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### **ASX & Media Release**

## **Major Project Facilitation (MPF) Status renewed for Tassie Shoal Projects**

### **Key Points:**

- MPF Status for Tassie Shoal LNG and Methanol Projects renewed until 31<sup>st</sup> December 2015
- MPF Status will assist in expediting any additional project approvals in addition to the existing environmental approvals

MELBOURNE, AUSTRALIA (3<sup>rd</sup> April, 2012)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) is pleased to advise that the Minister for Infrastructure and Transport, the Hon Anthony Albanese MP has granted MPF Status for the Tassie Shoal gas processing projects until 31<sup>st</sup> December 2015.

The MPF program provides a service to support a timely and efficient approvals process for the proposed developments. Through this service the Department of Infrastructure and Transport will ensure that:

- All information on government approvals processes is provided;
- All relevant government processes are coordinated so that, as far as possible, they occur simultaneously and without duplication;
- The Australian Government responds promptly to issues relating to the projects raised by MEO Australia Limited and its subsidiaries; and
- Assistance in identifying and accessing government programs is provided

More information regarding the MPF program is available on the program website at [www.majorprojectfacilitation.gov.au](http://www.majorprojectfacilitation.gov.au).

### **MEO's CEO and MD Jürgen Hendrich commented on the announcement:**

*"The Tassie Shoal Projects have the potential to provide substantial benefits to the Australian people via tax and PRRT revenue and export earnings.*

*MPF status further supports our efforts to commercialise these Projects and sends a clear signal of Government. MEO acknowledges and is extremely grateful for this support."*

Additional information regarding MEO's Tassie Shoal Projects is included in the attached Business Overview flyers.

**Jürgen Hendrich**  
Managing Director & Chief Executive Officer

Attach: Tassie Shoal LNG Project - Business Overview  
Tassie Shoal Methanol Plant Project – Business Overview

# Tassie Shoal LNG Project

(MEO 100%)

## Proposed LNG Development

**Environmental approvals secured**

**Pre-FEED stage development plans – US\$2bn cost savings**

**MPF Status granted**

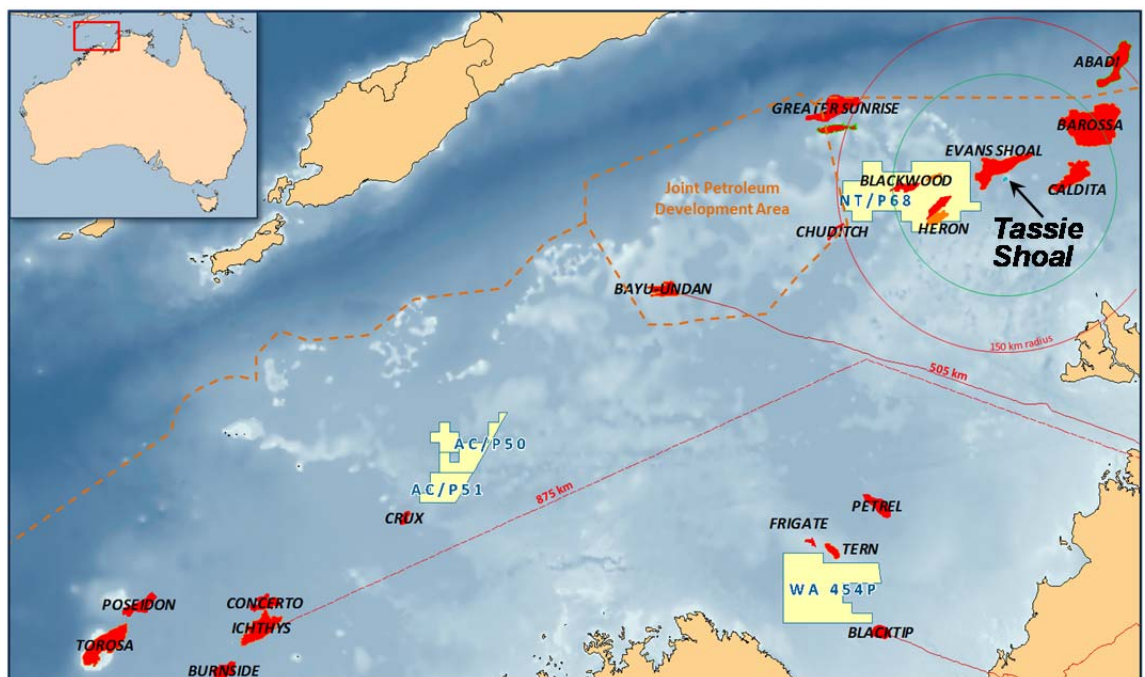
MEO has secured environmental approvals for a proposed 3.0MTA LNG plant to be located at Tassie Shoal. The location is adjacent to many undeveloped gas resources in the region including the Blackwood and Heron discoveries in the nearby NT/P68 exploration permit (MEO 50%).

Pre-FEED development plans have been prepared and costed for the proposed development which has the potential to reduce LNG project development costs by in excess of US\$2bn compared to FLNG or land based development.

The project has been granted Major Project Facilitation Status by the Federal Government Department of Infrastructure and Transport.

## Location Map

**Central location in rapidly growing LNG province**



## Project Overview

The project is an alternative commercialisation path to land based LNG for any of the remote gas resources in the region. The design basis is that high value liquids would be removed from the raw gas at the field location and dry gas piped to Tassie Shoal for processing into LNG.

**Established technology in unconventional location**

### Key Project Metrics

Water Depth: 15m

LNG Capacity: 3.0 MTA

Processing platform: Jack-up steel structure

LNG Storage: 170,000 m<sup>3</sup> (10 days production)

Offloading: Conventional jetty or HiLoad system

Capital Cost (excluding upstream): US\$2.1 Bn

Gas feed assumption: <3% CO<sub>2</sub>

Plant Deck Area: 100m x 50m

LNG Process: APCI Dual Mixed Refrigerant

Process Cooling: Indirect seawater heat exchange

Fabrication Location: South East Asia - TBC



## Indicative Cost Savings over Land Based or Floating LNG

The proposed development plan significantly reduces project costs by reducing pipeline distances and allowing the plant to be fabricated in a low cost South East Asian location for installation in one module.

The following comparison table details MEO's estimate of indicative costs for development of 3.6 MTA LNG plants supplied from an indicative low CO<sub>2</sub> gas resource within 150km of Tassie Shoal.

**Significant savings over floating and land based LNG**

Estimated costs (US\$M)	Land Based (Darwin) LNG	Floating LNG	Tassie Shoal LNG
LNG Plant Costs	2,450	7,130	1,240 <sup>①</sup>
Condensate/LPG FPSO	900	Incl. in LNG FPSO	900
Pipeline (field to plant)	1,200 (450km)	Not Required	330 (150km)
LNG Storage Tank	320	Incl. in plant costs	320
Loadout/Jetty	250	Incl. in plant costs	270
Project Development & Owners Costs	220	340	120
Upstream Development Allowance (wells etc)	2,500	2,500	2,500
<b>Total Development Cost</b>	<b>\$7,840m</b>	<b>\$9,970m<sup>②</sup></b>	<b>\$5,680m</b>

<sup>①</sup> scaled up from 3.0MTA design basis covered by existing environment approval

<sup>②</sup> extrapolated from Prelude published data, reduced for CO<sub>2</sub>, liquids content and repeat build savings.

**MPF Status provides Federal Government assistance to coordinate further project approvals**

## About Major Project Facilitation Status

The Major Project Facilitation (MPF) program is administered by the Department of Infrastructure and Transport on behalf of the Minister for Infrastructure and Transport. Where appropriate, the MPF service will endeavour to ensure that Commonwealth approval processes are coordinated between the relevant state and territory government approval processes.

## Surrounding Area Activity

### Heron/Blackwood (NT/P68)

Eni and MEO are currently engaged in a program to evaluate the Heron and Blackwood discoveries after which development options will be considered.

### Evans Shoal (NT/P48)

The Evans Shoal gas discovery lies directly adjacent to NT/P68 and only 10 km from Tassie Shoal. In October 2011 Santos reached agreement with Eni to divest their 40% interest in the Evans Shoal field for up to US\$350 million dollars.

### Barossa (NT/P69)

The last well drilled in the permit in 2006 tested 16% CO<sub>2</sub> gas. The permit, which is operated by ConocoPhillips, reached the end of its scheduled secondary term in October 2011 without the drilling of the exploration well required under the minimum work program for the secondary term.

### Caldita (NT/P61)

The last well drilled in the permit in 2007 tested 13% CO<sub>2</sub> gas. The permit, which is operated by ConocoPhillips, is in the second last year of its scheduled secondary term. The minimum work program for the current permit year, which ends in October 2012 includes an exploration well.

### Greater Sunrise (NT/RL2, NT/RL4, JPDA 03-19, JPDA 03-20)

Woodside and their joint venturers have proposed a 4 MTA Floating LNG option for the gas resource located at Greater Sunrise, which partly lies within the Joint Petroleum Development Area cooperatively administered by Australia and Timor-Leste. The FLNG development proposal has been rejected by Timor-Leste and is currently under review.

**High activity region with undeveloped, proven gas resources**

# Tassie Shoal Methanol Projects (MEO 100%)

**Environmental approvals secured**

## Proposed Methanol Development

MEO has secured Australian federal and state government environmental approvals for two 1.75MTA Methanol plants to be located at Tassie Shoal.

**Pre-FEED stage development plans**

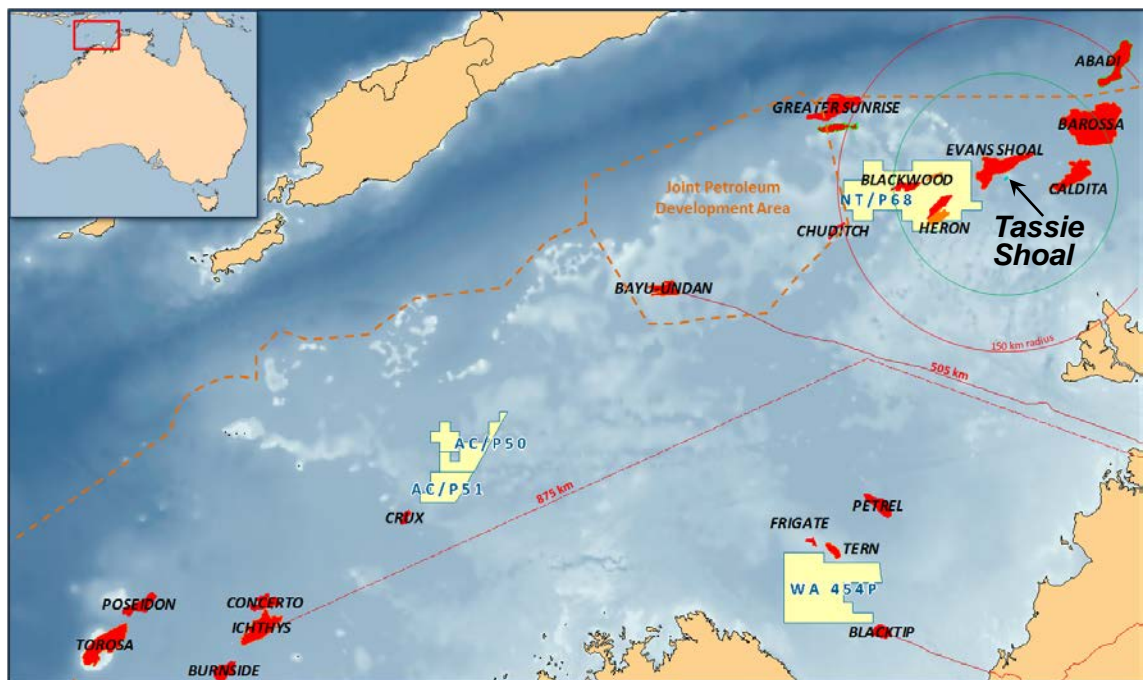
MEO has developed detailed pre-FEED development plans for the production of Methanol using a concept developed by the world's leading upstream oil and gas and downstream chemical industry designers.

**MPF Status granted**

The project has been granted Major Project Facilitation Status by the Federal Government Department of Infrastructure and Transport.

## Location Map

**Central location in rapidly growing hydrocarbon province**



## Project Overview

**Established technology in unconventional location**

The Tassie Shoal Methanol Project ("TSMP") combines established proven technology in an innovative way to address the commercialisation challenge for regional high CO<sub>2</sub> resources. Tassie Shoal is surrounded by a number of large, undeveloped gas fields, some of which have high (>10%) CO<sub>2</sub> levels which poses a significant economic and environmental development challenges for offshore gas fields. Using the Tassie Shoal shallow water area (~15m depth) in the Timor Sea approximately 275km north west of Darwin combined with methanol production, many of the capital cost drawbacks of an onshore based or deep water based development are mitigated. In addition to the capital cost benefits of a shallow water, close to feedstock development, the methanol process utilises the CO<sub>2</sub> in the feed gas stream in the production of methanol avoiding expensive geo-sequestration costs in alternative development scenarios.

**Key Project Metrics**

Water Depth: 15m  
 Plant Capacity (each): 1.75 MTA  
 Technology: Davy Process Technology SMR  
 Processing platform: Gravity Based Structure  
 Offloading: Single Point Mooring or Jetty  
 Gas feed assumption: 10-28% CO<sub>2</sub>  
 Process Deck 180m x 100m  
 Storage: 20 days production within CGS  
 Fabrication Location: South East Asia - TBC



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