

# Tassie Shoal Projects

AGM Status Update

31<sup>st</sup> October 2013



## Forward-looking Statements

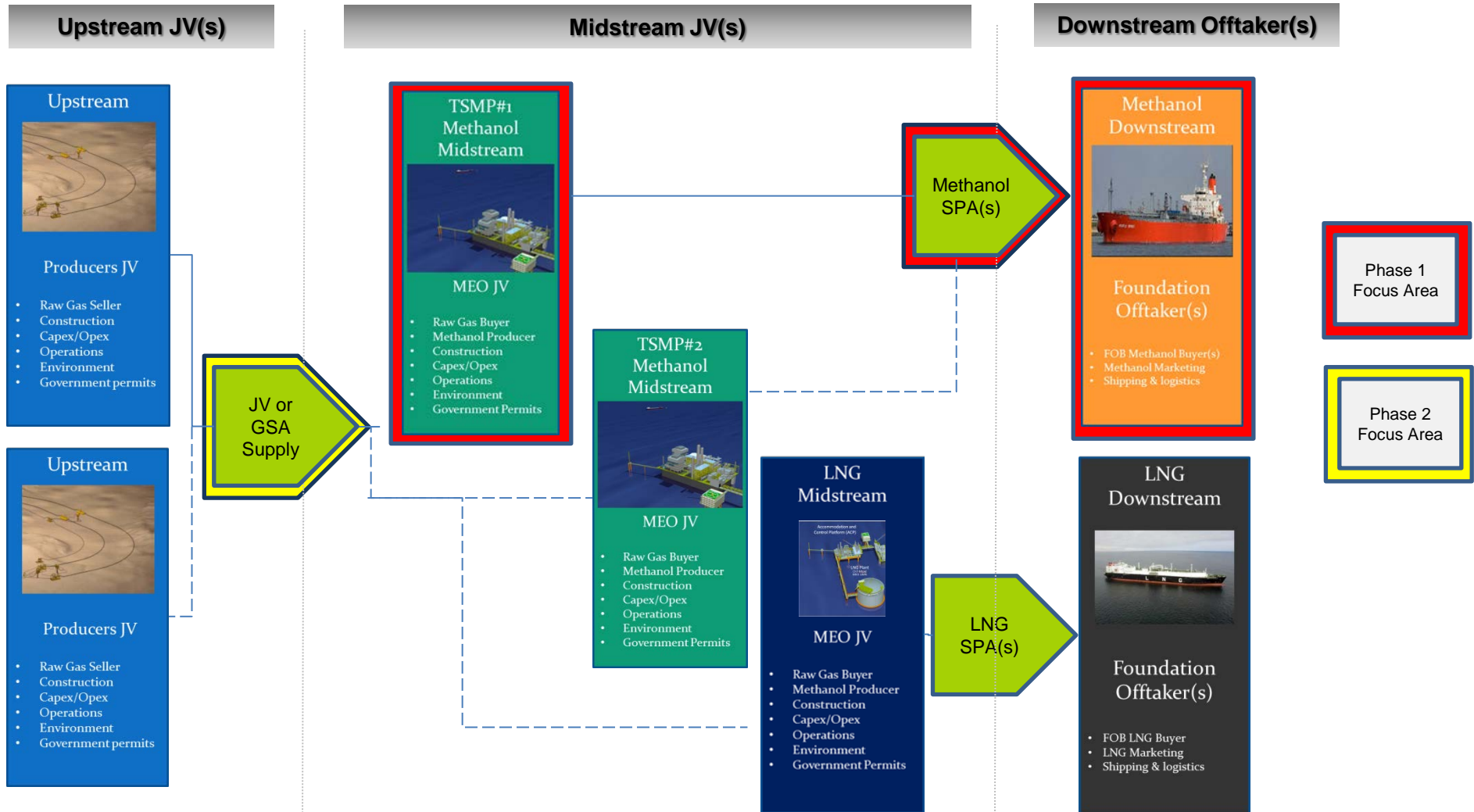
This presentation includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances 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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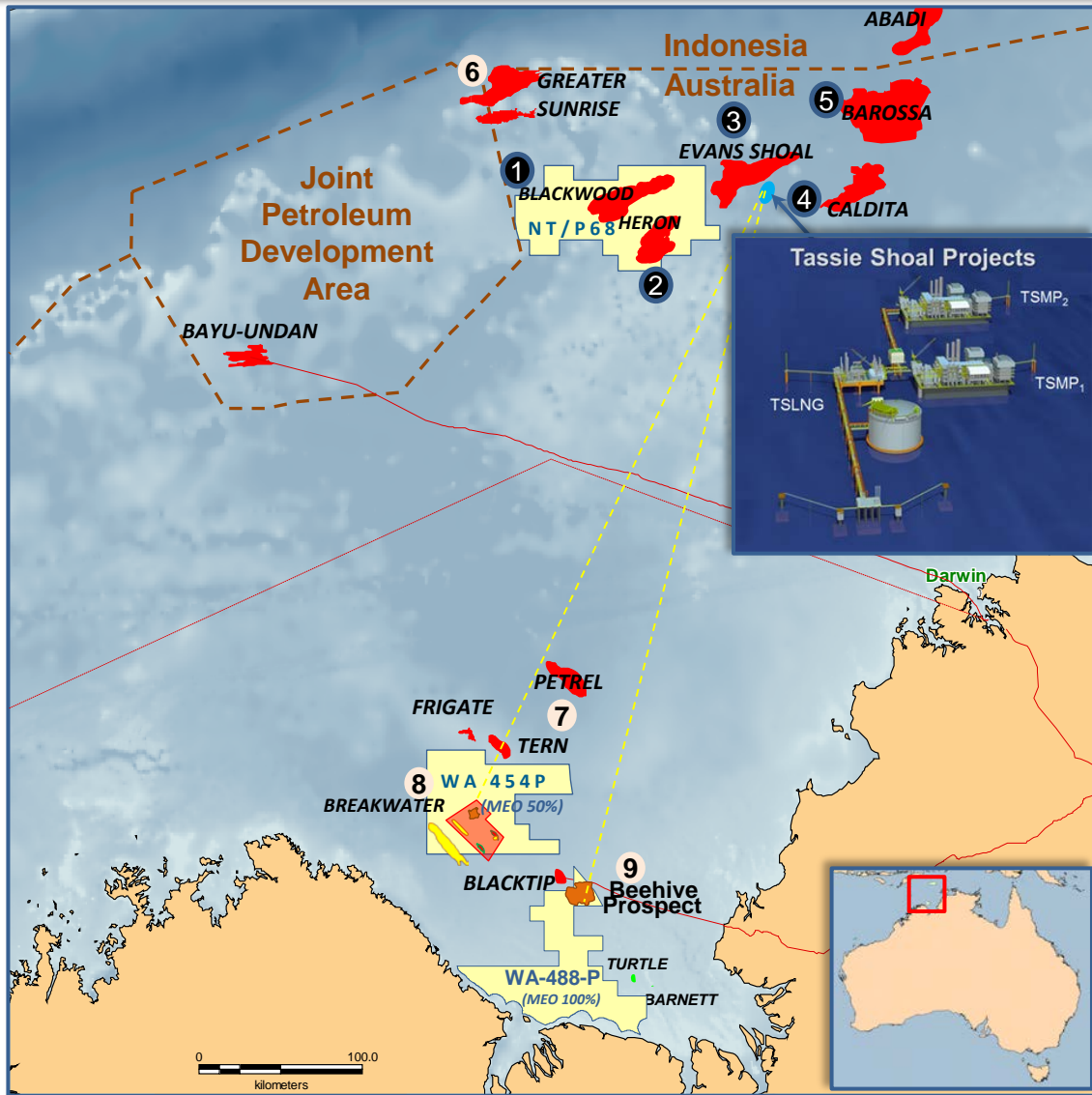
# Modular Commercial Structure

Initial focus on TSMP<sub>1</sub>



# Tassie Shoal: Economic enabler for stranded gas

Bringing the infrastructure to the fields, overcoming distance & CO<sub>2</sub> issues



9+ potential gas sources:

**Methanol:** (high CO<sub>2</sub> gas)

- ① Blackwood NT/P68 (MEO/ENI)
- ② Heron NT/P68 (MEO/ENI)
- ③ Evans Shoal NT/P48
- ④ Caldita NT/RL6
- ⑤ Barossa NT/RL5

**LNG:** (low CO<sub>2</sub> gas)

- ⑥ Greater Sunrise (WPL/COP)
- ⑦ Petrel/Tern/Frigate (GDF/STO)
- ⑧ Breakwater/Promenade WA-454-P (MEO/ORG)
- ⑨ Beehive WA-488-P (gas case) (MEO)

# Unprecedented regional resource appraisal

TSMP commercialisation opportunity aligned with resource appraisal timing

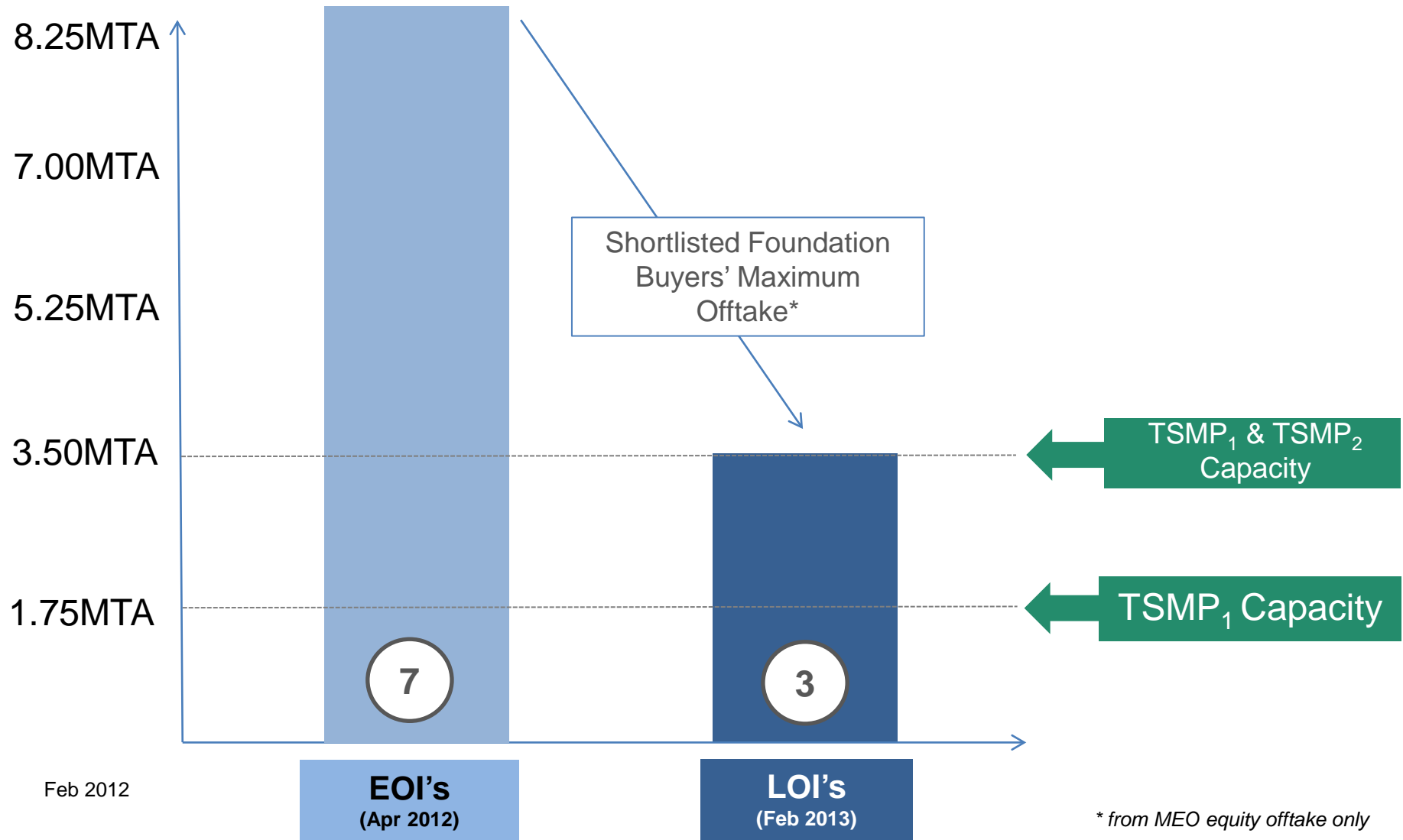


		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Appraisal Drilling</b>													
	Heron				Tight gas								
	Evans Shoal							Successful					
	Blackwood								Current				
	Barossa/Caldita									3 wells			
<b>Methanol Offtake</b>													
	Expressions of Interest		▲										
	Letters of Intent					▲							
<b>Midstream Operations</b>													
	Cost and technology updates			▲									
	Evaluate JV structures					▲							
<b>TSMP Gas Supply</b>													
	MEO Approach to Gas Suppliers		▲										
	Joint Approach to Gas Suppliers					▲							
<b>Exploration Drilling</b>													
	Breakwater Prospect (Origin Energy)												
	Beehive Prospect (Commitment well)												
	Promenade Lead												
												2015+ →	

- Position commercial framework to support gas supply discussions

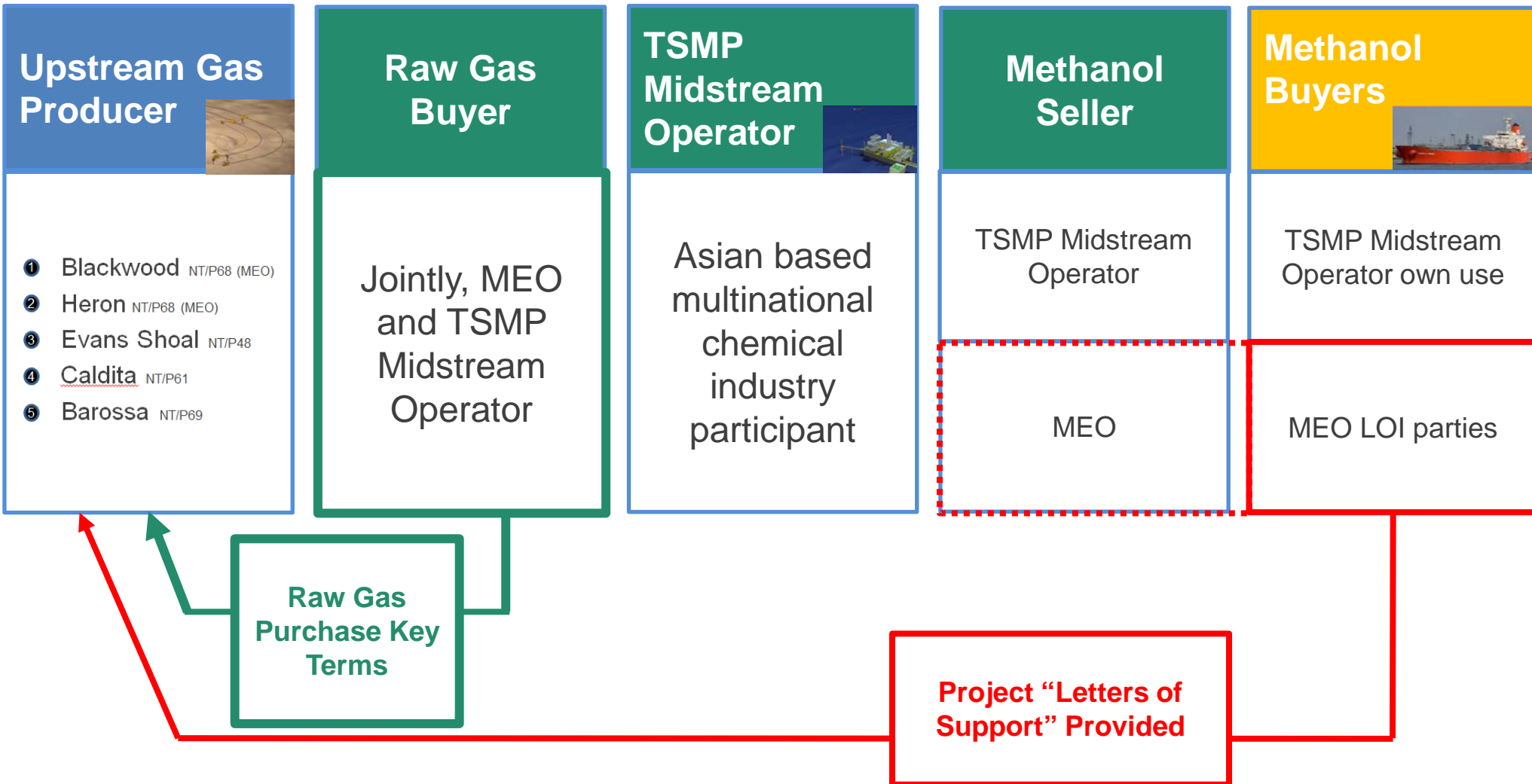
# TSMP Methanol Demand

Initial unconstrained EOI's (7) to shortlisted preferred foundation buyers (3)



# TSMP Commercial Framework

Present best alternative for stranded regional resources



# Federal Govt supports development TSMPs to produce ~US\$1.2B per year national export revenue



**THE AUSTRALIAN**  
 COALITION DELIVERS ULTIMATUM TO RESOURCE GIANTS TO DEVELOP DEPOSITS  
**Use it or lose it, miners warned**  
 18 Sept, 2013

**EXCLUSIVE**  
 DAVID CROWE  
 NATIONAL AFFAIRS EDITOR

**EXCLUSIVE**  
 ANNABEL HEPWORTH  
 LAUREN WILSON

**BIG business is urging the Abbott government to ensure that employers with generous parental leave programs locked into enterprise agreements are not forced to pay twice under the Coalition's scheme, as calls mount for a cost-benefit analysis of the signature policy.**

As Tony Abbott comes under renewed pressure from within the Coalition yesterday to take the scheme to the Productivity Commission, the Business Council of Australia revealed it would push to ensure the policy would not discourage companies from having their own schemes.

BCA chief executive Jennifer Westacott said that, while the group supported paid parental leave, it did not believe it should be paid for with a levy on business.

"One issue to be addressed is ensuring arrangements with generic ongoing enterprise bargaining agreements don't pay twice," Ms Westacott said.

"The BCA would work with the government" through the implementation of this policy to encourage consideration of offsetting unintended consequences and costs, and to ensure the policy is not a disincentive to employer schemes".

The Australian has been told that companies with generous schemes do not want to have to pay for their own national one, well as for the new national one.

**ELECTION 2013**  
 PAUL KELLY P12

Abbott is a modest man but he must deliver more than modest government. He must learn how to set the agenda from office

north of Broome. Woodside requirements include a variety in the retention leases over Browse reservoir.

West Australian Premier Colin Barnett objects to the offer plan on the grounds that the jobs will be created if the pumped through pipes to James Price Point, but Mr Macfarlane supports the floating LNG and is preparing for talks to a compromise.

"I'd expect Colin to speak Western Australia, but I think there to be some middle ground," Mr Macfarlane, who to a portfolio he held in Howard government.

In his first interview election on the offshore resources sector, Mr Macfarlane said the government should build a hub at James Price Point

every molecule of gas that can come out of the ground does so. Provided we've got the environmental approvals right, we should develop everything we can.

The policy is expected to be put into place in coming days as Mr Macfarlane meets officials to review a list of retention leases that expire during this term of parliament, triggering talks with companies over their plans.

The priority is expected to be Woodside Petroleum's enormous Browse project, which is on hold as the company seeks approval from federal and West Australian governments to build an offshore "floating" LNG facility rather than build a hub at James Price Point

given the commonwealth's power to revoke the rights as they came up for renewal over the next few years. "I want to put the industry on notice that if the deposits are able to be developed they've got to be developed," he said yesterday as he arrived in Canberra for briefings.

"We've got to make sure that

Incoming industry minister Ian Macfarlane told The Australian that companies should extract "every molecule" of gas to boost exports and supply the domestic market.

Mr Macfarlane warned that companies that shelved their projects could lose the "retention leases" they held over the reserves.

The policy is also set to reignite debate on the cost burdens — that including high salaries — that global companies blame for stalling Australian projects and diverting their investments into cheaper projects in Africa and Asia.

The incoming government aims to use its power over the vast gas deposits to bring forward up to \$180 billion in new investment, sending a blunt message to companies to develop rather than board the nation's resources.

As Tony Abbott and his ministers prepare to be sworn into office today, the resource plan marks another stage in an economic agenda that promises to lift growth, but will depend on stronger business investment to deliver results.

More Reports P2  
 Editorial P13

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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

## 'Use or lose' offshore gas leases

9 Sept, 2013

Mr Macfarlane said if it became clear there were no plans to develop the assets, the licence would not be renewed. "I want to see every project that can be developed be developed," he said.

### EXPLORATION

SARAH-JANE TASKER

AN Abbott government would push the development of NSW's coal-seam gas industry and force oil and gas companies to "use it or lose it" to retain offshore leases, under its wide-ranging resources and energy policy, which was revealed yesterday.

Opposition resources spokesman Ian Macfarlane said yesterday the domestic gas issue in NSW would be one of his top three

priorities if the Coalition was elected.

Mr Macfarlane said the situation was so urgent it was "beyond belief", adding that while it was probably already three months too late to start addressing the crisis, he wanted it sorted by no later than Christmas.

"It's a massive problem and it's going to cost jobs from Newcastle to Wollongong if we don't get it sorted," he said.

"The only solution short-term is to get the CSG industry going well enough to supply the domestic demand, which is going to

start to exceed supply in 2015 and 2016 when they start turning on the LNG trains in Gladstone."

Releasing the Liberal Party's policy for the resources sector yesterday, Mr Macfarlane also highlighted that in the first month of government, he would meet with the major resources companies to ask them to verify a legitimate need to retain their leases on offshore oil or gas fields.

"If the resource has been discovered and is not planned to be supplied a set of gas trains 10 or 20 years out, then we will want to know why the lease shouldn't be

handed back in and someone else be given the opportunity to develop it," he said.

"I won't name the leases because I don't want to start the hares running but the companies that have them will know."

He said he had anecdotal evidence that some companies were sitting on leases without development plans and he would ask his department to present a report on retention licences due for review over the next three years.

Mr Macfarlane said if it became clear there were no plans to develop the assets, the licence would

not be renewed. "I want to see every project that can be developed be developed," he said.

"I'll be removing red tape, green tape, carbon tax, mining tax and it will be worth nothing if companies sit on leases and say we will think about that next time around."

In a win for the junior end of the resources sector, he also announced that a Coalition government would introduce an exploration development incentive.

Under the Coalition's scheme, the Australian Taxation Office will determine a proportion of expenses that can be claimed as tax

credits by invest to start on July 1, small exploration limiting eligibility with no taxable income capped at \$100 forward estimate

A spokesman for the MCA highlighted the tax a treatment of exploration for companies income."



# TSLNG – Greater Sunrise Commercialisation

## Not a pipeline, not FLNG, but the best economic alternative



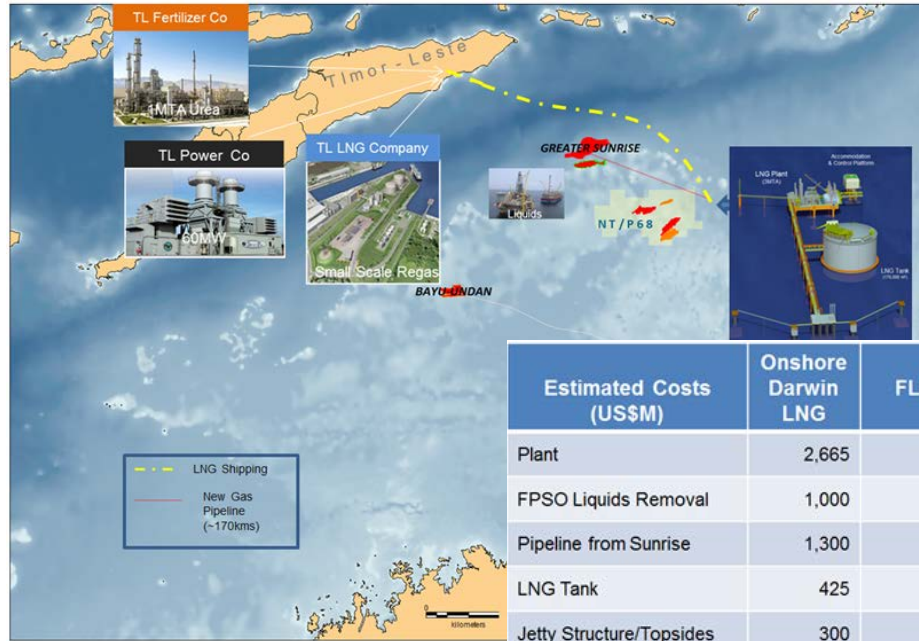
Australia's relationship with Timor-Leste  
Tassie Shoal LNG – an initiative to support economic outcomes for Timor-Leste



Inquiry into Australia's relationship with Timor-Leste

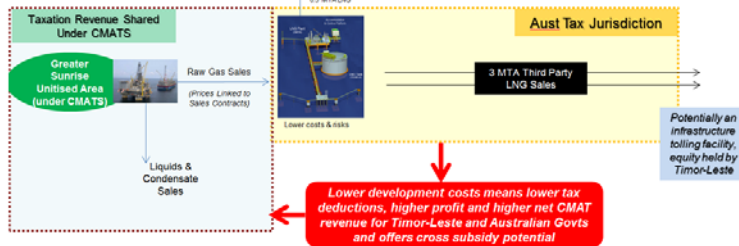
Tassie Shoal LNG – an initiative to support economic outcomes for Timor-Leste

MEO Australia Limited  
May, 2013



Estimated Costs (US\$M)	Onshore Darwin LNG	FLNG	TSLNG	TSLNG Vs Onshore Darwin	TSLNG Vs FLNG	
Plant	2,665	7,240	1,345	1,320	5,895	~\$2B saving vs Darwin Onshore
FPSO Liquids Removal	1,000	-	1,000		-1,000	
Pipeline from Sunrise	1,300	-	440	860	-440	
LNG Tank	425	-	410	15	-410	
Jetty Structure/Topsides	300	-	410	-110	-410	
Project Development & Owners Costs	250	360	175	75	185	~\$4B saving vs FLNG
Upstream	2,500	2,500	2,500			
<b>Total</b>	<b>8,440</b>	<b>10,100</b>	<b>6,280</b>	<b>2,160</b>	<b>3,820</b>	
<b>Unit Cost \$/tpa</b>	<b>2,344/t</b>	<b>2,806/t</b>	<b>1,744/t</b>	<b>600/t</b>	<b>1,061/t</b>	

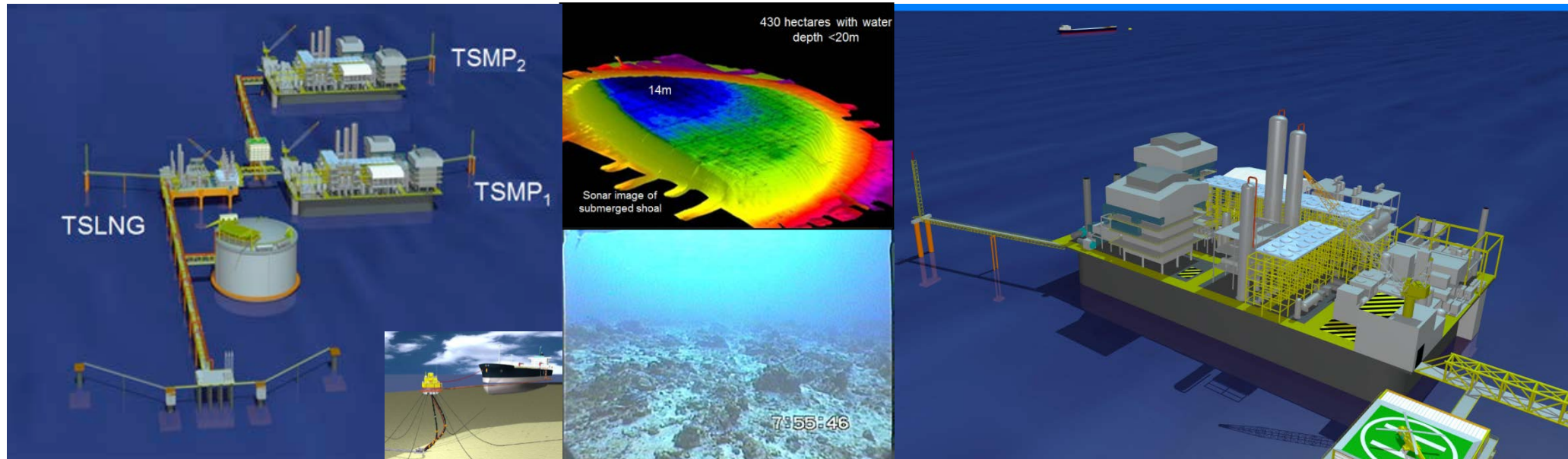
\* Estimate by WorleyParsons, Anup and APCI for LNG Plant at Tassie Shoal scaled for 3.6MTA and 4% CO<sub>2</sub> to compare costs for functionally similar LNG liquefaction plant at Darwin  
 \* FLNG costs extrapolated from Prelude published data, reduced on relative CO<sub>2</sub>, GOR, repeat build savings, etc.



MEO's full submission available on [www.meoaustralia.com.au/projects/Tassie Shoal Projects](http://www.meoaustralia.com.au/projects/Tassie%20Shoal%20Projects)

# By 2015...3 potential gas sources appraised...

Commercially positioned to move TSMP forward.....



- Evans Shoal
- Blackwood
- Barossa/Caldita
- ENI to nominate second Heron well option by 18<sup>th</sup> December, 2013 or withdraw from Heron Area

**Thank you for your attention**