



**MEOAustralia**

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## 21 August 2008 General Meeting Presentation to Shareholders

### Outline

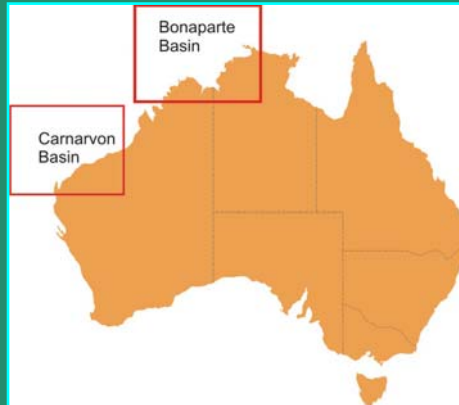
- MEO – a multi-project company
  - Expanded portfolio, existing discoveries, approved projects, substantial prospects
- RDI deal
  - Strategic and financial partner
  - Transforms MEO's potential to deliver projects
- Bonaparte Basin – CO<sub>2</sub> challenged gas
  - Methanol – an economic solution for CO<sub>2</sub>
  - Tassie Shoal – a future infrastructure hub
  - Approved projects – fast track to market
- Carnarvon Basin
  - Premium address, multi-Tcf targets, 2008 drilling



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## Commercialisation of gas resources via conversion to LNG/Methanol



### MEO Australia (ASX: MEO)

- Market cap. ~\$148m (@ \$0.355)
- Current cash: ~A\$30m (Aug'08)
- ~7,300 shareholders (Aug'08)
- Strategic alliance with RDI
- 50 yr environmental approvals

### 4 Project Areas

- Established LNG provinces
  - Carnarvon Basin (3 permits)
  - Bonaparte Basin (1 permit)
- Carnarvon Basin (NW Shelf)
  - WA-359/360/361-P
  - 25% interest in up to 9 wells\*
- Eastern Bonaparte Basin
  - NT/P68 - 2 gas discoveries
  - 20% full carried interest to commercial production\*



\*Subject to conditions precedent.  
(refer ASX release 4th July 2008)

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## Implications of the RDI Farmin

- Strategic alliance with Resource Development International (RDI)
  - Covers all permit areas
  - Timor Sea undertakings contingent upon RDI IPO
  - IPO to raise at least \$5 billion - UBS & Macquarie appointed
- Who is RDI:
  - Sponsored by Mineralogy (Prof Clive Palmer's private company)
  - Strong links to Chinese investment sources
  - Vending ~20 billion tonnes iron ore, nickel and energy interests
  - JV's with MEO form bulk of energy division
- MEO funding uncertainties now largely resolved
  - 25% interest largely free carried in up to 9 wells on NW Shelf
    - Multi-Tcf Zeus-1 well spuds late October
  - 20% free carried interest in Timor Sea projects
    - Staged earning approach
    - Initial stage - 2 appraisal wells in NT/P68 (2Q/3Q'09)
- **On track to developing value-added gas projects**



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# Bonaparte Basin – gas quality issues

## Commercial impediments

- The 6 “D’s”

## MEO’s solution

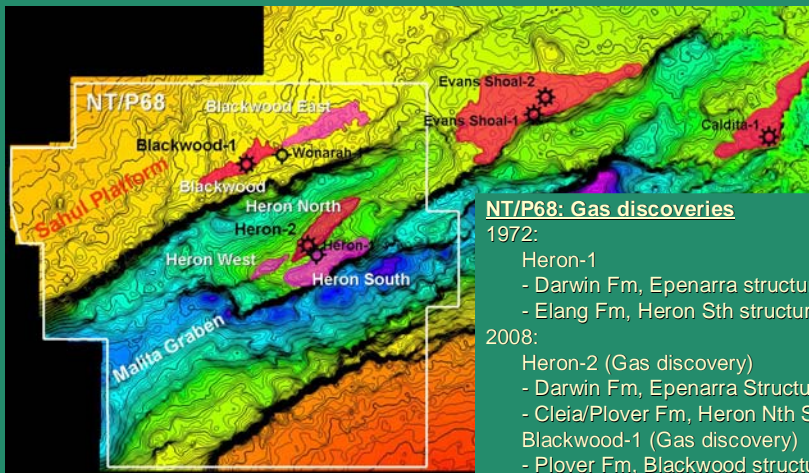
- Convert CO<sub>2</sub> rich gas to methanol
- Tassie Shoal - the future hub
  - Undisputed Australian waters
  - Proximal to gas discoveries
  - Avoids expensive gas pipelines
  - Open to 3rd Party gas supplies
- Low cost development
  - Pre-fabricate in SE Asia
  - Pre-commission
  - Tow to site - Tassie Shoal
  - Simple de-commissioning



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# Gas discoveries on regional trend



## NT/P68: Gas discoveries

1972:

- Heron-1
- Darwin Fm, Epenarra structure
- Elang Fm, Heron Sth structure

2008:

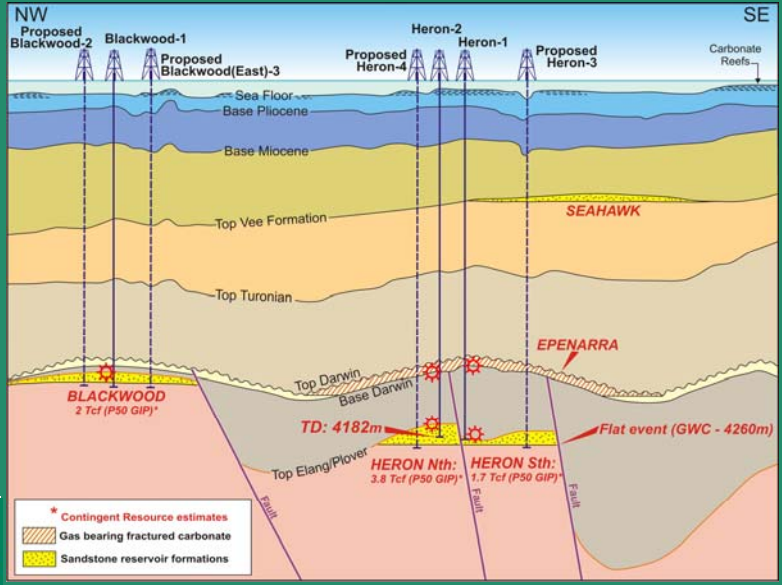
- Heron-2 (Gas discovery)
- Darwin Fm, Epenarra Structure
- Cleia/Plover Fm, Heron Nth Structure
- Blackwood-1 (Gas discovery)
- Plover Fm, Blackwood structure



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# NT/P68: completed and proposed drilling



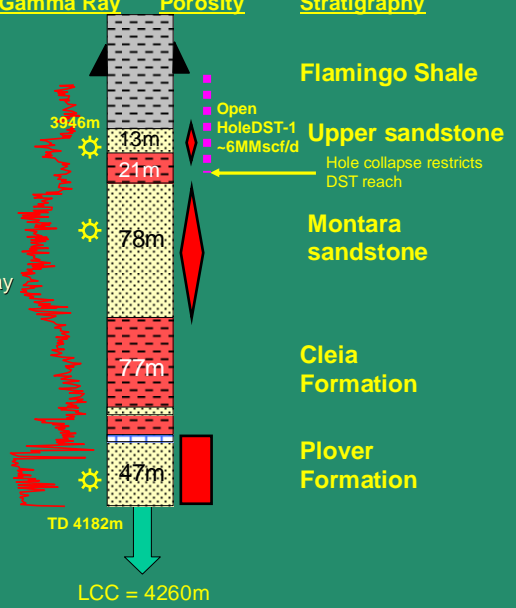
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## NT/P68: Heron-2 Findings

- Heron Nth Montara/Plover Fm**
- Net cost to MEO A\$69m
  - 236 m gross gas column
  - 80m undrilled closure below TD
  - Wet (condensate) gas fingerprint in Montara & Plover (untested)
  - Significant lost circulation implies fracture permeability
  - 138m gross sandstone
    - Quality improves towards base
  - Upper sandstone flowed ~6 MMscf/day
    - Poorest quality section
    - Hole collapse restricted testing
  - Discovery declared

- Forward plans**
- Seismic inversion in Plover completed
  - Heron-3 planned 2Q/3Q'09



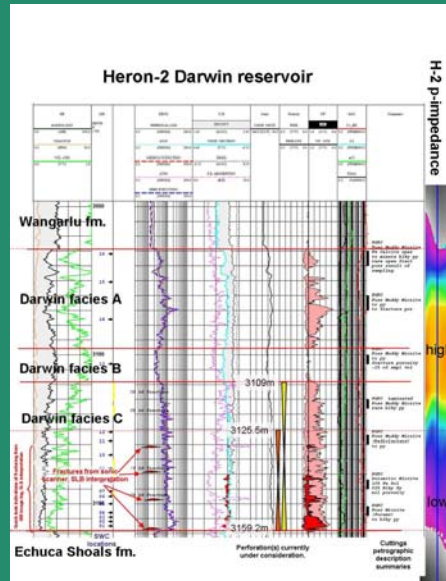
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## NT/P68: Heron-2 Darwin Fm results

### Epenarra Structure (Darwin)

- Intersected target thickness (50m)
- Gas saturated, wet gas fingerprint
- Production testing
  - minor hydrocarbons to surface
- Likely formation damaged from overbalanced drilling fluids, cementing casing and acetic acid wash
- Play remains valid however requires substantial technical work.



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## NT/P68: Blackwood-1

### Plover Fm

- Net cost to MEO ~A\$29m
- 49m gross gas column
- Discovery declared
- Dry gas + CO<sub>2</sub>
  - similar to Evans Shoal gas
- Potentially sufficient resource for 1<sup>st</sup> methanol project (subject to successful appraisal drilling)

#### Forward Plans

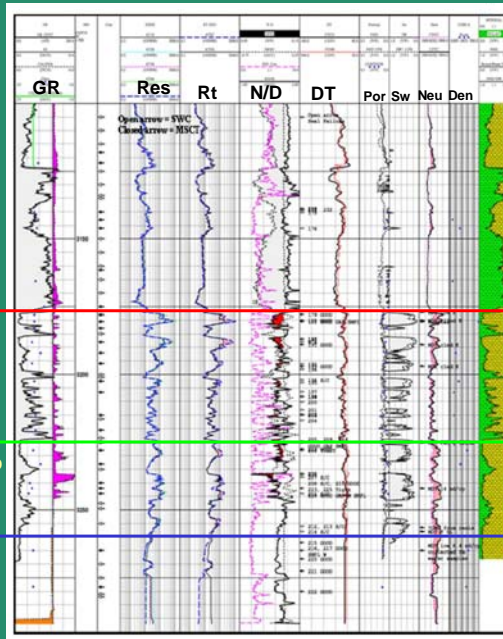
- 3D acquired in April 2008 (~A\$8m)
- Planning for Blackwood-2 (2Q/3Q'09) & Blackwood-3 (Blackwood East)

Plover

Base Gas: 3225m MD

Anomalous Zone

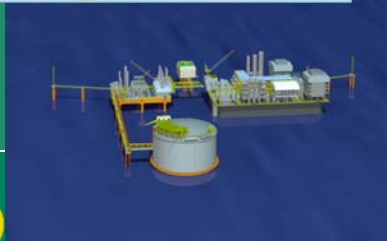
Water Zone: 3260 m MD



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# Tassie Shoal - the future hub

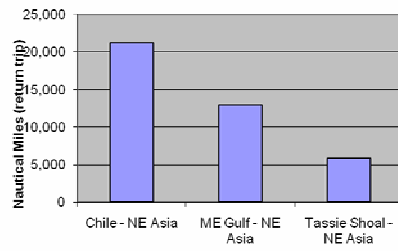


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## Approved GTL Projects

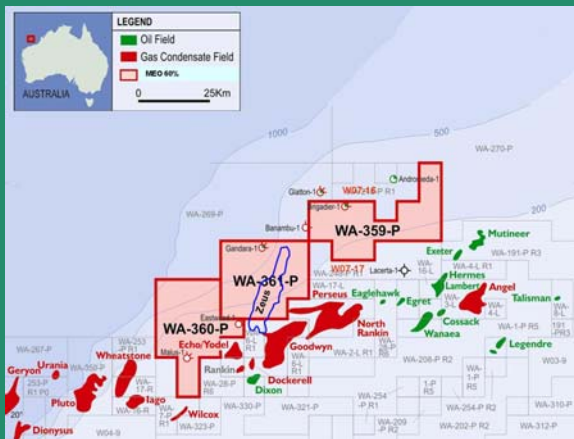
- Undisputed Australian waters
- 50 year environmental approvals
- Tassie Shoal Methanol Project (TSMP)
  - 2 x 1.75 Mtpa
- Timor Sea LNG Project (TSLNGP)
  - 1 x 3 Mtpa
- Rapid commercialization path
- Welcome 3rd party gas supplies

Transport Advantage of Tassie Shoal



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# NWS – a premium address



## WA-359, 360 & 361-P

### Premium location

- Adjacent to Australia's largest gas export project
  - Highest quality gas in Basin
- ### Earned 60% interest
- met US\$7m seismic commitment

### Multi-Tcf potential targets

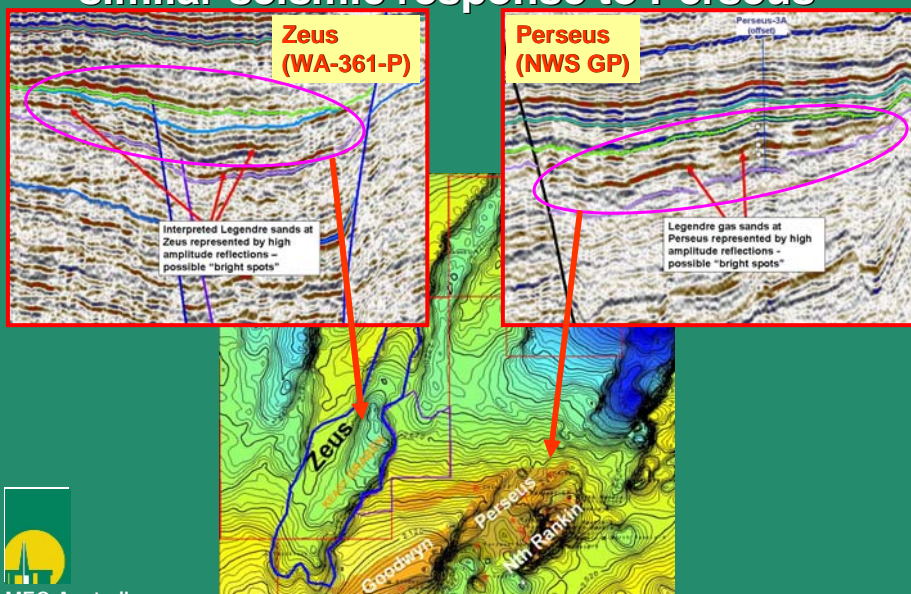
- Plethora of options to commercialise gas
- ### Drill/drop election 1-Jan-09
- WA-361-P drill option elected
  - Drilling Zeus-1 late October
  - RDI has option to drill up to 9 wells



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## Zeus – a multi-Tcf unconventional play with similar seismic response to Perseus



## Summary

- Strategic alliance with RDI\*
  - Covers all permit areas
  - Timor Sea undertakings contingent upon RDI IPO late'08
- MEO's funding uncertainties largely resolved\*
  - 20% free carried interest to production in Timor Sea projects
  - 25% interest largely free carried in up to 9 wells on NW Shelf, commencing with Zeus-1 in late October 2008
  - No immediate need raise equity capital
    - ~\$30m cash reserves (August)
- Drilling multi-Tcf Zeus-1 well (late October)
- Planning 2 appraisal wells in NT/P68 (2Q/3Q 2009)
  - Seeking jack-up drilling rig
- On track to developing value-added gas projects

\*Subject to conditions precedent (refer ASX release 4th July 2008)



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