

## Quarterly activities summary for Period ended 31<sup>st</sup> March 2013

### Highlights:

- Strategic review completed
- Letters of Intent signed with 3 shortlisted methanol buyers
- Blackwood well option exercised in NT/P68 – MEO to be carried for cost of well
- Heron 2<sup>nd</sup> well notice deadline extended to 18<sup>th</sup> December 2013 in consideration for amendments to Farm-In-Agreement and funding additional studies
- Marina contingent oil resources upgraded to 9.2 MMstb (2C) and 29 MMstb (3C)
- Marina contingent gas resources upgraded to 169 Bcf (2C) and 423 (3C)
- Marina risked prospective resources estimated: 236 Bcf (Best) and 487 Bcf (High), 40% COS
- Kuala Langsa (Seruway PSC) contingent raw gas resource estimate: 1.5 Tcf (2C)
- Juara (Seruway PSC) prospective oil resource estimate: 230 MMstb (best estimate)
- Ibu Alpha (Seruway PSC) prospective oil resource estimate: 24 MMstb (best estimate)
- Launched Seruway PSC partial sale process

MELBOURNE, AUSTRALIA (24<sup>th</sup> April, 2013)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) provides the following summary in relation to its activities during the quarter ended 31<sup>st</sup> March 2013.

### Executive Summary

During the quarter, MEO completed a strategic review following the disappointing drilling results during 4Q-2012. The review determined that drilling Gurame SE-1X at 100% interest was regrettable and the Company's risk management and investment decision processes needed to be strengthened following the rapid expansion of the portfolio from late 2010 through to early 2012. The review highlighted the dependence upon farmouts/partial sale processes and the need to reduce upfront investment costs and accelerate the recovery of invested capital.

Letters of intent were signed with 3 top tier methanol buyers. While non-binding at this early stage, the LOI's provide a strong foundation to commercial discussions with prospective suppliers of gas. Formal offers were made to custodians of gas resources for the purchase of gas sufficient to supply 2 methanol plants for 20 years.

In NT/P68, our JV partner Eni Australia exercised its option in early February to drill a well on the Blackwood structure and has 18 months from the date of election to drill the well. Negotiations for a drilling rig are well advanced and MEO considers there is a strong likelihood of drilling the well in late 2013 subject to the usual caveats of rig scheduling, regulatory and partner approvals, weather, operational progress etc.

In addition, an extension to the Heron 2<sup>nd</sup> well option to 18<sup>th</sup> December 2013 was agreed in consideration for amendments to the Farm-In-Agreement. The most significant of these include the de-coupling of options relating to increasing equity in either the Blackwood and/or Heron areas to 75% such that the elections for each area are now stand-alone decisions. In addition, if the 2<sup>nd</sup> well option is exercised, the start date for the 3 year window in which the well needs to be drilled, commenced on 12<sup>th</sup> February 2013. Eni will also fund several studies aimed at providing a better understanding of predicting reservoir properties including productivity.

Technical work aimed at supporting existing and planned partial sale processes continued apace.

At WA-454-P interpretation of the Floyd 3D seismic data allowed contingent resource estimates for Marina oil and gas resources to be materially upgraded, while also permitting prospective resource estimates for the deeper untested potential at Marina Deep to be estimated for the first time. Marina is now estimated to contain contingent oil resources of 9.2 MMstb and 29 MMstb in the 2C and 3C categories respectively. This contingent resource alone is worthy of appraisal to determine whether sufficient volumes can move from the 3C category into the 2C category to warrant development. In addition contingent gas resources were upgraded to 169 Bcf and 423 Bcf in the 2C and 3C categories respectively. When risked prospective gas resources of 236 Bcf (Best estimate) and 487 Bcf (high estimate) at a 40% chance of success are included, the Marina discovery together with the deeper undrilled potential forms an attractive appraisal opportunity. Several parties continued their evaluation of the partial sale opportunity during the quarter.

In the Seruway PSC, attention focused on preparing for the partial sale process which was launched during the quarter. Ahead of the launch, resource estimates were prepared for the Kuala Langsa gas discovery and the prospects on the Ibu Horst – namely Juaro and Ibu Alpha.

The Kuala Langsa gas discovery was made by a well drilled in the adjacent permit and has been mapped by MEO to continue into the Seruway PSC. Reservoir quality intersected by Kuala Langsa-1 was excellent, however the gas has a high level of CO<sub>2</sub> which industry has claimed is up to 80%. Technical work undertaken by MEO suggests the CO<sub>2</sub> is more likely 50-60%, which while still high, results in at least a doubling of the hydrocarbon gas content. Taken together with an unsatisfied gas demand, an underutilized LNG export facility and attractive domestic gas prices, the prospects of significantly higher hydrocarbon gas resources provide a potentially attractive development option. The 2C contingent raw gas resource on permit is estimated at 1.5 Tcf.

The Juaro prospect was drilled by ONS B-1. The well flowed gas on testing and recovered 37° API oil, suggesting an oil accumulation below a gas cap. The high quality Ibu Horst 3D seismic acquired by MEO in early 2012 has provided the resolution to map the reservoir distribution away from the discovery well onto the flanks of the Ibu Horst, where the reservoir thickens. Estimates of the prospective recoverable oil resource trapped in the main accumulation is 236 MMstb (Best Estimate), with a further 64 MMstb in additional, independent subsidiary structures. Together, this prospective 300 MMstb represents an attractive target.

A second prospect to the north of Juaro – Ibu Alpha – was identified by following up an earlier discovery well (NSO 2N) which recovered gas from a different stratigraphic target. The Ibu Alpha Prospect is considered prospective for oil with an estimated recoverable prospective oil resource of 24 MMstb (best estimate).

Further partial sale processes are planned to be launched towards mid year including, the AC/P50 & 51 permits, the G2/48 concession in the Gulf of Thailand and one or both the North West Shelf permits (WA-360 & 361-P).

### Cash balance at end of quarter

Consolidated cash balance at the end of the quarter was \$20.9m.

### Events subsequent to the end of the quarter

There were no material events subsequent to the end of the quarter.

### Priorities for the current quarter ending 30<sup>th</sup> June 2013

- Conclude farmout/partial sale process for WA-454-P
- Mature farmout/partial sale process for Seruway PSC
- Seek regulatory approvals for variation to AC/P50 & AC/P51 minimum work program commitments
- Prepare to launch farmout/partial sale process for AC/P50 & 51
- Prepare to launch farmout/partial sale process for G2/48 concession in Gulf of Thailand
- Prepare to launch divestment process for North West Shelf permits
- Progress Tassie Shoal projects
- Seek high value New Ventures opportunities



Jürgen Hendrich  
**Managing Director & Chief Executive Officer**

Attachments: Activity Summaries by Project Area

# Timor Sea: Bonaparte Basin

NT/P68 (MEO 50%, Eni Australia Ltd 50% & Operator)



Pursuant to a farm-in agreement announced on 18<sup>th</sup> May 2011, Eni is earning an initial 50% interest in the Heron area by funding the drilling of two wells on the greater Heron structures. In addition, Eni has an option to earn a 50% interest in the Blackwood area by acquiring a minimum 500km<sup>2</sup> 3D seismic survey and funding the drilling of a well on the greater Blackwood structure.

In early January 2012, Eni completed acquisition of the 766km<sup>2</sup> Bathurst 3D seismic survey to the east of the Blackwood discovery. On February 4<sup>th</sup> 2013, MEO advised that Eni had elected to exercise its option to fund the drilling of a Blackwood well and has 18 months from this election to do so. Negotiations aimed at securing a drilling rig are at an advanced stage.

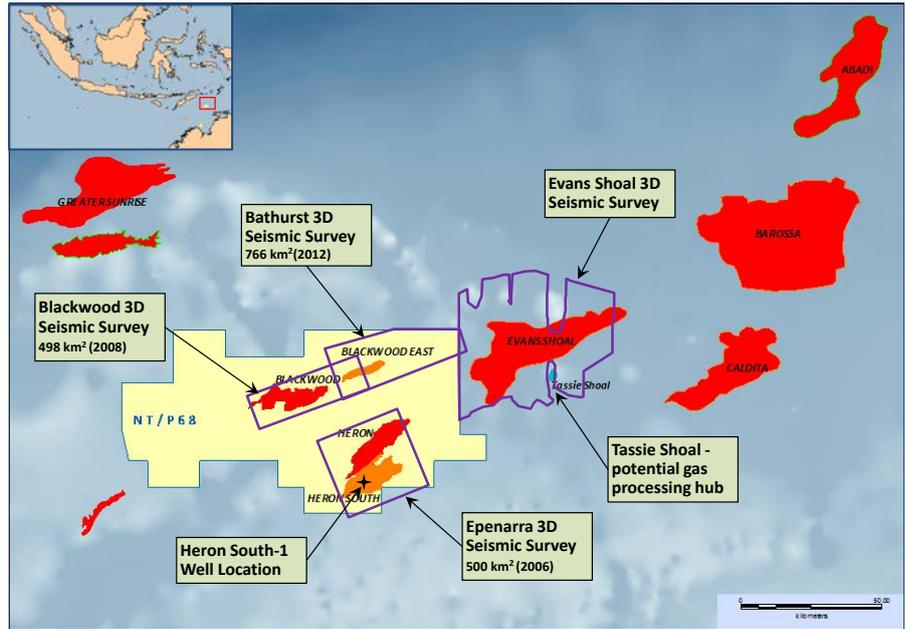


Figure 1 NT/P68 location, nearby gas discoveries and 3D seismic surveys.

The first of the two Heron wells (Heron South-1) was completed on 14<sup>th</sup> December 2012. Eni had 60 days following the completion of drilling to elect whether to commit to drilling the second well or withdraw from the Heron area. During the quarter, MEO agreed to extend the deadline for this election until 18<sup>th</sup> December 2013. In consideration, several amendments to the farm-in agreement were agreed. The commencement date of the 3 year window to drill the 2<sup>nd</sup> Heron well was fixed at 12<sup>th</sup> February 2013. In addition, Eni will fund several studies aimed at gaining a greater understanding of the controls on the distribution of reservoir properties and reservoir productivity. Finally, the additional options Eni has to earn a further 25% participating interest in either or both the Heron and Blackwood areas by funding MEO's share of the work programme required to achieve a Final Investment Decision, have now been restructured to become stand-alone elections.

## Indicative Activity Schedule: NT/P68

Permit MEO PI Operator	NT/P68 50%* Eni Australia	2012			2013				2014			
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	
		J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D	
Permit Year		3/5			4/5				5/5			
<b>Work program</b>		Studies			1 well*				Studies			
Permit expiry												Apr2015 -->
<b>Activities</b>												
Bathurst 3D processing		PSDM										
Bathurst 3D interpretation		Interpret 3D										
Drill ready Blackwood well		<>										
Heron South #1		HS #1										
2nd Heron well election						18		Complete drilling by 12-Feb-2016				
Blackwood well election				4		Complete drilling within 18 months of election				4		
Drill Blackwood well *						BW-2						
Lodge permit renewal application								<>				
<b>Planned drilling in nearby permits<sup>x</sup></b>												
Evans Shoal North-1				ESN-1								
Barossa - 3 wells						Barossa appraisal wells (3)						

\* subject to completion of farm-in as per agreement detailed in 18th May 2011 ASX release

\* Permit Year 4 well obligation has been met by drilling Heron South-1 in Permit Year 3

\* timing is subject to rig availability & schedule optimisation

# Tassie Shoal Gas Processing Projects

(MEO 100%)



Figure 2 CAD drawing of proposed layout of LNG & Methanol Projects

During the quarter, MEO progressed the commercial framework supporting the first Tassie Shoal Methanol Plant ("TSMP<sub>1</sub>"). Two significant milestones were achieved.

The first was the signing of Letters of Intent ("LOI") for offtake of methanol with three short-listed major multinational buyers. While the LOI's are non-binding, they represent the culmination of negotiations over 12 months and contained key terms including pricing, quantities, take or pay and duration. Final offtake quantities will be aligned with MEO's participating interest at FID. The maximum aggregate LOI demand exceeds the TSMP<sub>1</sub> total supply capacity.

The second milestone was the development of a non-exclusive relationship with a major Asian chemical industry participant that is considering taking a majority interest in, and assuming operatorship of, the TSMP<sub>1</sub> midstream development ("Midstream Operator").

In conjunction with this potential TSMP<sub>1</sub> Midstream Operator, indicative offers were made to purchase raw gas (including CO<sub>2</sub>) from regional gas resource owners. Indicative terms offered included Price, Delivery Point, Maximum Daily and Annual Contract Quantity, Take or Pay and Duration. During the course of the quarter, the Midstream Operator and MEO determined to seek sufficient gas supplies to support both TSMP<sub>1</sub> and the second proposed methanol plant ("TSMP<sub>2</sub>").

Representations were also made during the quarter to resource owners and other interested parties regarding the Tassie Shoal LNG Project ("TSLNG") premised on the significant cost advantage of TSLNG over land based and FLNG alternative developments.

# Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 100%)

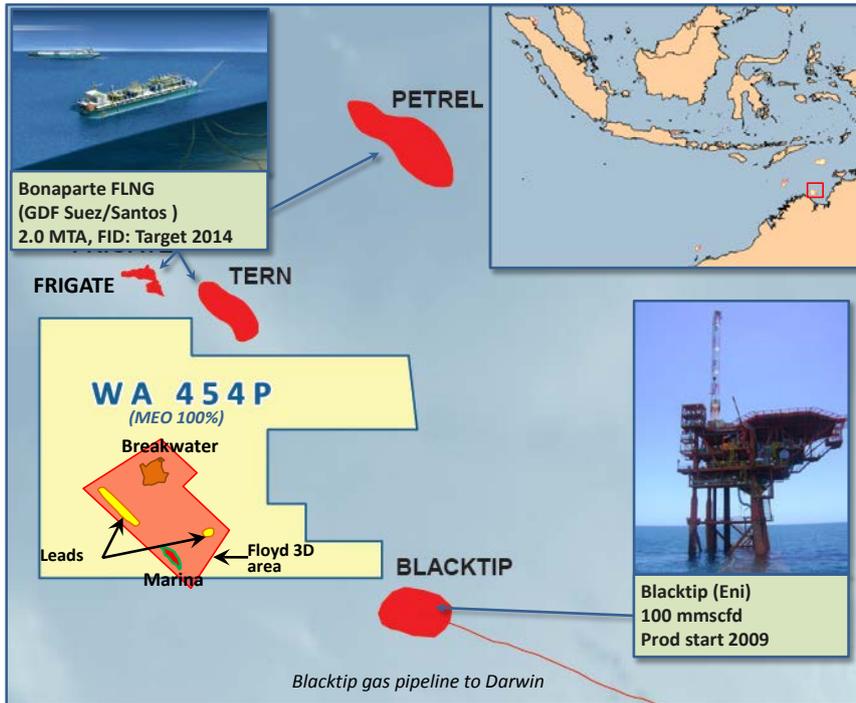


Figure 3 acreage proximity to Blacktip production & proposed Bonaparte FLNG project

MEO was awarded WA-454-P in June 2011 as part of the 2010 Gazettal round. It contains the Marina gas and probable oil discovery together with the Breakwater prospect and a number of promising leads.

The 601 km<sup>2</sup> Floyd 3D seismic survey was acquired in early 2012 and the processed 3D data arrived in September 2012.

During the quarter, an updated assessment of the discovered resources at Marina was released, together with an assessment of the deeper, undrilled prospective resource potential.

Contingent recoverable oil resources at Marina increased by 4.2 MMstb at the 2C level to 9.2 MMstb and by 7.0 MMstb to 29 MMstb at the 3C level.

Contingent recoverable gas resources at Marina also increased by 71 Bcf to 169 Bcf at the 2C level and by 121 Bcf to 423 Bcf at the 3C level. These upgraded contingent resources elevate the importance of the Marina discovery within the permit and underpins the incentive for further appraisal.

Interpretation of the 2012 Floyd 3D seismic survey allowed the deeper, undrilled potential at Marina to be quantified for the first time. Risked, prospective recoverable gas resources at Marina Deep are estimated at 236 Bcf (Best Estimate) and 487 Bcf (High Estimate) with an estimated 40% chance of success.

The partial sale process initiated in late 2012, re-commenced during the quarter, following the interruption caused by the Christmas holiday break. Several parties are advancing their analysis of the opportunity with the process expected to conclude this quarter.

## Indicative Activity Schedule: WA-454-P

Permit MEO PI Operator	WA-454-P 100% MEO	2012				2013				2014							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		2/6				3/6				4/6							
<b>Work program</b>		Studies				Studies				Studies							
<b>Activities</b>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Floyd 3D seismic (601 km<sup>2</sup>)</span> <span style="background-color: yellow; padding: 2px;">Process</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Fast track 3D cube available</span> <span style="font-size: 2em;">&lt;&gt;</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Interpretation of fast-track</span> <span style="background-color: green; padding: 2px;">Interpret</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Final 3D cube delivered</span> <span style="font-size: 2em;">&lt;&gt;</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Drill ready prospect(s)</span> <span style="background-color: red; padding: 2px;">Interpret</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Partial sale process</span> <span style="background-color: blue; padding: 2px;">Partial sale</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Assess rig options</span> <span style="background-color: green; padding: 2px;">Rig</span> </div> <div style="display: flex; align-items: center;"> <span style="width: 100px;">Contingent drilling *</span> <span style="background-color: red; padding: 2px;">1-2 wells *</span> </div> </div>															
<b>Planned drilling in nearby permits*</b>																	
Penguin Deep-1 (WA-313-P)		PD#1															

\* drilling is contingent upon a) attracting funding partner, b) rig availability, c) drilling schedule

\* timing is contingent upon rig availability/drilling schedule

# North Sumatra, Indonesia

Seruway PSC (MEO 100%\*)

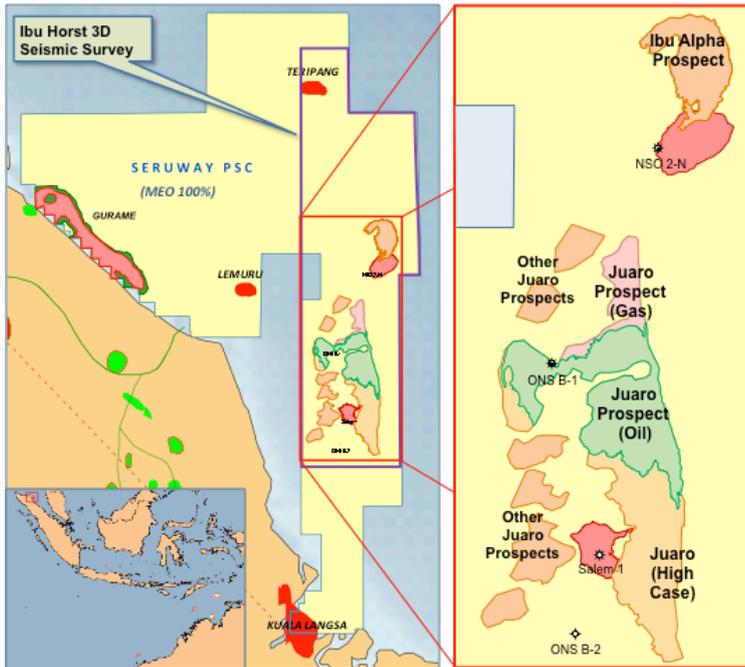


Figure 4 Seruway PSC highlighting Ibu Horst prospects

The Seruway PSC was acquired in mid-2011 and is in close proximity to the existing, underutilized Arun LNG plant in the Aceh province. The local domestic gas market has unsatisfied demand.

During the quarter, technical work on the Kuala Langsa gas discovery focused on quantifying the contingent gas resource.

Kuala Langsa is assessed to contain contingent recoverable raw gas (Best Estimate) of 1.5 Tcf, inclusive of uncertain CO<sub>2</sub> composition in the range 50-80%.

Evaluation of the Ibu Horst 3D seismic focused on quantifying the resource potential of prospects on the Ibu Horst.

The Ibu Horst contains two main prospect groups, the Juaro Complex and Ibu Alpha, keying off discovery wells ONS B-1 and NSO 2-N respectively.

The main feature within the Juaro Complex is estimated to contain a prospective recoverable oil resource of 230 million barrels (best estimate), with an additional 63 million barrels (best estimate) within a series of subordinate, independent features. The Ibu Alpha prospect is estimated to contain a prospective recoverable oil resource of 24 million barrels (best estimate).

A partial sale process commenced in early March and is anticipated to continue through the current quarter.

## Indicative Activity Schedule: Seruway PSC

Permit MEO PI Operator	Seruway PSC 100%* SOEL*	2012					2013					2014																	
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr									
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		8/10					9/10					10/10																	
<b>Work program</b>		1 well																											
PSC expiry																													
Work program variation																													
Plan Ibu Horst 3D (706 km <sup>2</sup> )																													
Ibu Horst 3D (acquire)																													
Option to withdraw from PSC																													
Partial sale process		Partial sale																											
<b>Activities</b>																													
<b>Gurame oil &amp; gas discovery</b>																													
Gurame SE-1X		GSE-1X																											
<b>Kuala Langsa gas discovery</b>																													
Resource assessment																													
Potential contingent well *		Well *																											
<b>Ibu Horst discoveries</b>																													
Ibu Horst 3D (process)		Process																											
Fast track cube																													
Consider drilling location																													
3D Interpretation		Interpret 3D																											
Define prospects																													
Resource assessment		Volumes																											
Potential contingent well *		Well *																											

\* via Seruway Offshore Exploration Limited (SOEL); 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

\* drilling is contingent upon a) successful farmout, b) rig availability/drilling schedule & c) regulatory approvals

# Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P50, AC/P51 (MEO 100%)



## AC/P50 & AC/P51

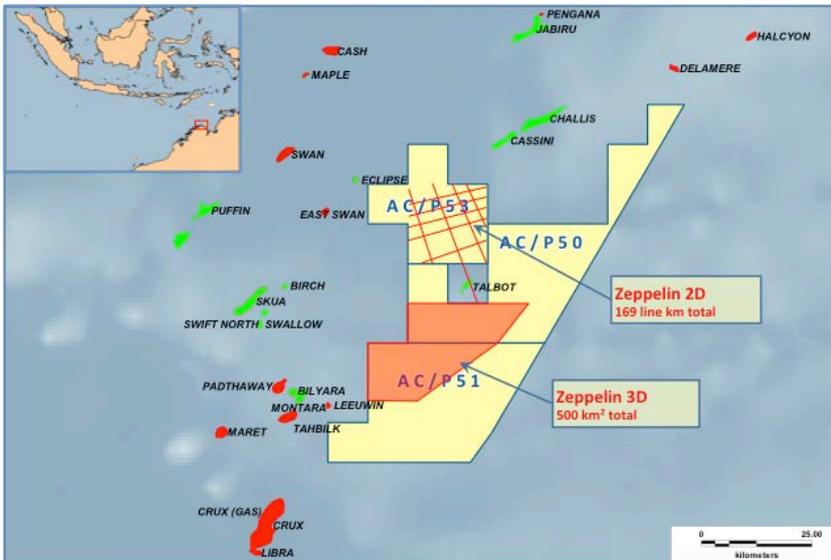


Figure 5 Acreage outline & areas of new seismic acquisition

Both permits were purchased in late 2010. The 507 km<sup>2</sup> Zeppelin 3D seismic survey was acquired across both permits in early 2012 with final products delivered during the quarter.

Mapping of several structural leads was matured in preparation for a planned partial sale process scheduled to commence early 3<sup>rd</sup> quarter.

During the quarter, MEO submitted a work program variation for both permits seeking to swap the Year 5 and Year 6 work programs for AC/P50 which would move the discretionary well obligation into year 6.

A separate variation request was lodged for AC/P51 seeking to substitute the 2D seismic acquisition commitment with Multi-Azimuth 3D processing.

## Indicative Activity Schedule: AC/P50, AC/P51

Permit	AC/P50	2012				2013				2014							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
MEO PI	100%																
Operator	MEO																
Permit Year		4/6				5/6				6/6							
Work program #		Studies				1 well				Studies							
Activities																	
Zeppelin 3D - final cube/products																	
Zeppelin 3D - interpret		Fast track				Interpret											
Prospect/drill ready																	
Lodge work program variation #																	
Interested party reviews						Discussions											
Partial sale process						Partial sale											
Assess rig options										Rig							
Drill/drop election *																	
Contingent well *																	
Lodge permit renewal application																	

# a work program variation has been submitted seeking to move the Yr5 discretionary well into Yr6

\* drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

Permit	AC/P51	2012				2013				2014							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
MEO PI	100%																
Operator	MEO																
Permit Year		4/6				5/6				6/6							
Work program #		Studies				1,000 km 2D				1 well							
Activities																	
Zeppelin 3D - final cube/products																	
Zeppelin 3D - interpret		Interpret															
Prospect/drill ready																	
Lodge work program variation #																	
Interested party reviews						Discussions											
Partial sale process						Partial sale											
Assess rig options										Rig							
Drill/drop election *																	
Contingent well *																	
Lodge permit renewal application																	

# a work program variation has been submitted seeking to replace Yr5 2D seismic with multi-azimuth 3D processing

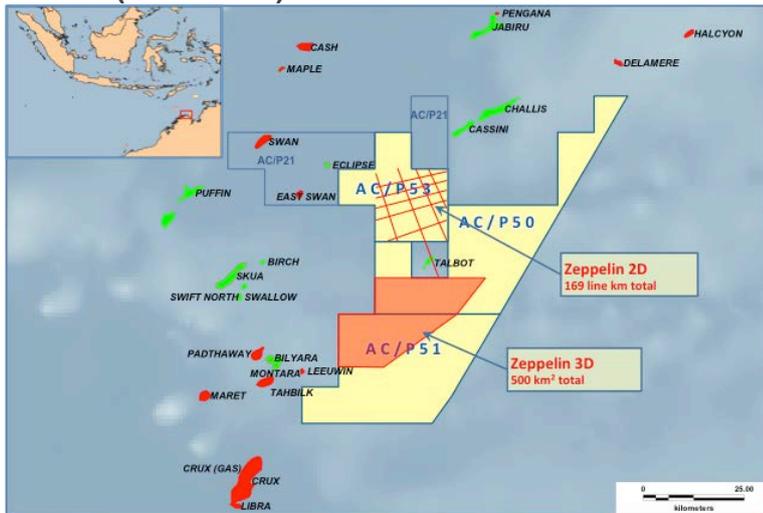
\* drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

# Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P53 (MEO 100%)



## AC/P53 (MEO 100%)



Processing of the Zeppelin 2D long offset seismic survey continued during the quarter.

Figure 6 Location diagram - note drilling planned in AC/P21 late 2013

### Indicative Activity Schedule:

Permit MEO PI Operator	AC/P53 100% MEO	2012		2013				2014					
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
		J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D		
Permit Year		2/6				3/6				4/6			
<b>Work program</b>		150 km long offset 2D <sup>+</sup>				Studies				Studies			
<b>Activities</b>													
Reprocess existing 3D		Reprocess 3D											
Zeppelin 2D - process		Process											
Zeppelin 2D - interpret		Interpret											
Lead inventory													
Partial sale process										Partial sale			
<b>Planned drilling in nearby permits<sup>x</sup></b>													
Commitment well (AC/P21)										CW			

<sup>+</sup> Permit Year 2 seismic obligation was fulfilled in Permit Year 1

# Bonaparte Gulf: Petrel Sub-Basin

NT/P79 (MEO 65%, Operator)



MEO executed a binding farm-in agreement with Finder Exploration in December 2012 to acquire a 65% interest in the permit and assume the role of Operator. Consideration for the transaction is \$200,000 representing MEO's participating interest share of sunk costs in the permit.

During the quarter, regulatory approvals for the transfer of title were received. The 2D data from Geoscience Australia was loaded and interpretation commenced.

A partial sale process is currently scheduled for launch in the 2<sup>nd</sup> half, pending confirmation of a drillable prospect.

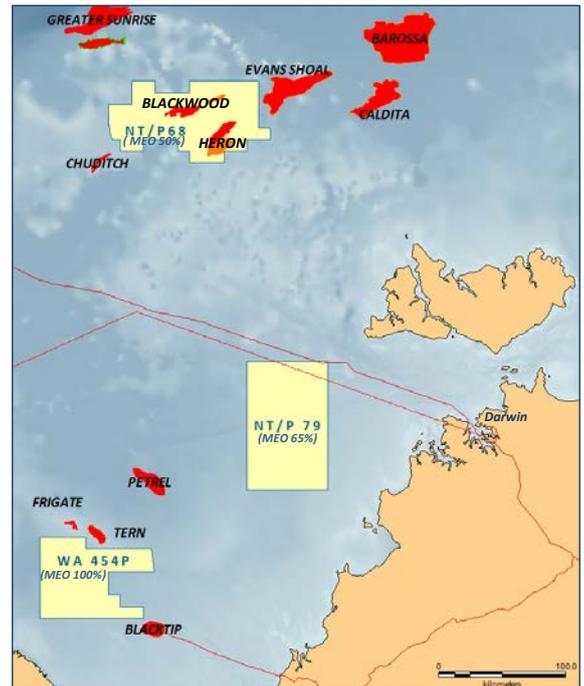


Figure 7 Location map and nearby acreage

## Indicative Activity Schedule:

Permit MEO PI Operator	NTP79 65% * MEO	2012				2013				2014									
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr							
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Permit Year		4/6				5/6				6/6									
<b>Work program</b>		Prospect identification study				Studies & well proposal				1 well									
<b>Activities</b>		<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Execute farm-in agreement</p> <p>Obtain GA 2D seismic data</p> <p>Interpret GA 2D seismic data</p> <p>Define prospect/drillable prospect</p> <p>Partial sale process</p> <p>Drill/drop election</p> <p>Contingent well <sup>x</sup></p> </div> <div style="width: 60%;"> <p style="text-align: center;">Interpret 2D</p> <p style="text-align: center;">Partial sale</p> </div> </div>																	
		1H'15 -->																	

<sup>x</sup> drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

# North West Shelf: Offshore Carnarvon Basin

WA-360-P, WA-361-P (MEO Operator)



## WA-360-P (MEO 62.5% & Operator)

The permit was renewed in early 2012 for an additional 5 years.

During the quarter, preparations for the 3D reprocessing obligation continued.

## WA-361-P (MEO 50% & Operator)

The permit was renewed in early 2011 for five years.

Work aimed at maturing the Heracles prospect continued during the quarter.

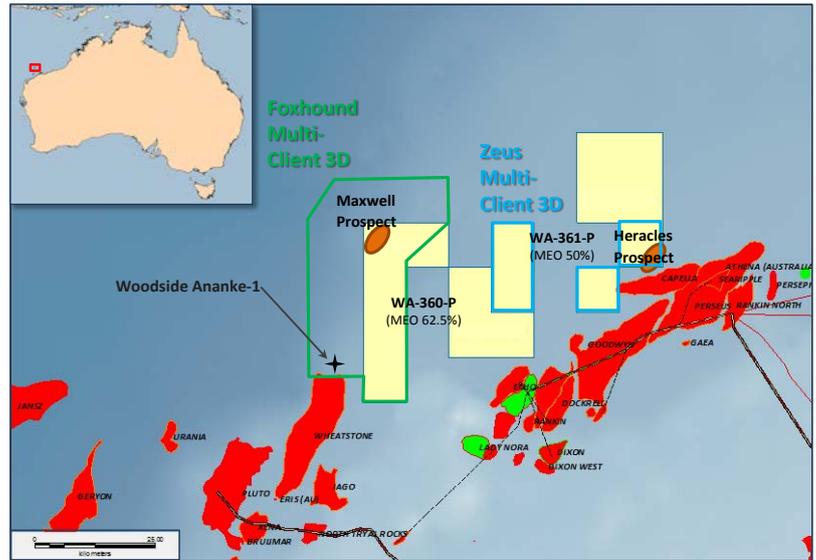


Figure 8 Acreage with multi-client 3D dataset outlines

## Indicative Activity Schedule: WA-360-P & WA-361-P

Permit	WA-360-P	2012				2013				2014							
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr						
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator	MEO	1/5				2/5				3/5							
Permit Year		1/5				2/5				3/5							
<b>Work program</b>		Licence 363 km <sup>2</sup> MC3D				648 km <sup>2</sup> 3D reprocessing				3D interpretation, studies							
<b>Activities</b>		Interpret 3D				3D interpretation				Repro							
Foxhound 3D																	
Seismic reprocessing																	
Prospect identification																	
Ananke-1 data becomes open file																	
Integrate open file data																	
Partial sale process (2015)																	
Farmout (2015)																	

Permit	WA-361-P	2012				2013				2014							
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr						
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Operator	MEO	2/5				3/5				4/5							
Permit Year		2/5				3/5				4/5							
<b>Work program</b>		150 km <sup>2</sup> 3D, studies				3D interpretation, studies				1 well							
<b>Activities</b>		Proc				Interpret											
Zeus 3D (323 km <sup>2</sup> )																	
Prospect identification																	
Partial sale process																	
Drill/drop election																	
Contingent well *										1 well							

\* drilling is contingent upon a) identification of drillable prospect, b) successful farmout & c) rig availability/drilling schedule

# Gulf of Thailand

G2/48 PSC (MEO 50%, Pearl Oil 50% and operator)



MEO acquired its 50% interest by farming into the Gulf of Thailand G2/48 concession in early 2012. Consideration included reimbursing 50% of the costs of the Rayong 3D seismic survey acquired in late 2011 and paying 66.7% of the first US\$5 million of the Year 6 obligation well. Costs above the US\$5 million cap were shared on a participating interest basis.

A permit renewal application for an additional 3 years was submitted ahead of the permit expiry at the end of 2012. The work program includes a well in the 2<sup>nd</sup> renewal year (2014) with a drill/drop option prior to entering the permit year. Regulatory approval for the renewal is pending.

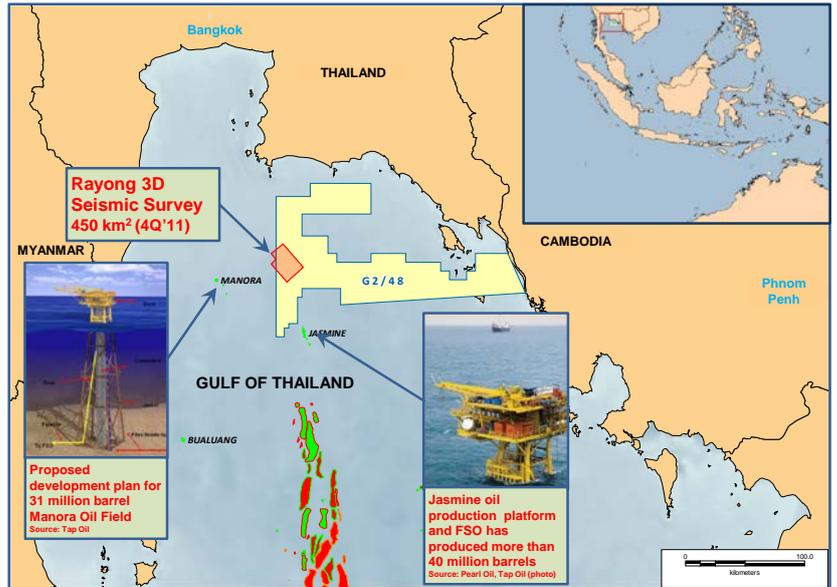


Figure 9 G2/48 pre-relinquishment, 3D seismic outline & nearby discoveries

During the quarter, studies were undertaken to understand the implications of the Q4-2012 drilling results. MEO will commence a partial sale process by mid year, seeking to be carried for the 2014 discretionary well.

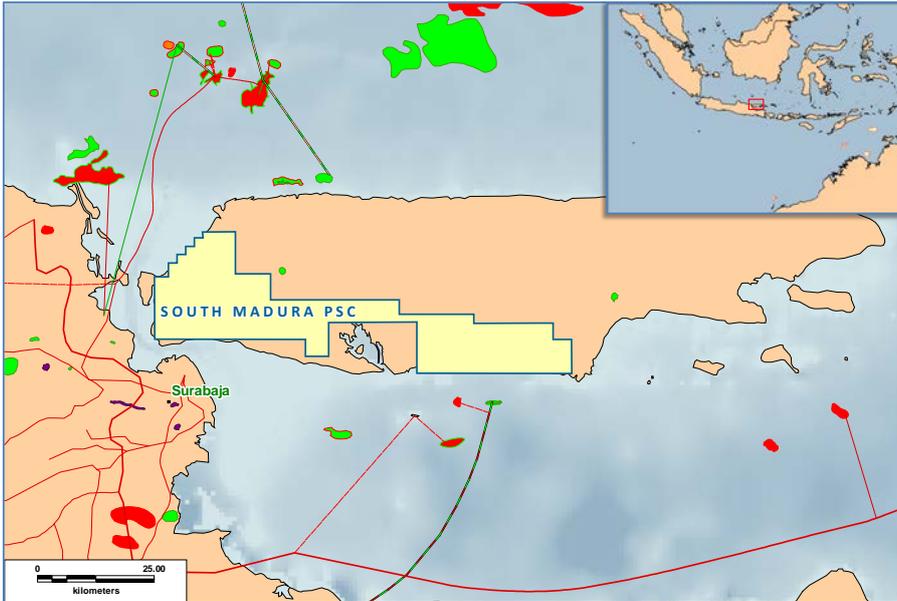
## Indicative Activity Schedule: G2/48 concession

Permit MEO PI Operator	G2/48 Concession 50% Pearl Oil	2012					2013					2014																	
		Sep Qtr		Dec Qtr			Mar Qtr		Jun Qtr			Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr							
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		6/6					1/3 (Yr7)					2/3 (Yr8)																	
<b>Work program *</b>		1 Well					Studies *					Studies, 1 well *																	
<b>Activities</b>																													
Anchan-1																													
Sainampueng-1																													
Permit renewal application		<>																											
Partial sale process																													
Option to continue or relinquish		<>																											

\* work program for permit renewal is subject to regulatory approval

# East Java, Indonesia

## South Madura PSC (MEO\* 90%, Operator)



During the quarter, discussions with regulatory authorities continued in relation to an application seeking compensation for lost time in the permit.

Preparations were made during the quarter to fulfill the seismic reprocessing obligation required in the final permit year.

Further investment in the PSC by MEO is predicated upon tenure certainty beyond expiry of the permit in October 2013.

Figure 10 Location of PSC on Madura Island

### Indicative Activity Schedule: South Madura PSC

Permit MEO PI Operator	Sth Madura PSC 90%* SMEC	2012				2013				2014							
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr					
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O
Permit Year		9/10				10/10											
<b>Work program</b>		2D seismic reprocessing - 150 km full fold															
PSC expiry		<div style="text-align: right; border: 1px solid red; padding: 2px;"> </div>															
<b>Activities</b>																	
Lodge time compensation claim		Time				Pending regulatory review											

\* via South Madura Exploration Company (SMEC); 100% owned by MEO International Pty Ltd a wholly owned MEO subsidiary

## New Ventures



Screening of new venture opportunities was suspended pending results of the strategic review, and resumed late in the quarter.