

Quarterly activities summary for Period ended 30th June 2014

Significant activities during quarter:

- Executed binding farm-in agreement with Kea Petroleum to earn an initial 30% interest in the producing Puka oil discovery (PEP 51153) onshore New Zealand
- Received NZ regulatory approvals for transfer of participating interest in PEP 51153
- Received final reprocessed 3D data over Puka oil discovery, optimised Puka-3 location
- Raised \$2.5m before costs from Share Purchase Plan towards funding the Puka farm-in
- Received final \$2.8m cash payment from Origin Energy relating to WA-454-P farmin
- Agreed proposed Breakwater-1 (WA-454-P) well location with Origin Energy
- Signed Strategic Co-operation Framework Agreement with Shenzhen based HongFu Fund and evaluated 2 significant producing assets of which one remains in the sale process
- Received regulatory approval to vary work programs for AC/P50 & AC/P51
- Executed binding option agreement with Apache Northwest Pty Ltd (“Apache”) giving Apache until 30th September 2014 to farm in to both AC/P50 & AC/P51 for a 70% interest by funding 100% of costs up to and including drilling of first well in each permit

Activities subsequent to end of quarter:

- Commenced drilling Puka-3 appraisal/development well

MELBOURNE, AUSTRALIA (25th July, 2014)

MEO Australia Limited (ASX: **MEO**) provides the following summary in relation to its activities during the quarter ended 30th June 2014.

Executive Summary

During the quarter, MEO executed binding agreements with Kea Petroleum Plc (AIM: KEA) for a staged farm-in to New Zealand onshore exploration permit PEP 51153, containing the Puka oil discovery. The staged farm-in commits MEO initially to investing NZ\$4.0 million in Phase I to work over the Puka-1 well and drill the Puka-3 appraisal/development well, whereafter MEO is entitled to 30% of the oil production from the field. All New Zealand regulatory approvals to affect the transfer of participating interest were received shortly after the transaction. A share purchase plan (“SPP”) was offered to MEO shareholders and raised \$2.5 million before costs towards funding Phase I of the farmin. MEO has an option to increase its participating interest to 50% by funding NZ\$7.5m of a proposed NZ\$9.0m Phase II program and has 6 months following the completion of Phase I to determine whether to exercise this option.

In relation to WA-454-P, MEO received the \$2.8 million final payment for back costs and a location proposal for Breakwater-1 from the Operator. The agreed location provides additional certainty regarding the upcoming drilling program which will assist in the current effort to sell additional equity to cover MEO’s remaining 20% funding obligation for the proposed 2015/16 obligation well. Planning for the drilling of Breakwater-1 is advanced although no drilling rig has yet been selected.

MEO signed a Strategic Co-operation Framework Agreement (“SCFA”) with Hongfu Fund Equity Investment Management Company Ltd (“Hongfu Fund”) to jointly consider direct equity investments in producing projects or projects capable of delivering near term production. The initial term of the SCFA is 1 year. Under this agreement, any project acquired comes with 100% funding provided by Hongfu Fund. Two significant assets were evaluated during the quarter, of which one remains active in the sale process.

Following receipt of regulatory approvals to vary the work programs for AC/P50 & AC/P51, MEO executed an option agreement with Apache Northwest Pty Ltd (“Apache”) that gives Apache the right until 30th September 2014 to elect whether to farm-in to one or both permits and earn a 70% interest by funding 100% of all costs up to and including the first well in each permit inclusive of production testing. The parties have agreed to propose a firm well in the primary renewal term for one of the two permits. In the event that mutually acceptable work programs cannot be agreed with the Titles Administrator, Apache has the right to withdraw.

Cash balance at end of quarter

Consolidated cash balance at 30th June 2014 was A\$16.0m.

New Ventures

Screening for attractive opportunities continued to concentrate on projects capable of generating operating income within 2-3 years of commencement.

Events subsequent to the end of the quarter

The Puka-3 appraisal/development well commenced drilling on 22nd July 2014. The well is being drilled from the same surface location that hosts the production facilities for the Puka-1 and Puka-2 wells. Puka-3 will be drilled as a deviated well to the north of Puka-2 and is designed to test the hypothesis that the reservoir thickens in that direction. The target Mount Messenger sands are expected at a True Vertical Depth (“TVD”) of 1,580m. In the event that Puka-3 is successful, it can readily be connected to the existing production infrastructure.

Announcements since the previous quarterly activities report

The following ASX releases were made since the quarterly activities report (refer www.meoaustralia.com.au):

23/07/2014	Puka 3 Progress Report No. 1
09/07/2014	ASX Release MEO Securities
09/07/2014	ASX Release - Appendix 3Y
25/06/2014	MEO and Apache sign Option Agreement for AC/P50 and AC/P51
25/06/2014	Puka-3 Drilling Update
12/06/2014	Puka-2 Workover Update
23/05/2014	NT/P68 Farm-in Agreement Notice Dates extended
16/05/2014	Change in substantial holding
14/05/2014	Appendix 3Y
14/05/2014	Appendix 3B
13/05/2014	Completion of MEO Australia Share Purchase Plan
06/05/2014	Strategic Co-operation Framework Agreement with Hongfu Fund
30/04/2014	Transfer of participating interest in New Zealand PEP 51153
29/04/2014	Quarterly Activities Summary for Period Ended 31st Mar 2014
29/04/2014	Quarterly Cash Flow Summary for Period Ended 31st Mar 2014
29/04/2014	Edison Group releases MEO Research Report
28/04/2014	MEO release Investor Update audio briefing
22/04/2014	Vulcan Sub-Basin AC/P50 and AC/P51 Work Program Variation
15/04/2014	Share Purchase Plan Offer Documentation
15/04/2014	Notice under ASIC Class Order 09/425
10/04/2014	MEO Investor update April 2014
10/04/2014	MEO Australia Limited announces Share Purchase Plan
08/04/2014	Request for trading halt
07/04/2014	Farm-in to onshore New Zealand oil discovery

Priorities for the current quarter ending 30th September 2014

- Safely complete drilling operations for Puka-3
- Continue screening for opportunities capable of generating operating income



Jürgen Hendrich
Managing Director & Chief Executive Officer

Attachments: Activity Summaries by Project Area

New Zealand: Taranaki Basin

PEP 51153 (MEO 30%*, Kea Petroleum Limited 70% & Operator)

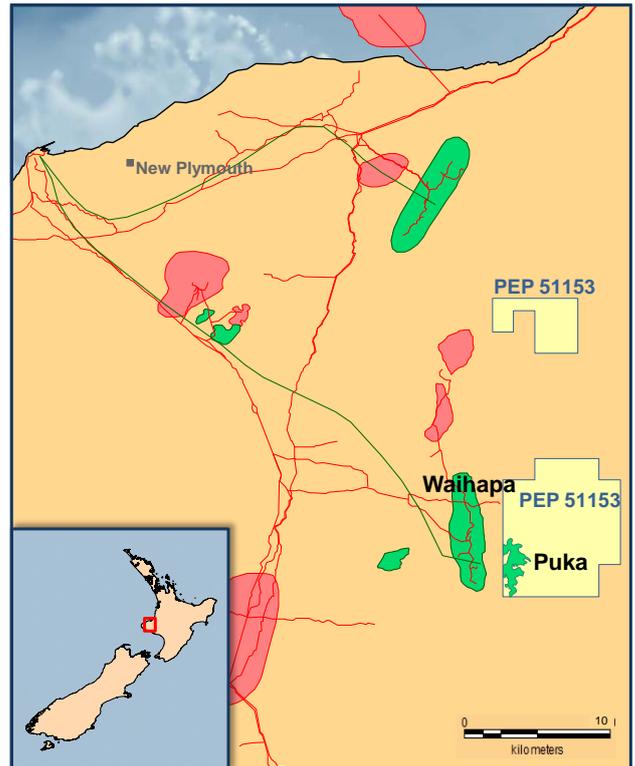


On 7th April 2014 MEO Australia Limited announced that its wholly owned subsidiary, MEO New Zealand Pty Limited (“MEO”), had executed binding agreements with KEA Petroleum PLC (“Kea”) for a staged farm-in to Kea’s 100% owned PEP 51153 exploration permit in the Taranaki Basin, onshore New Zealand.

PEP 51153 covers an area of 104.4 km² and contains the 2012 Puka oil discovery in the Mount Messenger formation. The discovery wells, Puka-1 and Puka-2 (drilled 2013), are producing approximately 80 barrels oil per day (“bopd”) under an extended well test, limited by sub-optimal location and completion constraints. The Puka discovery requires successful appraisal to more fully quantify the resource size and productivity ahead of full field development.

MEO is farming in to the permit by way of a staged work program. In Phase I, MEO is earning a 30% participating interest by funding NZ\$4m of a work program capped at NZ\$5m. Any investment over this cap will be at the participating interest level.

Within 6 months of completing Phase I MEO, at its sole election, can elect to increase its participating interest to 50% of the project by funding NZ\$7.5m of the indicative NZ\$9m Phase II work program.



During the quarter a workover was conducted on Puka-2 to replace the downhole pump. The workover was completed on time and on budget with the well being restored to production. Temporary pipework connecting the producing wells to the production facilities was replaced with permanent pipework. This work and associated re-certification of these facilities will be completed during the current quarter.

Subsequent to the end of the quarter, the Puka-3 appraisal/development well commenced drilling, targeting thicker Mount Messenger reservoir sands at a target depth of approximately 1,580m True Vertical Depth (“TVD”). The well is being drilled from the same surface location that host Puka-1, Puka-2 and associated production infrastructure. This will allow ready tie-in of Puka-3 if it is proven to be an attractive oil producer.

Indicative Activity Schedule

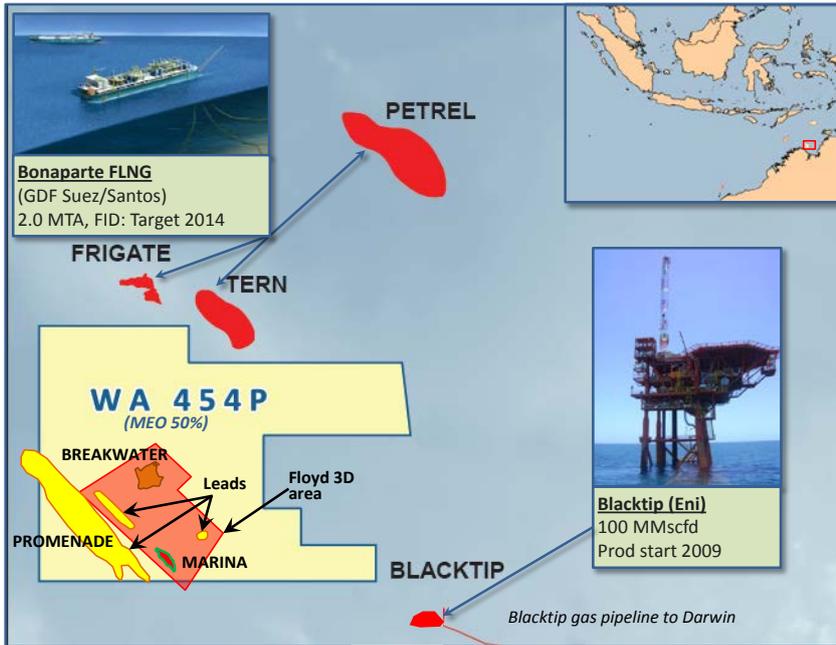
Permit MEO PI* Operator	PEP 51153 30%* Kea	2013				2014				2015									
		Sep Qtr		Dec Qtr		Mar Qtr		Jun Qtr		Sep Qtr		Dec Qtr							
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Permit Year		5/10		6/10				7/10				8/10							
Work program		2D repro		Studies				14 km 2D seismic				Well							
Activities																			
Reprocess 3D seismic																			
Phase I^x																			
Puka-2 workover																			
Puka-3 appraisal/development well																			
Post Phase I review																			
Phase II^{&}																			
Phase II election (6mths > Phase I)																			
Puka-4																			
Full field development planning																			

^x MEO’s 30% participating interest in PEP 51153 is contingent upon completing the Phase 1 work Program

[&] MEO has option to increase PI to 50% by funding NZ\$7.5m out of NZ\$9.0m Phase II work program

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 50%)



WA-454-P contains the Marina gas and probable oil discovery together with the Breakwater prospect and a number of promising leads. MEO was awarded the permit in June 2011 for an initial six (6) year exploration period.

The 601 km² Floyd 3D seismic survey was acquired over the Marina discovery, Breakwater prospect and a number of identified leads in early 2012.

In July 2013, MEO executed a binding farm-in agreement with Origin Energy for a 50% participating interest in the permit. Consideration for earning the interest includes MEO receiving A\$5.6m in past costs and Origin funding 80% of a well with a cost cap of A\$35m (100% well cost).

During the quarter, the Operator proposed a preferred location for Breakwater-1 which was agreed by MEO. In addition, Origin paid the \$2.8 million balance outstanding in relation to reimbursement of MEO's back costs.

MEO will use the preferred Breakwater-1 location as a basis for marketing a portion of its residual 50% interest to defray its remaining 20% cost exposure to the Breakwater-1 well, scheduled for drilling in 3Q-2015 subject to rig availability and receipt of customary regulatory approvals.

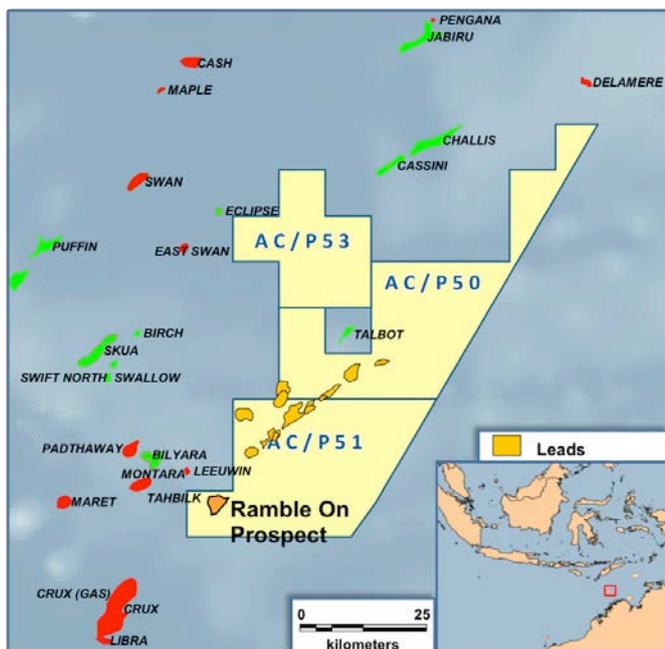
Indicative Activity Schedule

Permit	WA-454-P	2013				2014				2015							
		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	50%																
Operator	MEO																
Permit Year		3/6				4/6				5/6							
Work program		Studies				Studies				1 well							
Activities																	
Transfer of title		■															
Finalise Joint Operating Agreement		■															
Transition to new Operator		■															
Mature Breakwater prospect						■											
Fund 20% residual drilling obligation										■ Partial sale							
Drill Breakwater-1 ^x														■ BWtr-1			

^x timing is indicative only and is subject to change

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

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



AC/P50 & AC/P51 were acquired from SilverWave Energy in late 2010 approximately 18 months into their initial 6 year exploration period. MEO acquired the 507 km² Zeppelin 3D seismic survey across both permits in early 2012.

The Ashmore Cartier region is a proven hydrocarbon province with numerous modest sized oil and gas discoveries, made largely in the 1980's and 90's. Poor seismic image quality and a string of poor exploration results following the early discoveries resulted in a significant hiatus in exploration. More recently PTTEP has brought Montara on line and has enjoyed drilling success nearby at Cash and Maple. Condensate-rich gas was discovered at Crux to the south west.

MEO has achieved an improvement in seismic image quality and has identified the Ramble On prospect on reprocessed 2D seismic data, together with a number of follow up leads.

Ramble On represents a new play type that has proven analogues in other Basins and is an example of applying new ideas to old basins. Any new play type in a region will naturally be assigned a higher risk until that play type is proven in the new area.

A number of leads have also been identified along trend with the Ramble On prospect and represent significant follow up potential if the play type works.

During the quarter, MEO received regulatory approval seeking to replace the final year well obligation with studies aimed at de-risking the identified prospects sufficient to warrant drilling. Late in the quarter, MEO signed an option agreement with Apache Northwest Pty Ltd ("Apache") providing Apache with an Option until 30th September 2014, to elect whether to farm-in to one or both permits.

Consideration for exercising the option(s) would see Apache funding 100% of the work program up to and including drilling of the first well in one or both permits to earn 70% participating interest. Given the permits are due for renewal in April 2015, the parties agreed to nominate a firm well in the primary renewal term of AC/P51. The renewal work program for AC/P50 will be decided once Apache's decision in relation to the options is known and following further consideration of the permit prospectivity. After exercising the AC/P50 option, Apache has the right not to participate in that permit if renewal cannot be obtained on satisfactory terms.

Indicative Activity Schedule

Permit	AC/P50	2013				2014				2015									
		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
MEO PI	100%																		
Operator	MEO																		
Permit Year		5/6				6/6				1/5									
Work program		Studies				Studies				Pending renewal									
Permit renewal or relinquishment										<>									
Activities																			
Partial sale process		Partial sale																	
Apache option to farm-in																			

Permit	AC/P51	2013				2014				2015									
		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
MEO PI	100%																		
Operator	MEO																		
Permit Year		5/6				6/6				1/5									
Work program		174 km ² Multi Az reprocessing				Studies				Pending renewal									
Permit renewal or relinquishment										<>									
Partial sale process		Partial sale																	
Apache option to farm-in																			

Tassie Shoal Gas Processing Projects

(MEO 100%)



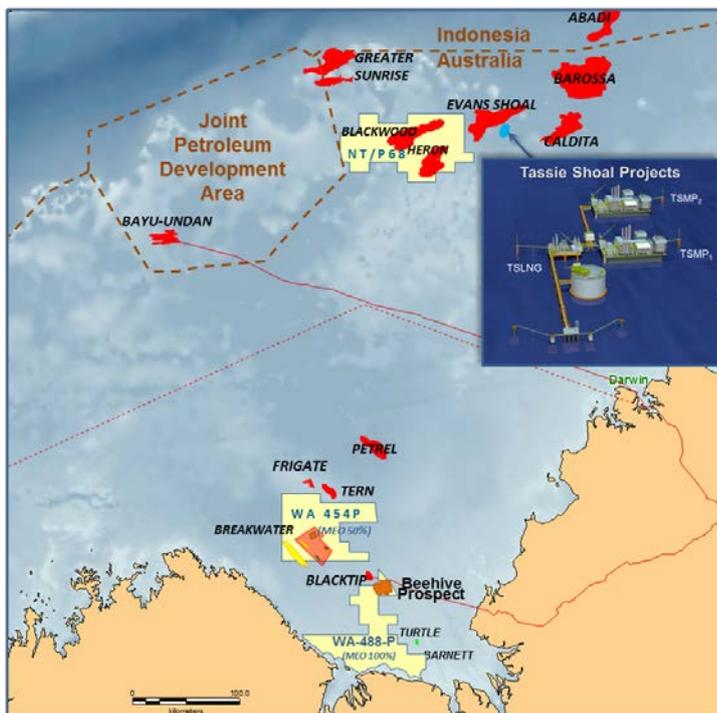
During the quarter, MEO continued business development and technical assessment activities with potential midstream investors.

TSMF

MEO is preparing for an introductory meeting with the Evans Shoal Joint Venture in Australia during 3Q, 2014. The Evans Shoal gas discovery is one of the potential supply sources for the Tassie Shoal Methanol Projects, considering its close proximity, 28% CO₂ content and lack of practical development alternatives.

During the quarter, NOPTA, the regulatory authority that is currently considering a Retention Lease application by the Evans Shoal Joint Venture and MEO's submission regarding Evans Shoal gas field commerciality, requested additional information from MEO in relation to economics of the Tassie Shoal Methanol Project as it pertains to this submission. The requested additional information was provided.

Subsequent to the end of the quarter, Santos reported that the Barossa-2 appraisal well had intersected 92 metres of net gas pay across the Upper Elang, Lower Elang and Plover reservoirs. The result was very similar to Barossa-1 with pressure data indicating the wells have intersected a gas resource with a common gas water contact. No production test was undertaken. The next of up to two additional appraisal wells on the field is expected to commence drilling in 4Q, 2014. The results from these wells will provide further clarity on gas resource estimates, field productivity and CO₂ content (~16%) which will be a key input into consideration of potential commercialization opportunities.



TSLNG

Discussions were held with potential investors regarding the potential synergies available from regional resources by stripping CO₂ from medium CO₂ feedstock streams to provide a residual low 2% CO₂ feedstock stream available for LNG production via TSLNG and an recombining the stripped CO₂ to boost the raw gas stream to a feedstock stream containing an optimal 25% CO₂ for methanol production via TSMF.

Such an approach offers scope for a regional solution to commercializing medium - high CO₂ resources as both LNG and methanol, in the process avoiding the costs and practical difficulties of geo-sequestration or large scale venting of reservoir CO₂ directly into the atmosphere.

During the quarter Santos and GDF Suez announced that their proposed Bonaparte FLNG project was not commercially viable and that alternative development options will be examined. From a business development perspective, MEO notes that the low capital cost base of TSLNG offers the potential for a low cost LNG commercialisation path for these otherwise stranded gas resources. Additional benefits of a TSLNG solution include the commercial reality of a simple joint venture structure, without the complexities of multiple competing commercial positions and agendas.

The ongoing maturing of the understanding of the composition and productivity of the Bonaparte Gulf's gas resources strongly supports ongoing interest in the Tassie Shoal Projects and their potential to provide a viable commercialisation path for otherwise stranded regional resources.

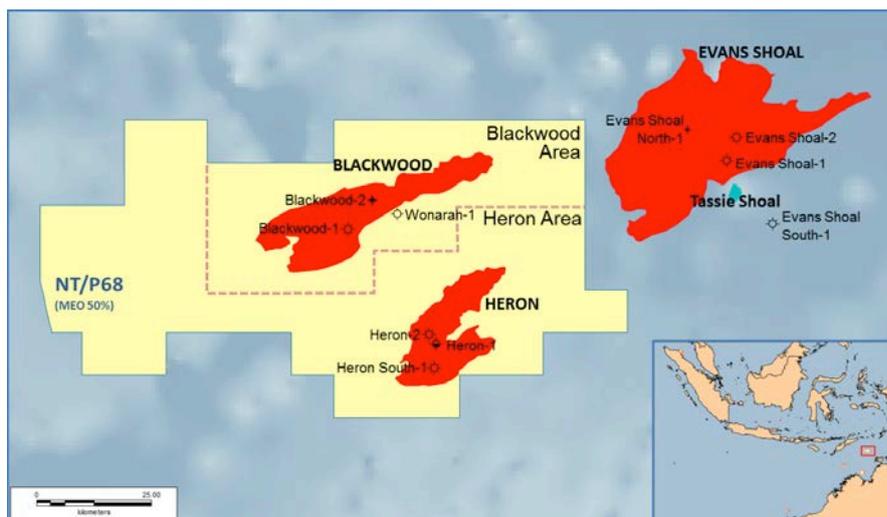
Timor Sea: Bonaparte Basin

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



Pursuant to a farm-in agreement with Eni Australia (refer ASX release dated 18th May 2011), Eni has earned an initial 50% interest in the Blackwood area of NT/P68 by acquiring the 766km² Bathurst 3D seismic survey and drilling Blackwood-2.

Eni is also earning an initial 50% interest in the Heron area by funding the drilling of two wells on the greater Heron structures. The first of these, Heron South-1, was drilled in late 2012. Eni has until 29th August 2014 to elect whether to drill a 2nd well or withdraw from the Heron area.



Eni has options 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 and make a one-off cash payment of US\$75m to MEO on achieving a Final Investment Decision in either area.

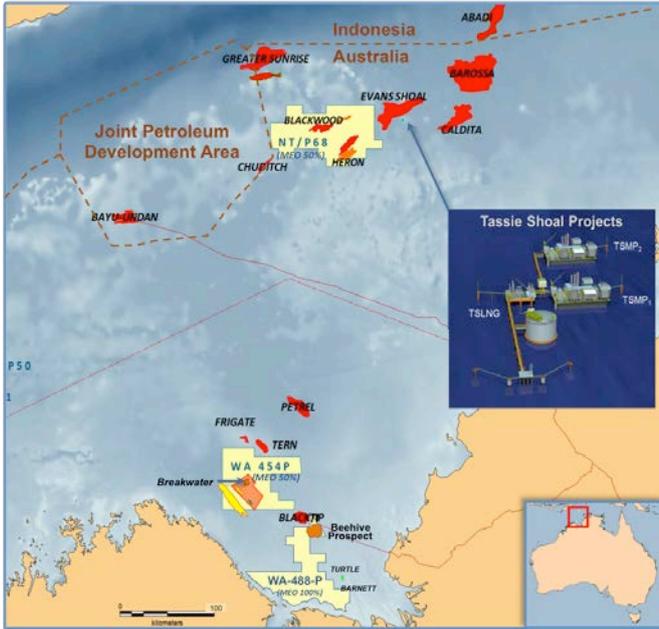
During the quarter, MEO and Eni agreed to extend the option dates for electing whether to drill a 2nd Heron well and whether to increase participating interest in Blackwood to 75% until 29th August 2014.

Indicative Activity Schedule

Permit MEO PI Operator	NT/P68 50%* Eni Australia	2013				2014				2015							
		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		4/5				5/5				pending							
Work program		1 well*				Studies				pending							
Permit expiry										<>							
Submit permit renewal application										<>							
Drill Blackwood-2		BW-2															
2nd Heron well election (29th August)						29				If exercised, drill well by 12Feb16							
Increase Blackwood equity to 75%						29											
Planned drilling in nearby permits*																	
Evans Shoal North-1		ESN-1															
NT/P48 (Evans Shoal) permit expiry		<>				Extended to 24-Sep-2014				<>							
Barossa: appraisal drilling						B-2				B-3							
Activities																	

Bonaparte Gulf: Petrel sub-Basin

WA-488-P (MEO 100%)



WA-488-P is located adjacent to MEO's WA-454-P (50%) permit and covers an area of 4,105 km². The permit was awarded to MEO in May 2012 as part of the acreage Gazettal Round.

MEO has identified the giant Beehive prospect that it considers can be readily advanced to drillable prospect status by reprocessing existing 2D seismic data and integrating offset well data. Beehive represents a new play type within the Bonaparte basin, leveraging the 2011 Ungani-1 oil discovery in Carboniferous aged reservoirs in the nearby Canning Basin.

During the quarter, MEO continued to market the technical merits of the Beehive prospect to prospective industry partners considering participating in the Permit Year 3 well (commencing May 2015).

The partial sale process remained underway at the end of the quarter.

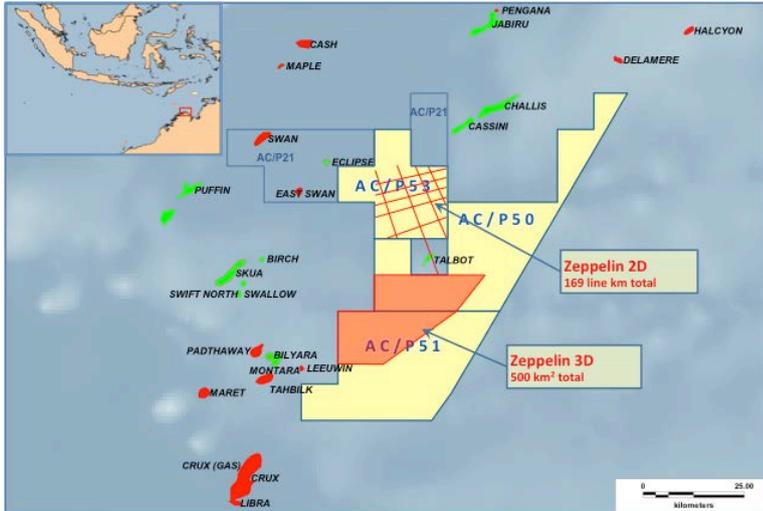
Indicative Activity Schedule

Permit MEO PI Operator	WA-488-P 100% MEO	2013			2014				2015								
		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
Permit Year		1/6					2/6				3/6						
Work program		400 km 2D Repro					Studies				1 Well*						
Activities																	
Resource estimation		■															
Reprocess 2D seismic							■ 2D repro										
Partial sale process							■ Partial sale										
Secure rig											■						

* timing is indicative only and is subject to change

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

AC/P53 (MEO 100%)



MEO was awarded AC/P53 as part of an acreage gazettal round in mid-2011. In early 2012, MEO acquired 169 line km of the Zeppelin long offset 2D seismic data featuring a tie line through the Talbot oil discovery in the adjacent Retention Licence AC/RL2.

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

During the quarter, discussions with an industry participant to explore options for potential co-operation concluded. While no agreement was reached, there is potential to re-engage in the future.

Indicative Activity Schedule

Permit MEO PI Operator	AC/P53 100% MEO	2013			2014				2015			
		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		3/6			4/6				5/6			
Work program		Studies				Studies				1 Well		
Permit relinquish election ^x										◀▶		
Activities												
Zeppelin 2D - interpret		Interpret										
Potential co-operation discussions												

^x 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.

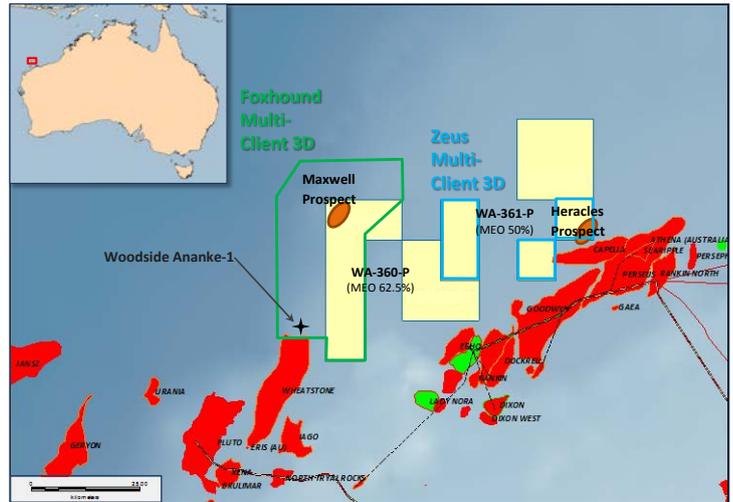
During the quarter, reprocessing of the 3D seismic continued to a point where further processing steps require the input of the Ananke-1 well results. The well is expected to become open file during the current quarter.

MEO has made its interest in the permit available for divestment.

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

The permit was renewed in early 2011 for five years.

MEO has made its interest in the permit available for divestment.

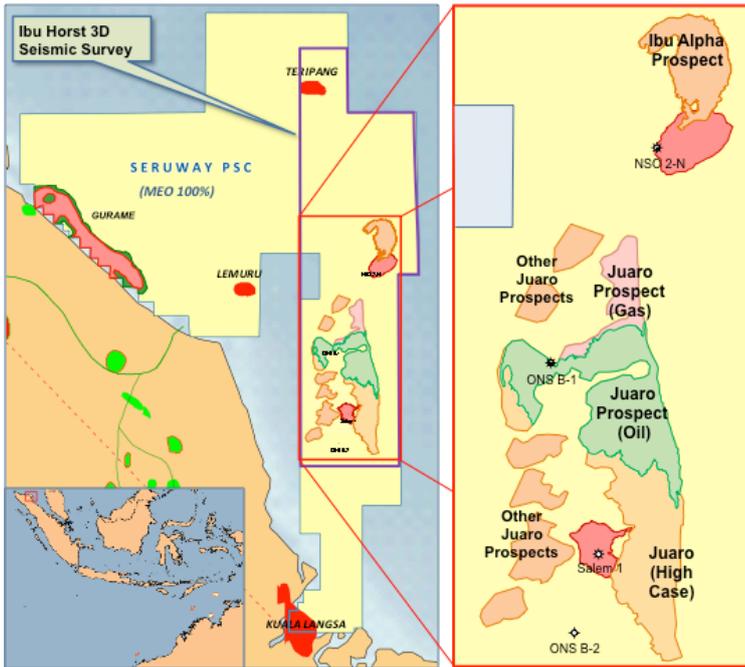


Indicative Activity Schedule

Permit	MEO PI	Operator	2013		2014				2015			
			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
WA-360-P	62.5%	MEO	2/5		3/5				4/5			
Work program			648 km ² 3D reprocessing		3D interpretation, studies				Studies			
Activities					Repro							
Seismic reprocessing												
Partial sale process					Divestment							
Ananke-1 data becomes open file												
Integrate Ananke-1 data									Integrate			
WA-361-P	50%	MEO	3/5		4/5				5/5			
Work program			3D interp, studies		Studies				Studies			
Relinquishment/renewal												
Activities					Divestment							
Partial sale process												

North Sumatra, Indonesia

Seruway PSC (MEO 100%*)



The Seruway PSC is held by wholly owned subsidiary Seruway Offshore Exploration Limited (“SOEL”). The PSC was acquired in mid-2011 in a corporate transaction and is located in Aceh province of North Sumatra, close to the Arun LNG facility. Domestic gas demand remains unfulfilled.

A number of undeveloped discoveries are featured within the PSC. SOEL acquired modern, high quality, 2012 vintage 3D data over the Ibu Horst area which features two main prospective areas of interest: 1) the Juaro Complex discovered by ONS B-1; and 2) Ibu Alpha discovered by NSO 2-N.

The Juaro Complex is considered to have potential for significant prospective oil resources in the main feature of the complex, with a series of subordinate, independent features offering follow up potential. Ibu Alpha is smaller with a higher chance of success.

The Kuala Langsa gas discovery straddles the adjacent permit and contains contingent resources inclusive of CO₂ up to 80%, providing a significant commercialization challenge.

During the quarter, MEO began the process of preparing the PSC for relinquishment.

Indicative Activity Schedule

Permit	Seruway PSC	2013					2014					2015																	
		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
Operator	SOEL*	Permit Year					Permit Year																						
Work program		Mature Juaro					1 well ^x																						
PSC expiry																													
Relinquish PSC																													
Activities																													
Partial sale process		Partial sale																											

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

New Ventures



MEO continued to screen new venture opportunities capable of generating operating income as well as targeting attractive exploration projects capable of attracting industry partners to fund drilling. Under the strategic co-operation framework agreement with Hongfu Fund, two significant oil production assets were evaluated. One project was screened out, while one project remains in advanced due diligence.