



MEO Australia Limited

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Quarterly activities summary for Period ended 31st December 2014

Significant activities during quarter:

- MEO completes negotiations for Cuba Block 9 PSC
- MEO regains 100% interest in Heron Area of NT/P68
- Corporate Merger terminated by Neon Energy, MEO receives \$400,000 break fee
- Unsolicited takeover proposal received from Mosman Oil & Gas
- New CEO, Peter Stickland, appointed
- Relocated and reduced corporate office

Melbourne, Australia (30th January, 2015)

MEO Australia Limited (ASX: **MEO**) provides the following summary in relation to its activities during the quarter ended 31st December 2014.

Activity Summary

During the quarter, MEO agreed terms for entry to an onshore exploration PSC in the Republic of Cuba. The award of Block 9 to MEO (100%) is subject to final regulatory approval. Block 9 contains natural oil seeps and several small oil discoveries.

In NT/P68, MEO regained 100% Participating Interest in the Heron Area when Eni Australia Limited (Eni) elected not to drill an additional well on the Heron structure and will therefore withdraw from the Heron Area of NT/P68. Eni also elected not to increase its Participating Interest in the Blackwood Area and advised that it intends to retain a 50% Participating Interest.

Onshore New Zealand extended production testing of the Puka oil field continued, with net sales of production to MEO for the quarter of 3,070 bbl. Subsequent to the end of the quarter production from Puka was shut in due to unresolved mechanical problems with the Puka-1 well and the low current oil price environment.

In Indonesia, the Seruway PSC reached the end of its 10 year exploration term in December 2014 and MEO duly relinquished the PSC. MEO has submitted a joint study application with a third party for the Seruway Area with the relevant government department.

The value realization initiative for the Tassie Shoal projects continued through the quarter, with the data room remaining open until the end of the year. In light of the current business environment MEO has decided to suspend this initiative for the foreseeable future.

Corporate Summary

During the quarter, MEO signed a Merger Implementation Agreement with Neon Energy (Neon) with the goal of merging the two companies on a 50:50 bases. Subsequently during the quarter Neon received what it considered a superior proposal and terminated the MEO merger and paid MEO a \$400,000 reimbursement fee (excl. GST).

MEO also received a proposal from Mosman Oil and Gas Limited (Mosman) indicating that Mosman intends to make an unsolicited off-market takeover offer to acquire 100% of outstanding MEO shares on the basis of one AIM-listed Mosman share for every 20 MEO shares on issue. After the end of the quarter Mosman indicated its intention to vary its unsolicited off-market takeover offer to one AIM-listed Mosman share for every 10 MEO shares on issue. **The MEO Directors have advised shareholders to reject the Revised Mosman Proposal** and advised they will provide further information regarding their recommendation in MEO's target statement.

During the Quarter it was announced that Mr Jürgen Hendrich, Managing Director, would leave the company on 31st January 2015 and stepped down as CEO on 19th December 2014 assuming the role of Executive Director Special Projects until 31st January 2015.

Mr Peter Stickland was appointed CEO effective 19th December 2014 and Managing Director effective 30th January 2015.

After the end of the Quarter, on 5th January 2015, non-executive director Mr Michael Sweeney tendered his resignation effective immediately.

MEO has implemented a number of cost cutting initiatives during and subsequent to the end of the Quarter, including relocating and reducing corporate office space by 50%. The cumulative effect of these initiatives will be a more than 60% reduction in overheads compared to the 2014 financial year.

Cash balance at end of quarter

Consolidated cash balance at 31st December 2014 was A\$9.7m.

New Ventures

Screening for New Venture opportunities concentrated on projects capable of generating operating income within 2-3 years of commencement.

Announcements since the previous quarterly activities report

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

29-Jan-15	Chairman's letter to Shareholders
29-Jan-15	MEO implements cost cutting measures
29-Jan-15	Bidder's Statement
28-Jan-15	Appointment of Managing Director
20-Jan-15	Receipt of variation of proposal to make off market takeover
19-Jan-15	Improved terms of proposal
15-Jan-15	Puka Production Shut in
06-Jan-15	Appendix 3Z
06-Jan-15	Resignation of non executive director Mr Michael Sweeney
24-Dec-14	NEN: Reimbursement fee paid to MEO
24-Dec-14	MEO receives \$400,000 Reimbursement Fee from Neon
22-Dec-14	Neon Terminating Merger Implementation Agreement
22-Dec-14	NEN: Revised proportional bid received for Neon
19-Dec-14	MEO Scheme Booklet and Independent Experts Report
19-Dec-14	Merger Transaction Update
18-Dec-14	NEN: Company Update
15-Dec-14	MEO Directors respond to Mosman Proposal
12-Dec-14	MEO Australia Appoints New CEO
12-Dec-14	NEN:MEO takeover bid received from Mosman Oil & Gas
11-Dec-14	Takeover Proposal for MEO Australia Limited
04-Dec-14	MEO Completes Negotiations for Cuba Block 9 PSC
02-Dec-14	Lodgement of Scheme Booklet
01-Dec-14	MEO Securities as at 1 st December 2014
25-Nov-14	Ceasing to be a Substantial Holder
17-Nov-14	New Address for MEO Australia Limited
05-Nov-14	NEN: Chairman's Shareholder letter proposed Neon & MEO Merger

05-Nov-14	MEO NEON Merger Investor Presentation
05-Nov-14	MEO NEON Merger Announcement
05-Nov-14	Amended Trading Halt Request
05-Nov-14	Trading Halt
05-Nov-14	MEO Securities Update as at 5 Nov 2014
03-Nov-14	MEO Managing Director to Leave 31 January 2015
03-Nov-14	Acting MEO Chairman
30-Oct-14	Results of Annual General Meeting
30-Oct-14	Annual General Meeting - Technical Supplement 2014
30-Oct-14	MEO Annual General Meeting Presentation 2014
29-Oct-14	NT/P68 Farmin Agreement Notices Received
23-Oct-14	Quarterly Activities Summary For Period Ending 30th Sep 2014
23-Oct-14	Quarterly Cash Flow Summary for Period Ended 30th Sept 2014
01-Oct-14	Apache option agreement
26-Sep-14	2014 Notice of Annual General Meeting & Proxy Form
26-Sep-14	2014 MEO Australia Limited Annual Report to shareholders

Priorities for the current quarter ending 31st March 2015

- Work to secure the Block 9 PSC, Onshore Cuba
- Market farm-out opportunities for WA-454-P, WA-488-P, AC/P50&51
- Respond to unsolicited Mosman proposal in a way that best protects MEO shareholder value
- Continue screening for opportunities capable of generating operating income
- Lodge renewal application for AC/P50 and AC/P51



Peter Stickland
Chief Executive Officer and Managing Director

Attachments: Activity Summaries by Project Area

New Zealand: Taranaki Basin

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

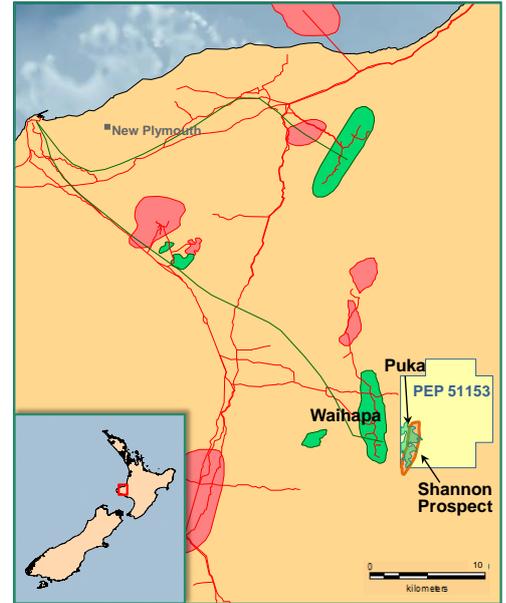


On 7th April 2014 MEO Australia Limited announced its wholly owned subsidiary, MEO New Zealand Pty Limited (“MEO”), had executed a binding farm-in agreement (FIA) with KEA Petroleum PLC (“Kea”) to earn an initial 30% interest in exploration permit PEP 51153 in the Taranaki Basin, onshore New Zealand.

During the quarter MEO continued to assess the results of the Puka-3 appraisal/development well drilled targeting thicker Mount Messenger reservoir sands some 500m to the north of the Puka-2 bottom hole location. In MEO’s view, the result has downgraded the potential of the Mount Messenger play.

Production testing of the Puka oil field continued, with net oil sales for the quarter of approximately 3,070 bbl. Subsequent to the end of the quarter production from Puka was shut in due to unresolved mechanical problems with the Puka-1 well and the low current oil price environment.

The Joint Venture has identified the Shannon Prospect, which was identified on the new 3D seismic data at the deeper Tikorangi objective updip of Douglas-1 (which encountered oil shows at this level) and is analogous to the nearby Waihapa oil field. The PEP 51153 joint venture partners have commenced a marketing campaign aimed at attracting an additional partner to the permit to fund the drilling of the Shannon prospect to establish whether the Tikorangi play can deliver a commercial discovery.

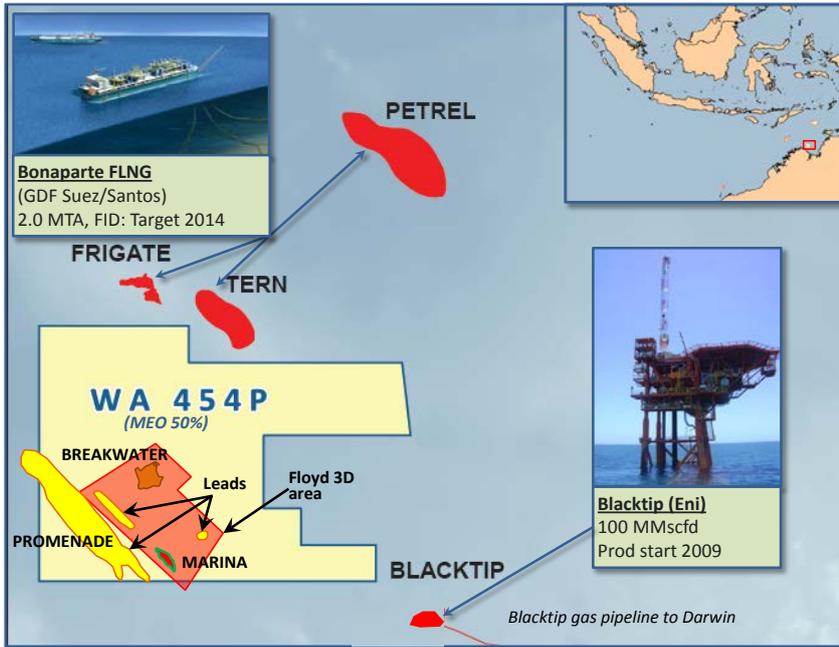


Indicative Activity Schedule

Permit	PEP 51153	2013		2014				2015											
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
MEO PI*	30%	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Operator	Kea	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				7 km 2D seismic				Well									
Activities																			
Reprocess 3D seismic																			
Puka-2 workover																			
Puka-3 appraisal/development well																			
Relinquishment of Area "A"																			
Post Puka-3 evaluation																			
Puka deep prospect assessment																			
Negotiate conclusion of Phase I																			
Extend flaring consent by 180 days																			
Farm-out of Shannon-1																			
Drilling of Shannon-1																			
MEO option to withdraw																			

Bonaparte Gulf: Petrel Sub-Basin

WA-454-P (MEO 50%, Origin Energy 50% & Operator)



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 in early 2012 over the Marina discovery, Breakwater prospect and a number of identified leads.

In July 2013, MEO executed a binding farm-in agreement with Origin Energy for a 50% participating interest in the permit. Origin reimbursed MEO A\$5.6m in past costs and will fund 80% of a well capped at A\$35m (100% well cost).

During the quarter, MEO continued a marketing campaign to sell a portion of its 50% participating interest to defray MEO's 20% cost exposure to the Breakwater-1 well, scheduled for drilling in 3Q-2015 subject to rig availability and receipt of customary regulatory approvals.

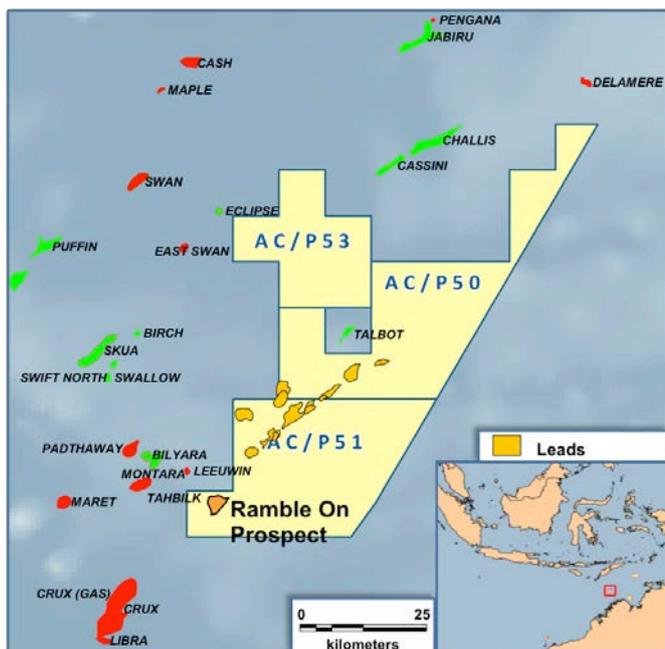
Indicative Activity Schedule

Permit	WA-454-P	2013					2014				2015							
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr							
MEO PI	50%*	J	A	S	O	N	J	F	M	A	M	J	J	A	S	O	N	D
Operator	MEO	J	A	S	O	N	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							
Activities																		
Transfer of title		■																
Finalise Joint Operating Agreement		■																
Transition to new Operator		■																
Mature Breakwater prospect		■																
Fund 20% residual drilling obligation							■											
MEO option to withdraw											■							
Drill Breakwater-1 [†]															■			

* timing is indicative only and is subject to change; * pre-farmout

Ashmore Cartier Region, Timor Sea: Vulcan Sub-Basin

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



The Ashmore Cartier region is a proven hydrocarbon province with numerous oil and gas fields largely discovered 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. PTTEP has recently brought the Montara oil discovery back on line and has achieved drilling success nearby at Cash and Maple. PTTEP's interests are currently being divested. Condensate rich gas was discovered at Crux to the south west.

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.

MEO also reprocessed the available 2D seismic data and achieved an improvement in seismic image quality. This resulted in the Ramble On prospect being identified together with a number of leads.

Identification of Ramble On is the result of applying new ideas to old basins. It represents a new play type that has proven analogues in other Basins. Naturally, any new play type in a region will initially be assigned a higher risk until that play type can be demonstrated to work.

During the quarter, MEO remained open to discussions with 3rd parties interested in joining MEO in either or both permits going forward.

MEO expects to lodge a renewal application for the permits with NOPTA during 1Q'2015.

Indicative Activity Schedule

Permit	AC/P50	2013				2014				2015									
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
MEO PI	100%	J	A	S	O	N	D	J	A	S	O	N	D	J	A	S	O	N	D
Operator	MEO	J	A	S	O	N	D	J	A	S	O	N	D	J	A	S	O	N	D
Permit Year		5/6				6/6				1/5									
Work program		Studies				Studies				Pending renewal									
Permit renewal or relinquishment										<>									
Activities																			
Partial sale process		Partial sale																	
Permit	AC/P51	2013				2014				2015									
MEO PI	100%	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr								
Operator	MEO	J	A	S	O	N	D	J	A	S	O	N	D	J	A	S	O	N	D
Permit Year		5/6				6/6				1/5									
Work program		74 km ² Multi Az reprocessin				Studies				Pending renewal									
Permit renewal or relinquishment										<>									
Partial sale process		Partial sale																	

Tassie Shoal Gas Processing Projects

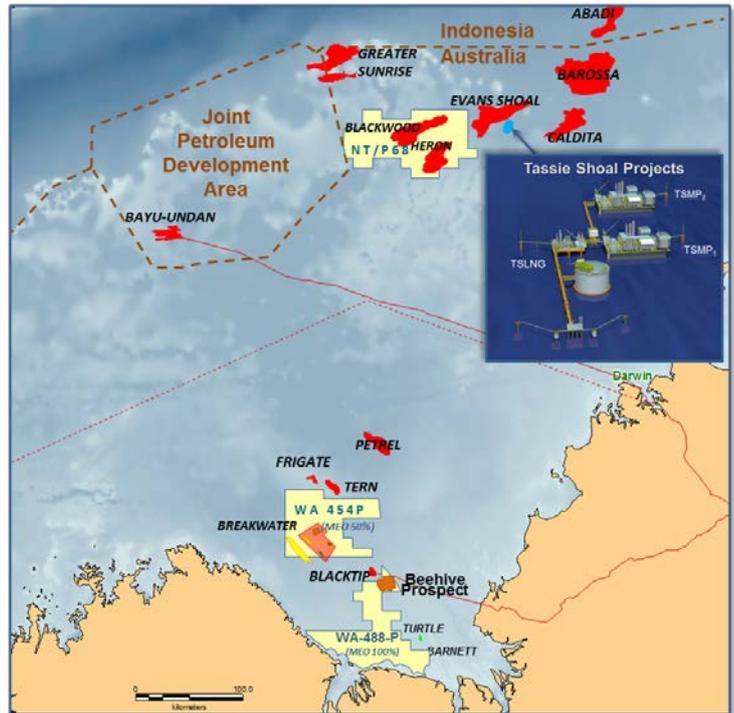
(MEO 100%)



During the quarter, MEO continued business development activities and promoting the potential of the Tassie Shoal Projects to regional resource owners as a logical, cost effective, practical and profitable development path.

The external factors that have driven down global oil prices have commensurately reduced regional LNG prices as they are predominantly directly linked to oil prices. This reduction in LNG prices further impairs the potential for high CO₂ gas in the Tassie Shoal vicinity to be developed as LNG; further improving the relative attractiveness of the Tassie Shoal Methanol Project; however the lower oil price environment has also reduced industry appetite for discretionary projects.

MEO views its previously proposed gas price of US\$3.15MMBTU (Jan 2015 basis, raw unprocessed gas (including CO₂) delivered to TSMP plant gate) as a highly competitive gas price on a global basis, with the revenue netback achievable by any regional resource owner more than competitive against any of the other potential development alternatives once the capex differential is accounted for. Importantly, as MEO has outlined to stakeholders, **this gas price supports an economic development of the stranded resources.**



With respect to Evans Shoal, MEO continues to await advice of the proposed meeting that was deferred by the Evans Shoal JV to early 2015 to allow the Evans Shoal JV to finalise its roadmap and progress its planned work program. The Evans Shoal gas discovery is one of a number of potential supply sources for a TSMP based development, considering its proximity, 28% CO₂ content and lack of practical development alternatives. The Tassie Shoal Methanol Projects have the potential to commercialise 4TCF of recoverable raw gas from Evans Shoal over a 25 year gas supply period.

The Barossa gas discovery (approximately 16% CO₂) continues to be appraised by the NT/RL5 joint venture and the results from recent wells will provide further clarity to the joint venture on gas resource estimates, field productivity and CO₂ content which will be a key input into consideration of potential commercialization opportunities.

The Tassie Shoal Projects Value Realisation Initiative data room remained open throughout the quarter, but in light of the current business environment, MEO has decided to suspend this formal process for the foreseeable future.

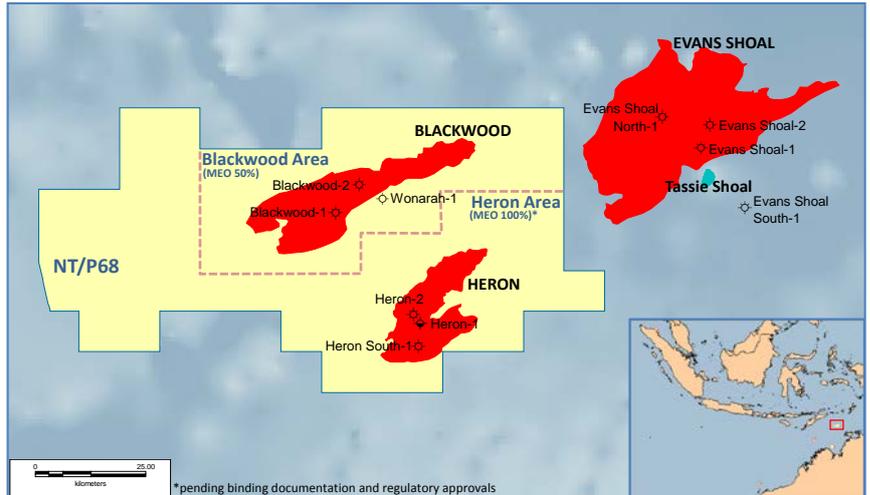
Timor Sea: Bonaparte Basin

NT/P68 (Heron Area MEO 100%, Blackwood Area, 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 was 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.



During the Quarter, MEO regained 100% Participating Interest in the Heron Area when Eni elected not to drill an additional well on the Heron structure and will therefore withdraw from the Heron Area of NT/P68. Eni also elected not to increase its Participating Interest in the Blackwood Area and advised that it intends to retain a 50% Participating Interest.

Indicative Activity Schedule

Permit MEO PI Operator	NT/P68 100% / 50%* Eni Australia	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		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 (30th October)		30											
Blackwood Area Notice		30											
Planned drilling in nearby permits^x		ESN-1											
Evans Shoal North-1		ESN-1											
RL granted over Evans Shoal field		19											
Barossa: appraisal drilling		B-2, B-3, B-4											
Activities													

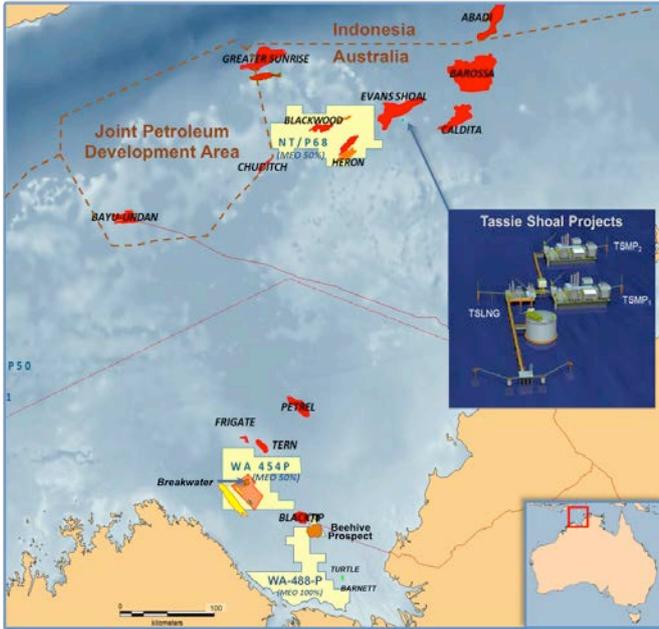
* 100% of Heron Area, 50% of Blackwood Area as detailed in 29th October 2014 ASX release

* Permit Year 4 well obligation previously met by drilling Heron South-1 during Permit Year 3

^x timing is indicative only and is subject to change

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 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.

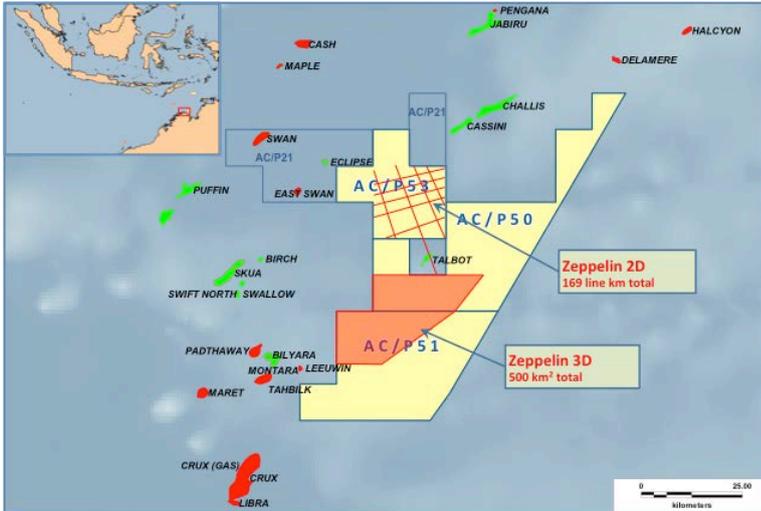
Indicative Activity Schedule

Permit	WA-488-P	2013				2014				2015			
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
MEO PI	100%												
Operator	MEO	J	A	S	O	N	D	J	A	S	O	N	D
Permit Year		1/6				2/6				3/6			
Work program		400 km 2D Repro				Studies				1 Well [*]			
Activities		Resource estimation		Reprocess 2D seismic		Partial sale process		2D repro		Partial sale			

^{*} 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.

There was no meaningful activity on this permit during the quarter.

Indicative Activity Schedule

Permit	AC/P53	2013				2014				2015			
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr		
MEO PI	100%	J	A	S	O	N	D	J	F	M	A	M	J
Operator	MEO	J	A	S	O	N	D	J	F	M	A	M	J
Permit Year		3/6				4/6				5/6			
Work program		Studies				Studies				1 Well			
Permit relinquish election ^										◀			
Activities		Interpret											
Zeppelin 2D - 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)



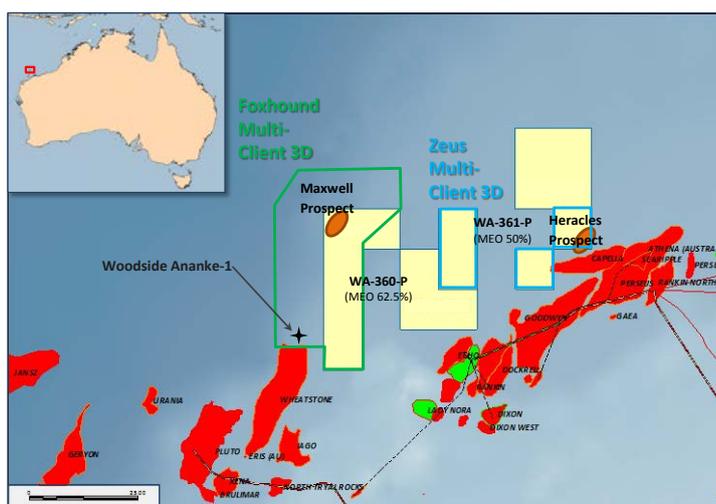
WA-360-P (MEO 62.5% & Operator)

The permit was renewed in early 2012 for an additional 5 years.

MEO has made its participating interest in the permit available for acquisition.

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

The permit was renewed in early 2011 for five years. MEO has made its participating interest in the permit available for acquisition.



Indicative Activity Schedule

Permit	WA-360-P	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	A	S	O	N	D
Operator	MEO	J	A	S	O	N	D	J	A	S	O	N	D
Permit Year		2/5				3/5				4/5			
Work program		648 km ² 3D reprocessing				3D interpretation, studies				Studies			
Activities						Repro							
Seismic reprocessing						Repro							
Partial sale process		Divestment											
Ananke-1 data becomes open file													
Integrate Ananke-1 data										Integrate			
Permit	WA-361-P	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	A	S	O	N	D
Operator	MEO	J	A <td>S <td>O <td>N <td>D</td> <td>J</td> <td>A <td>S <td>O <td>N <td>D</td> </td></td></td></td></td></td></td>	S <td>O <td>N <td>D</td> <td>J</td> <td>A <td>S <td>O <td>N <td>D</td> </td></td></td></td></td></td>	O <td>N <td>D</td> <td>J</td> <td>A <td>S <td>O <td>N <td>D</td> </td></td></td></td></td>	N <td>D</td> <td>J</td> <td>A <td>S <td>O <td>N <td>D</td> </td></td></td></td>	D	J	A <td>S <td>O <td>N <td>D</td> </td></td></td>	S <td>O <td>N <td>D</td> </td></td>	O <td>N <td>D</td> </td>	N <td>D</td>	D
Permit Year		3/5				4/5				5/5			
Work program		3D interp, studies				Studies				Studies			
Relinquishment/renewal										<>			
Activities										Divestment			
Partial sale process										Divestment			