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**ASX & Media Release**

**MEO Executes binding farm-in agreement with Petrobras International Braspetro BV**

**Key Points:**

- **MEO executes binding farm-in agreement for Exploration Permit WA-360-P with Petrobras International Braspetro BV, a subsidiary of Petrobras, Brazil's National Oil Company**
- **MEO to be free carried for up to three wells and receive a cash consideration/bonus**
- **Farm-in is subject to Australian regulatory approvals including Foreign Investment Review Board**

MELBOURNE, AUSTRALIA (**April 14<sup>th</sup>, 2010**) MEO Australia Limited (ASX: **MEO**) and Petrobras International Braspetro BV - a subsidiary of Petrobras, Brazil's National Oil Company - have executed a binding farm-in agreement for the WA-360-P Exploration Permit in the Carnarvon Basin, offshore Western Australia.

Key terms of the farm-in agreement include:

- Petrobras to earn 50% equity in WA-360-P by funding 100% of the first well to a cap of US\$41m (MEO retains 20% interest)
- Upon receipt of all regulatory and Australian Government approvals, including Foreign Investment Review Board approval, Petrobras will pay MEO a cash bonus of US\$31.5 million and reimburse MEO's share of the past costs of approximately US\$7.5 million
- In the event of a successful discovery, Petrobras will carry MEO's share of the cost to drill and test two follow up wells in the Permit to a cap of US\$62 million per well, together with payment of an additional US\$31.5m cash bonus in January 2011
- MEO to remain Operator until the completion of the first well after which Petrobras has the option to assume Operatorship

The farm-in represents Petrobras's initial entry into the Australian petroleum industry and is subject to receipt of relevant Australian regulatory and Governmental approvals including Foreign Investment Review Board approval. Applications seeking these approvals are in preparation.

MEO has secured an option over a drilling rig to drill the first well, Artemis-1, in late 2010. The Artemis prospect is estimated to contain mean prospective resources of approximately 12 Tcf proximal to established and planned LNG processing infrastructure.

<b>WA-360-P Participants</b>	<b>Equity</b>
Petrobras International Braspetro BV (a subsidiary of Petrobras)	50%*
North West Shelf Exploration Pty Ltd (MEO subsidiary)	20%*
Cue Energy Resources Limited (ASX: <b>CUE</b> )	15%
Rankin Trend Pty Ltd a wholly owned subsidiary of Moby Oil & Gas (ASX: <b>MOG</b> )	15%

\* Following receipt of Australian regulatory approvals including Foreign Investment Review Board of equity transfer

**Jürgen Hendrich**  
 Managing Director & Chief Executive Officer

**About Petrobras** - Petrobras is an integrated international energy company present in 28 countries with strong presence in West Africa, Gulf of Mexico and Latin America. The Company is known as one of the global leaders in exploration and production offshore, chiefly in deep and ultra deep water environments. Petrobras has proven reserves of almost 15 billion oil-equivalent barrels and daily production of around 2.5 million oil-equivalent barrels. For more information please refer to [www.petrobras.com](http://www.petrobras.com)

**About MEO** - MEO has interests in Australia's two established LNG export provinces, the Carnarvon Basin (exploration) and the Bonaparte Basin (appraisal and development). In the Carnarvon Basin MEO operates the WA-360-P (20%) and WA-361-P (35%) permits. In the Bonaparte Basin MEO operates the NT/P68 permit (100%) containing two gas discoveries. MEO has secured environmental approvals for two 1.75 Mtpa methanol plants and a single 3 Mtpa LNG plant on Tassie Shoal, an area of shallow water in the Timor Sea proximal to several undeveloped gas fields. For more information please refer to [www.meoaustralia.com.au](http://www.meoaustralia.com.au)