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ASX AND MEDIA RELEASE

FUGRO INVERSION DATA PROVIDES POSITIVE INDICATIONS

Key Points:

- **Inversion study delineates Darwin and Elang/Plover gas charged reservoirs**
- **Inversion results increases confidence in resource potential**
- **Jack-up rig on schedule for October 6 spud**

MELBOURNE, AUSTRALIA (September 12, 2007) -- MEO Australia Limited (ASX: MEO) advises that further processing by Fugro Jason Pty Ltd of the 3D seismic data acquired by the Company in 2006 over the Epenarra and Heron structures has been completed. Fugro was engaged to analyse the amplitude information from the acoustic data of the 3D seismic survey to define the P-impedance properties (rock density) of the gas charged reservoirs identified by the Heron-1 well.

The P-impedance mapping assists in locating fracture induced porosities and thus the sweet spots in the reservoirs. It can also locate possible gas saturation, differentiating between gas and water filled reservoirs.

Fugro integrated all available geoscience data (well, seismic and petrology) into a single model through a pre-stack inversion process to provide better characterization of hydrocarbon reservoirs. The process allows the identification of the gas charged zones and is utilized to reduce the drilling risks. MEO is one of the first companies to use this process in Australia.

Plate 1 shows a dip seismic section (in time) of P-impedance over the Epenarra Darwin Formation and deeper Heron Plover Formation structures. The zones with red and yellow shadings are the reservoir sections with higher impedance. The dark zone immediately under Epenarra is the Echuca Formation shale (lower impedance), which is a prolific hydrocarbon source rock in this region. Plate 2 is a strike seismic section (in time) showing the same features.

The broken red shaded higher impedance zone of the Heron Plover Formation is interpreted to be indicative of extensive fracturing (necessary to improve gas flow rates) and gas saturation. The continuous solid red zones on the lower flanks in Plates 1 and 2 are interpreted as indicative of water saturation outside structural closure, below the gas water contact.

Plate 3 shows a close-up view of the Epenarra Darwin Formation reservoir. The P-impedance data provides greater detail within the actual reservoir section clearly delineating between the upper sealing facies (A and B) and the lower gas charged, fractured interval (Facies C).

Plate 1

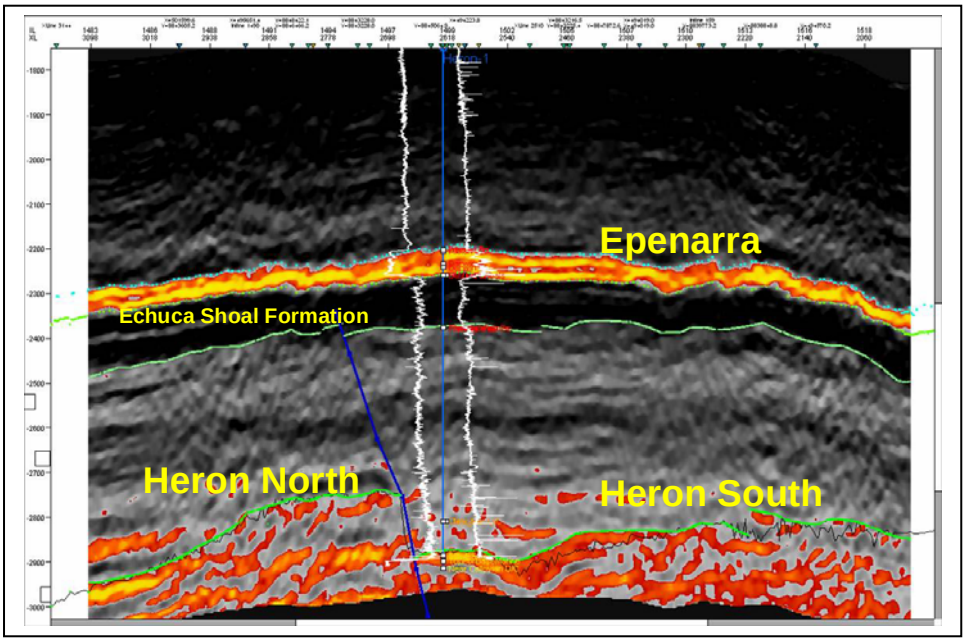


Plate 2

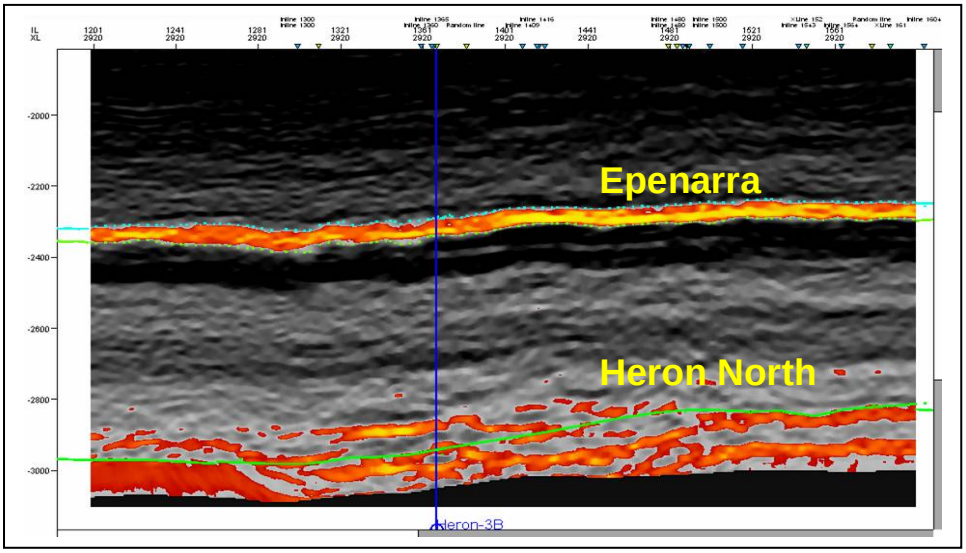
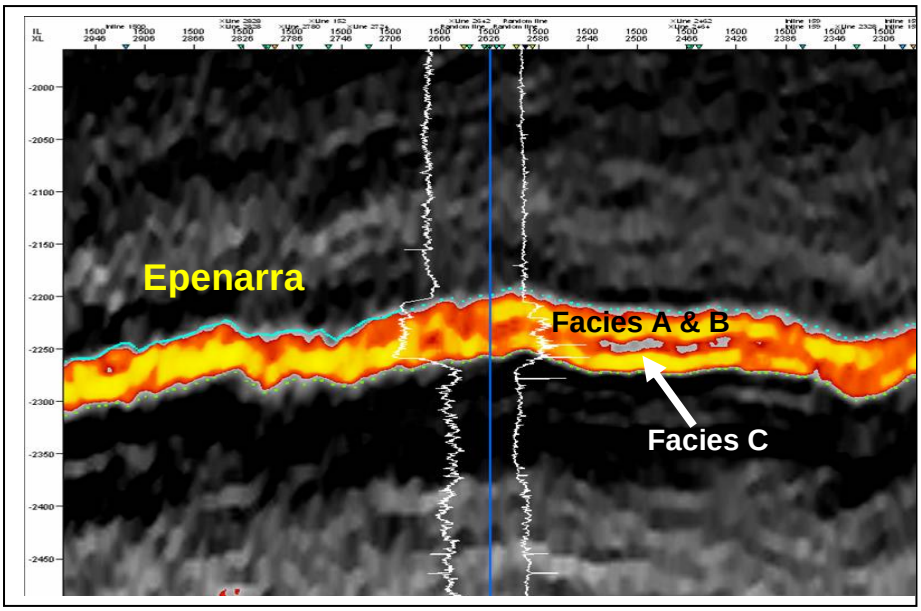


Plate 3



The Furgo inversion analysis has increased the Company's confidence in its mapping and interpretation of the target structures, the potential presence of hydrocarbons in the main reservoir units and optimal locating of the planned wells.

The West Atlas jack-up rig has completed endurance testing, inspections and compliance approvals. The rig constructor, Kepel FELS is scheduled to release the completed rig to the owner (Seadrill) today, with the formal naming ceremony occurring on September 15, 2007. Handover to MEO is still expected to occur on September 22, 2007. The rig will be loaded in Singapore onto the heavy transport vessel, the Blue Marlin, for delivery into Darwin harbour by the end of September. The West Atlas will then be provisioned and wet towed to the Heron-2 well location. MEO expects to spud Heron-2 on or about October 6, 2007.

C.R. Hart
Managing Director
12 September 2007