MEO Australia Limited
ABN 43 066 447 952

Level 23
500 Collins Street
Melbourne Victoria 3000
Australia

Tel: +61 3 8625 6000
Fax: +61 3 9614 0660
Email: admin@meoaustralia.com.au
Website: www.meoaustralia.com.au

ASX & Media Release

Seismic program update

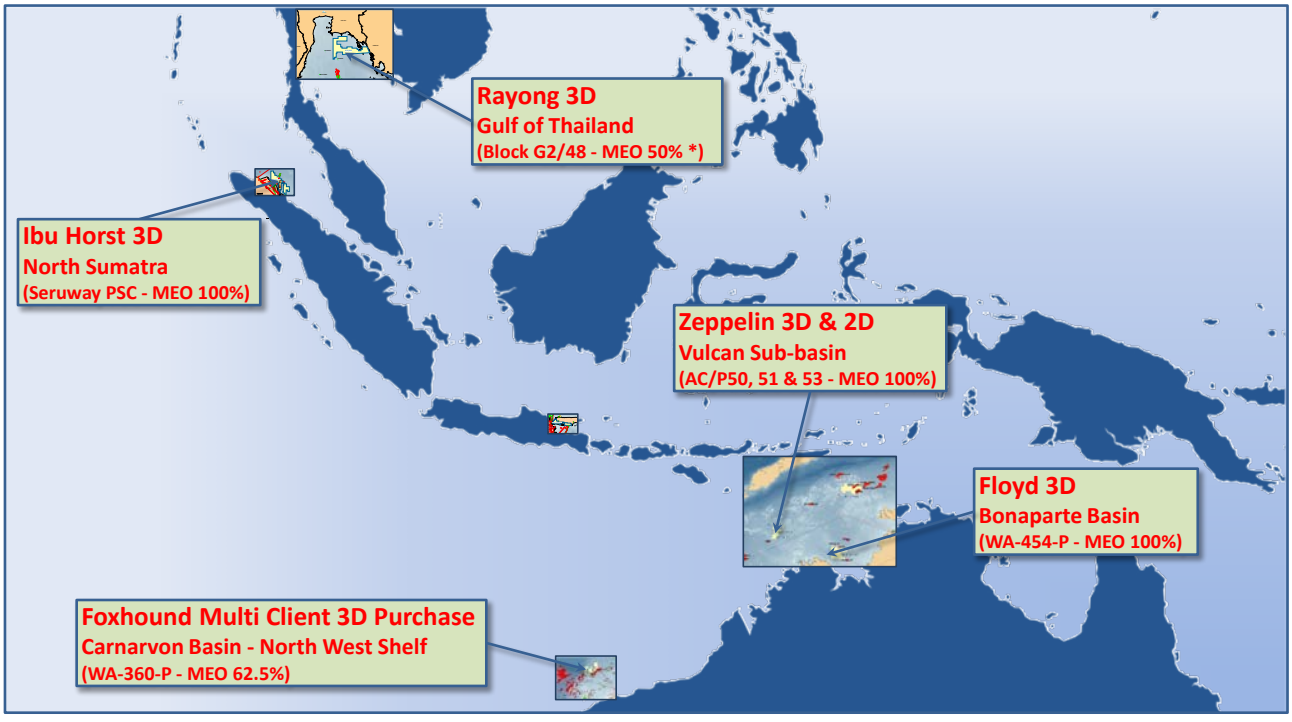
Key Points:

- Foxhound 3D seismic survey supports key concept of Maxwell prospect
- Zeppelin 3D seismic data indicates significant prospectivity
- Floyd 3D seismic survey fast-track data supports Marina and Breakwater mapping
- Ibu Horst 3D seismic survey identifies significant prospectivity

MELBOURNE, AUSTRALIA (**18th July, 2012**)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) provides the following update on the status of its comprehensive seismic data acquisition program.

Overview map



WA-360-P (MEO 62.5%, Operator)
The Foxhound multi-client 3D survey purchased by the Joint Venture in May has now been delivered in-house. Initial evaluation has supported the postulated connection of the Jurassic reservoirs forecast at the Maxwell prospect to the Triassic reservoirs of the Wheatstone gas field.

This postulated connection extends north from Wheatstone through the adjacent permit and continues to Maxwell. Full depth correction of the seismic over Maxwell combined with the results of the Ananke-1 well (to be drilled shortly by the WA-269-P JV in the adjacent permit) will be critical in advancing Maxwell to drillable status.

AC/P50 & AC/P51 (MEO 100%, Operator)
The Zeppelin 3D "fast track" cube was delivered in-house in June. Preliminary evaluation has confirmed promising leads in the existing 2D seismic data gaps and in areas that were not resolvable on the 1998 Onnia 3D seismic.

MEO looks forward to receipt of the final processed volume in September which will allow more accurate resolution and mapping of the leads and possible advancement to drillable status.

WA-454-P (MEO 100%, Operator)
The Floyd 3D "fast track" cube was delivered in-house in July.

Preliminary evaluation has clearly resolved the structure containing the Marina gas and probable oil discovery that was previously mapped on sparse 2D coverage.

The significantly larger Breakwater structure is also clearly imaged on the data. The final processed data volume is expected to be available in September. Evaluation of this data is a pre-requisite to the farm out process expected to be launched during 4Q this year.

Seruway PSC (MEO 100%, Operator)
The Ibu Horst 3D "fast track" cube was delivered in-house in April.

The data has enabled identification of substantial carbonate build-ups on the horst. Following integration of this data with historical well results including proven hydrocarbons, a number of prospects have been identified which, together with the discovered resources at Gurame and Kuala Langsa, have formed an integral part of the Seruway farm-out.

Delivery of the final processed volume, expected in August will enable MEO to develop a comprehensive prospects and leads inventory.

G2/48 Gulf of Thailand (MEO 50%, non-Operator)
The Rayong 3D survey was acquired by the permit operator prior to MEO's entry to the concession.

Since executing a binding farm-in agreement in February this year, MEO has worked closely with the operator to select the optimal target to test. Drilling is planned for 4Q this year.

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

"MEO has made a substantial investment in high quality seismic acquisition and processing in most of our project areas in the last year.

We are very encouraged by the preliminary interpretation that reinforces the exploration concepts and strategies we have for these high potential opportunities.

It is apparent that the acquisition of seismic data will result in a significant upgrading of the value of MEO's portfolio.

We look forward to completing this process ahead of realising the value of these opportunities."

Further details regarding the various surveys, their locations and current status are included in the attached "Seismic Program Update – Supplementary Information".

Jürgen Hendrich
Managing Director & Chief Executive Officer

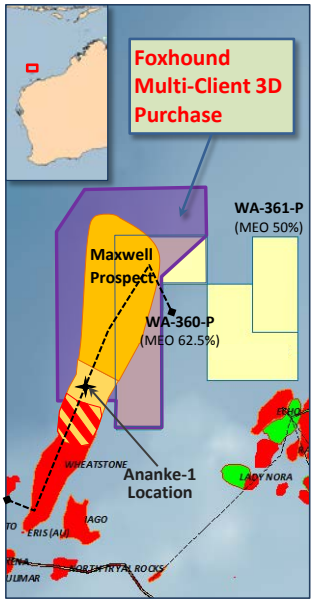
Seismic program update – supplementary information

Survey details

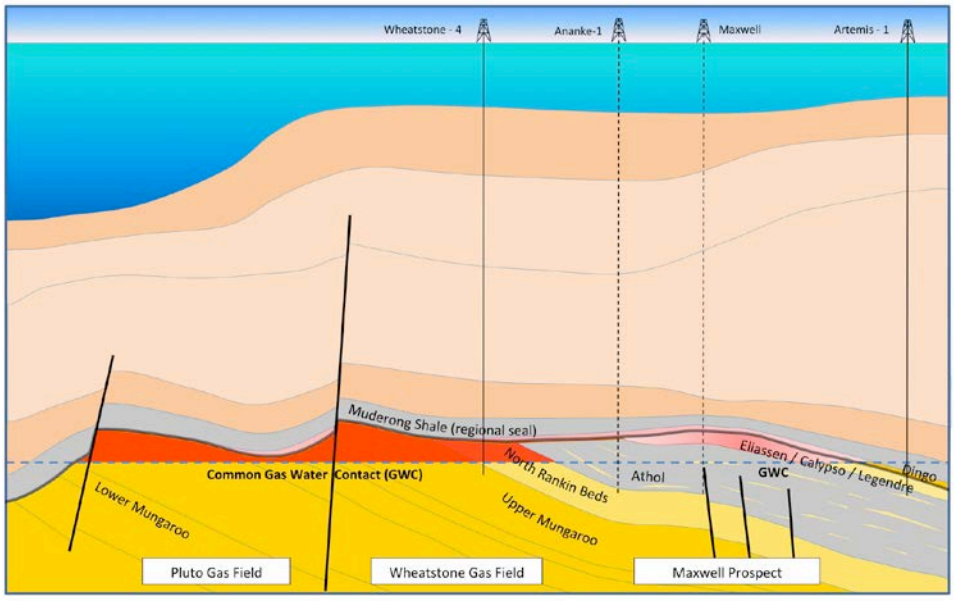
Survey	Permit/PSC	Size	Acquisition completed	Quality Parameters	Fast track data received	Processing	Final data due
Foxhound	WA-360-P	363 km^2	2009	Imaging in difficult data area	N/A	PSTM	In house
Zeppelin	AC/P50 AC/P51 AC/P53	232 km^2 276 km^2 170 km	Feb 2012 Feb 2012 Jan 2012	Coherent noise suppression	Jun 2012	PSTM & MAz Merge	Sept 2012
Floyd	WA-454-P	601 km^2	Feb 2012	Low noise High resolution	Jul 2012	PSTM & MAz Merge	Sept 2012
Ibu Horst	Seruway	708 km^2	Jan 2012	High resolution Deep imaging	Mar/Apr 2012	PSTM	Aug 2012
Rayong	G2/48	450 km^2	Oct 2011	Fault definition	N/A	PSTM	In house

Foxhound multi-client 3D seismic survey

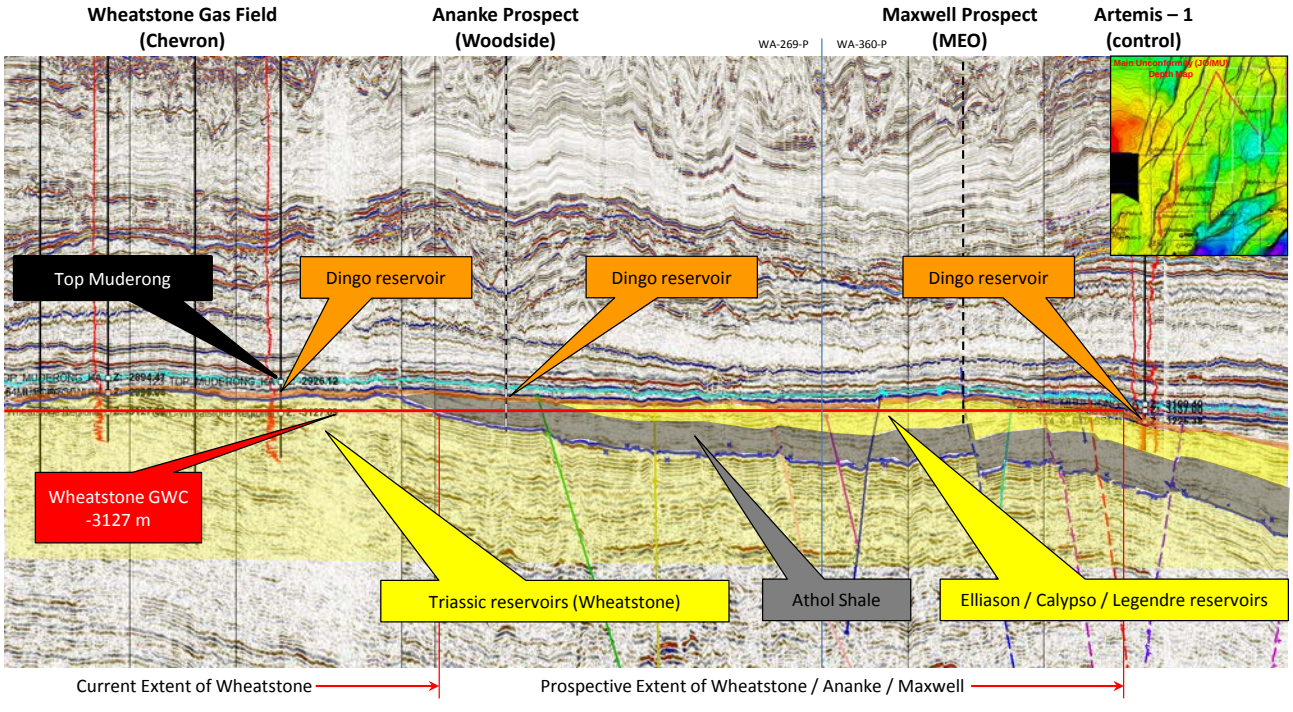
Location Map:



Cross Section:



Seismic Cross Section:



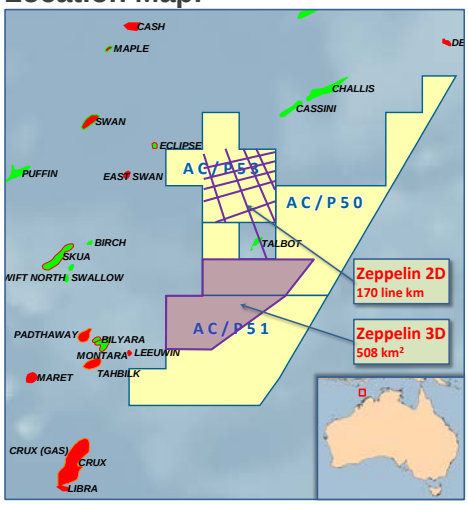
Foxhound 3D current status

The portion of the Foxhound multi-client 3D survey over WA-360-P was purchased to improve interpretation from Wheatstone to Maxwell and satisfy the Permit Year One program obligation. Soon afterward the Joint Venture also agreed to purchase data in the immediate vicinity of the permit in order to more reliably confirm prospect closure and tie in to available well data. This data has also been delivered in-house.

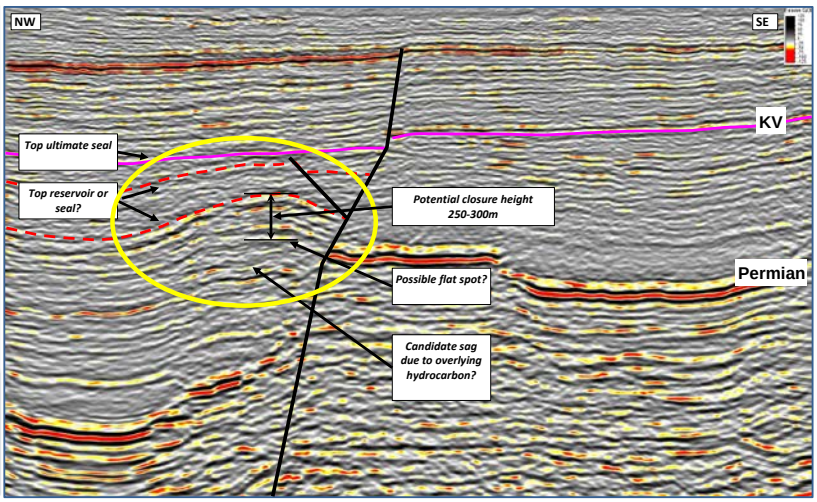
Initial evaluation has supported the connection of the Maxwell prospect to the north and its extension southwest in the adjacent permit to the Wheatstone Field. Full depth correction of the seismic over Maxwell combined with the results of the Ananke-1 well (to be drilled shortly by the WA-269-P JV in the adjacent permit) will be critical in advancing Maxwell to drillable status.

Zeppelin 3D and 2D seismic surveys

Location Map:



Cross Section:

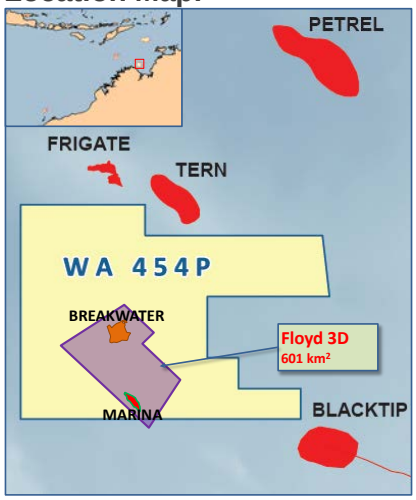


Current status

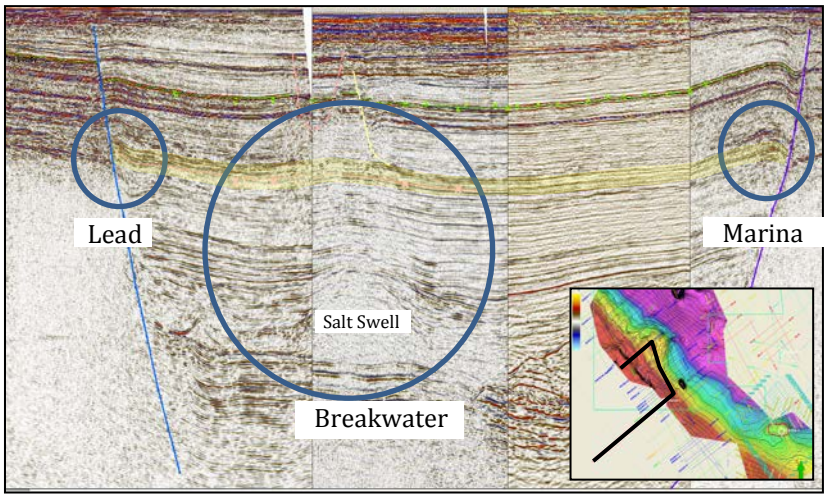
The Zeppelin 3D fast track cube has delivered improved imaging and revealed structures that were not previously seen on the combination of pre-existing 3D and 2D seismic. Mapping of the new data has commenced and has revealed a significant 3-way dip closed structural lead with up to 300 m of interpreted vertical closure. Evaluation of possible direct hydrocarbon indicators (DHI's) as illustrated on the seismic section above is also being carried out.

Floyd 3D seismic survey

Location Map:



Cross Section:

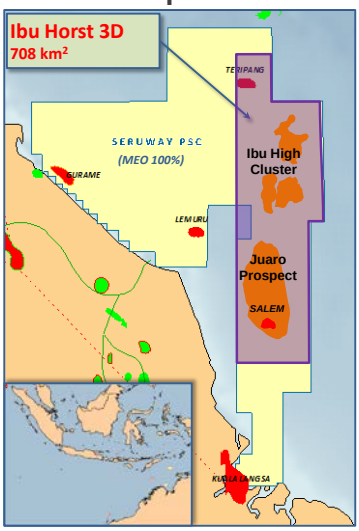


Current status

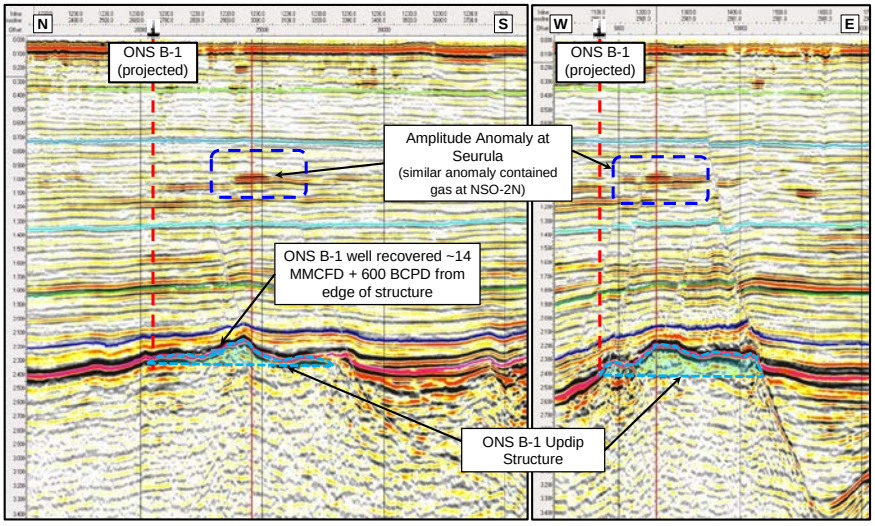
The Floyd 3D fast track cube has been received. Preliminary investigation of the cube has confirmed the structures at both the Marina discovery and the Breakwater Prospect. The seismic section above runs between the Marina discovery and the Breakwater prospect, with the hydrocarbon bearing reservoirs highlighted. Full interpretation will commence shortly.

Ibu Horst 3D seismic survey

Location Map:



Cross Section:



Current status

The Ibu Horst 3D final 3D cube is due to be received later this month. Interpretation of the fast track cube has identified a significant number of appraisal as well as exploration targets. Strong amplitude anomalies in the shallow section are evident and thought to indicate the presence of gas. Deeper structures with carbonate build-ups are also present. The seismic section above illustrates both these features, with the deep structure offering the potential for an up-dip appraisal of the ONS B-1 discovery well.

Additional Information:
The following information is provided to assist readers understand some of the key technical terms included in this update.

Quality of data:
Seismic reflection data is acquired using a variety of related methods with the goal of imaging the upper part of the earth's crust. Images may be acquired as profiles (2D seismic) or covering an area (3D seismic), thereby providing a 3-dimensional image of the subsurface (not unlike a giant CT scan!). For example, MEO's recent 3D surveys were acquired at sea using custom built seismic vessels, typically towing 6-8 streamers of 6000m in length for the recording of sound reflections emitted from an array of airguns, which are towed immediately behind the vessel.

The quality of a seismic dataset depends on many factors, both during acquisition and processing of the final image. During acquisition, the sea state and other operational issues can play a role, but probably more depends upon the survey design itself and the degree to which the subsurface is sampled by the seismic experiment. Greater cost usually results in greater quality.

Quality itself, in the context of seismic data, means the degree to which the image accurately represents the subsurface. Typically, we strive to achieve images with:

1) low random noise;
2) no coherent noise (false events);
3) high resolution (in all spatial dimensions); and
4) accurate positioning.

Ultimately the quality of an image is judged on its ability to reveal identifiable geological features and possibly even hydrocarbons directly.

Processing:
Seismic data processing is complex, computer intensive and ultimately time consuming process, in which geophysicists use numerical algorithms to assemble the best possible image from the recorded dataset. Standard processing of modern 3D datasets typically revolves around the main imaging step, known as Pre-stack Time Migration (PSTM). Often a crude image is produced on the seismic vessel itself during acquisition for QC purposes, or possibly finished onshore and delivered as a "fast-track volume" for use while the more sophisticated processing is done.

In situations where the geology is highly structured and imaging is difficult, the data may be reprocessed using specialist techniques, for example Pre-stack Depth Migration (PSDM). Further improvements in data quality may result from combining multiple seismic surveys, shot in different directions to allow complementary imaging under obstacles (Multi-Azimuth, or MAz surveying). It is common for seismic datasets to be "reprocessed" multiple times as new processing techniques become available.