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ASX & Media Release

MEO Completes share placement to underpin exercise of WA-360-P drill/drop option

Key Points:

- Completes placement of 59,898,385 shares to Institutional and Sophisticated investors at \$0.45/share
- Gross proceeds from placement approximately \$27m before costs of the issue
- Raising underpins planned exercise of WA-360-P drill/drop option ahead of finalising farm-in

MELBOURNE, AUSTRALIA (18th November, 2009) MEO Australia Limited (“MEO”) advises that it has successfully placed 59,898,385 million new shares (14.35% of its issued capital) at \$0.45 per share to Institutional and Sophisticated Investors as defined under Section 708 of the Corporations Act. The shares were issued within MEO’s 15% placement capacity as described under ASX Listing Rule 7.1. The placement has raised gross proceeds of approximately \$27m before costs of the issue and was heavily oversubscribed. Settlement is scheduled for Monday 23rd November. MEO welcomes more than twenty new Institutional investors onto its register, together with a number of new sophisticated shareholders introduced by Joint Lead Managers E.L & C. Baillieu and Morgan Stanley Australia Securities Limited.

The funds from the placement together with existing cash reserves will underpin the financial commitment involved in the planned exercise of the drill/drop option for WA-360-P. MEO must make an irrevocable commitment to its co-Venturers by 31 December 2009 to fund the drilling of the commitment well in the permit in order to retain its 70% interest. The board of directors views this capital raising an appropriate risk management measure to provide certainty for shareholders while the WA-360-P farm-in is being finalised. Assuming the farm-in has been finalised the capital raised will be used to advance MEO’s existing projects and to secure attractive growth opportunities.

MEO’s board of directors considered offering existing MEO shareholders the opportunity to participate on the same basis as the Institutional and Sophisticated Investors through a Share Purchase Plan (“SPP”), however the funds raised through the placement have satisfied immediate capital requirements ahead of finalising the farm-in.

The trading halt in place since Tuesday 17th November will be lifted from the commencement of trading today.

Jürgen Hendrich

Managing Director & Chief Executive Officer

| WA-360-P participants | Equity |
|---|------------------|
| North West Shelf Exploration Pty Ltd (MEO subsidiary, Operator) | 70%* pre farm-in |
| Cue Energy Resources Limited (ASX: CUE) | 15% |
| Moby Oil & Gas (ASX: MOG) ¹ | 15% |

¹ Moby Oil & Gas has agreed to acquire Rankin Trend Pty Ltd a 100% owned subsidiary of GasCorp in exchange for 120 million shares in Moby Oil and Gas, subject to shareholder approval. Refer ASX release of 29th September 2009.