

## ASX AND MEDIA RELEASE

### Zeus-1 update

#### Key Points:

- Zeus-1 spudded on 17<sup>th</sup> January
- Present operation at 06:00 hrs WSDST drilling ahead at 1,020m in 17-1/2" hole

MELBOURNE, AUSTRALIA (January 20<sup>th</sup>, 2009) -- MEO Australia Limited (ASX: MEO) is pleased to advise the following update in relation to Zeus-1 (MEO 35%, Operator), being drilled in WA-361-P in the Carnarvon Basin, offshore Western Australia.

#### Progress to 0600 hrs WSDST

The Zeus-1 well was spudded on Saturday 17<sup>th</sup> January 2009. The 30"x20" conductor was set and cemented in place at 271m. The 17-1/2" hole was drilled to 1,020m.

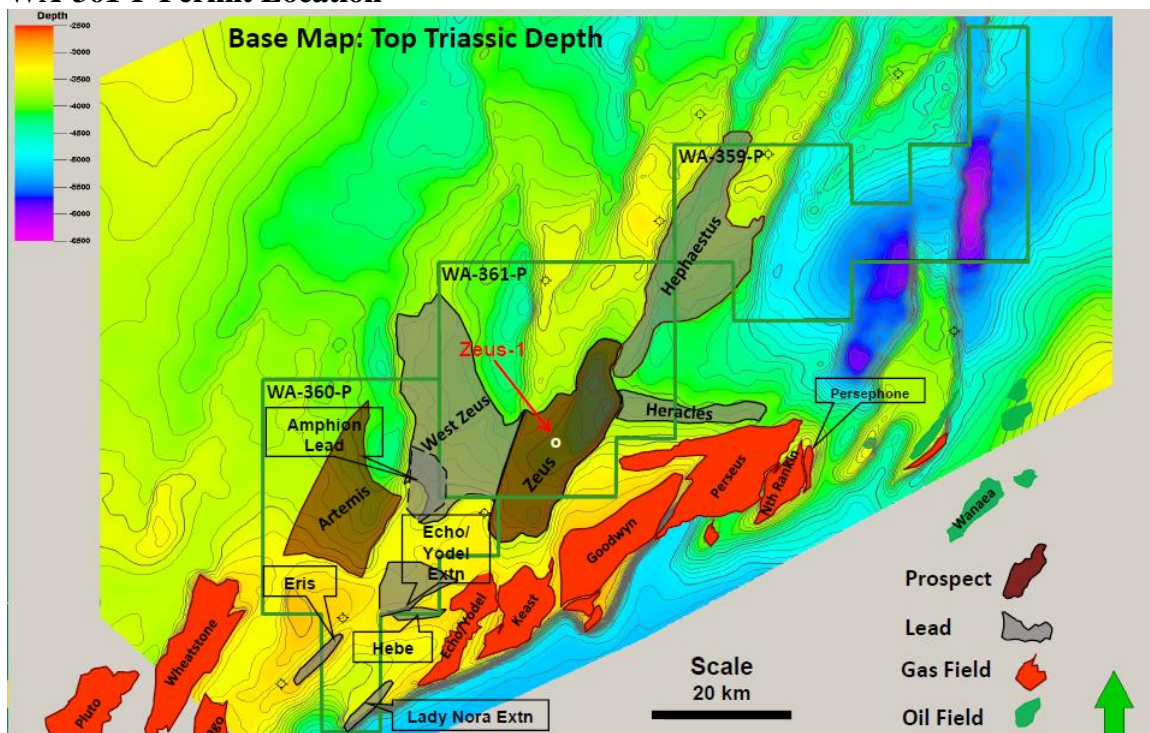
#### Present operation (0600 hrs WSDST)

Drilling ahead at 1,020m in 17-1/2" hole towards the planned 13-3/8" casing point at 1,885m.

#### Objectives

Zeus-1 is targeting potential gas-in-place of **15 Tcf** in the primary Legendre sands target and **3.7 Tcf** potential gas-in-place in the secondary Forestier sands target.

#### WA-361-P Permit Location



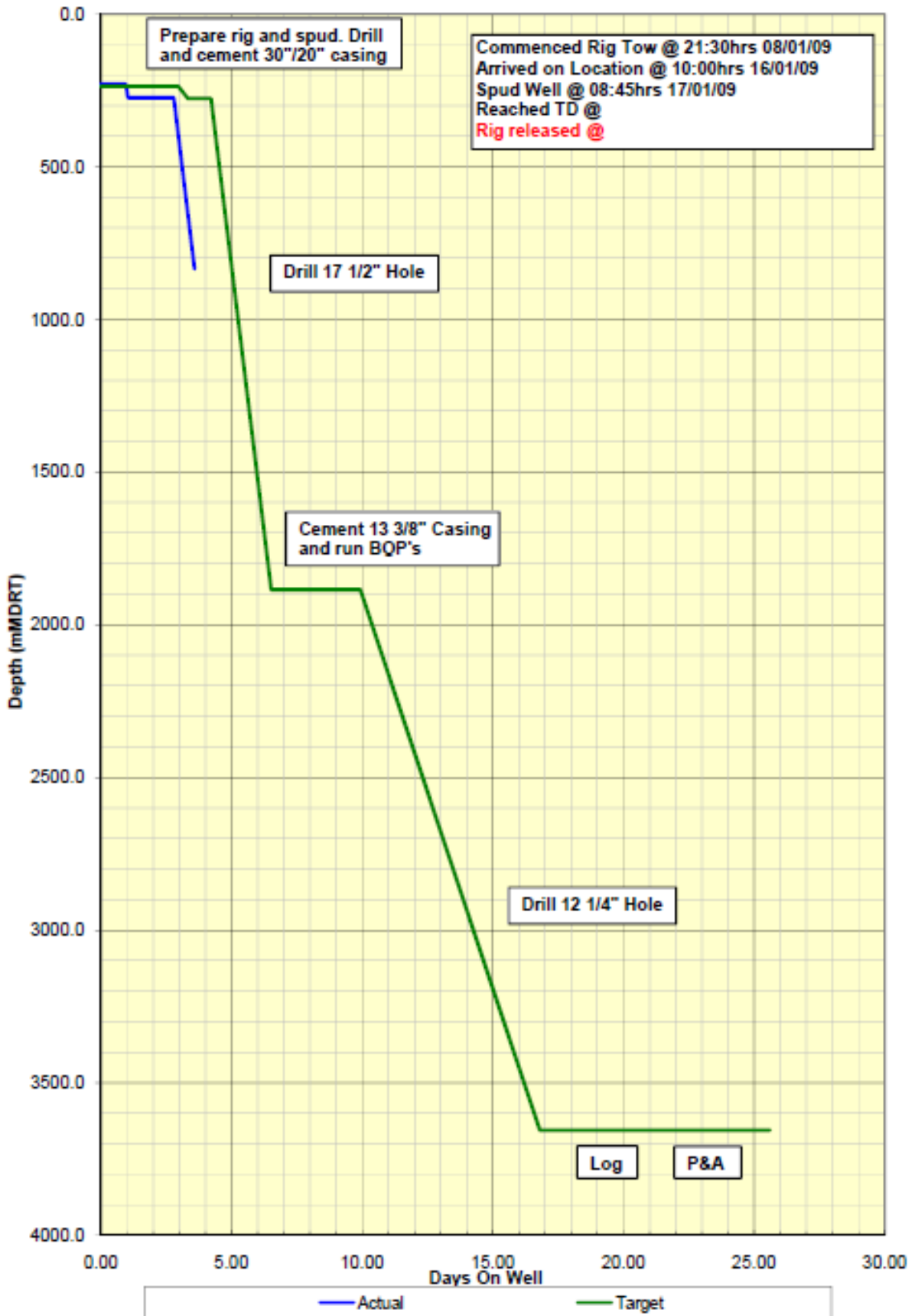
**Zeus-1 & WA-361-P participants**

<b>Company</b>	<b>Equity</b>	<b>Remarks</b>
North West Shelf Exploration Pty Ltd <i>(Wholly owned subsidiary of MEO Australia Limited)</i>	35%	Operator ASX: MEO
Resource Development International Limited	35%	<i>(Unlisted public company)</i>
Cue Energy Resources Limited	15%	ASX: CUE
Gascorp Australia Pty Ltd	15%	<i>(Unlisted public company)</i>


**Jürgen Hendrich**

Managing Director & CEO  
MEO Australia Limited  
Operator of WA-361-P

Attachment 1: Zeus-1 time-depth curve to 00:00 hrs



**Attachment 2:  
Zeus-1 Well Details**

## DETAILS

<b>Licence:</b>	WA-361-P
<b>Operator:</b>	MEO Australia Limited
<b>Rig:</b>	Songa Venus
<b>Surface location:</b>	Latitude: 19 deg 30 min 17.67 sec Longitude: 115 deg 50 min 6.63 sec Ellipsoid: GDA94, GRS80
<b>Seawater Depth:</b>	212.4 m
<b>Spud Date:</b>	17 <sup>th</sup> January 2009
<b>Target Strata:</b>	Primary: Legendre Formation Secondary: Forestier Formation
<b>Total Depth:</b>	3655 metres (MDRT). Actual TD: 3630m (MD - measured depth below the rig's rotary table - RT)
<b>Primary Target Depth:</b>	Top Legendre Fm 3455 metres (MDRT)
<b>Secondary Target Depth:</b>	Top Forestier Fm 3253 metres (MDRT)
<b>Designated Authority:</b>	W.A. Department of Industry and Resources
<b>Reservoir Objectives:</b>	<p><b><u>Legendre Formation:</u></b> Zeus is an analogue to the adjacent Perseus gas field. Determine the validity of the amplitude and AVO responses observed on the Rosie 3D seismic data. Positive amplitude and AVO responses are seen at multiple levels within the Legendre. In addition, determine if there are sands which are gas bearing that do not exhibit an AVO response.</p> <p><b><u>Forestier Formation:</u></b> Determine the validity of the amplitude and AVO responses observed in the basal Forestier. This section has not been penetrated in nearby wells and could contain sands equivalent to the Barrow Group.</p>

## MEO Pre-drill Gas-In-Place Estimates

Target Reservoir	Gas-in-Place Estimates
Legendre Formation	15.0 Tcf
Forestier Formation	3.7 Tcf

<b>Production Objectives:</b>	In a success case, hydrocarbon samples will be collected by MDT, no cased-hole tests are planned.
<b>Well Design:</b>	Zeus-1 is a vertical well. The well design is to drill a 36" hole to 295mRT and set a 30x20" conductor. A 13-3/8" casing string will be set in a 17-1/2" hole drilled to 1910mRT. Drill a 12-1/4" vertical hole to TD and log. There is provision for a contingent 9-5/8" casing at 3225mRT.