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Quarterly Activities Summary For Period Ended 30th June 2012

Highlights:

- Launched farmout of Seruway PSC, North Sumatra ahead of drilling Gurame SE-1x
- Continued negotiations for rig slot to drill Gurame SE-1x – earliest spud early October
- Gulf of Thailand well location selection advance, rig expected early 4Q
- Heron South-1 in NT/P68 on track for mid-August spud
- Received regulatory approval for transfer of additional 60% interest in South Madura PSC
- Processing of 3D seismic surveys continued in several permits
- Early interpretation of “Fast track” 3D seismic processed data sets in Seruway PSC, WA-454-P and AC/P50 & 51 yielding encouraging results

MELBOURNE, AUSTRALIA (20th July, 2012)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) provides the following summary in relation to its activities during the quarter ended 30th June 2012.

Executive Summary

The current quarter will see MEO resume drilling for the first time since late 2010. The first well in a three well program, Heron South-1, remains on track to commence drilling around mid-August in NT/P68 in the Bonaparte Basin, utilizing the Ensco-109 jack-up drilling rig. Eni Australia Limited (“Eni”) is the Operator. Interpretation of the Bathurst 3D seismic “fast-track” data provided encouragement that the Blackwood gas discovery potentially contains an easterly extension. Pre-stack depth migration (PSDM) processing of this data set continues and is expected to be finalized during 4Q.

During the quarter ending June 30th MEO launched a farmout of the Seruway PSC in North Sumatra, to attract a funding partner for the upcoming drilling of Gurame SE-1x, targeting the crest of the Gurame structure that is expected to host a significant gas cap to two deeper proven oil bearing horizons. The data room was heavily booked during May and demand necessitated extending the close to the end of June. Concurrently, the company continued negotiations to secure a drilling slot on a rig that is currently operating in the vicinity of the Seruway PSC. Current estimates are that the potential spud dates range from early October through to early January depending on which rig slot is secured. Any farmout transaction would need to close during the current quarter, ahead of the earliest commencement of drilling.

In the Gulf of Thailand, technical workshops were held to determine the most attractive drilling candidate. The Operator Pearl Oil Offshore Limited (a wholly owned subsidiary of Mubadala Petroleum) has secured a drilling rig for an expanded program, however the G2/48 Joint Venture has not yet confirmed which slot on the rig line it will be offered. At this stage, drilling looks likely in early 4Q.

A concerted investor relations program was also initiated during the quarter seeking to raise the profile of the company with the international investment community. In parallel, MEO upgraded its US ADR program to the OTCQX platform which facilitates real time electronic trading in North America in local currency.

Early in the quarter, MEO received Expressions of Interest (EOI's) from highly credible customers for 8.3 Mta of methanol demand, representing multiples of the 1.75 Mta output from the first Tassie Shoal Methanol Plant.

Regulatory approvals were also received for the transfer of a further 60% interest and Operatorship of the South Madura PSC.

Processing of several newly acquired seismic data sets continue during the quarter with the delivery of several “fast-track” volumes and “preliminary final” volumes. Several final processed surveys are expected this quarter.

Processing of the Floyd 3D seismic data continued during the quarter. A fast-track cube was delivered in early July and clearly illustrates the Marina gas and probable oil discovery is a robust structure. The significantly larger Breakwater prospect is also clearly imaged. Some slippage in processing timing now has the final processed cube expected to be delivered in September, with a farmout expected to be launched during 4Q.

On the North West Shelf, interpretation of the Foxhound “on permit” 3D seismic data confirmed the concept of the Maxwell prospect. Additional “off permit” multi-client 3D seismic data was purchased over WA-269-P by the WA-360-P joint venture to provide continuous 3D seismic coverage to the Wheatstone gas field. WA-269-P is Operated by Woodside who is drilling Ananke-1 during July/August and MEO believes this well will test the concept behind the Maxwell prospect. A positive result at Ananke-1 would significantly upgrade Maxwell.

In the adjoining WA-361-P exploration permit, processing of the Zeus multi-client 3D survey continued. Some slippage in processing will now see the final data volume delivered during the September quarter.

In the Ashmore Cartier region, the Zeppelin 3D seismic fast-track data was delivered in June. Preliminary evaluation has confirmed promising leads not previously evident on pre-existing seismic data. These will be further evaluated once the final processed data is delivered in September.

Offshore North Sumatra, the 708 km² Ibu Horst 3D seismic “fast track” data was delivered in April and confirmed the data quality is excellent. The final processed data is expected in August and will enable a comprehensive prospect inventory to be developed by year end.

Cash balance at end of quarter

The consolidated cash balance at 30th June was A\$55.3 million including a USD balance of \$19.2 million.

Priorities for the current quarter ending 30th September 2012

- Conclude Seruway PSC farm out with preferred farminee
- Secure rig slot and prepare to drill Gurame SE-1x
- Secure regulatory approvals for the G2/48 Gulf of Thailand farm-in
- Finalise G2/48 Gulf of Thailand preferred well location and confirm rig slot
- Complete seismic processing for Seruway PSC, WA-361-P, WA-454-P, AC/P50 and AC/P51
- Continue to screen New Venture opportunities for attractive growth options



Jürgen Hendrich
Managing Director & Chief Executive Officer

Attachments: Activity Summaries by Project Area

Timor Sea: Bonaparte Basin

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



Eni is earning an initial 50% interest in the Heron area by funding two wells on the greater Heron structures. Eni also has an option to earn a 50% interest in the Blackwood area by acquiring a minimum 500 km² of 3D seismic and drilling a well on the greater Blackwood structure (refer ASX release 18th May 2011).

The 766 km² Bathurst 3D seismic survey over Blackwood East was completed in early January and represents an acceleration of triggering the Blackwood farm-in option. Eni has 365 days from the completion of the survey to elect whether or not to drill a well on the greater Blackwood structure.

During the quarter, preparations for drilling the Heron South-1 well continued. The drilling rig is scheduled to arrive by mid-August.

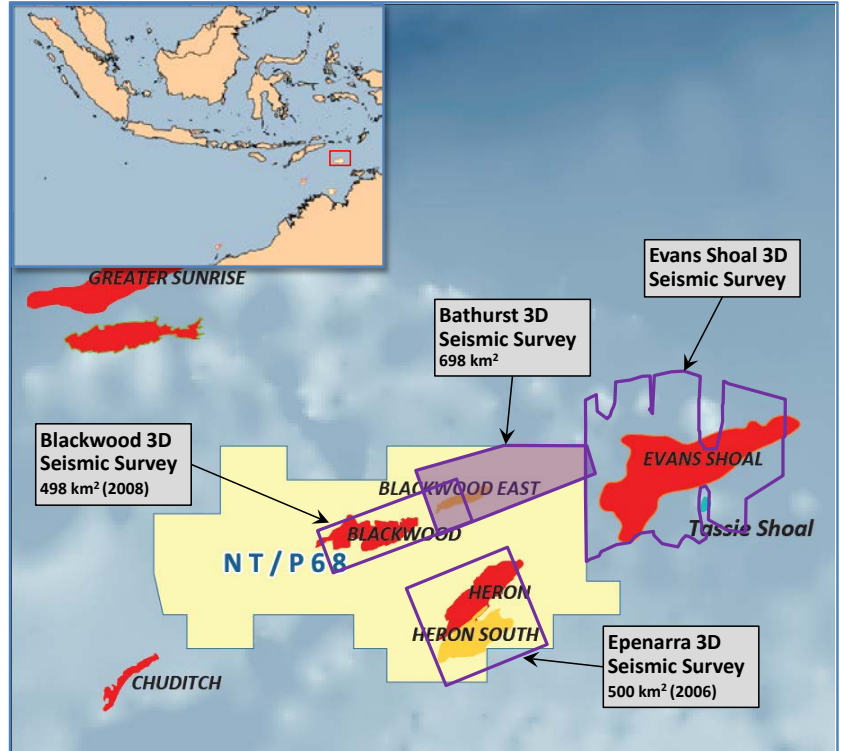


Figure 1. Location Map - NT/P68, nearby gas discoveries and 3D seismic surveys.

Work Activity Schedule: NT/P68

Permit	NT/P68	2011				2012				2013													
		MEO PI		50%		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
		Operator		Eni Australia		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Work program undertakings		150 km ² 3D seismic				Studies				1 discretionary well													
Activities																							
Contract rig																							
Bathurst 3D (acquire)		Plan		acquire																			
Bathurst 3D (std process)						std		PSDM															
Bathurst 3D (interpretation)						Interpret																	
Drill ready Blackwood well																							
Heron South #1																							
Heron drill/drop option																							
Blackwood drill/drop option																							
Blackwood well (contingent)																							
<i>Drilling in adjoining permit</i>						?< >?				<= Evans Shoal North #1													

North West Shelf: Offshore Carnarvon Basin

WA-360-P, WA-361-P (MEO Operator)



WA-361-P (MEO 50% & Operator, Mineralogy 35%, Cue Energy 15%)
 MEO purchased 363 km² of the Zeus multi-client survey which fulfils the Permit Year 2 (Jan 2012 – Jan 2013) work program. A “QC” volume of the processed seismic data was received during the quarter, with the final data set expected during the current quarter.

WA-360-P (MEO 62.5% & Operator, Cue Energy 37.5%)

Following confirmation of the validity of the Maxwell prospect using the Foxhound 3D seismic data, the JV purchased additional 3D data “off permit” to infill the data gap between WA-360-P and the Wheatstone gas field. The Woodside Operated WA-269-P JV is drilling Ananke -1 immediately north of the Wheatstone gas field. A positive result would enhance the Maxwell prospect in WA-360-P.

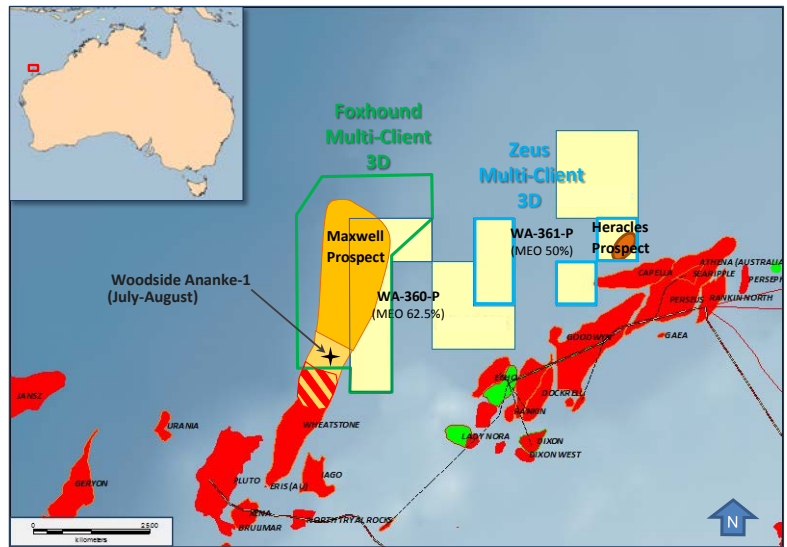


Figure 2. Location Map - Carnarvon Basin Permits showing the WA-360-P relinquishment, Zeus and Foxhound 3D Multiclient Surveys and prospects.

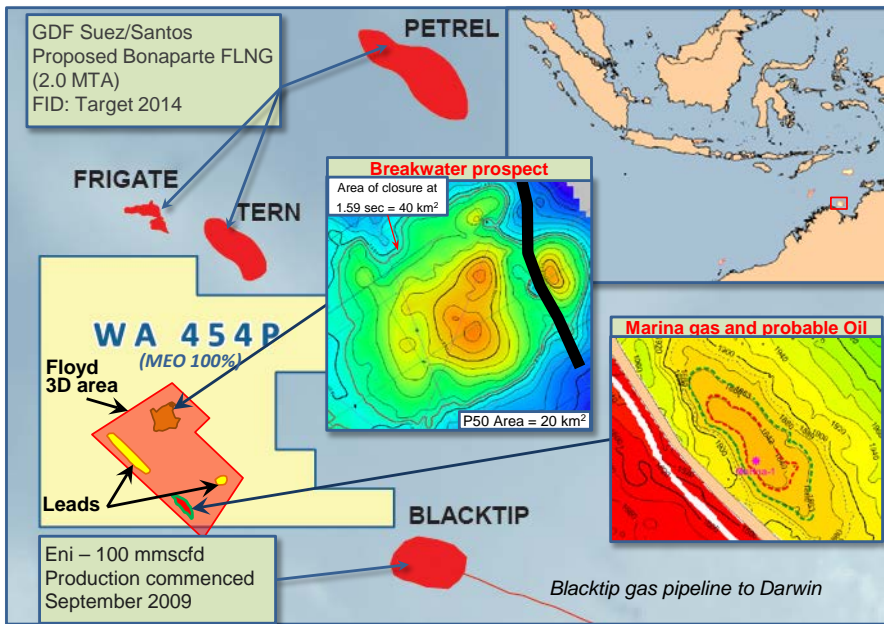
Work Activity Schedule: WA-360-P & WA-361-P

Permit	WA-360-P	2011				2012				2013											
		MEO PI		62.5%		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr						
		Operator		MEO		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Work program undertakings		Geo studies				Licence 363 km ² Foxhound 3D				648 km ² 3D reprocessing											
Activities																					
Studies		>Artemis-1 work																			
Permit renewal		Renew																			
Licence Foxhound 3D (on permit)		3D																			
Licence Foxhound 3D (off permit)		3D																			
Foxhound 3D		Interpret 3D																			
Drill ready prospect																					
Potential farm-in discussions		Farm-in ???																			
Seismic reprocessing		Repro Interp																			
Drill ready prospect																					
Potential farm-in discussions		Farm-in ???																			
<i>Drilling in adjoining permit</i>		<= Ananke#1																			

Permit	WA-361-P	2011				2012				2013											
		MEO PI		50%		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr						
		Operator		MEO		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Work program undertakings		Geo studies				150 km ² new 3D, studies				3D interpretation, studies											
Activities																					
Zeus 3D (323 km ²)		Plan 3D Process 3D Interpret																			
Drill ready prospect																					
Potential farm-in talks		Farm-in ???																			

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 100%)



Processing of the 601 km² Floyd 3D seismic survey acquired by CGGVeritas Services SA, over the Marina gas and oil discovery together with the Breakwater prospect and surrounding exploration leads continued during the quarter.

A “fast-track” data set was delivered in early July and confirmed both the robustness of both the Marina discovery and the Breakwater prospect. A final volume is expected later this quarter.

MEO is planning to launch a farm-out process for this permit early 4Q this year following receipt of the final 3D.

Work Activity Schedule: WA-454-P

Permit	WA-454-P	2011				2012				2013							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
MEO PI	100%	583 km ² new 3D								Studies				Studies			
Operator	MEO																
Work program undertakings																	
Activities																	
Data assimilation		Data															
Resource estimation		Volume															
Floyd 3D seismic (601 km ²)		Planning 3D															
Work program variation		WPV															
Independent assessment		Volume															
Floyd 3D seismic (601 km ²)		Process															
Fast track 3D cube available		Process															
Interpretation of fast-track		Farm in															
Drill ready prospect(s)		Farm in															
Farm-in discussions		Farm in															
Potential drilling		? 1-2 wells ?															

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P50, AC/P51, AC/P53 (MEO 100%)



AC/P50 & AC/P51

Processing of the 507 km² Zeppelin 3D seismic survey over AC/P50 and AC/P51 continued during the quarter. A “fast-track” data set was delivered in June and preliminary evaluation has indicated the presence of several promising 3-way dip closed structural leads that will require further investigation once the final processed dataset arrives later this quarter.

AC/P53

Processing of the Zeppelin 2D long offset seismic survey will commence upon completion of the Zeppelin 3D seismic survey.

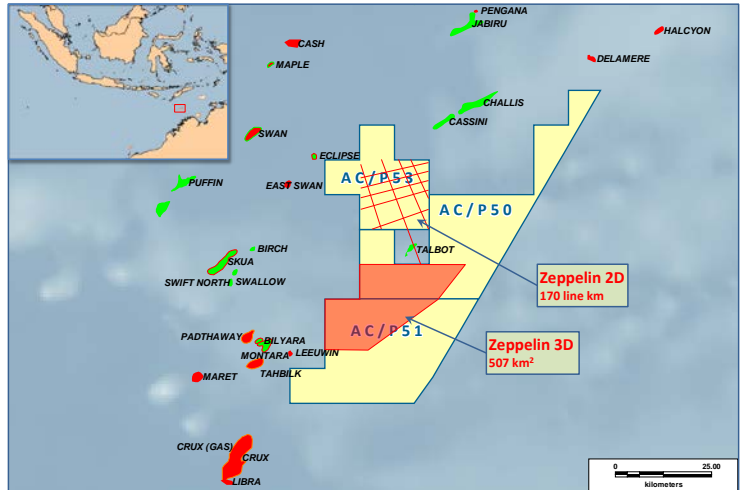


Figure 3. Location Map Zeppelin 2D & 3D Seismic Surveys

Work Activity Schedule:

Permit	AC/P50	2011					2012					2013																	
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr									
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Work program undertakings		200 km ² 3D					Studies					1 discretionary well																	
Activities		Planning 3D		3D		Preliminary		Final		Interpret		Farm-in talks		Optional well															
Zeppelin 3D		Planning 3D		3D		Preliminary		Final		Interpret		Farm-in talks		Optional well															
Zeppelin 3D - process																													
Zeppelin 3D - interpret																													
Drill ready prospect																													
Farm-in discussions																													
Discretionary well (2013/14)																													
Permit	AC/P51	2011					2012					2013																	
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr									
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Work program undertakings		276 km ² 3D					Studies					1,000 km 2D																	
Activities		Planning 3D		3D		WPV		Preliminary		Final		Interpret		Farm-in talks		Optional well													
Zeppelin 3D		Planning 3D		3D		WPV		Preliminary		Final		Interpret		Farm-in talks		Optional well													
Work program variation				WPV																									
Zeppelin 3D - process																													
Zeppelin 3D - interpret																													
Drill ready prospect																													
Farm-in discussions																													
Discretionary well (2014/15)																													
Permit	AC/P53	2011					2012					2013																	
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr									
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Work program undertakings		825 km ² 3D repro, studies					150 km long offset 2D					Studies																	
Activities		Planning 2D		2D		WPV		Repro		Process		interp		Potential farm-in discussions															
Zeppelin 2D		Planning 2D		2D		WPV		Repro		Process		interp		Potential farm-in discussions															
Work program variation				WPV																									
Reprocess existing 3D																													
Zeppelin 2D - process																													
Zeppelin 2D - interpret																													
Lead inventory																													
Farm-in discussions																													

North Sumatra, Indonesia

Seruway PSC (MEO* 100%)

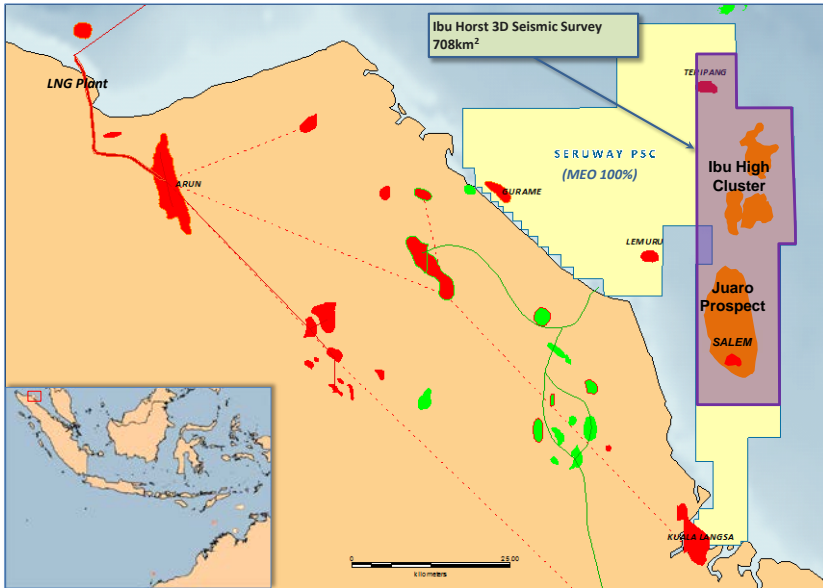


Figure 4. Location map – Seruway PSC (MEO 100%)

The Seruway PSC was acquired in mid-2011 and is strategically situated in close proximity to a strong domestic gas market and under-utilised LNG infrastructure.

The Gurame gas and oil discovery and Kuala Langsa high CO₂ gas discovery together with a number of discovery wells along the Ibu Horst offer significant potential for commercial development.

A “fast-track” volume of the Ibu Horst 3D seismic data was delivered during the quarter. The final data set is expected to be delivered this quarter and will allow the preparation of a comprehensive prospects and leads inventory.

A soft launch of the farmout was announced on 13th April with the data room open during May and June. The data room was heavily booked. Concurrent with the farmout activity, MEO continued negotiations to secure a rig slot with a rig operating in close proximity. Subject to operational performance, the earliest available rig slot is currently early October.

Work Activity Schedule: Seruway PSC

Permit	Seruway PSC	2011					2012					2013												
		MEO PI		100%*			Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
		Operator		SOEL*			J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Work program undertakings		100 km ² 3D					1 well					2 wells												
Activities																								
Work program variation		WPV																						
Plan Ibu Horst 3D (706 km ²)		Plan																						
Ibu Horst 3D (acquire)		3D																						
Gurame oil & gas discovery																								
Identify drilling location		Locate																						
Negotiate rig option		Rig option																						
Resource assessment		Volumes																						
Secure rig		farmin																						
Farmin discussions		farmin																						
2012 well, potential 2013 well		GS-1x																						
Plan of development		P.O.D																						
Kuala Langsa gas discovery																								
Resource assessment		Volumes																						
Negotiate rig option		farmin																						
Farmin discussions		farmin																						
Potential 2013 well		? Well ?																						
Ibu Horst discoveries																								
Ibu Horst 3D (process)		Process																						
Fast track cube		<>																						
Consider drilling location		Locate																						
3D Interpretation		Fast track																						
Resource assessment		Final cube																						
Negotiate rig option		Volumes																						
Farmin discussions		farmin																						
Potential 2013 well(s)		2 wells ??																						

* via Seruway Offshore Exploration Limited (SOEL); 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

East Java, Indonesia

South Madura PSC (MEO* 90%, Operator⁺)

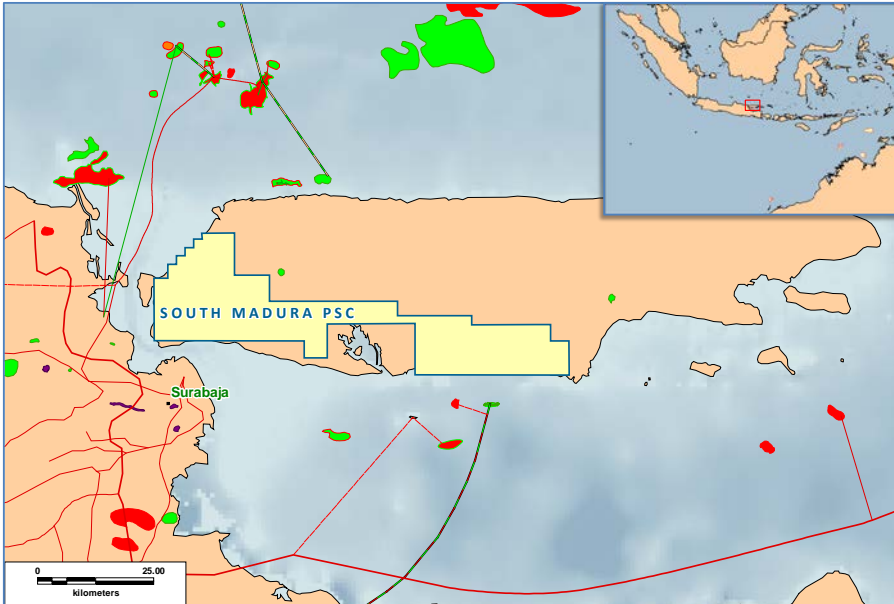


Figure 5. Location Map South Madura Island PSC (MEO 90%)

During the quarter, MEO received regulatory authorities relating to the purchase of an additional 60% participating interest in the PSC.

Concurrent with receipt of these regulatory approvals, MEO subsidiary South Madura Exploration Company (“SMEC”) has assumed the role of Operator and will now submit a revised work program.

As part of this program, MEO proposes the acquisition of 2D seismic over a number of leads.

Work Activity Schedule: South Madura PSC

Permit	Sth Madura PSC	2011				2012				2013											
		MEO PI		90%*		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr						
		Operator		SMEC		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Work program undertakings+		Studies		under review+				under review+													
Permit expiry												◀									
Activities																					
Historical																					
AED assumes Operator		█																			
AED in administration		█																			
Purchase AED interest		█																			
Regulatory approvals		█																			
Outlook																					
Seismic preparation								2D preparation													
Assume Operatorship+								█													
OCM to consider WPV+								█													
Work program variation+								WPV				Pending +									

* via South Madura Exploration Company (SMEC); 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

+ subject to regulatory approval

Gulf of Thailand

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



MEO acquired its 50% interest in the Gulf of Thailand G2/48 concession early in 2012 via a farm-in. Consideration for the farm-in included a 50% reimbursement for the late 2011 Rayong 3D seismic survey. In addition, MEO will pay 66-2/3% of the first US\$5 million well costs for the 2012 commitment well. Above this US\$5 million cap, the parties will share costs in accordance with their participating interests.

During the quarter, workshops were held with the Operator Pearl Oil Offshore Limited "Pearl" to determine the most attractive prospect to drill.

A drilling rig has been sourced for a multi-well program, however the rig slot for the G2/48 concession has yet to be finalized. It appears likely the well will be drilled in early 4Q.

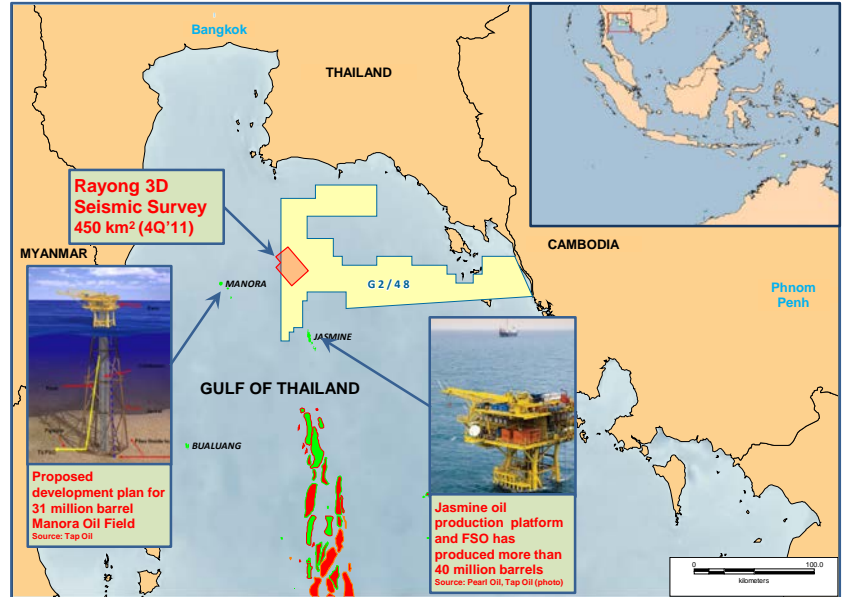


Figure 6. Location Map Gulf of Thailand G2/48 PSC

Work Activity Schedule: G2/48 PSC

MEO PI	50%*	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
Operator	Pearl Oil	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Work program undertakings		Seismic					1 Well					Permit renewal*							
Activities																			
Farm-in discussions																			
3D seismic																			
Negotiate rig contract																			
JOA, Reg Approvals etc																			
3D seismic interpretation																			
Well planning																			
Select preferred location																			
Drill commitment well																			
Permit renewal application																			

* Subject to regulatory approval

Tassie Shoal Gas Processing Projects

(MEO 100%)

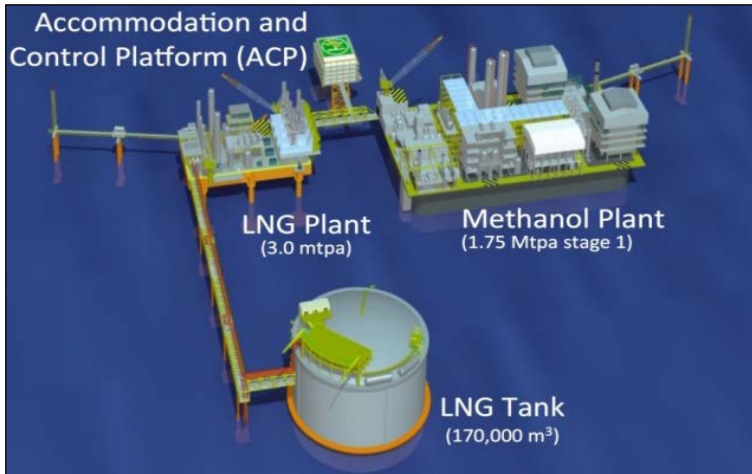


Figure 7. CAD schematic of Tassie Shoal Projects showing proposed LNG Plant, LNG Storage Tank and Phase 1 Methanol Plant.

During the quarter, MEO received Expressions of Interest (EoI's) for an aggregate 8.3 MTA of demand for methanol from highly credible prospective customers.

This demand compares with the 1.75 MTA nameplate capacity of TSMP₁ and highlights the strength of the market for methanol.

MEO will continue to mature the commercial framework for the Tassie Shoal Projects by exploring the potential synergies between the pre-sale of methanol and participation in the midstream and upstream components of the projects.

New Ventures



MEO continued to screen opportunities to supplement the portfolio with attractive growth options.