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ASX AND MEDIA RELEASE

Zeus-1 update

Key Points:

- **Formation pressures testing program confirm target sands are water bearing**
- **Plugging and abandonment program underway**

MELBOURNE, AUSTRALIA (**February 13th, 2009**) -- MEO Australia Limited (ASX: MEO) advises the following update in relation to Zeus-1 (**MEO 35%, Operator**), being drilled in WA-361-P in the Carnarvon Basin, offshore Western Australia.

A MDT formation pressure testing program has confirmed the primary objective sands to be water bearing.

The well is currently being plugged and abandoned as planned. MEO expects to release the drilling rig early next week.

Implications for North West Shelf acreage

While the results from Zeus-1 are clearly disappointing, MEO remains optimistic that there is significant untested potential for gas accumulations within its North West Shelf acreage. Once the results from the well are fully integrated with the existing database, the forward plan for WA-361-P will be determined. The drilling of the well satisfies the Year 5 commitment for the permit.

WA-361-P participants

Company	Equity	Remarks
North West Shelf Exploration Pty Ltd*	35%	Operator
Resource Development International Limited	35%	(Unlisted)
Cue Energy Resources Limited	15%	ASX: CUE
Gascorp Australia Pty Ltd	15%	(Unlisted)

**(Wholly owned subsidiary of MEO Australia Limited)*

Concurrently, MEO is continuing its technical work on WA-360-P (MEO 60-70%) where it has identified substantial independent prospectivity. A formal farm-out process for this permit is expected to commence early 2Q'09. The company is confident of attracting a well credentialed partner to contribute to the funding of a well planned for 2010.

Jürgen Hendrich
Managing Director & CEO

WA-361-P Permit Location

