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Quarterly activities report for Quarter ending 31 March 2009

Key Points

- **Drilled Zeus-1 in WA-361-P without encountering hydrocarbons**
- **Varied WA-359-P and WA-360-P work programs deferring drilling into 2010**
- **Increased equity interest in WA-360-P from 60% to 70%**
- **Acquired 250 km² Artemis 3D marine seismic survey**
- **Artemis prospect (WA-360-P) preliminary gas-in-place estimates 6 – 9 Tcf**
- **Prepared to farm-out WA-360-P and NT/P68 during 2Q'09**
- **Consolidated cash balance at 31 March A\$21.8m**

MELBOURNE, AUSTRALIA (20th April, 2009) -- MEO Australia Limited (ASX: MEO) provides the following update in relation to its activities for the quarter ended 31 March 2009.

WA-361-P (MEO 35%, Operator, RDI 35%, Cue Energy 15%, Gas Corp 15%)

MEO took possession of the Songa Venus drilling rig on January 8th and commenced drilling the Zeus-1 well on 17th January. The well reached a total depth of 3,642m on 10th February without encountering commercial hydrocarbons. Zeus-1 was subsequently plugged and abandoned with the rig released on 18th February.

WA-359-P (MEO 60-70%, Operator, Cue Energy 15-20%, Exoil 15-20%)

The Designated Authority granted MEO its requested work program variation whereby the permit year 5 well obligation has been swapped into permit year 6 commencing 1st Feb 2010.

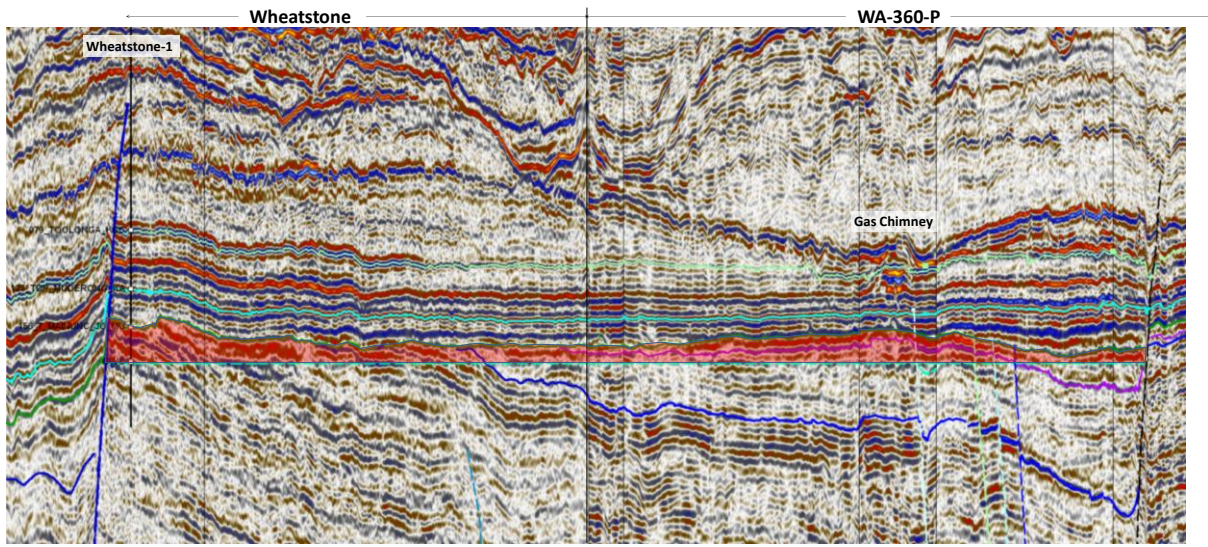
WA-360-P (MEO 70%, Operator, Cue Energy 15%, Gas Corp 15%)

The Designated Authority granted MEO its requested work program variation seeking to suspend and extend permit year 4 until 31st January 2010 to allow additional 3D seismic to be acquired over the Artemis prospect identified on the 2007 MEO 3D seismic survey.

MEO acquired the 250 km² Artemis 3D seismic survey in March. Delivery of the processed data is contracted to occur within 90 days of the completion of acquisition. MEO is contributing 90% of the approximately US\$3.5m cost of the survey including processing and has increased its equity interest in the permit from 60% to 70%.

During the quarter, significant technical work was conducted aimed at providing the supporting evidence for the continuation of the Triassic aged sands of the Wheatstone gas field (subject of a 2 x 5 Mtpa LNG development proposal) within younger Jurassic aged sands in the WA-360-P permit.

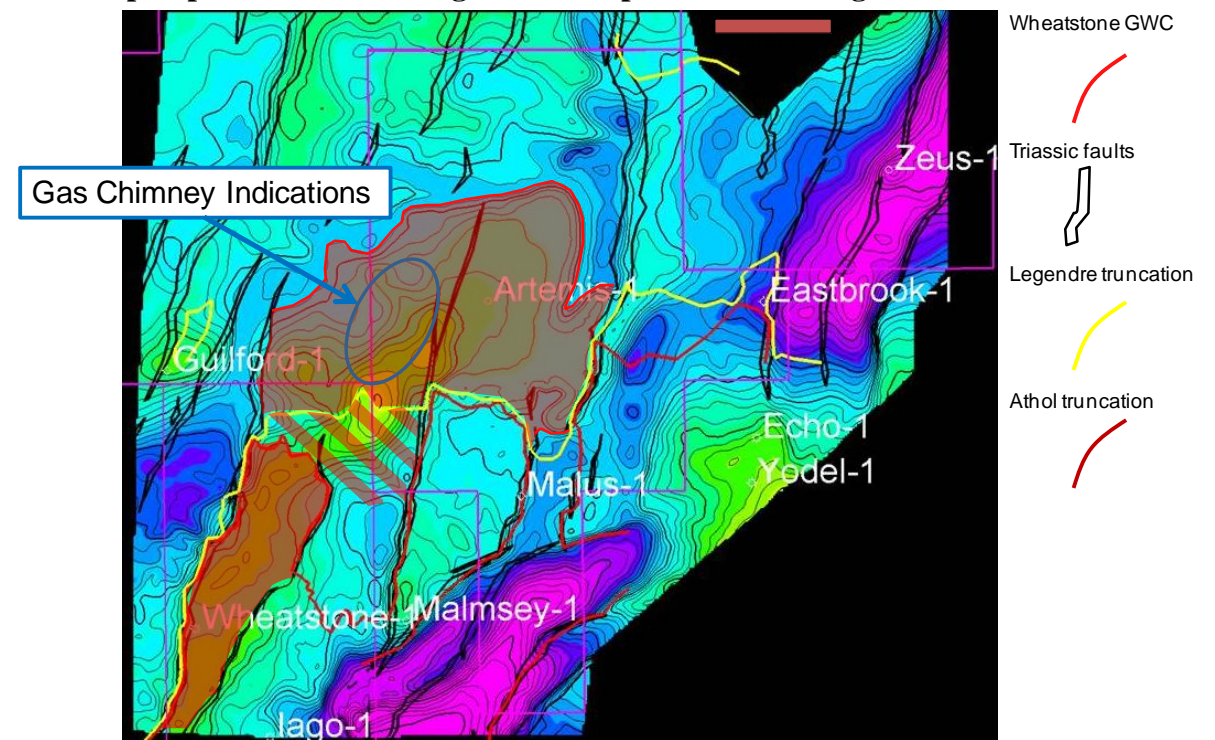
Composite seismic line* over Wheatstone gas field into WA-360-P



**Flattened on the Wheatstone Gas-Water-Contact to remove velocity distortions & illustrate likely structure*

This work provides the WA-360-P JV with encouragement that an extension of the Wheatstone gas trend into WA-360-P is technically feasible and represents an attractive exploration target upon which to base the year 5 commitment well. Preliminary estimates suggest **potential gas-in-place volumes of 6 - 9 Tcf within WA-360-P** in Jurassic aged reservoirs predicted to occur above the Wheatstone Gas-Water-Contact.

Artemis prospect outline showing relationship to Wheatstone gas field



MEO will commence a formal farm-out process at the Seapex conference in Singapore commencing 21st April, aimed at attracting a substantial partner to fund the drilling of the year 5 commitment well.

NT/P68 (MEO 90-100%)

The final post-stack depth migrated (PSDM) 384km² Blackwood 3D seismic survey arrived in house in January. The 3D seismic survey covers the 2008 Blackwood-1 gas discovery (MEO 100%) and is designed to correct near surface distortions in the data to facilitate a more accurate assessment of hydrocarbon volumes. This work was ongoing at the end of the quarter and is an important component of the farm-out documentation.

MEO will launch a formal farmout process at the Seapex conference aimed at attracting a funding partner to undertake additional appraisal drilling on its Heron and Blackwood gas discoveries.

Approved GTL Projects (MEO 50-90%)

MEO continued to market the Tassie Shoal infrastructure hub concept based on its:

- Compelling economics, integrated CO₂ solution and
- Economic enabling characteristics for stranded, CO₂ and distance challenged gas

Discussions continue with a number of custodians of stranded CO₂ and distance challenged gas seeking to monetise their interests.

New venture opportunities

MEO continued to screen a number of unsolicited opportunities during the quarter.

Cash balance at end of quarter

A\$21.8m.

Priorities for the quarter ended 30-June-2009

- Conduct farm-out process for WA-360-P and NT/P68
- Attract funding partner(s) for 2010 drilling campaigns in WA-360-P and NT/P68
- Project manage the processing of the new Artemis 3D seismic survey
- Continue discussions with potential 3rd party gas suppliers in Bonaparte Basin
- Evaluate New Venture opportunities



Jürgen Hendrich

Managing Director & Chief Executive Officer

April 20th, 2009