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ASX AND MEDIA RELEASE

WELLSITE AND TASSIE SHOAL CORING UNDERWAY

Key Points:

- **M/V Markab completes shallow sampling at each well site**
- **Vessel moving to Tassie Shoal to commence deep core sampling**

MELBOURNE, AUSTRALIA (September 12, 2007) -- MEO Australia Limited (ASX: MEO) advises that the Fugro Surveys vessel, M/V Markab, has just completed the drilling of shallow boreholes and recovering core samples in NT/P68 at the Heron-2 well location and each of the second well option locations: Heron-3B, Heron-3C and Blackwood-1.

The sampling provides soil stability data for the seafloor at each well location and estimates the seabed penetration for the legs of the jack-up rig. This information is necessary to ensure full insurance cover for the rig while under contract to MEO.

The M/V Markab is expected to move location later today to drill deeper boreholes and recover core samples at the proposed sites of the Company's LNG and methanol production projects on Tassie Shoal, some 25 kilometres east of NT/P68. The subsoil data from the shoal would allow immediate commencement of front end engineering and design (FEED) studies of the substructural elements for these projects providing the 2007 drilling program confirms commercial gas resources in NT/P68.

The coring at Tassie Shoal is expected to be completed in three days.

C.R. Hart
Managing Director
12 September 2007