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ASX & Media Release

Blackwood-2 Progress Report No.8

Key Points:

- Production test completed across interval 3,234m–3,254mMDRT*
- Top of this tested interval is 9m below the clear hydrocarbon bearing zone in Blackwood-1 (MDT⁺ data)
- No flow recorded from this interval indicating reservoir is low permeability / tight

MELBOURNE, AUSTRALIA (23rd December, 2013)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) advises that the Ensco 104 jack up drilling rig had completed the Blackwood-2 production test and is preparing to plug and abandon the well as planned.

The production test was carried out across the interval 3,234m – 3,254mMDRT. The top of this 20m interval is approximately 9m below the clear hydrocarbon bearing zone in Blackwood-1 (based on MDT data).

No flow was recorded on testing indicating low reservoir permeability.

An updated reservoir assessment will be made following further evaluation of all information including interpretation of the Drill Stem Test (DST) results.

The drilling of Blackwood-2 is an obligation under the NT/P68 Farm-in Agreement (FIA) dated 17th May 2011 between Eni Australia Limited (Eni) and MEO. Under the FIA and subsequent amendment, MEO's 50% participating interest share of the costs of the well are being carried.

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

"Blackwood-2 was an aggressive step-out well designed to test the possibility of a deeper gas-water-contact than inferred from Blackwood-1 pressure data. The target represented an attractive prospective resource upside that needed to be resolved by appraisal drilling. The production test was conducted over a new, younger reservoir interval than intersected by Blackwood-1, which has been demonstrated to be tight."

Jürgen Hendrich
Managing Director & Chief Executive Officer

*mMDRT = metres measured depth below rotary table. This datum is 36.6m above sea level.

+ MDT = Modular Formation Dynamics Tester (a wireline test tool which records pressures and fluid samples from the formations at selected well depths)

Blackwood-2 Information – Reporting Compliance



Additional requirements for the reporting of material exploration and drilling results under ASX Listing Rule 5.30 came into effect on 1st December 2013. Information in the following table is provided in order to ensure compliance with this rule.

No	Requirement:	Information:
(a)	The name and type of well.	Blackwood -2, vertical appraisal well
(b)	The location of the well and the details of the permit or lease in which the well is located.	Exploration Permit NT/P68. Lat/Long: S10°9'12.13676", E128°49'34.53483"
(c)	The entity's working interest in the well.	MEO Australia Limited (50%) via wholly owned subsidiaries TSP Arafura Petroleum Pty Ltd (25%) and Oz-Exoil Pty Ltd (25%).
(d)	If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness.	8.5m above porosity cutoff (of the 20m tested interval)
(e)	The geological rock type of the formation drilled.	Elang/Plover
(f)	The depth of the zones tested.	3,234m – 3,254mMDRT
(g)	The types of test(s) undertaken and the duration of the test(s).	Drill Stem Test
(h)	The hydrocarbon phases recovered in the test(s).	Trace C1 and CO ₂
(i)	Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions.	N/A (no flow on surface)
(j)	The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured.	32/64"
(k)	If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied.	N/A
(l)	Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur.	N/A
(m)	Any other information that is material to understanding the reported results	No