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ASX AND MEDIA RELEASE

Secures 12 month extension to farm-in to WA-359-P and WA-360-P

Key Points:

- **Secures 12 month extension to drill/drop options on WA-359-P and WA-360-P originally due to expire 1 January 2009.**
- **TC Billy delays handover of Songa Venus drilling rig until approximately 5th January 2009.**

MELBOURNE, AUSTRALIA (December 23, 2008) – MEO Australia Limited (ASX: MEO) is pleased to advise that the participants in WA-359-P and WA-360-P have agreed to a 12 month extension to the farm-in terms for these permits.

MEO has an option that is due to expire on 1st January 2009, whereby MEO must commit to funding a well in each of the permits to retain its current 60% interest beyond this date. In consideration of extending this option by 12 months and thereby deferring the drilling commitment, MEO plans to acquire at least 175 km² of additional 3D seismic to further delineate the Artemis prospect in WA-360-P and to reprocess sufficient existing 3D seismic to firm up the Hephaestus lead in WA359-P into a drillable prospect. The latter is contingent upon a successful outcome at Zeus-1.

MEO is currently seeking farm-in partners with the intention of drilling at least one well in each of these permits in 2010.

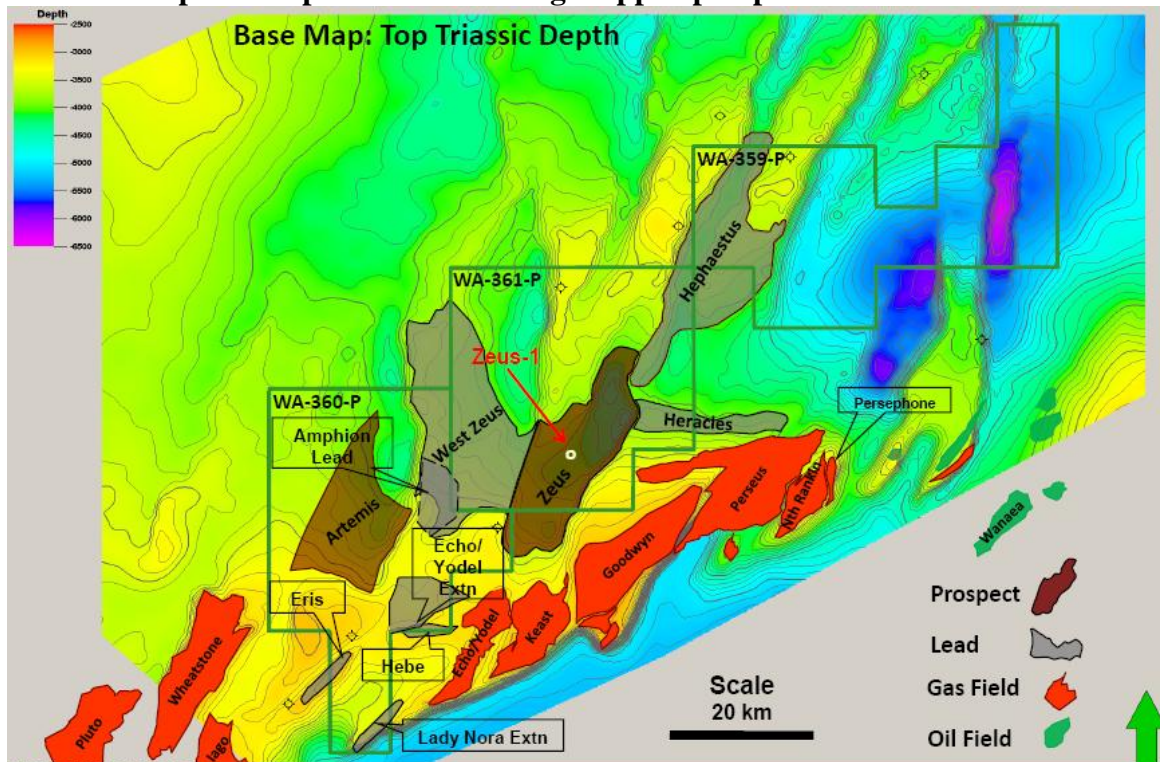
The original farmin arrangements for WA-359-P, WA-360-P and WA-361-P were agreed in October 2007. Since this time MEO has acquired 2D and 3D seismic, re-processed 3D seismic, confirmed the Zeus prospect in WA-361-P and developed an inventory of prospects and leads in the three permits (refer attachment 1). In July this year, MEO committed to drilling the Zeus-1 well in WA-361-P and secured Resource Development International Limited (RDI) as a farm-in partner, thereby cementing its interest in that permit.

MEO has been advised that Tropical Cyclone Billy has delayed the release of the Songa Venus drilling rig from its current well until at least 5th January 2009. Once the rig is released to MEO, it will undergo a 6-7 day tow to the Zeus-1 location.

Jürgen Hendrich
Managing Director & Chief Executive Officer

Attachment 1:

Location map of WA permits illustrating mapped prospects & leads



Source: MEO Australia Limited

Participants

Company	WA-359-P* Equity	WA-360-P* Equity	WA-361-P Equity
North West Shelf Exploration Pty Ltd (Wholly owned subsidiary of MEO Australia Limited) Operator	60%	60%	35%
Resource Development International Limited (Unlisted)	0%	0%	35%
Cue Energy Resources Limited (ASX: CUE)	20%	20%	15%
Gascorp Australia Pty Ltd (Unlisted)	0%	20%	15%
Exoil Limited (NSX: EXX)	20%	0%	0%

*Equity subject to drill/drop decision by 31-December-2009