

## **ASX AND MEDIA RELEASE**

### **SONGA VENUS RIG CONTRACTS EXECUTED FOR ZEUS-1**

#### **Key Points:**

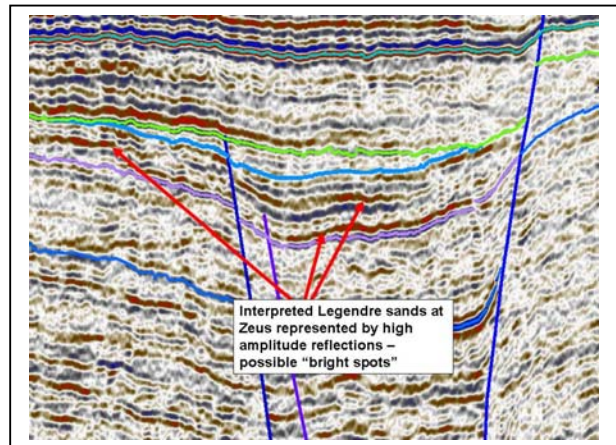
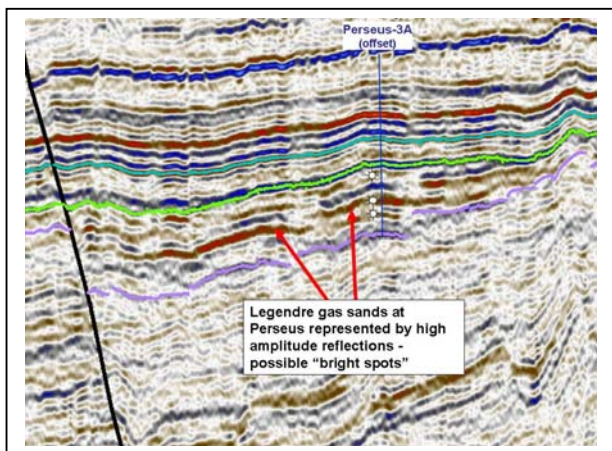
- **Rig contracts have been executed for Songa Venus to drill Zeus Prospect**
- **Positive amplitude and AVO responses confirmed in multi-Tcf Zeus prospect**

MELBOURNE, AUSTRALIA (July 16, 2008) -- MEO Australia Limited (ASX: MEO) is pleased to advise that all contracts have been executed with Australian Drilling Associates and Songa Offshore Pte Ltd for the Songa Venus semi-submersible drilling rig, to drill the Zeus-1 well in WA-361-P, in late October 2008.

On 4 July 2008, MEO announced a farmout to Resource Development International Limited (RDI) whereby RDI can earn a 35% participating interest in WA-361-P by funding up to 3 wells, the first being Zeus-1. RDI will fund 80% of Zeus-1 well costs to a cap of US\$31.25M and 53% of any well costs thereafter. RDI will fund 100% of MEO's share of costs for the next two wells in a success case, otherwise 100% of MEO's share of costs for a second well.

The Company has completed reprocessing and analysis of the Rosie 3D survey originally acquired by Western Mining in 1997, which covered the majority of the Zeus feature. New 3D seismic was also acquired by MEO in November 2007 over the western extensions of Zeus.

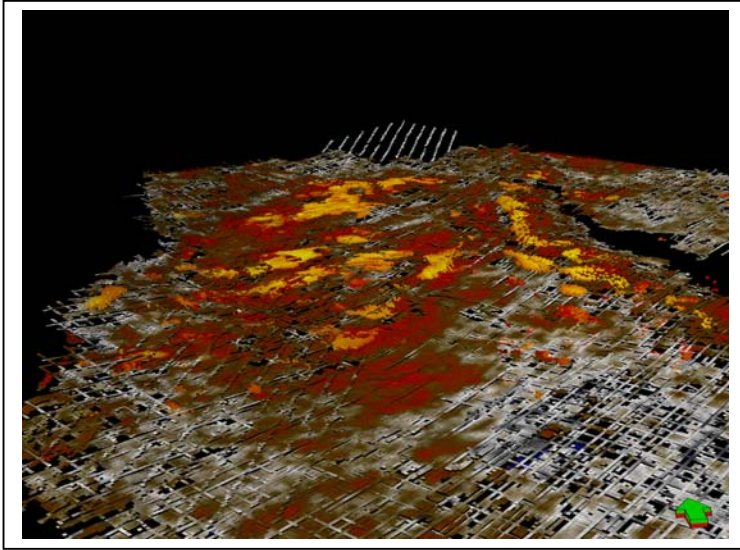
Bright amplitude anomalies, or soft kicks have been demonstrated in the interpreted Legendre formation sandstones of the Zeus prospect that are also observed in the gas bearing Legendre sands of the nearby Perseus Gas Field.



**High amplitude or "bright spot" indicators in seismic sections through the Perseus Gas Field on the left and the Zeus Prospect on the right**

MEO also recovered the offset gathers from the Rosie 3D to undertake AVO (amplitude variation with offset) analysis. Class 3 AVO responses were confirmed within the interpreted Legendre sandstones at Zeus that have a similar signature to the AVO responses modelled in the gas bearing sands at Perseus-1.

The image below is a map of an interpreted sand body in Zeus demonstrating close correlation between the bright spots and positive AVO responses. The red shadings are high amplitude events and the yellow shadings depict the Class 3 AVO responses.



Such amplitude anomalies and AVO responses are often indicative of hydrocarbon charge. MEO's mapping indicates that the Zeus prospect has the potential to contain gas reserves in excess of 10 Tcf.

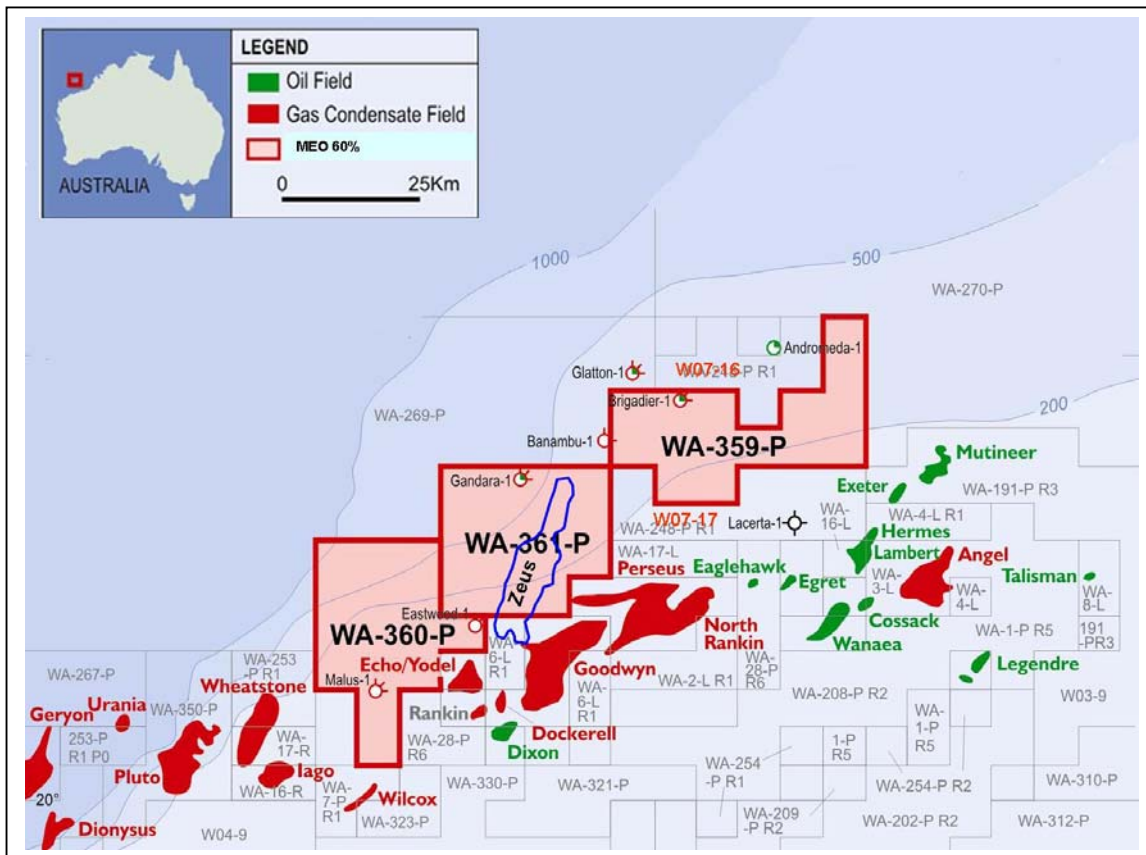
**C.R. Hart**  
 Managing Director  
 MEO Australia Limited  
 WA-361-P Operator



**Songa Venus semi-submersible drilling rig**

**BACKGROUND:**

On 25 October 2007, MEO secured a 60% participating interest in this highly prospective exploration permit via a seismic acquisition option and assumed the role as Operator for the permit. MEO met the seismic acquisition obligation by funding the seismic commitment in the permit and has elected to fund 100% of the cost of a single well in WA-361-P, so that up to a 70% interest can be earned. However, if Cue Energy (ASX: CUE) and Gascorp (unlisted) each elect to pay 5% of the cost of a single well in the permit by September 10, 2008, the MEO interest in WA-361-P would remain at 60% and the funding obligation reduces to 90%.



The respective participating interests in the permit post drilling Zeus-1 will be as follows:

Permit WA-361-P	MEO Australia (Operator)	RDI	Cue Energy Resources	Gascorp Australia
Interests if Cue & Gascorp each fund 5% of Zeus-1	25%	35%	20%	20%
Interests if MEO and RDI fund 100% of Zeus-1	35%	35%	15%	15%