

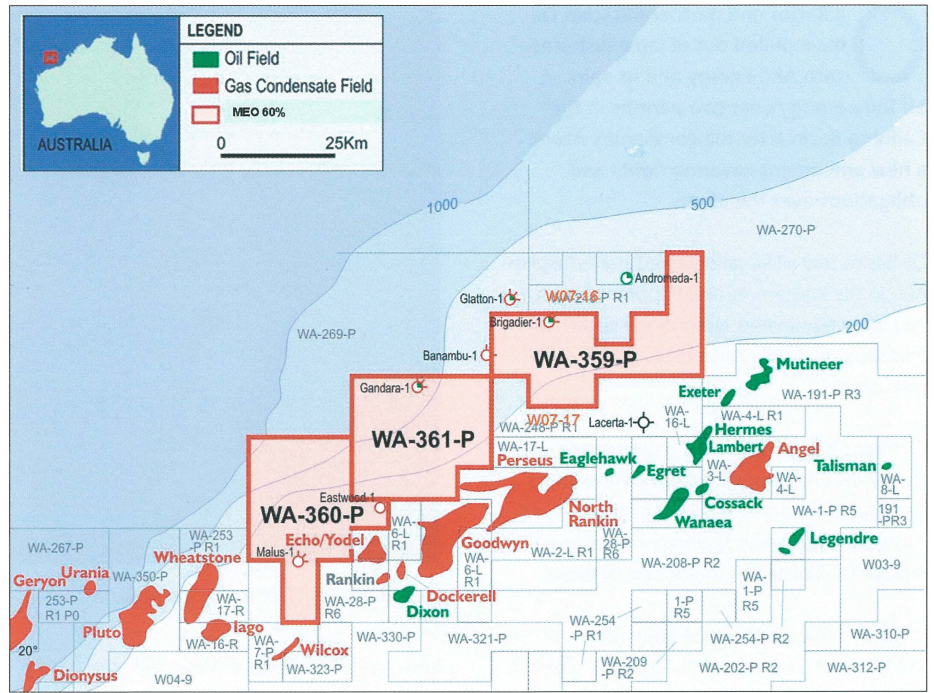
MEO To Go It Alone With Zeus-1



MEO Managing Director Chris Hart.

MEO Australia has delayed the spudding of the Zeus-1 exploration well to early December. The well was to have spudded in late October. MEO said the delay was due to drilling difficulties being experienced by the semi-submersible rig Songa Venus on its current assignment. The rig is now expected to be released in late November.

The Zeus-1 well is targeting the multi-Tcf Zeus play in WA-361-P in the Carnarvon Basin, immediately adjacent to the permits containing the gas fields supplying the North West Shelf gas project.



Permit map showing P 361 where the company retains a 35% interest.

MEO is paying 20% of the costs of Zeus-1 to a cap of US\$31.25 MM and retains a 35% stake, with Resource Development International also holding a 35% stake, while Cue Exploration and Gascorp each have a 15% interest. Cue and Gascorp had earlier advised MEO Australia that they would not exercise their respective options to each fund 5% of the Zeus-1 well to retain a 20% working interest in the field.

Under the terms of the farm-in agreement with MEO, this combined 10% interest was transferred to MEO, together with the associated 10% funding obligation.

In the event of a discovery, MEO is considering a range of development options including the use of a floating liquefied natural gas plant. ■