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ASX RELEASE

HERON-2 WELL UPDATE

MELBOURNE, AUSTRALIA (10 am, November 27, 2007) -- MEO Australia Limited (ASX: MEO) advises the market that the West Atlas rig has successfully completed the running of three planned log suites from the section depth (3360m), through the Epenarra Darwin Formation to the 13³/₈ inch casing shoe.

The rig has also recovered 18 rotary side-wall core samples for detailed petrophysical analysis. The cores samples were taken through the Darwin Formation and underlying source rock, the Echuca Shoals Formation. The majority of samples targeted the Darwin Formation facies C zone which was interpreted to be gas-bearing in Heron-1. Preliminary analysis of the log suites acquired in Heron-2 also indicates Facies C to be gas bearing.

The joint venture partners are carefully reviewing the new data prior to making a firm decision about flow testing this interpreted gas bearing zone. Until the hydrocarbons are recovered and analysed, MEO is unable to confirm gas quality or that a recoverable resource is present in Epenarra.

The rig is currently running the 9⁵/₈ inch casing to the 3360m section depth. An 8¹/₂ inch hole will then be drilled to the Heron North Elang/Plover Formation.

Production testing of Epenarra can only be undertaken after the drilling (and if warranted flow testing) of the underlying Heron North structure.

C.R. Hart
Managing Director