



# Investor Update

June, 2012

# Presentation outline

## The case for considering an investment in MEO



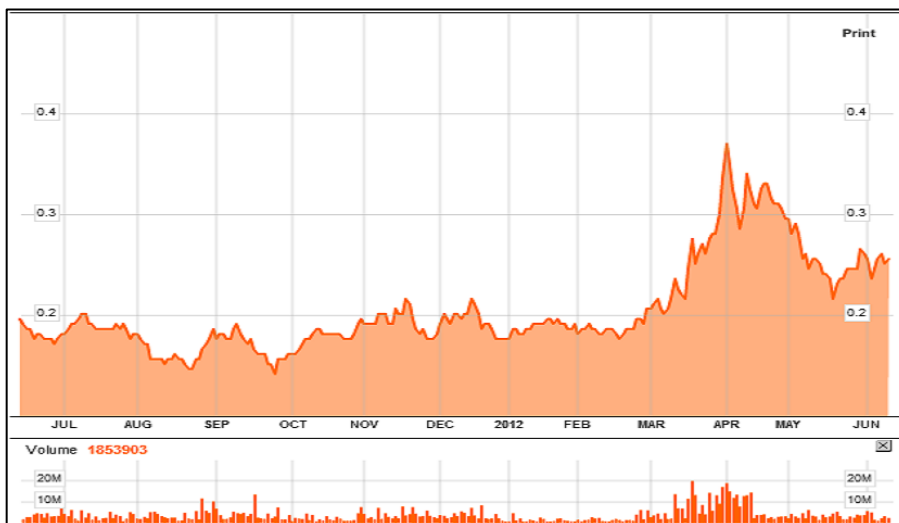
1. Corporate snapshot
2. People
  - Board of directors
  - Senior personnel
3. Portfolio overview
  - 7 upstream, 3 infrastructure projects
  - Transactional track record
4. 2012 value drivers
  - MEO drilling
    - Three wells – Australia (LNG), Indonesia (Oil & Gas), Thailand (Oil)
  - Adjacent drilling
    - Three wells in adjacent permits – direct impact on MEO prospects
  - Planned transactions in three project areas
5. Other value in the portfolio
6. Key take-aways
  - People + Projects + Multiple Value Drivers = Worthy of further consideration

# Corporate snapshot

ASX & OTC listed, SE Asian focus, adequate cash, open register



Ticker symbols (ASX / OTC)	MEO	MEOAY
Share Price (ASX: MEO)	(13-Jun)	A \$0.25
Issued shares	(million)	539.9
Issued options (\$0.50 ex)	(million)	21.6
Market Capitalisation	(million)	A \$135
Cash & Cash Equivalents	(31-Mar)	A \$62
<b><u>Enterprise value</u></b>	<b><u>(million)</u></b>	<b><u>A \$73</u></b>
Daily liquidity (3 mth avg)	(million)	5.7



## General

HQ Melbourne, Australia

- Jakarta branch office

SE Asian portfolio

- 7 upstream projects (6 offshore)
- 3 infrastructure projects (Tassie Shoal)
  - With environmental approvals

## Core strengths

- High calibre new venture capability
- Track record of high value transactions
- Adequately funded (subject to farm out)

## Top shareholders

~9,660 shareholders

31.1% held by top 20

6.58% Raydale Holdings Pty Ltd

5.00% Bentley Capital (LIC – ASX: BEL)

4.88% HSBC Custody Nominees (Australia) Ltd

2.35% Merrill Lynch (Australia) Nominees Pty Ltd

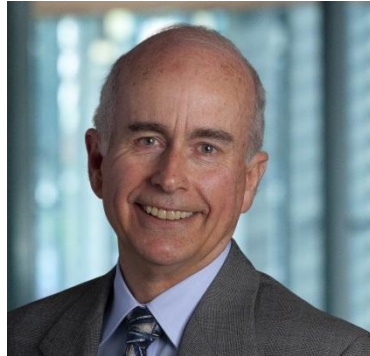
# Board of directors

Depth of experience with major companies, diverse skill set



## Non-executive Chairman

**Nick Heath** – Engineer  
Appointed NED May 2008  
Appointed Chairman November 2008



36 yrs ExxonMobil 1970–2006 (retired)  
Chairman Metgasco Limited (ASX: MEL)



## Managing Director (& CEO)

**Jürgen Hendrich** - Geologist  
Appointed MD July 2008  
Appointed CEO June 2008

Tolhurst Noall 2005 – 2008 (Corp Finance)  
Private practice 2000 – 2005 (Corp Advisory)  
JB Were & Son 1996 - 2000 (Energy Analyst)  
12 yrs ExxonMobil 1984 – 1996 (Geologist)



## Non-executive director

**Michael Sweeney**  
Practicing Barrister  
Appointed Oct 2008

Mitsui-Mitsubishi (MiMi)  
1986-1996



## Non-executive director

**Greg Short** - Geologist  
Appointed July 2008

33 yrs ExxonMobil 1973 – 2006 (retired)  
NED Pryme Oil & Gas (ASX: PYM)  
NED Po Valley Energy (ASX: PVE)



## Non-executive director

**Stephen Hopley**  
Appointed Oct 2008

Macquarie Bank 1989-2003  
(retired)

# Senior personnel

Hand picked team, proven oil finders & deal-making capability



**Ken Hendrick**

Implementation Manager  
Joined Jul 2007  
1968-2005 Consulting to  
CRA/Mobil/Shell/Woodside/  
Origin/ExxonMobil



**Dave Maughan**

Exploration Manager  
Joined Aug 2008  
ExxonMobil 1973–2007  
(34 yrs)



**Peter Stickland**

New Ventures Manager  
Joined Apr 2011  
Tap Oil 2005-2011+  
BHP Billiton 1990-2005



**Colin Naylor**

Chief Financial Officer  
Joined Feb 2007  
BHP Petroleum 1996-2000  
Woodside 1987-1996



**Robert Gard**

Commercial Manager  
Joined Nov 2008  
ExxonMobil 1986–2008  
(22 yrs)



**Robert Zammit**

Executive Manager - BD  
Joined Dec 2011  
ExxonMobil 1986–2011  
(25 yrs)



**Oliver Gross**

Geoscience Adviser  
Joined Apr 2012

ExxonMobil 1982–2012  
(30 yrs, retired)



**Errol Johnstone**

Chief Geoscientist  
Joined Oct 2010

ExxonMobil/Delhi  
1981–2010  
(29 yrs)



**Dean Johnstone**

Senior Geoscientist  
Joined Oct 2011

ExxonMobil/Delhi  
1984–2011  
(27 yrs)



**Jarrod Dunne (PhD)**

Senior Geophysicist  
Joined Apr 2011

Shell, Woodside, Nexus  
Energy



**Lubing Liu**

Chief Reservoir Engineer  
Joined Oct 2011

CNOOC, Sinopec,  
ConocoPhillips,  
Woodside, RPS, Senergy



**Andrew Leeds**

Senior Commercial Adviser  
Joined Apr 2011

Macquarie Bank,  
Santos, Bechtel

+ Peter Stickland was CEO of Tap Oil (ASX: TAP) 2008-2011

# Portfolio overview

Thailand, Indonesia, NW Australia – oil, gas & LNG



**Gulf of Thailand**  
Oil Focus  
(MEO 50% \*)



**North Sumatra**  
Oil and Gas Focus  
(MEO 100%)



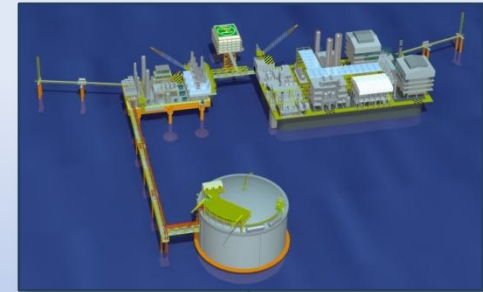
**East Java**  
Oil Focus  
(MEO 90%\*)



**Bonaparte Basin**  
Oil, Gas & LNG Focus  
(NT/P68 50%, others 100%)



**Carnarvon Basin - North West Shelf**  
LNG Focus  
(MEO 50% - 62.5%)



**Tassie Shoal Infrastructure**  
LNG and Methanol  
(MEO 100%)

# Transaction history: WA-360-P farm-out

US\$39m cash, 1-well fully funded, contingent cash & 2 additional wells



**Target:** ~12 Tcf (mean prospective)  
**Equity :** 50% (MEO farmed down from 70%)

Back costs and cash bonus	US\$ 39m
Artemis-1 (capped)	US\$ 42m
Success Bonus	US\$ 31.5m
Second Well (capped)	US\$ 62m
Third well (capped)	US\$ 62m
<b>Funding range</b>	<b>US \$81m - \$236.5m</b>

**Result :** MEO cash after well ~A\$100m  
Funded expansion into SE Asia

- MEO farmed into permit Oct-2007
- Earned 60% via acquiring 3D seismic
- Identified 12 Tcf Artemis prospect
- Secured 1yr extension for drill/drop option
- Increased to 70% via extra 3D seismic
- Accepted farm-in offer late 2009
- Raised \$27m to underpin rig commitment
- Signed FIA with Petrobras early 2010
- Purchased additional 5% equity
- Drilled Artemis-1 late 2010 (MEO 25%)
- Renewed permit 2012 (MEO 62.5%)



# Transaction history: NT/P68 farm-out

>US\$200 work program to earn 50% interest, options to increase to 75%



**Target:** ~6 Tcf (discovered + prospective)  
**Equity :** 50% (MEO farming down from 100%)

1st Heron well (MEO est.) US\$ 75m

Blackwood 3D Seismic (est.) US\$ 10m

2nd Heron well (MEO est.) US\$ 75m

Blackwood well (MEO est.) US\$ 45m

**Funding range**

**US \$85m - \$205m**

**Result :**Blackwood 3D seismic 4Q-2011  
Heron South-1 drilling 3Q-2012

**Consideration for additional 25% equity:**

Carry to FID (including wells) US\$ TBD

Cash at FID US\$ 75m

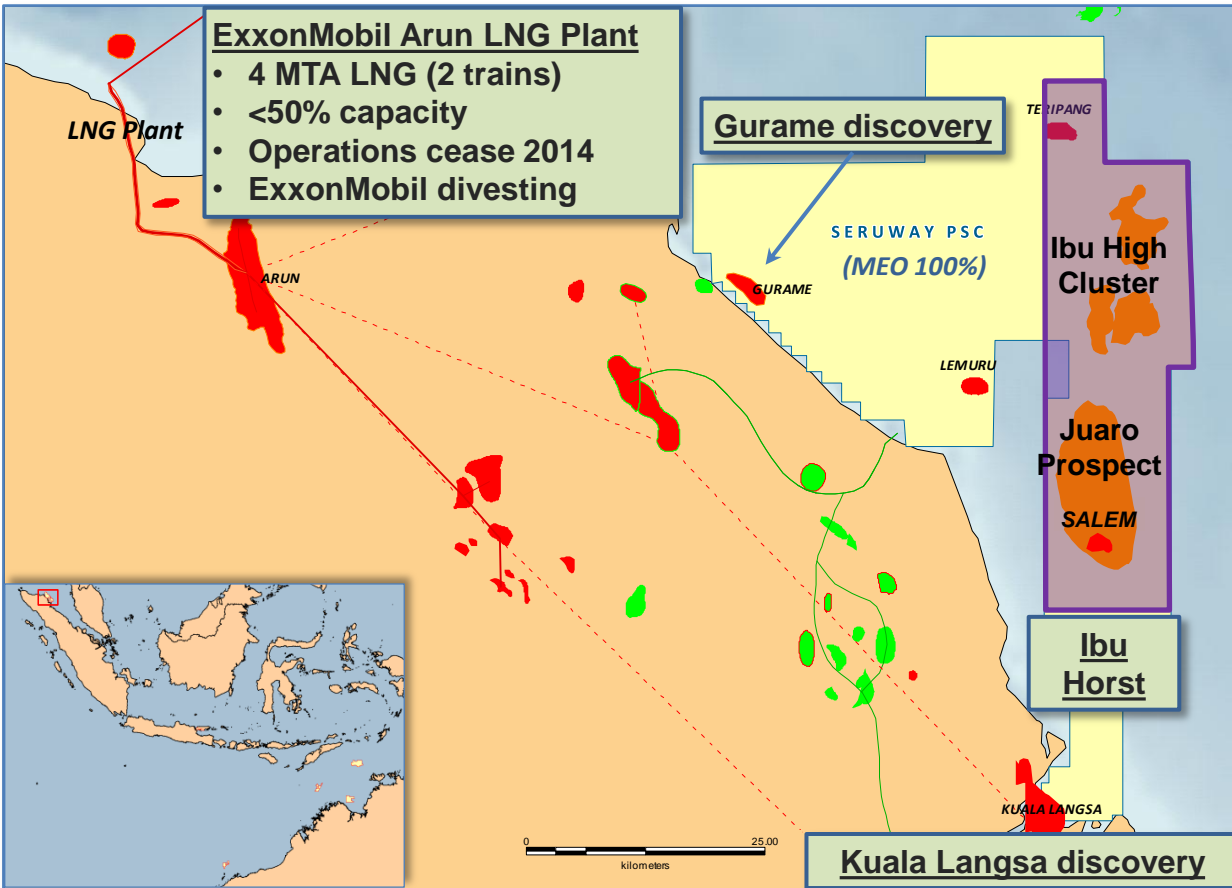
- Awarded permit Feb-2004
- Acquired 3D in 2006
- Farmout 10% PI to Petrofac
- Heron#2 gas discovery early 2008
- Blackwood#1 gas discovery early 2008
- Acquired Blackwood 3D post well
- Technical studies to understand cause of reservoir quality distribution
- Renewed permit early 2010 for 5 yrs
- Signed FIA with Eni Australia early 2011
- Acquired Bathurst 3D seismic late 2011
- Heron South #1 spuds August





# 2012 Drill Well – Gurame Oil & Gas Discovery

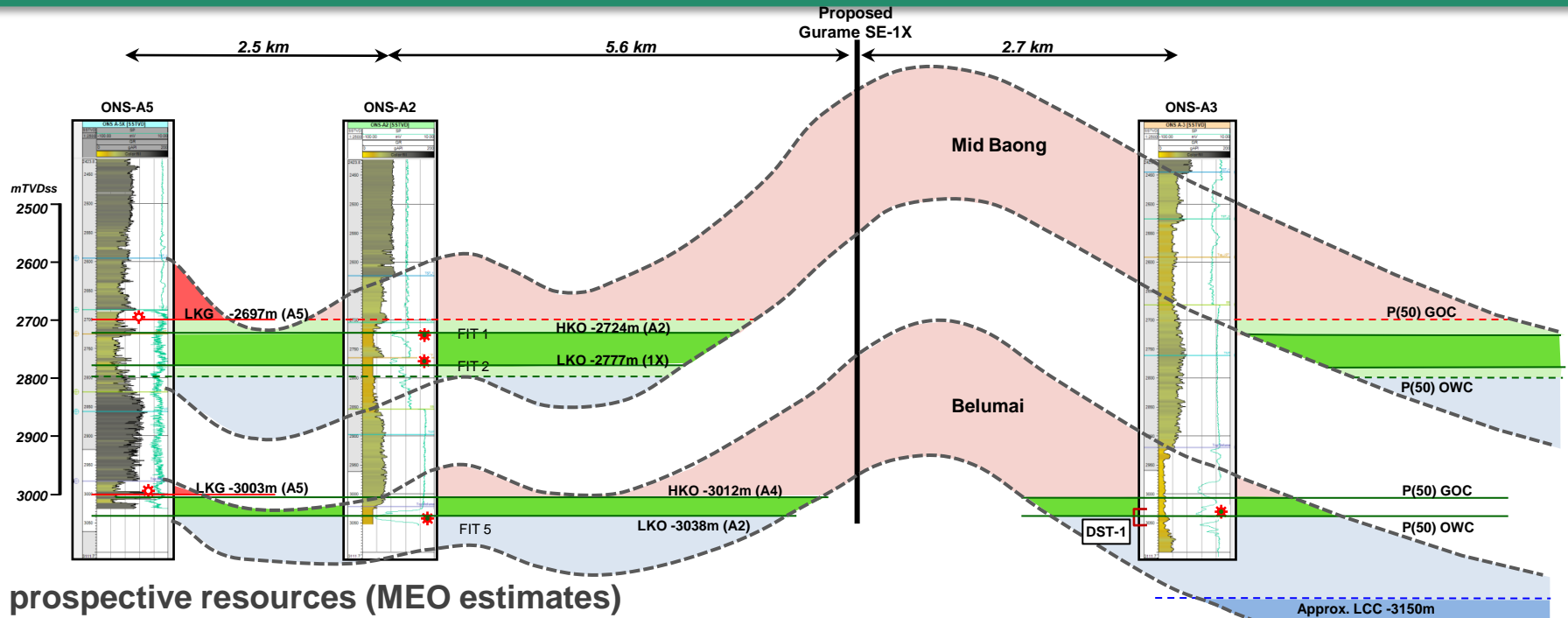
Offshore North Sumatra - Seruway PSC (MEO 100%)



- Purchased mid-2011
- PSC has 3 distinct projects
  1. Gurame gas/oil discovery
  2. Kuala Langsa gas discovery
  3. Ibu Horst gas/oil discoveries
- Technical studies indicate oil in Gurame deeper reservoirs
  - 51-109 mmbbls\*
- Gurame well planned 2H 2012+
- Launched farmout April 2012
  - Targeting Q3-2012

# 2012 Drill Well - Gurame SE-1x (oil & gas)

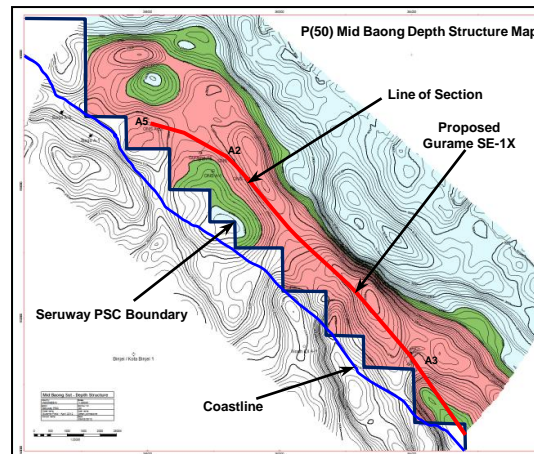
Up dip of existing wells with intersections of >50m & >26m oil



Gross prospective resources (MEO estimates)

	Gas in Place (raw – bcf)			Recoverable sales gas (bcf)		
	P90	P50	P10	P90	P50	P10
Baong	336	621	1,088	168	321	583
Belumai	216	350	537	105	176	280
<b>Total</b>	<b>551</b>	<b>971</b>	<b>1,625</b>	<b>273</b>	<b>498</b>	<b>863</b>

	Oil in place (MMstb)			Recoverable oil (MMstb)		
	P90	P50	P10	P90	P50	P10
Baong	128	253	468	17	37	75
Belumai	60	97	223	8	15	34
<b>Total</b>	<b>188</b>	<b>350</b>	<b>692</b>	<b>24</b>	<b>51</b>	<b>109</b>

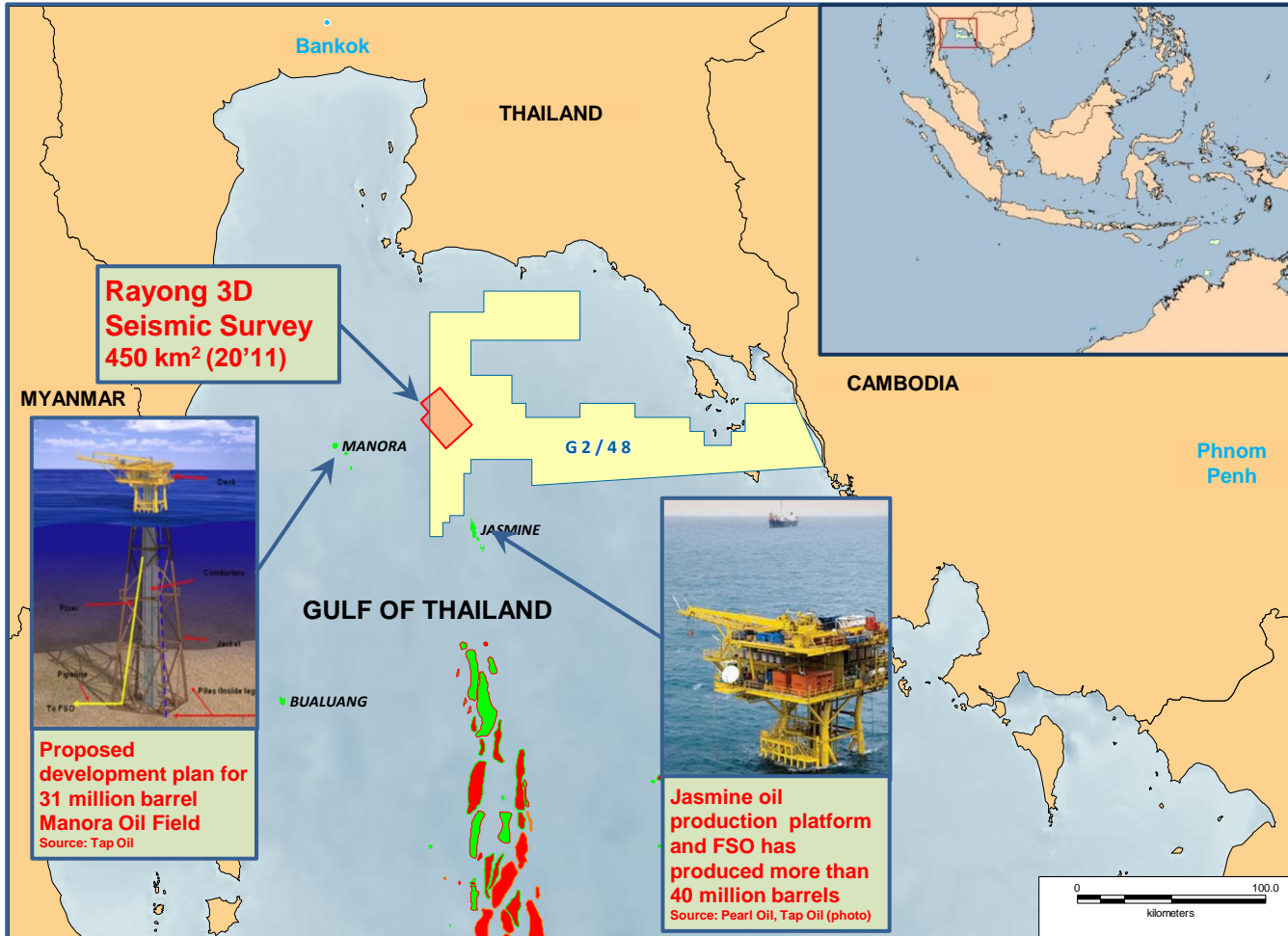


Fluid Type

- Known Gas
- Potential Gas
- Known Oil
- Potential Oil
- Known Water
- Potential Water

# 2012 Drill Well – Gulf of Thailand (Oil)

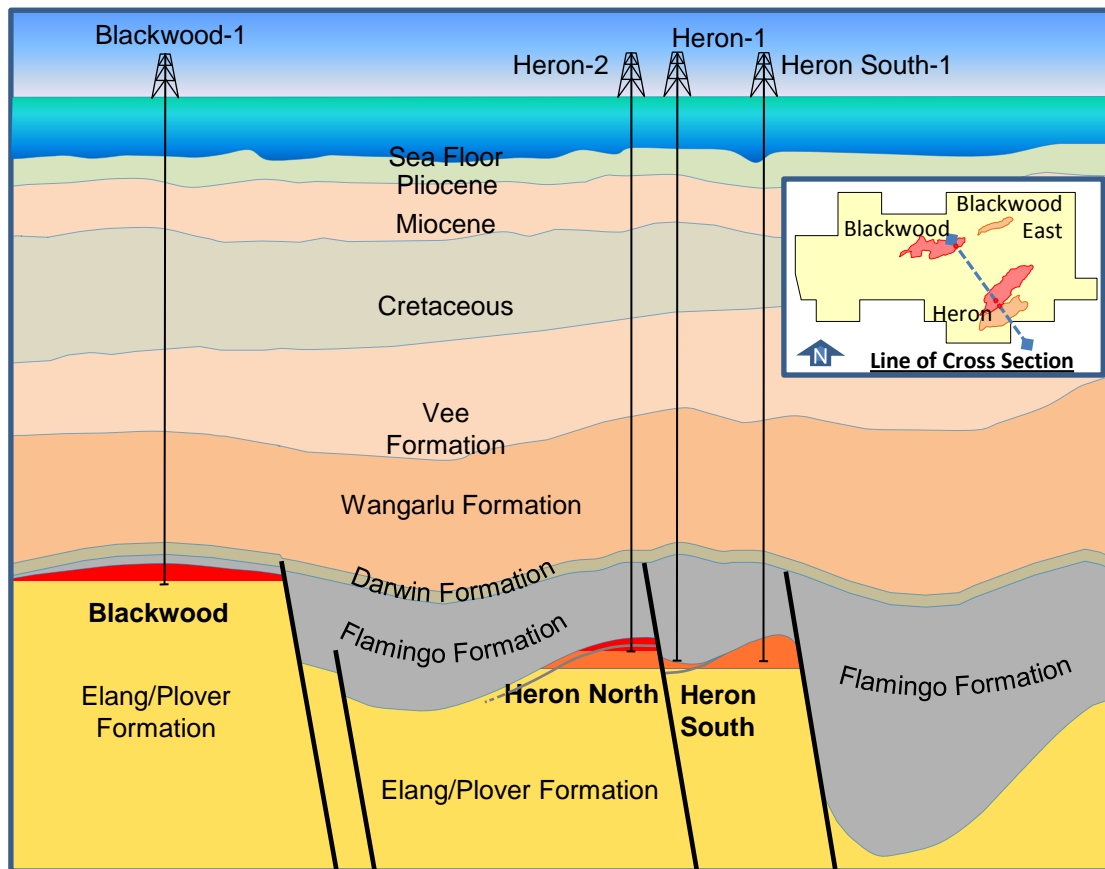
## Rayong Basin - G2/48 (MEO 50%)



- Acquired 50% equity from Pearl Oil in February 2012
- Consideration
  - 50% of 3D seismic costs
  - 66.6% of well costs (\$5m cap)
  - Equity share of future costs
- 2011 Rayong 3D seismic revealed multiple prospects
- Currently ranking prospects to select preferred target
  - Prospect size 10-50 mmbbls
- Planning for 2012 well underway
  - Rig identified by operator

# 2012 Drill Well – Heron South-1

Bonaparte Basin - NT/P68 (MEO 50%)



- Eni operator
- Heron South-1 well due to spud August
- Potential 5 Tcf raw gas resource

## MEO Heron Prospective Resource Assessment

Ultimate Recovery	Low	Best	High
Raw Gas (Tcf)	3.66	4.96	6.64

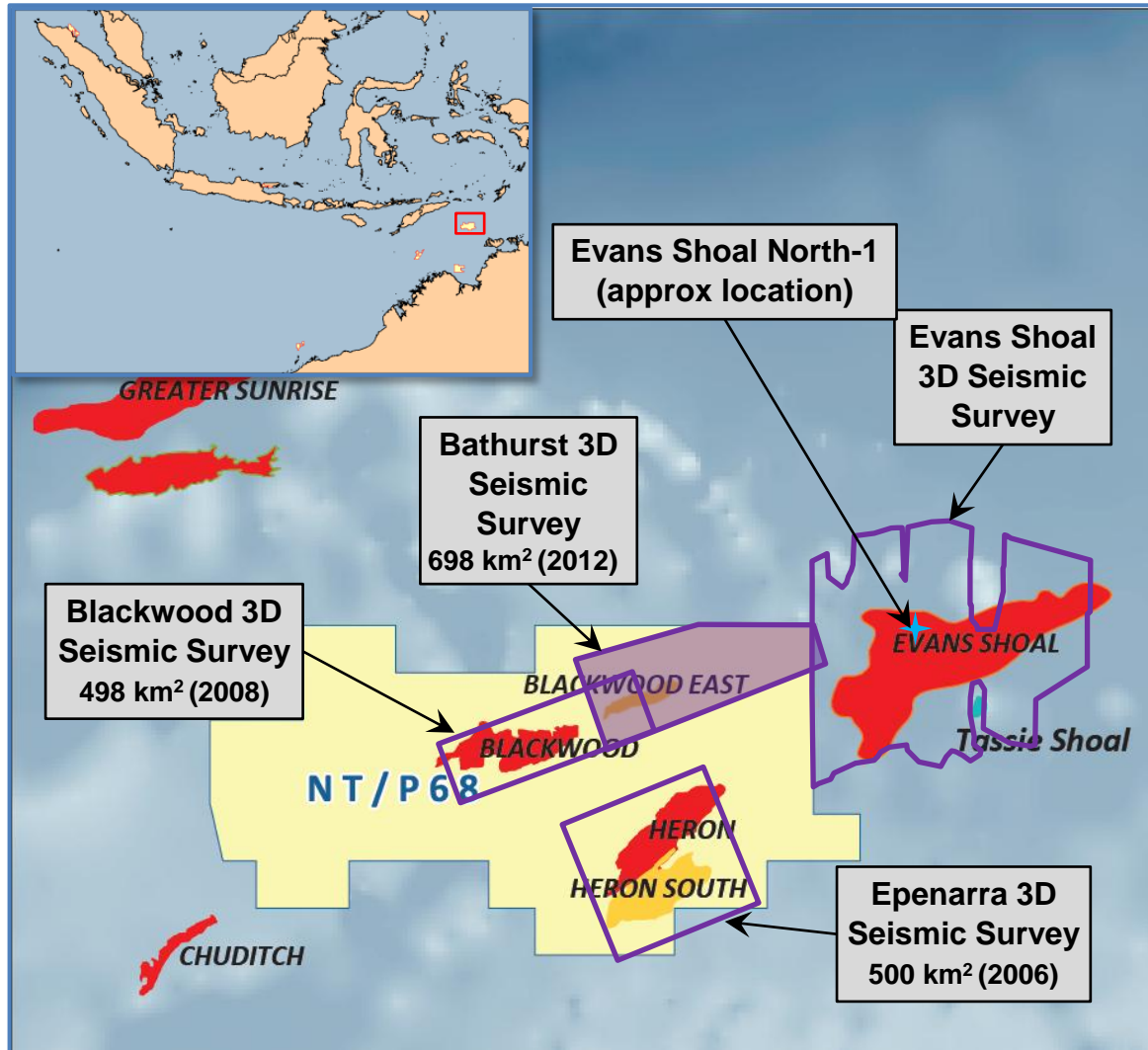
- Recent transactions highlight value of gas in region
  - >\$200m 50% Heron/Blackwood
  - \$350m 40% Evans Shoal
  - \$520m 49.5% Barossa/Caldita

## Regional Transaction Comparison

Transaction +	Buyer	Equity	\$ incl FEED	US\$m/%	+ Assumes all options in transactions are exercised
Evans Shoal	Eni	40%	\$350m	\$8.75	
Barossa/Caldita	SK E&S	49.5%	\$520m	\$10.5	

# Adjacent Drill Well – Evans Shoal North -1

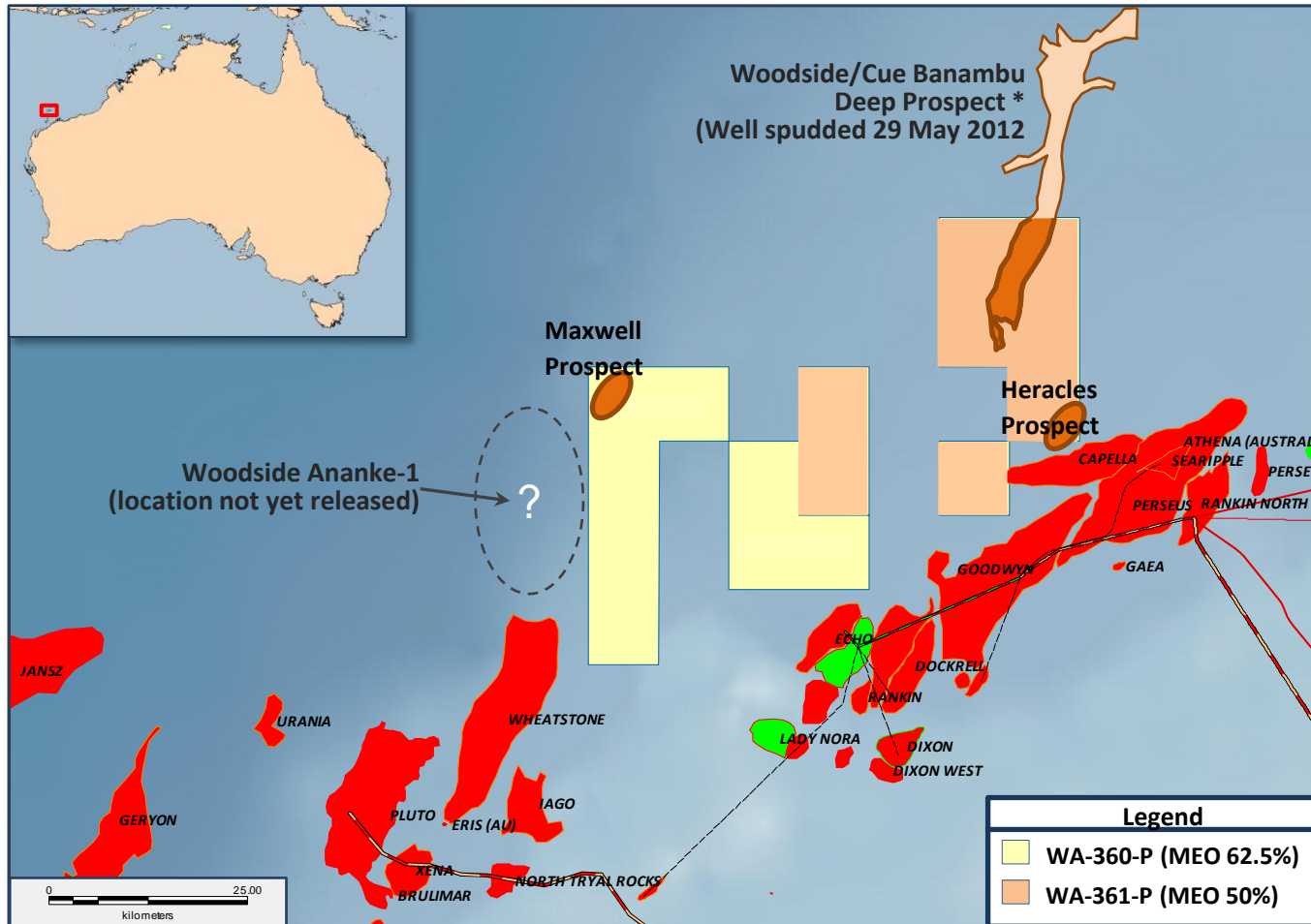
Results impact NT/P68 (MEO 50%) & Tassie Shoal Projects (MEO 100%)



- Eni has farmed into NT/P68 (Heron & Blackwood discoveries) and acquired equity in Evans Shoal gas discovery seeking to develop a large scale LNG project
- Evans Shoal North –1 will test the Flamingo and Plover reservoirs with a planned production test of the Plover
- Results will have significant implications on MEO projects and regional gas development scenarios

# Adjacent Drill Wells - North West Shelf

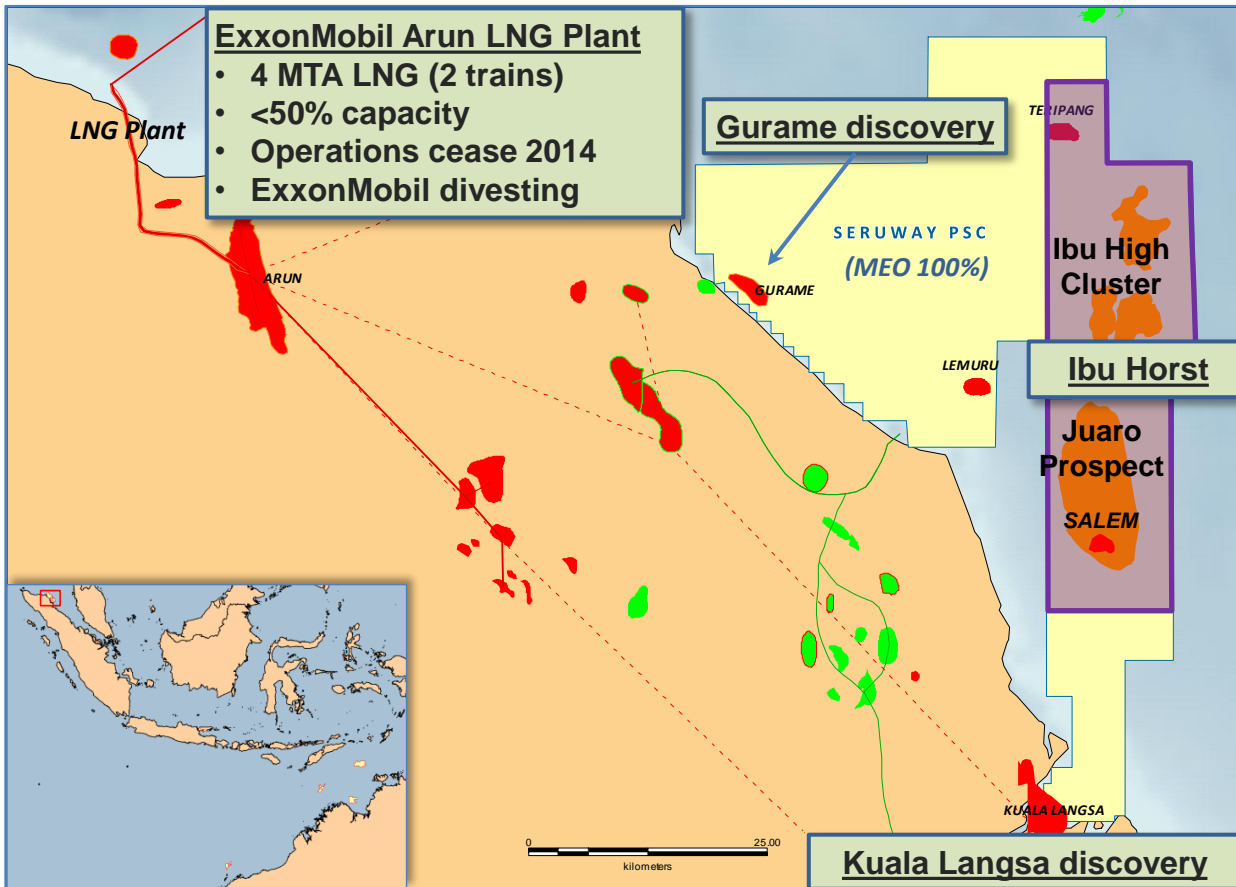
Results impact WA-360-P (MEO 62.5%) & WA-361-P (MEO 50%)



- Woodside drilling nearby:
  - Banambu Deep-1
    - spudded 29 May 2012 targeting intra-Triassic channel play
  - Ananke-1
    - After Banambu Deep-1
- MEO studies identified
  - Heracles prospect
    - (WA-361-P MEO 50%)
  - Maxwell prospect
    - (WA-360-P MEO 62.5%)
- 3D seismic acquired to mature prospects
  - High equity interests allow scope for farm-out &/or divestment

# Planned Transaction – Seruway PSC

MEO 100%: Farmout of multiple projects



- Purchased 100% PI mid-2011
- Acquired 3D seismic late 2011
- PSC has 3 distinct projects
  1. Gurame gas/oil discovery
  2. Kuala Langsa gas discovery
  3. Ibu Horst gas/oil discoveries
- Technical studies reveal\*:
  - Oil in Gurame deep
    - 51-109 mmbbls
  - Gas in Gurame Deep
    - 498-863 Bcf
  - Lower CO<sub>2</sub> in Kuala Langsa
- Planned drilling+
  - 2012 (1 well)
  - 2013 (2 wells)
- Launched farmout April
  - Planned transaction Q3

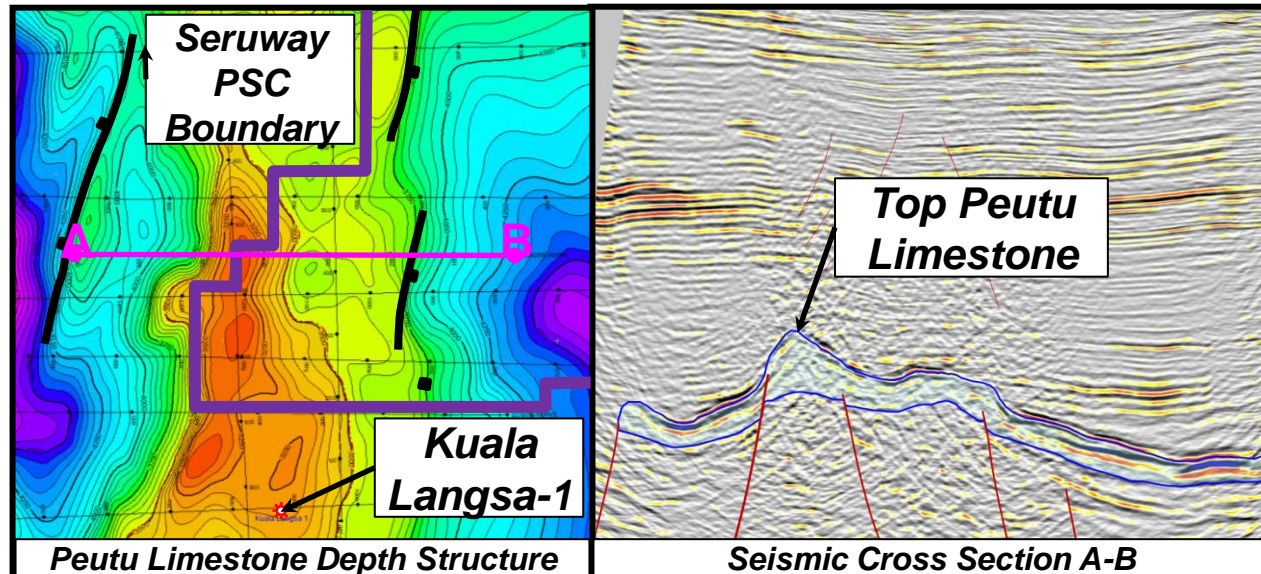
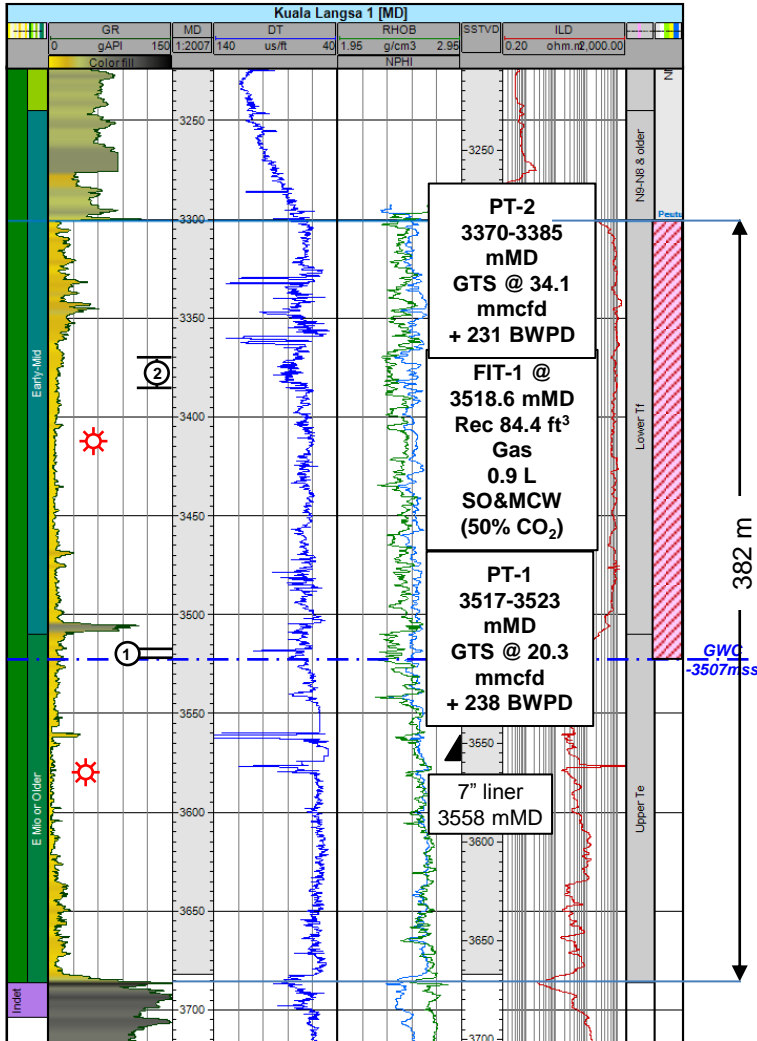
# Kuala Langsa – LNG scale gas discovery

## Appraisal well required in Seruway PSC



### Kuala Langsa –1X

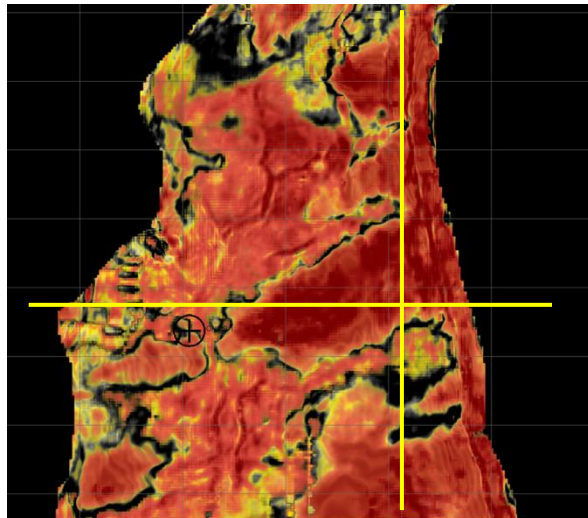
- 230m gross gas column, 212m net pay – thicker in Seruway PSC
- DST-2 3,370-3,385m (15m) - 34 MMCFGD
- Calculated open hole flow rate - 325 MMCFGD
- Total estimated recoverable HC gas 2-3 TCF
- DST CO<sub>2</sub> measured 80+%, unreliable
- FIT gas sample at subsurface conditions **60% CO<sub>2</sub>**
- RFT pressure gradients consistent with **55-60% CO<sub>2</sub>**
- Nearby Salem-1 had 47% CO<sub>2</sub>





# Ibu Horst – Exploration and appraisal

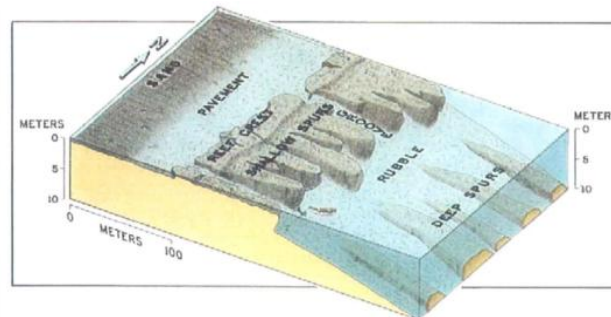
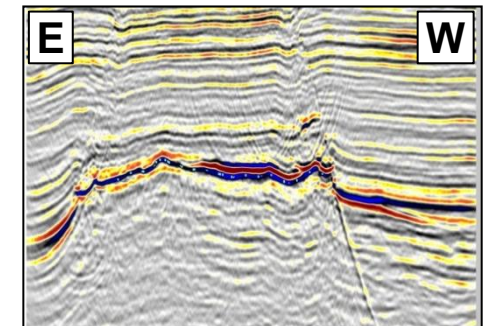
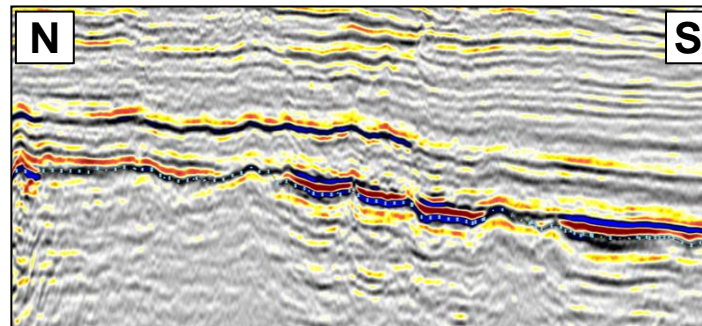
Multiple high value targets supported by new high quality 3D



30ms above Blue Event

## Ibu Horst Discoveries/Shows:

- **NSO-2N** : Gas Recovery of 23.7 ft<sup>3</sup> from FIT within Seurula Sandstones, Shows within Belumai Limestones and Mid Baong Sandstones.
- **ONS B-1** : 12.4 MMCFD + 5 gallons 37°API Oil from DST & FIT within Peutu Carbonates and Belumai Sandstones. Gas 1% CO<sub>2</sub>, oil rate unknown. No Contact identified in well.
- **SALEM-1** : 19.5 MMCFD + 27 BCPD (~44% CO<sub>2</sub>) from DST within Peutu Carbonates and Belumai Sandstones. No GWC identified in well.
- **TERIPANG-1** : 11.56 MMCFD + 153 BCPD from Lower Baong Sandstones



## Preliminary Evaluation

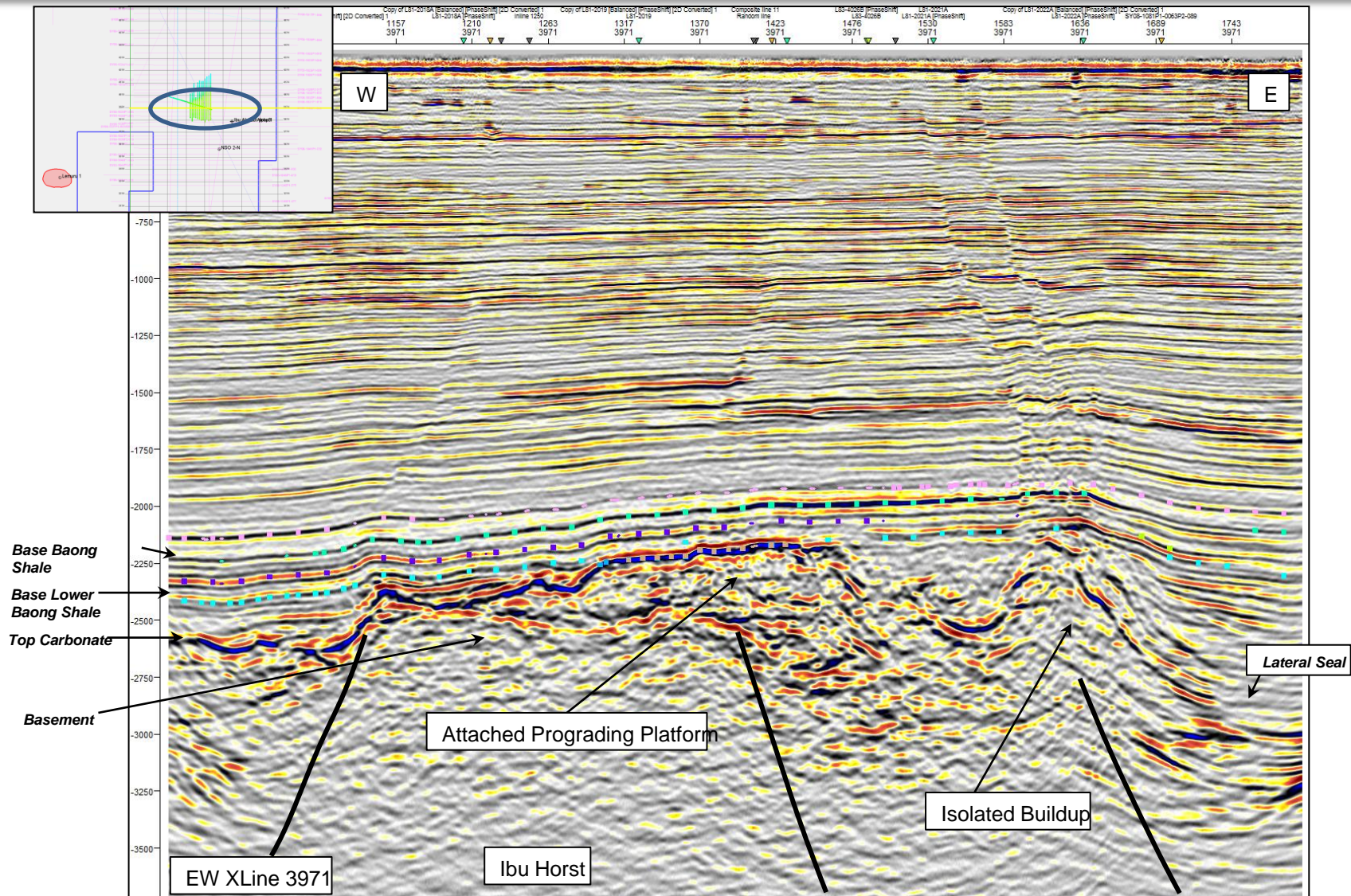
- Visualisation of new high quality 3D data suggests shoaling carbonates
- Not apparent on previous 2D
- Allows better identification of reservoir pre-drilling
- Additional opportunities identified

## **Shelf Margin Reef Model**

*After James, 1983 (AAPG Memoir 33)*

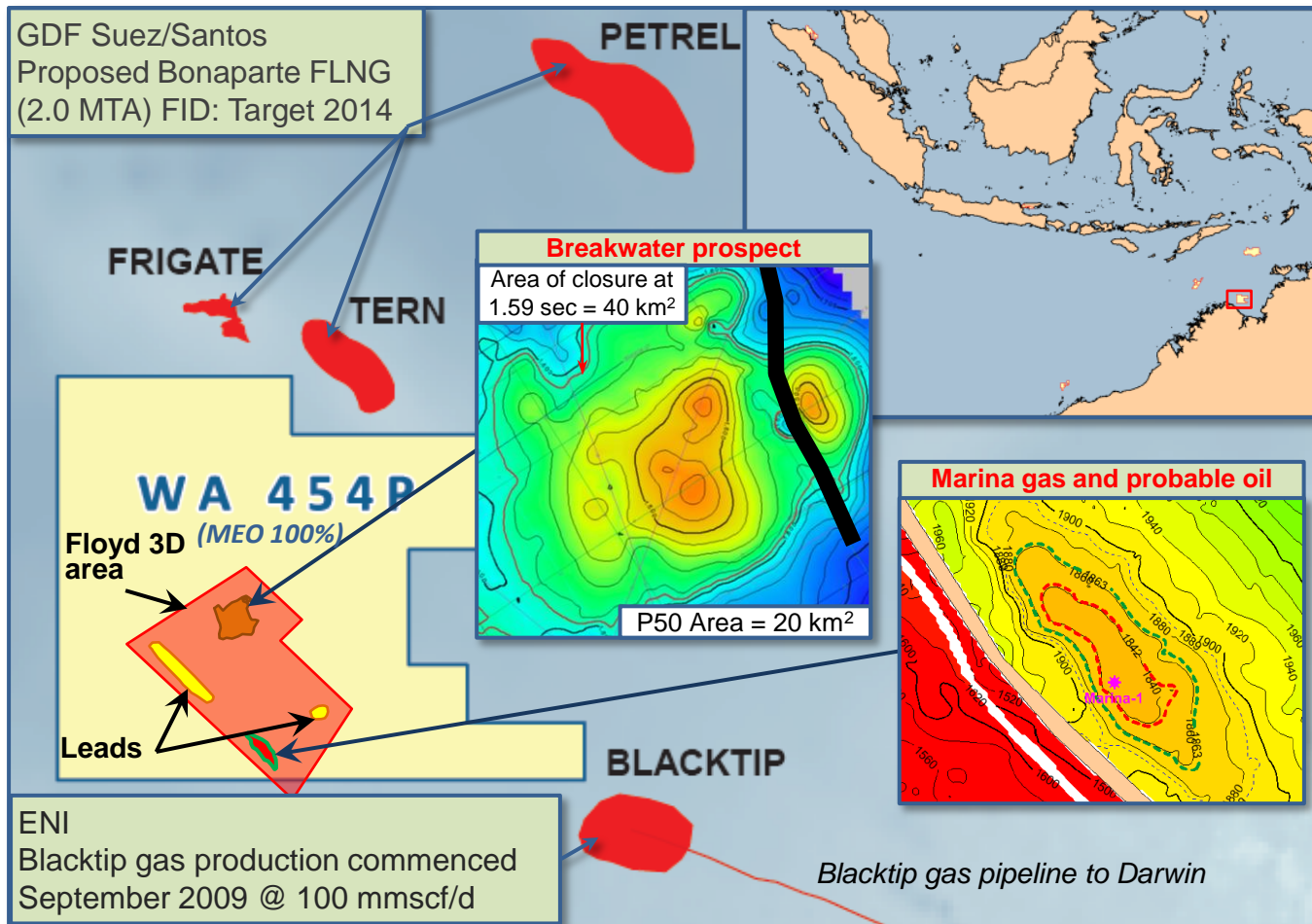
# Northern Ibu Horst – new high quality 3D

## Identificaiton of attached carbonate platform and isolated buildup



# Planned Transaction – WA-454-P

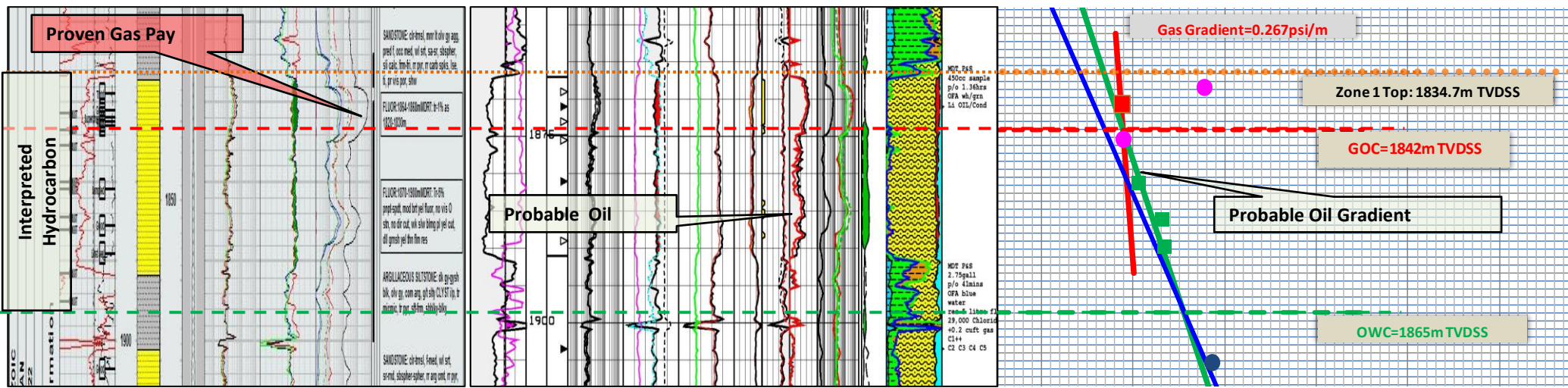
MEO 100%: Farmout of Marina oil & gas discovery and prospects



- Awarded permit mid-2011
- Next to proposed US\$6 billion F-LNG project & producing gas facility
- Technical studies reveal:
  - Probable oil in Marina
  - Breakwater prospect
- Acquired 3D early 2012
- Independent assessment
  - Marina contingent gas and probable oil resources
  - Multi-Tcf Breakwater prospect with potential for significant oil legs
- Planning to launch farmout process early Q4
- Possible drilling in 2013\*

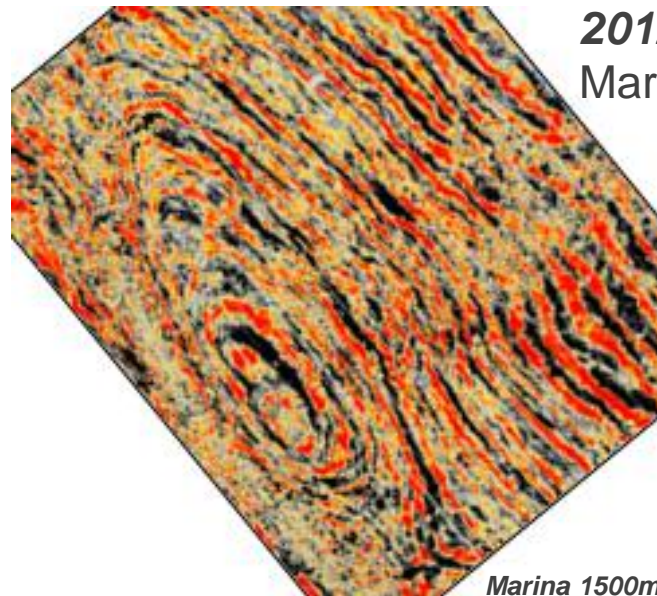
# Contains Marina gas and probable oil discovery

Contingent resources: 5–22 mmbbls oil & 98–302 Bcf gas (P50-P10)



## 2012 Floyd 3D

Marina structure is a simple four way rollover (lowside fault bend fold)



Marina 1500ms Timeslice from 3D

## Contingent Resources (Recoverable) \*

	P90	Mean	P10
Gas (Bscf)	51	98	302
Oil (MMstb)	-	5	22
Condensate (MMstb)	0.4	1.5	7.5
Total Liquids (MMstb)	0.4	6.5	29.5

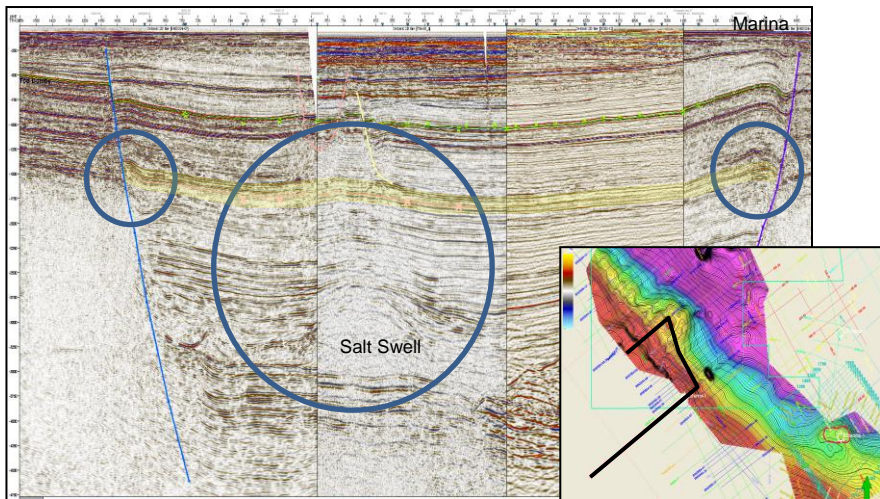
\* Source: Senergy, February 2012

# And substantial Breakwater prospect

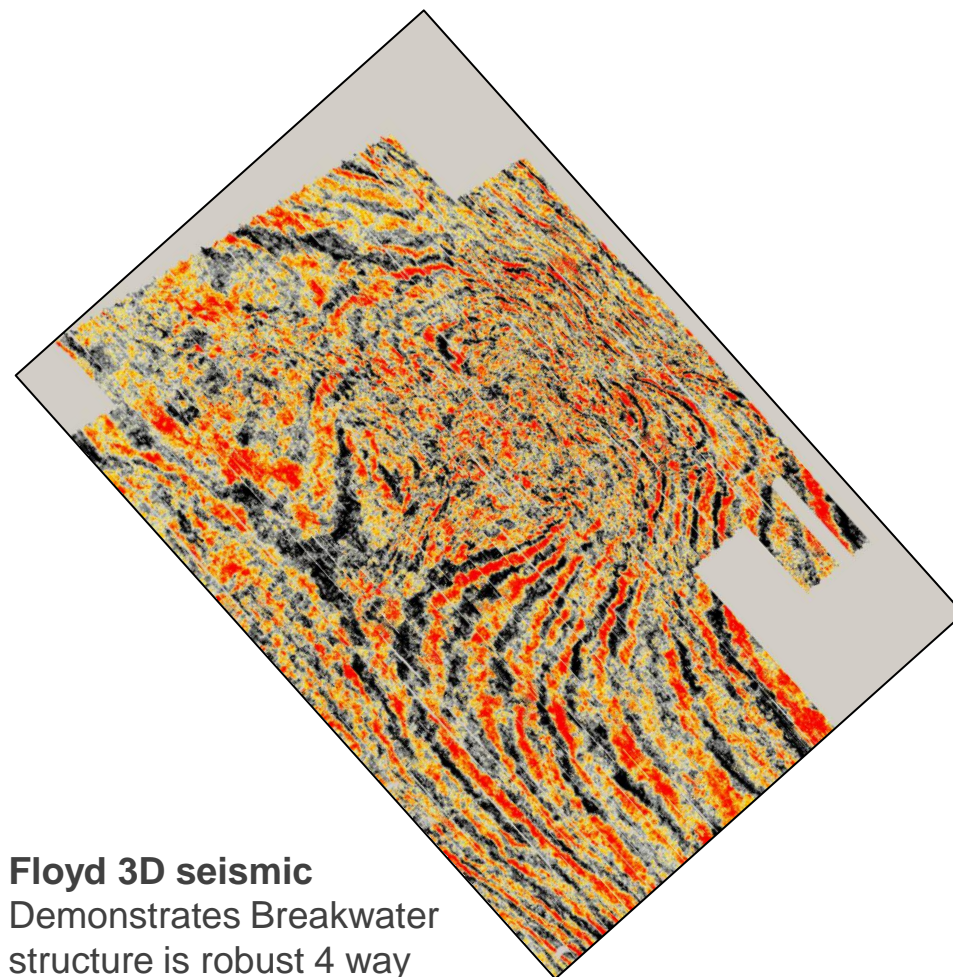
With potential for multi-Tcf gas & 40-200 mmbbls oil (P50-P10)



Breakwater : Amplitudes in Marina and Blacktip reservoirs



Breakwater Prospect Time slice from Floyd 3D



## Un-Risked Prospective Resources (Recoverable) \*

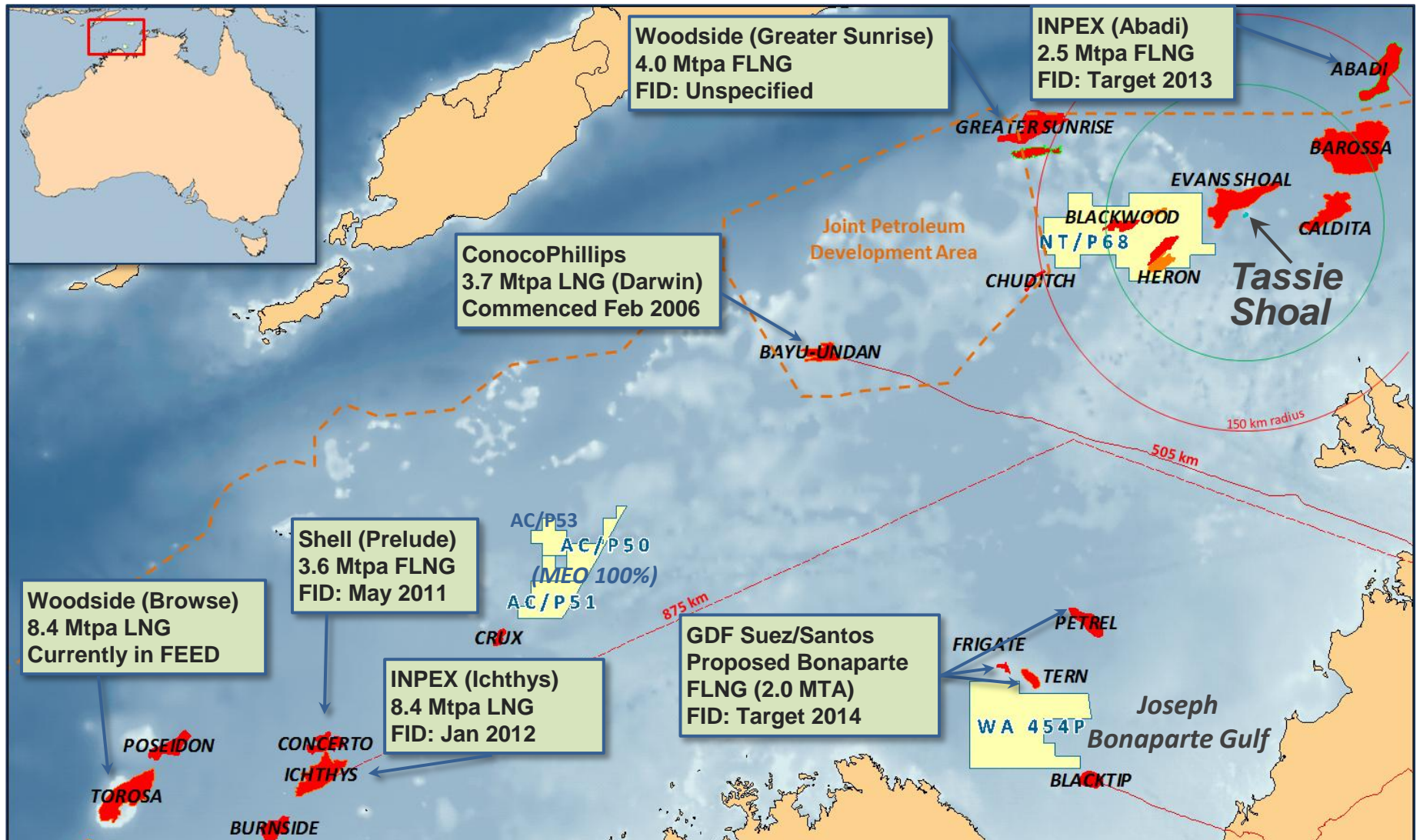
Scenario A: Gas only	P90	Mean	P10	COS**
Gas (Bscf)	205	751	2,798	24%
Condensate (MMstb)	1.4	13	87	
<b>Total Liquids (MMstb)</b>	1.4	13	87	
Scenario B: Gas & Oil	P90	Mean	P10	COS**
Gas (Bscf)	173	636	2,391	16%
Oil (MMstb)	8	41	201	
Condensate (MMstb)	1.1	11	75	
<b>Total Liquids (MMstb)</b>	9.1	52	276	

\*\* COS: Risk Factor or Chance of Geological Success is the product of four prospect elements; trap, reservoir, seal integrity and charge

**Floyd 3D seismic**  
Demonstrates Breakwater structure is robust 4 way closure caused by drape over a deep salt swell

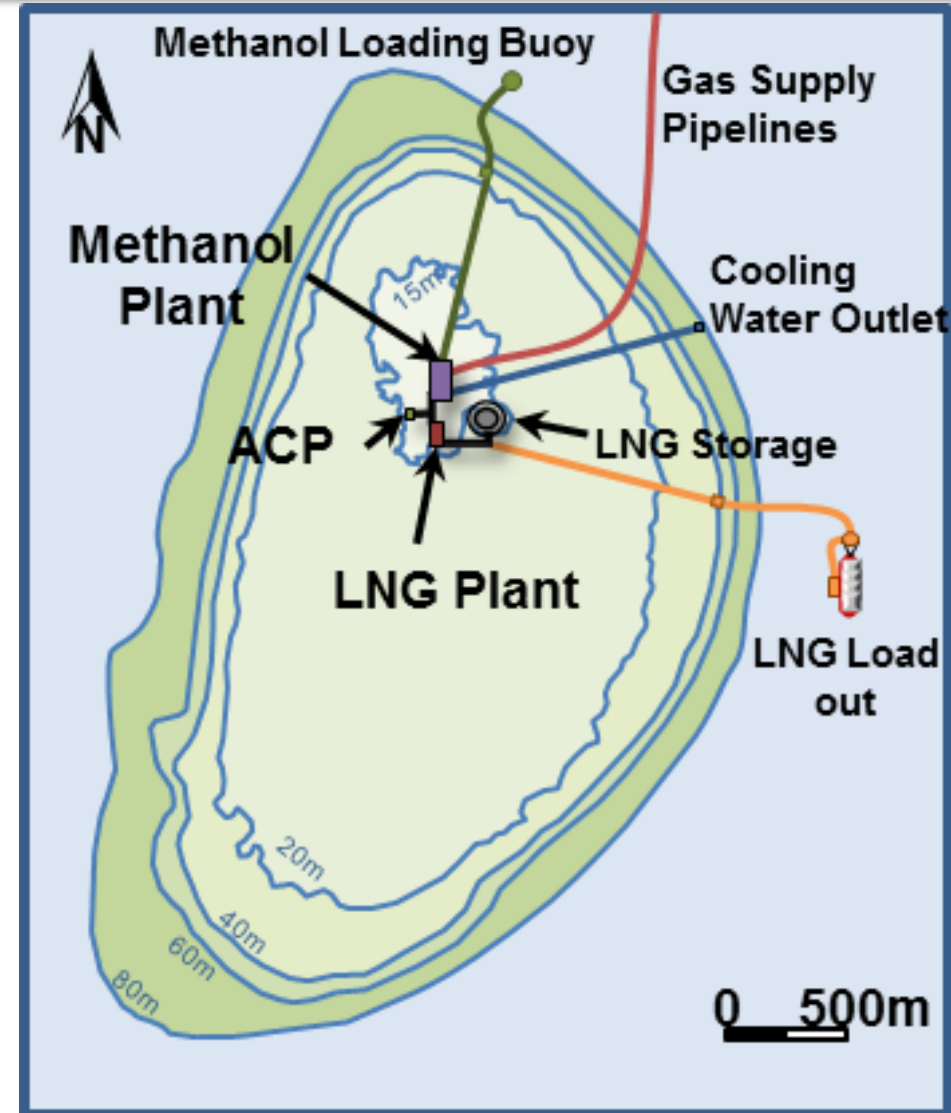
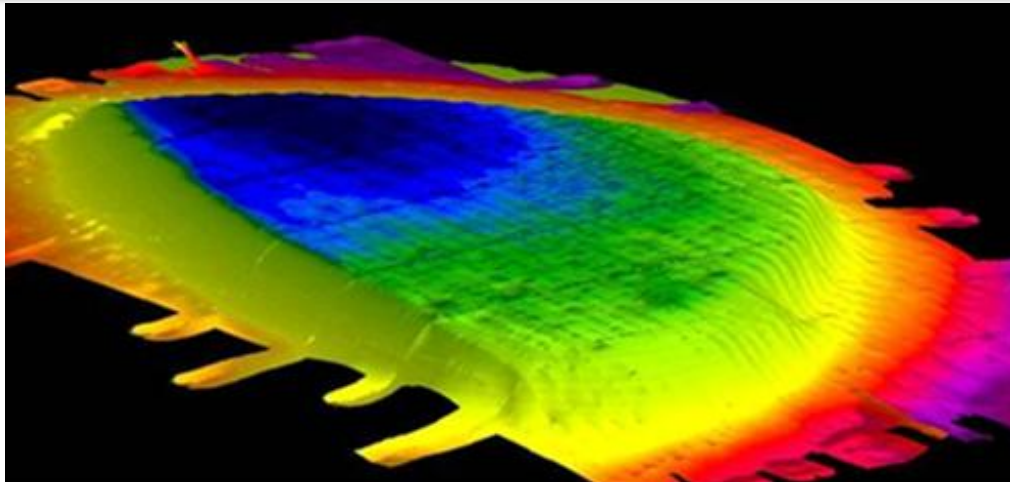
# Remote gas, Timor Sea Northern Australia

Region demands innovative, tailor made development solutions



# Planned Transaction - Tassie Shoal Projects

MEO 100%: Environmental approvals to host infrastructure in <15m water



# Projects employ existing technology

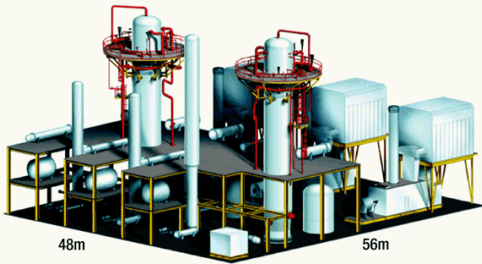
Hosted on simple grounded structures - no movement issues



LNG

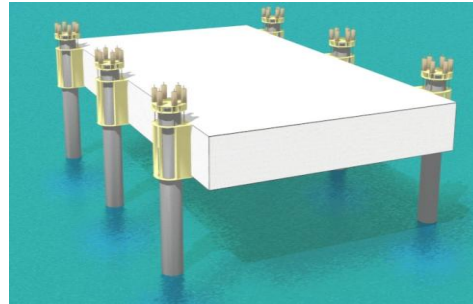
**Air Products' CL DMR FPSO Concept with MCR® Cryogenic Heat Exchangers**

Nominal 3 MTA Capacity

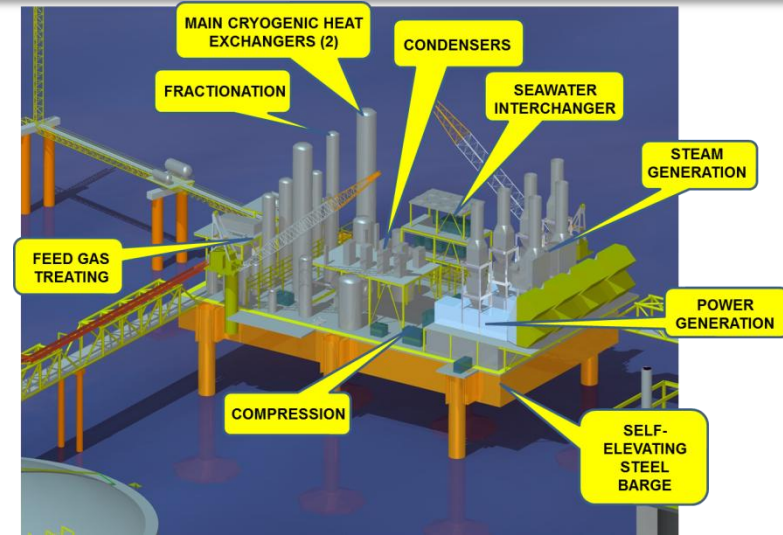


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**Arup Concept Elevating (ACE) Platform**



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METHANOL



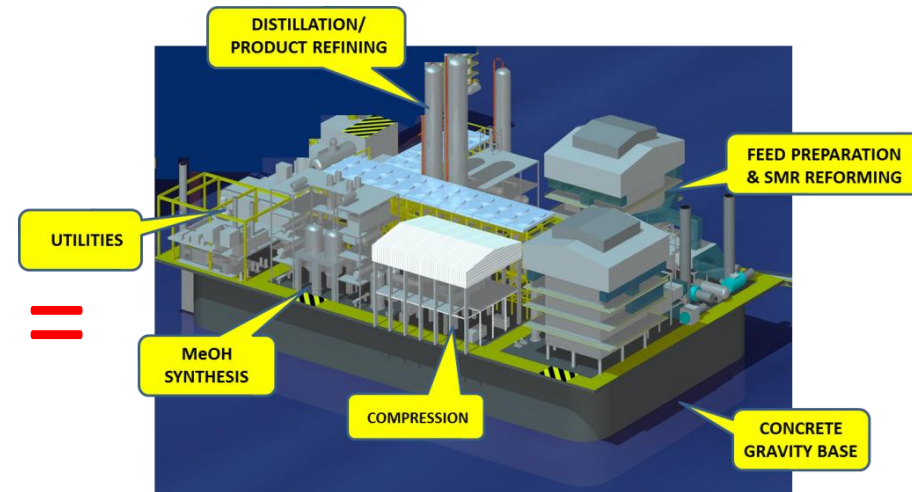
Process plant based on Davy Process Technology plants operating in Trinidad

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ExxonMobil's Adriatic Re-gas terminal on CGS. Barge becomes island and storage

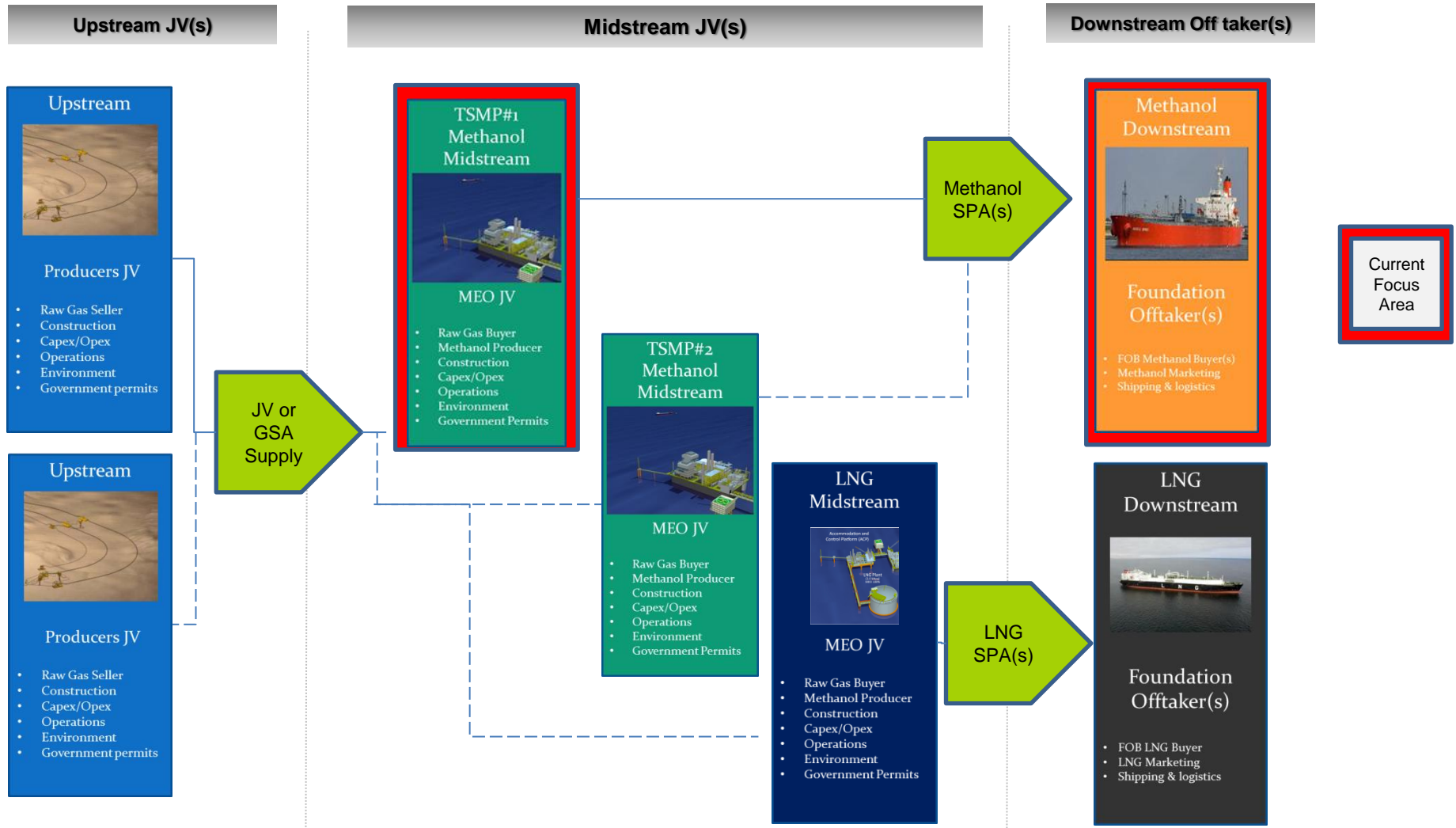
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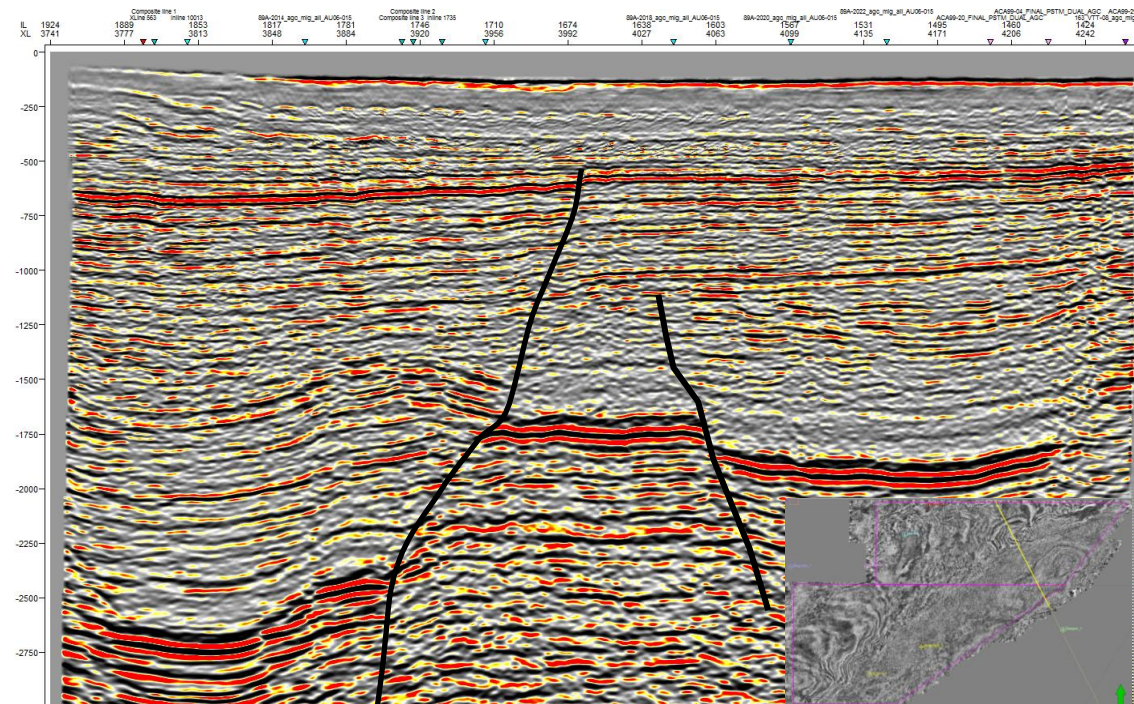
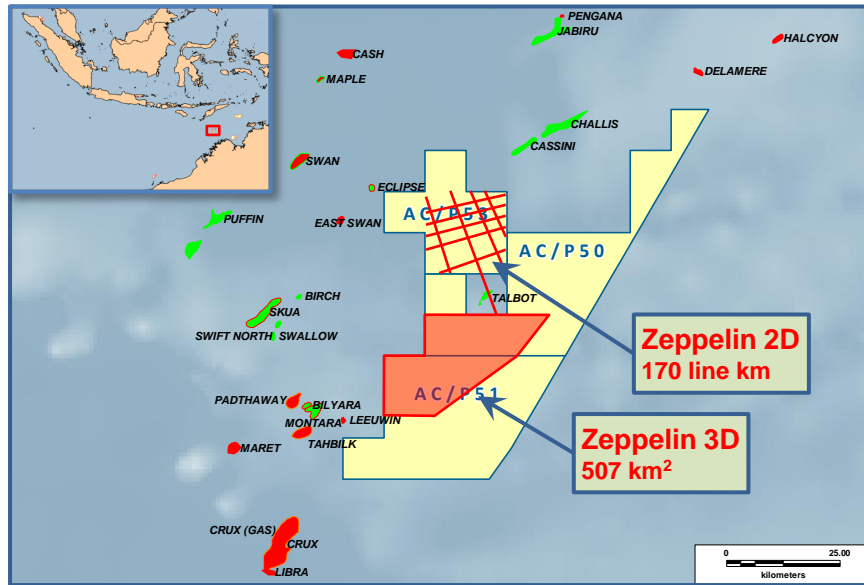
# Engaging with customers to firm up demand

## EoI's received for 8.3 MTA methanol offtake (4.7 x TSMP#1 supply)



# Other portfolio value: Ashmore Cartier

MEO 100% - acquired modern seismic to resolved image quality

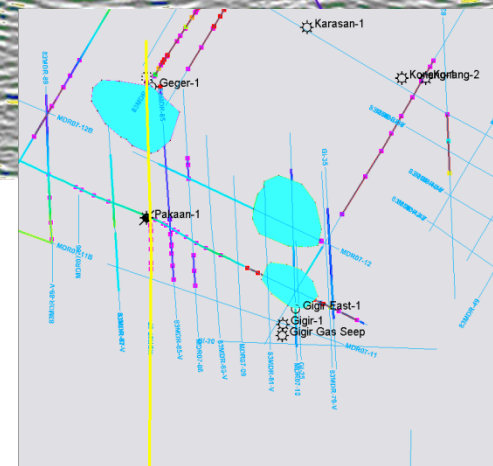
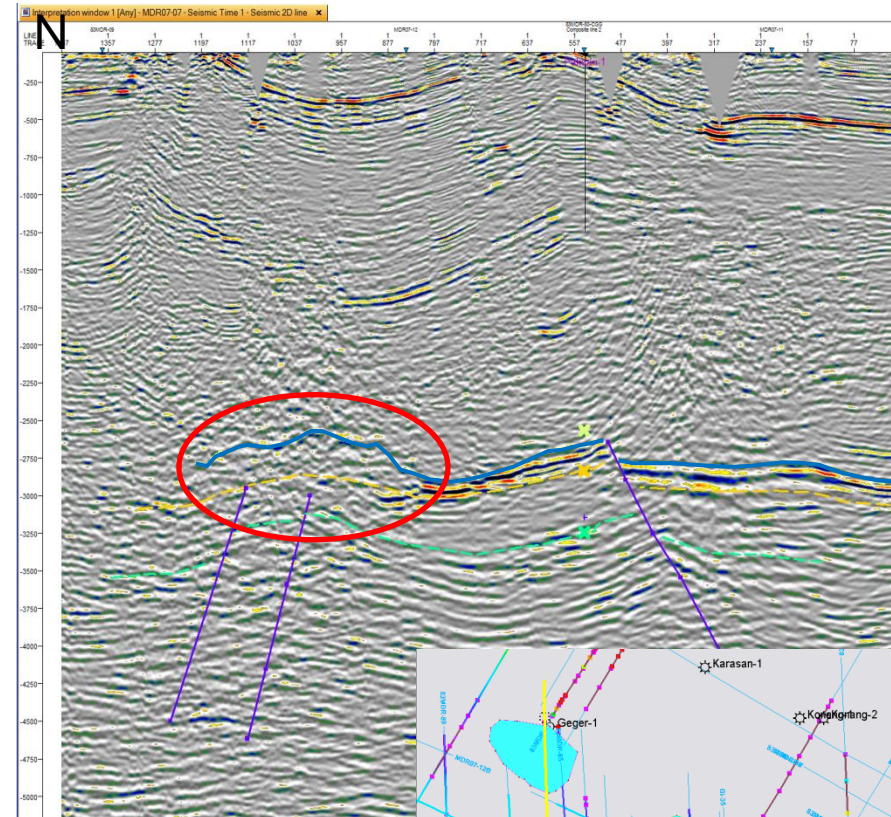
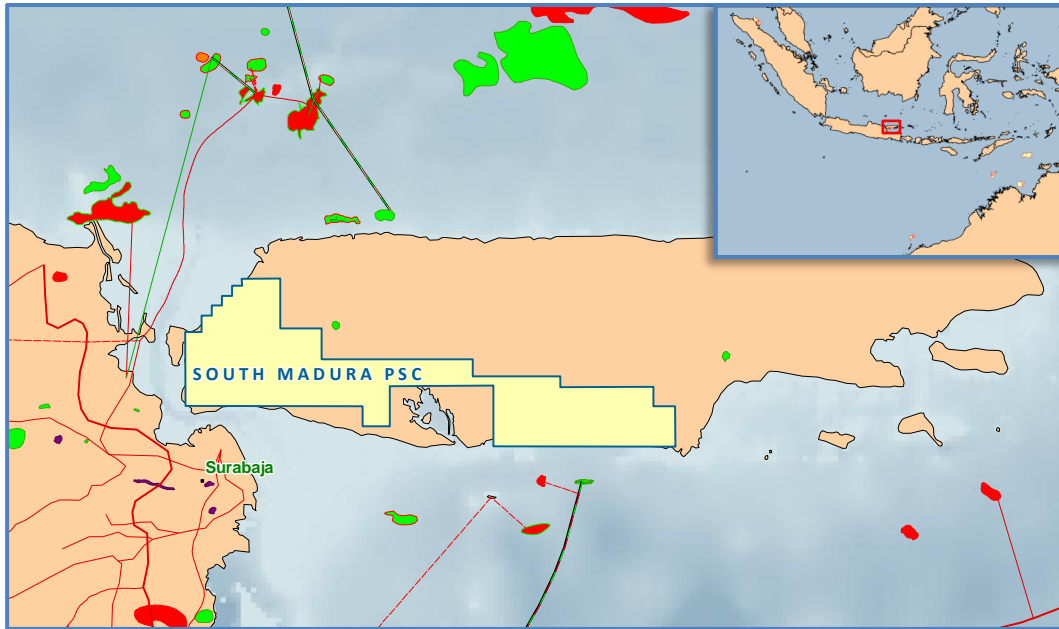


## AC/P50, AC/P 51 & AC/P53 (MEO 100%)

- 3 contiguous permits in proven oil and gas province
- New, high quality Zeppelin 3D & 2D surveys completed in January 2012
- Preliminary assessment supports likely elevation of several leads to prospects
- Forward plans:
  - Confirm drillable prospects
  - Seek farm-in partner

# Other portfolio value: South Madura PSC

MEO 90% - targeted acquisition by technical team

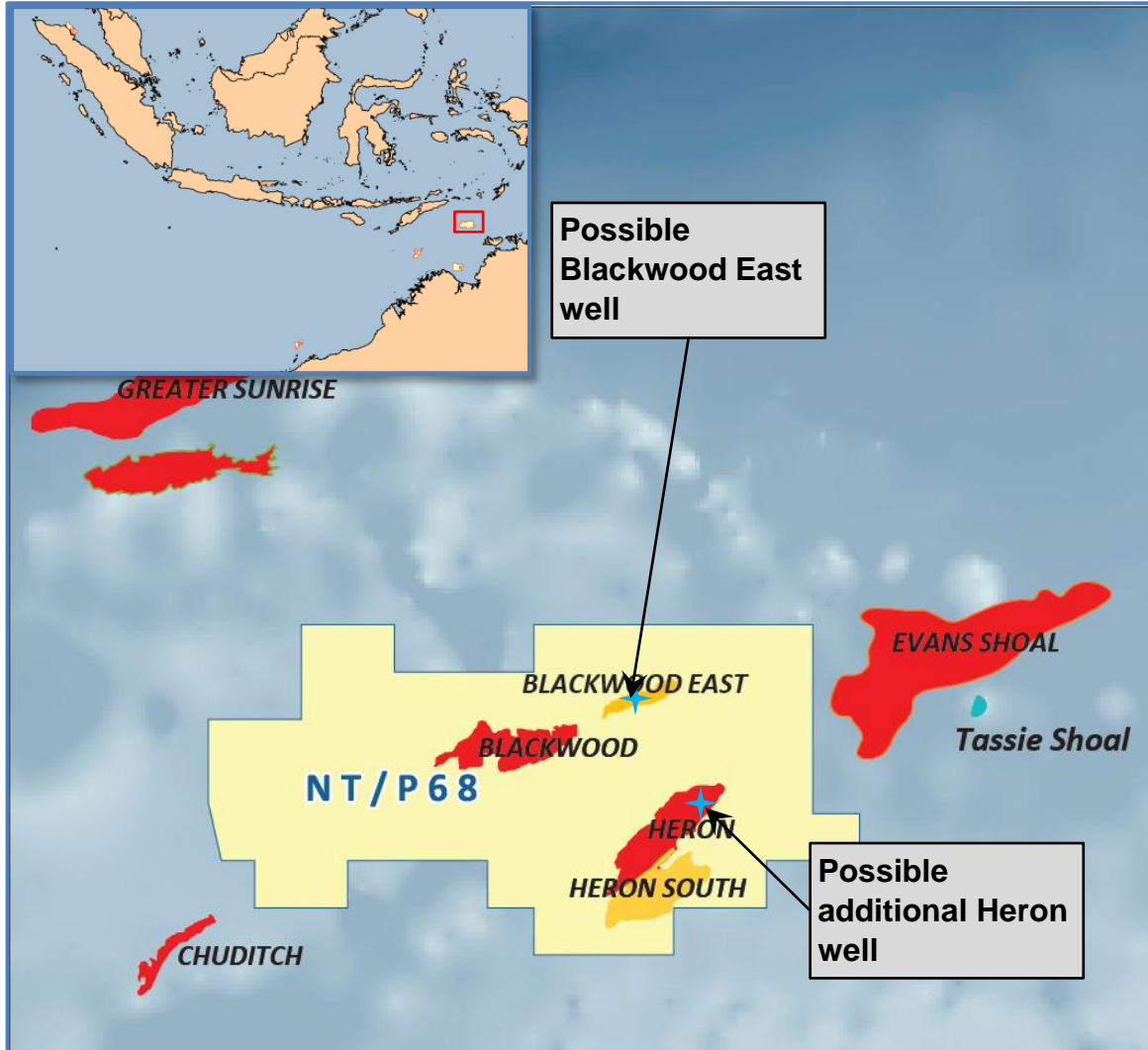


## Madura Island (MEO 90%)

- Kujong carbonate reef plays
- Onshore operation
- Proven oil and gas play type, active hydrocarbon system
- Forward plans:
  - Seek regulatory approval for amended work program
  - Acquire seismic to confirm drillable prospect
  - Seek farm-in partner

# Potential future drill wells

## Blackwood area and Heron area wells



- Eni has option to secure NT/P68 equity position by agreeing to drill additional wells

### Heron Area

- Eni drilling Heron South-1 well commencing in August
- Decision to drill additional well in Heron area required within 60 days of completion of Heron South-1 well
- Decision point likely to occur around year end

### Blackwood Area

- Eni acquired the Bathurst 3D survey over Blackwood East area
- Decision to drill Blackwood area well required before 5 Jan 2013



# Key take-aways

## Attributes of a company with investment appeal



1. High quality people
2. Track record of high value transactions
  - Farmed out 50% of NT/P68 to Eni for >US\$200m work program (2011)
3. Portfolio with substantial optionality
4. Multiple near term potential value drivers
  - Additional transactions underway or planned
  - Own drilling (Australia, Thailand, Indonesia)
    - 3 wells in 2H-2012, expect similar level in 2013 (2H)
  - Drilling by others in adjacent Australian permits
    - 3 wells commencing Q2
5. Adequately funded

# Thank you

Contact details



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