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ASX & Media Release

Heron South-1 Progress Report No. 14

Key Points:

- 178m (7") liner run to 4,255mMDRT
- Preparing to cement 7" liner
- No reportable incidents

MELBOURNE, AUSTRALIA (7th November, 2012)

MEO Australia Limited (ASX: **MEO**; OTCQX: **MEOAY**) provides the following update in relation to Heron South-1 being drilled in NT/P68, operated by Eni Australia Ltd (Eni).

Since last progress report the 178mm (7") liner was run to 4,255mMDRT.

The forward plan is to complete cementing the 7" liner in place with the intention to install a 114mm (4½") slotted liner to 4,454mMDRT prior to conducting separate production tests over two intervals.

The well is interpreted to have intersected two gross sandstone intervals of approximately 120m and 115m thickness separated by approximately 130m of shale and silt. Eni has advised that it intends to carry out two separate production tests to determine reservoir productivity and gas composition of each interval.

In accordance with pre drilling plans, the well will be plugged and abandoned at the conclusion of production testing.

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

"Eni is working diligently towards production testing the two zones of interest. Preparations to allow production testing are obviously taking a little longer than anticipated. The 7" liner did not reach total depth, hence the intention to run a 4½" slotted liner to allow access to the lower zone."

Jürgen Hendrich
Managing Director & Chief Executive Officer