



MEO Australia Limited

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20th March 2012
Mr. Dean Litis
Principal Advisor, Listings (Melbourne)
ASX Markets Supervision Pty Ltd
Level 4, North Tower
525 Collins Street
Melbourne VIC 3000

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

Dear Dean,

Re: Price query

We refer to your correspondence received yesterday afternoon (19th March 2012) in relation to the price increase in our stock from a closing price of 21.5 cents on Thursday 15th March 2012 to an intra-day high of 27 cents on Monday 19th March 2012 (closing at 27.5 cents), accompanied by 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. The Company notes the rise in the share price and significant turnover on Friday 16th March 2012 and Monday 19th March 2012 and offers the following possible explanation for this increase.

The Company has made a number of recent ASX announcements:

- On 7th March 2012, MEO released an investor presentation used during a UK Roadshow hosted by Fox-Davies Capital Limited. The roadshow showcased MEO's renewed portfolio comprising eight individual projects and outlined the Company's planned 3 well exploration drilling program commencing 3Q-2012 to an audience of potential investors. Concurrent with the roadshow, Fox-Davies Capital Limited issued a research report which is available on our website.

- On 29th February 2012 MEO released an Independent Resource Assessment for the Marina gas and probable oil discovery and the Breakwater prospect in WA-454-P (MEO 100%). The independent assessment confirmed a probable oil discovery at Marina and assigned contingent gas and oil resources to this discovery of 98 Bcf gas and 5 million barrels oil (2C) increasing to 302 Bcf and 22 million barrels of oil (3C). The assessment for the Breakwater prospect included a gas only scenario and a combined gas and oil scenario. Unrisked prospective recoverable resources for the gas and oil scenario were estimated in the range 636 Bcf gas and 41 million barrels oil (Best Estimate) to 2,391 Bcf gas and 201 million barrels oil (High Side).
 - On 28th February, MEO announced that it had completed the acquisition of the 601 km² Floyd 3D seismic survey in WA-454-P (MEO 100%) covering the Marina gas and probable oil discovery, the Breakwater prospect and a number of surrounding leads. The survey will be used to refine the resource assessments for the Marina discovery and the Breakwater prospect and underpin future drilling locations.
 - On 27th February 2012 MEO announced the acquisition of a 50% interest in the G2/48 block in the Gulf of Thailand. The acquisition includes an exploration well commitment currently scheduled to be drilled during 3Q 2012 subject to securing a suitable drilling rig.
 - In addition to the above, MEO has made a number of ASX releases during January and February 2012 relating to a number of 3D seismic acquisition programs undertaken in its Seruway PSC offshore North Sumatra, exploration permits AC/P50 and AC/P51 and a 2D seismic acquisition program in AC/P53. This significant investment in seismic is designed to deliver drilling candidates for 2013 and beyond that will be the subject of future farmout discussions.
4. 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,



Jürgen Hendrich

Managing Director & Chief Executive Officer
MEO Australia Limited



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19 March 2012

Mr Colin Naylor
Chief Financial Officer & Company Secretary
MEO Australia Limited

By email only

Dear Colin

MEO Australia Limited (the "Company") - Price Query

We have noted a change in the price of the Company's securities from a closing price of \$0.215 on Thursday 15 March 2012 to an intra-day high of \$0.27 as at the time of writing today. We have also noted an increase in the volume of trading in the securities over the same period.

In light of the price change and increase in volume, 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 other explanation that the Company may have for the price change in the securities of the Company?

4. 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 return e-mail. It should not be sent to ASX Market Announcements.

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. EDST) on 20 March 2012.

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 and Voluntary Suspensions, 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 electronically without signature]

Dean Litis
Principal Adviser
Listings (Melbourne)