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ASX AND MEDIA RELEASE

Zeus-1 update

Key Points:

- **13-3/8" surface casing set at 1,874m**
- **Preparing to re-man rig following passing of Tropical Cyclone Dominic**

MELBOURNE, AUSTRALIA (**January 27th, 2009**) -- MEO Australia Limited (ASX: MEO) is pleased to advise the following update in relation to Zeus-1 (**MEO 35%, Operator**), being drilled in WA-361-P in the Carnarvon Basin, offshore Western Australia.

Progress to 0600 hrs WSDST

Since the last report, the 17-1/2" hole was drilled to 1,886m and the 13-3/8" surface casing was run and cemented to 1,874m. Landed and latched Blow Out Preventer (BOP) on wellhead.

On 25th January, the rig was secured and skidded off location to ride out the storm subsequently named Tropical Cyclone Dominic.

At 0640 this morning TC was approaching the WA coast just east of Onslow. It remains a category 2 system however is expected to weaken rapidly. Under this scenario, MEO expects to commence re-manning the Songa Venus later today.

Present operation (0600 hrs WSDST)

Preparing to re-man drilling rig following passing of Tropical Cyclone (TC) Dominic.

Objectives of Zeus-1

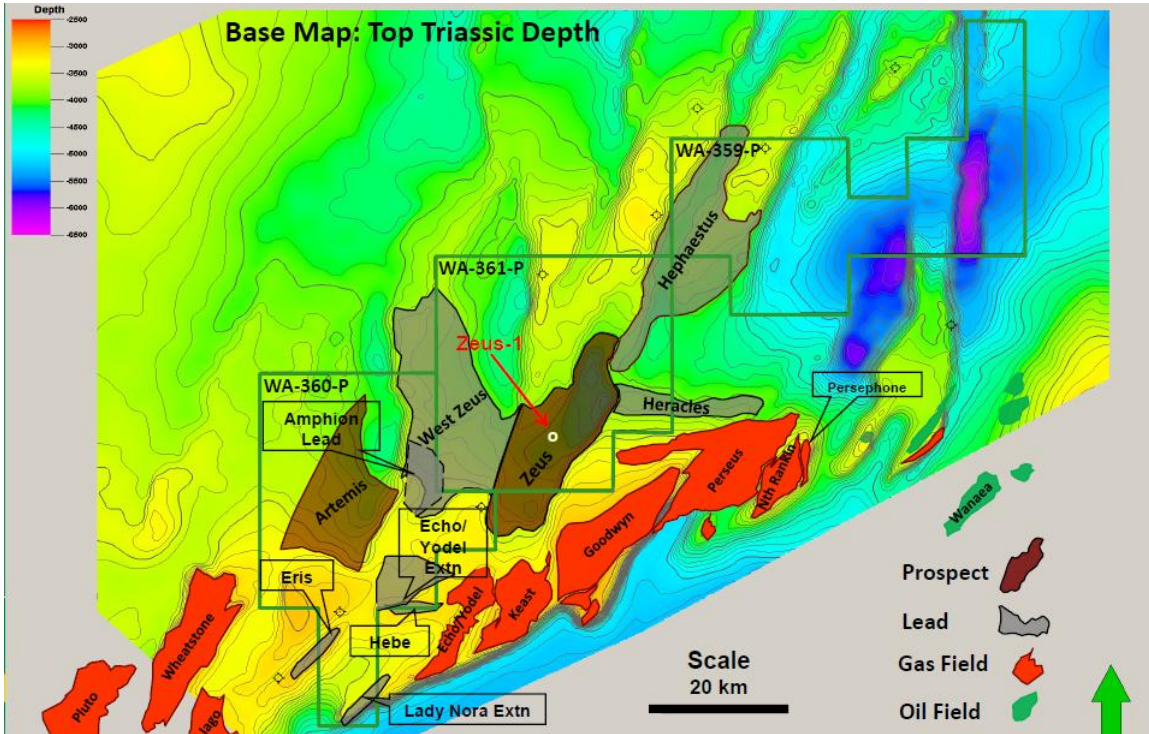
Zeus-1 is targeting potential gas-in-place of **15 Tcf** in the primary Legendre sands target and **3.7 Tcf** potential gas-in-place in the secondary Forestier sands target.

Zeus-1 & WA-361-P participants

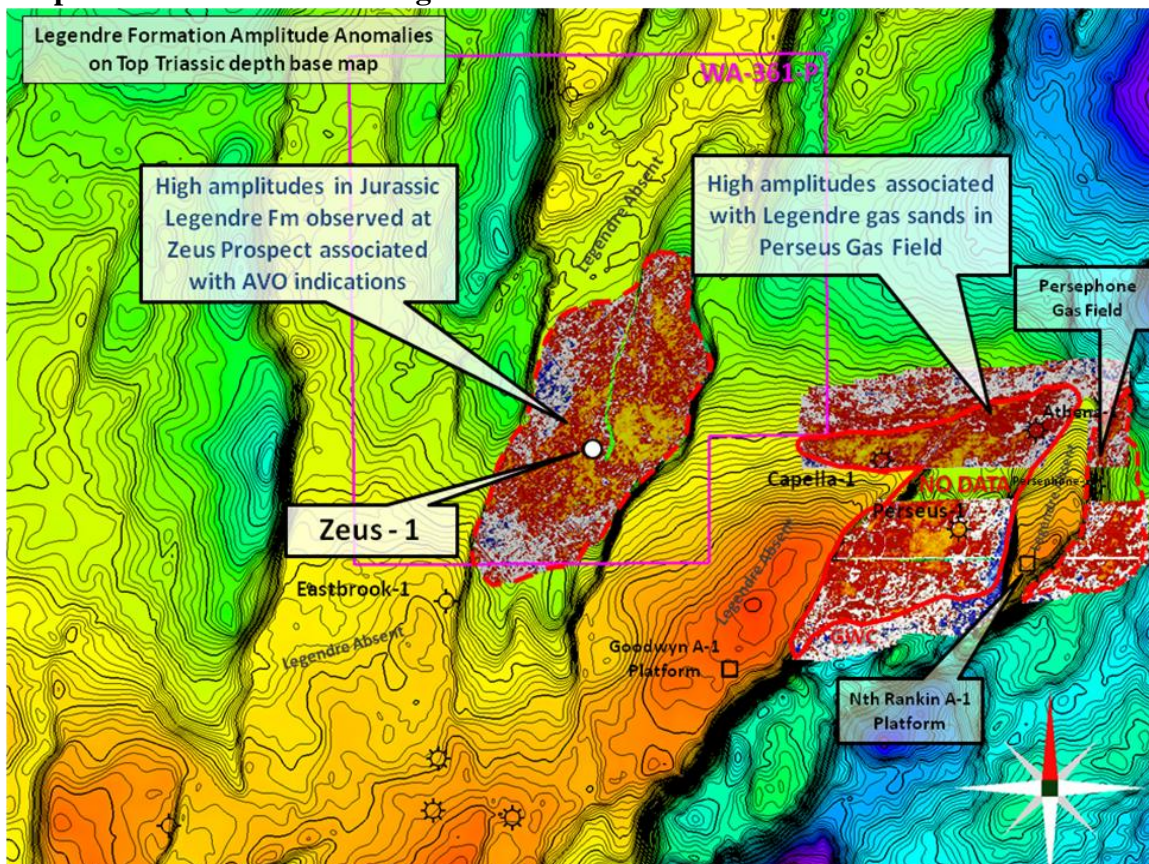
Company	Equity	Remarks
North West Shelf Exploration Pty Ltd <i>(Wholly owned subsidiary of MEO Australia Limited)</i>	35%	Operator ASX: MEO
Resource Development International Limited	35%	<i>(Unlisted public company)</i>
Cue Energy Resources Limited	15%	ASX: CUE
Gascorp Australia Pty Ltd	15%	<i>(Unlisted public company)</i>

Jürgen Hendrich
Managing Director & CEO

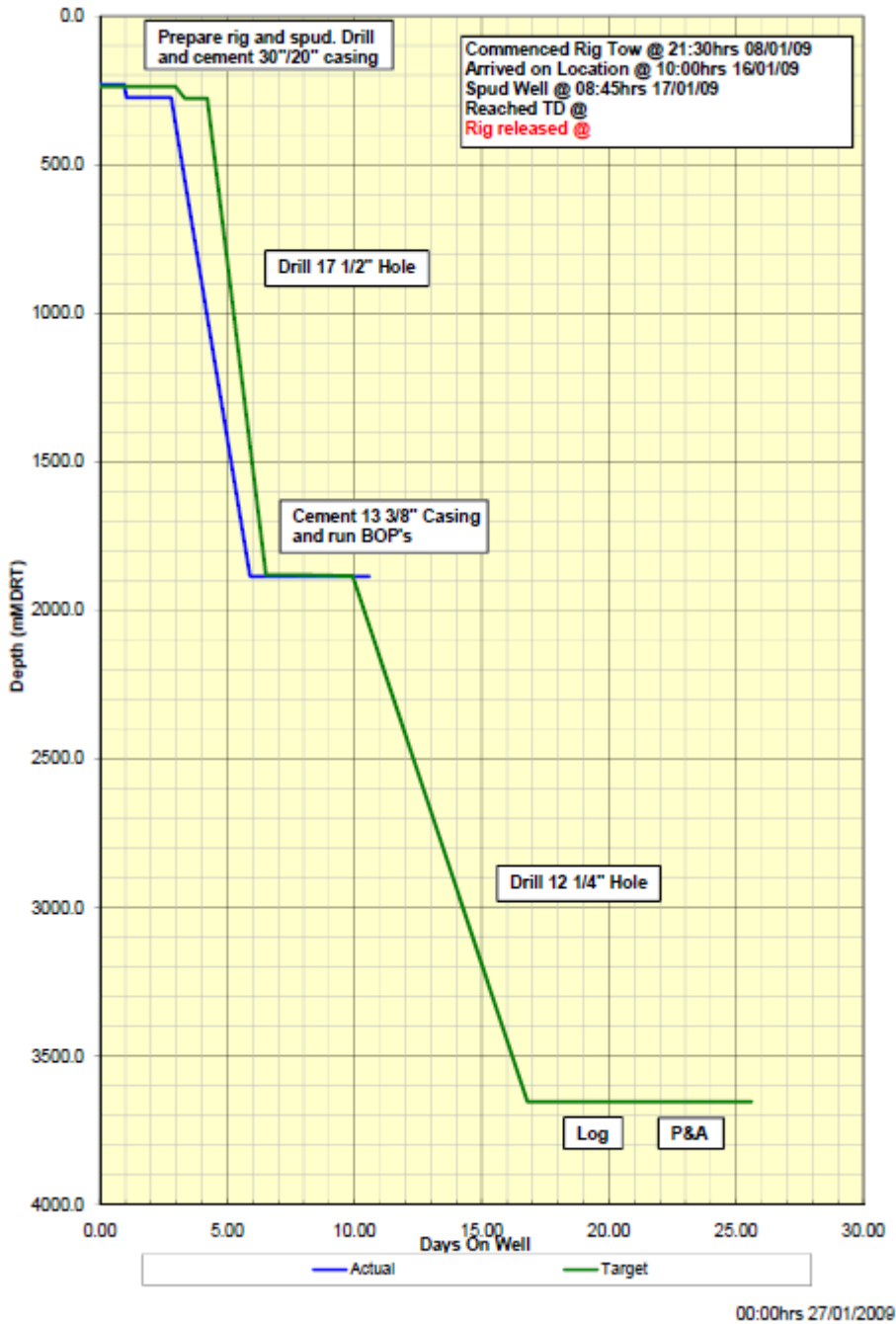
WA-361-P Permit Location



Amplitude extraction from Legendre sandstones in Zeus and Perseus



Attachment 1: Zeus-1 time-depth curve to 00:00 hrs 27th January 2009



**Attachment 2:
Zeus-1 Well Details**

DETAILS

Licence:	WA-361-P
Operator:	MEO Australia Limited
Rig:	Songa Venus
Surface location:	Latitude: 19 deg 30 min 17.67 sec Longitude: 115 deg 50 min 6.63 sec Ellipsoid: GDA94, GRS80
Seawater Depth:	212.4 m
Spud Date:	17 th January 2009
Target Strata:	Primary: Legendre Formation Secondary: Forestier Formation
Total Depth:	3655 metres (MDRT). Actual TD: 3630m (MD - measured depth below the rig's rotary table - RT)
Primary Target Depth:	Top Legendre Fm 3455 metres (MDRT)
Secondary Target Depth:	Top Forestier Fm 3253 metres (MDRT)
Designated Authority:	W.A. Department of Industry and Resources
Reservoir Objectives:	<p><u>Legendre Formation:</u> Zeus is an analogue to the adjacent Perseus gas field. Determine the validity of the amplitude and AVO responses observed on the Rosie 3D seismic data. Positive amplitude and AVO responses are seen at multiple levels within the Legendre. In addition, determine if there are sands which are gas bearing that do not exhibit an AVO response.</p> <p><u>Forestier Formation:</u> Determine the validity of the amplitude and AVO responses observed in the basal Forestier. This section has not been penetrated in nearby wells and could contain sands equivalent to the Barrow Group.</p>

MEO Pre-drill Gas-In-Place Estimates

Target Reservoir	Gas-in-Place Estimates
Legendre Formation	15.0 Tcf
Forestier Formation	3.7 Tcf

Production Objectives:	In a success case, hydrocarbon samples will be collected by MDT, no cased-hole tests are planned.
Well Design:	Zeus-1 is a vertical well. The well design is to drill a 36" hole to 295mRT and set a 30x20" conductor. A 13-3/8" casing string will be set in a 17-1/2" hole drilled to 1910mRT. Drill a 12-1/4" vertical hole to TD and log. There is provision for a contingent 9-5/8" casing at 3225mRT.