



MEO Australia Limited

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June 10th, 2009

Mr Darren Collins
Senior Advisor, Issuers and Accounting Policy
ASX Markets Supervision Pty Ltd
Level 45, South Tower
525 Collins Street
Melbourne VIC 3000

By Email: darren.collins@asx.com.au

Dear Darren,

Re: Price query

We refer to your correspondence of this afternoon in relation to the price increase in our stock from 14 cents on Friday 5th June 2009 to an intra-day high of 22 cents today accompanied by an increase in trading volumes during this period. We make the following responses to your specific numbered points:

1. The Company is not aware of any information that has not already been announced to the market.
2. Not applicable.
3. It is likely that MEO's operating result for the financial year ended 30 June 2009 will vary by more than 15% compared to the operating result for the financial year ended 30 June 2008 due to the likely write-off of exploration expenditure relating to the unsuccessful well drilled in WA-361-P in January/February 2009.
4. There is no reason, at this point in time, to think that MEO will record any material abnormal or extraordinary item for the financial year ended 30 June 2009.
5. The Company notes the rise in the share price and significant turnover on Tuesday 9th and Wednesday 10th June 2009 and offers the following possible explanation for this increase:

In the Quarterly Activities Report released to the market on 20th April (http://www.meoaustralia.com.au/icms_docs/48018_Quarterly_Activities_Report_31_March_2009.pdf) for the period ended 31 March, the Company highlighted:-

- (a) Preliminary gas-in-place estimates for the Artemis Prospect (WA-360-P – MEO 70%) of **approximately 9.5 Tcf**. The technical work undertaken by MEO during the quarter provides the WA-360-P Joint Venture with encouragement that an

extension of the Wheatstone gas field is technically feasible and that the Artemis prospect represents an attractive target upon which to base the year 5 (commencing 1 February 2010) commitment well.

The Quarterly Report advised that MEO was launching a formal farm-out process for WA-360-P (MEO 70%) and NT/P68 (90-100%) at the Seapex Conference held in Singapore between April 21 - 23. The company engaged IndigoPool to assist with the farmout process in late May. The executive summary of the opportunity has been sent to a significant number of parties and is posted on the MEO website at:

http://www.meoaustralia.com.au/page/Projects/Farm-in_Opportunities/

- (b) MEO participated in the annual APPEA conference in Darwin last week and presented the basis for its technical assessment of the Artemis prospect at a poster session. The company participated in the final plenary session at the conference and lodged this presentation with the ASX before market open on 4th June – (refer http://www.meoaustralia.com.au/icms_docs/50418_030609_-_APPEA_June_2009_Plenary_Session_Presentation.pdf).

During the APPEA conference MEO met with a number of large companies that had expressed interest in assessing the WA-360-P opportunity. While this interest and ensuing discussions are considered encouraging, the farmout process remains at an early stage, with indicative farm-in offers due at the end of July.

- (c) MEO notes an article entitled “*Woodside v Chevron and all that jazz*” by Barry Fitzgerald appeared in “The Age” on Monday 8th June. The article highlighted the strategic location of MEO’s WA-360-P permit relative to the existing Pluto and proposed Wheatstone LNG projects and the positive impact on MEO should any gas be discovered in this permit. The article can be accessed online at <http://business.theage.com.au/business/rio-and-bhp-hold-floor-but-fortescue-bci-have-a-dance-20090607-bzum.html>.

6. We confirm that to the best of our knowledge, the Company is in full compliance with the listing rules and, in particular, listing rule 3.1.

We trust these explanations satisfy your query.

Yours sincerely,



Jürgen Hendrich

Managing Director & Chief Executive Officer
MEO Australia Limited



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10 June 2009

Mr Colin Naylor
Director & Company Secretary
MEO Australia Limited
Level 17, 500 Collins Street
Melbourne, VIC 3000

By e-mail only

Dear Colin

MEO Australia Limited- Price Query

We have noted a change in the price of the Company's securities from 14 cents at close of trading on 5 June 2009 to a high of 22 cents at time of writing today. We have also observed larger than normal volumes of trades during this period.

In light of the price change and increase in trading volumes, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating loss before abnormal items and income tax so that the figure for the financial year ended 30 June 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the financial year ended 30 June 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at darren.collins@asx.com.au or by facsimile on facsimile number 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. EST) on Thursday 11 June 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Darren Collins', written in a cursive style.

Darren Collins

Senior Adviser, Issuers and Accounting Policy