



# Euro Pacific Capital Global Investment Conference

May 31, 2012



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# 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
4. Track record – high value transactions
  - Petrobras, Eni
5. Portfolio examples
  - Bonaparte Gulf, Timor Sea, Northern Australia, WA-454-P
  - Tassie Shoal infrastructure projects
  - Offshore North Sumatra, Indonesia, Seruway PSC
6. Near term value drivers
7. Key take-aways
  - People + Projects + Multiple Catalysts = 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)	(28-May)	A \$0.245
Issued shares	(million)	539.9
Issued options (\$0.50 ex)	(million)	21.6
Market Capitalisation	(million)	A \$132
Cash & Cash Equivalents	(31-Mar)	A \$62
<b>Enterprise value</b>	<b>(million)</b>	<b>A \$70</b>
Daily liquidity (3 month avg)	(million)	4.9



## General

HQ Melbourne, Australia

- Jakarta branch office

SE Asian portfolio

- 7 upstream projects
- 3 infrastructure projects (Tassie Shoal)

## Core strengths

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

## Top Shareholders

~9,750 shareholders

31.34% Held by top 20 shareholders

6.58% Raydale Holdings Pty Ltd

5.00% Bentley Capital (LIC – ASX: BEL)

4.88% HSBC Custody Nominees (Australia) Ltd

2.34% Merrill Lynch (Australia) Nominees Pty Ltd

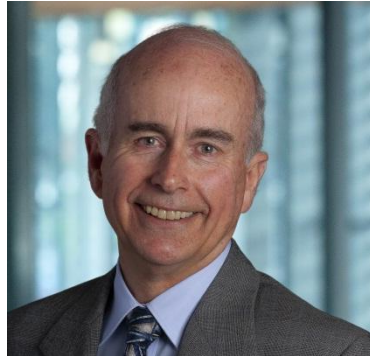
# Board of directors

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



**Colin Naylor**

Chief Financial Officer  
Joined Feb 2007

BHP Petroleum 1996-2000  
Woodside 1987-1996



**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



**Robert Gard**

Commercial Manager  
Joined Nov 2008

ExxonMobil 1986-2008  
(22 yrs)



**Robert Zammit**

Executive Manager - BD  
Joined Dec 2010

ExxonMobil 1988-2010  
(22 yrs)



**Oliver Gross**

Geoscience Adviser  
Joined Apr 2012

ExxonMobil 1982-2012  
(30 yrs, retired)



**Errol Johnstone**

Chief Geoscientist  
Joined Oct 2010

ExxonMobil 1981-2010  
(29 yrs)  
Delhi Petroleum 1981-88\*



**Dean Johnstone**

Senior Geoscientist  
Joined Oct 2011

ExxonMobil 1984-2011  
(27 yrs)  
Delhi Petroleum 1984-88\*



**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

\* Delhi Petroleum years of service credited to ExxonMobil (acquired Delhi in 1988) 6

Executive team June 2008

MEO Australia Limited

# Portfolio overview

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



\* Subject to receipt of regulatory approvals

# Transactions: 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 1 yr extension for drill/drop
- Increased to 70% via extra 3D seismic
- Accepted farm-in offer late 2009
- Raised \$27m for 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%)





# Transactions: NT/P68 farmout

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



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

1<sup>st</sup> 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

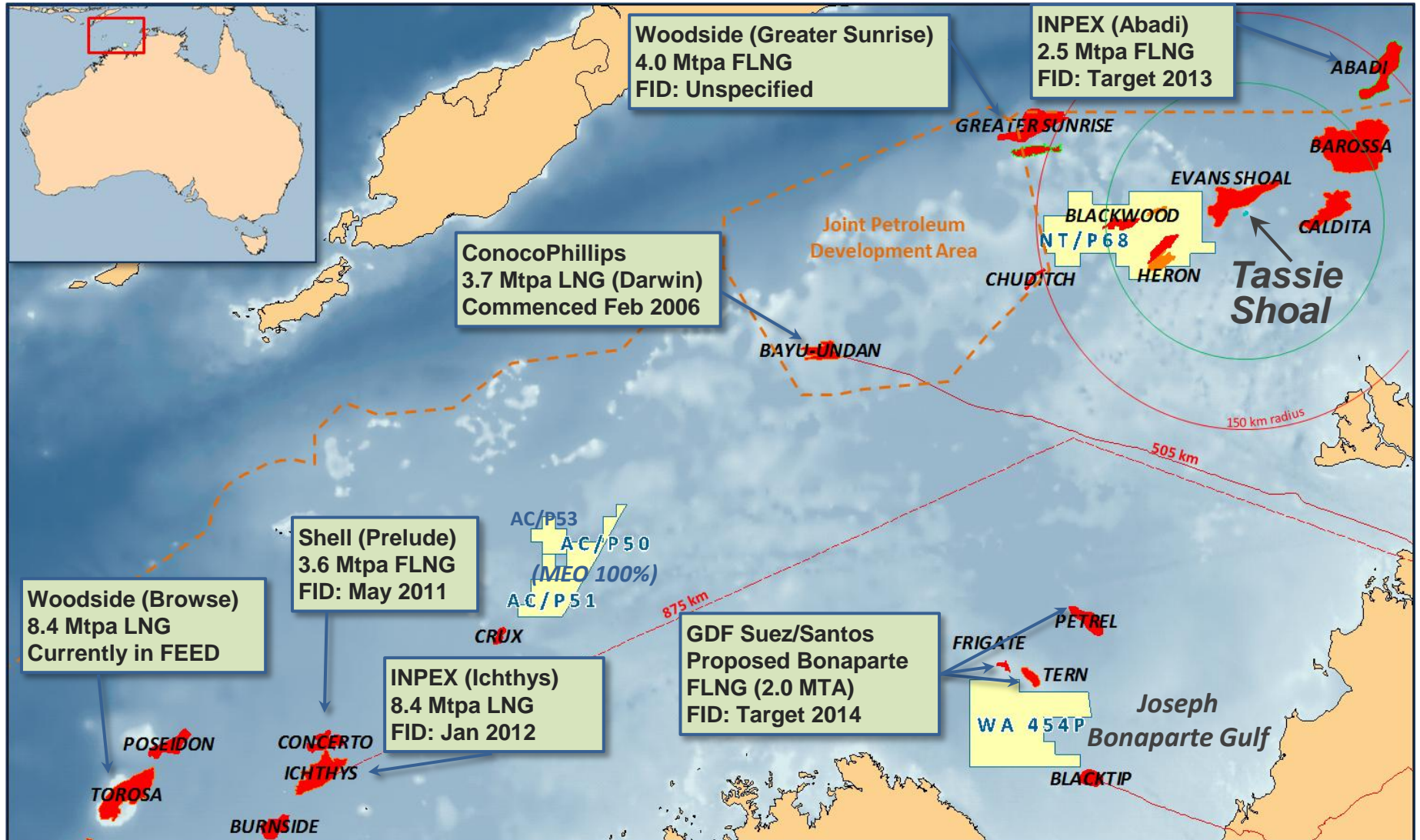
Cash at FID US\$ 75m

- Awarded permit Feb-2004
- Acquired 3D in 2007
- 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
- Signed FIA with Eni Australia early 2011
- Acquired Bathurst 3D seismic late 2011
- Plan to spud Heron South #1 August



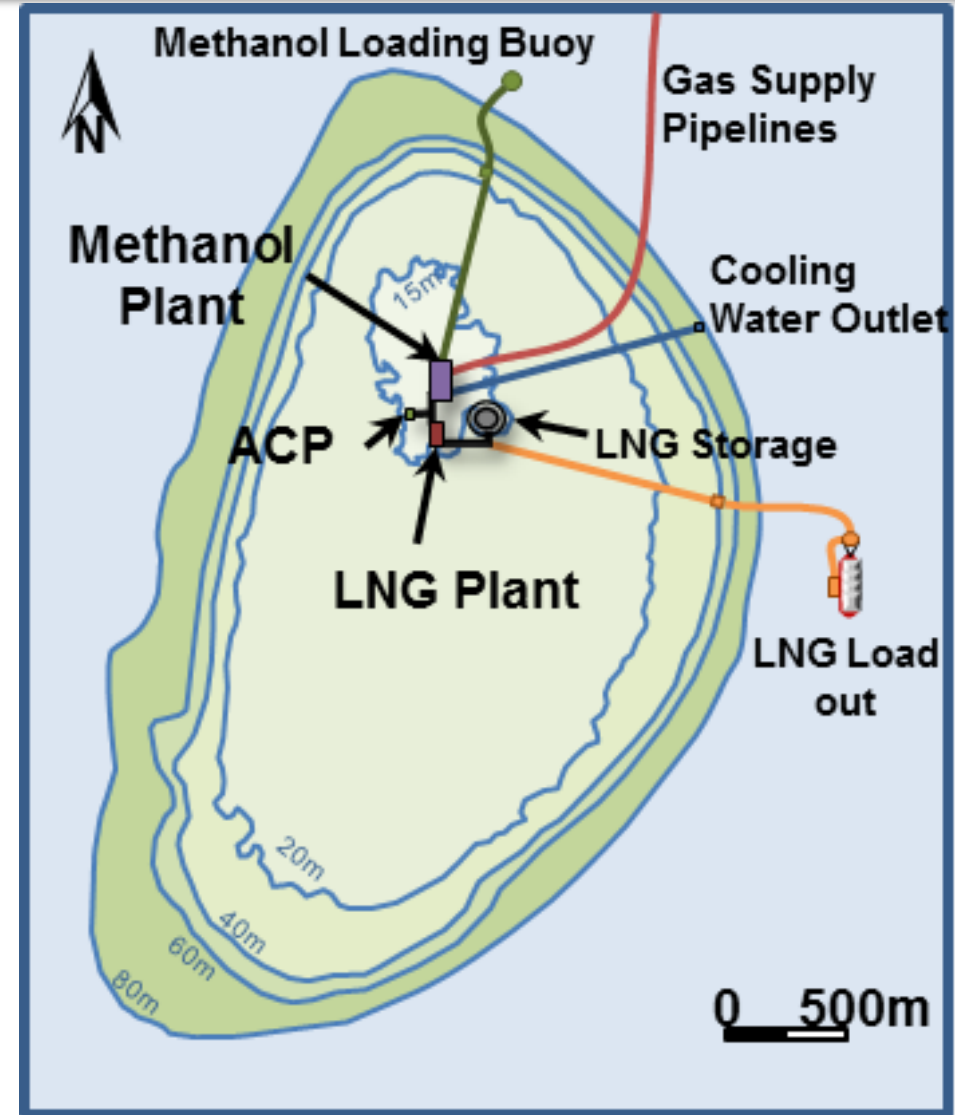
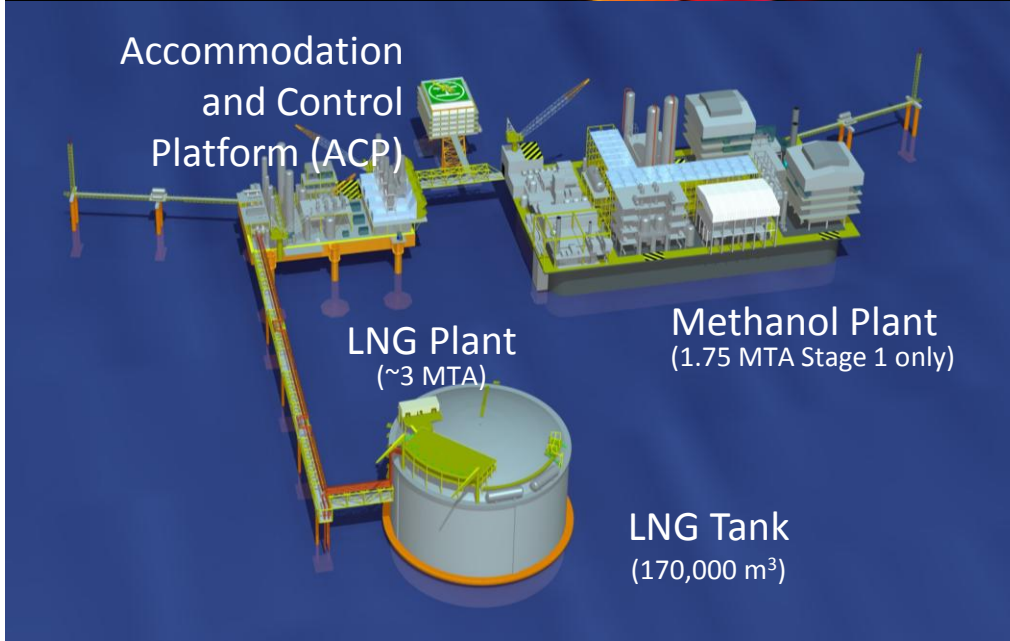
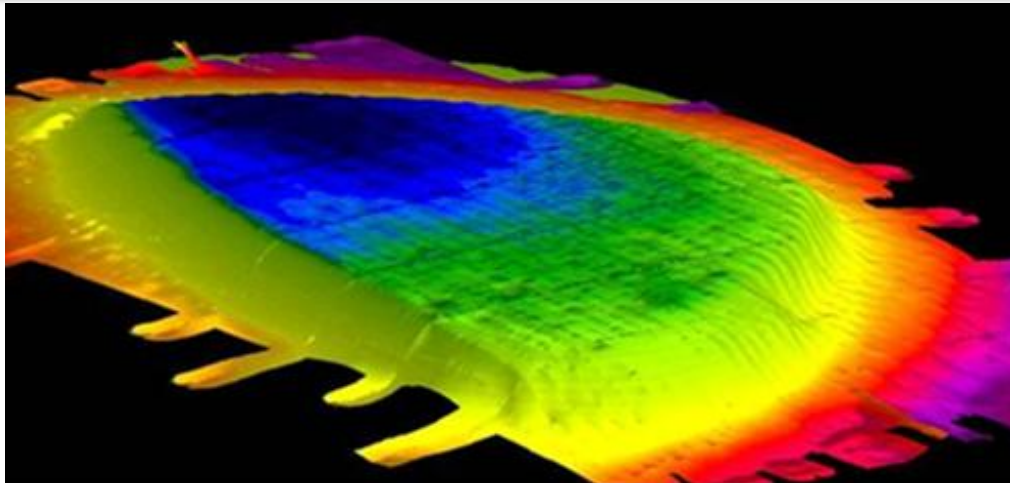
# Remote gas, Timor Sea Northern Australia

Focus of 3 MEO upstream projects & 3 Tassie Shoal infrastructure projects



# Tassie Shoal – a natural hub location

Environmental approvals to host infrastructure in <15m water depth





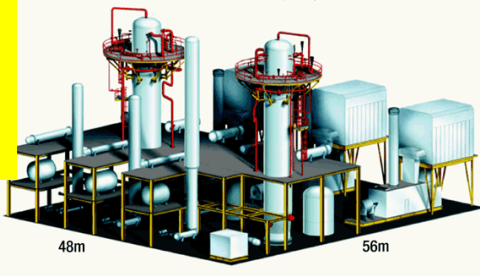
# Hosting proven, off the shelf technology

Simple grounded structures, proven technology, no movement issues



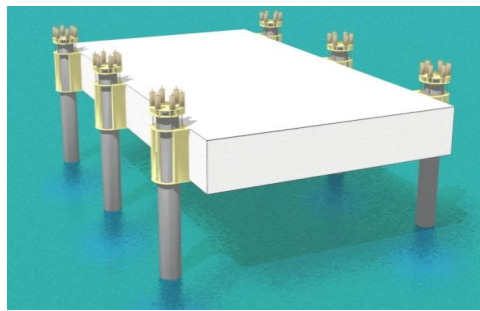
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**Air Products' CL DMR FPSO Concept with MCR® Cryogenic Heat Exchangers**  
Nominal 3 MTA Capacity

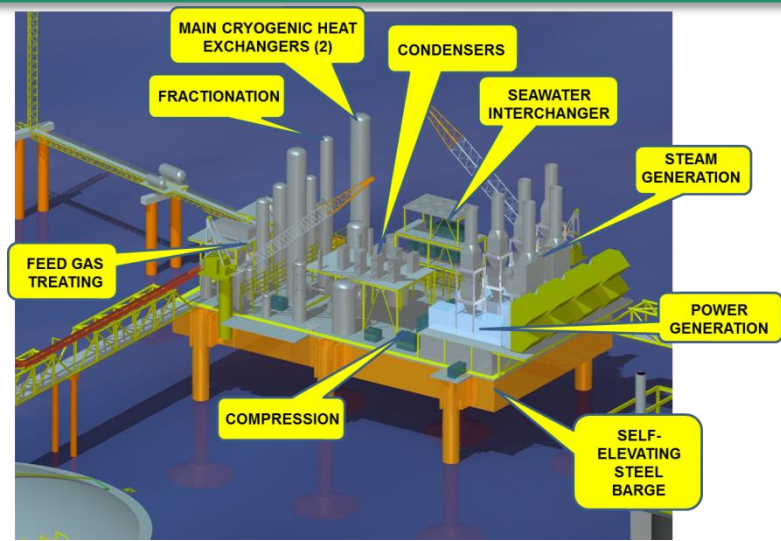


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**Arup Concept Elevating (ACE) Platform**



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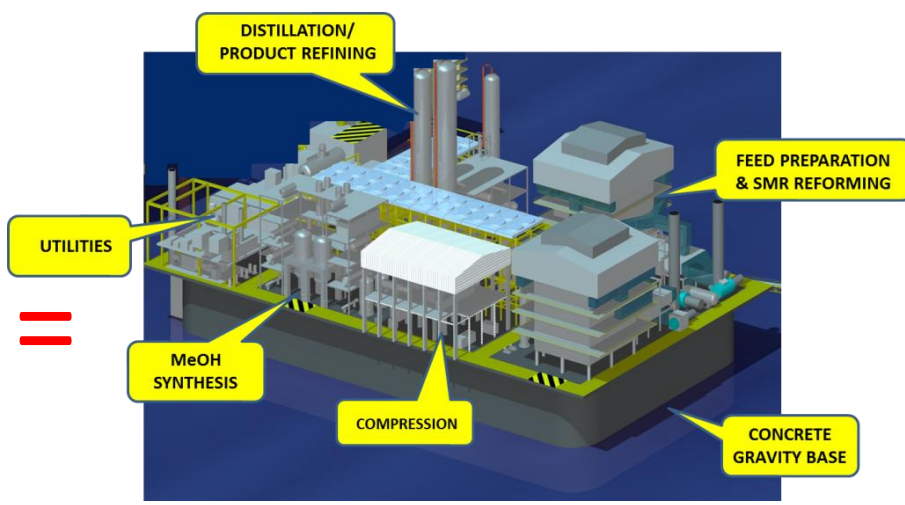
Process plant based on Davy Process Technology plants operating in Trinidad

+



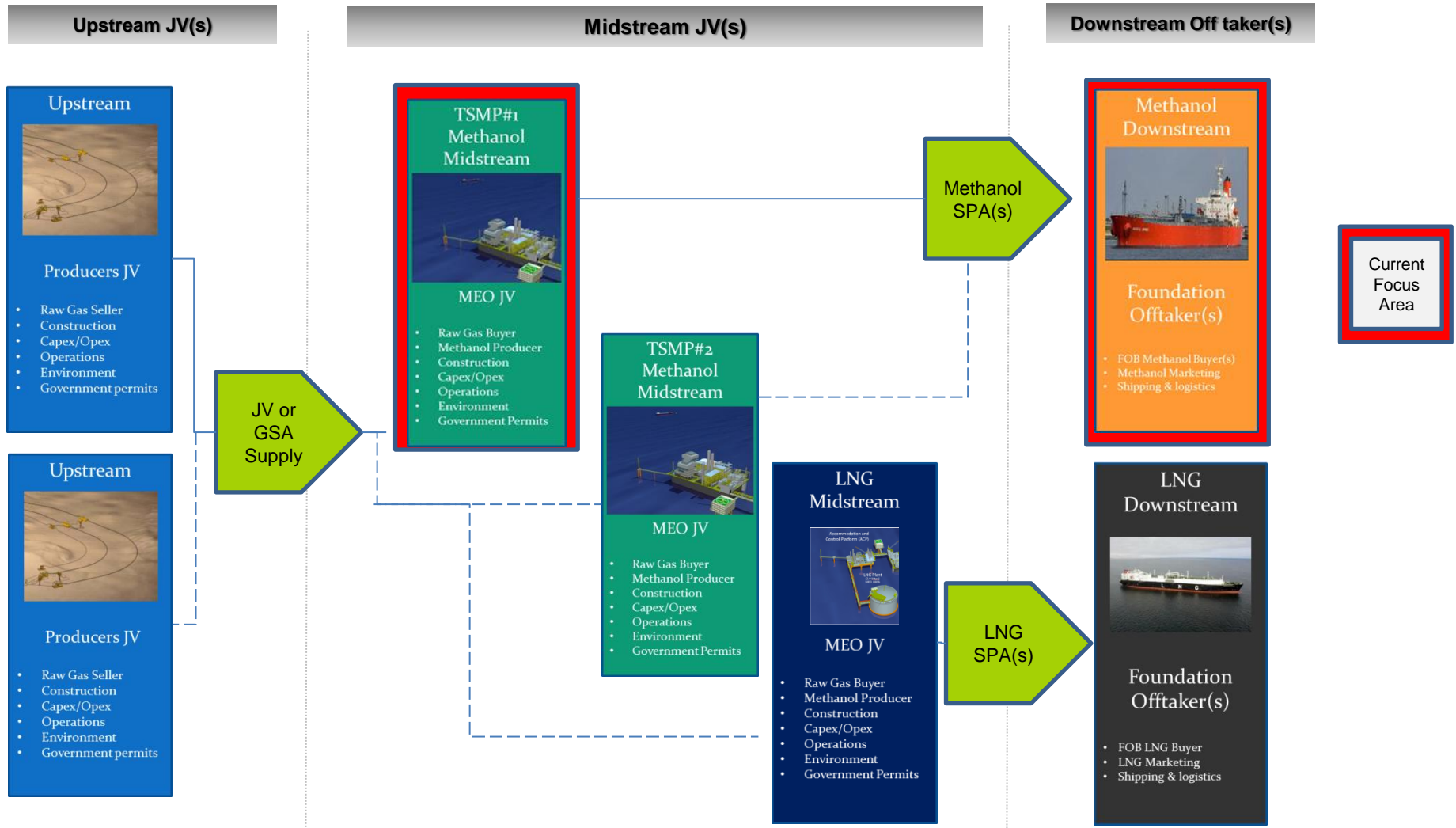
ExxonMobil's Adriatic Re-gas terminal on CGS. Barge becomes island and storage

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# TSMP<sub>1</sub> 1.75 MTA, demand=8.3 MTA (EoI)

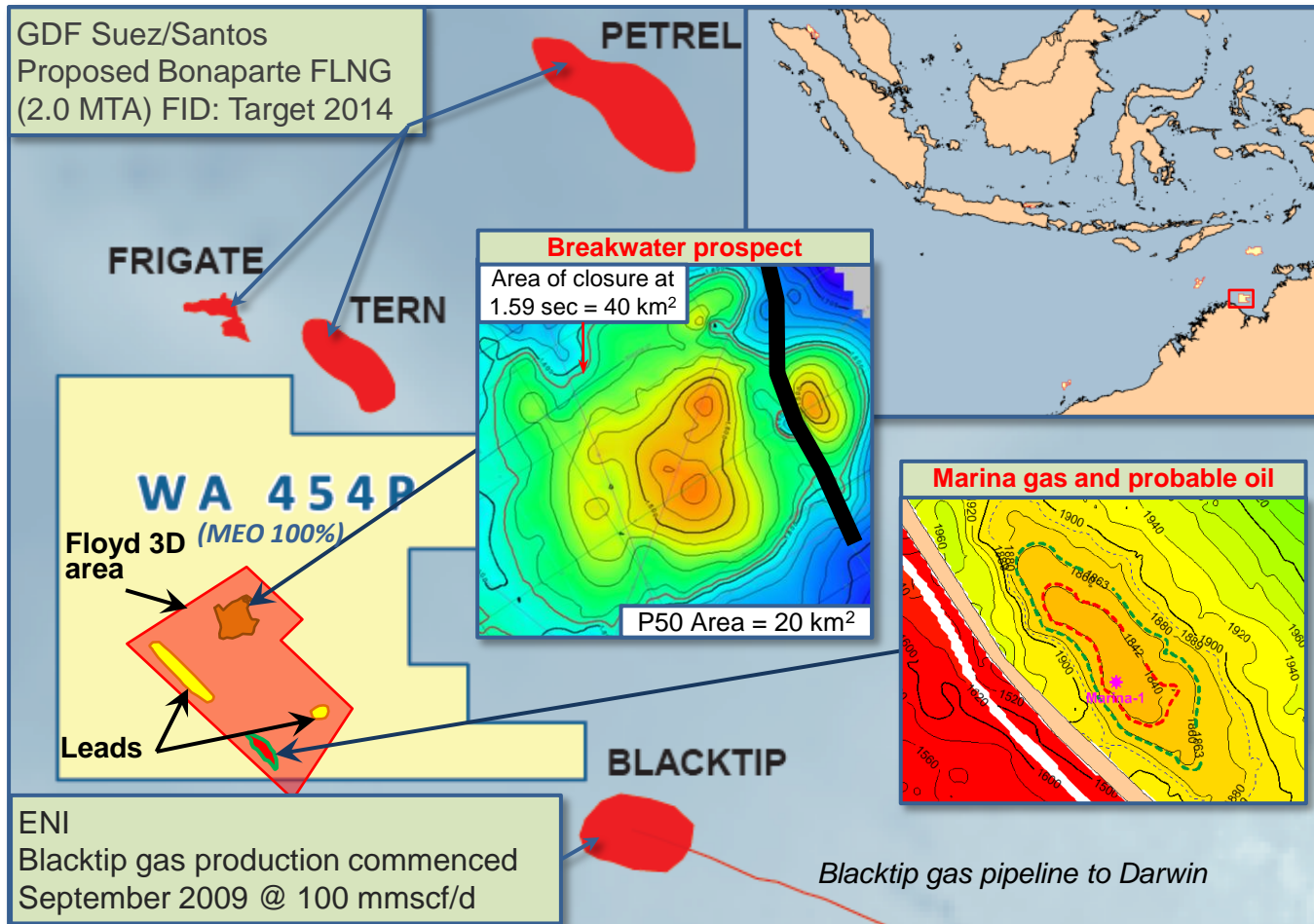
1<sup>st</sup> plant requires ~1.4 Tcf raw gas (@ 25% CO<sub>2</sub>) over 20 yrs of operation





# Bonaparte Gulf, WA-454-P (100%)

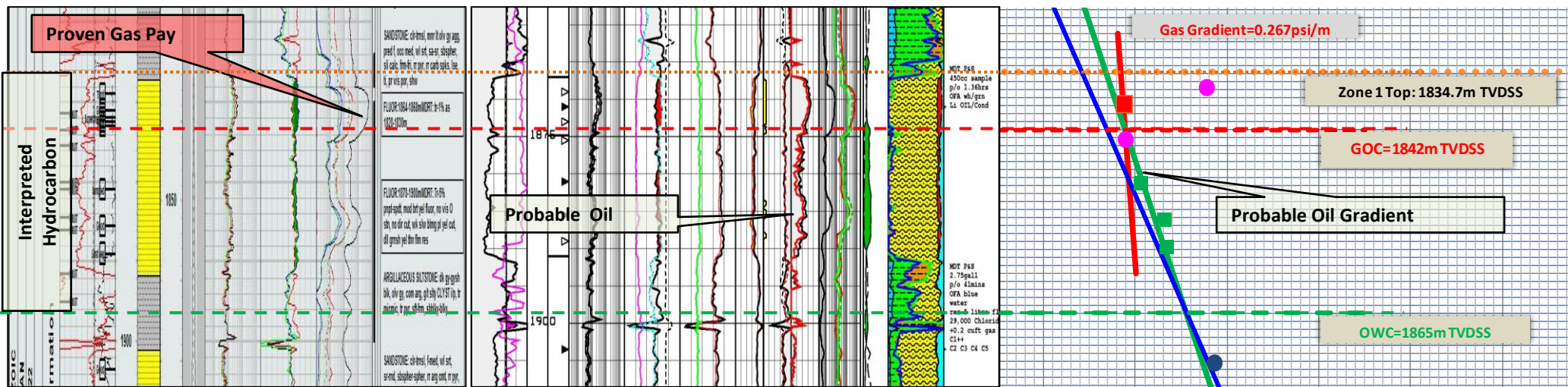
Next to proposed US\$6 billion F-LNG project & producing gas facility



- Awarded permit mid-2011
- Technical studies reveal:
  - Probable oil in Marina
  - Breakwater prospect
- Acquired 3D early 2012
- Independent assessment
  - Marina contingent gas and probable oil
  - Multi-Tcf Breakwater prospect with potential for significant oil legs
- Planning to launch farmout process early Q4
- Possible drilling in 2013 (subject to farmout & rig availability)

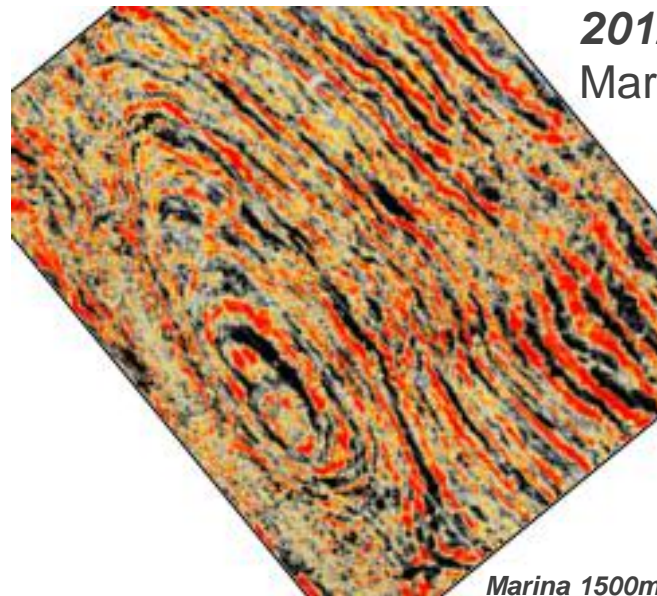
# Marina gas and probable oil discovery

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

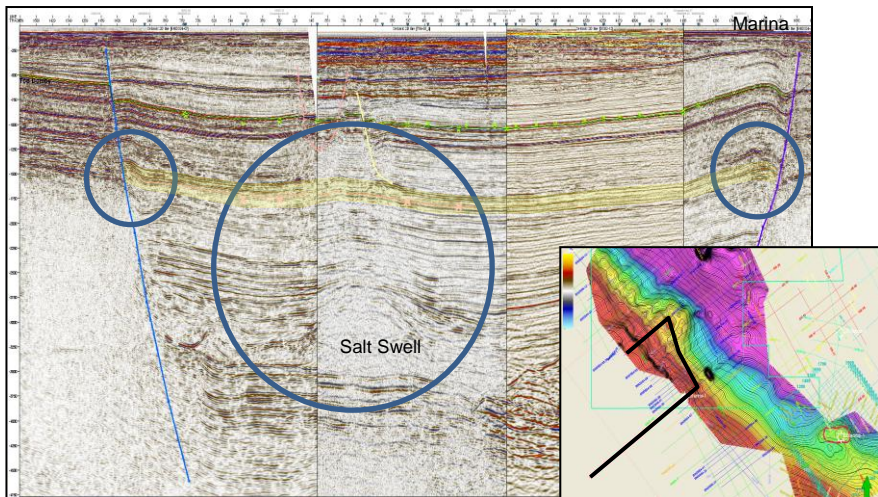


# Breakwater gas & oil? prospect

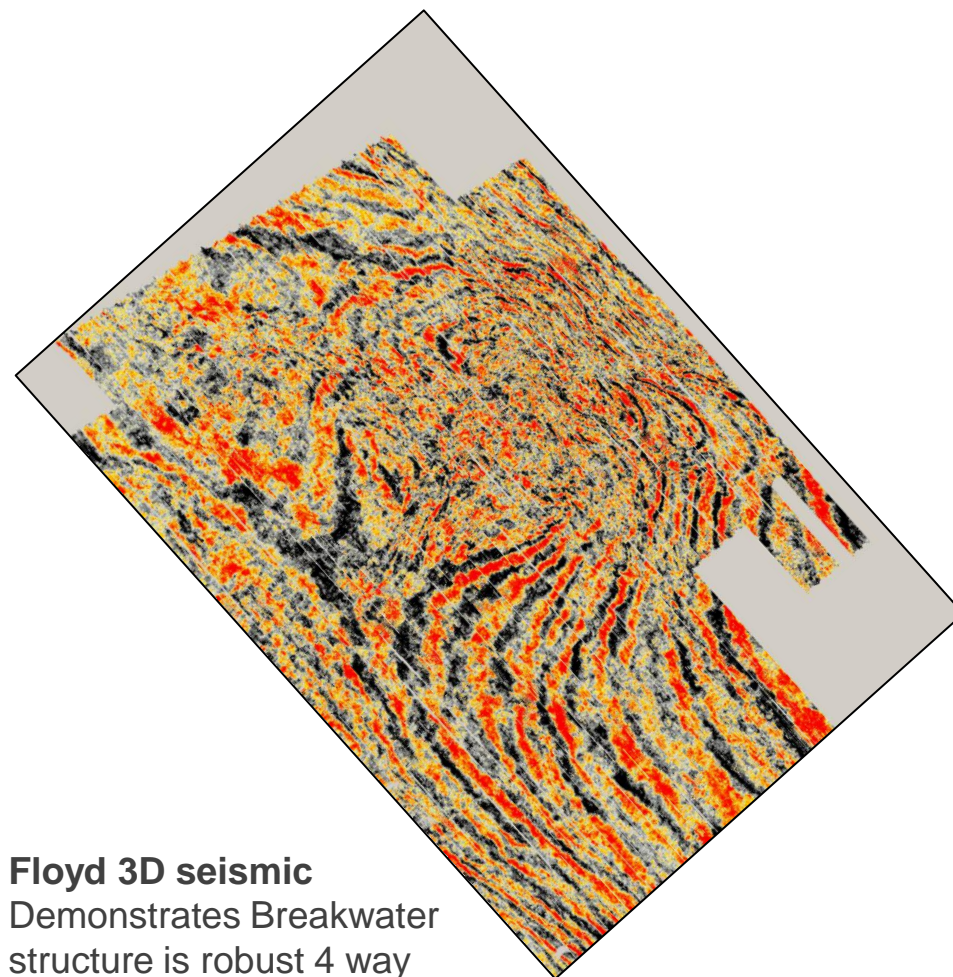
Significant gas prospect with potential for 40-200 mmbbls oil (P50-P10)



Breakwater : Amplitudes in Marina and Blacktip reservoirs



Breakwater Prospect Time slice from Floyd 3D



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

## 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	

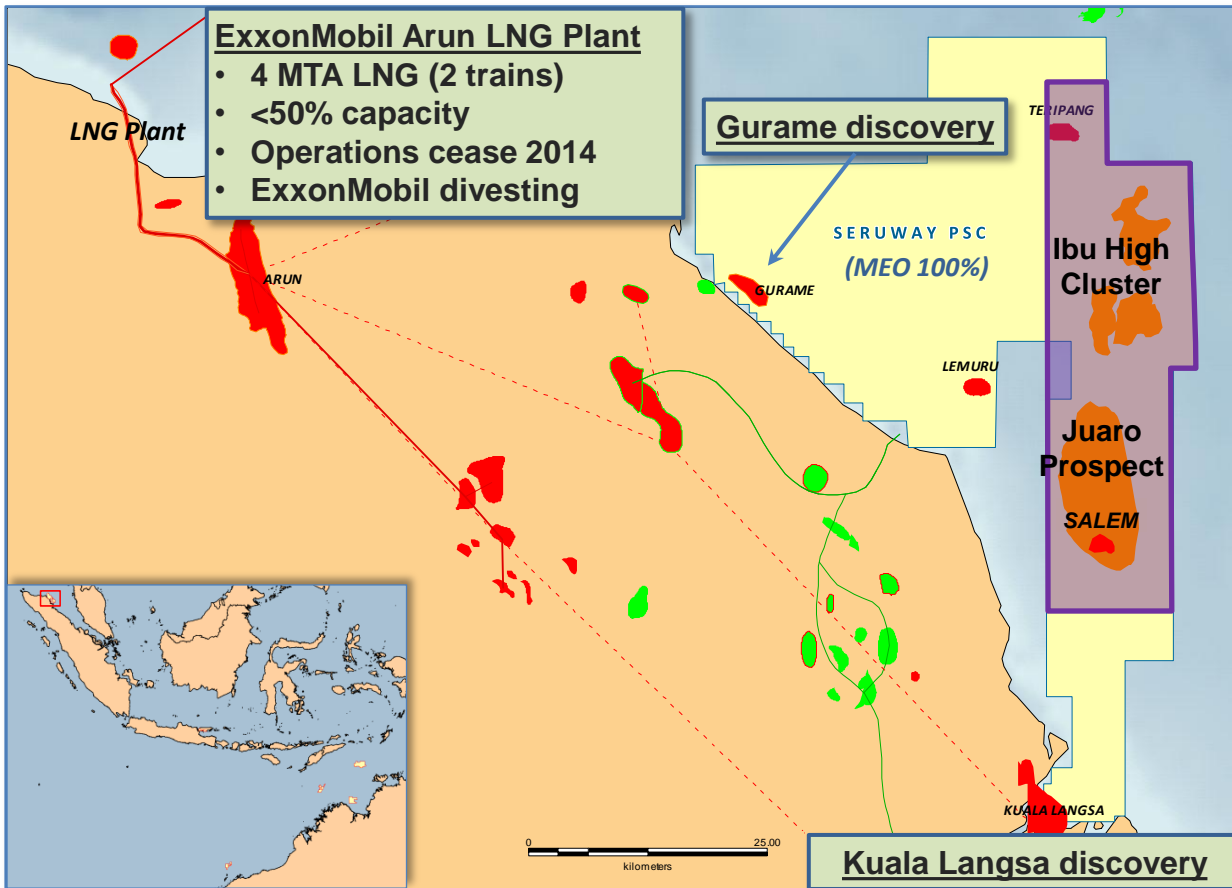
  

Scenario B: Gas & Oil	P90	Mean	P10	COS**
Gas (Bscf)	173	636	2,391	16%
Oil (MMstb)	8	41	201	
Condensate (MMstb)	1.1	11	75	
<b>Total Liquids (MMstb)</b>	9.1	52	276	

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

# North Sumatra, Seruway PSC (100%)

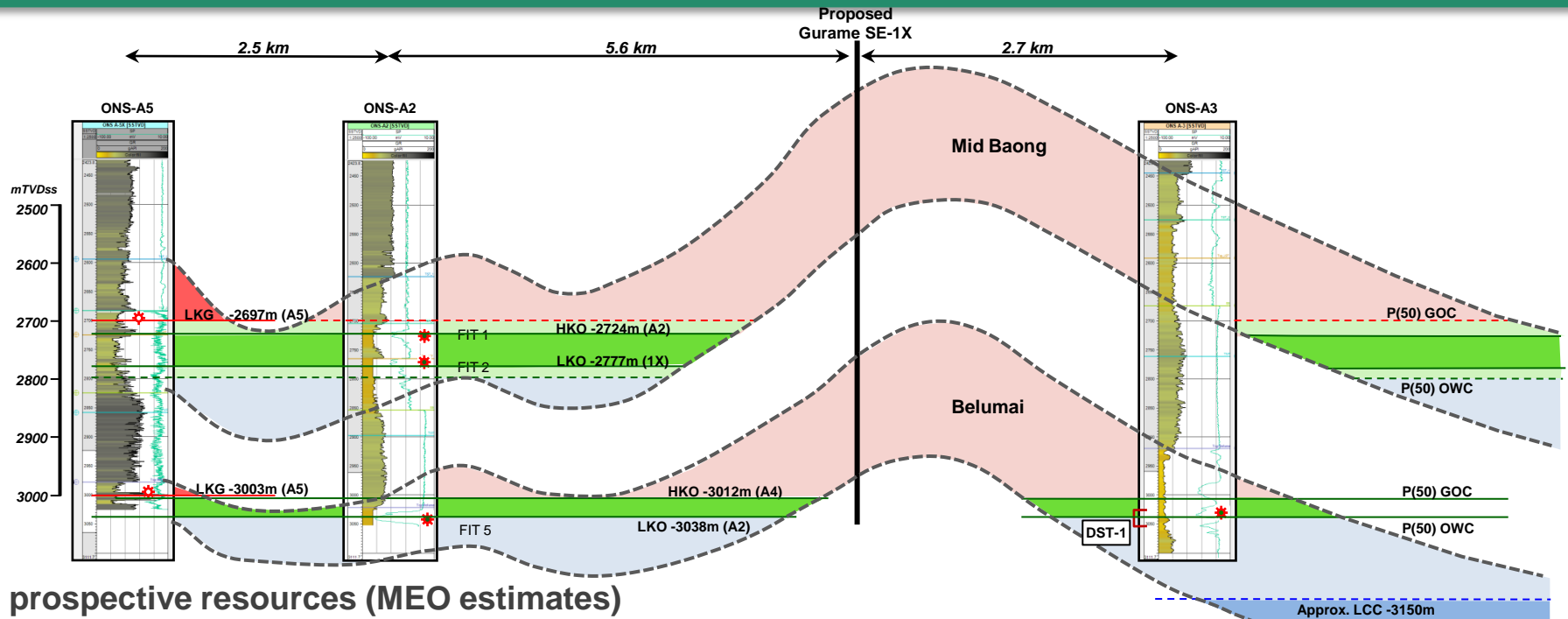
Multiple projects – launched farm out to attract funding partner



- Purchased 100% PI 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 reveal\*:
  - Oil in Gurame deep
    - 51-109 mmbbls
  - Gas in Gurame Deep
    - 498-863 Bcf
  - Lower CO<sub>2</sub> in Kuala Langsa
- Acquired 3D seismic late 2011
  - Ibu Horst 3D
- Launched farmout April
  - Expect transaction Q3
- Planned drilling+
  - 2012 (1 well) – Q4
  - 2013 (2 wells) – 2H

# Gurame discovery: 51-109 mmbbls oil?

FIT samples from multiple wells indicate deep oil columns of >50m & >26m!



## 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

**Total**    **551**    **971**    **1,625**    **273**    **498**    **863**

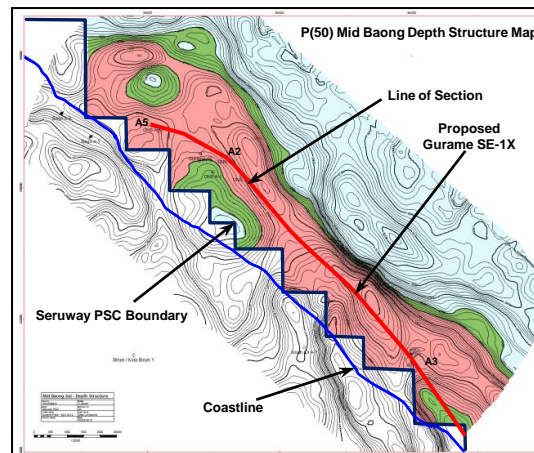
**Oil in place (MMstb)**      **Recoverable oil (MMstb)**

P90    P50    P10      P90    P50    P10

Baong    128    253    468    17    37    75

Belumai    60    97    223    8    15    34

**Total**    **188**    **350**    **692**    **24**    **51**    **109**



### Fluid Type

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



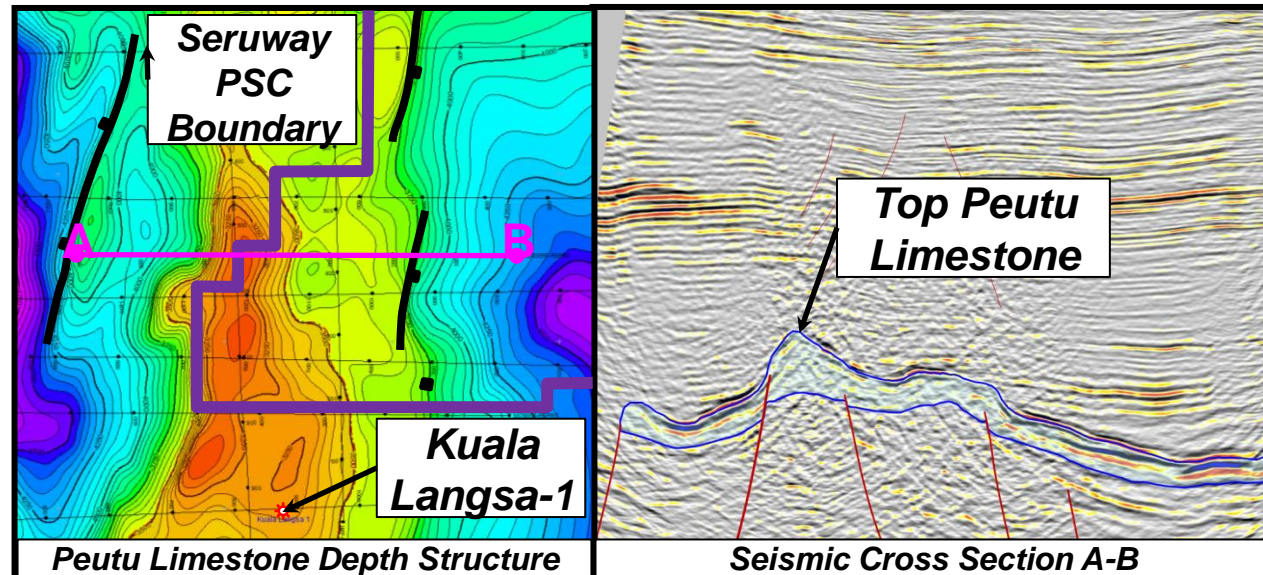
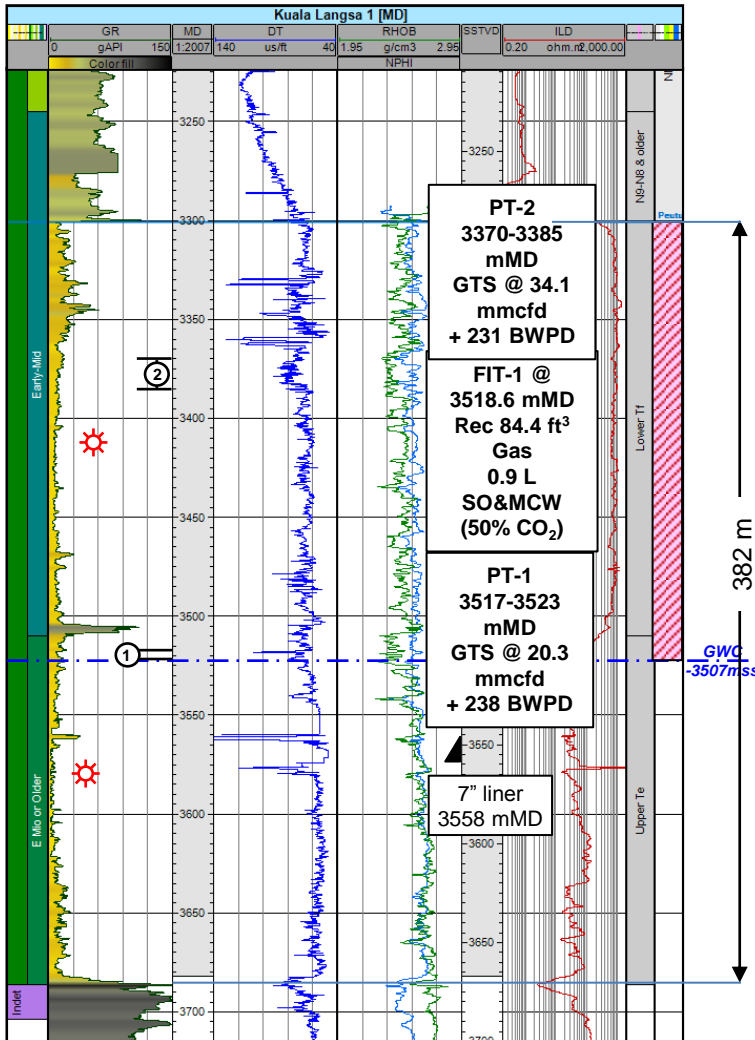
# Kuala Langsa gas discovery – lower CO<sub>2</sub>?

CO<sub>2</sub> significantly lower in recovered samples compared with surface tests



## Kuala Langsa – 1X

- 382m gross reservoir thickness – thicker in Seruway PSC
- 230m gross gas column, 212m net pay – thicker in Seruway PSC
- DST-1 3,517-3,523m (6m) - 2 MMCFGD (83% CO<sub>2</sub> anomalous?)
- DST-2 3,370-3,385m (15m) - 34 MMCFGD (81.5% CO<sub>2</sub> anomalous?)
- Calc open hole flow rate - 325 MMCFGD
- FIT gas sample at subsurface conditions **60% CO<sub>2</sub>**
- RFT pressure gradients consistent with **55-60% CO<sub>2</sub>**
- CO<sub>2</sub> in nearby Salem-1 47% CO<sub>2</sub>





# 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
  - Several additional transactions underway or planned in 2012
  - 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. Modest enterprise value (~\$70m)
6. Adequately funded (subject to farmout)

# Thank you

## Contact details



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