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ASX AND MEDIA RELEASE

BLACKWOOD-1 UPDATE

Key Points:

- **2473 Bcf Contingent Resource estimate in Greater Blackwood**
- **Casting basin site selection initiated to secure construction site for TSMP**

MELBOURNE, AUSTRALIA (March 14, 2008) -- MEO Australia Limited (ASX: MEO) provides the following preliminary Contingent Resource estimates for the Greater Blackwood structure based on initial interpretation of the Blackwood-1 drilling results.

Blackwood-1 has confirmed 49m of gross Plover gas bearing sands to a preliminary gas-water contact (GWC) at 3225mMD (3188m subsea). While the actual GWC has not been finalized and may be deeper thereby increasing the potential Contingent Resource, the GWC is considered conservative and is the basis for the Contingent Resource calculations provided below. Blackwood-1 also encountered 13m of gross Flamingo gas charged sands. However, MDT recovery was not successful in this upper zone due to borehole damage and no part of the Contingent Resource estimate includes any potential gas in the Flamingo sands.

Structure	Raw Gas (including CO₂) Contingent Resource GIP (P50 – “most likely”): Bcf
Blackwood	1428
Blackwood East	1045
Totals	2473

“Contingent Resources” are those resources which relate to quantities of petroleum (oil or gas) which are estimated to be potentially recoverable from a known accumulation but which are not yet considered to be commercially recoverable. Contingent Resources may include, for example, accumulations where evaluation of the accumulation is still at an early stage and further appraisal drilling is required.

Based on the current assumptions of a 60% net to gross and 10% matrix porosity, it would be reasonable to assume a 70% recovery factor, which would indicate that Blackwood may offer approximately 1700 Bcf of raw recoverable gas.

The first methanol plant proposed for the Tassie Shoal Methanol Project requires approximately 1400 Bcf of raw gas (including inerts) to produce 1,750,000 tonnes per annum for 20 years of operation.

Given the encouraging results from the Blackwood-1 well and indications of a possible gas resource adequate in volume and quality to supply a methanol plant, MEO has accelerated the selection process to identify and secure a casting basin site in Southeast Asia for the possible construction of the concrete gravity base structure. The Company has also initiated the development of the Basis of Design documentation in preparation for the commencement of Front End Engineering and Design (FEED) studies for the Tassie Shoal Methanol Project (TSMP) later in the year.

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On December 23, 2002, the Commonwealth Minister for the Environment and Heritage granted approval for the TSMP to construct, install, commission and operate two 1,750,000 tpa plants until November 29, 2052.

As previously advised, now that a hydrocarbon accumulation has been confirmed in the Blackwood structure, further seismic evaluation will be undertaken and a second well will be required to appraise and production test the Plover sandstone reservoir. The proposed Blackwood-2 well is likely to be fully cased and may be designed for retention as a future production well.



C.R. Hart, Managing Director
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NT/P68 Operator

Plover depth map corrected and based on the Blackwood-1 results. Blackwood East may be connected to the main Blackwood structure but further seismic data and processing will be required to resolve this uncertainty.

