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ASX RELEASE

RECENT TRADING IN MEO SHARES

MELBOURNE, AUSTRALIA (October 19, 2007) -- MEO Australia Limited (ASX: MEO) advises the market that approximately 3.5 million shares in the Company have been sold by a substantial shareholder.

As soon as this trading was noticed, the Company contacted the seller offering to facilitate the sale of these shares. This offer of assistance was not accepted and all sales were made on market.

MEO is concerned that the manner of these sales may have had an impact on the share price at a time when the Company is embarking on activities that could confirm commercial gas reserves in NT/P68 and lead to the initiation of the development of the proposed LNG and methanol production projects.

The Company remains optimistic about its drilling activities and the subsequent development of its significant gas processing projects. The Heron-2 well was spudded on October 12, 2007.

The Company has sought to obtain the intentions of the selling shareholder with respect to its shareholding in the Company. The selling shareholder has declined to provide the Company with any assurance as to its future intentions. The Company continues to monitor the situation and has commenced development of a strategy intended to ensure that if any offer is put to the shareholders of the Company, it represents full value for the Company's shares.

C.R. Hart
Managing Director
19 October 2007