

ASX AND MEDIA RELEASE

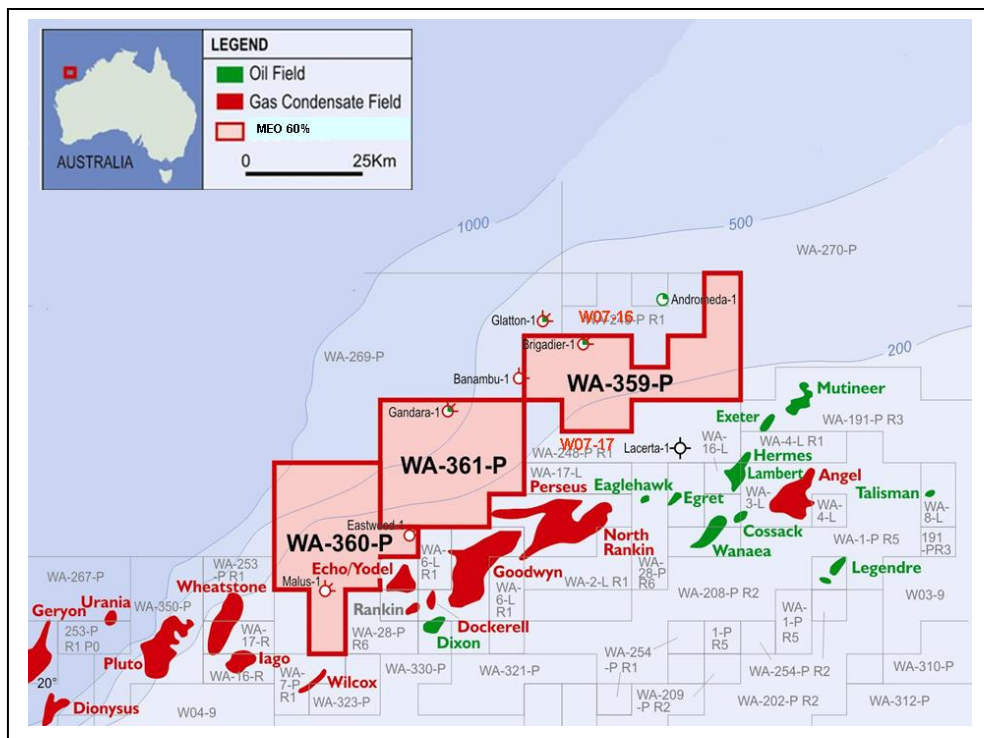
FARMIN TO NORTHWEST SHELF PERMITS

Key Points:

- **MEO farms into three highly prospective Northwest Shelf exploration permits**
- **Permits immediately adjacent to Rankin, Goodwin and Perseus Gasfields**
- **Permits: WA-359-P, WA-360-P AND WA-361-P**
- **Large Zeus feature identified with similar high amplitude bright spots to the reservoir sections of the adjacent Perseus Gasfield**

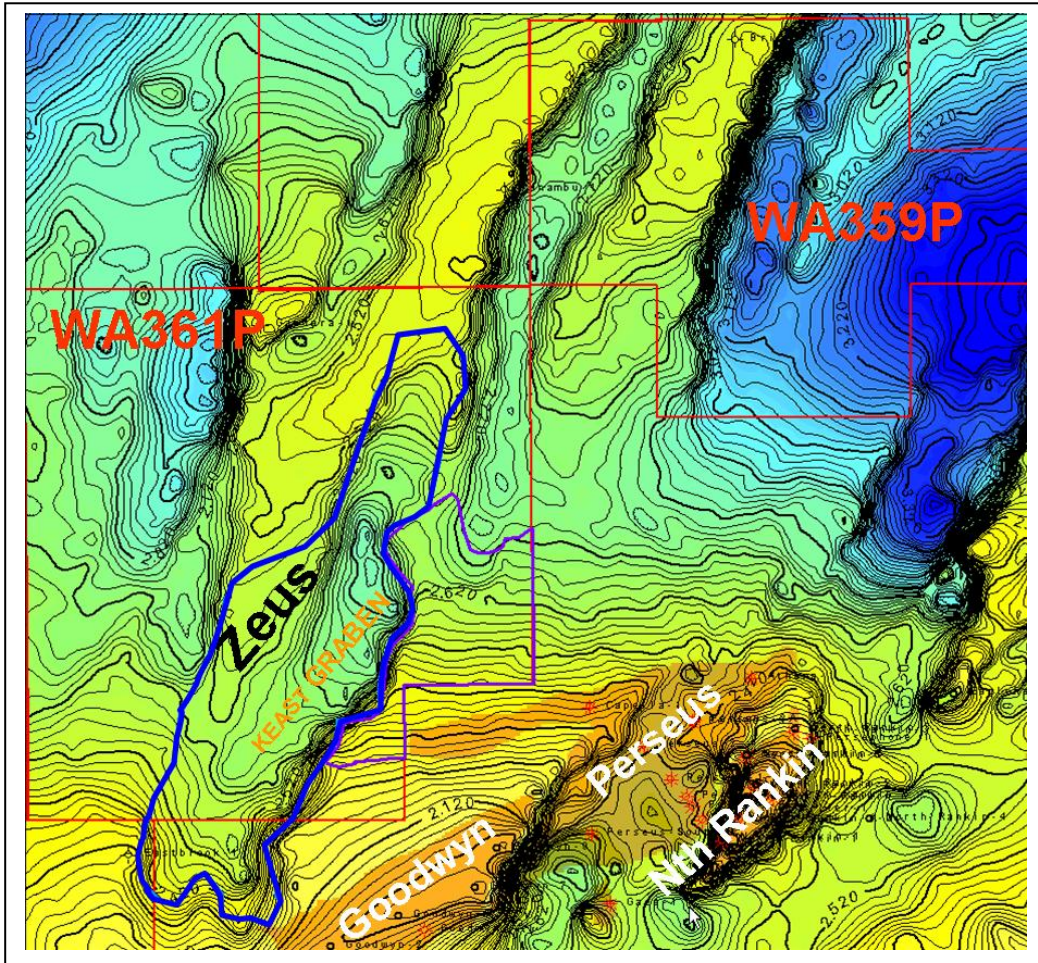
MELBOURNE, AUSTRALIA (October 25, 2007) -- MEO Australia Limited (ASX: MEO) is pleased to announce that the Company via its wholly owned subsidiary North West Shelf Exploration Pty Ltd has farmed into three Northwest Shelf offshore permits operated by Cue Energy Resources Limited (ASX: CUE). MEO has secured a 60% participating interest in these highly prospective exploration permits via a seismic acquisition option. MEO has agreed to meet the modest seismic acquisition obligations in these permits and has assumed the role as Operator for each permit. In any of these permits, if MEO decides to fund 100% of the cost of a single well, a 70% interest will have been earned. However, if the existing permit holders elect to pay 10% of the cost of a single well in any permit, the MEO interest in that permit would remain at 60%.

Location Map – New Northwest Shelf Permit Interests



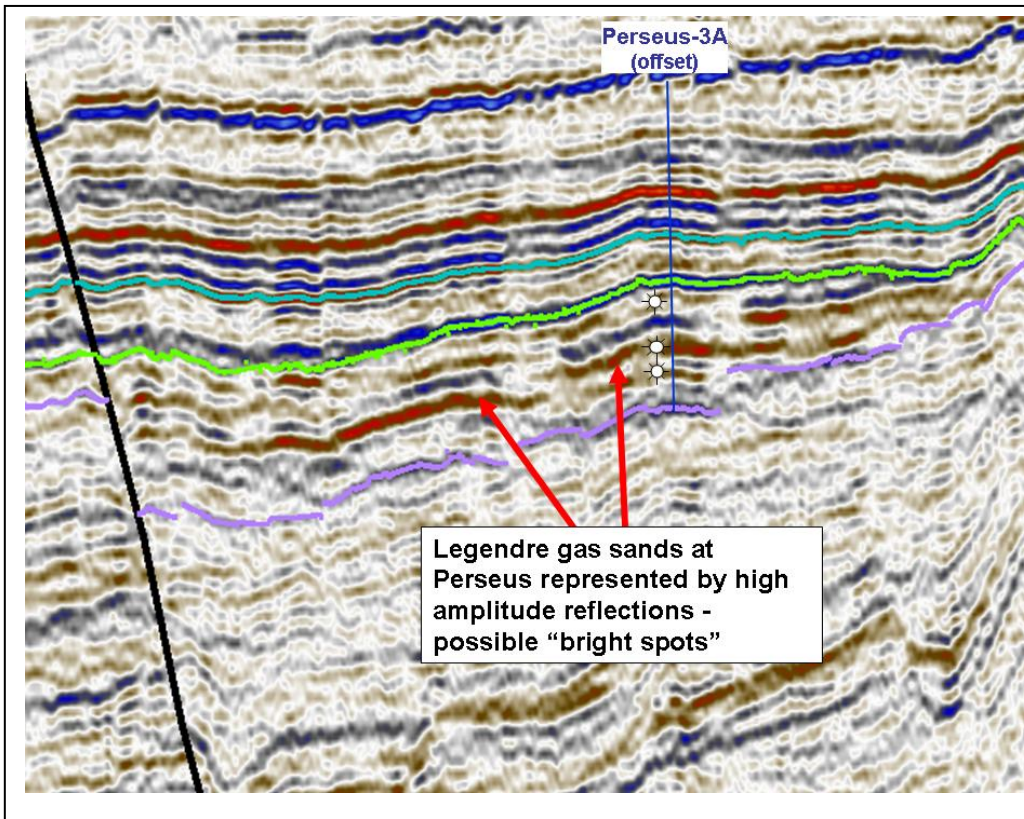
MEO has carefully reviewed the existing 2D and 3D data, which covers a large portion of the permits. The permits offer scope for many prospective oil and gas leads. At this stage, the most obvious significant potential appears to be in WA-361-P, immediately northwest of the Perseus Gasfield and on the northern flank of the Goodwyn Gasfield where a thick sequence of interpreted Legendre shoreface and shallow marine sandstones are present in the Keast Graben. A potential stratigraphic trap, Zeus, has been identified, which is thought to be a similar play and analogous to the Perseus Gasfield (12 Tcf) and to the new Woodside Persephone-1 discovery on the eastern flank of the North Rankin Gasfield.

Map of Top Triassic showing Zeus and nearby Rankin trend gasfields

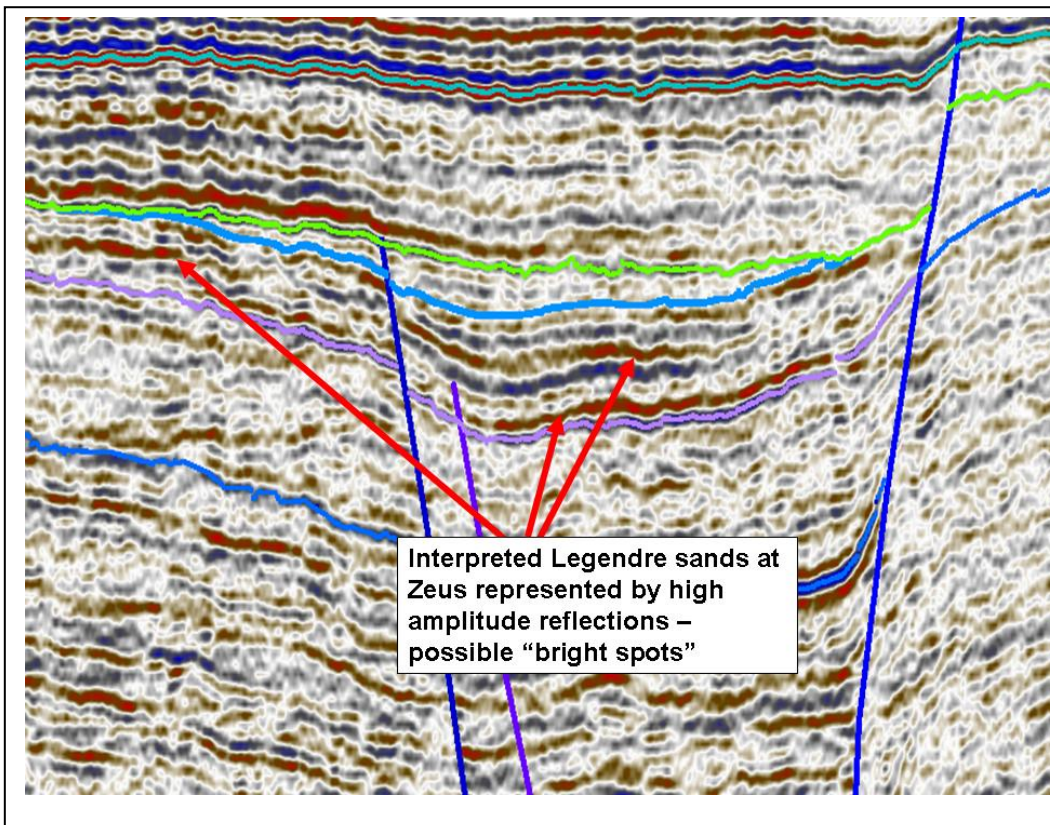


Zeus is a Legendre shoreface/shallow marine sandstone play within the fault bounded NNE-trending Keast Graben. The Legendre Formation appears to thicken into the graben controlled by growth of basin margin syn-depositional faults, thinning onto northern and southern high blocks. Generation and migration modelling from Triassic source rocks in the Keast Graben underlying Zeus has confirmed a likely petroleum charge mechanism. Zeus has prospective multi-TCF in place potential of 5 to 15 Tcf over 350 sq km of closure with up to 100 m of net pay.

The most encouraging indications are the Company's observations, on the existing 3D seismic data, of possible development of amplitude-related hydrocarbon indicators (bright spots) that are similar to amplitudes observed in the same reservoir gas sands at Perseus.



Seismic amplitude response of interpreted Legendre gas bearing sands across the Perseus Gasfield



Seismic line across Zeus showing bright amplitudes in Legendre Formation

The respective participating interests for the permits prior to drilling would be as follows:

| Permit | MEO (Operator) | Cue Energy | Gascorp | Exoil |
|----------|-------------------|------------|---------|-------|
| WA-359-P | 60% | 20% | nil | 20% |
| WA-360-P | 60% | 20% | 20% | nil |
| WA-361-P | 60% | 20% | 20% | nil |

MEO has secured the PGS Australia seismic acquisition vessel, M/V Orient Explorer to acquire approximately 300 sq km of new 3D seismic data. The new data and selected re-processing of the existing 3D dataset, followed by AVO (amplitude variation with offset) and other studies, are expected to further delineate the Zeus prospect and a number of other emerging leads in these exciting strategically located permits.

In permits where MEO decides to fund the cost of a well, the drilling is likely to occur in 2009. MEO has identified a number of commercialization paths for any gas resources confirmed in the permits, including tie-in to nearby under-utilized gas production facilities and/or third party gas supply to new or proposed Northwest Shelf LNG developments requiring additional gas supplies.

MEO's acquisition of interests in these Northwest Shelf permits offers the opportunity to significantly broaden the scope of the Company's current upstream interests. The permits are located within a proven world-class hydrocarbon province with highly developed production infrastructure. The interests are complementary to the Company's current plans to develop LNG and methanol production projects.

MEO is currently drilling the Heron-2 well in the Bonaparte Basin permit NT/P68, as part of a multi-well drilling campaign designed to confirm commercial gas resources in sufficient quantities to underpin the development of the Tassie Shoal methanol and LNG production projects.



C.R. Hart
 Managing Director
 October 25, 2007