



MEO Australia Limited

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January 12, 2009

Mr Dean Litis
Principal Advisor, Issuers
Australian Stock Exchange Limited
Level 45, South Tower
Stock Exchange Centre
525 Collins Street
Melbourne VIC 3000

Dear Mr Litis,

Re: Price query

In regard to your query in relation to the recent price and volume increases in our stock, we offer the following responses to your specific numbered points:

1. The Company is not aware of any information that has not already been announced to the market.
2. Not applicable.
3. The Company notes the rise in the share price during the week and offers the following possible explanation for this increase:
 - (a) In respect of the upcoming drilling of the Zeus-1 exploration well in WA-361-P, MEO announced on 8th January 2009 that it was expecting to receive handover of the Songa Venus semi-submersible rig on the evening of the 8th January in preparation for an approximate 7-day tow to the Zeus-1 well location. The Zeus-1 well is expected to spud on or about 17th January 2009.

In the same release, the company advised that the Zeus-1 well is estimated to have the potential to contain in the order of 15Tcf gas-in-place in the primary objective and a further 3.7Tcf gas-in-place in the shallower secondary objective. With 35% equity in the well, a successful outcome at Zeus-1 would clearly result in a substantial uplift in the value of MEO securities.
 - (b) MEO confirms that the handover of the Songa Venus rig was completed on 8th January 2009 and is currently under tow to the Zeus-1 well location.
4. We confirm that to the best of our knowledge, the Company is in full compliance with the listing rules and, in particular, listing rule 3.1.

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We trust these responses adequately address your query. Please contact us immediately in the event that further clarification is required.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jürgen', written in a cursive style.

Jürgen Hendrich

Managing Director & Chief Executive Officer
MEO Australia Limited

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12 January 2009

Colin Naylor
Chief Financial Officer & Company Secretary
MEO Australia Limited

By email only

MEO Australia Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$0.185 at the close of trade on Thursday 8 January 2009 to a high of \$0.30 at the time of writing today. We have also noted an increase in volume in the same period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Group may have for the price change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent by e-mail to dean.litis@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **2pm EDST today Monday 12 January 2009**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

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Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in Group's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Dean Litis
Principal Adviser, Issuers (Melbourne)