



MEO Australia Limited

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7th January, 2010

Mr. Dean Litis
Principal Advisor, Issuers
ASX Markets Supervision Pty Ltd
Level 45, South Tower
525 Collins Street
Melbourne VIC 3000

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

Dear Dean,

Re: Price query

We refer to your correspondence dated 6th January, 2010 in relation to the price increase in MEO shares from a closing price of 44.5 cents on Tuesday 5th January 2010 to an intra-day high of 53 cents on Wednesday 6th January 2010 on above normal trading volumes.

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. MEO is not expecting a material difference between the operating loss before abnormal items and income tax for the half year ended 31st December 2009 and the previous corresponding period.
4. There is no reason to think that MEO will record any material abnormal or extraordinary items for the half year ended 31st December 2009.
5. The only possible explanation the Company is able to offer for the price change and increase in volume in the securities of the company is speculative buying relating to the WA-360-P farm-in.

MEO advised the market on 21st December 2009 that its preferred farminee had secured Board of Director approval to complete this transaction and that a joint release would be made once agreements had been executed. At this juncture, documentation is still being finalized and binding agreements have not been executed.

In the same release, MEO indicated that it had exercised its option to fund 100% of a well in WA-360-P, thereby completing its own farm-in to WA-360-P and that it had commenced discussions with drilling rig Operators aimed at securing a rig to drill Artemis-1 in the 2nd half of 2010.

6. 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,

A handwritten signature in black ink, appearing to read 'Jürgen', written in a cursive style.

Jürgen Hendrich

Managing Director & Chief Executive Officer
MEO Australia Limited



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Ltd
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6 January 2010

Mr Colin Naylor
Director & Company Secretary
MEO Australia Limited
Level 17, 500 Collins Street
Melbourne, VIC 3000

By e-mail only

Dear Colin

MEO Australia Limited- Price Query

We have noted a change in the price of the Company's securities from 44.5 cents at close of trading yesterday 5 January 2010 to a high of 53 cents at time of writing today. We have also observed larger than normal volumes of trades during this period.

In light of the price change and increase in trading volumes, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating loss before abnormal items and income tax so that the figure for the half year ended 31 December 2009 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ended 31 December 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at dean.litis@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before **9.30 a.m. AEDST**) on **Thursday 7 January 2010**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an 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. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- 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.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent by electronic means without signature]

Dean Litis

Principal Adviser, Issuers