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ASX AND MEDIA RELEASE

COMMONWEALTH APPROVAL OBTAINED FOR NT/P68 DRILLING PROGRAM

Key Points:

- **West Atlas drilling program in NT/P68 not deemed a controlled action**
- **MEO obtains Commonwealth environmental approval to drill wells**

MELBOURNE, AUSTRALIA (August 28, 2007) -- MEO Australia Limited (ASX: MEO) advises that the Commonwealth Department of the Environment and Water Resources has determined that the Company's 2007 drilling campaign is not a controlled action and as such does not require assessment and approval by the Minister of the Environment and Water Resources. The 2007 drilling campaign in Exploration Permit NT/P68 can therefore proceed as scheduled.

The Company lodged the Referral documentation (EPBC 2007/3569) with the Department on July 20, 2007 seeking approval to drill the planned wells. This documentation, summarizing the drilling program and environmental management of the proposed activities, was published on the Departments website for 10 days to allow public review and consultation. MEO conducted consultation with a number of interest groups including the commercial fishermen to ensure that its upcoming drilling activities do not negatively impact on the environment or commercial undertakings in the region.

The Fugro Surveys vessel, M/V Markab, later this week is due to commence the drilling of shallow boreholes at each well location and close to the proposed site of the Company's LNG and methanol production projects on Tassie Shoal. Approval to undertake coring at the shoal was received in 2002 at the same time the Commonwealth granted approval for MEO to install and operate the methanol production projects on the shoal.

The Company will continue to work closely with the Commonwealth and Northern Territory statutory authorities to ensure completion of its projects without environmental incident by utilizing best environmental management practices.

C.R. Hart
Managing Director
28 August 2007



MEO ENVIRONMENT POLICY

To prevent or minimize any possible environmental impact as a result of its operations, MEO Australia Limited. and its subsidiary companies commits, and will encourage its employees and those companies providing services to MEO Australia Limited. or its subsidiaries, to:

- *comply, at a minimum, with applicable laws, regulations, standards and guidelines for the protection of the environment and in their absence adopt the best practicable means to prevent or minimise adverse environmental impacts;*
 - *work and consult with appropriate government agencies drafting policies laws, regulations or procedures to protect the environment;*
 - *ensure that adequate waste management practices are carried out based on the prevention, minimisation, recycling, treatment and disposal of wastes;*
 - *provide adequate training to enable employees to adopt environmentally responsible work practices and to be aware of their environmental responsibilities;*
 - *develop emergency plans and procedures so that incidents can be responded to in a timely and effective manner;*
 - *develop and maintain management systems to identify, control and monitor risks and compliance with government regulations and industry guidelines;*
 - *monitor environmental effects and assess environmental performance at all stages of exploration, development, production and rehabilitation; and communicate openly with government, non-government bodies and the public in a timely manner on environmental issues which relate to MEO Australia Limited operations.*
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Christopher Hart
Managing Director