

**ASX & Media Release**

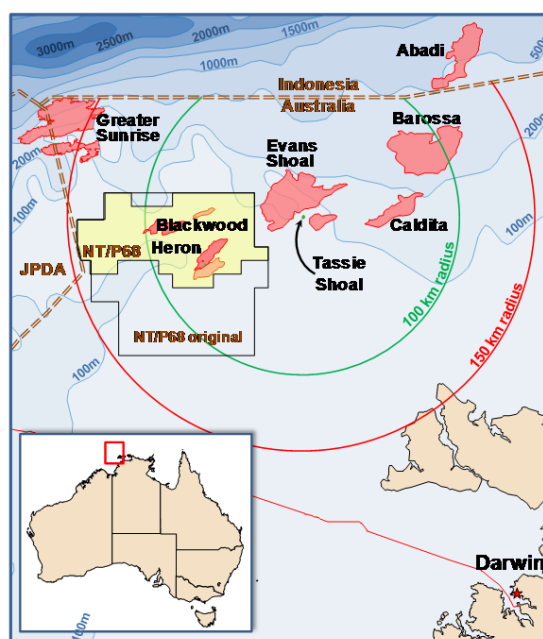
**Designated Authority approves renewal of exploration permit NT/P68 for 5 years**

**Key Points:**

- **Exploration permit NT/P68 has been renewed for a further 5 years**
- **NT/P68 contains Heron & Blackwood gas discoveries which require appraisal drilling**
- **Seismic inversion and resource assessment studies underway as precursor to farm-out**
- **Appraisal drilling planned for 2011**

MELBOURNE, AUSTRALIA (28<sup>th</sup> April, 2010) MEO Australia Limited (ASX: MEO) has been advised that the Designated Authority has approved the renewal of its exploration permit - NT/P68 – in the Timor Sea for a further 5 years comprising a 3 year primary term and a 2 year secondary term. Renewal involved the mandatory relinquishment of 50% of the area. The minimum work program is detailed in the table below. The terms of the permit renewal allow acceleration or increase of any of the work program activities.

Permit Year	Term	Minimum Work Program
1	Primary	Geotechnical studies
2		3D seismic acquisition (150 km <sup>2</sup> )
3		Seismic interpretation
4	Secondary	Exploration well (1)
5		Geotechnical studies



MEO has 100% equity in the 5,915 km<sup>2</sup> permit which contains the Blackwood and Heron gas discoveries. Both discoveries are located within 65-75km of Tassie Shoal, the proposed location for MEO's Methanol and LNG Projects which have Commonwealth Environmental Approvals. Blackwood gas has a high CO<sub>2</sub> content making it suitable for conversion to methanol. Heron gas may be lower in CO<sub>2</sub> and may contain natural gas liquids making it suitable for processing into liquefied natural gas (LNG).

Schlumberger has been commissioned to conduct acoustic impedance studies on the 500 km<sup>2</sup> 3D seismic data set over the Heron gas discovery to develop a model to predict the distribution of reservoir porosity. This model will be used for resource estimation and locating appraisal wells planned for 2011. Gaffney Cline and Associates have been commissioned to calculate and certify resource estimates for both discoveries.

Once the technical studies and resource certification process have been completed, MEO will seek a partner to appraise both discoveries. The Company continues to receive unsolicited expressions of interest from companies pro-actively seeking to evaluate NT/P68 as a prospective farm-in opportunity.



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