

SEAAOC 09

Pre-Conference Questions for Jürgen Hendrich

1. How have oil and gas companies adapted in the wake of the current Global Financial Crisis, and what will be the biggest issue going forward?

MEO is not in a position to speak for oil & gas companies in general, however we can offer the perspective of a junior company with big ambitions and the impact on those ambitions of an uncertain external environment.

The Global Financial Crisis was in reality a liquidity crisis caused by a collapse in the confidence of the financial system. While I won't dwell on the causes of this collapse in confidence, the outcome under these circumstances, was investors sat on their hands playing a 'wait and see' game. As a result, no one was buying, no one was selling and commerce collapsed. Asset values subsequently also collapsed because the traditional valuation metrics (eg earnings multiples) could no longer be relied upon.

From MEO's perspective, the collapse in our share price (like that of many other companies) compromised our ability to raise equity capital at attractive prices and essentially blocked our immediate future growth. Concurrently, it also made us corporately extremely vulnerable. Fortunately, everyone was in the same boat!

Fortunately, some semblance of stability has returned to the external environment and with it a more stable basis for conducting business.

The biggest issue MEO has going forward is remaining relevant to investors in a world that has become more risk averse. We can only achieve this by continuing to develop ideas and concepts that are attractive to 3rd parties and help them achieve their growth aspirations by partnering with us. This requires first class people and processes to deliver high quality projects to which sufficient technical rigour has been applied to lower risk to a level to warrant investing risk capital.

2. What has been the biggest challenge for MEO Australia?

Firstly, weathering the financial storm. MEO is a conservatively run company, so we have enough cash to remain in existence for some time at low levels of activity. However, to build a company, one has to be active. Secondly, to be taken seriously by large companies that we need to partner with to realize our ambitions. Small companies typically struggle to engage with the larger companies because they do not do sufficient technical work to warrant their attention. MEO has a very talented technical team that has decades of large company experience and understands how the large companies think. All of the companies that have visited our data room during the recent WA-360-P farmout have had their expectations of our technical capability exceeded by a material margin. This is a big tick for our team.

- 3. There is a lot of activity in Australian oil and gas at the moment, with the Gorgon Project tipped to go ahead, Inpex' foray into Darwin, and the continued growth of coal seam gas [three examples?]. What has you most excited about the future for the petroleum sector?**

The tremendous future of gas as the global fuel of choice in a carbon constrained external environment has me excited. The huge growth in the Coal Seam Gas industry is a classic example of this in the Australian context. MEO is well positioned to leverage this thematic with its gas focused asset portfolio. Our strategic acreage holding in Australia's premier LNG producing province – the Carnarvon Basin off the coast of Western Australia – together with two gas discoveries in the Timor Sea and our Tassie Shoal gas processing projects complete with EIA approvals hold the promise of considerable value both to our shareholders and the Australian people. Our Tassie Shoal Projects alone represent a potential catalyst for monetizing ALL the stranded gas in the basin with flow on benefits to all stakeholders in the region.

- 4. What do you think will be the highlights of SEAAOC in 2009?**

I think mapping a way forward for Darwin to further develop as a regional centre in support of the growing infrastructure in the Timor Sea will be a significant highlight. In order to make this happen we will need to meet, head on, a challenge which has faced the industry for some time in this region. The challenge for all of us is to find a way to transition the discovered resources in the region into commercial developments for the benefit of all Australians. The importance of unlocking the wealth of Australia's vast petroleum resources for the benefit of all Australians has been acknowledged at the Federal level already. No longer is it acceptable to for Australian resources to be warehoused and kept for a rainy day – that rainy day is here and the time to act is now.

- 5. What will be the basis of your presentation for MEO Australia?**

I will present a forward plan which will show how MEO can play a significant role in monetizing stranded Timor Sea gas and lower the economic threshold for development of all resources by creating an infrastructure hub on Tassie Shoal. We see this as a win for all stakeholders.