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**ASX AND MEDIA RELEASE**

**RDI options in relation to MEO's Timor Sea Projects lapse**

**Key Points:**

- **RDI options over Timor Sea projects lapse unexercised on 31<sup>st</sup> December 2008.**
- **Handover of Songa Venus drilling rig expected 8<sup>th</sup> January 2009.**

MELBOURNE, AUSTRALIA (January 2, 2009) – MEO Australia Limited (ASX: MEO) advises that the options granted to Resource Development International Limited (RDI) over the company's Timor Sea projects lapsed at close of business on 31<sup>st</sup> December 2008. These options were conditional upon RDI achieving a public listing by year end 2008.

The options granted to RDI in July 2008 involved a staged farm-in to MEO's NT/P68 exploration permit containing the Blackwood (MEO 100%) and Heron (MEO 90%) gas discoveries, the Tassie Shoal Methanol Project (TSMMP) and Timor Sea LNG Project (TSLNGP). MEO plans to commence a farmout process to attract a farmin partner during 2Q.

RDI remains a valued JV partner in MEO's 35% owned WA-361-P permit, the focus of the forthcoming Zeus-1 well, targeting >10 Tcf potential gas-in-place close to existing and planned LNG producing infrastructure. RDI is paying 80% of Zeus-1 to a cap of US\$31.25m.

MEO has been advised to expect the release of the Songa Venus drilling rig from its current well on or about the 8<sup>th</sup> January 2009. Once the rig is released to MEO, it will undergo a 6-7 day tow to the Zeus-1 location.

**Participants**

<b>Company</b>	<b>WA-361-P Equity</b>
North West Shelf Exploration Pty Ltd <i>(Wholly owned subsidiary of MEO Australia Limited) Operator</i>	35%
Resource Development International Limited <i>(Unlisted)</i>	35%
Cue Energy Resources Limited <i>(ASX: CUE)</i>	15%
Gascorp Australia Pty Ltd <i>(Unlisted)</i>	15%

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