

**MEO Australia**

energy for the future

Investor Update

July 2009

## Disclaimer

This presentation includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with estimation of potential hydrocarbon resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

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# Corporate snapshot

Modest market cap, high liquidity, cash on hand

## MEO Australia Limited

Ticker symbols	ASX	MEO
US ADR program	OTC	MEOAY
Issued Capital	Million	417.3
(Treasury stock)	Million	10.1
Options (unlisted)	Million	13.4
Closing price	22 July	\$0.355
Market Cap.	A\$	\$148 m
Cash Reserves	30 June	\$17.2 m
Enterprise value	A\$	\$131 m
Ave daily turnover	Million	~8.1 m
Shareholders	#	~9,400
Top 20	%	~25.3%



Source: ASX

# Board

Extensive industry and capital market experience



Appointed **May 2008**

**Nick Heath**  
Non-Executive Chairman  
*Engineer*

>30yrs with ExxonMobil  
Past APPEA President

**Jürgen Hendrich**  
MD & CEO  
*Geologist,  
Investment Banking*

**Greg Short**  
Non-executive director  
*Geologist*

**Stephen Hopley**  
Non-executive director  
*Financial Services*

**Michael Sweeney**  
Non-executive director  
*Arbitrator*



Appointed **July 2008**  
12yrs @ Esso Australia  
13 yrs financial markets



Appointed **July 2008**  
33yrs @ ExxonMobil.  
Retired 2006



Appointed **October 2008**  
14yrs @ Macquarie  
Bank Retired 2003



Appointed **October 2008**  
10yrs @ MiMi  
(Mitsui/Mitsubishi)

# Management and Technical Team

Focused on technical and commercial excellence



**Jürgen Hendrich**  
Chief Executive Officer  
*Geologist*  
*Investment Banking*

12yrs @ Esso Australia Ltd  
(ExxonMobil subsidiary)  
GSJBW, Tolhurst (now PSL)

**Colin Naylor**  
CFO/Company Sec<sup>y</sup>

**Robert Gard**  
Commercial Manager

**Dave Maughan**  
Exploration Manager

**Ken Hendrick**  
Implementation Manager



30yrs @ Woodside,  
BHP, Rio



22yrs @ ExxonMobil



35yrs @ ExxonMobil



>40yrs with large Co's

**Chris Hart**  
Founder

**Geoff Geary**  
Seismic Interpretation

**John Moore**  
Geophysical Applications

**John Robert**  
Engineering Advisor



Founded MEO in 1994



30+ yrs. Oil & gas  
finder



>40yrs @ ExxonMobil &  
others



>40yrs  
15yrs Methanol experience



# Balanced, diversified energy portfolio

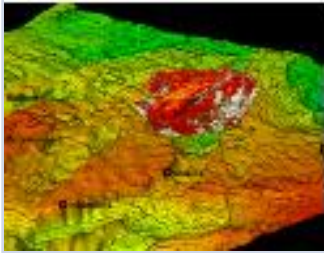
Clear commercialisation path for all gas discovered

## Asset Summary

## Strategy Summary

### Carnarvon Exploration Permits (WA-359-P, WA-360-P, WA-361-P)

### Exploration



- Australia's premier LNG province
- Established LNG infrastructure
- Material prospects – Artemis >9.5 Tcf
- High equity to farm-out
- Multiple development options

- Value add via quality technical work
- Mature prospects for drilling
- Funding via farm-out
- Monetise discoveries

### Timor Sea Exploration Permit (NT/P68)

### Appraisal

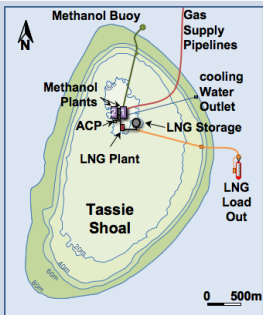


- 2 gas discoveries (2008)
- Gas suitable for methanol project
- Potential liquids rich gas for LNG project

- Renewal of permit tenure
- Pursue farm-out once ownership of nearby Evans Shoal gas field resolved
- Appraise and develop discoveries

### Tassie Shoal Projects

### Development

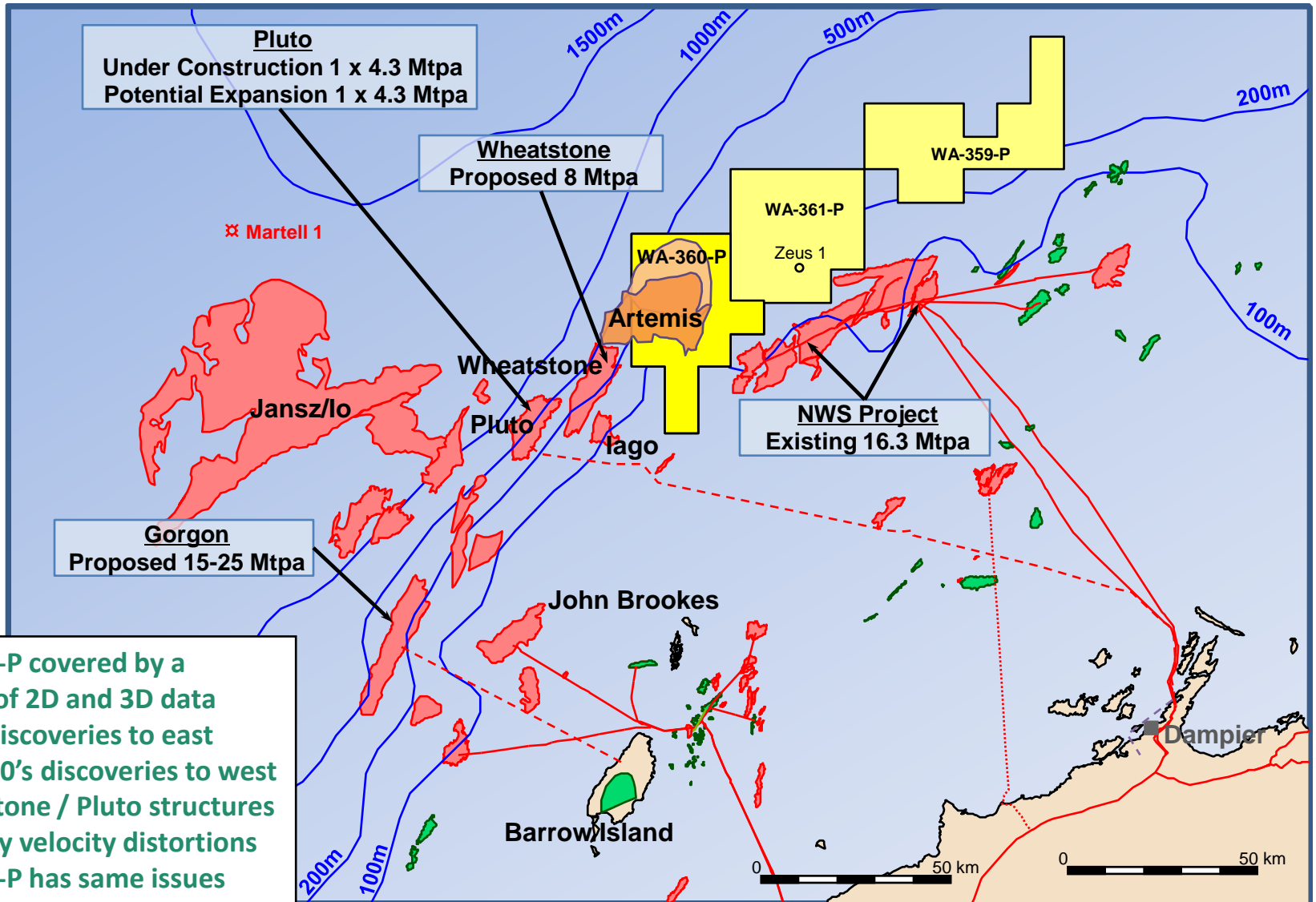


- Environmental approvals in place for:
  - 1 x 3.0 mtpa LNG plant
  - 2 x 1.75 mtpa methanol plant
- Compelling economics
- Integrated CO<sub>2</sub> solution & central location to unlock stranded gas

- Feed gas from own &/or 3<sup>rd</sup> party gas
- Leverage project benefits to facilitate development of regional hub

# WA-360-P: on trend with recent discoveries

Strategically located near existing & proposed LNG infrastructure

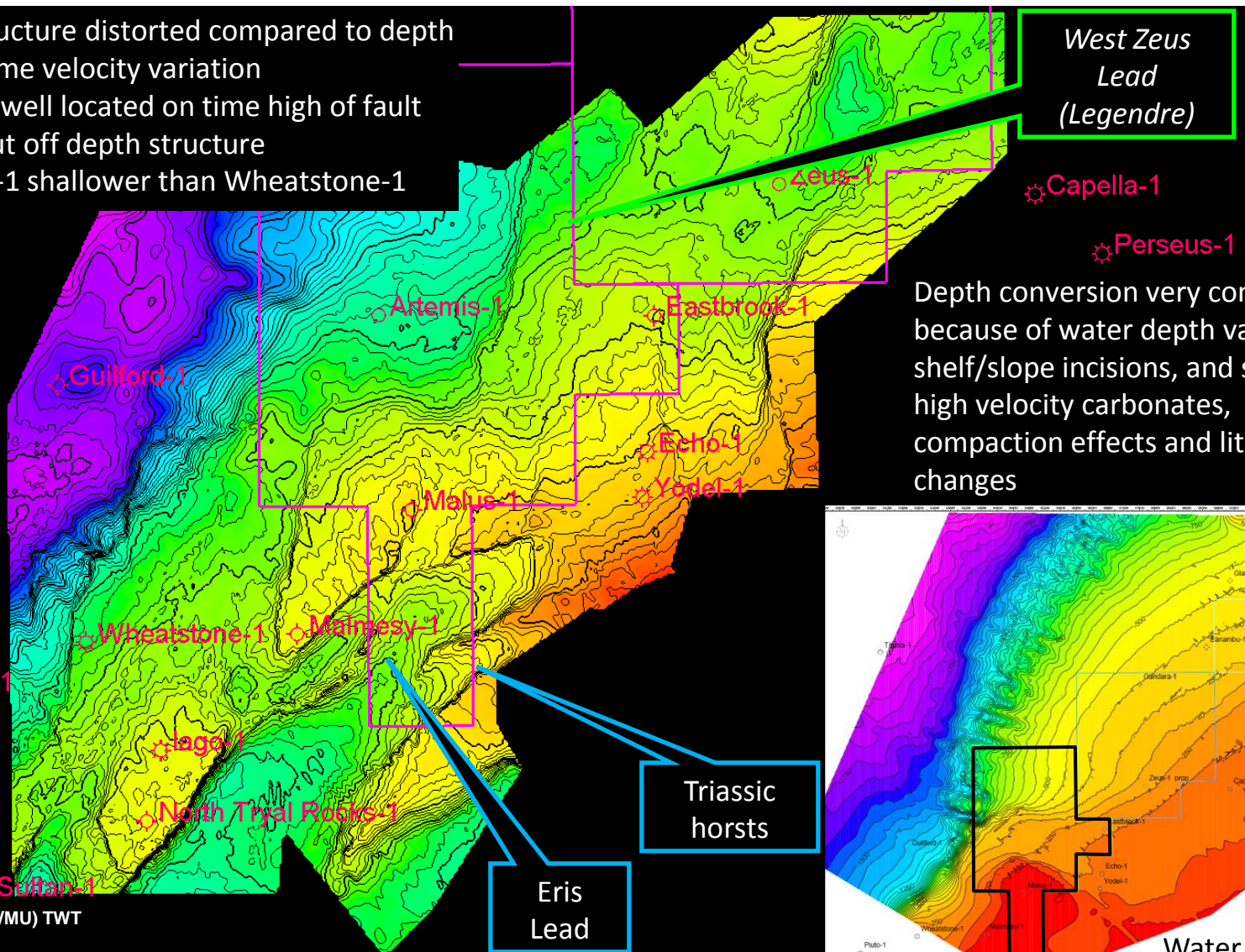


- WA-360-P covered by a mixture of 2D and 3D data
- 1970's discoveries to east
- Mid 2000's discoveries to west
- Wheatstone / Pluto structures hidden by velocity distortions
- WA-360-P has same issues

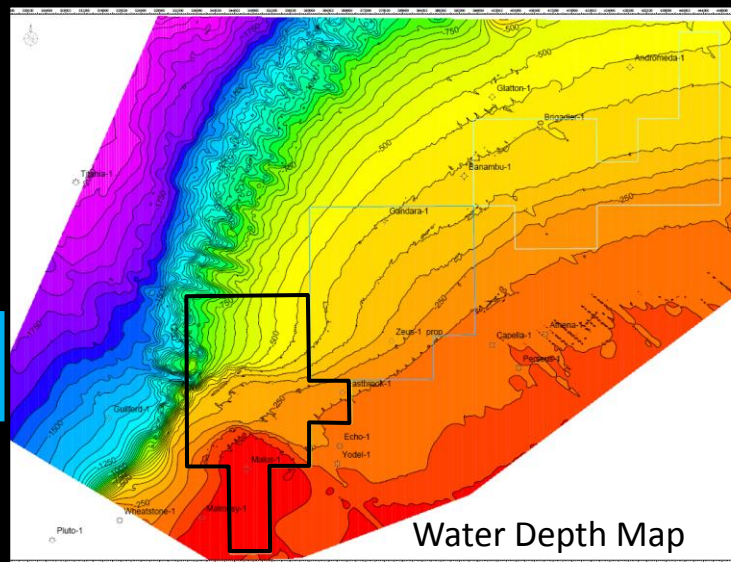
# Trap

Structures not apparent in Two-Way-Time, depth conversion extremely complex  
Velocity data from new 3D seismic provides best solution

- Time structure distorted compared to depth by extreme velocity variation
- Malus-1 well located on time high of fault block, but off depth structure
- Guilford-1 shallower than Wheatstone-1

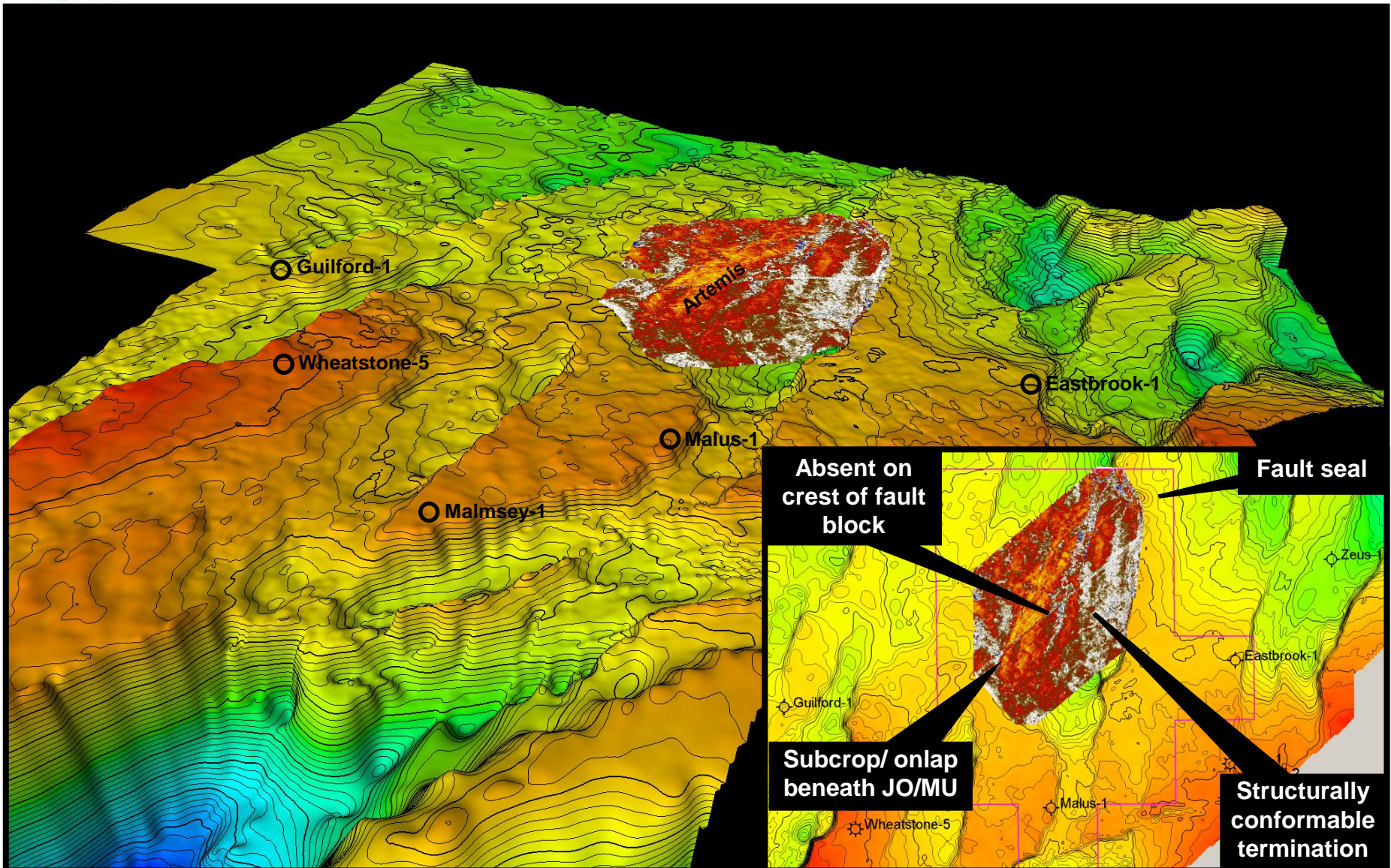


Depth conversion very complex because of water depth variation, shelf/slope incisions, and shallow high velocity carbonates, compaction effects and lithological changes



# DHI\* Observations

Amplitudes show conformance with structure



\* DHI = Direct Hydrocarbon Indications



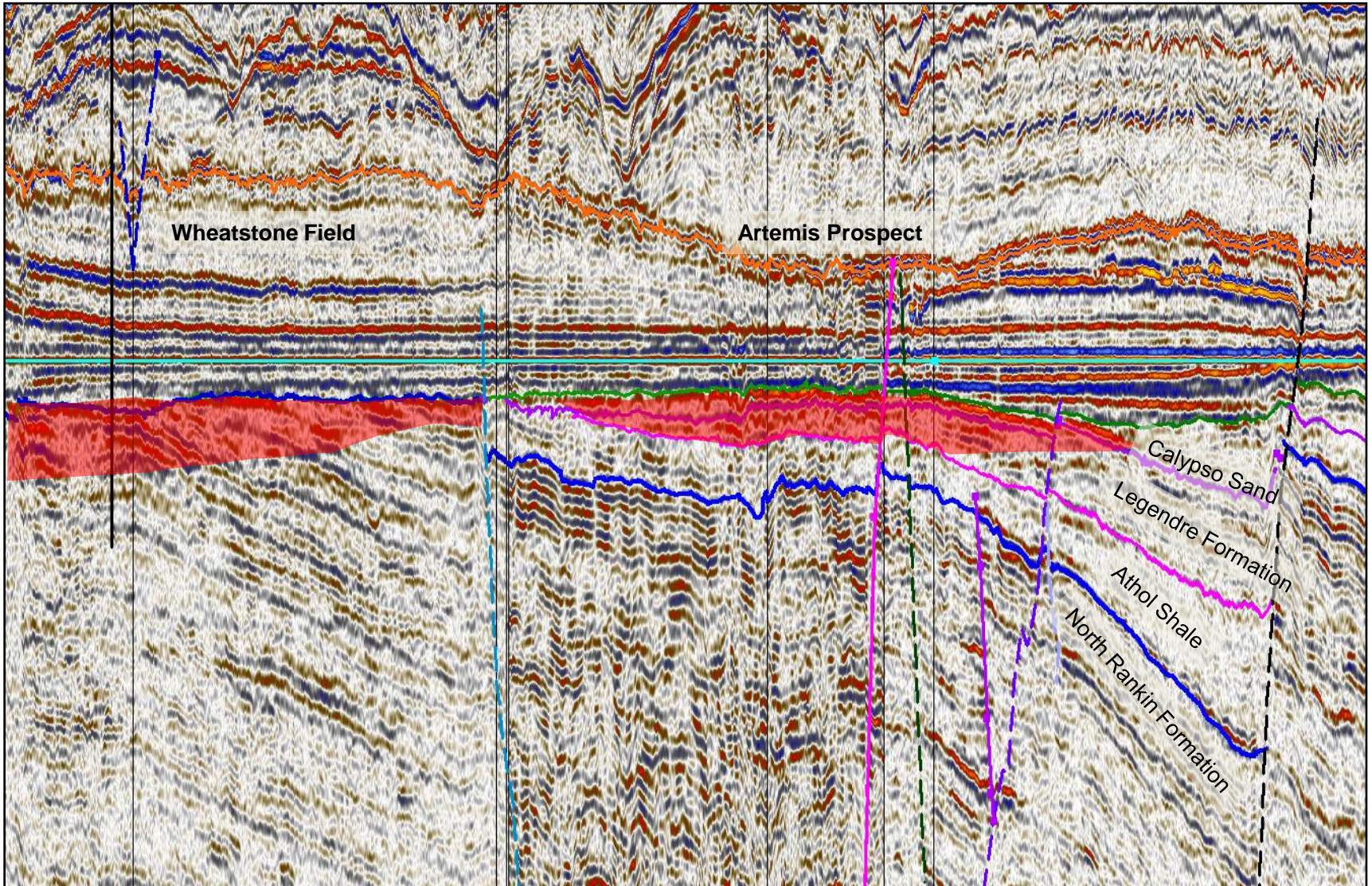


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# Composite line across Wheatstone-Artemis

Highlighting similarity of DHI observations

(Datumed on Muderong Shale)



# Farm-out activity

Strong interest from major & national petroleum companies to farm-in

Progression of interest	Majors/National Companies	Total Companies
Reviewed summary	26	70
Signed confidentiality Agreement	17 (65%)	26 (37%)
Visited data room	12 (70%)	17 (65%)
<i>Data room closes 14th August – Expect to conclude farm-out this quarter</i>		

## Artemis prospect summary

- Structural / stratigraphic trap separate from Wheatstone
  - › Larger prospect size if separate
  - › West Artemis may be part of Wheatstone accumulation
- Robust reservoir model
  - › Based on Zeus-1 results
- Regional top seal and base seal
  - › Proven at Wheatstone, Echo/Yodel/ Iago
- Source presence
  - › Proven / penetrated at Wheatstone, Guilford, Echo / Yodel
- DHI support
  - › Amplitudes observed at top of reservoir, exhibit structural conformance



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# Remote Bonaparte Basin gas fields

~25 Tcf is stranded due to location &/or gas quality issues

## CO<sub>2</sub> & distance challenged

**Evans Shoal**  
(Santos, Shell, Petronas, Osaka Gas)

~6+TCF	25% CO <sub>2</sub>	4 bbl/mmscf
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**Barossa/Caldita**  
(ConocoPhillips/Santos)

~3.4 TCF	12% CO <sub>2</sub>	5 bbl/mmscf
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## Location challenged

**Greater Sunrise (FLNG? Land?)**  
(WPL/Shell/ConocoPhillips/Osaka Gas)

~5.4 TCF	4% CO <sub>2</sub>	40 bbl/mmscf
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**Abadi (FLNG?)**  
(Inpex/Pertamina)

~10 TCF	8% CO <sub>2</sub>	20 bbl/mmscf
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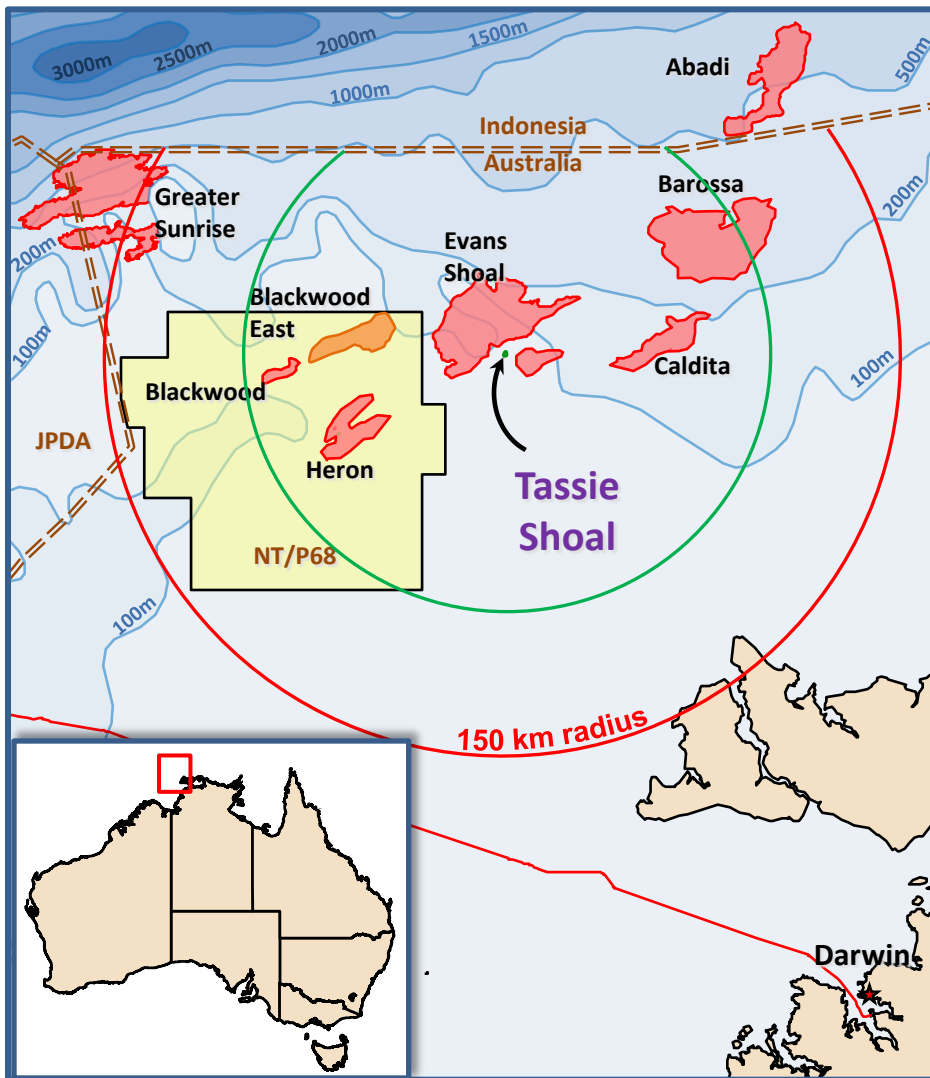
## MEO discoveries, NT/P68

**Blackwood**  
(MEO – 100%)

Appraisal planned 2010

**Heron**  
(MEO – 90%)

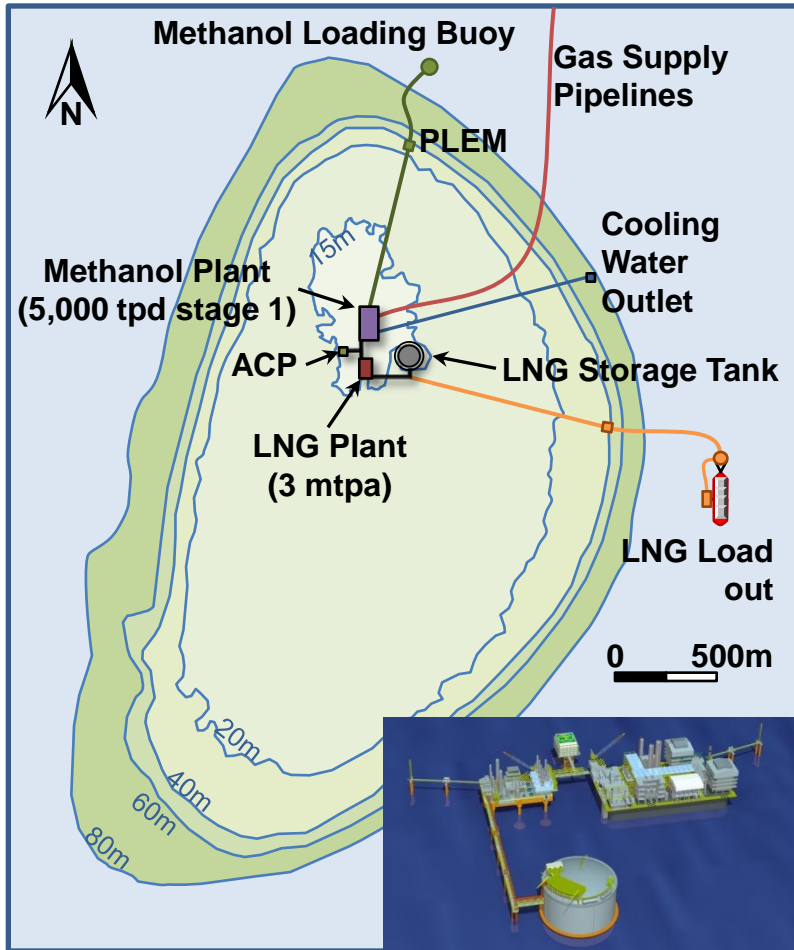
Appraisal planned 2010





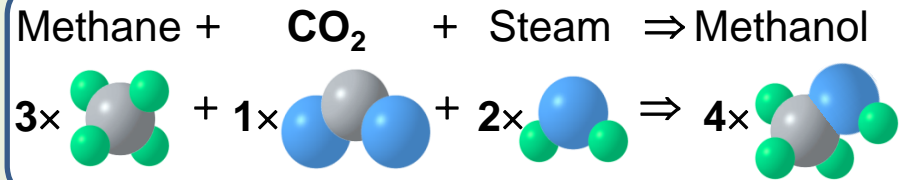
# Tassie Shoal – a natural hub site

Solution to location & gas quality issues



## Tassie Shoal

- Relatively mild met-ocean conditions
- ~25 Tcf of undeveloped gas within 150km
- Eliminates long pipelines to shore
- CO<sub>2</sub> sequestered into Methanol derivatives



**Methanol Production absorbs 25% CO<sub>2</sub>**

## Environmental approvals secured

- 1 x 3 mtpa (expandable to 3.5 mtpa) LNG plant
- 2 x 5,000 tpd (1.75 mtpa) Methanol plants
- MPF status granted until Dec 2011



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# LNG plant – small footprint

Compact plant reduces construction and installation costs



Tassie Shoal 3.0 mtpa LNG plant footprint represented at same scale as Darwin 3.5 mtpa LNG Plant

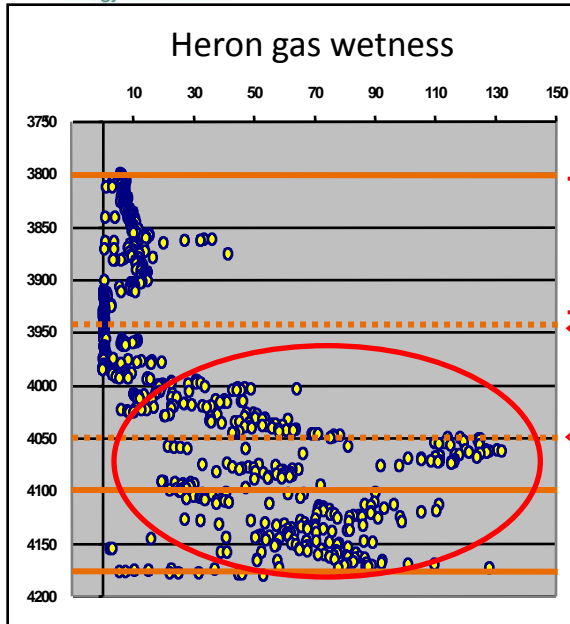


One of the 261 modules for the 4.3 mtpa Pluto LNG plant

- LNG Plant to be fabricated and pre-commissioned at South East Asian location and delivered as **one** complete module
- Substantial cost savings by creative application of established technology

# Appraisal of NT/P68 discoveries

Planning farm-out and 2010 appraisal drilling



## Heron-2

Intersected >200m gross gas column in Plover sands  
Multi-Tcf, wet gas potential (possible LNG feed)

Zone interpreted to have flowed on test

Shale collapsed blocking flow from sands below

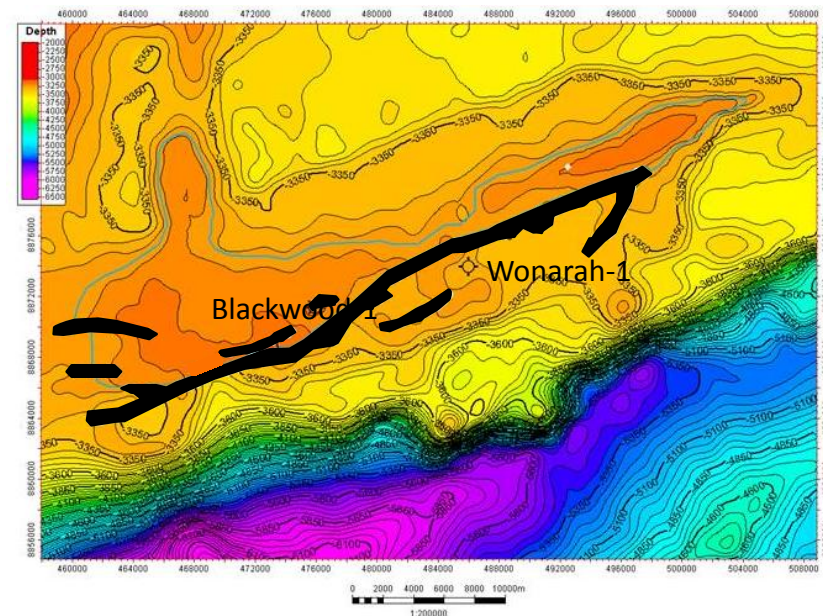
Liquids rich gas shows below collapse point – likely untested

## Blackwood-1

49m gross gas column in Plover with GWC  
>25% CO<sub>2</sub> (ideal methanol feed)

Drilled close to fault (3D acquired post well)

Improved reservoir possible away from faults

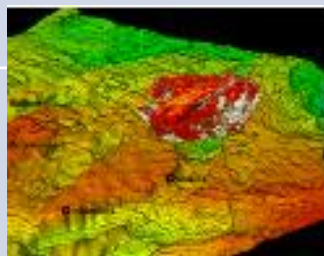


# Value proposition

## Compelling value gap with near term catalyst

	Share Price	Value (A\$m)	Remarks
Issue Capital - 417m ordinary	\$0.355	\$148m	Close at July 22 <sup>nd</sup>
Less cash on hand	\$0.04	\$17m	\$17.2m at June 30 <sup>th</sup>
<b>Market value of MEO projects</b>	<b>\$0.315</b>	<b>\$131m</b>	<b>Net of cash</b>

### Potential value of MEO projects



#### WA-360-P

>9.5Tcf GIP Artemis Prospect, assume retain 20% equity

~\$2.00

~\$830

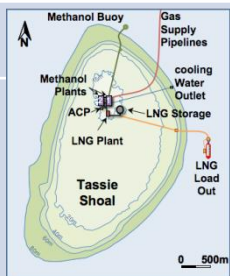
Assumes 70% Recovery Factor, US\$0.50/mcf, Fx \$0.80



#### NT/68 discoveries

Blackwood (100%)  
Heron (90%)

Potential to underpin TSMP (Phase 1)  
Potential for liquids rich gas to underpin LNG project



#### Tassie Shoal Projects

EIA Approvals for gas projects (50-90%)

Economic enabler for >25 Tcf of stranded gas in region