



MEO Australia Limited

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ASX AND MEDIA RELEASE

Cambrian Oil and Gas Plc Reduces Interest

Key Points:

- **Cambrian Oil and Gas reduces interest in MEO from 22.8% to 21.3%**
- **Shares acquired by existing institutional investors in MEO**
- **West Atlas drilling rig leaves Singapore**

MELBOURNE, AUSTRALIA (September 28, 2007) -- MEO Australia Limited (ASX: MEO) advises that the largest shareholder in the Company, Cambrian Oil and Gas Plc has recently reduced its interest from 22.8% to 21.3% following the sale of 5 million shares.

Existing institutional shareholders, including Lehman Brothers, acquired the shares. MEO is pleased to see the ongoing support from substantial institutional investors, particularly those that demonstrate strong banking and project financing capabilities. Such shareholders will be fundamental in the future support of the Company's objectives dependent on the confirmation of commercial natural gas resources during the NT/P68 appraisal drilling program and development decisions to construct the Tassie Shoal Gas-to-Liquid projects.

The West Atlas jack-up rig has been loaded on the heavy lift vessel, Blue Marlin, and has commenced its journey to Darwin. The rig is scheduled to arrive in Darwin on Tuesday, October 2, 2007. MEO expects to spud Heron-2 on or about October 6, 2007.

C.R. Hart
Managing Director
28 September 2007

West Atlas Jack-up rig loaded onto the Blue Marlin in Singapore harbour



28 September 2007

AIM: XTR

XTRACT ENERGY PLC
("Xtract" or the "Company")

MEO Australia Ltd

Xtract announces that it has recently reduced its interest in MEO Australia Ltd ("MEO") from 22.8% to 21.3% of MEO's issued capital.

The Company's wholly owned subsidiary Cambrian Oil & Gas Plc ('COIL') has this week sold 5 million shares in MEO at A\$1.10 per share in cash to substantial financial institutions that are, like Xtract, strong supporters of MEO and its exploration, drilling and development plans.

Following this disposal Xtract (through COIL) retains 71,366,814 shares in MEO.

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For further Information on Xtract please visit www.xtractenergy.co.uk

About MEO

The MEO business plan is centred on the development of gas-to-liquids (GTL) projects in the Australian waters of the Timor Sea, approximately 275 km northwest of Darwin, in an area known as Tassie Shoal. The company has secured Australian Commonwealth Government environmental approvals for two large-scale methanol plants (1.8 mtpa) and an LNG plant (3 mtpa) that are valid until 2052.

Tassie Shoal is an area of shallow water adjacent to the Evans Shoal gas field and is located around 25km east of MEO's exploration permit, NT/P68. MEO mapping has identified five large structures in NT/P68, two of which were intersected by the Heron-1 well drilled in 1972, confirming gas columns. The resources contained in NT/P68 provide significant valuation upside by potentially providing a feedstock for the GTL projects as an alternative to possible third party gas supply from nearby resources.

About Xtract Energy Plc

Xtract identifies and invests in a diversified portfolio of early stage energy sector technologies and businesses with very significant growth potential. We aim to work closely with the associated management teams to achieve critical project milestones, to finance later development stages and to build and crystallise value for all shareholders and partners.

A short description of the principal assets of Xtract is set out below. These assets are either held directly or through wholly owned subsidiaries of the Company.

Elko Energy

Elko is an oil & gas exploration company which has an interest in a 5,370km² exploration and production licence in the Danish North Sea and an investment in Dragon Energy Inc, a private Canadian company, with a development project in Gansu Province, China.

Wasabi Energy

Wasabi is a diversified investor in renewable energy and low greenhouse emission technologies, with interests in geothermal waste/heat, uranium exploration in Australia's Northern Territory and biodiesel investments in Victoria.

Central Asian Interests

Xtract's Central Asian interests include a production sharing agreement with Kyrgyzneftegaz to instigate a water injection project on the Beshkent- Togap oil field. Xtract also holds interests in several exploration licences in the Tash Kумыr area and in the Toktogul exploration licence.

Oil Shale

Xtract has oil shale and related petroleum product exploration rights over mining tenements in the Julia Creek area of Queensland and has recently been granted an exploration permit which gives rights to explore for oil shale in an area in the South of New Zealand. It is investigating the commercial production of hydrocarbons (crude oil) from oil shale.

Xtract is also available for trading on the open market segment of the Frankfurt Stock Exchange (ticker R9X.FSE).