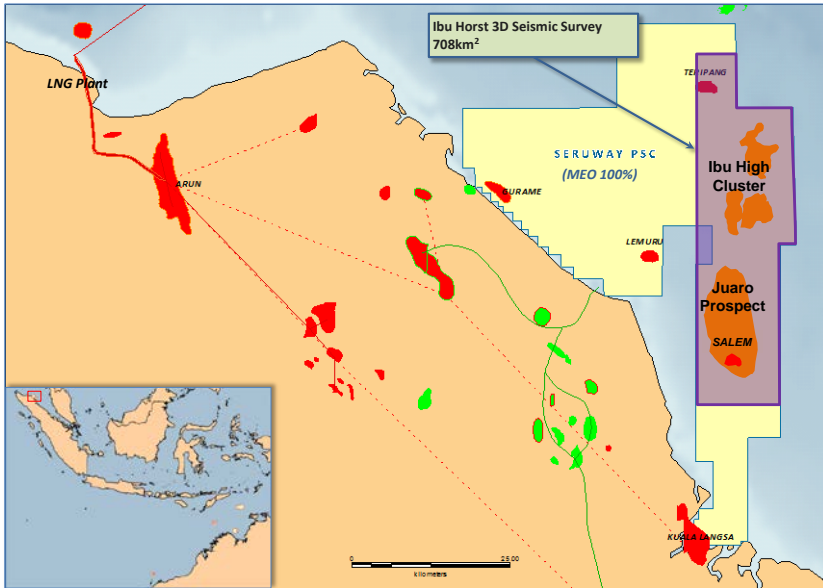


Figure 4. Location map – Seruway PSC (MEO 100%)

The Seruway PSC was acquired in mid-2011 and is strategically situated in close proximity to a strong domestic gas market and under-utilised LNG infrastructure.

The Gurame gas and oil discovery and Kuala Langsa high CO₂ gas discovery together with a number of discovery wells along the Ibu Horst offer significant potential for commercial development.

A “fast-track” volume of the Ibu Horst 3D seismic data was delivered during the quarter. The final data set is expected to be delivered this quarter and will allow the preparation of a comprehensive prospects and leads inventory.

A soft launch of the farmout was announced on 13th April with the data room open during May and June. The data room was heavily booked. Concurrent with the farmout activity, MEO continued negotiations to secure a rig slot with a rig operating in close proximity. Subject to operational performance, the earliest available rig slot is currently early October.

Work Activity Schedule: Seruway PSC

Permit MEO PI Operator	Seruway PSC 100%* SOEL*	2011					2012					2013			
		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				
Work program undertakings		100 km ² 3D					1 well					2 wells			
Activities															
Work program variation		WPV													
Plan Ibu Horst 3D (706 km ²)		Plan													
Ibu Horst 3D (acquire)		3D													
Gurame oil & gas discovery															
Identify drilling location		Locate													
Negotiate rig option		Rig option													
Resource assessment		Volumes													
Secure rig		farmin													
Farmin discussions		farmin													
2012 well, potential 2013 well		GS-1x													
Plan of development		P.O.D													
Kuala Langsa gas discovery															
Resource assessment		Volumes													
Negotiate rig option		farmin													
Farmin discussions		farmin													
Potential 2013 well		? Well ?													
Ibu Horst discoveries															
Ibu Horst 3D (process)		Process													
Fast track cube		<>													
Consider drilling location		Locate													
3D Interpretation		Fast track													
Resource assessment		Final cube													
Negotiate rig option		Volumes													
Farmin discussions		farmin													
Potential 2013 well(s)		2 wells ??													

East Java, Indonesia

South Madura PSC (MEO* 90%, Operator⁺)

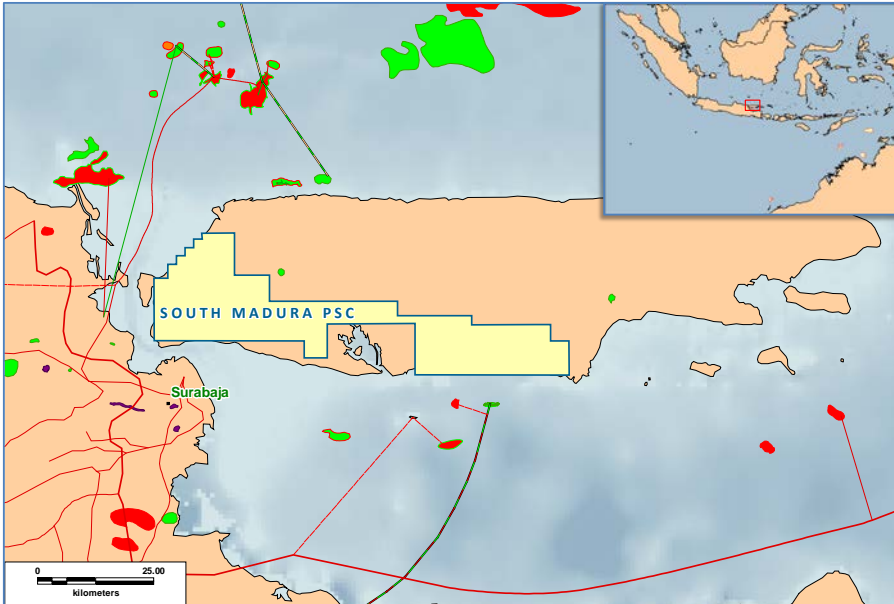


Figure 5. Location Map South Madura Island PSC (MEO 90%)

During the quarter, MEO received regulatory authorities relating to the purchase of an additional 60% participating interest in the PSC.

Concurrent with receipt of these regulatory approvals, MEO subsidiary South Madura Exploration Company (“SMEC”) has assumed the role of Operator and will now submit a revised work program.

As part of this program, MEO proposes the acquisition of 2D seismic over a number of leads.

Work Activity Schedule: South Madura PSC

Permit	Sth Madura PSC	2011				2012				2013													
		MEO PI		90%*		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
		Operator		SMEC		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Work program undertakings+		Studies		under review+				under review+															
Permit expiry												◀											
Activities																							
Historical																							
AED assumes Operator		█																					
AED in administration		█																					
Purchase AED interest		█																					
Regulatory approvals		█																					
Outlook																							
Seismic preparation								2D preparation															
Assume Operatorship+																							
OCM to consider WPV+																							
Work program variation+												WPV				Pending +							

* via South Madura Exploration Company (SMEC); 100% owned by MEO International Limited a wholly owned MEO subsidiary

+ subject to regulatory approval

Gulf of Thailand

G2/48 PSC (MEO 50%, Pearl Oil 50% and operator)



MEO acquired its 50% interest in the Gulf of Thailand G2/48 concession early in 2012 via a farm-in. Consideration for the farm-in included a 50% reimbursement for the late 2011 Rayong 3D seismic survey. In addition, MEO will pay 66-2/3% of the first US\$5 million well costs for the 2012 commitment well. Above this US\$5 million cap, the parties will share costs in accordance with their participating interests.

During the quarter, workshops were held with the Operator Pearl Oil Offshore Limited "Pearl" to determine the most attractive prospect to drill.

A drilling rig has been sourced for a multi-well program, however the rig slot for the G2/48 concession has yet to be finalized. It appears likely the well will be drilled in early 4Q.

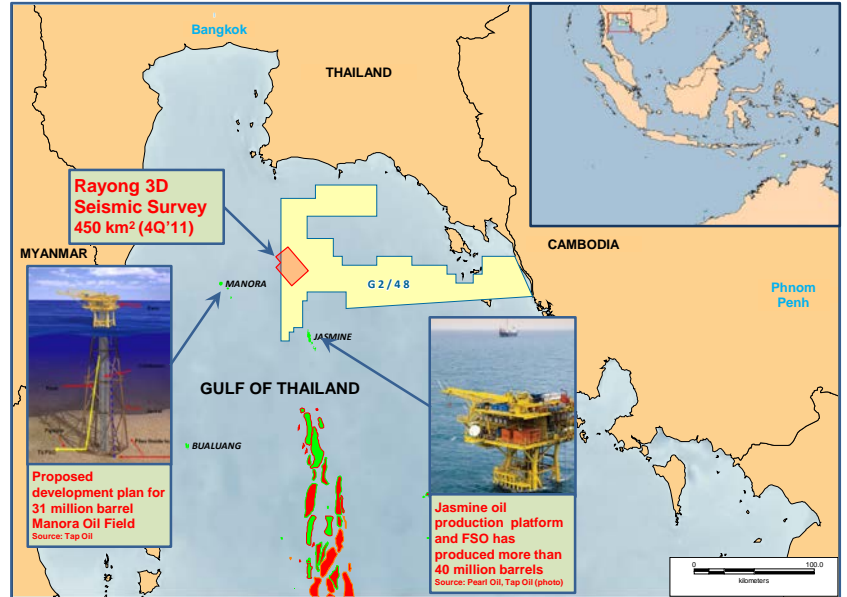


Figure 6. Location Map Gulf of Thailand G2/48 PSC

Work Activity Schedule: G2/48 PSC

MEO PI	50%*	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
Operator	Pearl Oil	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Work program undertakings		Seismic				1 Well				Permit renewal*									
Activities		Farm-in				3D				Process									
Farm-in discussions		3D seismic				Negotiate rig contract				JOA, Reg Approvals etc									
3D seismic interpretation		Well planning				Select preferred location				Drill commitment well									
Permit renewal application																			

* Subject to regulatory approval

Tassie Shoal Gas Processing Projects

(MEO 100%)

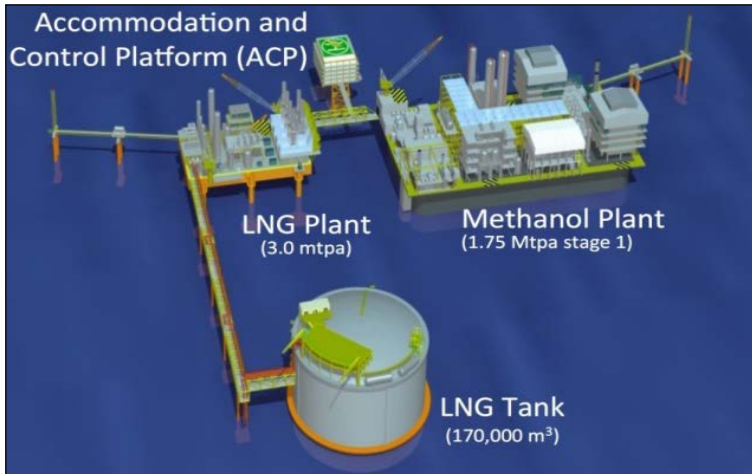


Figure 7. CAD schematic of Tassie Shoal Projects showing proposed LNG Plant, LNG Storage Tank and Phase 1 Methanol Plant.

During the quarter, MEO received Expressions of Interest (EoI's) for an aggregate 8.3 MTA of demand for methanol from highly credible prospective customers.

This demand compares with the 1.75 MTA nameplate capacity of TSMP₁ and highlights the strength of the market for methanol.

MEO will continue to mature the commercial framework for the Tassie Shoal Projects by exploring the potential synergies between the pre-sale of methanol and participation in the midstream and upstream components of the projects.

New Ventures



MEO continued to screen opportunities to supplement the portfolio with attractive growth options.