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ASX & Media Release
Puka-3 Progress Report No. 1

Key Points:

- Puka-3 spudded at 16:50 hrs on 22nd July 2014

MELBOURNE, AUSTRALIA (23rd July, 2014)

MEO Australia Limited (ASX: **MEO**), on behalf of its wholly owned subsidiary MEO New Zealand Pty Limited, advises that Kea Petroleum Limited (KEA), the Operator of PEP 51153, has confirmed that Drill Force Rig 6 spudded Puka-3 at 16:50 hrs on 22nd July 2014. The Operator's release is attached.

Puka-3 is targeting Mt Messenger formation sands at approximately 1,580m True Vertical Depth (TVD) that have been interpreted from the 50 km² 3D seismic survey acquired in the south western part of PEP 51153 following the drilling of Puka-1 and Puka-2 wells. MEO has recently completed reprocessing of this 3D seismic survey and the Joint Venture has used these results to locate the drilling target in order to maximise net pay accessible from the well.

The drilling of Puka-3, from the same well pad as the producing Puka-1 and Puka-2 wells, is the major component of Phase 1 of the farm-out agreement with KEA. MEO will become entitled to a 30% share of oil production from the Puka field upon completion of Puka 3.

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

"It is very exciting to be drilling Puka-3 so soon after completing the farm-in. A critical component of selecting the location was improving the 3D seismic image quality through painstaking reprocessing, under the guidance of MEO's in-house technical team. Success at Puka-3 will appreciably advance the Puka discovery towards full field development. We look forward to a safe and successful appraisal drilling program."

Jürgen Hendrich
Managing Director & Chief Executive Office

Attachment: Kea Petroleum plc AIM & Media release

For Immediate Release

22 July 2014

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

Drilling of Puka 3 commenced yesterday

Kea Petroleum plc (AIM: KEA), the oil and gas company focused on New Zealand, is pleased to announce that drilling of Puka-3 has commenced using the Drill Force Rig 6.

Puka-3 is targeting Mt Messenger formation sands at about 1,580m True Vertical Depth which have been interpreted from the recent 50 square km 3D seismic reflection survey carried out in the south western part of PEP 51153.

The drilling of Puka-3, from the same well pad as the producing Puka-1 and Puka-2 wells, is the major component of Phase 1 of the farm-out agreement with MEO New Zealand Pty Limited.

Ian Gowrie-Smith, Chairman of Kea Petroleum commented:

"We have eagerly been awaiting the drilling of the Puka 3 appraisal well. The results will help us to gain a better understanding of the resource size and deliverability, to enable us to plan for further commercial development."

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.

For further information please contact:

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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.