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ASX AND MEDIA RELEASE

NT/P68 DRILLING PROGRAM UPDATE

Key Points:

- **Fugro scheduled to commence geotechnical coring survey in 10 days**
- **Coring at Heron-2 location and three other option well locations**
- **Coring will also be conducted on Tassie Shoal in preparation for FEED studies**
- **CHC helicopter arrives in Darwin to service the West Atlas jack-up rig**
- **West Atlas on schedule for handover to MEO on September 22, 2007**

MELBOURNE, AUSTRALIA (August 21, 2007) -- MEO Australia Limited (ASX: MEO) is pleased to advise that all matters relating to the 2007 drilling campaign remain on schedule and with the incorporation of key Petrofac sub-surface and drilling management personnel, the Company has developed an extremely effective well management team.


Fugro Survey Pty Ltd is scheduled to commence geotechnical surveys in NT/P68 and at nearby Tassie Shoal on or about August 31, 2007. The NT/P68 survey involves the drilling of shallow boreholes (10m – 30m) into the seafloor at each well location. The Fugro Survey geotechnical vessel, M/V Markab, will drill the boreholes to confirm soil strength for the rig's legs on the seafloor.

Following this activity, the M/V Markab will move to Tassie Shoal to drill 30m to 100m boreholes at the proposed sites of the Company's LNG and methanol production projects. The subsoil data from the shoal would allow immediate commencement of front end engineering and design (FEED) studies for these projects in 2008 providing the 2007 drilling program confirms commercial gas resources in NT/P68.

The Company also notes the arrival in Darwin from Malaysia of the CHC Helicopter's Super Puma contracted to MEO to support the 2007 drilling campaign (photo below). The helicopter is finalizing Australian certifications and approvals and will be available to the NT/P68 Joint Venture from September 15, 2007.

The West Atlas jack-up rig is in the final stages of fit-out and commissioning. The rig is currently undergoing its endurance testing and approvals, with final rig inspection being conducted by Rig Inspection Services on behalf of the Company. Kepel FELS is scheduled to release the completed rig to the owner (Seadrill) on September 15, 2007, with handover to MEO expected by September 22, 2007. At this time, the rig will be loaded in Singapore onto the Sealift heavy transport vessel for delivery into Darwin harbour by the end of September. The West Atlas will then be loaded with crew and materials, and wet towed to the Heron-2 well location. MEO expects to spud Heron-2 on or about October 6, 2007.

The Company looks forward to a safe and successful drilling campaign.



C.R. Hart
Managing Director
21 August 2007

CHC Helicopter's Super Puma in Darwin contracted to MEO



West Atlas in final stages of fit-out (rig derrick)

