

ASX & Media Release

Seruway PSC - Gurame SE-1XST Progress Report No. 13

Key Points:

- Completed logging operations
- Plugged well back into liner to 2,926mMDRT*
- Preparing to production test Baong sands

MELBOURNE, AUSTRALIA (6th December, 2012)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) provides the following update in relation to Gurame SE-1XST being drilled in the Seruway PSC, offshore North Sumatra, in which MEO holds a 100% interest.

Since the last report wireline logging operations have been completed. The significant difficulties in stabilizing mud losses encountered at 3,145mMDRT and the consequent risks to well integrity precluded drilling further.

The well has been plugged back 35m into the liner to 2,926mMDRT and preparations are underway to production test the Baong sands.

Progress Summary

Progress since last report:

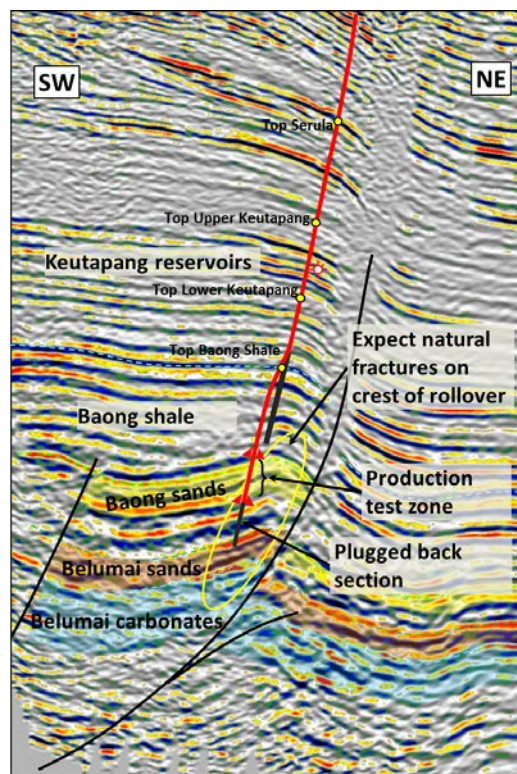
- Completed wireline logging operations
- Plugged back well into liner at 2,926mMDRT

Present Operation (at 0200 hrs Jakarta time, 6th December)

- Preparing to production test Baong sands

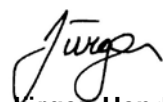
Outlook:

- Complete production test of Baong sands
- Plug and abandon well



MEO's CEO and MD Jürgen Hendrich commented on the announcement:

"The significant mudlosses experienced, coupled with good gas shows is evidence the Belumai sands are fractured and have the potential to be productive. Regretably, these fractures also bring drilling challenges. Gas shows encountered while drilling indicated no evidence of H₂S or CO₂, suggesting good gas quality. The upcoming production test will determine Baong reservoir productivity and gas composition."



Jürgen Hendrich
Managing Director & Chief Executive Officer

* mMDRT = metres measured depth below rotary table