



MEO Australia Limited

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5th June 2014
Mr. Dean Litis
Principal Advisor, Listings Compliance (Melbourne)
ASX Markets Supervision Pty Ltd
Level 4, North Tower
525 Collins Street
Melbourne VIC 3000

By Email: dean.litis@asx.com.au

Dear Dean,

Re: Price Query

We refer to your correspondence received yesterday afternoon (4th June 2014) in relation to the price increase in MEO shares from a closing price of 1.9 cents on Monday 2nd June 2014 to an intra-day high and closing price of 2.7 cents on Wednesday 4th June 2014, accompanied by increased trading volumes during this period.

MEO makes the following responses to your specific numbered points:

1. The Company is not aware of any information that has not already been announced to the market.
2. Not applicable.
3. The Company is not aware of any *specific* reason for the rise in the share price and increased turnover. MEO notes that the share price increase over two days equates to approximately a \$6 million increase in MEO's market capitalization, which had been reflecting little value above intrinsic cash backing prior to the rise. Trading volumes in MEO shares increased significantly the day after Karoon Gas announced it had sold its Browse Basin interests in the Greater Poseidon gas discovery to Origin Energy for up to US\$800 million, causing its market cap to increase by approximately A\$250 million immediately after the announcement. This transaction may have served as a catalyst to highlight similar situations where valuations established by industry transactions frequently exceed valuations set by stock market trading activity.
4. We confirm that to the best of our knowledge, the Company is in full compliance with the listing rules and, in particular, listing rule 3.1.

We trust these explanations satisfy your query.

Yours sincerely,

Jürgen Hendrich
Managing Director & Chief Executive Officer
MEO Australia Limited



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4 June 2014

Colin Naylor
Chief Financial Officer & Company Secretary
MEO Australia Limited

By email only

Dear Colin

MEO Australia Limited (the "Entity") - Price Query

We have noted a change in the price of the Entity's securities from a close of 1.9 cents at the close of trading on 2 June 2014, to an intra-day high and closing price of 2.7 cents today. We have also noted an increase in volume in the Entity's securities traded during this period.

In light of the price and volume change, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 1. Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 2. Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 3. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9.30 a.m. AEST Thursday 5 June 2014**. If we do not

have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically, without signature]

Dean Litis

Principal Adviser

Listings Compliance (Melbourne)