

ASX & Media Release

MEO farms in Bonaparte Basin Permit NT/P79

Key Points:

- Executes binding agreement with Finder Exploration for farmin to NT/P79
- MEO acquires 65% interest in NT/P79 and will be Operator
- Joint farmout proposed prior to Year 6 discretionary exploration well in 2014/15

MELBOURNE, AUSTRALIA (21st December, 2012)

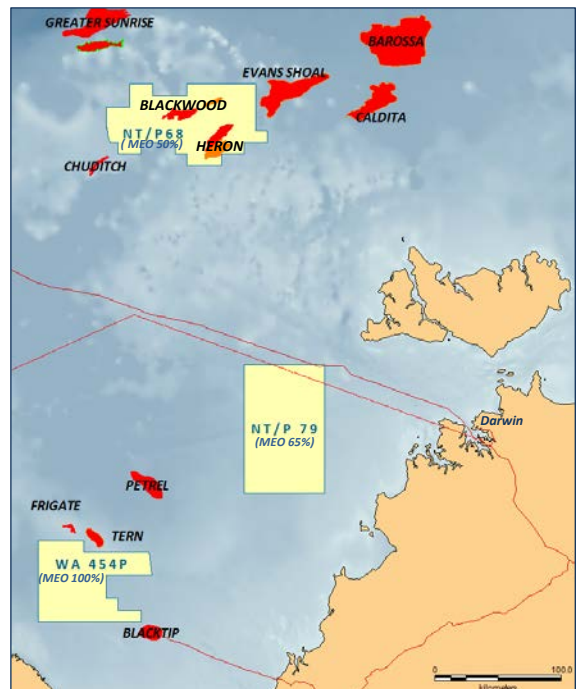
MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) advises that it has executed binding agreements subject only to normal regulatory approvals, with Finder Exploration Pty Ltd (Finder) to farmin to the NT/P79 exploration permit in the Joseph Bonaparte Gulf.

NT/P79 covers an area of 6,415 km² and is located between MEO's existing NT/P68 (50%) and WA-454-P (100%) permits. The permit is currently in Permit Year 4 and contains several geological features which MEO will assess following receipt of recently acquired Geoscience Australia 2D seismic data.

No additional seismic acquisition is planned. MEO considers there is sufficient new seismic data to assess whether one of the identified geological features can be matured to drillable prospect status.

Under the farmin agreement MEO will acquire a 65% participating interest and operatorship of the permit in return for reimbursing Finder \$200,000, representing MEO's participating interest share of sunk costs in the permit.

MEO will Operate the permit and carry 100% of the study costs through to completion of a joint farmout subject to confirmation of a drillable prospect. The parties have a drill/drop election decision before entering the final permit year in June 2014.



Exploration Permit NT/P79 Work Program

	Permit Year	Permit Year Start	Permit Year End	Work Program	Estimated Expenditure (A\$ indicative)
Secondary Term	4	24 June 2012	23 June 2013	Conduct prospect identification study	\$100,000
	5	24 June 2013	23 June 2014	Conduct G&G technical studies and construct a well proposal	\$100,000
	6	24 June 2014	23 June 2015	One (1) exploration well	\$6,100,000

MEO's CEO and MD Jürgen Hendrich commented on the announcement:

"MEO is very pleased to be partnering with Finder. This acquisition on close to ground floor terms represents an opportunity for MEO to broaden its footprint in an area in which we have substantial experience and technical knowledge."

Jürgen Hendrich
Managing Director & Chief Executive Officer