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ASX & Media Release

NT/P68 (Heron) Farmout Update

Key Points:

- **MEO selects preferred farminee and accepts conditional offer**
- **Parties have commenced the process of finalising binding agreements**

MELBOURNE, AUSTRALIA (15th March, 2011)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) is pleased to announce that it has accepted a conditional offer from its preferred farminee for farm-in to NT/P68. Negotiations are currently underway to convert the offer into binding agreements which will be subject only to Australian regulatory approvals.

MEO currently holds 100% of the 5,900 km² NT/P68 exploration permit containing the Heron and Blackwood gas discoveries. The Company has offered up to 50% equity in the permit including the Heron gas discovery which is estimated by MEO to contain mean prospective resources of 5.0 Tcf recoverable gas. MEO will retain the Blackwood gas discovery at 100% interest.

This transaction remains at an incomplete stage. The conditional offer requires the identity of the preferred farminee together with the terms of the farm-in agreement to remain confidential until binding agreements have been executed.

While MEO is confident that the transaction will be finalised, the company cannot guarantee this outcome or the timing of completion of the transaction.

Jürgen Hendrich
Managing Director & Chief Executive Officer

Location Map:

