

ASX & Media Release

Seruway PSC - Gurame SE-1XST Progress Report No. 11

Key Points:

- Logged Baong sands – elected to undertake production testing on completion of well
- Secured \$10 million in funding for production testing (refer separate ASX release)
- Ran and cemented 7” liner to 2,961mMDRT
- Currently running in hole with 6” drilling assembly to drill ahead to Belumai sands

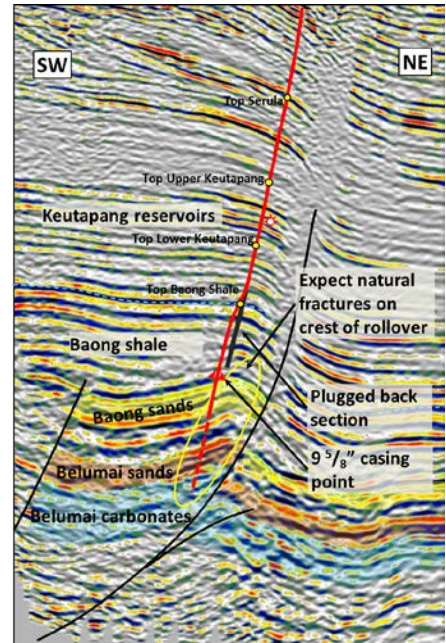
MELBOURNE, AUSTRALIA (19th November, 2012)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) provides the following update in relation to Gurame SE-1XST being drilled in the Seruway PSC, offshore North Sumatra.

Since the last report, wireline logging operations were completed over the Baong sands. A 7” liner was run and cemented to 2,961mMDRT. At 0200 hrs (local time) this morning the rig was running in hole preparing to drill out of the 7” liner.

Logging results coupled with gas shows while drilling indicates the Baong sands are gas saturated. Image logs show the Baong sands to be finely laminated with significant fracturing. A dual packer MDT was run which confirmed the reservoir has matrix permeability. MEO has elected to production test the Baong sands to determine gas composition and reservoir productivity and has secured \$10 million to fund this testing program (refer separate ASX release).

The forward program is to drill out of the 7” liner and into the second primary target, the Belumai sands, prior to production testing the Baong sands.



Progress Summary

Progress since last report:

- Completed wireline logging program over Baong sands
- Ran and cemented 7” liner to 2,961mMDRT
- Elected to production test Baong sands and mobilised testing equipment
- Secured \$10 million via private placement to fund production testing

Present Operation (at 0200 hrs Jakarta time, 19th November)

- Running in hole with 6” drilling assembly to drill out of 7” liner to Belumai sands

Outlook:

- Drill ahead to Belumai sands, log & production test Baong sands

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

“The decision to production test the Baong sands represents a significant investment. We are very pleased to have secured a substantial shareholder and funding for this undertaking.”



Jürgen Hendrich
Managing Director & Chief Executive Officer