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**Investor Presentation – December 2007**



**MEO Assets**

GTL Projects

- Timor Sea LNG (MEO: 90%)
  - NPV<sub>10</sub>: US\$2.5B\*
- Tassie Shoal Methanol (MEO:50%)
  - NPV<sub>10</sub>: US\$950M\*
- 50 year Commonwealth approvals

NT/P68 (MEO: 90%)

- Untested Heron-1 gas discovery
- 2 gas charged horizons
- Heron-2 drilling underway

WA-359, 360 & 361-P (MEO: 60%)

- Highly prospective multi Tcf permits immediately adjacent to Goodwin & Rankin developments
- New 2D & 3D December 2007
- Clear commercialization paths

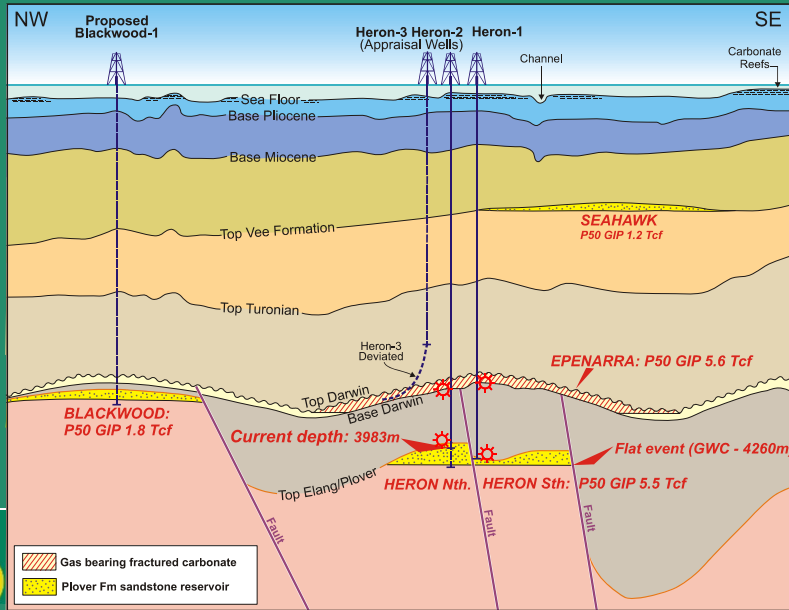
\* Downstream economics only; LNG: US\$6/MMbtu CFR, Methanol, both plants: US\$200/t CFR



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## NT/P68 Drilling – Structures and estimated GIP



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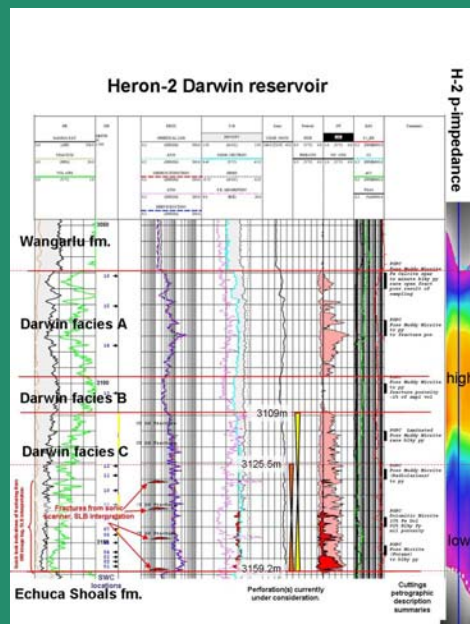
### Epenarra Darwin Fm:

- Facies C: 3108m – 3159m
- Full log suite and sidewall cores acquired
- Gas saturation, wet gas fingerprint
- No CO<sub>2</sub> detected in mud gas
- Sonic Scans confirm open fractures
- Good porosity & inferred fracture permeability

### Production test approved



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## Heron-2 intersects Plover

### Heron North Elang/Plover Fm:

- Top Elang Formation – 3929m (~237m high to Heron-1)
- Top Plover Formation – 3948m (provisional)
- Positive mud log gas readings in Elang and Plover Fms
  - Gas saturation, wet gas fingerprint
  - 1000 – 1400 ppm CO<sub>2</sub> (indicative of reservoir gas)
- Medium grained sand typical of Plover Fm at 3973m
  - Sands weakly cemented and friable suggesting preservation of porosity and permeability
- Stopped drilling 8½ inch hole at 3983m due to high formation mud losses:
  - Up to 60 bbls/hour
  - Possible evidence of permeable formation
- Heron North appears to be significantly over-pressured compared to regional Plover gas reservoirs
  - Present day charging from Flamingo Fm generating wet gas
  - Gas composition likely to be better quality than Evans Shoal
- Production test (subject to JV approval)



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## Heron-2 forward plan

- Log open hole
- Attempt pore pressure measurement (MDT)
- Run and cement 7 inch liner
- Drill 6 inch hole (week commencing Dec 17) to mapped structural spill point, coincident with 3D seismic flat event (interpreted gas-water-contact: ~4260m)
- Planning for barefoot production test of expected 250m+ of gross reservoir interval



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## CAPITAL RAISING - USE OF FUNDS

Expenditure component	Net cost US\$m	Net cost A\$m*	Timing	
			1Q'08	2Q'08
<b>Production Testing</b>				
Plover	\$ 5.3	\$ 5.8	\$ 5.8	
Darwin	\$ 5.3	\$ 5.8	\$ 5.8	
<b>3D Seismic</b>				
NT/P68 - Epenarra infill	\$ 13.5	\$ 15.0		\$ 15.0
NWS Permits	\$ 7.0	\$ 7.8	\$ 7.0	\$ 0.8
<b>Drilling contingency</b>	\$ 12.0	\$ 13.3	\$ 13.3	
<b>GTL project development</b>				
Site selection & BOD	\$ 1.0	\$ 1.1	\$ 1.1	
<b>Corporate</b>	\$ 5.0	\$ 5.6	\$ 2.8	\$ 2.8
<b>Sub Total</b>	<b>\$ 49.0</b>	<b>\$ 54.4</b>	<b>\$ 35.9</b>	<b>\$ 18.6</b>



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## Summary

- MEO is developing globally competitive GTL projects with robust economics
  - Lowest quartile production costs
  - Substantial capital cost savings (pipelines, pre-fabrication in SE Asia)
- Securing gas supply – NT/P68
  - Heron-2 confirms two gas bearing horizons
- Strategic Northwest Shelf permits
- Capital required to fund production testing, seismic acquisition & pre-FEED activity
- MEO on-track to becoming a substantial integrated upstream company



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