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# Investor Update

January 2009

# Corporate Snapshot

ASX Code		MEO
Founded	Year	1994
IPO	Year	1998
Issued Capital	million	417.3
Last price (14-Jan)	A\$	\$0.27
Market Cap	A\$m	\$113
Cash (31-Dec-08)	A\$m	\$29
Options (unlisted)	million	15.7
Top 20 shareholders	%	42.4%



Chairman	Nick Heath	Appointed May'08
Managing Director (&CEO)	Jürgen Hendrich	Appointed CEO Jun'08 , MD Jul'08
Non-Executive Director	Greg Short	Appointed Jul'08
Non-Executive Director	Michael Sweeney	Appointed Oct'08
Non-Executive Director	Stephen Hopley	Appointed Oct'08



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# Substantially enhanced value proposition

## New board of directors

- Well credentialed, diversity of disciplines
- Orderly succession planning

## Increased management depth

- Broadened depth commensurate with enhanced activity & ambitions

## Enhanced project depth and potential

- Declared 2x gas discoveries in Bonaparte Basin (MEO Operator)
  - Requires further appraisal – likely in 2010
- Added highly prospective Carnarvon Basin permits (MEO Operator)
  - Defining substantial prospectivity in WA-360-P independent of Zeus

## New alliances

- Engaged industry in Carnarvon Basin farm-out process
- Engaging major custodians of stranded 3<sup>rd</sup> party gas in Bonaparte Basin

## Well placed to weather financial storm

- Actively generating high quality prospects
- High levels of equity in quality projects facilitates farm-out
- A\$29m cash at 31-December-2008



# Completely new board

Position	Name	Appointed	History
Chairman	Nick Heath	12 <sup>th</sup> May '08	Chemical Engineer, >30 yrs ExxonMobil, Former chairman APPEA
Managing Director	Jürgen Hendrich	25 <sup>th</sup> July '08	Petroleum Geologist (12 yrs, ExxonMobil) & Investment Banking (12 yrs)
Non-Exec Director	Greg Short	14 <sup>th</sup> July '08	Geologist, 33 yrs with ExxonMobil. Extensive international experience
Non-Exec Director	Michael Sweeney	1 <sup>st</sup> Oct '08	Barrister, 10 yrs with MiMi
Non-Exec Director	Stephen Hopley	1 <sup>st</sup> Oct '08	Financial Services, Macquarie Bank (14yrs) Retired '03



# Expanded management capability

Position	Name	Appointed	History
CEO	Jürgen Hendrich	16 <sup>th</sup> June '08	Petroleum Geologist (12 yrs, ExxonMobil) & Investment Banking (12 yrs)
CFO /Co. Secretary	Colin Naylor	5 <sup>th</sup> Feb '07	FCPA >30yrs Woodside (11yrs) BHP (5yrs) Rio Tinto (7yrs)
Implementation Manager	Ken Hendrick	1 <sup>st</sup> July '06	Project Manager/Civil Engineer >40 yrs Fluor, ExxonMobil, International resource companies
Development Engineering Manager	John Robert	1 <sup>st</sup> July '01	Chemical Engineer/Economist >40 yrs Qenos (ex APC 7yrs), AusTrade, methanol co's Davy John Brown & Kvaerner (>15 yrs)
Exploration Manager	Dave Maughan	5 <sup>th</sup> August '08	Geologist 33 yrs ExxonMobil. Extensive international experience.
Commercial Manager	Robert Gard	10 <sup>th</sup> Nov '08	Mechanical/Electrical Engineer >22 yrs ExxonMobil. Gas marketing, business analysis, planning, sub-surface engineering



# Targeting gas in established LNG provinces

## Bonaparte Basin

Tassie Shoal (50%-90%)  
Approved GTL Projects

NT/P68 (90%-100%)  
12,070 km<sup>2</sup>

Environmental Approvals  
EPBC Act (1999) (til 2052)

Heron North (90%)  
Gas Discovery

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

Blackwood (100%)  
Gas Discovery

TSLNG Project  
1 x 3 Mtpa plant  
(90%)

Heron South  
Prospect

Epenarra  
Prospect

## Carnarvon Basin

WA-361-P (35%)

WA-360-P (60-70%)  
Drill/drop 31-Dec-09

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

Zeus Prospect  
(>15 Tcf GIP)

Artemis Prospect  
(>5 Tcf GIP)

Hephaestus Lead

Heracles Lead  
(2+ Tcf GIP)

Lady Nora - extn

West Zeus - Lead

West Zeus Lead

Eris Lead

Hephaestus Lead

Hebe Lead

Amphion Lead

Ersa Lead

Pandia Lead

1x existing LNG Train - 3.7 Mtpa

5x existing LNG trains - 16.3 Mtpa  
1x under construction LNG train - 4.3 Mtpa

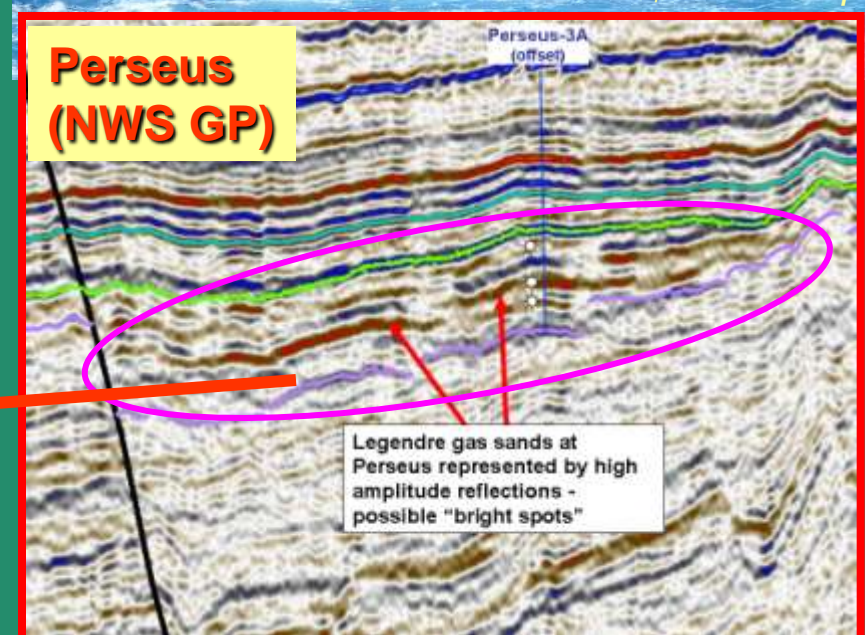
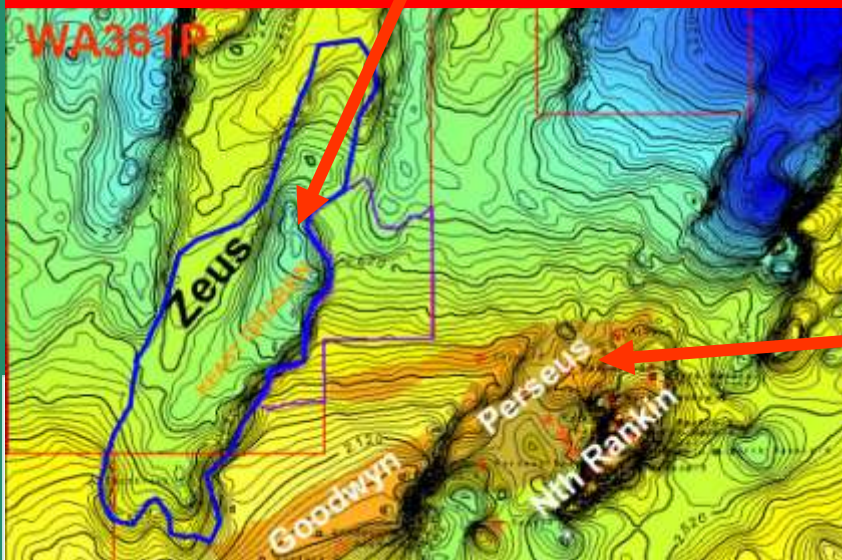
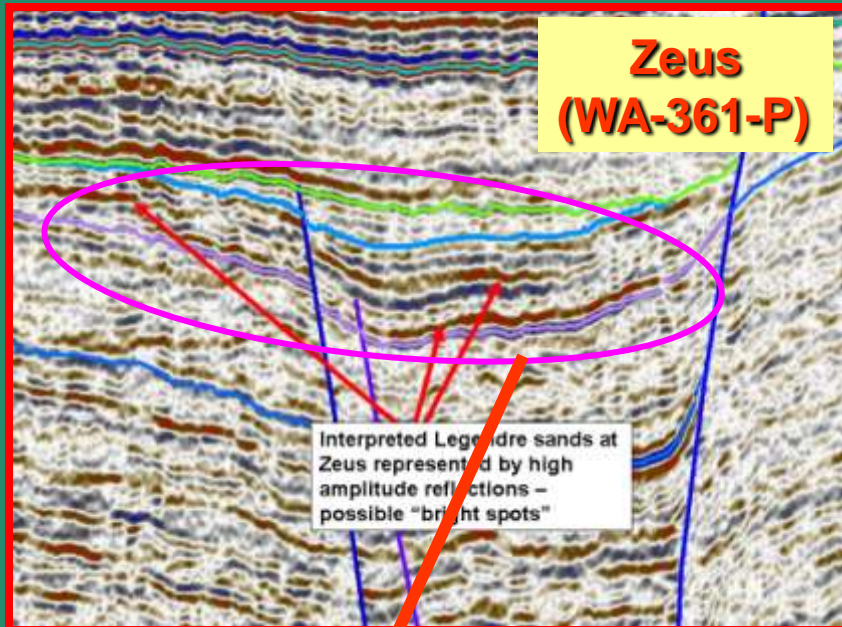


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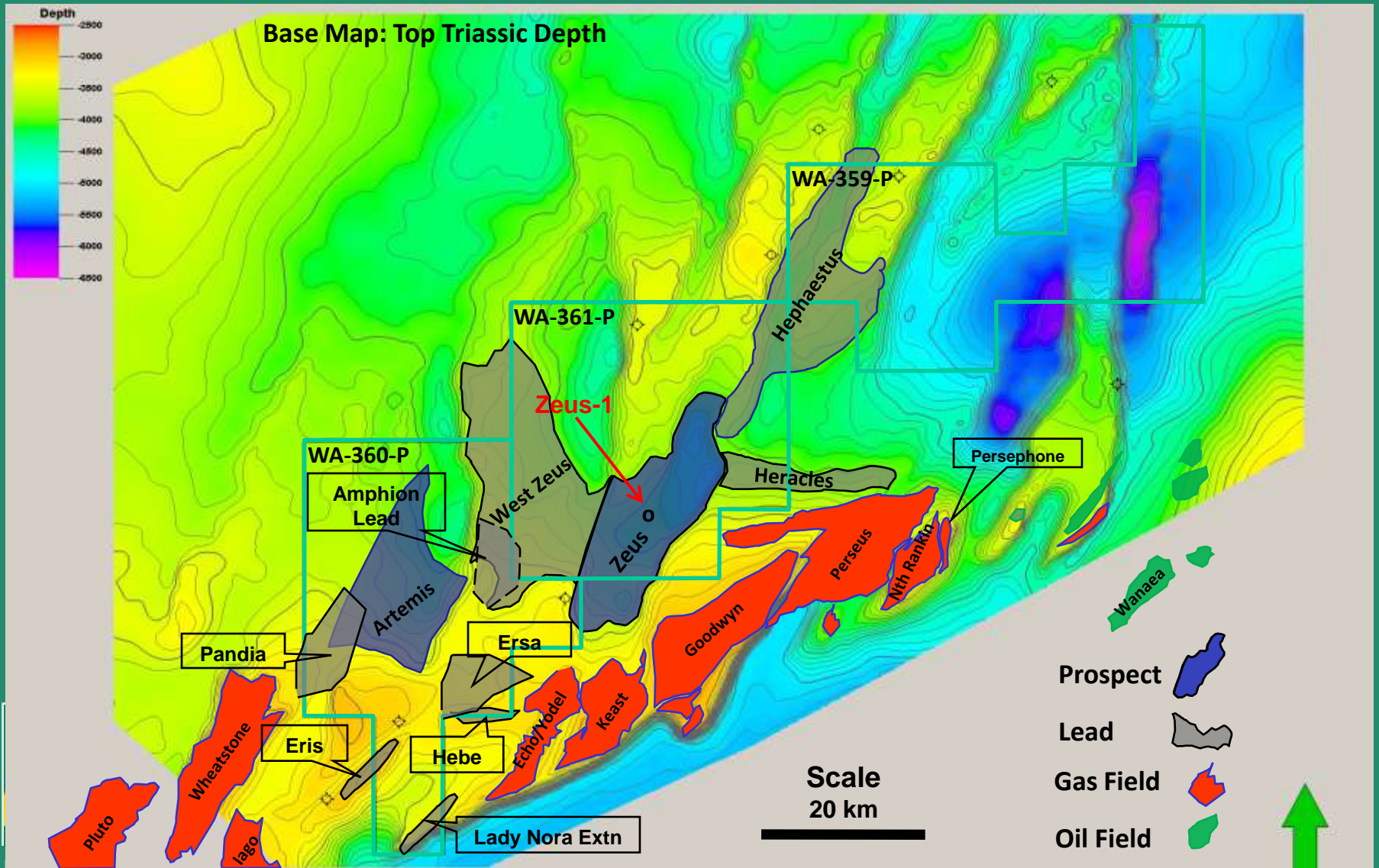
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# Zeus Play – a potential ‘game changer’



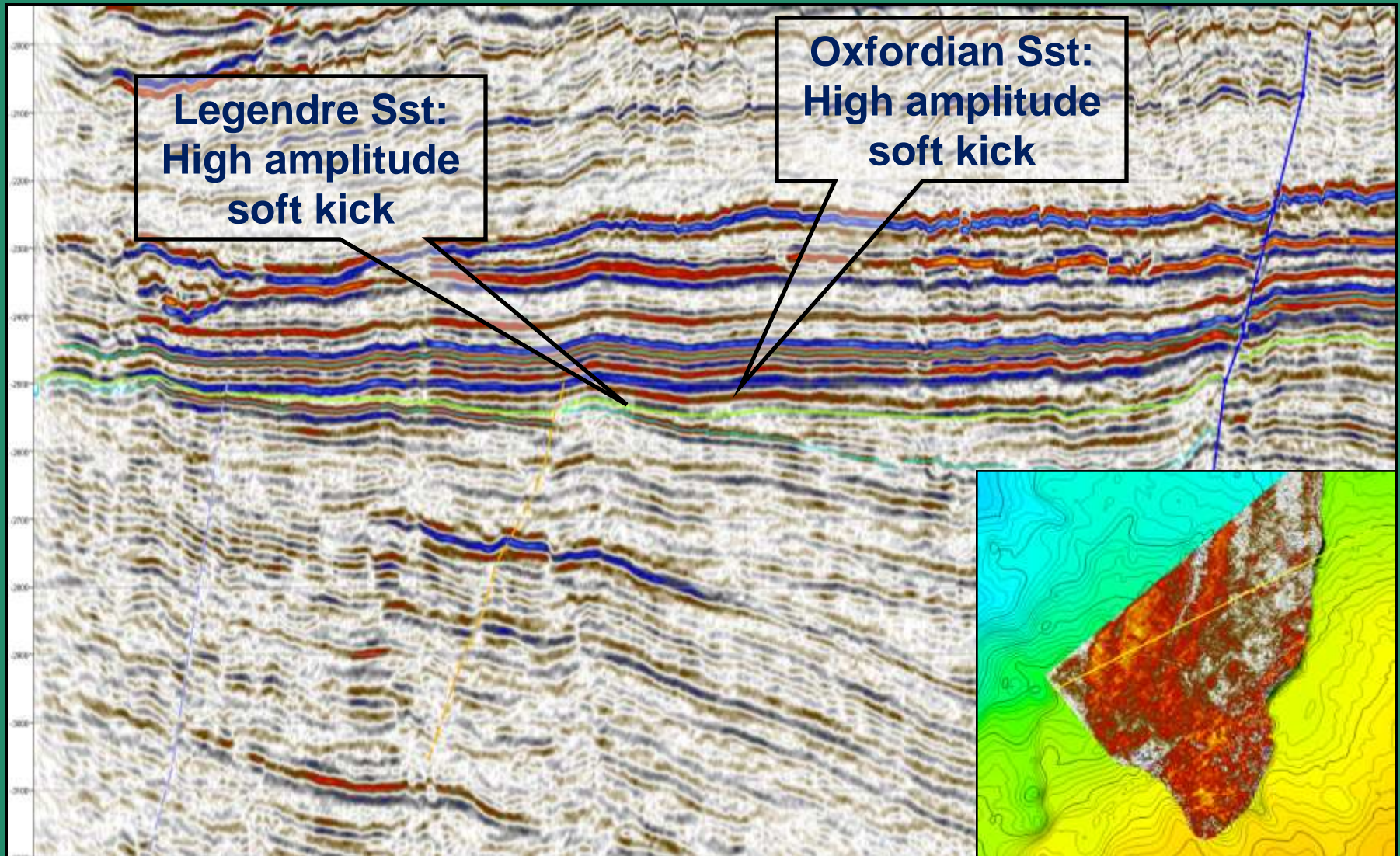
# Carnarvon Basin Prospects

- Substantial identified prospectivity independent of Zeus



# Artemis Prospect

- AVO supported seismic amplitudes conformable with structure
- Additional 3D seismic planned 1H'09



# Bonaparte Basin – CO<sub>2</sub> challenged gas

## Commercial impediments

- Gas quality: Dry, Dirty (CO<sub>2</sub>)
- Location: Distant, Deep, Disputed
- JV issues: Dysfunctional
- Single project vs regional Hub

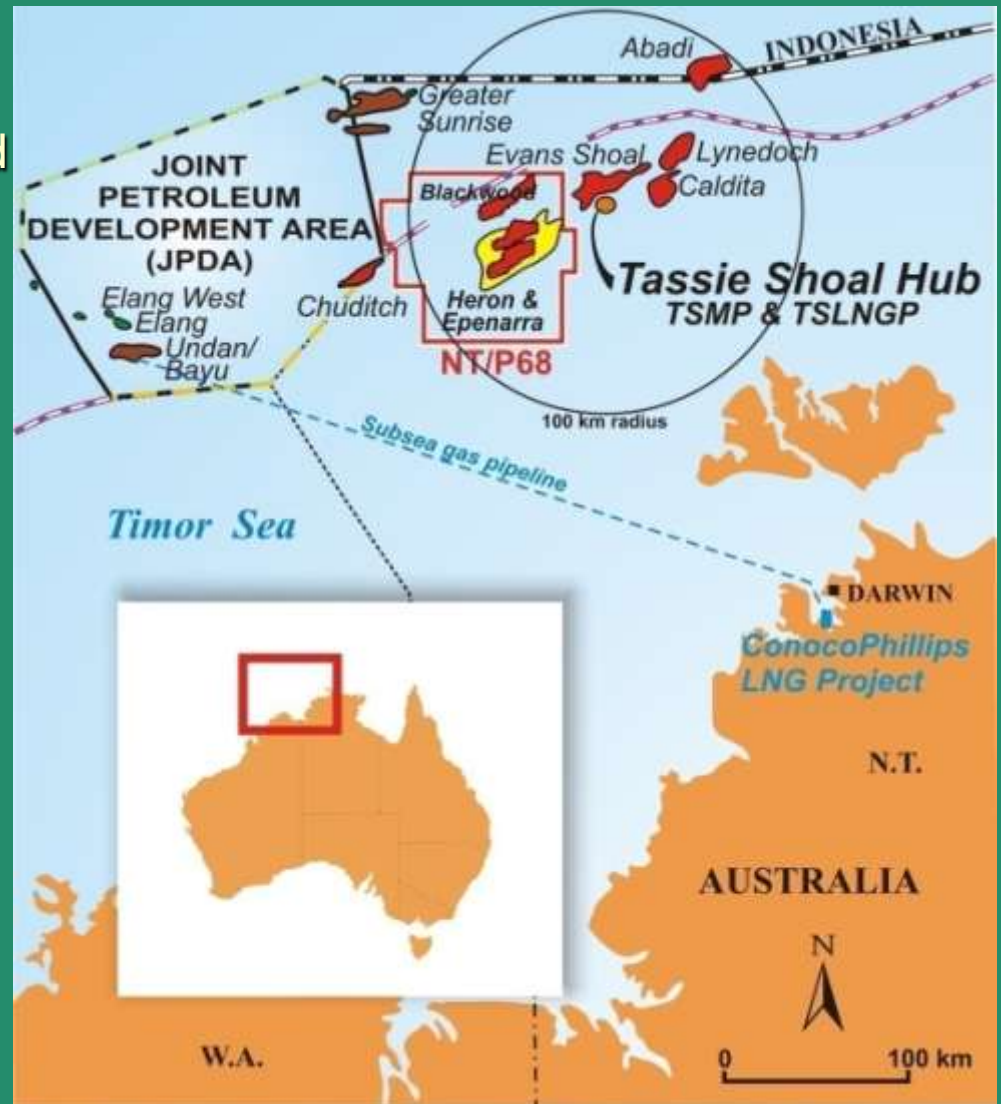
## MEO's solution

- Tassie Shoal - the future hub
  - CO<sub>2</sub> converted to methanol
  - Proximal to gas discoveries
  - Avoids expensive gas pipelines
  - 3<sup>rd</sup> party gas welcome
  - Undisputed Australian waters
- Low cost development
  - Pre-fabricate in SE Asia
  - Pre-commission
  - Tow to site - Tassie Shoal
  - Simple de-commissioning



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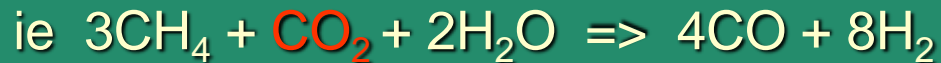


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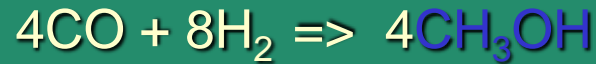
# Methanol – a CO<sub>2</sub> sink

Carbon Sequestration by Steam Methane Reforming (SMR) Methanol Process

- **Gas Reforming:**



- **Methanol Synthesis:**



- 1 mol CO<sub>2</sub> with 3 mols CH<sub>4</sub> is ideal for synthesis to methanol



# Tassie Shoal

– an ideal infrastructure Hub with an integrated solution for CO<sub>2</sub> disposal



## GTL Projects – with Approvals!

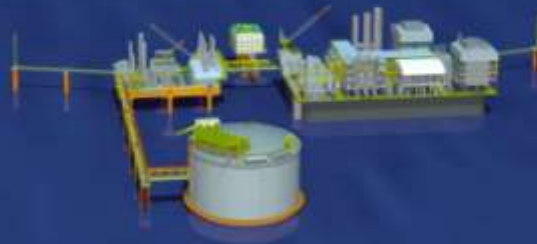
- Integrated solution for CO<sub>2</sub>
- Substantial CAPEX savings
- Environmental approvals secured (EPBC Act) until 2052
- Tassie Shoal Methanol Project
  - 2 x 1.75 Mtpa
- Timor Sea LNG Project
  - 3 Mtpa
- Fast-track to market
- Un-disputed Australian waters

*The economic 'game-changer'*



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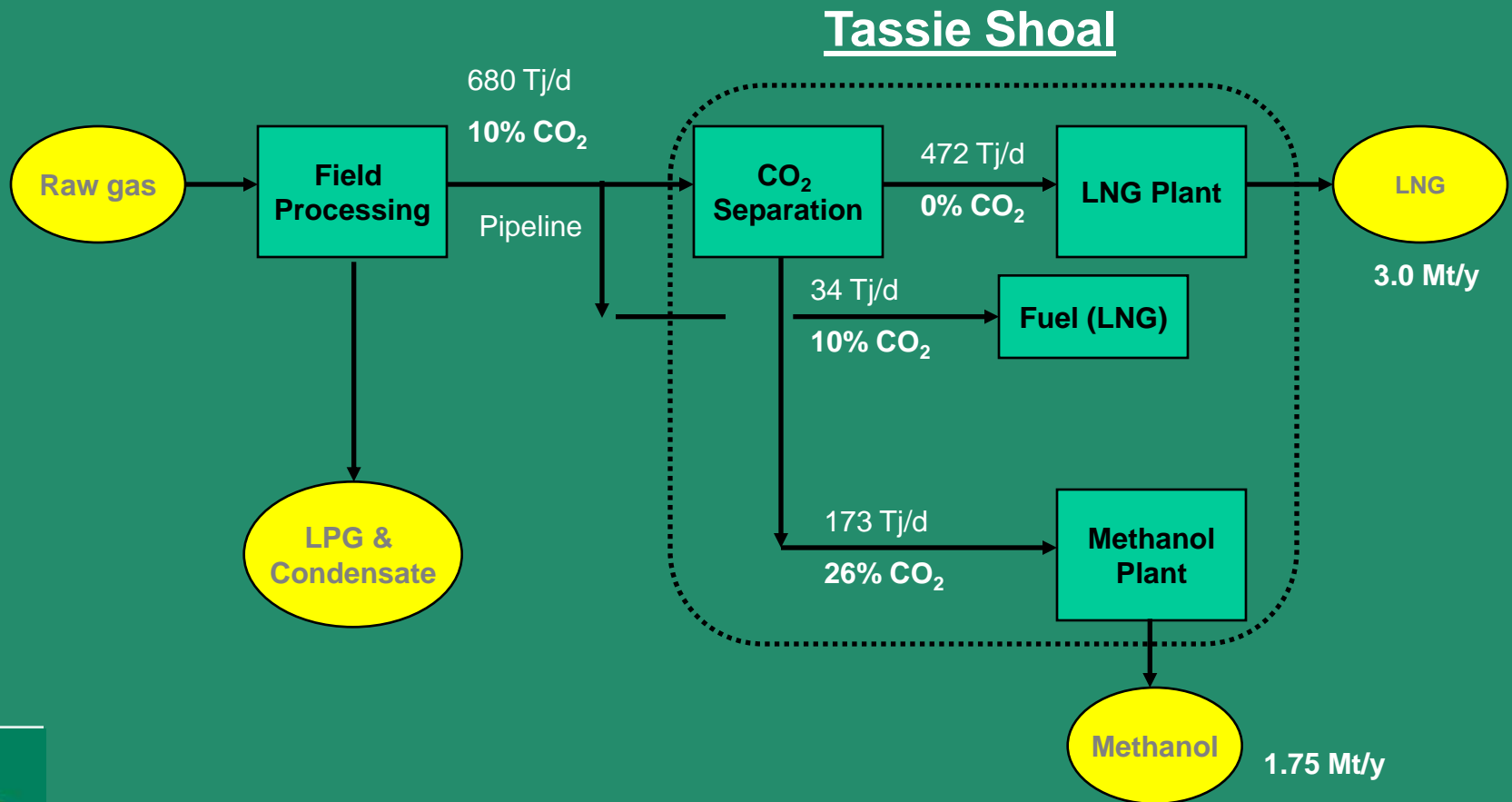
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# Tassie Shoal GTL Projects

An integrated solution for CO<sub>2</sub> challenged gas



Requires ~4.7 Tcf raw gas to operate for 20 years



# Tassie Shoal LNG – a viable alternative

Estimated costs * (US\$M)	Land-based LNG	Tassie Shoal LNG (approved)	Potential Savings
Plant Costs	1,549	1,070	479
Pipeline	943	288	655
LNG Tank	300	308	(8)
Loadout/Jetty	200	236	(36)
<u>Project/Owners Costs (8.5%)</u>	<u>252</u>	<u>161</u>	<u>91</u>
<b>Total Project Cost</b>	<b>3,244</b>	<b>2,063</b>	<b>1,181</b>

- Capex savings result from:
  - Pre-fabricated/pre-commissioned plant with substantially reduced footprint (sea water cooled)
  - Dramatically reduced pipeline distances resulting in lower costs
- Higher operating costs are offset by shorter transportation distance to market
- Tassie Shoal Hub offers CO<sub>2</sub> sequestration and operational synergies

*\* Independent cost estimates 3Q 2008*



# Summary

- **People**
  - New board and enhanced management team
- **Projects**
  - Greater portfolio depth, rigorous technical evaluation
  - Zeus-1 (MEO 35% interest) targeting >15 Tcf gas-in-place potential
- **Carnarvon Basin**
  - New exploration concepts predicated on proven analogues
  - Prospects/leads with material potential proximal to infrastructure
  - Substantial prospectivity in WA-360-P independent of Zeus play
    - Planning additional 3D seismic acquisition in 1H'09
    - Seeking new farm-in partner – 2Q'09
- **Bonaparte Basin – existing discoveries with path to market**
  - Require further appraisal
    - Seeking new farm-in partner(s) – 2Q'09
- **Tassie Shoal – Hub Concept gaining acceptance**
  - An integrated CO<sub>2</sub> solution = an economic 'game changer'
  - Enhances economics for ALL players
  - Discussions underway with major gas resource custodians



# Supplementary Information



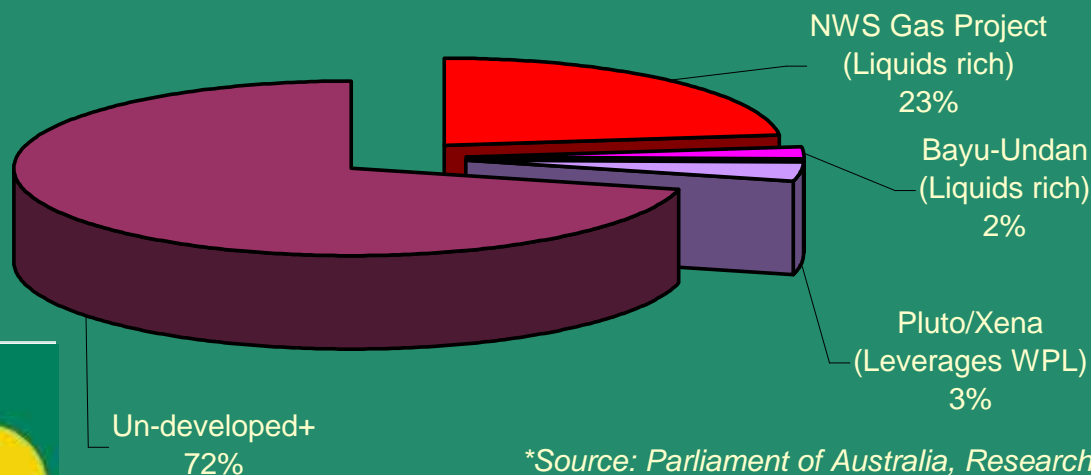
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# LNG Projects need high quality gas

<u>Category</u>	<u>Tcf</u>	<u>%</u>	<u>+ Commercial impediments</u>
<b><u>Developed</u></b>			
NWS Gas Project (Liquids rich)	33	23%	Dirty (high in CO <sub>2</sub> )
Bayu-Undan (Liquids rich)	3	2%	Dry (low in NGL's)
<b>Total Developed</b>	<b>36</b>	<b>25%</b>	Distant (from I/S)
<b><u>Developing</u></b>			Deep water
Pluto/Xena (Leverages WPL)	5	3%	Dysfunctional JV's
<b><u>Un-developed+</u></b>	<b>103</b>	<b>71%</b>	Disputed territory
<b>Total*</b>	<b>144</b>	<b>100%</b>	



\*Source: Parliament of Australia, Research Paper 25  
2007-08, Mike Roarty, 1 April 2008



# TSMP – uses conventional CGS substructure



## Technical specifications

Capacity: 5,000 tpd, 1.75 Mtpa

DPT/JM SMR process

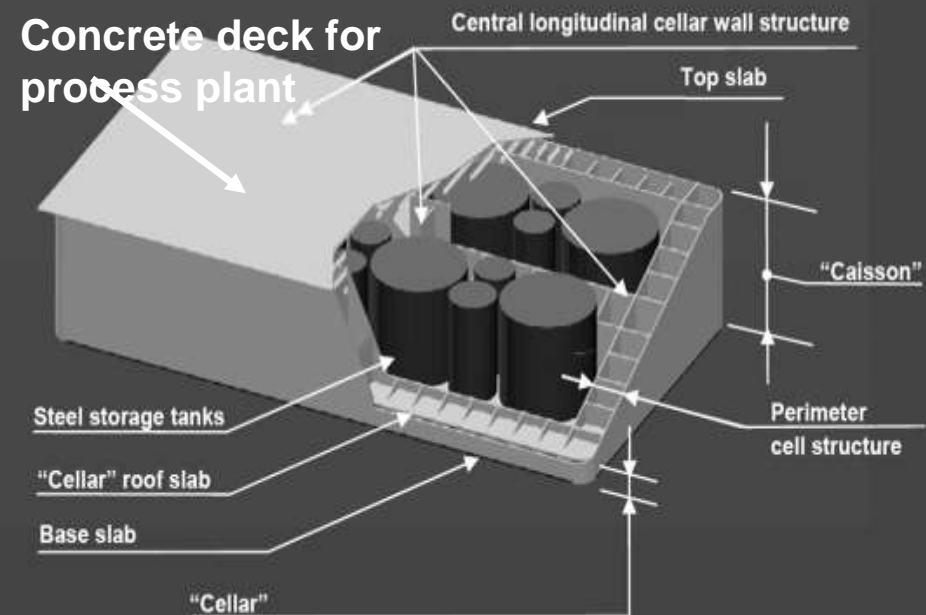
Can convert high CO<sub>2</sub> gas (20%-35%)

CGS dimensions: 35m tall, 200,000 t

- Base: 170m x 93m
- At top: 180m x 100m (wave deflection)

Installed in 14m water depth

Concrete deck for  
process plant



Topsides 30,000 t  
Total height 95m  
20 day final product storage

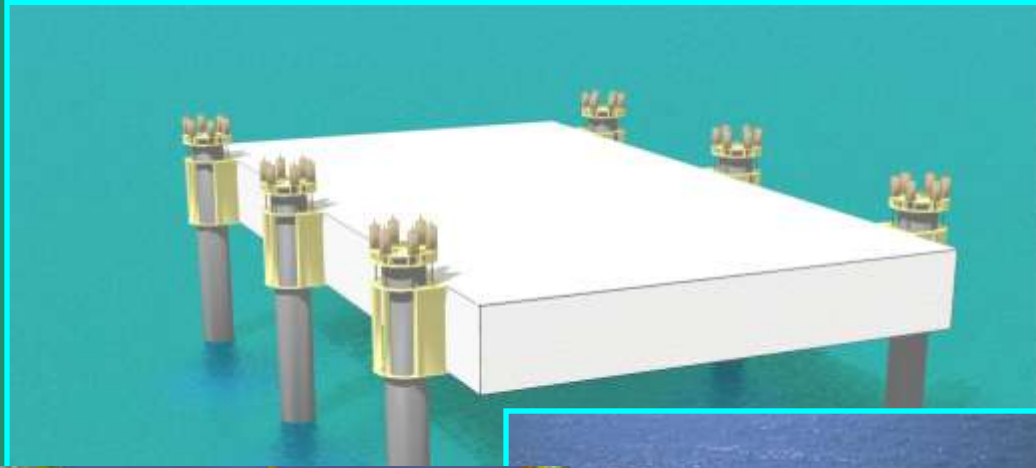
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# TSLNGP uses standard technology

- sea water cooling substantially reduces footprint



## Technical specifications

3 Mtpa (EPBC approved)

-APCI DMR process

-Indirect seawater cooling

Ace platform (ARUP Energy)

-100x50x8m

-15m water depth

Topsides 15,000 t

Single 170,000 m<sup>3</sup> storage tank

Torp HiLoad loadout system

- Avoids tugs & jetty



Hang Tuah platform,  
Indonesia  
Conoco-Phillips



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