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ASX AND MEDIA RELEASE

HERON-2 WELL UPDATE

Key Point:

- **Heron-2 formally declared a hydrocarbon discovery well**

MELBOURNE, AUSTRALIA (March 11, 2008) -- MEO Australia Limited (ASX: MEO) advises the market that following careful analysis of the production testing results and electric log data through the Heron North Elang/Plover sandstone unit, formal declaration of a discovery pursuant to clause 34 of the Petroleum (Submerged Lands) Act 1967 has been made to the Designated Authority.

Heron-2 was drilled by Seadrill's West Atlas jack-up rig contracted to MEO for two firm wells. The Heron-2 well penetrated the Epenarra Darwin Formation and the deeper Elang/Plover Formation of the Heron North structure. Electric logging indicated that both of the target reservoirs were gas saturated. Production testing of the Heron North Elang/Plover sandstone unit recorded a maximum interpreted hydrocarbon flow between 6 and 8 MMscf/day before operations were halted due to the approach of Cyclone Helen. Further testing was not successful due to the partial collapse of the well.

Given the encouraging mud log indications while drilling the Plover formation of possible wet gas (gas with associated LPG and condensate), a significant gross column (164m) of Plover gas saturated sands and positive electric log interpretation, the joint venture is currently planning a re-drill of the Heron North structure to production test the Plover sandstone unit.

The participants in the Heron-2 well and permit are:

TSP Arafura Petroleum Pty Ltd (MEO subsidiary)	45%
Oz-Exoil Pty Ltd (MEO subsidiary)	45%
Petrofac Energy Developments Oceania Ltd (Petrofac Limited subsidiary)	10%

C.R. Hart, Managing Director
MEO Australia Limited
NT/P68 Operator