



MEOAustralia

energy for the future

Disclaimer

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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Investor Update

May 2009

Investment considerations

Ticking all the boxes

Element	Response	Present
Niche	Finding & monetising gas for export markets	<input checked="" type="checkbox"/>
Portfolio	High equity permits in the 2 established LNG provinces	<input checked="" type="checkbox"/>
	Clear commercial path for any discovered resources	<input checked="" type="checkbox"/>
Board of directors	Newly appointed last 12 months, experience & diversity	<input checked="" type="checkbox"/>
Management depth	Newly appointed CEO/MD, Exploration Manager & Commercial Manager in last 12 months	<input checked="" type="checkbox"/>
Resource potential	Targeting material gas resources	<input checked="" type="checkbox"/>
-Bonaparte Basin	2 gas discoveries – planning 2010 appraisal wells	
-Carnarvon Basin	Possible extension of Pluto/Wheatstone – 2010 well	<input checked="" type="checkbox"/>
Activity	Farm-out underway for WA-360-P, imminent for NT/P68	<input checked="" type="checkbox"/>
Balance sheet	\$21.8m consolidated cash balance at end March quarter 2010 drilling funding via industry partners	<input checked="" type="checkbox"/>
Value proposition	Demonstrable value gap, multiple catalysts over 6 mths	<input checked="" type="checkbox"/>

High quality gas portfolio

Large equity positions in established LNG provinces

Bonaparte Basin

Tassie Shoal (50%-90%)
A natural infrastructure hub

NT/P68 (90%-100%)
12,070 km²

Environmental Approvals
Granted - EPBC Act (1999)

Heron North (90%)
Gas Discovery

TSLNG Project
1 x 3 Mtpa plant
(90%)

Blackwood (100%)
Gas Discovery

TS Methanol Project
2 x 1.75 Mtpa plants
(50/50 JDA with APCI)

Heron South
Prospect

Epenarra
Prospect

3.7 Mtpa LNG export capacity
>25 Tcf stranded gas
(location & quality issues)

Carnarvon Basin

WA-360-P (70%)
Drill/drop 31-Dec-09

WA-361-P (35%)

WA-359-P (60-70%)
Drill/drop 31-Dec-09

Artemis Prospect
(>9 Tcf GIP)

Heracles Lead
(2+ Tcf GIP)

Hephaestus Nth Lead

Lady Nora - extn

Hephaestus Sth Lead

Eris Lead

Hebe Lead

Amphion Lead

Ersa Lead






Pandia Lead

West Zeus - Lead

16.3 Mtpa LNG export capacity
4.3 Mtpa under construction
25 – 35+ Mtpa under consideration



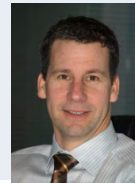





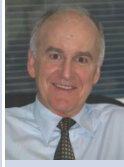
Board of directors

Extensive industry and capital market experience

 <p>Appointed May 2008</p>	<p>Nick Heath Non-Executive Chairman <i>Engineer</i></p>		<p>>30yrs with ExxonMobil Past APPEA President</p>
<p>Jürgen Hendrich MD & CEO <i>Geologist, Investment Banking</i></p>	<p>Greg Short Non-executive director <i>Geologist</i></p>	<p>Stephen Hopley Non-executive director <i>Financial Services</i></p>	<p>Michael Sweeney Non-executive director <i>Barrister</i></p>
			
<p>Appointed July 2008 12yrs @ Esso Australia 13 yrs financial markets</p>	<p>Appointed July 2008 33yrs @ ExxonMobil. Retired 2006</p>	<p>Appointed October 2008 14yrs @ Macquarie Bank Retired 2003</p>	<p>Appointed October 2008 10yrs @ MiMi (Mitsui/Mitsubishi)</p>

Management depth enhanced

Focused on technical and commercial excellence

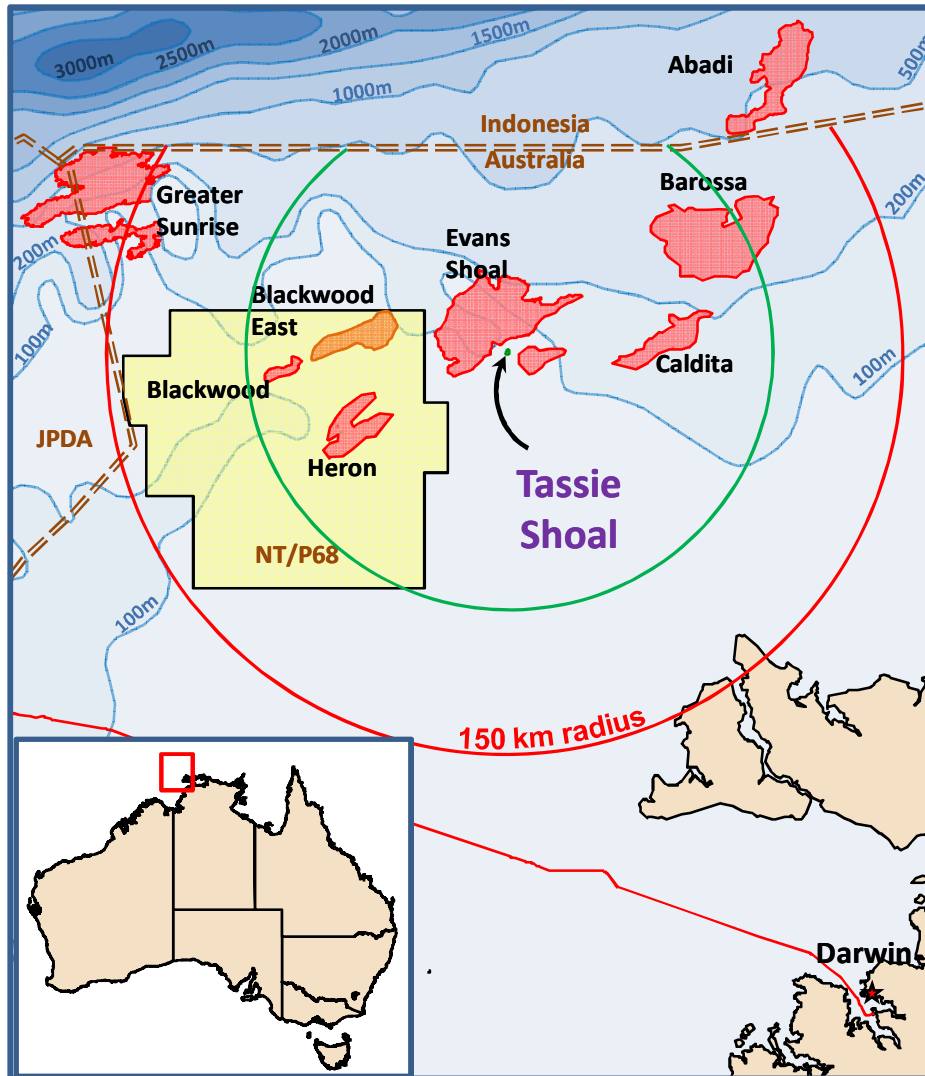
		<p>Jürgen Hendrich Chief Executive Officer <i>Geologist</i> <i>Investment Banking</i></p>		<p>12yrs @ Esso Australia Ltd (ExxonMobil subsidiary) GSJBW, Tolhurst (now PSL)</p>	
<p>Colin Naylor CFO/Company Sec^y</p>	<p>Robert Gard Commercial Manager</p>	<p>Dave Maughan Exploration Manager</p>	<p>Ken Hendrick Implementation Manager</p>		
					
<p>30yrs @ Woodside, BHP, Rio</p>	<p>22yrs @ ExxonMobil</p>	<p>35yrs @ ExxonMobil</p>	<p>>40yrs with large Co's</p>		
<p>Chris Hart Founder</p>	<p>Geoff Geary Seismic Interpretation</p>	<p>John Moore Geophysical Applications</p>	<p>John Robert Project Engineering</p>		
					
<p>Founded MEO in 1994</p>	<p>30+ yrs. Oil & gas finder</p>	<p>>40yrs @ ExxonMobil & others</p>	<p>>40yrs 15yrs Methanol experience</p>		



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Remote Bonaparte Basin gas fields

~25 Tcf is stranded due to location &/or gas quality issues



CO₂ & distance challenged

Evans Shoal
(Santos, Shell, Petronas, Osaka Gas)

~6+TCF	25% CO ₂	4 bbl/mmscf
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Barossa/Caldita
(ConocoPhillips/Santos)

~3.4 TCF	12% CO ₂	5 bbl/mmscf
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Location challenged

Greater Sunrise (FLNG? Land?)
(WPL/Shell/ConocoPhillips/Osaka Gas)

~5.4 TCF	4% CO ₂	40 bbl/mmscf
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Abadi (FLNG?)
(Inpex/Pertamina)

~10 TCF	8% CO ₂	20 bbl/mmscf
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MEO discoveries, NT/P68

Blackwood
(MEO – 100%)

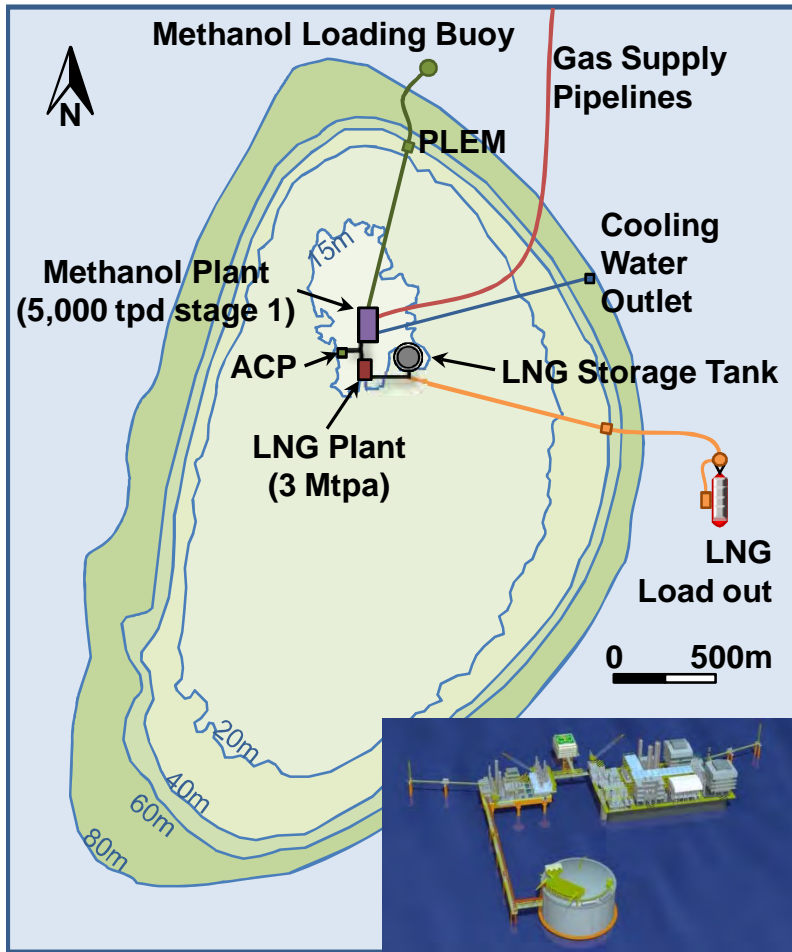
Appraisal planned 2010

Heron
(MEO – 90%)

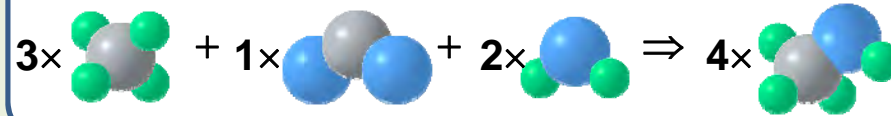
Appraisal planned 2010

Tassie Shoal – the *natural* hub site

Solution to location & gas quality issues



Methane + CO₂ + Steam ⇒ Methanol



Methanol Production absorbs 25% CO₂

Tassie Shoal

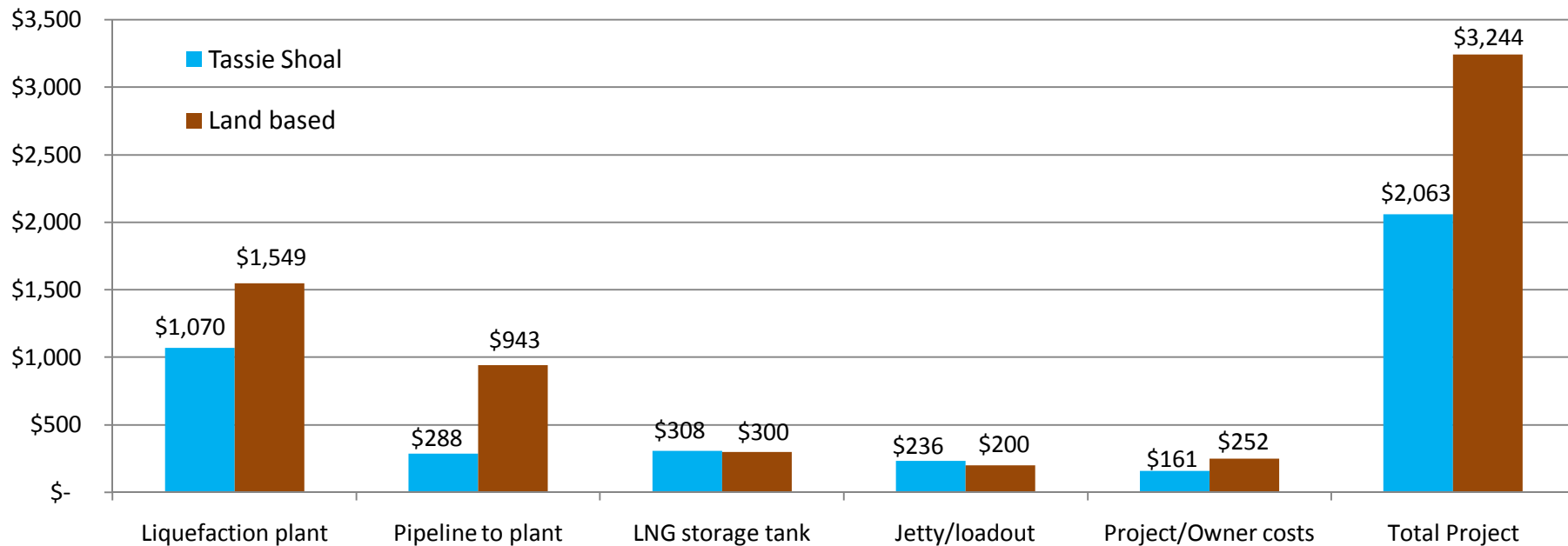
- Proximal to **ALL** undeveloped gas fields (~25 Tcf)
- Eliminates long pipelines to shore
- CO₂ sequestered into Methanol derivatives
- CO₂ capture/storage COST converted to INCOME

Environmental approvals secured

- 1 x 3 Mtpa (easily expands to 3.5 Mtpa) LNG plant
- 2 x 5,000 tpd (1.75 Mtpa) Methanol plants
- MPF status granted

Tassie Shoal capital cost advantage

>US\$1 Bn savings over comparable land-based plant



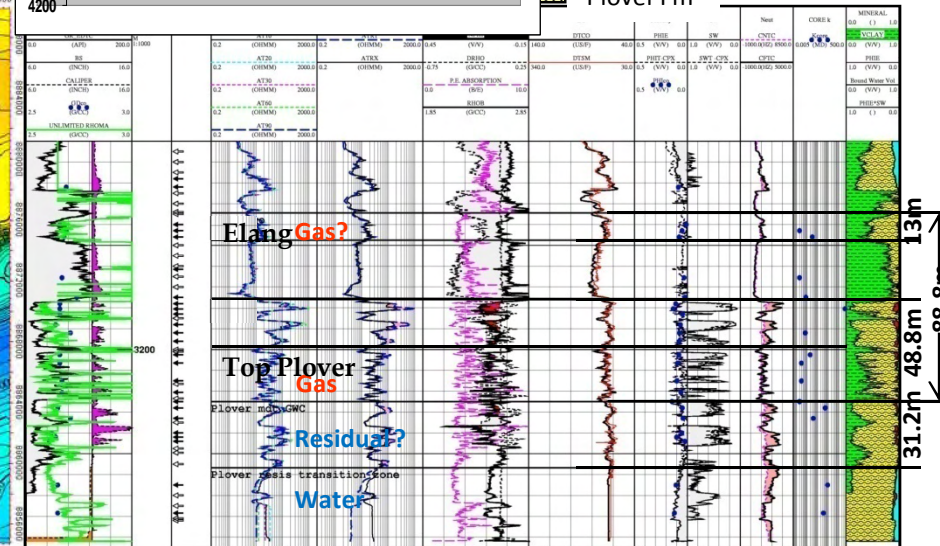
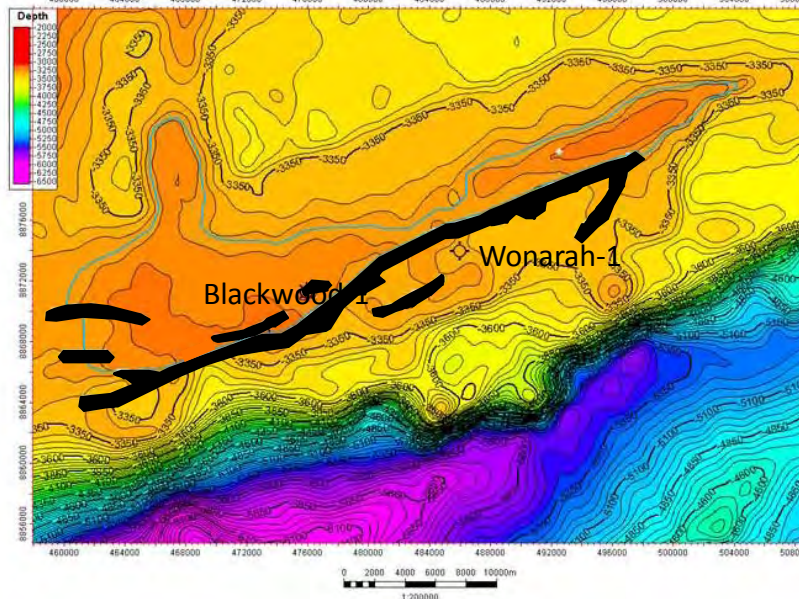
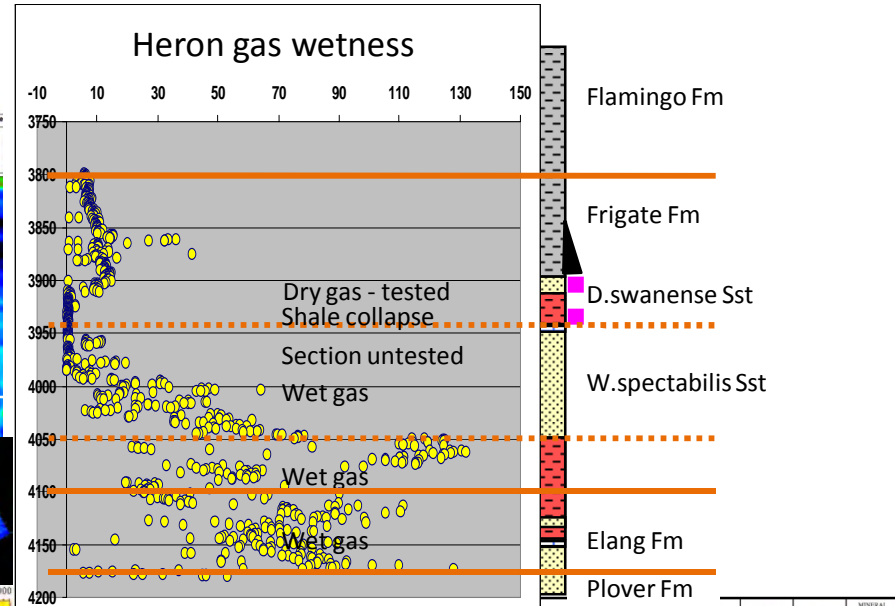
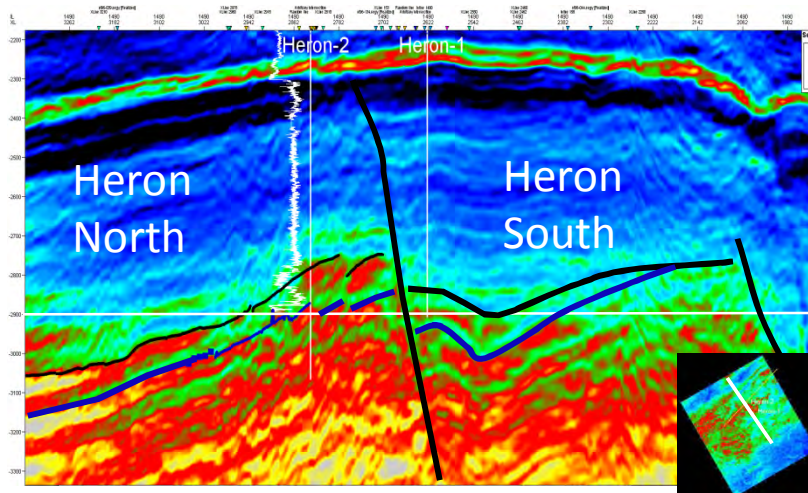
Capex savings accrue via:

- Transported to site as ONE COMPLETED, pre-commissioned module
- Substantially smaller infrastructure footprint due to use of indirect sea-water cooling
- Dramatically reduced pipeline distances

NT/P68 discoveries – planning 2010 appraisal

Heron – multi Tcf, wet gas potential (possible LNG feed)

Blackwood – >25% CO₂ (ideal methanol feed)

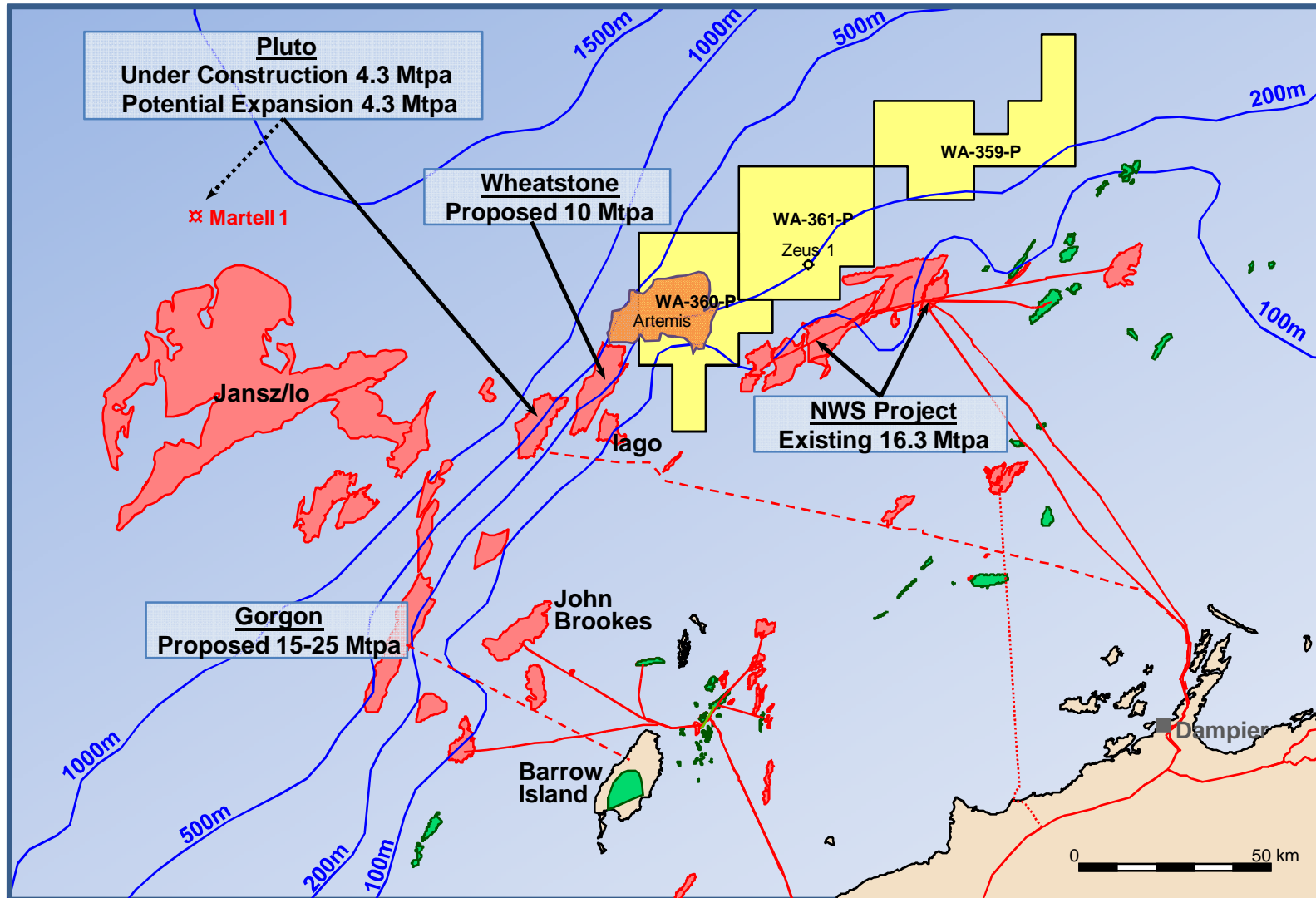




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North West Shelf Acreage

A 1st class address to pursue proven analogues

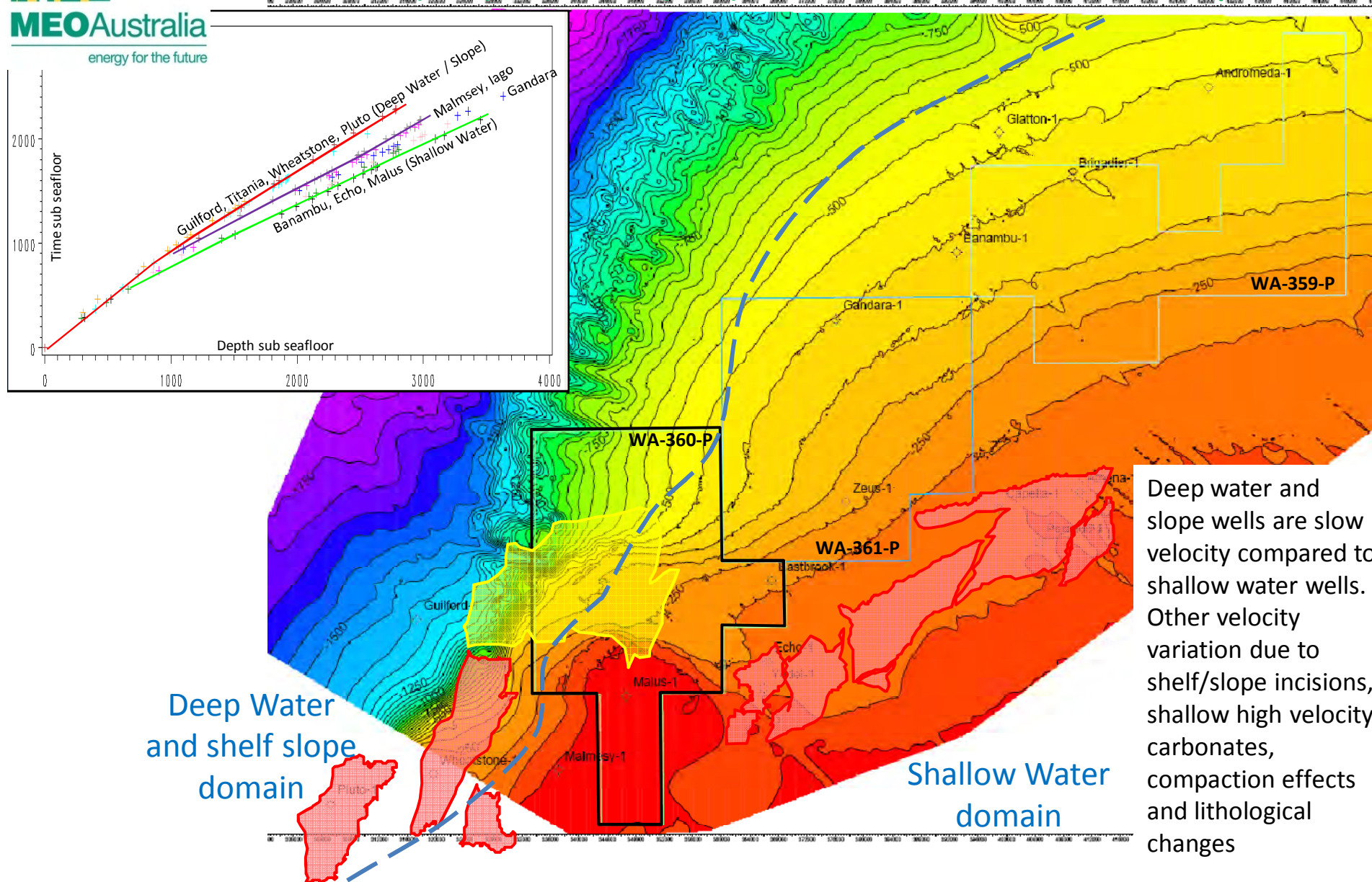




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NWS fields found in 1970's

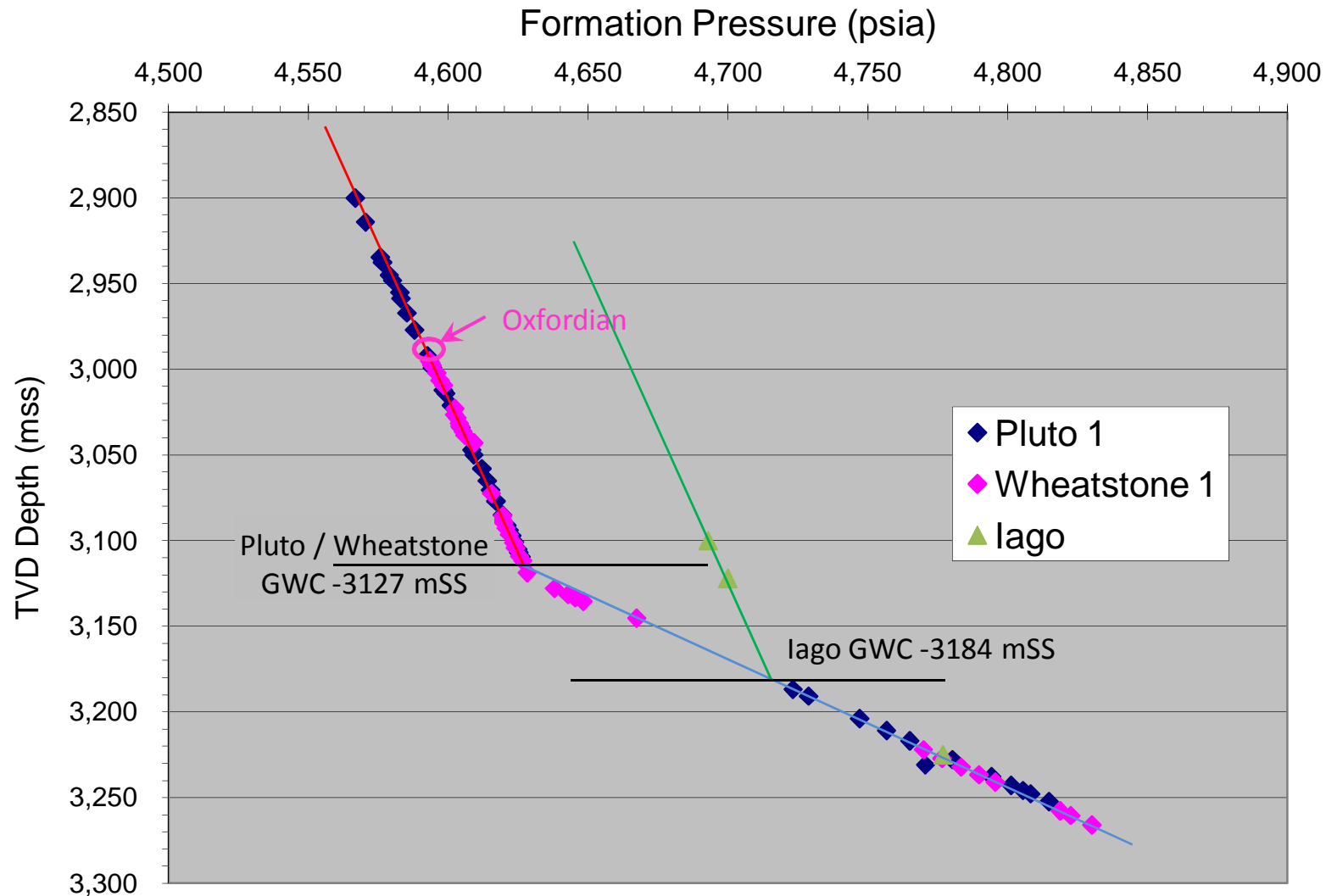
Wheatstone ('04) & Pluto ('05) hid beneath the shelf slope...



Deep water and slope wells are slow velocity compared to shallow water wells. Other velocity variation due to shelf/slope incisions, shallow high velocity carbonates, compaction effects and lithological changes

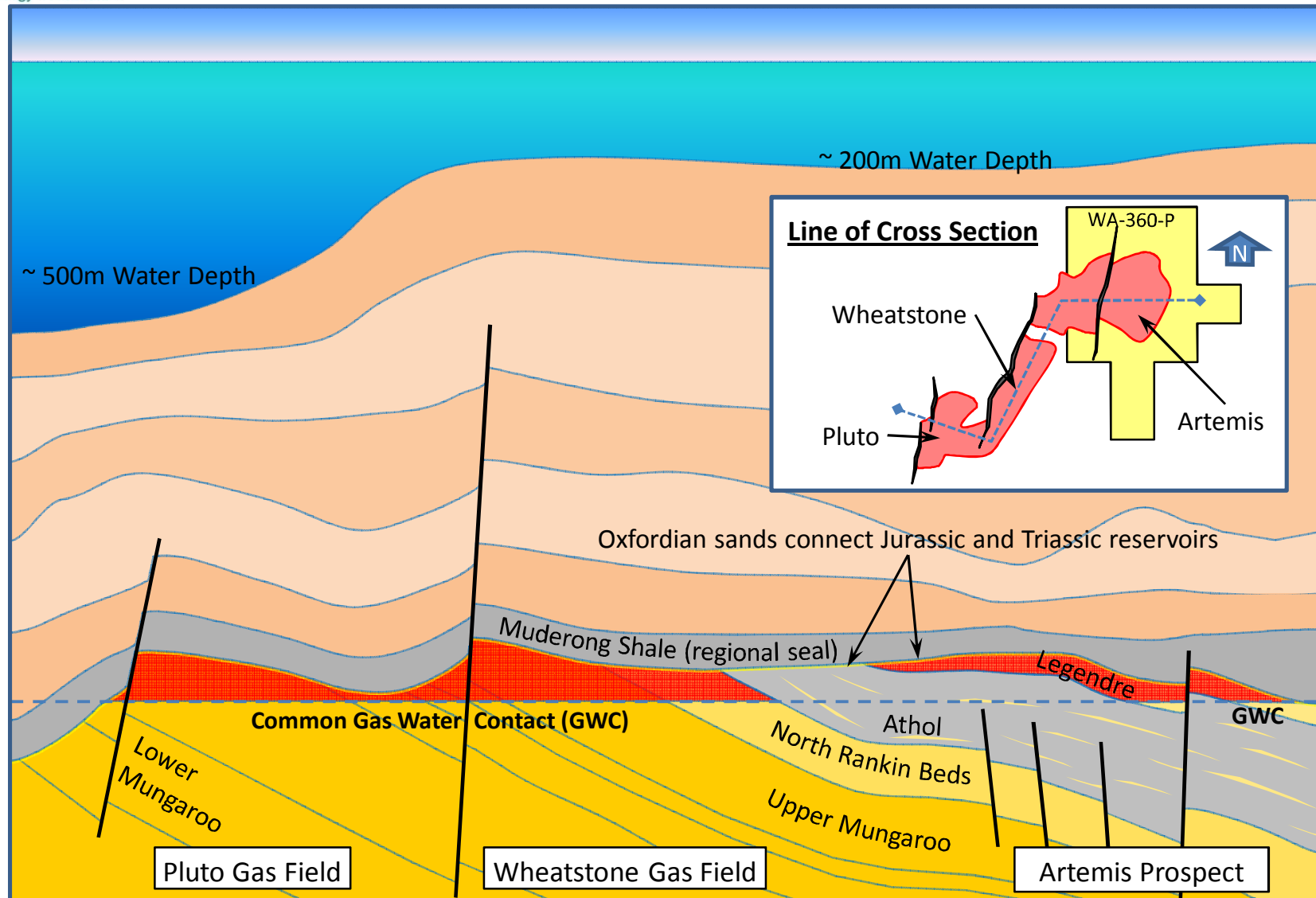
Pluto (2005) & Wheatstone (2004)

Recent discoveries with same Gas-Water-Contact



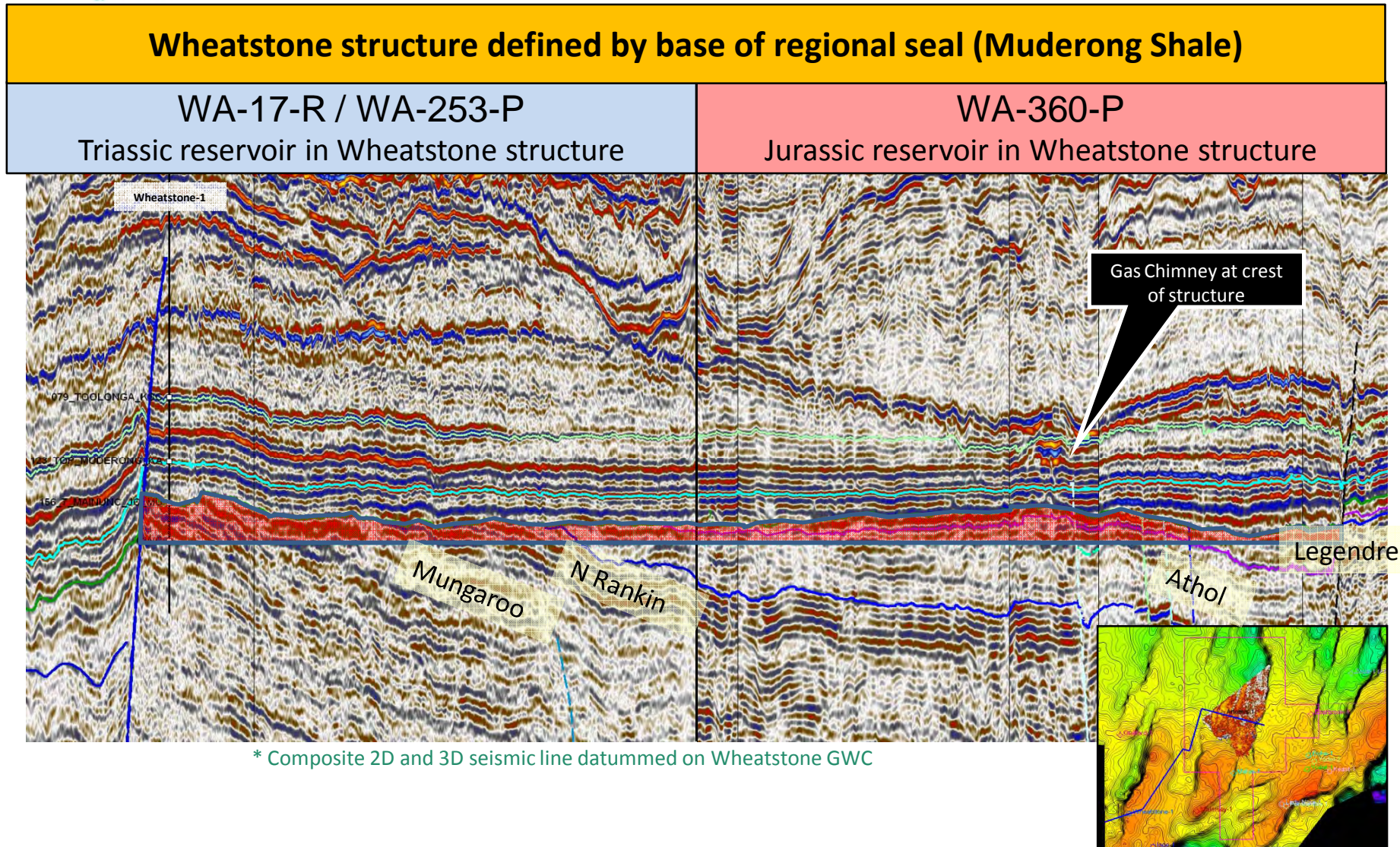
Schematic Cross Section

Pluto-Wheatstone-Artemis connect via Oxfordian sands



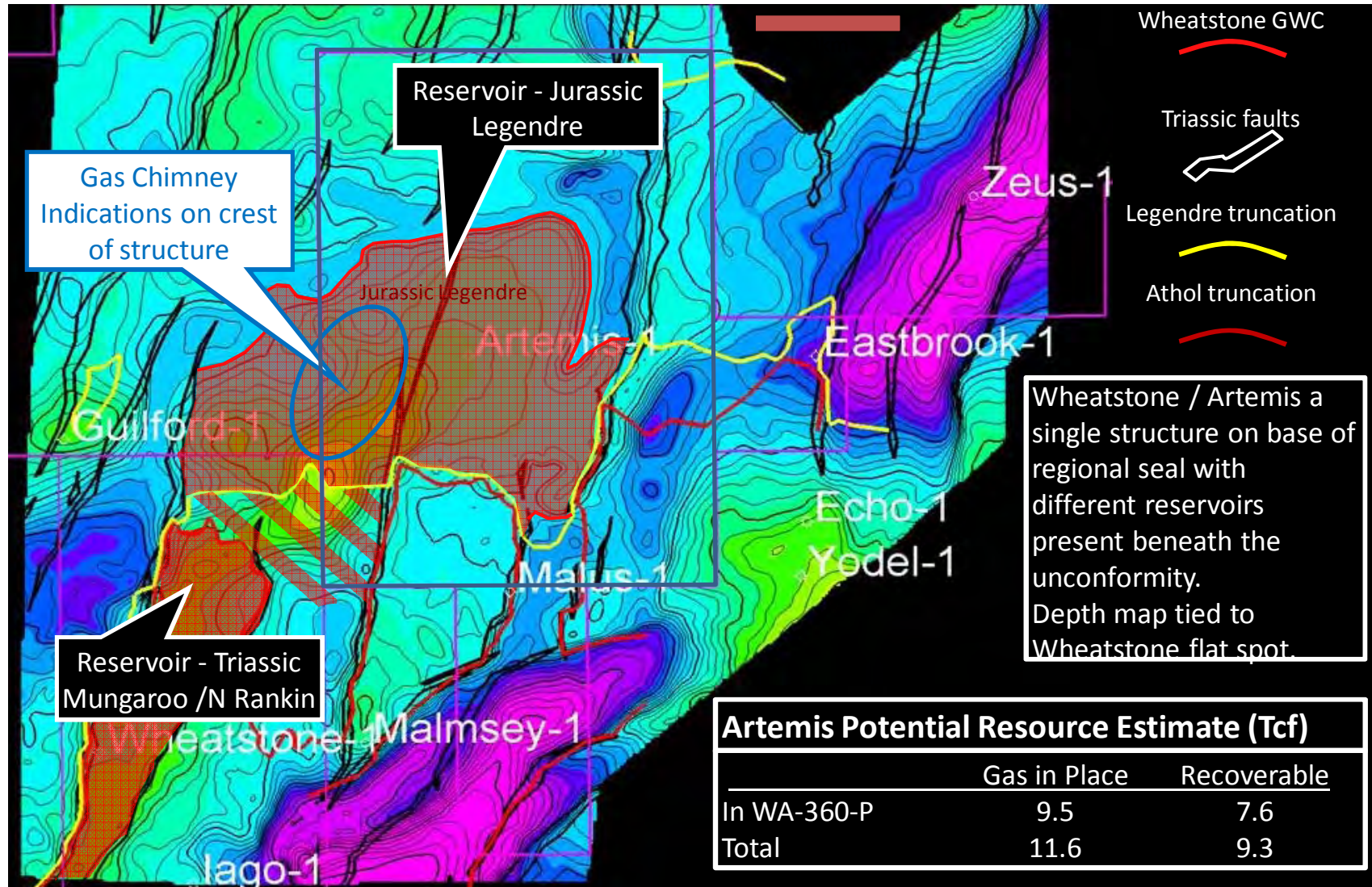
Artemis prospect emerges

by flattening on GWC & mapping base of the regional seal



Artemis Resource Estimate

9.5 Tcf gas-in-place within WA-360-P



Value proposition

Compelling value gap – requires catalyst(s) to close

Issue Capital	Share Price	Value (A\$m)	Remarks
417m ordinary	\$0.12	\$50m	Close at May 21 st
Less cash on hand	\$0.05	\$22m	\$21.8m at March 31 st
Market value of MEO projects	\$0.07	\$28m	Net of cash
Potential value of MEO Projects			
+Tassie Shoal (50-90%) EIA Approvals for gas projects	???	???	Recent A\$1 Bn deal with KLC for Browse onshore LNG site
+NT/68 discoveries (90-100%) Greater Blackwood	???	???	CSG paying >US\$0.50/3P Mcf! Potential to underpin TSMP (I)
Heron North	???	???	Potential for liquids rich gas
Heron South	???	???	Potential for liquids rich gas
+WA-360-P (assume 20% equity) Artemis prospect (~9 Tcf GIP)	~\$2.50	~\$1.0 Bn	80% Rec., US\$0.50/Mcf, Fx \$0.70

Summary

Viable niche, compelling value gap, near term catalysts

- Global E&P players see Australia as prospective for large gas resources
- Bonaparte Basin
 - 25 Tcf undeveloped gas resources
 - CO₂ & distance/location challenged
 - Tassie Shoal located in heart of undeveloped gas
 - Integrated solution for CO₂ & distance issues
 - MEO discoveries subject to farm-out for 2010 appraisal drilling
- Carnarvon Basin
 - MEO's WA-360-P strategically positioned to existing & planned infrastructure
 - Formal farmout process underway for 2010 drilling
 - 16.3 Mtpa existing LNG production capacity
 - 4.3 Mtpa under construction (Pluto I)
 - 25-35 Mtpa under consideration
 - Greater Gorgon 15-25 Mtpa (3 x 5 Mtpa trains, seeking up to 5 trains)
 - Wheatstone/Iago 10 Mtpa (2 x 5 Mtpa trains)
- Compelling value proposition
 - Trading at fraction of potential value, potential for near term catalyst(s)