MEO Australia

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

April 29th, 2010

Jürgen Hendrich, Managing Director & Chief Executive Officer

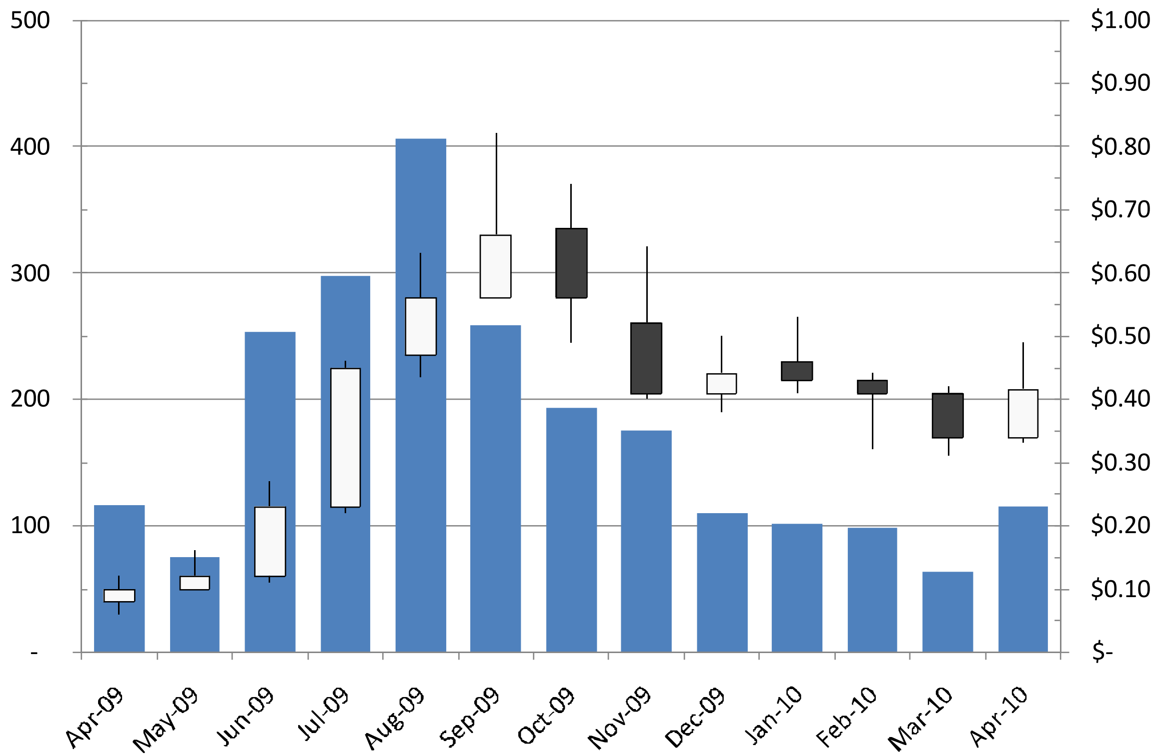
Corporate snapshot

Strong liquidity, open, largely retail register, ~A$80m cash*

MEO Australia Limited (MEO)	
Issued shares Treasury stock Unlisted Options	477.2 10.1 10.0
Mkt Cap (@$0.415)	$198m
Cash (31st March) *From Petrobras**	A$39.4m *+ US$39m*
Enterprise value*	$116m
Avg liquidity	~5m/day
Shareholders	~13,500
Top 20 hold	~19%

** Post regulatory approvals.*

Share price performance - rolling 13 months



Asset summary

Leveraging existing portfolio, seeking quality people & new projects

Category	Status	Plans
People	Balanced Board Experienced Management	In place since October 2008 Adding further capability
Projects	**North West Shelf (Exploration)** -WA-361-P (35%, Operator) -WA-360-P (20%, Operator) **Bonaparte Basin (Appraisal)** -NT/P68 (100%, Operator) **Timor Sea (Development)** -Tassie Shoal Methanol (50%) -Timor Sea LNG (100%) **New Ventures** - tba	 In Permit Year 6, will renew for 5 years Optioned rig. Drilling Artemis-1 2010 Renewed 5 yrs. Appraisal planned 2011 Suitable for <25% CO_2 in feed gas Suitable for low CO_2 in feed gas Seeking to supplement portfolio
Partnerships	JV with Air Products (TSMP) JV with Petrobras WA-360-P JV with ???? (NT/P68)	Pending suitable feedgas Drilling Artemis-1 late 2010 Seeking partner post technical studies

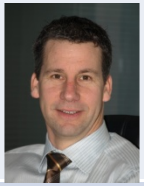
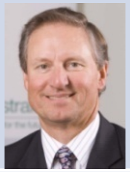
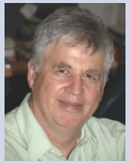
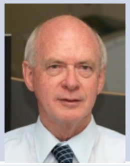
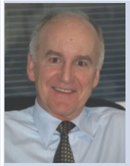
Balanced Board

Blend of industry and capital market experience

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

Experienced management team

Strong technical and commercial focus

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

Operating in established LNG provinces

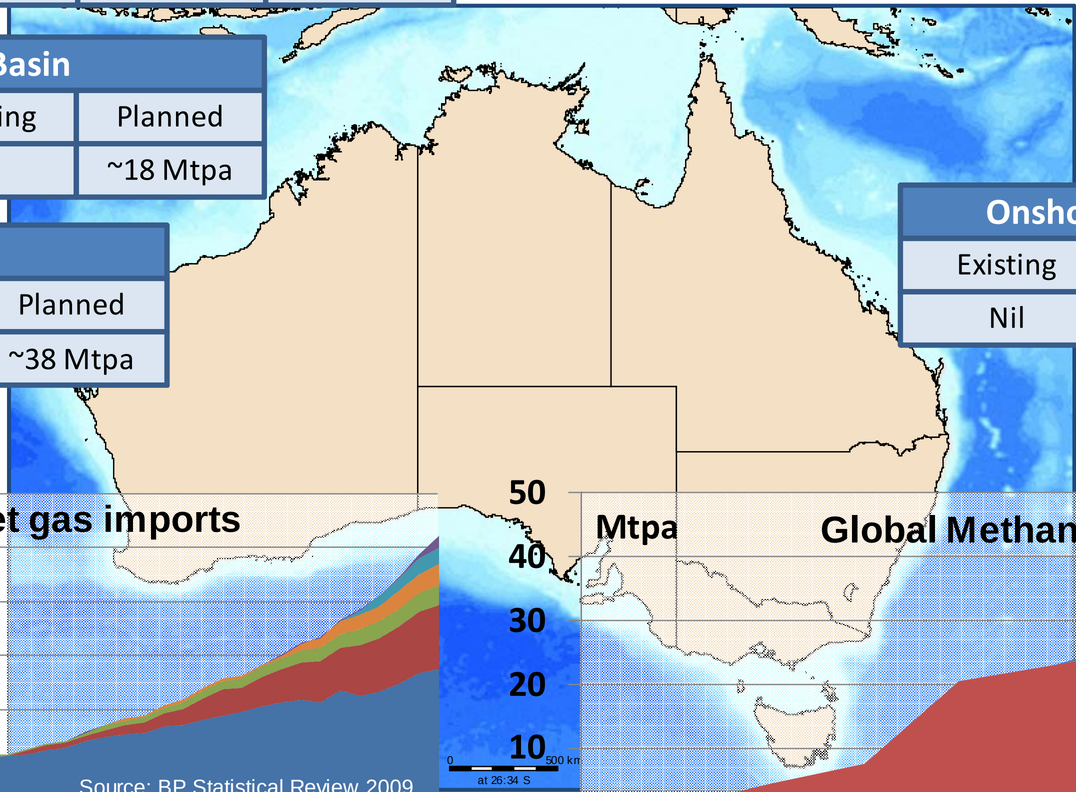
Focused on finding & monetising gas resources

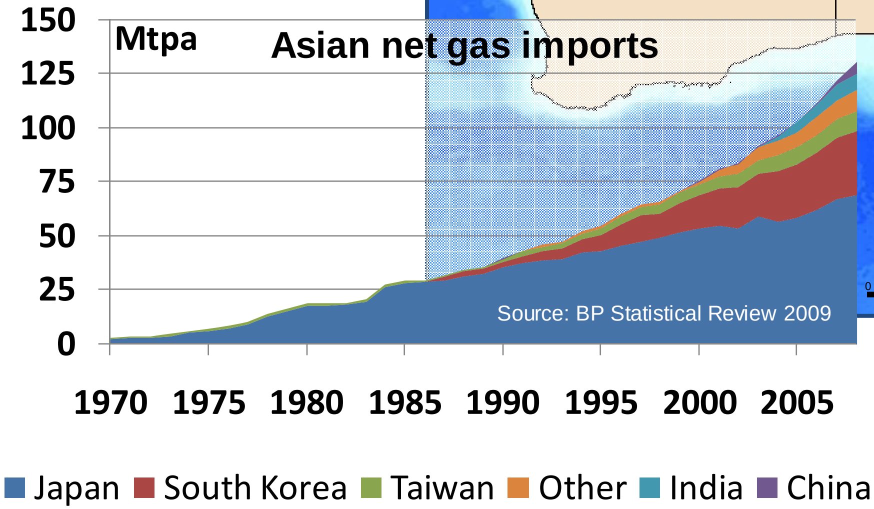
Bonaparte Basin		
Existing	Building	Planned
3.5 Mtpa	Nil	~ 10 Mtpa

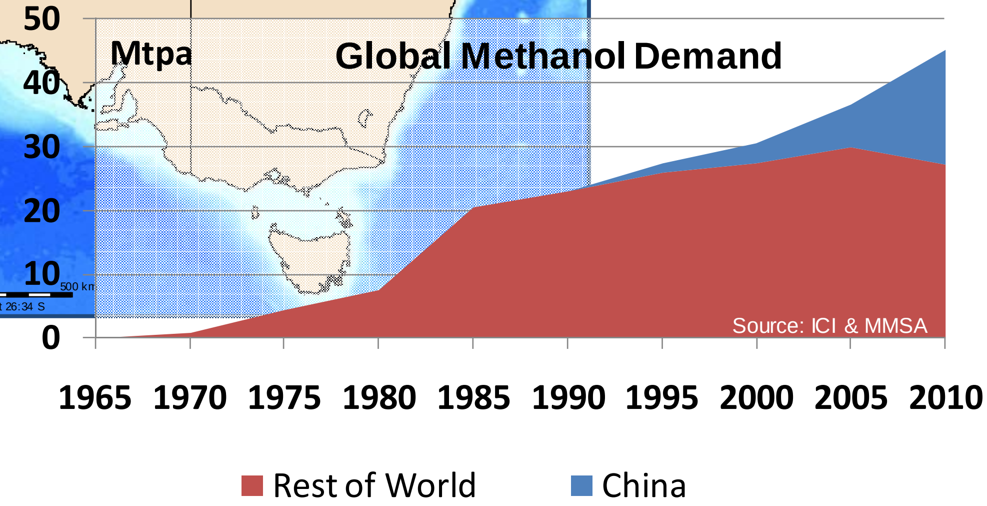
Browse Basin		
Existing	Building	Planned
Nil	Nil	~18 Mtpa

Carnarvon Basin		
Existing	Building	Planned
16.3 Mtpa	14.3 Mtpa	~38 Mtpa

Onshore Queensland - CSG		
Existing	Building	Planned
Nil	Nil	~12 Mtpa

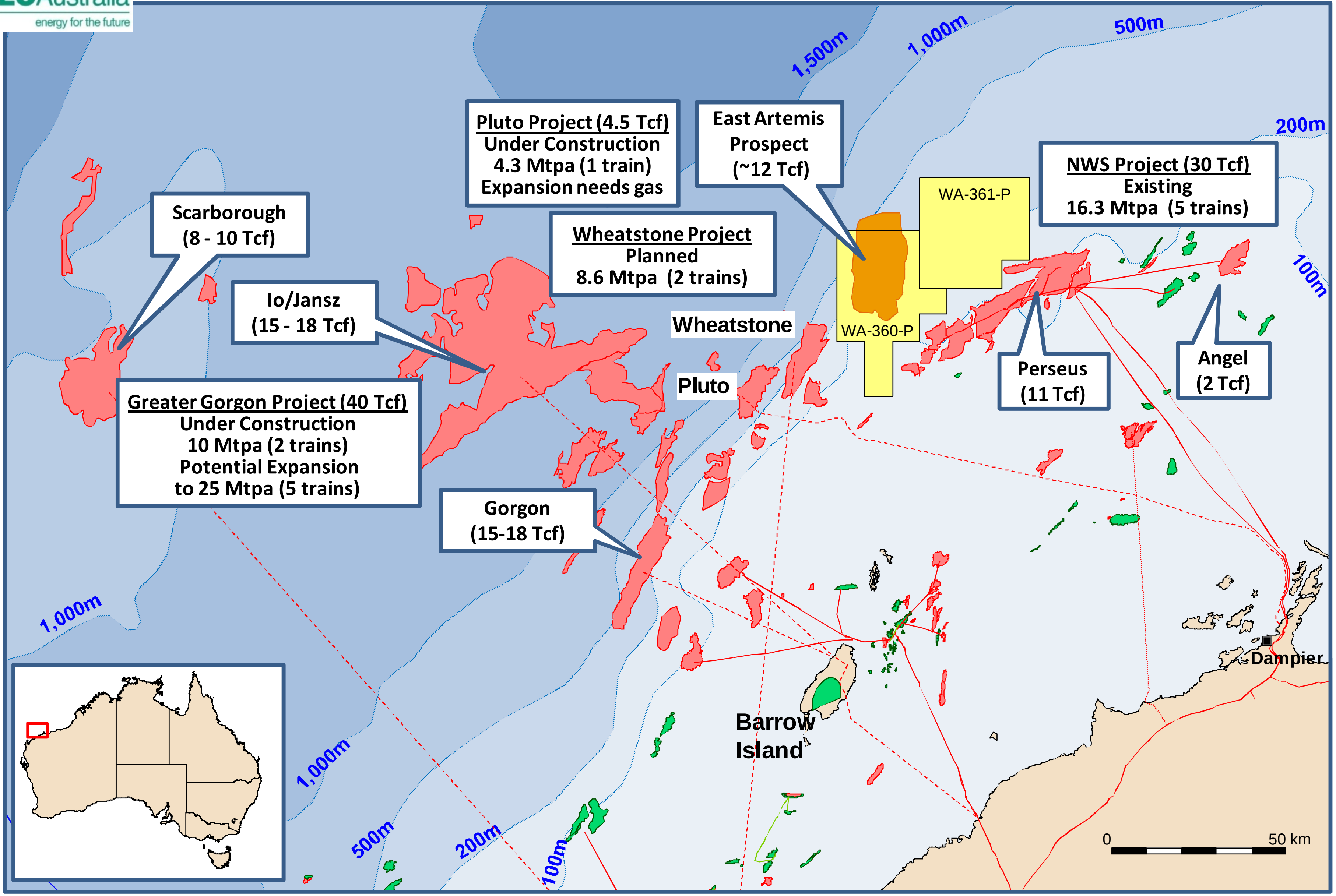






With strategically positioned acreage

On trend with recent discoveries & planned LNG developments



Attractive LNG project parameters

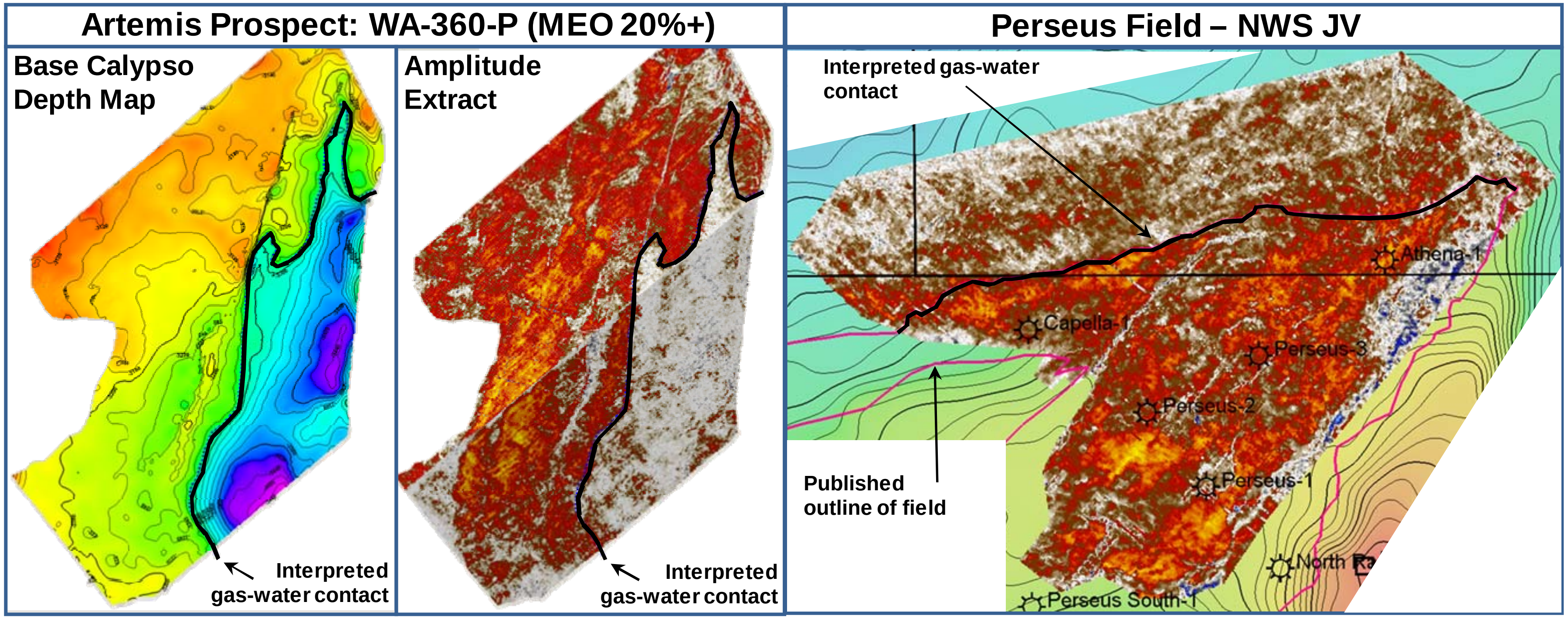
Expect similar commercial drivers to Pluto & Wheatstone

Project	Capacity Mtpa	Discovered	Production Gas/LNG	Distance	Dry	Dirty	Deep
NWS Gas Project	16.3	1971	1984/1989	🟢	🟢	🟢	🟢
Pluto I (in construction)	4.3 + 2? x 4.3	2005	2010/2011 2013, 2014	🟢	🟡	🟢	🟡
Greater Gorgon (in construction)	10 + 3 x 5	1981	2014	🟡 🟢	🔴	🔴 🟡	🟡
Wheatstone (in FEED – FID 2011)	8.6	2004	2016 ?	🟢	🟡	🟢	🟢
Artemis Prospect (MEO 20%)	**?**	**2010?**	**?**	🟢	🟡	🟢	🟢
Scarborough	6?	1979	?	🔴	🔴	🟢	🔴

- Distance: - long distance from suitable processing site
- Deep: - significant water depth &/or reservoir depth
- Dry: - lack of significant hydrocarbon liquids
- Dirty: - presence of contaminants (e.g. CO_2)

Artemis Prospect revealed on new 3D seismic

DHI* conformable with structure – similar to Perseus field



- * DHI = Direct Hydrocarbon Indicator
- + Post farm-out of 50% interest to Petrobras, subject to regulatory approvals
- Estimated Geological Chance of Success (GCOS) = 32%
- Gas quality expected to be similar to Pluto & Wheatstone
- Multiple monetisation options

With dual Jurassic aged reservoir targets

Combined mean prospective resources of ~12 Tcf

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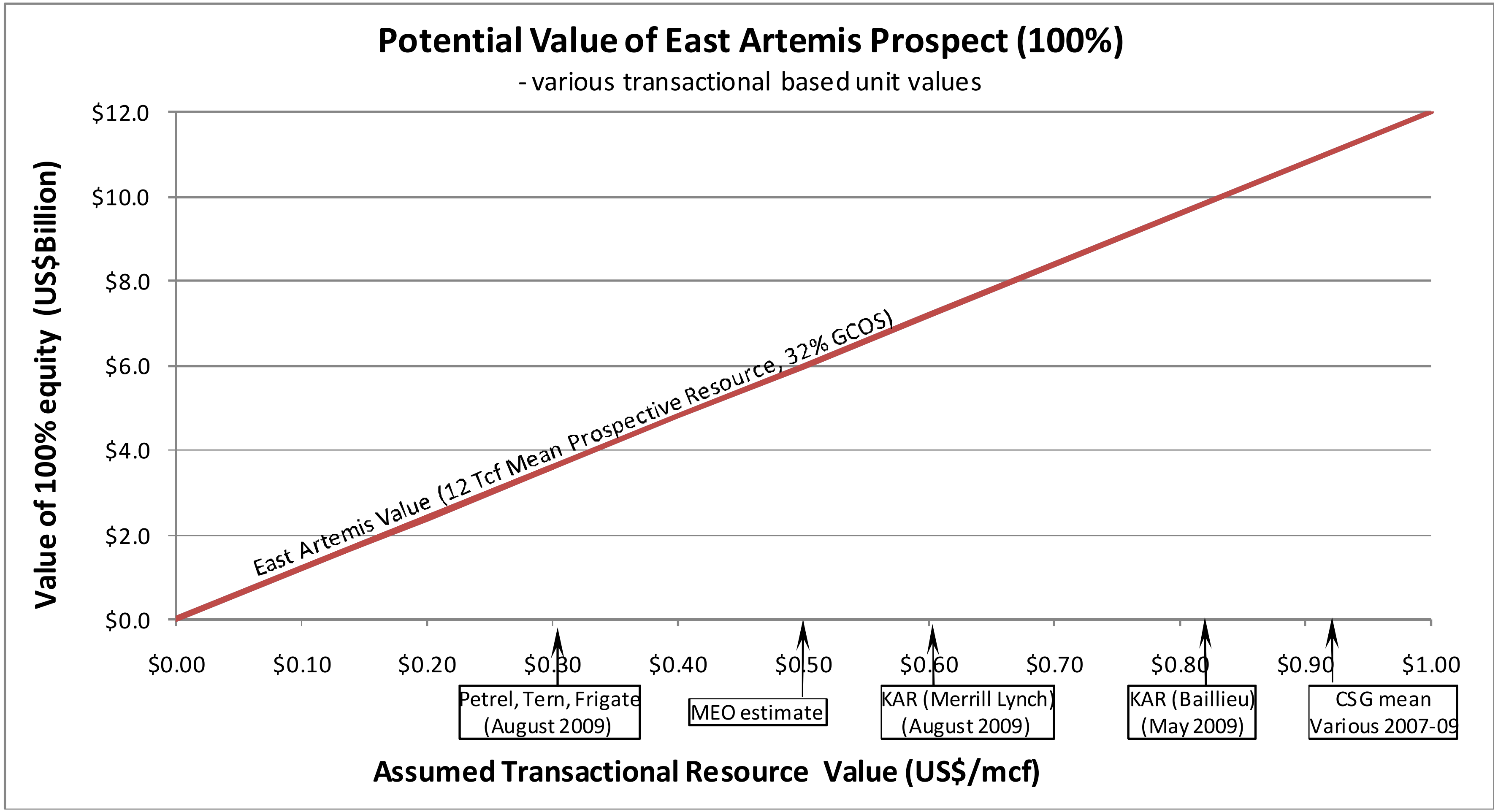
Table 5. Potential hydrocarbon distribution East Artemis (WA 360 P).

Calypso Formation		**P90**	**P50**	**Mean**	**P10**
Potential Gas in place	BCF	7,736	10,632	10,778	14,042
Potential recoverable gas	BCF	4,570	6,308	6,403	8,378
Potential recoverable condensate	mmbbls	51	75	77	106
Legendre Formation		**P90**	**P50**	**Mean**	**P10**
Potential Gas in place	BCF	5,892	9,186	9,466	13,439
Potential recoverable gas	BCF	3,489	5,454	5,623	8,001
Potential recoverable condensate	mmbbls	39	64	67	100

Source: PJ Cameron, ResourceInvest Pty Ltd, August 2009

Discovered gas likely to be readily monetised

Value depends on resource size, assumed unit value and markets



Retain 20% interest in WA-360-P post farm-in

Up to three well carry & up to US$70.5m cash (success case)

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- Farmed out 50% interest to Petrobras

  MEO retains 20% interest in permit

- Petrobras funds 100% of Artemis-1 to a cap of US$41m (not production tested)

- MEO receives ~US$39m cash including ~US$7.5m for reimbursement of past costs + US$31.5m cash bonus

  (cash position increases to >A$80m post regulatory approval)

- MEO remains Operator through drilling of Artemis-1

  Petrobras has option to assume Operatorship after Artemis-1

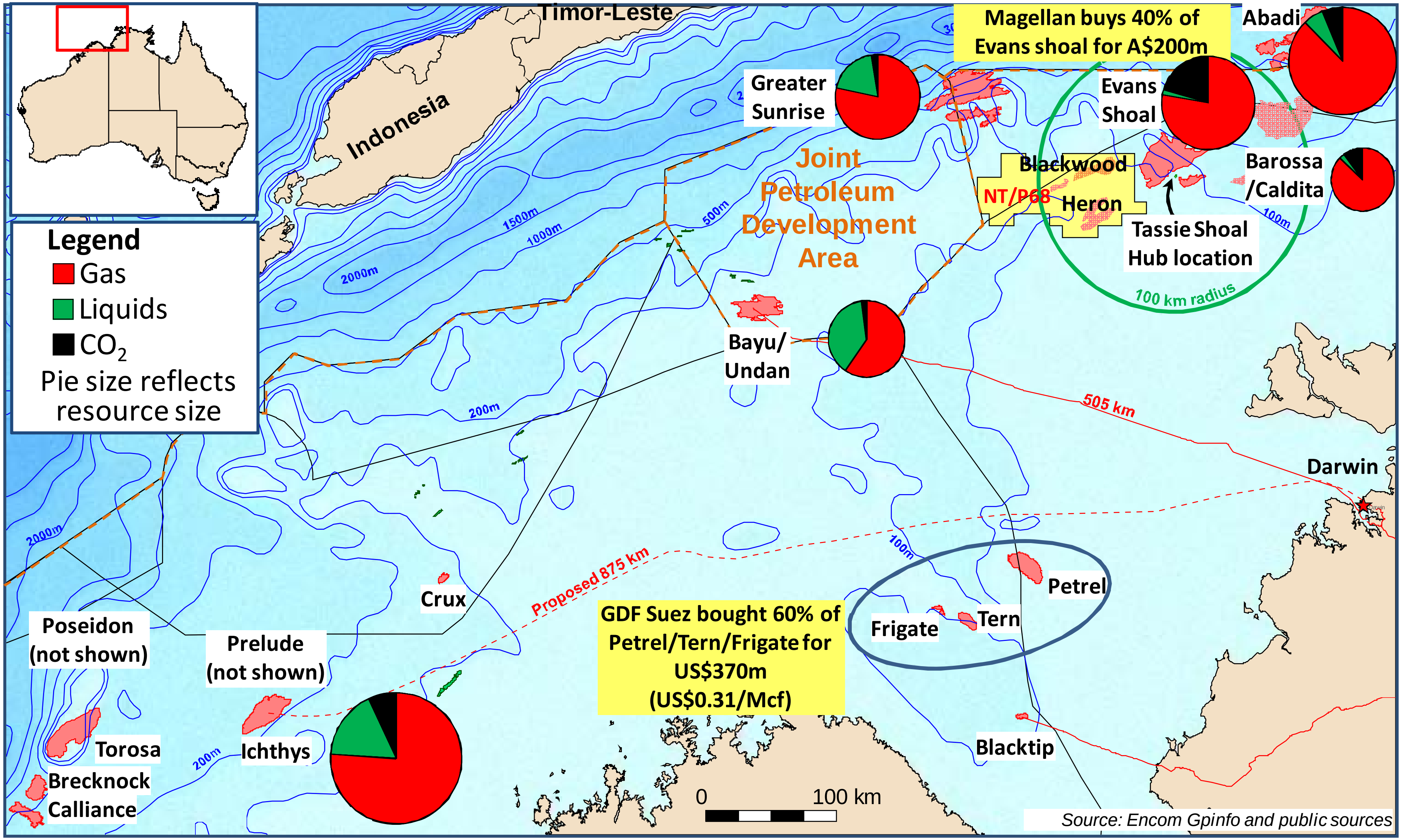
- In event of success at Artemis-1:

  MEO receives further cash bonus of US$31.5m

  MEO free carried for its share (ie 20%) of 2 additional wells to cap of US$62m (includes production testing)

Bonaparte & Browse Basins

1 existing LNG project (3.5 Mtpa) – remoteness/quality issues



Bonaparte Basin project parameters

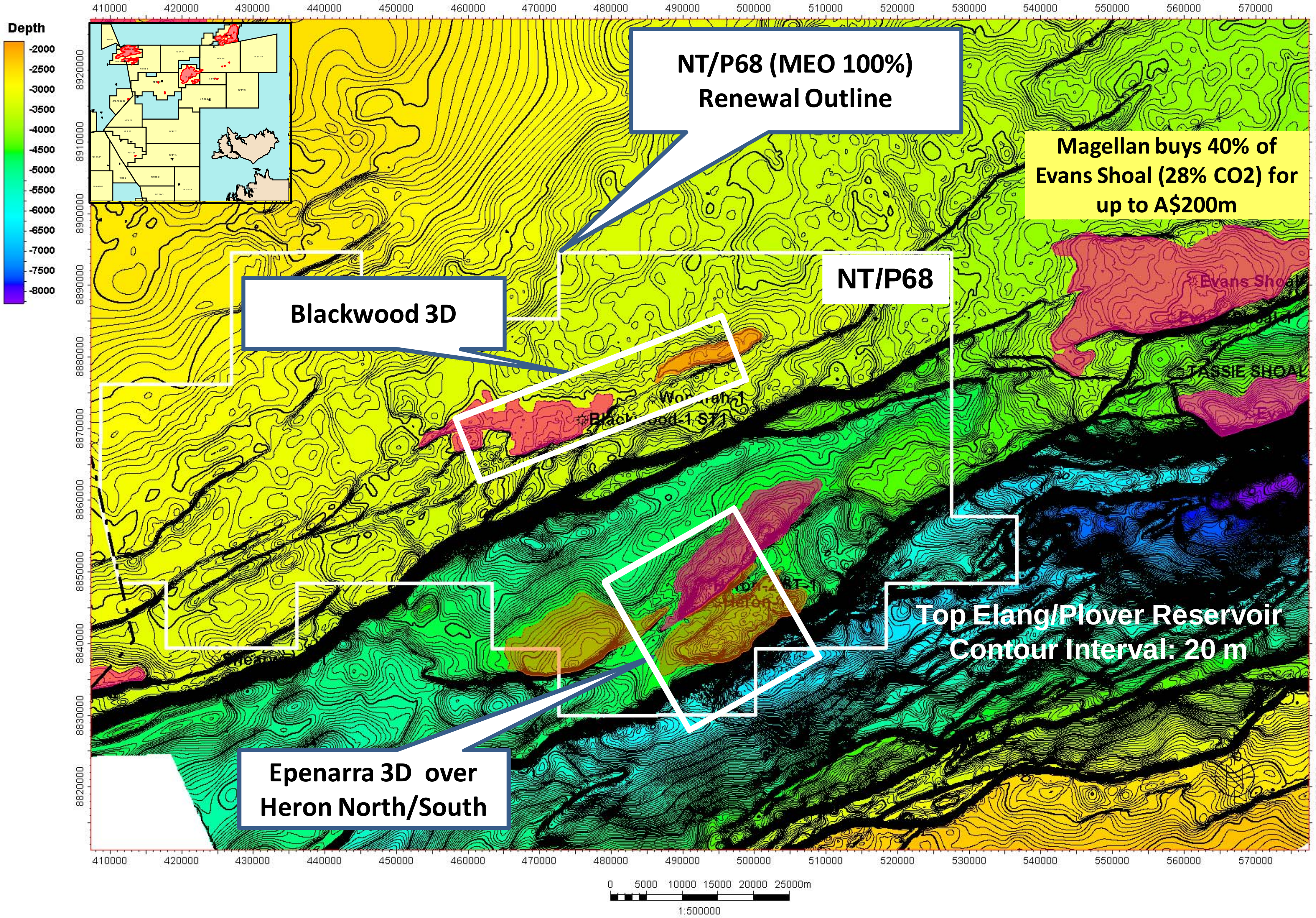
Distance, liquids & CO_2 challenged

Project	Discovery	Production Gas/LNG/MeOH	Distance	Deep	Dry	Dirty	Disputed
Bayu-Undan	1995	2001/2006	🔴 🟢	🟢	🟢	🟢	🟡 🟢
Blacktip	2001	2009/no LNG	🟢	🟢	🔴	🟢	🟢
Blackwood (MEO 100%)	**2008**	**FID + 3.5 yrs**	🔴 🟢	🟢	🔴	🔴 🟢	🟢
Heron (MEO 100%)	**2008**	**FID + 3.5 yrs**	🔴 🟢	🟡	🟡 ?	🟡 ?	🟢
Greater Sunrise	1975	?	🔴	🟢	🟢	🟢	🔴
Petrel/Tern /Frigate	1969	?	🟢	🟢	🔴	🟢	🟢
Evans Shoal	1988	?	🔴	🟡	🔴	🔴	🟢
Barossa / Caldita	1973/2005	?	🔴	🟡	🔴	🔴	🟢

- Disputed: - jurisdiction related complexities

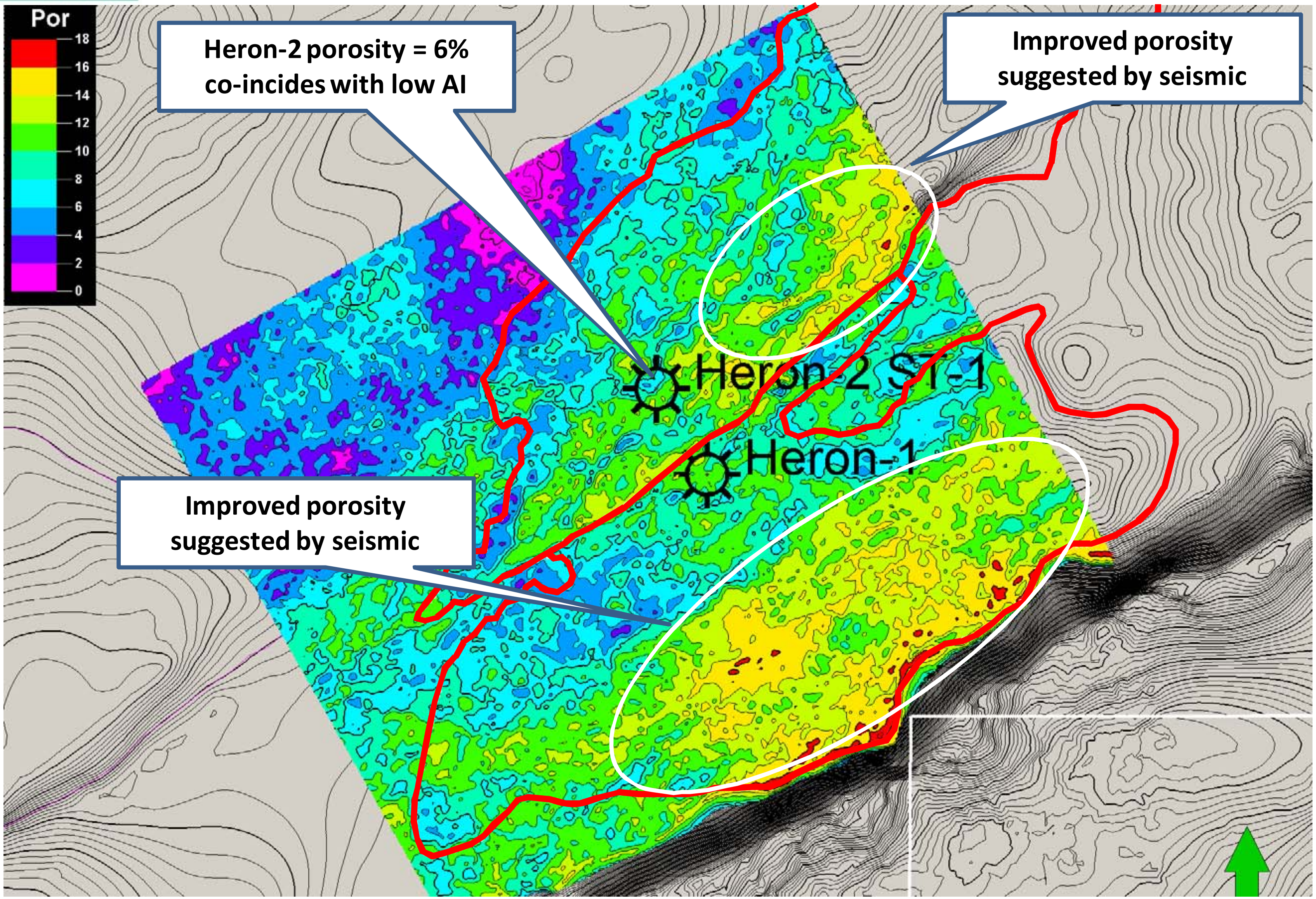
100%, 2 gas discoveries, nearby transaction

Permit renewed, farm-out pending finalisation of technical studies



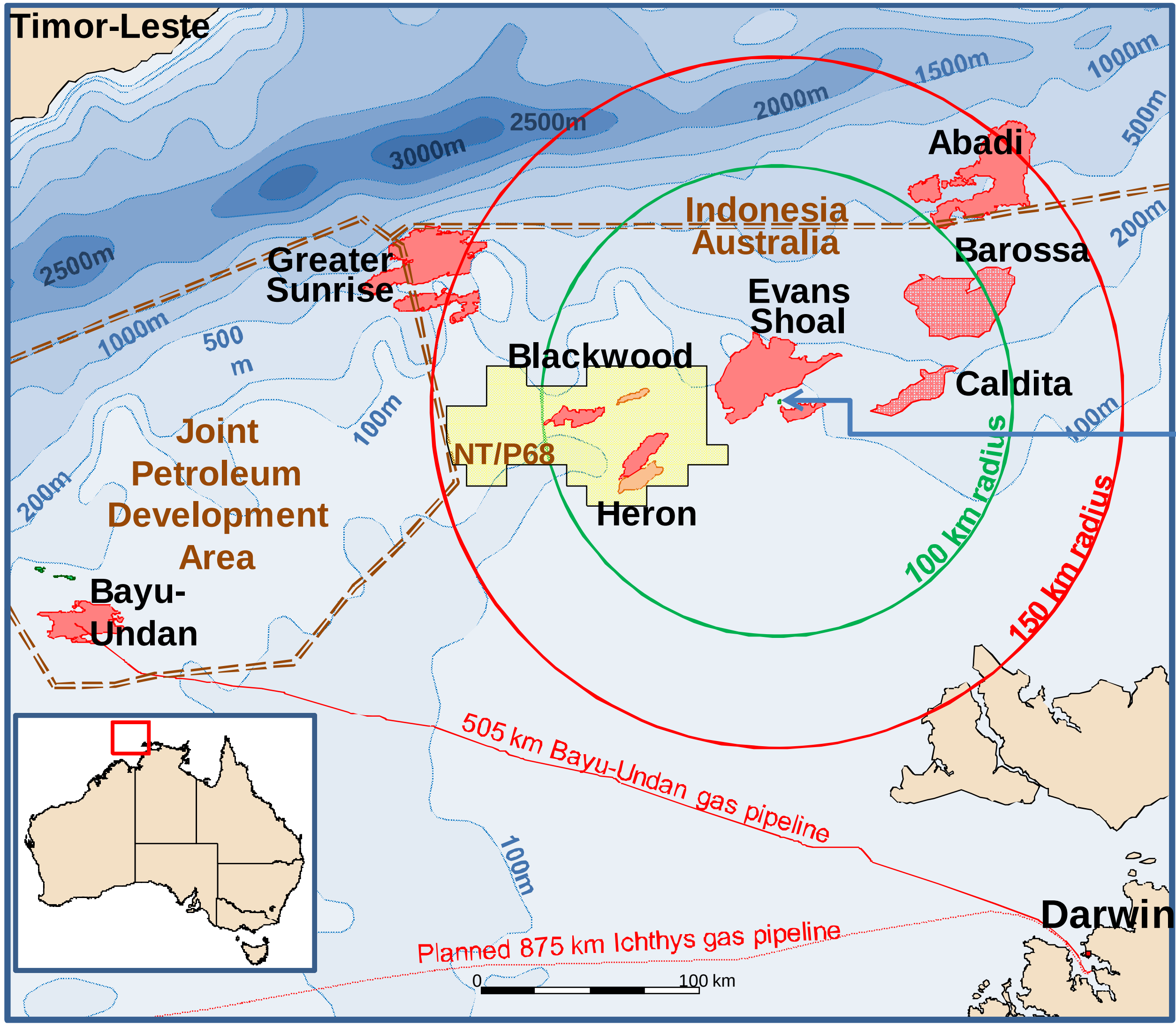
Advanced seismic processing underway

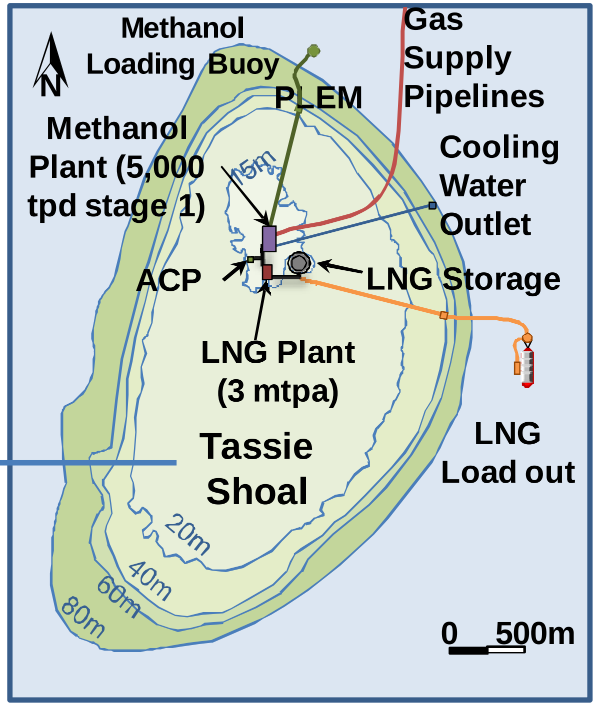
Acoustic impedance (AI) studies to predict reservoir sweet spots

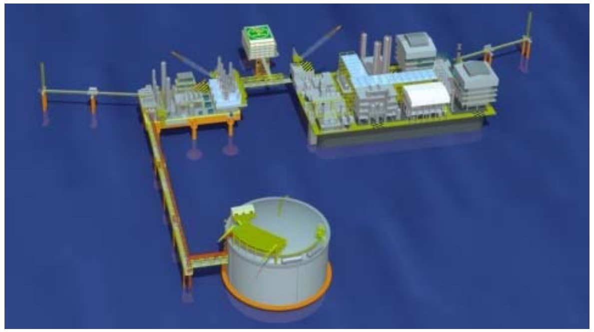


Tassie Shoal – a natural hub location

Solves remoteness & gas quality (CO_2 is sequestered into methanol)

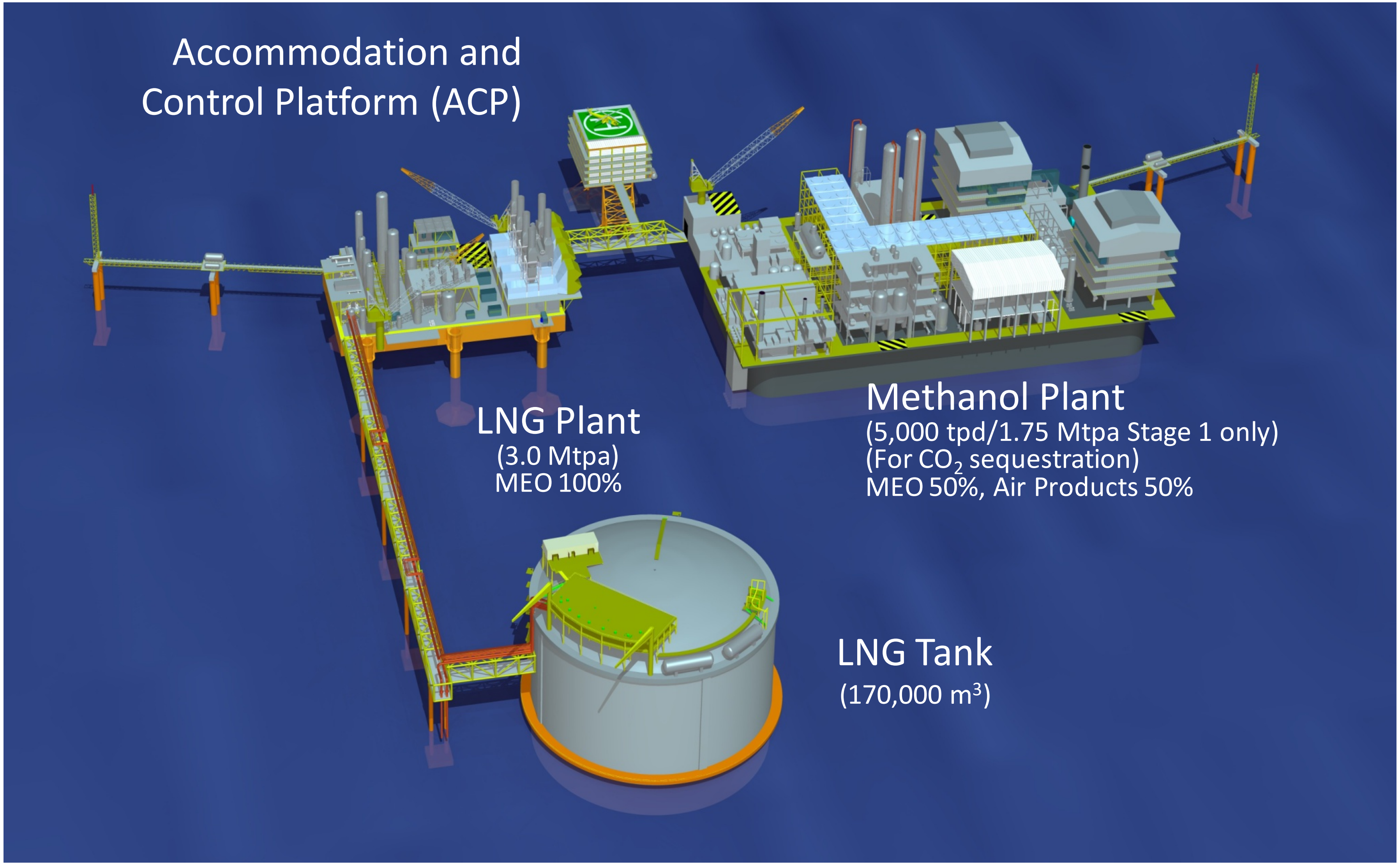






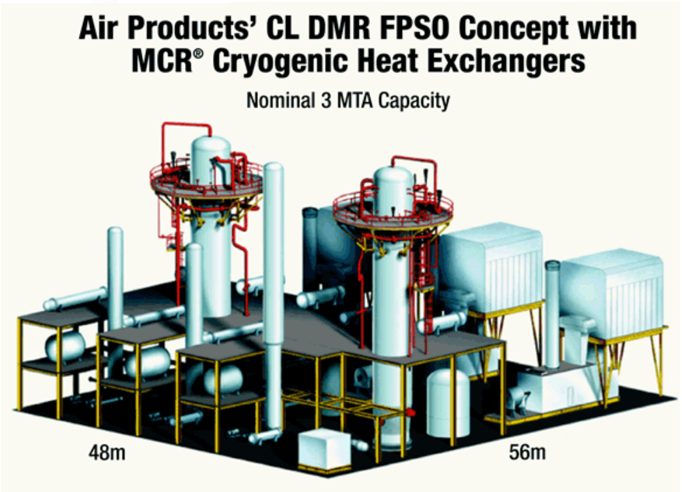
Tassie Shoal Projects – Single Modules

Environmental approvals secured – pending gas supplies



Timor Sea LNG Project

Combines two established designs



Air Products/Aker Kvaerner 1990's Concept

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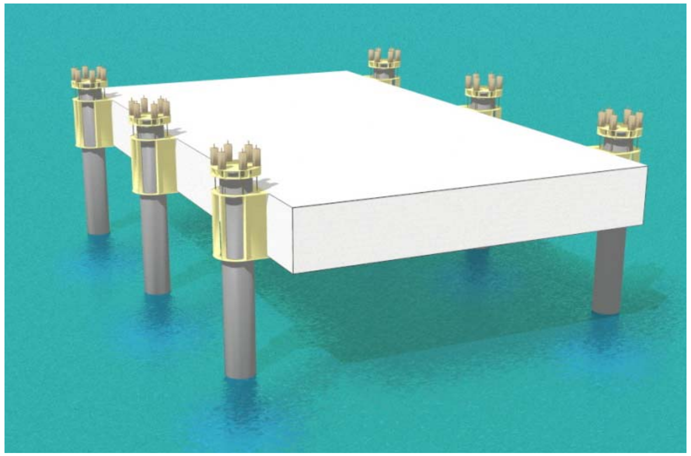

Arup Concept Elevating (ACE) Platform (100m x 50m)

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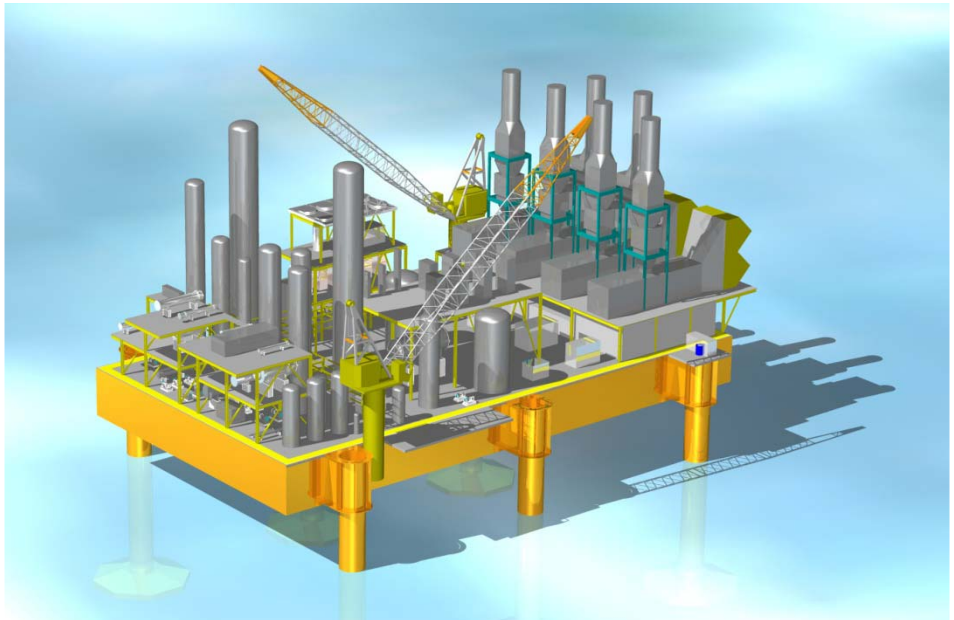

Timor Sea LNG Plant – one module

Tassie Shoal Methanol Project

Combines two proven technologies

- Plant based on Davy Process Technology M5000 plant operating in Trinidad

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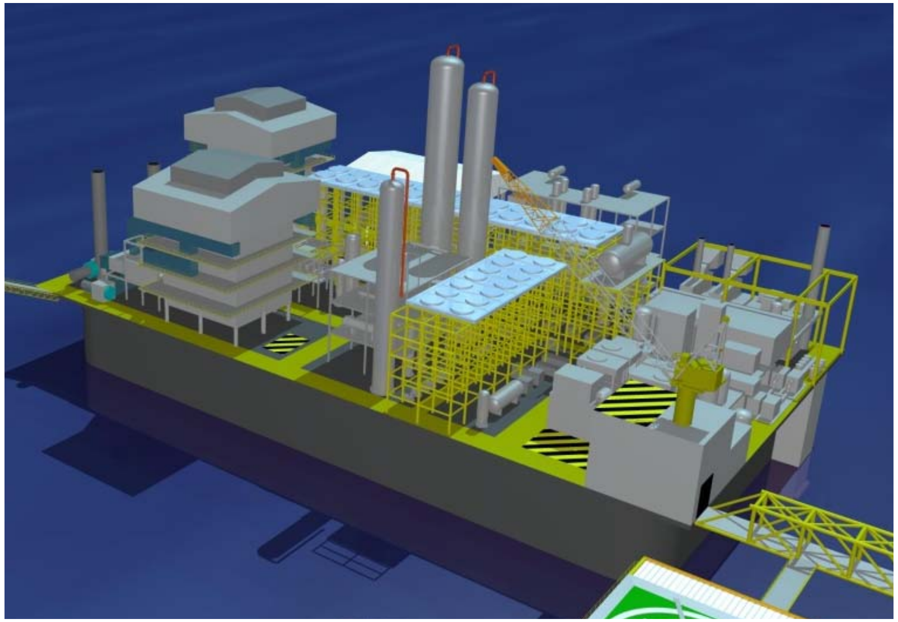

- GBS builds on the experience from ExxonMobil's Adriatic Re-gas terminal

Tassie Shoal saves >US$1bn in capex

Study compared similar land based LNG plant

Estimated costs (US$M)	Darwin LNG	Tassie Shoal LNG	Potential Savings
Plant Costs	1,549 (WorleyParsons est)	1,090 (WorleyParsons est)	**459**
Pipeline *	943 (WorleyParsons data)	288 (WorleyParsons data)	**655**
LNG Tank	300 (MEO est)	330 (Arup est)	**(30)**
Loadout/Jetty	200 (MEO est)	277 (TORP est)	**(77)**
Project Development & Owners Costs (6.25%)	188 (same % as TSLNGP)	106 (Fluor/APCI/MEO est)	**82**
Total Project Cost	$3,180m	$2,091m	**$1,089m**

- Plant costs savings driven by lower SE Asian construction costs
- Pipeline cost savings estimates are distance related

* Based on pipeline from Greater Sunrise to Tassie Shoal vs Greater Sunrise to Darwin

Conclusions

Positioned to deliver further value

- Balanced board, experienced management, planning to add further technical and commercial depth
- Well located gas projects in basins with established LNG infrastructure & clear commercialisation options
- Petrobras joins WA-360-P JV: MEO remains Operator through Artemis-1
- MEO free carried through Artemis-1 (~12 Tcf mean prospective resources) – a true “company maker” with an enviable LNG address
- 100% interest in NT/P68 containing two gas discoveries. Nearby transactional evidence points to significant potential value. Studies prior to farm-out in 2010
- Well cashed up (~A$80m post regulatory approvals) – seeking to supplement portfolio
- Enterprise value (ex cash) ~A$100m offers investors substantial leverage to exploration success &/or additional transactions