

ASX & Media Release

MEO acquires 100% participating interest in Seruway PSC, Indonesia

Key Points:

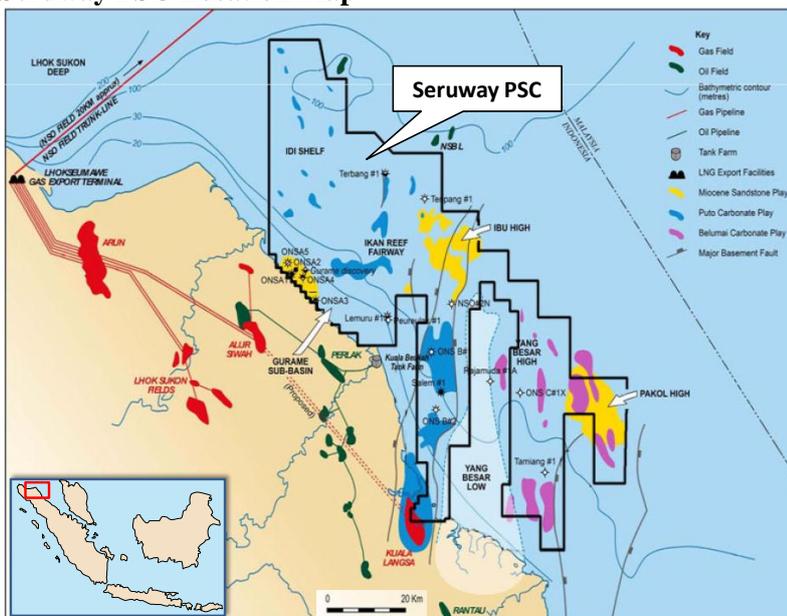
- MEO acquires 100% participating interest in Seruway PSC, offshore North Sumatra, Indonesia
- Initial consideration for acquisition is US\$5.0 million cash
- Past cost recovery and net profit interest payments to be paid out of commercial production

MELBOURNE, AUSTRALIA (28th June, 2011)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) is pleased to announce the expansion of its business portfolio by acquiring all of the shares in Transworld Seruway Exploration Limited (TSEL) which is the holder of a 100% participating interest in the offshore Seruway PSC, from Transworld Exploration Limited (TEL). Initial consideration for this acquisition is US\$5.0 million cash. In the event of successful oil or gas development from the PSC, the acquisition arrangements provide for past cost recovery and net profit interest payments to TEL to be paid out of production revenue.

The Seruway PSC currently covers an area of 3,635 km² and contains two gas discoveries (Gurame and Kuala Langsa) together with a number of exploration opportunities. The PSC is located close to the Arun LNG plant which has near term unfilled capacity. Under the acquisition arrangements, MEO has committed to acquire a 700km² 3D seismic survey and drill one exploration well in the PSC before the end of 2012. The PSC expires on 11th December 2014 and will be operated out of the Indonesian office that MEO acquired as part of the transaction.

Seruway PSC Location Map




Jürgen Hendrich
Managing Director & Chief Executive Officer