



# Methanol

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*the clean alternative*

Presentation to Shareholders

November 10, 2006

# Emerging GTL province

## Developed Gas Reserves

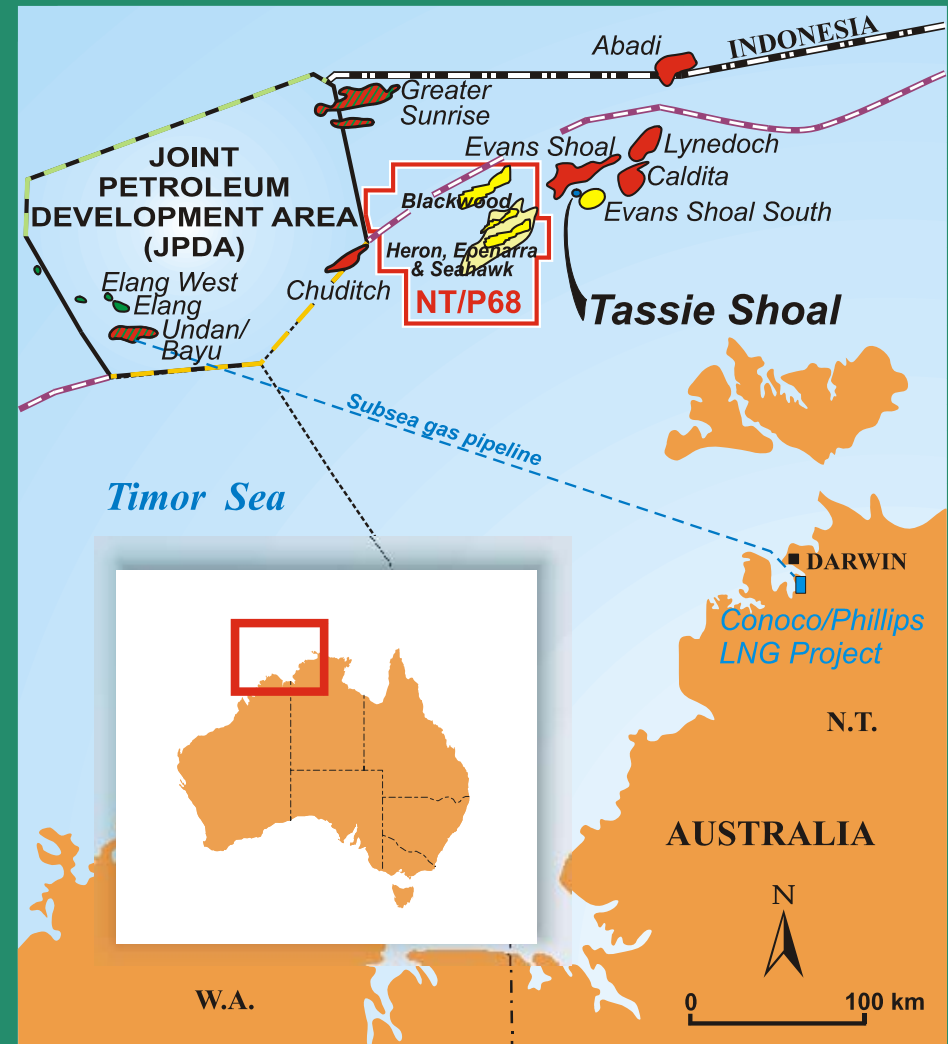
- Bayu-Undan (~3.4 Tcf, wet)

## Undeveloped Gas Reserves

- Greater Sunrise: 8.4 Tcf (wet)
- Abadi: 5 Tcf (CO<sub>2</sub>)
- Evans Shoal: 6.6 Tcf (CO<sub>2</sub>)
- Caldita: 2.9 Tcf (CO<sub>2</sub>)
- Lynedoch: 1.5 Tcf (CO<sub>2</sub>)
- Evans Shoal Sth: ? Tcf (?CO<sub>2</sub>)

## NT/P68: Significant potential

- 5 large structures
- 1 gas discovery (Heron-1)
- 14 Tcf mapped potential GIIP
- >120 bbls/mmcf liquids yield

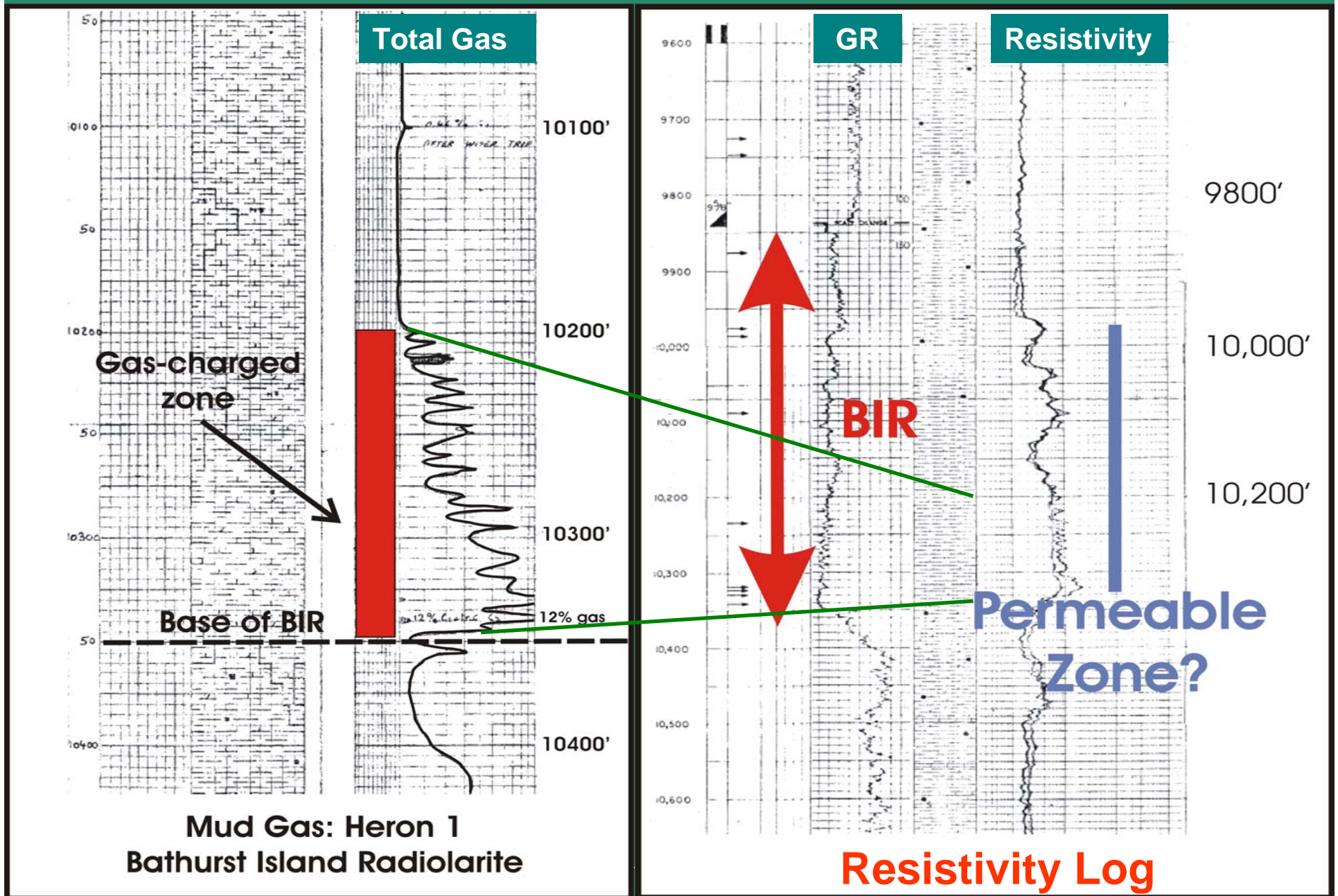


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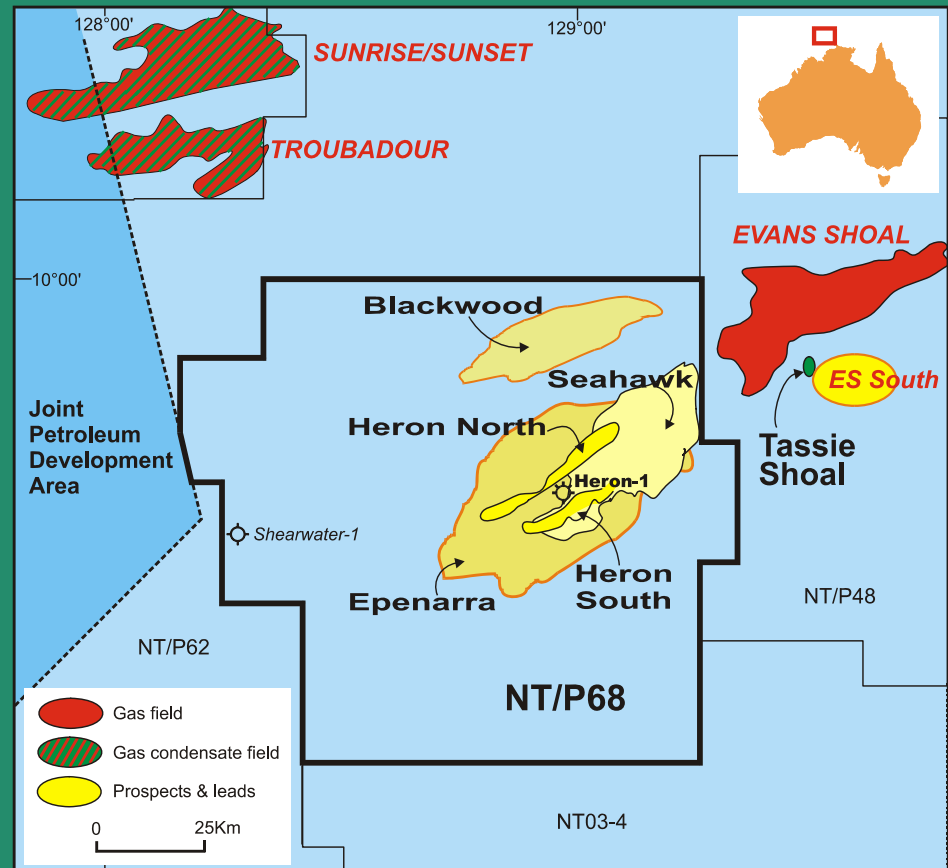
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# Heron-1 intersected 50m gas column



# 100% owned permit with gas discovery

- Epenarra structure
  - 1,200km<sup>2</sup> closure
  - ~6 Tcf (P50) wet GIP
  - Significant condensate potential
  - Drilled by Heron-1 (1972)
  - Est. CGR\* 120-300 bbls/Mmscf
- Acquired 500km<sup>2</sup> 3D (Oct'06) + 600 km 2D (Nov'06) seismic
- Drilling: Aug'07
  - Heron-2
  - Blackwood-1
  - Heron-3



\* CGR = Condensate : Gas Ratio expressed as barrels condensate/million cubic feet gas



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# NT/P68 Activities 2006 – US\$11M



**Orient Explorer: 500 sq km  
3D over Epenarra (and  
Heron Plover structures)  
Confirm Heron-2 location**

**CGG Duke: 600 Line km  
2D over Blackwood  
Structural mapping to  
confirm Blackwood-1  
location**



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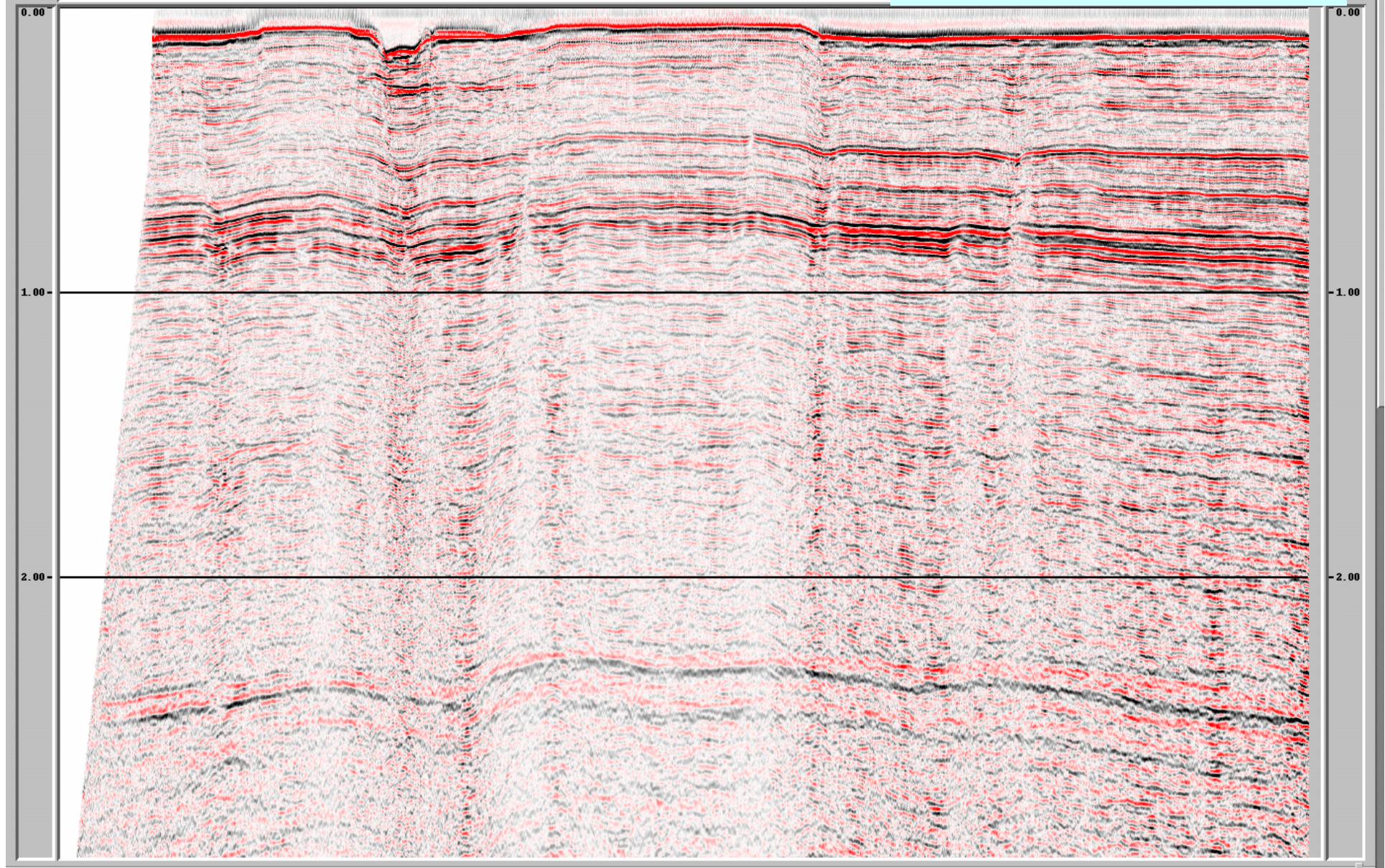
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**Zoomed Stack after Taup Decon – op300ms gap=32ms**  
**without AGC wrap**

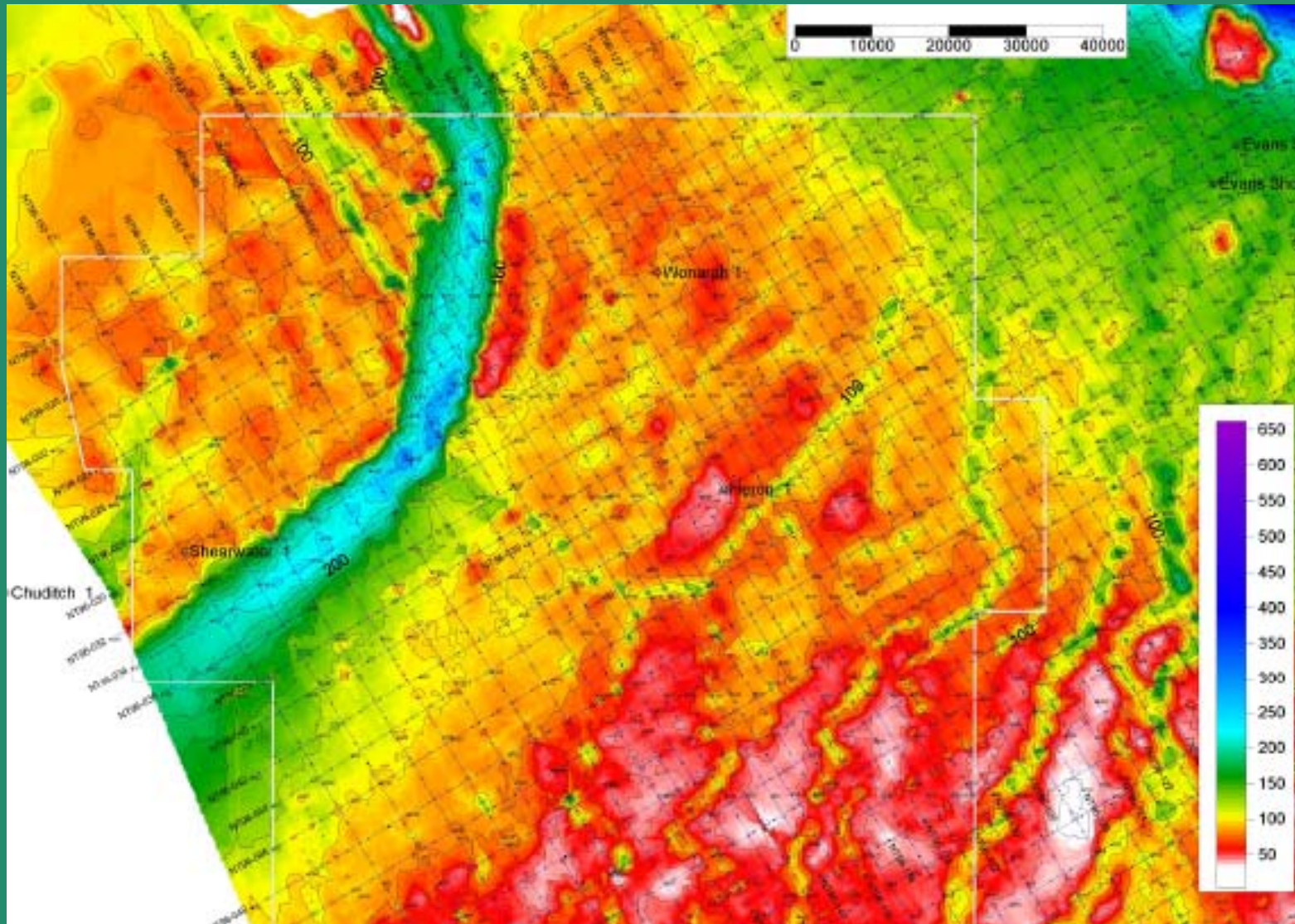
Win FK Amp Filtr -None- -None-

SUBLINE 1236  
XLINE 2743 2843 2943 3043 3143 3243 3343 3443 3543 3643 3743 3843 3943 4043 4143 4243 4343 4443 4543 4643 4743 4843 4943 5043 5143 5243 5343 5443 5543 5643

Improved multiple attenuation



# Seafloor: channels & carbonate reefs

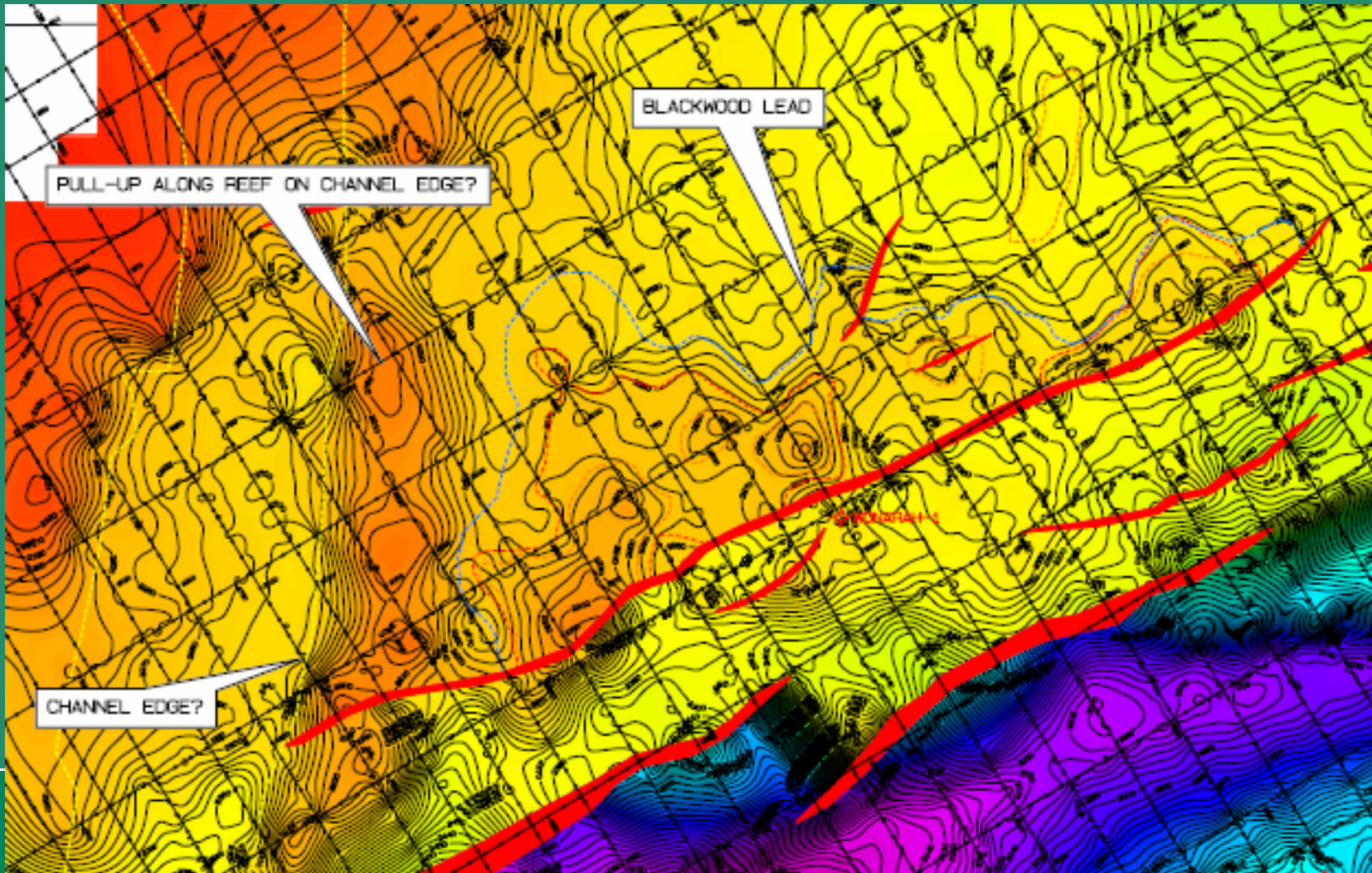


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# Blackwood Closure Top Plover Formation: Depth



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**Seadrill West  
Atlas Jack-up  
Drilling Rig  
Secured for  
August 2007  
to drill:  
Heron-2  
Blackwood-1  
Heron-3**



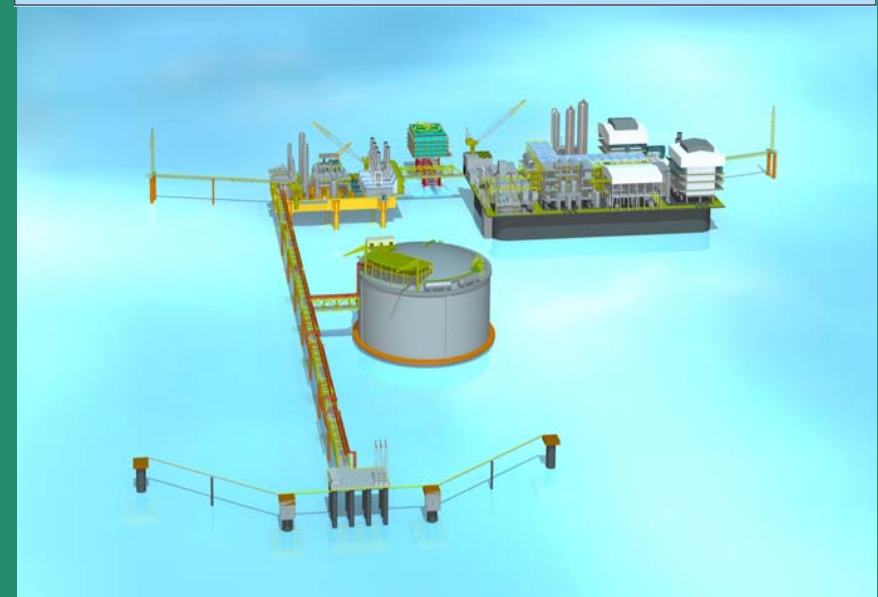
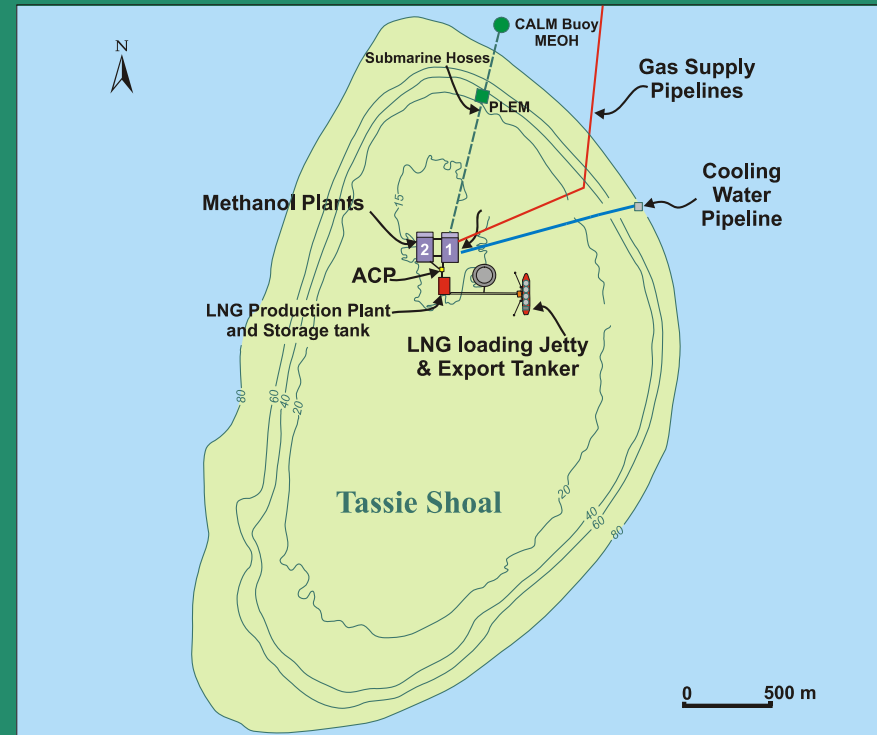
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# Tassie Shoal

- Shallow water (14m), 275km NW of Darwin in *Australian waters*
- Environmental *approvals* granted by Commonwealth Gov't for *50yrs*
  - 2x 1.8 Mtpa MeOH plants (Dec02)
  - 1x ~3 Mtpa LNG plant (May04)
- **Globally Competitive** projects:
  - Methanol benefits from high CO<sub>2</sub>
  - Competitive inputs
    - Proximity to gas
    - Eliminates long pipelines to shore
    - Pre-fabrication in Asia/tow to site
  - Transport cost advantage
    - Proximity to markets
    - Own port facilities



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# Conclusions

- Globally competitive GTL projects, robust economics
  - Lowest quartile production costs
  - Substantial capital cost savings (pipelines, pre-fabrication)
  - Managing capital risks – key alliances (eg Air Products)
  - Pragmatic solution for high CO<sub>2</sub> 3<sup>rd</sup> party gas
- 50yr C'wealth Government Environmental Approvals
  - Australia's only approved new greenfield LNG project
  - Assigned Major Project Facilitation Status
- Securing gas supply
  - 100% owned permit (NT/P68) - Heron-1 gas discovery
    - Potential for high quality, liquids rich, low CO<sub>2</sub> gas
    - Retaining control ensures timely development of projects
    - 3D & 2D seismic - 2006
    - Secured rig contract for Aug'07
  - 3rd party gas supply negotiations underway concurrently



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# The Company intends seeking shareholder approval for a change of name to MEO Australia Limited

The Company aims to broadening its focus to include natural gas production, LNG & Methanol production and possibly significant condensate production

MEO: methanol, energy & oil



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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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