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### **ASX & Media Release**

## **Tassie Shoal LNG project environmental approval updated**

### **Key Points:**

- Tassie Shoal LNG project environmental approval updated & extended for at least 5 years
- Environmental approval terms consistent with recently sanctioned projects

MELBOURNE, AUSTRALIA (29<sup>th</sup> March, 2012)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) is pleased to advise that the Federal Government has updated the Timor Sea LNG Project environmental approval. Concurrent with this revision the Department confirmed that the approval will remain valid until at least 28<sup>th</sup> March 2017.

The Federal Department of Sustainability, Environment, Water, Population and Communities reviewed the status of the environmental approval under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) and requested a revision to the terms of the approval to bring it into line with recent approval decisions.

Several of the revisions are now standard features of current approvals and are primarily borne out of the Montara Incident and subsequent Inquiry. Other revisions reflect contemporary practice and provide greater guidance on the requirements for the construction, operations and oil spill plans which will form the basis of subsequent approvals required before project commencement.

### **MEO's CEO and MD Jürgen Hendrich commented on the announcement:**

*"We are very pleased that the Government has revised the terms of the Tassie Shoal LNG project environmental approval and has given a clear, minimum five year extension. This initiative supports our efforts to commercialise this Project together with the Tassie Shoal Methanol Project and provides the clarity needed by prospective project partners to evaluate the projects."*

**Jürgen Hendrich**  
Managing Director & Chief Executive Officer

Attach: Tassie Shoal LNG Project - Business Overview

# Tassie Shoal LNG Project

(MEO 100%)

## Proposed LNG Development

**Environmental approvals secured**

**Pre-FEED stage development plans – US\$2bn cost savings**

**MPF Status granted**

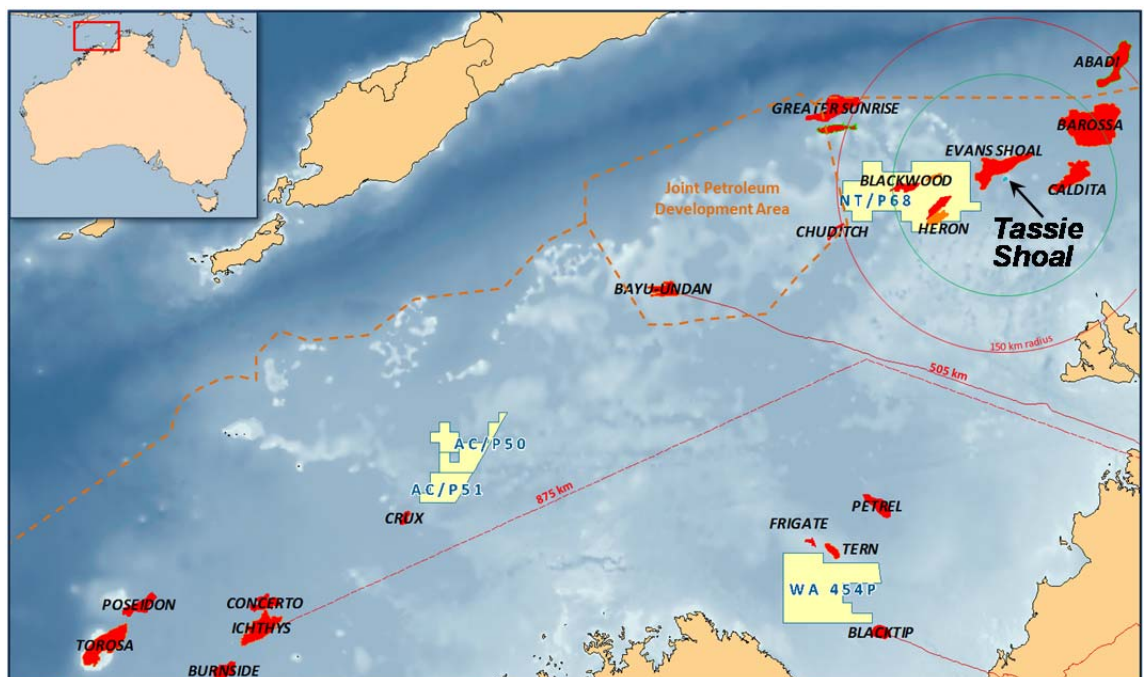
MEO has secured environmental approvals for a proposed 3.0MTA LNG plant to be located at Tassie Shoal. The location is adjacent to many undeveloped gas resources in the region including the Blackwood and Heron discoveries in the nearby NT/P68 exploration permit (MEO 50%).

Pre-FEED development plans have been prepared and costed for the proposed development which has the potential to reduce LNG project development costs by in excess of US\$2bn compared to FLNG or land based development.

The project has been granted Major Project Facilitation Status by the Federal Government Department of Infrastructure and Transport.

## Location Map

**Central location in rapidly growing LNG province**



## Project Overview

The project is an alternative commercialisation path to land based LNG for any of the remote gas resources in the region. The design basis is that high value liquids would be removed from the raw gas at the field location and dry gas piped to Tassie Shoal for processing into LNG.

**Established technology in unconventional location**

### Key Project Metrics

- Water Depth: 15m
- LNG Capacity: 3.0 MTA
- Processing platform: Jack-up steel structure
- LNG Storage: 170,000 m<sup>3</sup> (10 days production)
- Offloading: Conventional jetty or HiLoad system
- Capital Cost (excluding upstream): US\$2.1 Bn
- Gas feed assumption: <3% CO<sub>2</sub>
- Plant Deck Area: 100m x 50m
- LNG Process: APCI Dual Mixed Refrigerant
- Process Cooling: Indirect seawater heat exchange
- Fabrication Location: South East Asia - TBC



## Indicative Cost Savings over Land Based or Floating LNG

The proposed development plan significantly reduces project costs by reducing pipeline distances and allowing the plant to be fabricated in a low cost South East Asian location for installation in one module.

The following comparison table details MEO's estimate of indicative costs for development of 3.6 MTA LNG plants supplied from an indicative low CO<sub>2</sub> gas resource within 150km of Tassie Shoal.

**Significant savings over floating and land based LNG**

Estimated costs (US\$M)	Land Based (Darwin) LNG	Floating LNG	Tassie Shoal LNG
LNG Plant Costs	2,450	7,130	1,240 <sup>①</sup>
Condensate/LPG FPSO	900	Incl. in LNG FPSO	900
Pipeline (field to plant)	1,200 (450km)	Not Required	330 (150km)
LNG Storage Tank	320	Incl. in plant costs	320
Loadout/Jetty	250	Incl. in plant costs	270
Project Development & Owners Costs	220	340	120
Upstream Development Allowance (wells etc)	2,500	2,500	2,500
<b>Total Development Cost</b>	<b>\$7,840m</b>	<b>\$9,970m<sup>②</sup></b>	<b>\$5,680m</b>

<sup>①</sup> scaled up from 3.0MTA design basis covered by existing environment approval

<sup>②</sup> extrapolated from Prelude published data, reduced for CO<sub>2</sub>, liquids content and repeat build savings.

**MPF Status provides Federal Government assistance to coordinate further project approvals**

## About Major Project Facilitation Status

The Major Project Facilitation (MPF) program is administered by the Department of Infrastructure and Transport on behalf of the Minister for Infrastructure and Transport. Where appropriate, the MPF service will endeavour to ensure that Commonwealth approval processes are coordinated between the relevant state and territory government approval processes.

## Surrounding Area Activity

### Heron/Blackwood (NT/P68)

Eni and MEO are currently engaged in a program to evaluate the Heron and Blackwood discoveries after which development options will be considered.

### Evans Shoal (NT/P48)

The Evans Shoal gas discovery lies directly adjacent to NT/P68 and only 10 km from Tassie Shoal. In October 2011 Santos reached agreement with Eni to divest their 40% interest in the Evans Shoal field for up to US\$350 million dollars.

### Barossa (NT/P69)

The last well drilled in the permit in 2006 tested 16% CO<sub>2</sub> gas. The permit, which is operated by ConocoPhillips, reached the end of its scheduled secondary term in October 2011 without the drilling of the exploration well required under the minimum work program for the secondary term.

### Caldita (NT/P61)

The last well drilled in the permit in 2007 tested 13% CO<sub>2</sub> gas. The permit, which is operated by ConocoPhillips, is in the second last year of its scheduled secondary term. The minimum work program for the current permit year, which ends in October 2012 includes an exploration well.

### Greater Sunrise (NT/RL2, NT/RL4, JPDA 03-19, JPDA 03-20)

Woodside and their joint venturers have proposed a 4 MTA Floating LNG option for the gas resource located at Greater Sunrise, which partly lies within the Joint Petroleum Development Area cooperatively administered by Australia and Timor-Leste. The FLNG development proposal has been rejected by Timor-Leste and is currently under review.

**High activity region with undeveloped, proven gas resources**