MEO Australia

energy for the future

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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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Coal-to-Liquids & Gas-to-Liquids Conference

February 2009

Brisbane

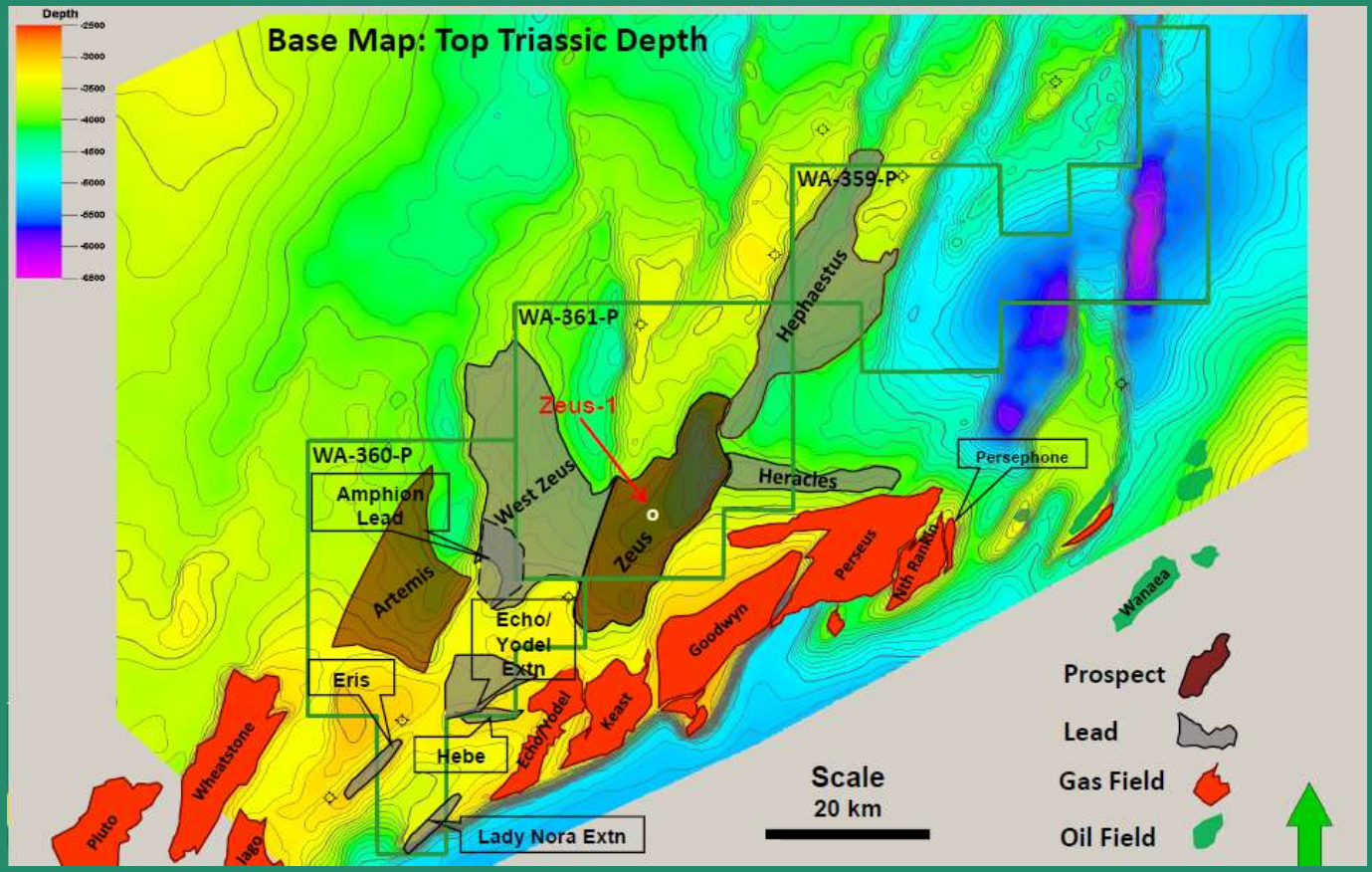
MEO Australia Limited - Focus

- An exploration and development company

"Focussed on building value through the discovery and commercialisation of hydrocarbon resources"

- Experienced and highly skilled team of professionals
  - Skills, tools and experience of a petroleum industry major
  - Creativity, drive and lateral thinking of a start-up company
- Currently focussed on two established GTL areas:
  - Carnarvon Basin (exploration)
  - Bonaparte Basin (exploration and development)

Carnarvon Basin – a premium LNG province



- Proximity to significant existing & planned LNG infrastructure
- Multiple commercialisation options
- Zeus-1 (Feb'09) dry. Substantial remaining multi-Tcf potential
- Seeking Farminee 2Q'09 with drilling planned in 2010

Methanol – an established global market

Global Methanol Usage* *(* Source: Methanex)*		
Derivative	**%**	**End use examples**
Formaldehyde	42	Pharmaceuticals, wood adhesives, auto parts
Acetic Acid	13	Adhesives (PVA), synthetic fleece fabrics, paints
Di-methyl Terephthalate	3	Recyclable plastic bottles
MTBE	15	Gasoline octane enhancer / extender
Methyl Chloride	27	Silicones (sealants)
Solvents		General use solvents, window cleaners
Other		Various

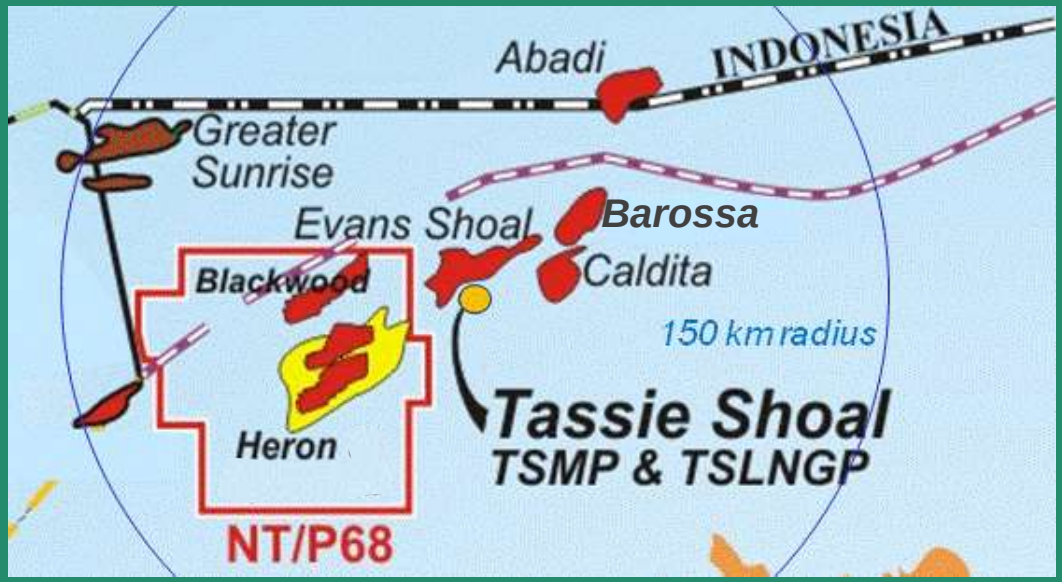
- 2008 global demand = 40 million tonnes
  - 40% in Asia Pacific and China
- Growth historically 1% above GDP
- End use drives demand

With significant growth potential

Emerging uses may result in growth above the historical trend:

	~2013+ demand
• Relatively simple conversion (dehydration) to DME (DME is an LPG and diesel additive / extender) (source: Methanex)	~20 MT/a
• Direct fuel blending / extending (diesel or gasoline) (source: IDA)	~11 MT/a
• Conversion to olefins	>6MT/a
• Bio-diesel manufacture requires 10% methanol (source: JJ&A)	>3MT/a
• Conversion to gasoline (ExxonMobil process?)	??
• Direct methanol fuel cells (Technology improvement could lead to replacement of internal combustion engine in hybrid car	??

Bonaparte Basin – CO_2 challenged gas



Commercial impediments

- Location:
  - Distant +/- Deep +/- Disputed territory
- Gas quality:
  - Dry (low liquids) +/- Dirty (high CO_2)
- JV issues:
  - Dysfunctional (commercial alignment?)
- Single project vs regional approach
  - (blending gas, shared infrastructure)

Progressing?

Greater Sunrise (FLNG? Land?) (Woodside/Shell/ConocoPhillips)		
~8TCF	3% CO_2	30 bbl/mmscf

Abadi (FLNG?) (Inpex/Pertamina)		
~10 TCF	8% CO_2	20 bbl/mmscf

CO_2 challenged

Barossa/Caldita (ConocoPhillips/Santos)		
~3.4 TCF	12% CO_2	5 bbl/mmscf

Evans Shoal (Santos, Shell, Petronas, Osaka Gas)		
~6+TCF	25% CO_2	4 bbl/mmscf

Blackwood (MEO – 100%)
Appraisal planned 2010

Heron (MEO – 90%, Petrofac – 10%)
Appraisal planned 2010

Methanol – a CO_2 sink!

Carbon Sequestration by the Steam Methane Reforming (SMR) Methanol Process

- **Gas Reforming:**

  $3 \times [CH_4 + H_2O \Rightarrow CO + 3H_2]$

  $+ [CO_2 + H_2 \Rightarrow CO + H_2O]$

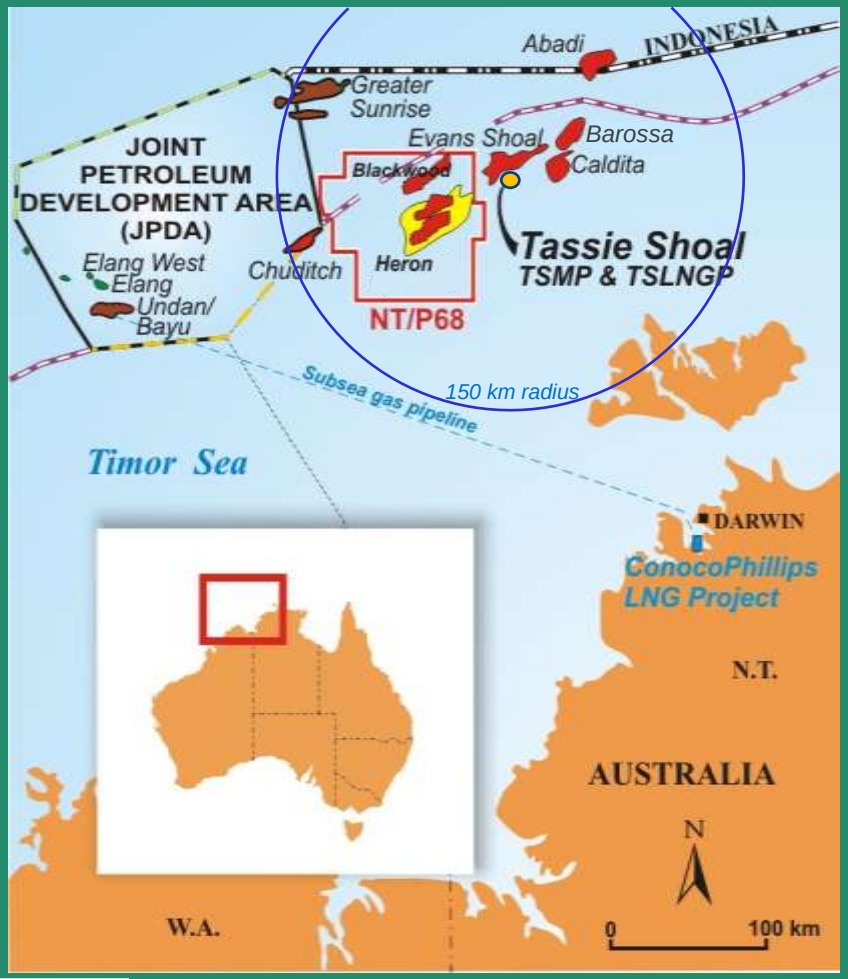
  ie $3CH_4 + CO_2 + 2H_2O \Rightarrow 4CO + 8H_2$

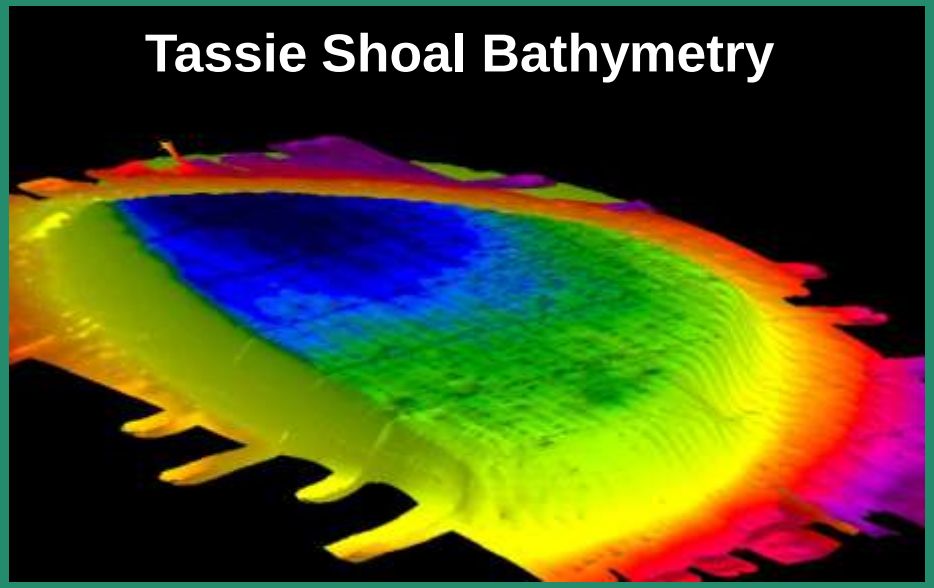
- **Methanol Synthesis:**

  $4CO + 8H_2 \Rightarrow 4CH_3OH$

- 1 mol CO_2 with 3 mols CH_4 is ideal for synthesis to methanol

Tassie Shoal – a gift from nature...





~1,000 acres to 20m water depth in midst of stranded gas fields.

2 complementary GTL projects with Environmental Approvals until 2052

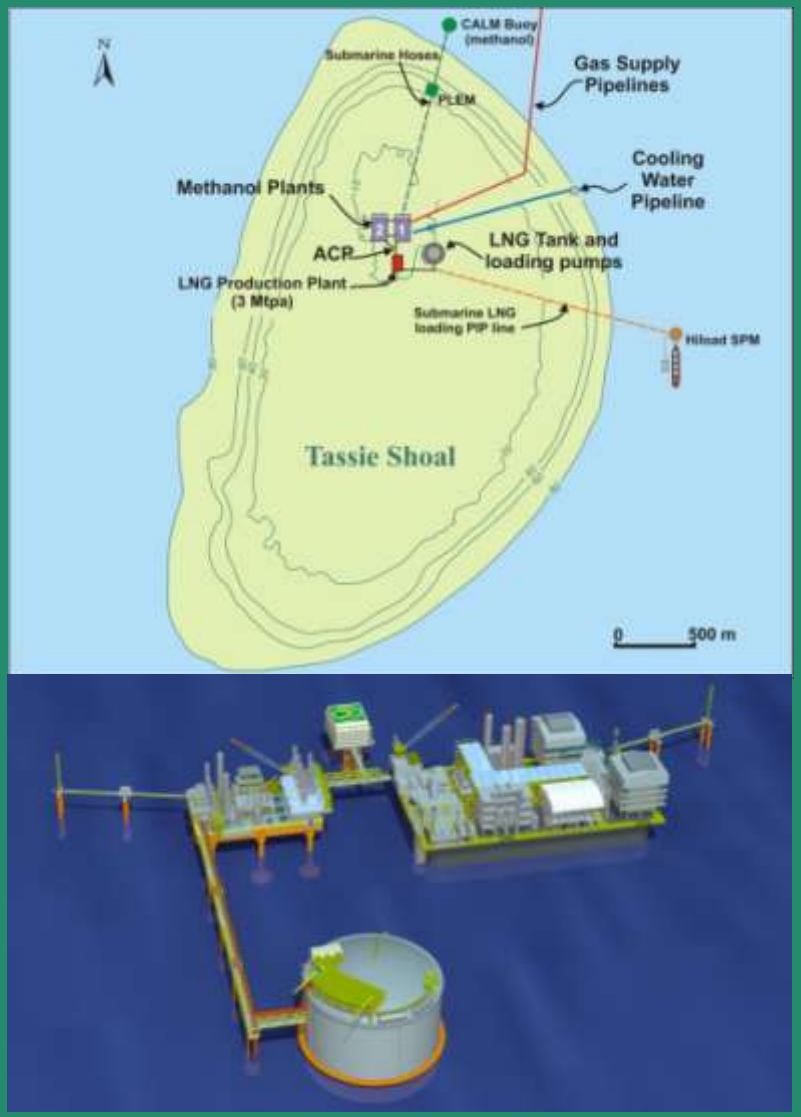
The potential to unlock billions of dollars in resource value ...

Tassie Shoal – Approved GTL Projects

GTL Projects – with approvals

- **Tassie Shoal - the future hub**
  - CO_2 converted to methanol
  - Proximal to gas discoveries
  - Avoids expensive gas pipelines
  - Undisputed Australian waters
  - 3rd party gas welcome
  - Environmental approvals in place
- **Cost effective development**
  - Pre-fabricated in SE Asia
  - Pre-commissioned in casting basin
  - Towed to site – ballasted by water
  - Simple de-commissioning

The economic 'game-changer'



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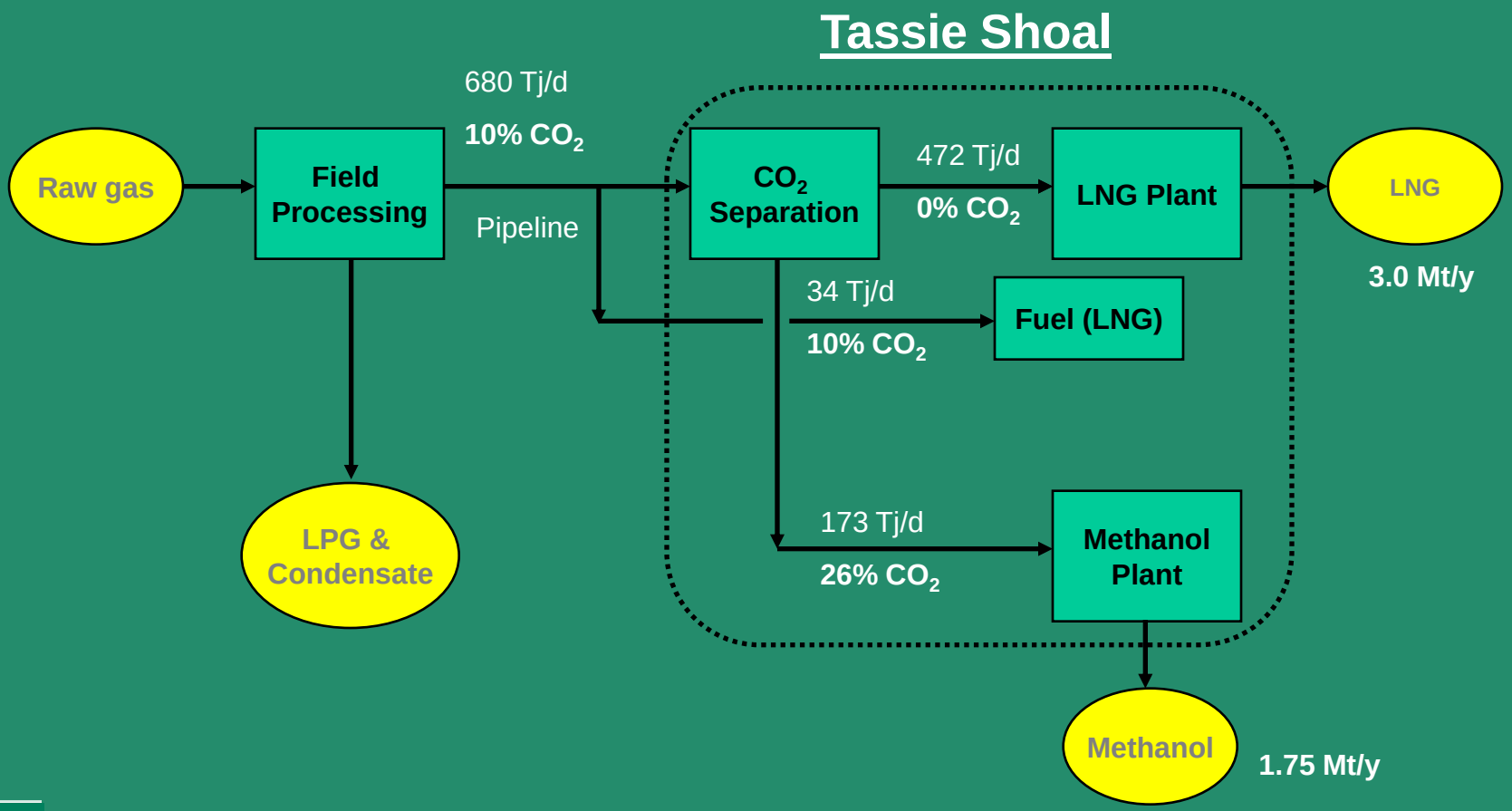
Tassie Shoal GTL Projects

An integrated solution for CO_2 challenged gas



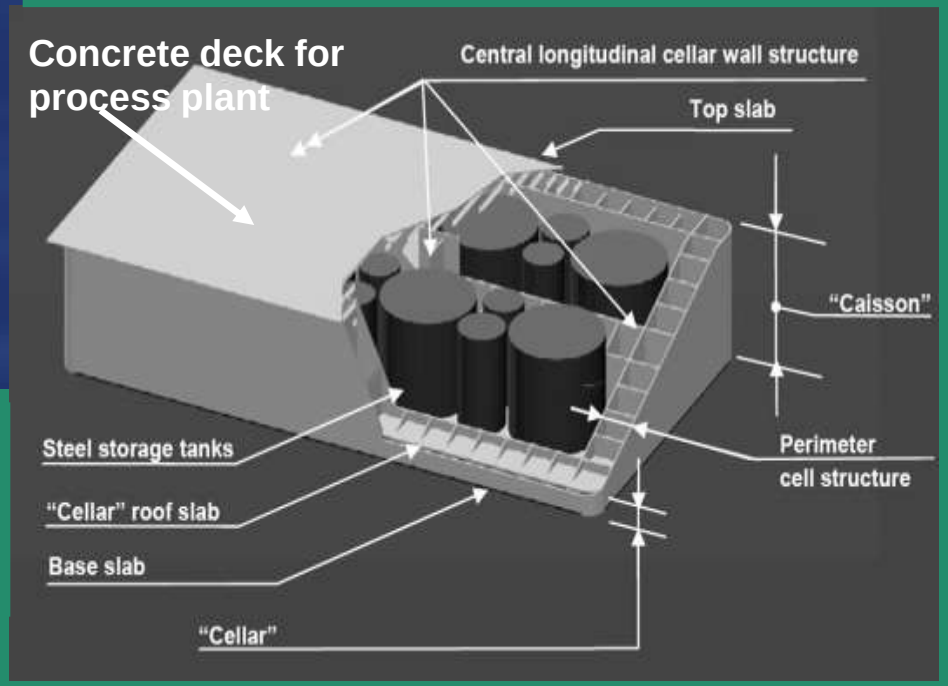
- CO_2 sequestered in Methanol derivates
- Requires ~4.7 Tcf raw gas to operate for 20 years

Methanol substructure and storage

Technical specifications

Capacity: 5,000 tpd, 1.75 Mtpa
DPT/JM SMR process
Can convert high CO_2 gas (20%-35%)
CGS dimensions: ~200,000 t
- Base: 170m x 93m x 35m
- At top:180m x 100m (wave deflection)

Installed in 14m water depth



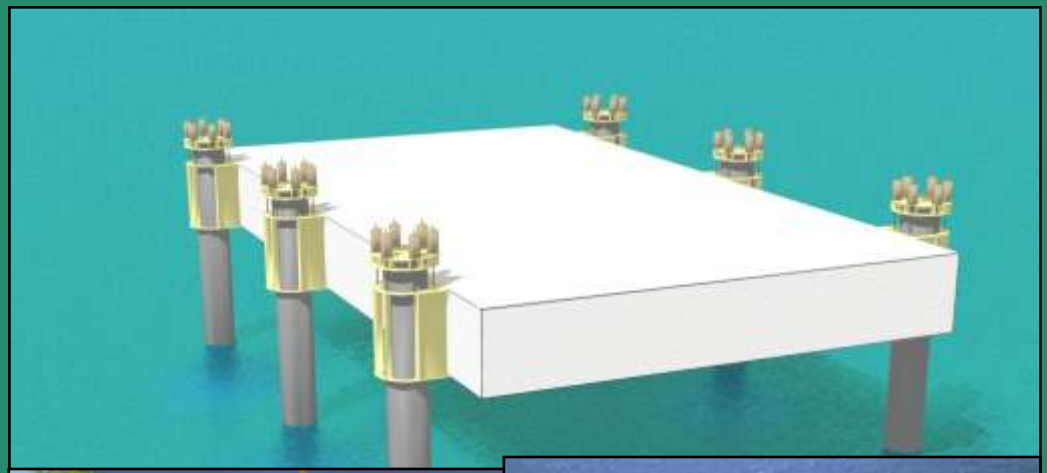
Capex: US$1,100m (approx.)
Topsides 35,000 t
Total height 95m
20 days final product storage

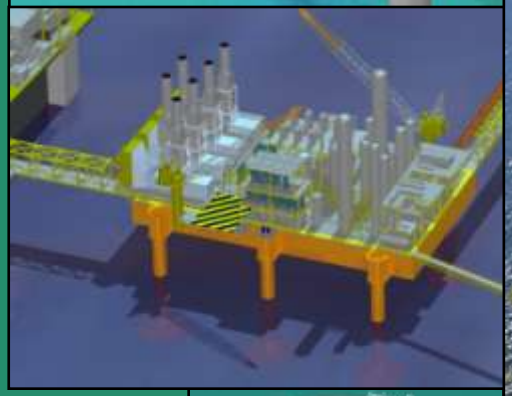
Methanol CGS – proven technology

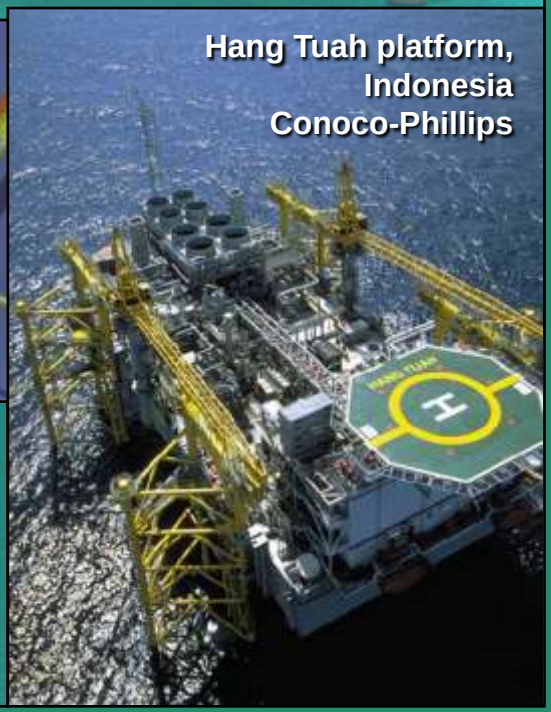
ExxonMobil Adriatic LNG re-gas terminal

Similar footprint to TSMP, but 50% taller than TSMP due to increased water depth

LNG plant – proven technology







Hang Tuah platform,
Indonesia
Conoco-Phillips

Technical specifications

- 3 Mtpa
  - Indirect seawater cooling
  - Air Products Dual Mixed Refrigerant (DMR) Process
- Ace platform (ARUP Energy)
  - 100x50x8m
  - 14m water depth
- Topsides 15,000 t
- Single 170,000 m^3 storage tank
  - Conventional nickel steel
  - Concrete gravity base
  - Pre-Fabricated in SE Asia

Tassie Shoal LNG – an attractive alternative

Estimated costs * (US$M)	Land-based LNG	Tassie Shoal LNG	Potential Savings
Plant Costs	1,549	1,090	459
Pipeline	943	288	655
LNG Tank	300	330	(30)
Loadout/Jetty	200	277	(77)
Project/Owners Costs (8.5%)	188	106	82
Total Project Cost	**3,180**	**2,091**	**1,089**

- Capex savings result from:
  - Dramatically reduced pipeline distances
  - Substantially reduced plant footprint (sea water cooled)
  - Pre-fabricated / pre-commissioned in SE Asia
- Higher operating costs offset by shorter transport distance to market
- Tassie Shoal Hub offers CO_2 sequestration and operational synergies

** Independent cost estimates 3Q 2008*

Tassie Shoal – Hub & GTL Projects

– an economic 'game changer'

- Attractive solution for CO_2 challenged gas
- Defined path to start-up of value-added gas projects
  - Sound alliances with leading technology suppliers
- No significant technical challenges
- Reliable market with demand and price upside
- Projects require confirmed gas source
  - 3rd party supply integration & / or
  - MEO equity gas from Blackwood & / or Heron gas discoveries (subject to confirmation by appraisal drilling)