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ASX & Media Release

Contingent & Prospective Resources Update

Key Points:

- MEO has completed an assessment of its exploration portfolio
- Net Contingent Resources of 110 MMboe (2C)
- Net Prospective Resources of 1,667 MMboe (Best Estimate, unrisked)
- Assessed in accordance with the industry Petroleum Resource Management System (PRMS)

MELBOURNE, AUSTRALIA (3rd September, 2013)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) advises that it has completed a quantitative assessment of the discoveries, prospects and leads within its portfolio. The assessment has focused only on the highest ranked components of each component of the portfolio.

The assessment has been carried out in accordance with the Petroleum Industry's "Petroleum Resource Management System" (PRMS), a fully integrated system that provides the basis for classification and categorization of all petroleum reserves and resources.

Based on this assessment, MEO has net 2C contingent resources of 110 MMboe. The exploration portfolio is assessed to contain net prospective unrisked resources of 1,667 MMboe (best estimate) or 240 MMboe on a risked basis (best estimate).

These resources are distributed across a range of project areas providing geographic diversity and hydrocarbon product diversity within the portfolio.

Contingent Resources

Net to MEO		1C*	2C	3C*
Gas	Bscf	423	614	1,446
Liquids (condensate & oil)	MMstb	2	8	27
Aggregate (oil equivalent)	MMboe	72	110	268

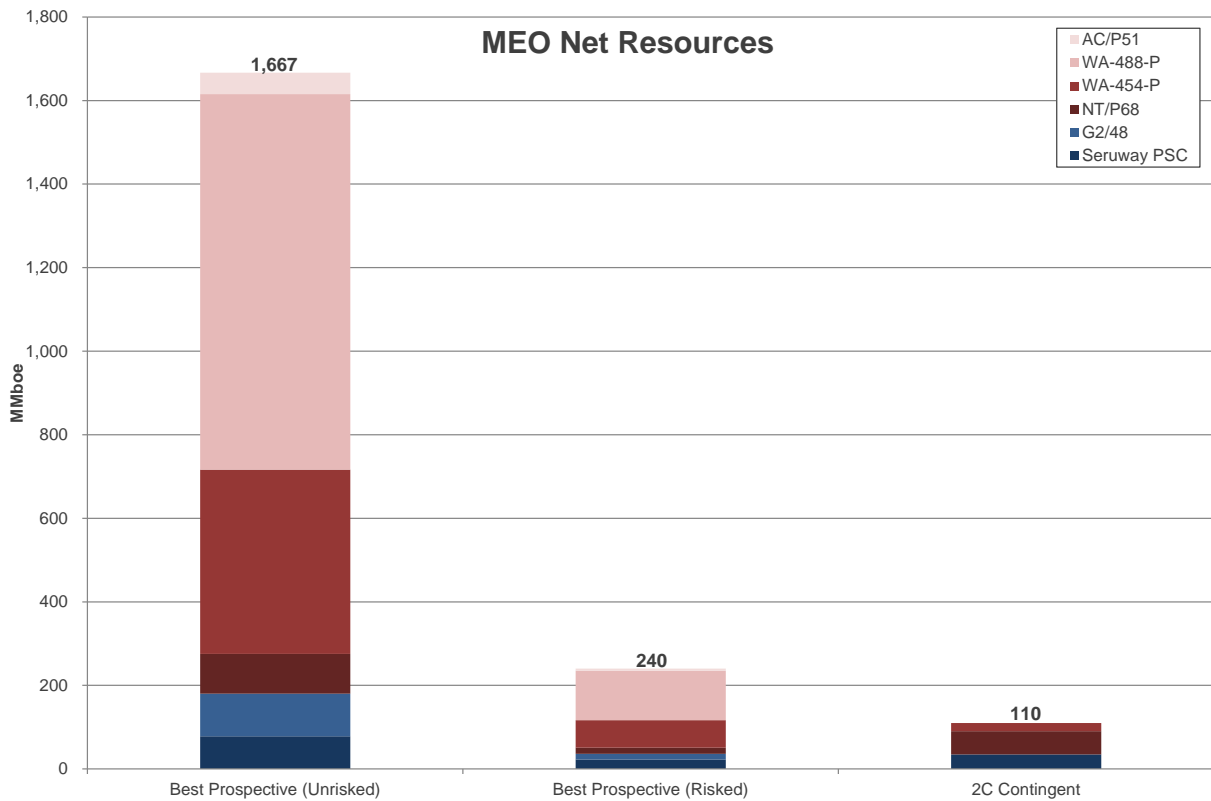
* the aggregate 1C may be a very conservative estimate and the aggregate 3C may be a very optimistic estimate due to the portfolio effects of arithmetic summation

Prospective Resources

Net to MEO		Best	Mean
Total Prospective (unrisked)	MMboe	1,667	2,299
Total Prospective (risked)	MMboe	240	322

Note that in regard to prospective resources the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The distribution of the assessed resources by category and area is included in the chart on the next page.



The attachments to this summary provide additional technical details to the assessment.

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

“The booking of Contingent and Prospective resources represents a significant milestone for the Company. MEO’s ongoing strategy is to build on this strong foundation by continuing to mature the portfolio and to crystallise value along the way through a combination of commercial transactions and drilling. Ultimately, value will be created by progressively proving and subsequently developing this resource base into projects with long term cash flows.”

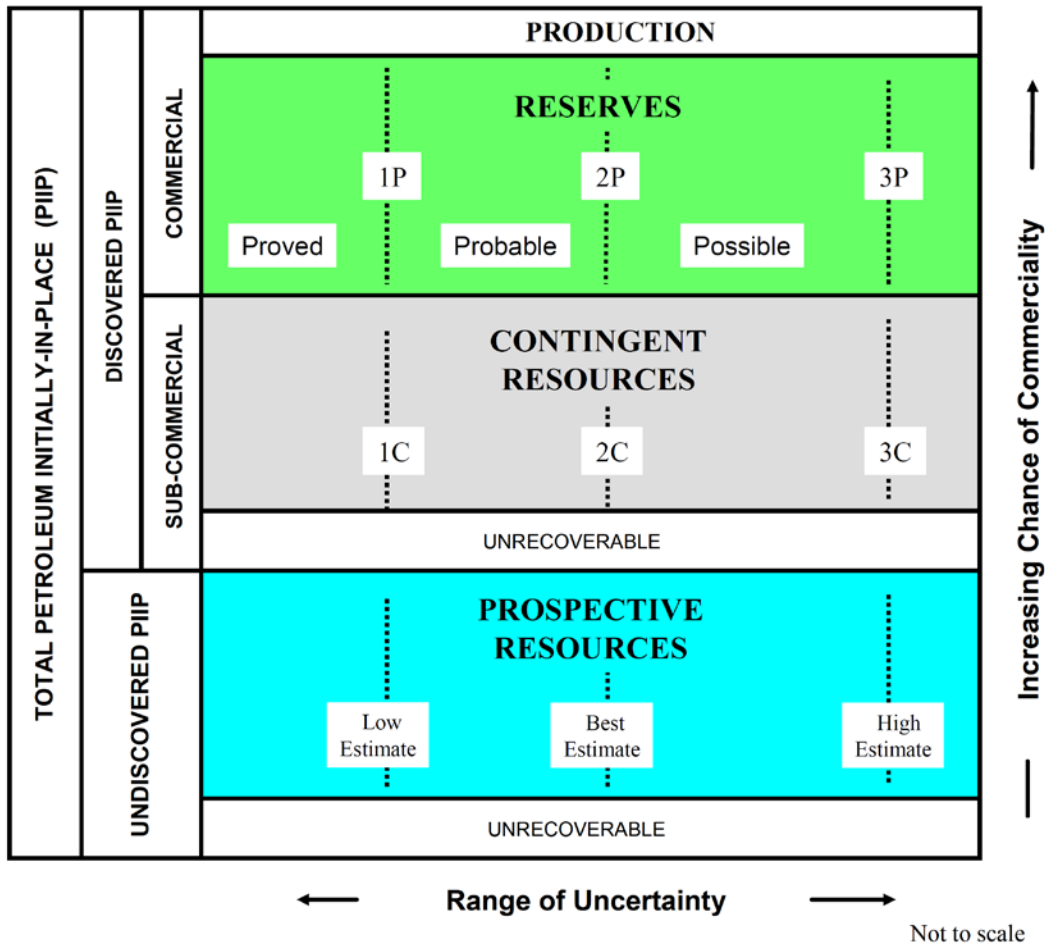
Jürgen Hendrich
Managing Director & Chief Executive Officer

This assessment is based on, and fairly represents, information and supporting documentation prepared by Mr. Lubing Liu, MEO’s Chief Reservoir Engineer, who is an employee of the company and has nearly 20 years of relevant experience. Mr. Liu is a member of the Society of Petroleum Engineers. Mr. Liu consents to the publication of the resource assessments contained herein.

- Attachments:
- Assessment Methodology
 - Resource Summaries by Project Area

Assessment Methodology

MEO has undertaken this assessment in a manner consistent with the Petroleum Industry’s Petroleum Resource Management System (PRMS) Guidelines (2011). Details of the PRMS are available on the Society of Petroleum Engineers website at <http://www.spe.org/industry/reserves.php>. The resource classification framework of the PRMS is illustrated by the following diagram:



MEO has subdivided its Prospective Resource assessment into the following categories

Category	Description	Volume Method
Prospect	A feature where all reasonable subsurface analysis has been undertaken on available data.	Probabilistic, whereby the resource estimates are derived as P90 = Low, P50 = Best and P10 = High
Lead	The elements of a feature have been investigated in a preliminary fashion	Deterministic, Best case estimate only

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 50%)

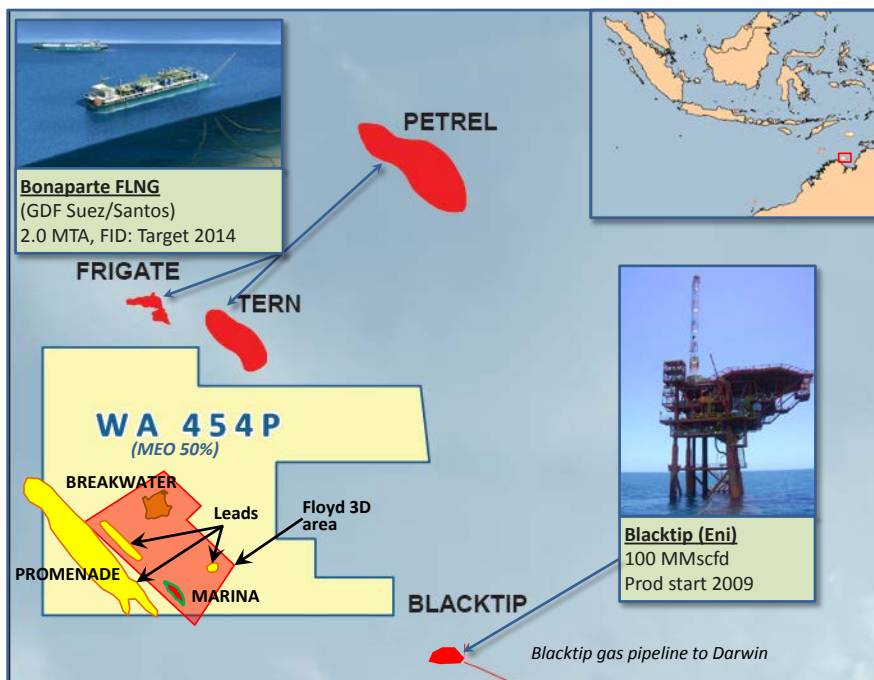


MEO's has updated its assessment of discovered and prospective resources in WA-454-P based on the Floyd 3D seismic survey acquired in 2012 together with the previously available 2D seismic and well log data.

The key features assessed in WA-454-P include:

- Marina gas and oil discovery,
- Marina Deep prospect
- Breakwater prospect
- Promenade lead.

The Marina and Breakwater assessments are broadly consistent with previous estimates. The Promenade lead assessment has not been made public prior to this release.



WA-454-P has substantial and diverse resource potential encompassing both proven and speculative play types. This potential will be next evaluated by the Breakwater-1 well which will be drilled to meet the Permit Year 5 (commencing June 2015) well obligation.

In June 2013, MEO executed a farm-out agreement in relation to WA-454-P with Origin Energy Resources Limited, a wholly owned subsidiary of Origin Energy Limited. Origin Energy will acquire a 50% participating interest in the permit by reimbursing 80% of the costs expended by MEO in the permit to date and funding 80% of the cost of drilling an exploration well on the Breakwater prospect. Origin Energy will become Operator of the permit.

Gross Contingent Resources ¹ (100% share)

Discovery Name		1C	2C	3C
Marina	Gas Bscf	115	164	423
	Total Liquids MMstb	2	13	48

Gross Prospective Resources ⁱ (100% share)

Prospect Name		Low	Best	Mean	High
Marina – Deep Prospect CoS* = 40%	Gas Bscf	36	203	236	487
	Total Liquids MMstb	1	6	7	16
Breakwater - West Prospect	Gas Bscf	196	708	765	1,394
	Total Liquids MMstb	5	22	28	59
Breakwater - East Prospect	Gas Bscf	54	117	129	220
	Total Liquids MMstb	1	4	5	10
Promenade Lead	Gas Bscf	2,487	3,852	4,027	5,741
	Total Liquids MMstb	11	37	57	123

* CoS = Chance of Geologic Success

Total Liquids = oil + condensate

MEO share can be derived by pro-rating the resource ranges described above by its 50% equity.

ⁱ See note on page 10

¹ Marina-1 discovery well drilled in 2007. Resources defined as contingent on the basis that evaluation of the accumulation is currently insufficient to clearly assess commerciality.

Timor Sea: Bonaparte Basin

NT/P68 (MEO 50%, Eni Australia Ltd 50% & Operator)



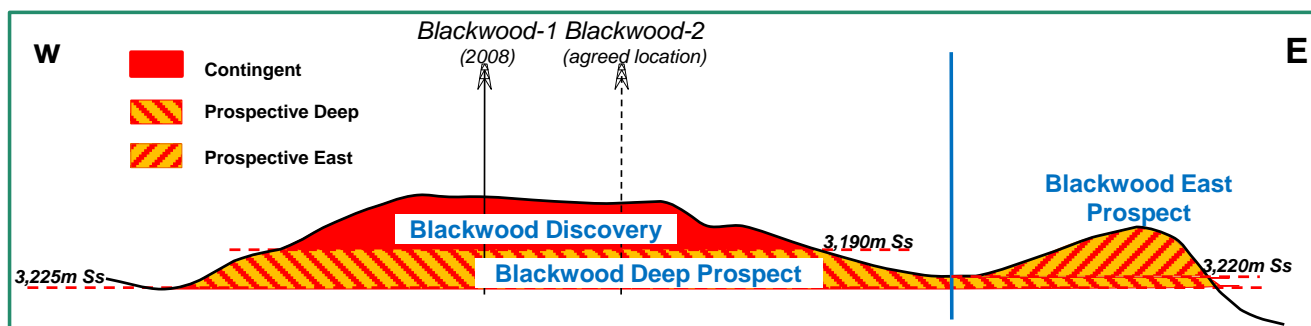
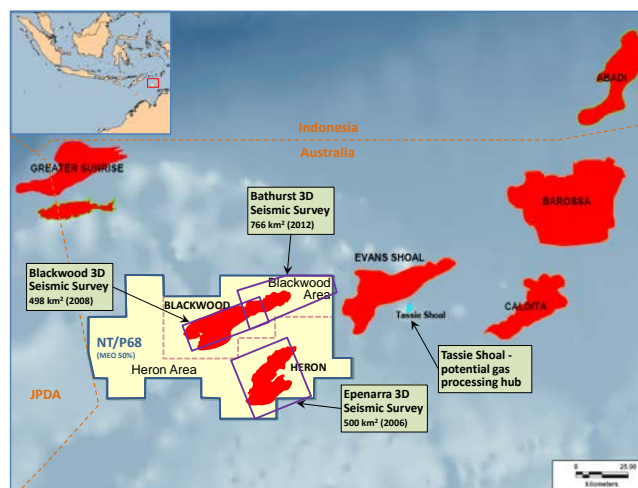
The key resources assessed in NT/P68 include:

- Blackwood discovery
- Blackwood Deep prospect
- Blackwood East prospect
- Heron discovery

The Blackwood gas discovery will be appraised by Blackwood-2 likely to be drilled in Q4 2013. Eni Australia will pay 100% of the cost of Blackwood-2, as part of previously announced farm-in arrangements, to earn 50% of Blackwood.

The Blackwood contingent resource estimate is based on a gas-water-contact (GWC) derived from MDT pressure data obtained in Blackwood-1.

Additional information from the well suggests a possible deeper GWC and is the basis for the Blackwood Deep prospective resource estimate. Blackwood-2 will help clarify the GWC uncertainty.



The Blackwood East prospect is adjacent to Blackwood and represents a high chance of success (CoS = 60%), albeit moderate reward opportunity that may be considered in the event of a successful Blackwood-2 result.

The Heron field is subject to ongoing assessment after the drilling of Heron South-1 in 2012. MEO currently assesses a Contingent Resource range for the field from 46 Bcf (1C) to 1,194 Bcf (3C) (recoverable hydrocarbon gas), but this is subject to review as further studies are completed.

Gross Contingent Resources ² (100% share)

Discovery Name			1C	2C	3C
Blackwood	Gas	Bscf	373	542	756
	Total Liquids	MMstb	1	2	3
Heron	Gas	Bscf	46	113	1,194
	Total Liquids	MMstb	-	-	-

Gross Prospective Resources ⁱ (100% share)

Prospect Name			Low	Best	Mean	High
Blackwood - Deep Prospect	Gas	Bscf	616	897	918	1,250
	Total Liquids	MMstb	2	3	3	5
Blackwood East Prospect CoS* = 60%	Gas	Bscf	149	217	222	302
	Total Liquids	MMstb	-	1	1	1

* CoS = Chance of Geologic Success

Total Liquids = oil + condensate

MEO share can be derived by pro-rating the resource ranges described above by its 50% equity.

ⁱ See note on page 10

² Blackwood-1 and Heron-2 discovery wells drilled in 2008. Resources defined as contingent on the basis that evaluation of the accumulations are currently insufficient to clearly assess commerciality.

Bonaparte Gulf: Petrel sub-Basin

WA-488-P (MEO 100%)

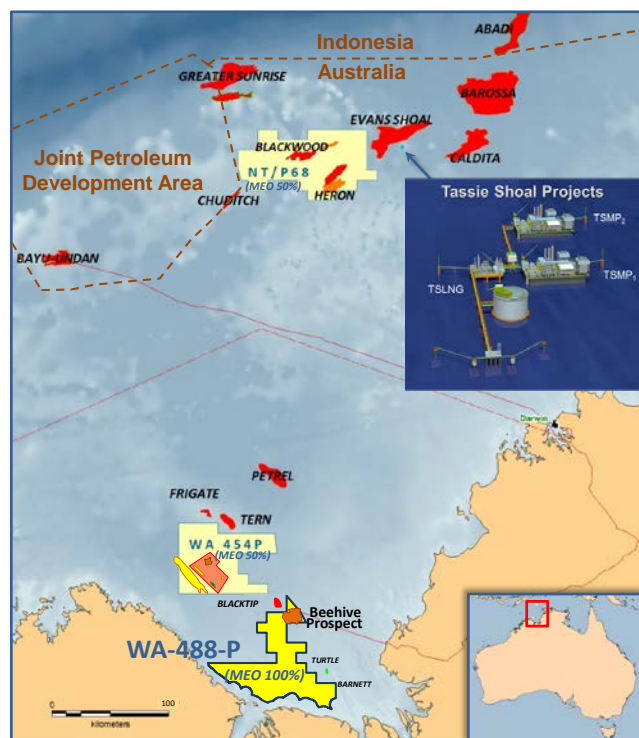


MEO has recently completed its assessment of the Beehive prospect in its recently awarded, 100% participating interest, WA-488-P and represents an update to the estimates released in July 2013.

Beehive is a potentially giant, dual objective prospect located in 40m of water defined by a tight grid of high quality 2D seismic data.

The upper objective is a 180 km² isolated carbonate platform of Carboniferous age with 400m of mapped vertical relief. Beehive is analogous to the giant Tengiz carbonate build up field in the Caspian basin with the same Lower Carboniferous age carbonate and similar in basinal setting, area, thickness and target depth. The potential of Paleozoic carbonate reservoirs was highlighted by the 2011 Ungani-1 oil discovery in the Canning basin, which tested at 1,600 bopd.

The lower objective is a 600 km² Ordovician buried hill with more than 1,000m of mapped vertical relief. This objective is analogous to the giant Ordovician karsted buried hill fields in the Tarim basin of northern China. It is the same age, depth and basinal setting as the giant Tahe Field complex. The source for the Ordovician objective at Beehive is similar to the Ordovician source that is being actively pursued in the Canning basin as an unconventional play.



Gross Prospective Resources ⁱ (100% share)

Beehive – Carboniferous Prospect		Low	Best	Mean	High	
Oil Dominant Scenario	Gas	Bscf	-	-	-	
	Total Liquids	MMstb	104	598	925	2,182
Gas Dominant Scenario	Gas	Bscf	415	2,374	3,996	8,615
	Total Liquids	MMstb	20	117	207	457
Aggregate (oil equivalent)*	Total	MMboe	101	581	915	2,124

* Aggregate Risk Weighted Average (80:20) of Oil Dominant and Gas Dominant Scenarios

ⁱ See note on page 10

Beehive – Ordovician Prospect		Low	Best	Mean	High	
Oil Dominant Scenario	Gas	Bscf	-	-	-	
	Total Liquids	MMstb	67	328	546	1,314
Gas Dominant Scenario	Gas	Bscf	278	1,285	2,244	5,060
	Total Liquids	MMstb	13	65	116	263
Aggregate (oil equivalent)*	Total	MMboe	65	318	534	1,272

* Aggregate Risk Weighted Average (80:20) of Oil Dominant and Gas Dominant Scenarios

Total Liquids = oil + condensate

North Sumatra, Indonesia

Seruway PSC (MEO 100%)

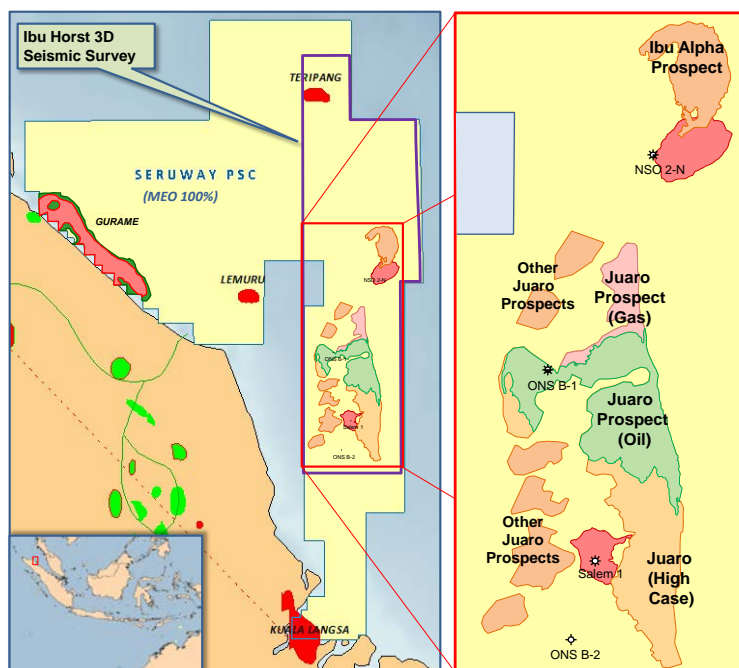


The Seruway PSC, located offshore North Sumatra contains a number of discoveries and prospective areas. The key features in MEO's current assessment of Seruway are:

- Kuala Langsa gas discovery
- Juaro prospect

There are a number of additional prospects along trend from Juaro on the Ibu Alpha horst which have not yet been fully characterised. The Gurame oil and gas discovery, which was appraised by Gurame SE-1X in late 2012, remains under review and is also likely to contain further contingent resources.

Kuala Langsa is a substantial gas discovery. The discovery well was drilled in the adjacent onshore PSC encountered a 230m gas column. MEO estimates that Kuala Langsa contains up to 5.4tcf of raw recoverable gas resources, however based on MEO's most recent PVT analysis, CO₂ content is estimated in the 65-75% range. Approximately 30% of the Kuala Langsa field, including the crest, is mapped to extend into Seruway PSC.



Contingent and Prospective Resources in the Seruway PSC, are reported on a net entitlement interest basis.

Kuala Langsa Contingent Resources³ (30% of field lies within Seruway PSC)

Discovery Name			1C	2C	3C
Kuala Langsa (Gross Recoverable Hydrocarbons)	Gas	Bscf	286	377	495
	Total Liquids	MMstb	1	1	2
Kuala Langsa Net Entitlement Interest ⁱⁱ	Gas	Bscf	156	205	260
	Total Liquids	MMstb	0	1	1

Prospective Resourcesⁱ (within Seruway PSC 100% share)

Juaro Prospect			Low	Best	Mean	High
Oil Dominant Scenario (Gross Recoverable Hydrocarbons)	Gas	Bscf	11	51	51	93
	Total Liquids	MMstb	39	202	204	370
Gas Dominant Scenario (Gross Recoverable Hydrocarbons)	Gas	Bscf	146	723	730	1,323
	Total Liquids	MMstb	6	32	33	62
Aggregate (oil equivalent)* (Gross Recoverable Hydrocarbons)	Total	MMboe	36	181	183	334
Aggregate (oil equivalent)* Net Entitlement Interest ⁱⁱ	Total	MMboe	23	79	80	131

* Aggregate Risk Weighted Average (50:50) of Oil Dominant and Gas Dominant Scenarios

Total Liquids = oil + condensate

ⁱ and ⁱⁱ See note on page 10

³ Kuala Langsa-1 discovery well drilled in 1992. Resources defined as contingent on the basis that evaluation of the accumulation is currently insufficient to clearly assess commerciality.

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P50, AC/P51 (MEO 100%)

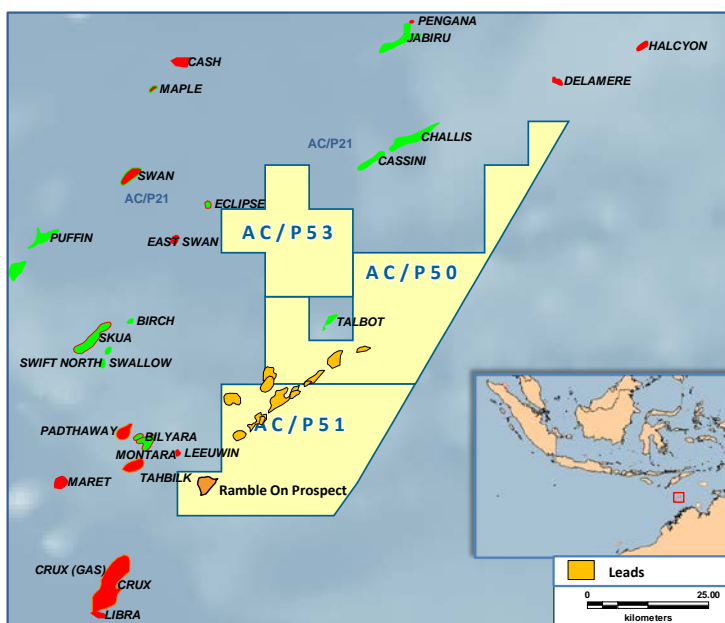


MEO has completed its initial assessment of prospects and leads in the permits and has identified the Ramble On prospect, incorporating proven reservoir, seal and source intervals in a new structural play for the basin.

Ramble On is part of a trend of prospects and leads that have been identified using the new Zepplin 3D seismic survey and the reprocessed Onnia 3D survey.

Late Jurassic, oil prone source rock presence is demonstrated and related oil discoveries have been made nearby at the Montara and Talbot oil fields.

The Jur'maker prospect is along trend from Ramble On and incorporates the same play elements. Jur'maker would be a natural follow up well in the event of success at Ramble On.



The estimated prospective resources are summarised in the tables below.

Gross Prospective Resources ⁱ (100% share)

Ramble On Prospect		Low	Best	Mean	High	
Oil Dominant Scenario	Gas	Bscf	-	-	-	-
	Total Liquids	MMstb	8	39	56	130
Gas Dominant Scenario	Gas	Bscf	29	162	461	1,136
	Total Liquids	MMstb	1	6	16	39
Aggregate (oil equivalent)*	Total	MMboe	8	38	63	150

* Aggregate Risk Weighted Average (80:20) of Oil Dominant and Gas Dominant Scenarios

ⁱ See note on page 10

Jur'maker Prospect		Low	Best	Mean	High	
Oil Dominant Scenario	Gas	Bscf	-	-	-	-
	Total Liquids	MMstb	3	14	32	73
Gas Dominant Scenario	Gas	Bscf	10	54	117	276
	Total Liquids	MMstb	-	2	4	10
Aggregate (oil equivalent)*	Total	MMboe	3	13	30	70

* Aggregate Risk Weighted Average (80:20) of Oil Dominant and Gas Dominant Scenarios

Total Liquids = oil + condensate

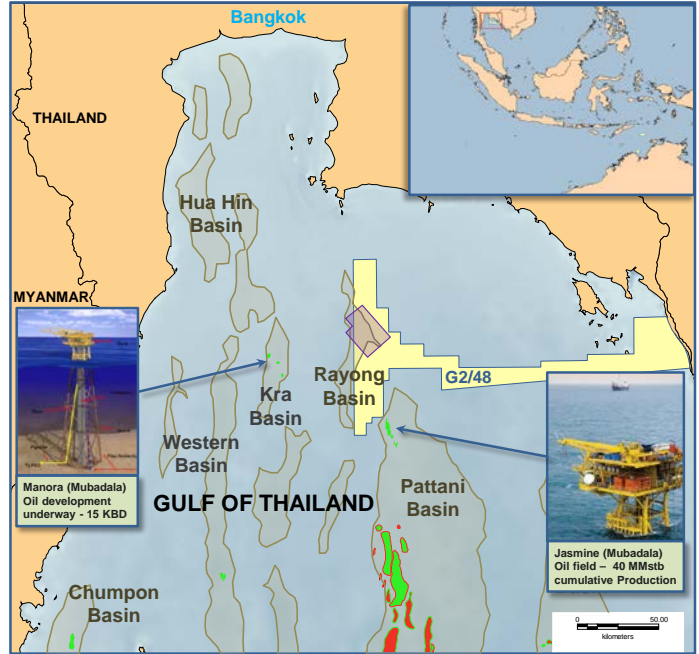
Gulf of Thailand

G2/48 Concession (MEO 50%, Pearl Oil 50% and operator)



MEO has completed its initial assessment of key prospects and plays in the concession post drilling of Sainampueng-1 in December 2012.

G2/48 contains the Tertiary Rayong graben, which recent drilling has demonstrated contains a thick Oligocene section. In offsetting Tertiary grabens the Oligocene section contains the best lacustrine oil prone source rocks, of which there are indications in the wells drilled around the margins of the Rayong Basin. The assessment has taken into account the thicker Oligocene section encountered in Sainampueng-1 which has the potential for a better than expected reservoir and inter-bedded oil prone source in the basin. This, together with the post drill re-mapping of the horizons has significantly increased the size of the Tertiary age leads.



In addition to this, a new pre-Tertiary age play has been identified in the basin which is analogous to the developed and produced Nang Nuan oil field, also in the Gulf of Thailand.

Both of these plays can be readily advanced to drillable prospect status with existing 3D seismic data.

Gross Prospective Resources ⁱ (100% share)

Prospect Name	Best*		
Krissana West <i>Lead</i>	Gas	Bscf	-
	Total Liquids	MMstb	15
Krissana Deep (pre-Tertiary) <i>Lead</i>	Gas	Bscf	-
	Total Liquids	MMstb	100
Krongthong <i>Lead</i>	Gas	Bscf	-
	Total Liquids	MMstb	33
Kalong <i>Lead</i>	Gas	Bscf	-
	Total Liquids	MMstb	10
Pudsorn <i>Lead</i>	Gas	Bscf	-
	Total Liquids	MMstb	46

* Only Best Estimate deterministic volumes have been calculated for features that are at a "Lead" level of maturity. Best Estimate used in portfolio roll up in the absence of a probabilistic mean volume estimate.

Total Liquids = oil + condensate

MEO share can be derived by pro-rating the resource ranges described above by its 50% equity.

ⁱ See note on page 10



Conversion Factors

6 Bcf gas equals 1 MMboe; 1 MMbbl condensate equals 1 MMboe.

Notes

ⁱ This estimate of prospective petroleum resources must be read in conjunction with the cautionary statement on Page 1 that the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) may relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

ⁱⁱ Seruway PSC in which MEO has an interest is subject to the terms of a profit sharing agreement. The terms of this agreement generally allows for the working interest participants to be reimbursed for portions of capital costs and operating expenses and to share in the profits. The reimbursements and profit proceeds are converted to a barrel of oil equivalent by dividing by forecast product prices to determine the "entitlement resources." These entitlement resources are equivalent in principle to net resources and are used to calculate an equivalent net share, termed "Net Entitlement Interest."

In accordance with the ASX listing rules, MEO net resources or interest for Seruway PSC subject to this agreement is the entitlement based on MEO's working interest.