

# Good Oil Conference

3<sup>rd</sup> September 2013

# Disclaimers

## Forward-looking Statements and Resources



### Forward-looking Statements

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.

MEO Australia accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

### Contingent and Prospective Resources

Note that in regard to Prospective Resources the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Seruway PSC in which MEO has an interest is subject to the terms of a profit sharing agreement. The terms of this agreement generally allows for the working interest participants to be reimbursed for portions of capital costs and operating expenses and to share in the profits. The reimbursements and profit proceeds are converted to a barrel of oil equivalent by dividing by forecast product prices to determine the “entitlement resources.” These entitlement resources are equivalent in principle to net resources and are used to calculate an equivalent net share, termed “Net Entitlement Interest.”

In accordance with the ASX listing rules, MEO net resources or interest for Seruway PSC subject to this agreement is the entitlement based on MEO’s working interest.

Conversion factors: 6 Bcf gas equals 1 MMboe; 1 bbl condensate equals 1 boe

Resource assessment in this document are based on, and fairly represents, information and supporting documentation prepared by Mr Lubing Liu, MEO’s Chief Reservoir Engineer, who is employee of the company and has nearly 20 years of relevant experience. Mr Liu is a member of the SPE. Mr Liu consents to the publication of the resource assessments contained herein.

# Corporate summary

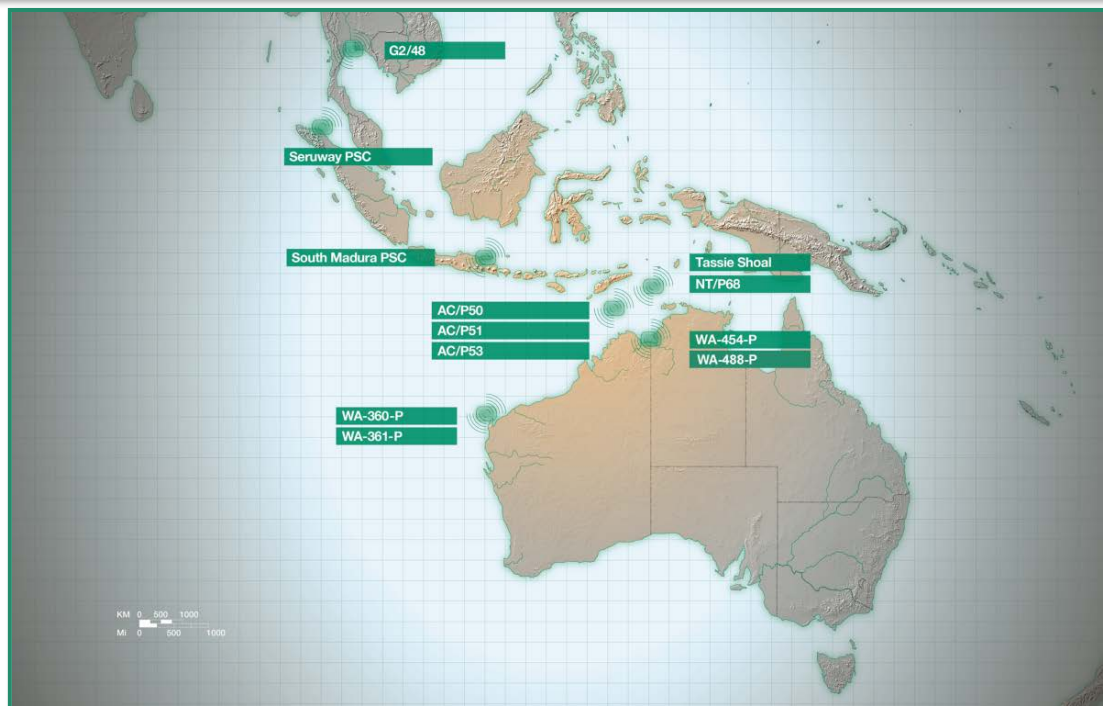
## Australia & SE Asia focus



### General

- Australian / SE Asian portfolio
- Australian HQ, Melbourne
  - 8 Australian permits, 6 operated
- Indonesian regional office, Jakarta
  - 2 Indonesian PSC's both operated
- 1 Gulf of Thailand concession
- Malaysian Country Representative

ASX / OTCQX codes	MEO / MEOAY	
Share Price (ASX: MEO)	(2 <sup>nd</sup> Sep)	A \$0.072
Issued shares	(million)	627.3
Market Capitalisation	(million)	A \$45.2
Cash & Cash Equivalents	(30-Jun)	A \$16.6
<b>Enterprise value</b>	<b>(million)</b>	<b>A \$28.6</b>



### Core capabilities

- Resolving geological complexities in poor data
- Identifying overlooked hydrocarbons
- Creating high value partnerships

### Major shareholder

- Noonday Capital 6.52% (part of Farallon Group)

### Board

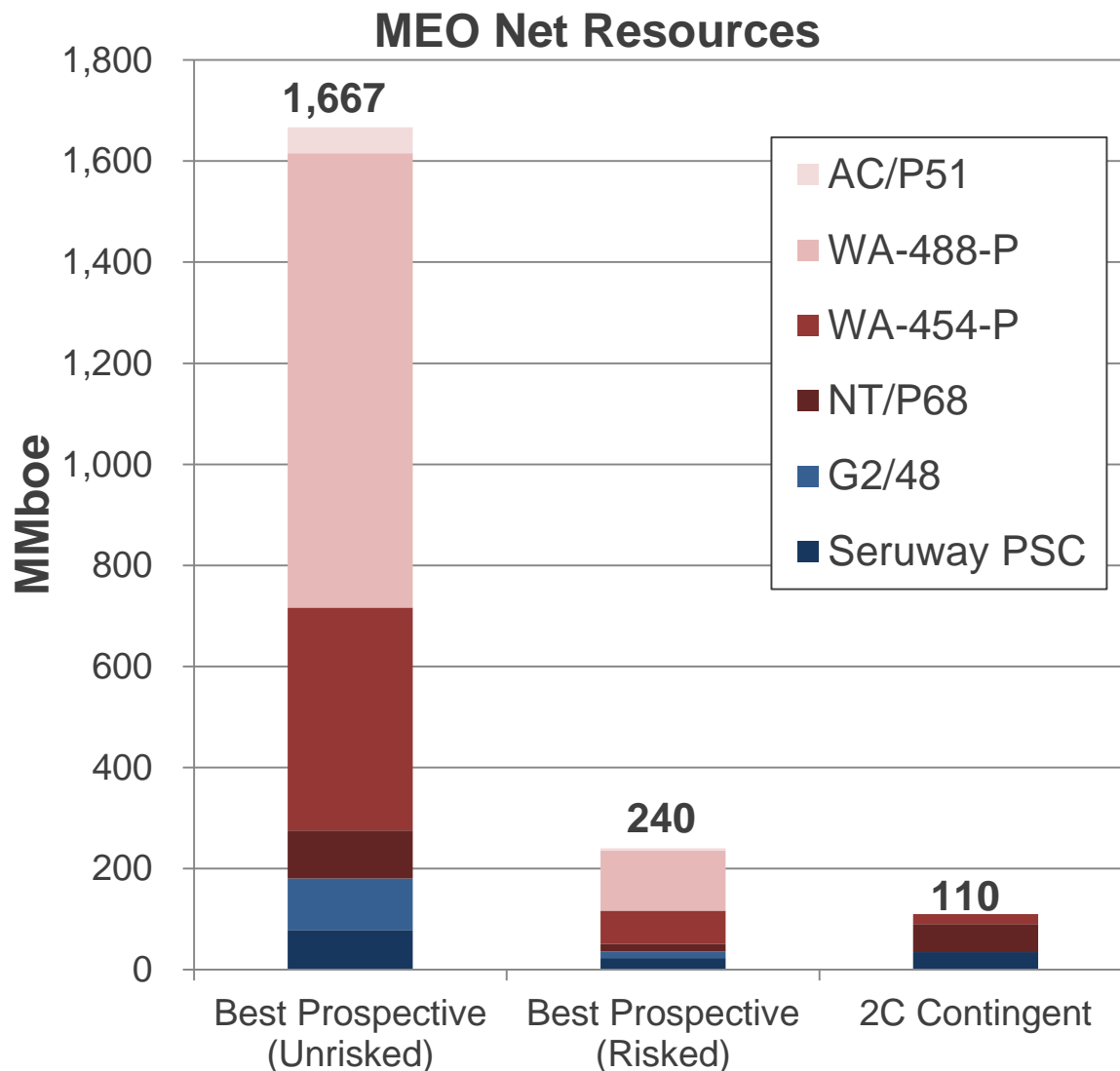
- Nicholas Heath – Chairman
- Jürgen Hendrich – MD/CEO
- Stephen Hopley – Non Exec Director
- Greg Short – Non Exec Director
- Michael Sweeney - Non Exec Director

# Contingent & Prospective Resources

Building a material resource base to underpin future development



- Diverse portfolio
  - Multiple projects
  - Geographically diverse
  - Prospective for Oil and gas
- 1,667 MMboe (best estimate) un-risked Prospective Resources
- 240 MMboe (best estimate) risked Prospective Resources
- 110 MMboe 2C contingent resources



# MEO Strategy

Create options with multiple opportunities to added crystallise value



## Aiming for early capital recovery

Monetisation Opportunities

### Identify & Screen

- Use:
- Knowledge
  - Experience
  - Skills
  - Data

### Secure Acreage

Via:

- Award
- Acquisition
- Farmin

### Enhance Prospectivity

By:

- Acquiring Seismic
- Interpreting
- Evaluating

### Test Prospectivity

By:

- Drilling
- Logging
- Testing

### Appraise Resource

By:

- Drilling
- Testing
- Evaluating

### Develop

For:

- Cash Flow

Farm-Out

Partial Sale

Partial Sale

Cash Flow

Relinquish  
?

Relinquish  
?

Abandon

## Continually high grade Discipline to terminate



# MEO Strategy in Action

## Recent and near term events



WA-488-P  
AC/P51  
Seruway

WA-454-P  
WA-360-P  
G2/48

WA-488-P

WA-454-P

NT/P68  
(Blackwood)

Farm-Out

Partial Sale

Partial Sale

Cash Flow

**Identify & Screen**

Use:

- Knowledge
- Experience
- Skills
- Data

**Secure Acreage**

Via:

- Award
- Acquisition
- Farming

**Enhance Prospectivity**

By:

- Acquiring Seismic
- Interpreting
- Evaluating

**Test Prospectivity**

By:

- Drilling
- Logging
- Testing

**Appraise Resource**

By:

- Drilling
- Testing
- Evaluating

**Develop**

For:

- Cash Flow

NT/P79

Relinquish ?

Relinquish ?

Blackwood-2

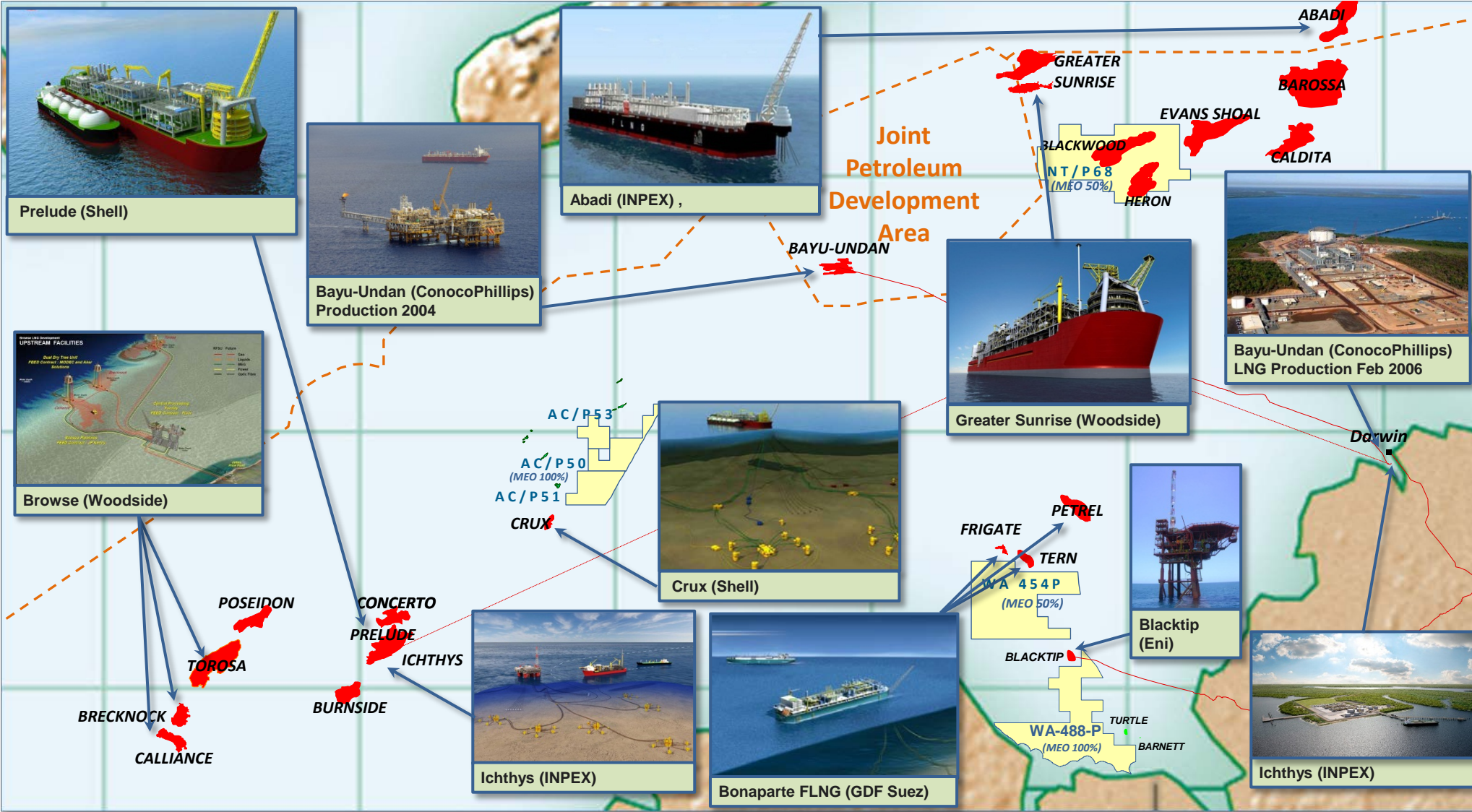
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Recent

Near Term

# Northern Australia Permits & Projects

Adjacent to developed oil and discovered gas resources





# NT/P68: Eni commits to drill Blackwood-2

MEO 50% interest is fully carried, including production testing if warranted

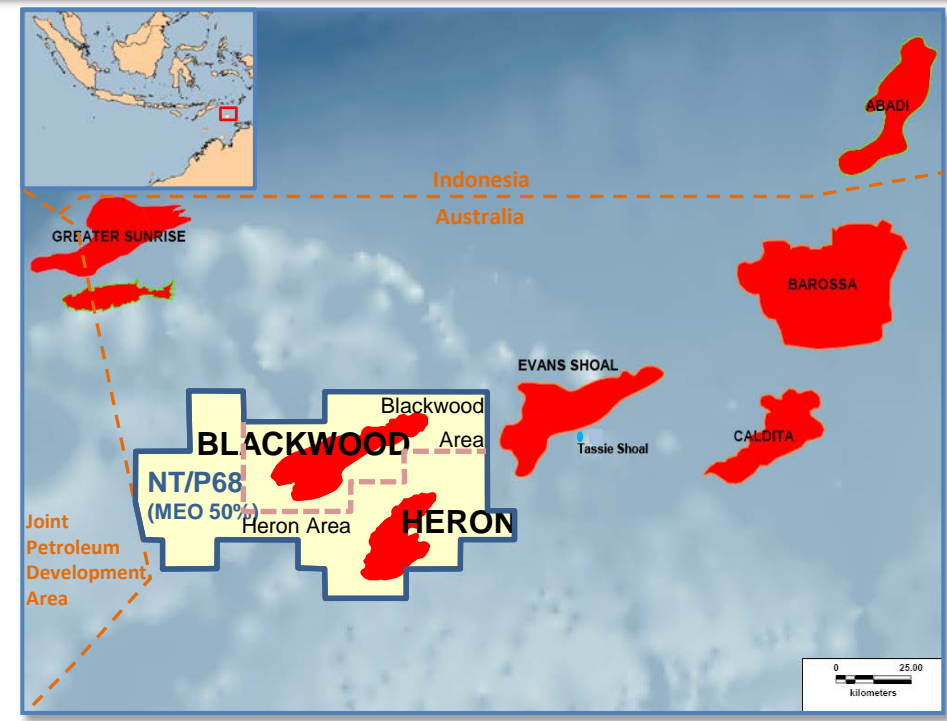


## Blackwood gas discovery

- Blackwood-1 (2008) encountered 42m gas column
- Blackwood-2 appraisal in Q4'2013
- Approx. US\$45m well cost fully funded by Eni

## Heron gas discovery

- Heron-2 (MEO 2007/08) discovered & tested gas
- Heron South-1 (Eni 2012)
  - Intersected two tight reservoir intervals
  - Produced gas at low flow rates from both zones
- Eni drill/drop Heron by 18 Dec 2013
  - Eni funding studies to investigate productivity

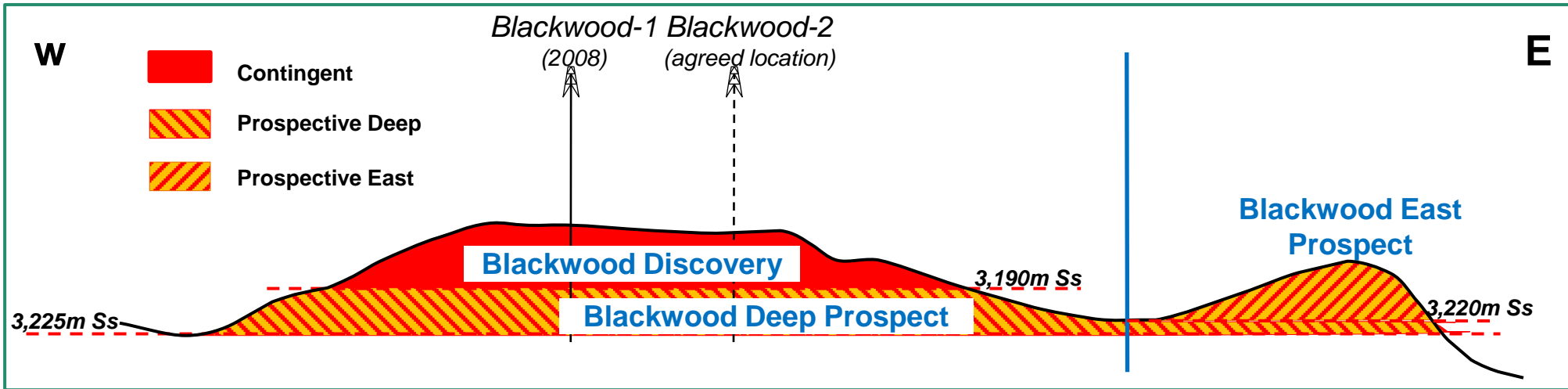


Activity	2013				2014				2015				2016											
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
<b>Activity Name</b>																								
Blackwood-2 well				?	← 180 days →				◀ Additional Blackwood Interest Decision															
Second Heron Well											???						◀ Drill deadline (if triggered)							
Development Studies (leading to FEED)									(Blackwood)								(Heron)							
<b>Activity Cost (approx.)</b>				~\$45m				~\$5m				~\$100m				~\$20m								
<b>Net Cost to MEO</b>				\$0m				\$0m				\$0m				\$0m								



# Blackwood Gas Discovery

Appraising 500 Bcf contingent resource (2C) in Q4 2013



## Contingent Resources (100%)\*

Blackwood	1C	2C	3C
Raw Gas (BScf)**	564	819	1,141
HC Gas (BScf)	373	542	756
Condensate (MMstb)	1	2	3

## Prospective Resources

Blackwood Deep	Low	Best	High
Raw Gas (BScf)**	932	1,355	1,887
HC Gas (BScf)	616	897	1,250
Condensate (MMstb)	2	3	5

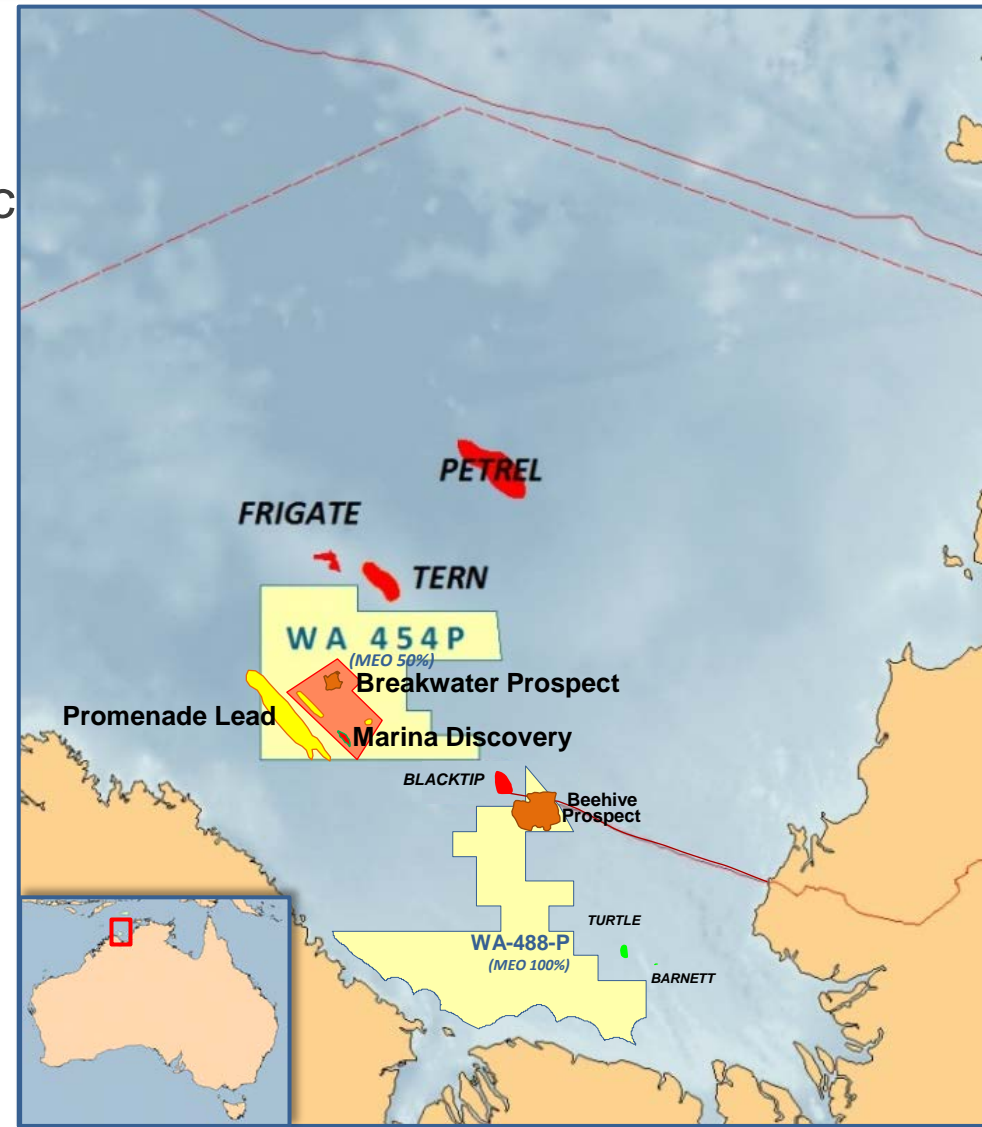
- Eni is drilling Blackwood-2 appraisal well (4Q'2013)
- 2C Contingent resources to MDT inferred GWC – 0.5 Tcf
- Possibility of 35m deeper GWC
  - Adds further 0.9 Tcf (P50) prospective resource (Best)
  - MEO assesses low chance of success

# WA-454-P (MEO 50%)

Gas discovery and exploration targets in shallow water, close to NT gas market



- 2011: Identified by MEO and awarded 100%
- 2012: Identified leads, acquired 3D seismic
- 2013: Farmed out 50% to Origin for
  - \$5.6m cash reimbursement PLUS
  - 80% of Breakwater-1 (untested, A\$35m cap)
- Anticipate drilling Breakwater-1 in 2015/16
- Permit contains the Marina gas and probable oil discovery with untested deeper potential
- Also contains the Promenade lead, a substantial stratigraphic trap considered prospective for gas



# WA-454-P Farm-out

Implied A\$16.1 million value of MEO 50% interest



- 50% interest farmed-out to Origin Energy
- Origin Energy to assume operatorship of WA-488-P
- Origin reimbursing **A\$5.6m** (80% of historical costs)
- Origin to fund 80% of Breakwater-1 to cap of A\$35m<sup>①</sup>
  - Represents up to **A\$10.5m** of MEO's share of costs
- Production testing and costs above A\$35m cap to be funded in proportion to participating interests
- Breakwater-1 to satisfy Permit Year 5 work obligation
  - Permit Year 5: 9 June 2015 – 8 June 2016

## <sup>①</sup> Notes on adjustment to A\$35m well cost cap

- Cap assumes A\$/US\$ Forex of 1.00
- Cap assumes 65% of costs incurred in US\$
- Adjusted cap at Fx of 0.92 would be A\$37.0 million



# WA-454-P: Breakwater Prospect

## Identified and matured substantial gas prospect - Breakwater

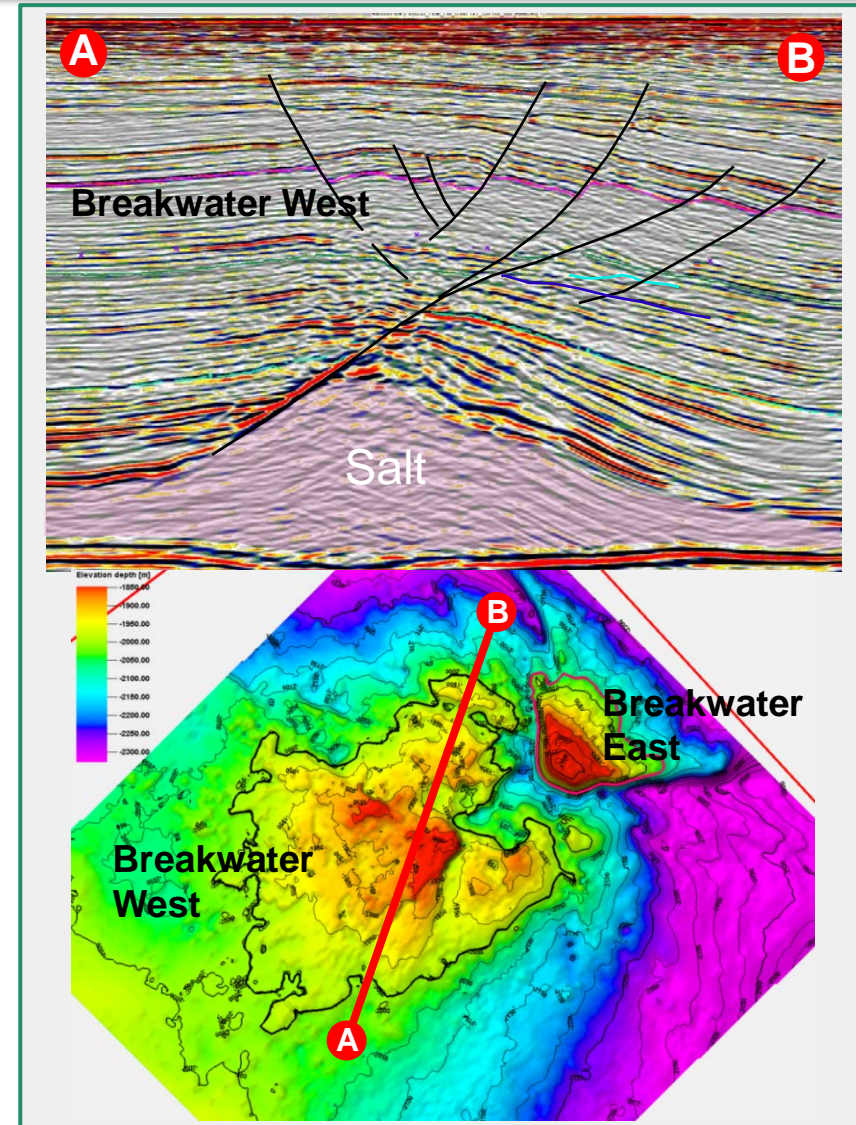


- Large prospect with potential for gas and oil
- Defined on high quality 3D seismic data
- Multiple objectives from 1,800m to 3,200m
- Targeting same objectives that are productive in nearby Blacktip gas field
- Shallow water suitable for jack-up drilling rig

### Prospective Resources (100%)\*

Breakwater West	Low	Best	Mean	High
Gas (Bscf)	196	708	765	1,394
Condensate (MMstb)	1	6	11	25
Oil (MMstb)	4	16	18	33
<b>Total Liquids (MMstb)</b>	<b>5</b>	<b>22</b>	<b>28</b>	<b>59</b>

Breakwater East	P90	P50	Mean	P10
Gas (Bscf)	54	117	129	220
Condensate (MMstb)	0	1	2	4
Oil (MMstb)	1	3	3	6
<b>Total Liquids (MMstb)</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>10</b>

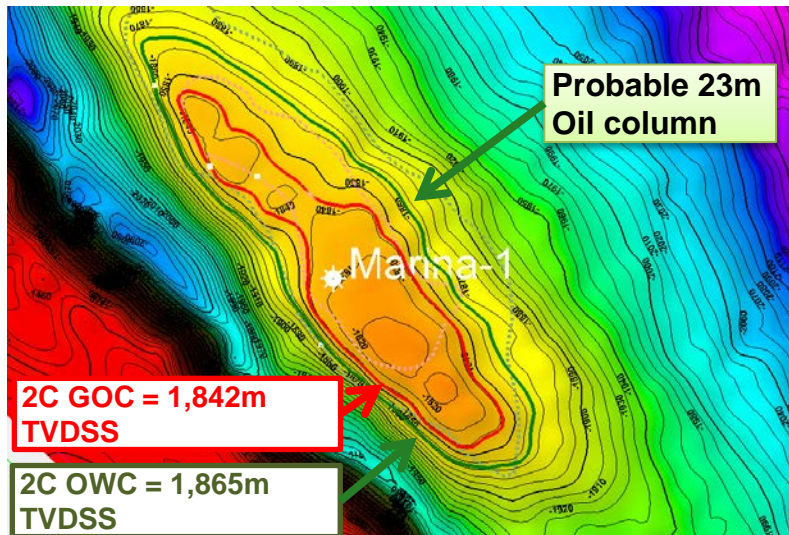
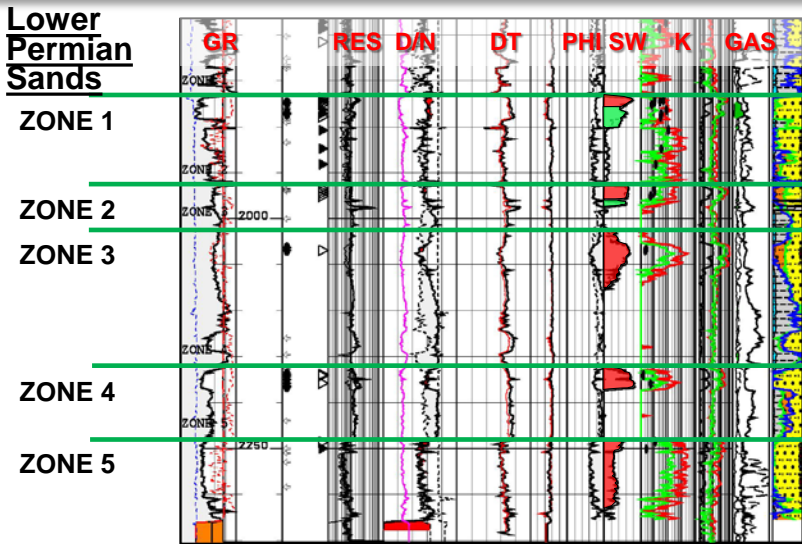


# WA-454-P Marina gas and probable oil discovery

## Potential overlooked resource with additional potential



- Marina-1 drilled in 2007 by ExxonMobil.
  - Hydrocarbons in 5 zones, gas shows at TD.
- MEO identified overlooked oil & deeper potential
- Proximity to Blacktip gas development provides potential commercialisation option
- Marina contingent resources increased post assessment of new 3D seismic
- Attractive appraisal opportunity



Marina Zone 1 Depth map (interpreted on Floyd 3D)

Marina Contingent Resources (100%)*		1C	2C	3C
Gas	BScf	115	164	423
<u>Liquids</u>				
Condensate	MMstb	2	4	13
Oil	MMstb	-	9	35
<b>Total Liquids</b>	<b>MMstb</b>	<b>2</b>	<b>13</b>	<b>48</b>

Marina Deep Prospective Resources*		Low	Best	High
Success Case with dependency	Gas (BScf)	36	203	487
	Condensate (MMstb)	1	6	16

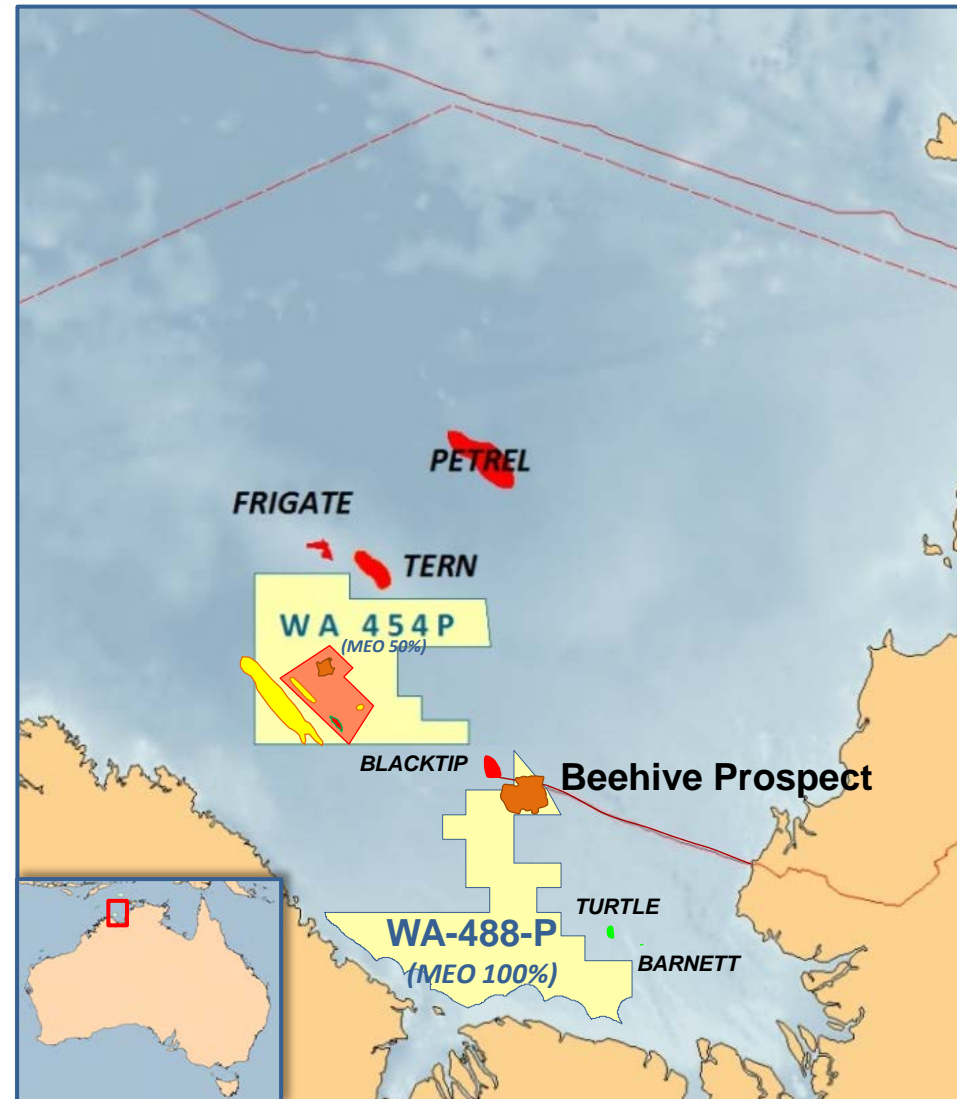


# WA-488-P (MEO 100%)

## Identified giant Beehive prospect – follow up to Ungani-1 discovery



- MEO recognised 2001 Ungani-1 oil discovery in Canning basin as potential game changer for Palaeozoic Carbonates in Australia
- Identified giant Beehive prospect in Petrel sub-basin
  - new play type with global analogues
- Awarded 4,105km<sup>2</sup> WA-488-P 100% May 2013
  - Seeking to farmout or partially divest
  - Drilling scheduled in 2015/16



	Permit Year	Permit Year Start	Minimum Work Requirements	Indicative Expend. (A\$)
Primary Term	1	22 May 2013	400 km 2D Seismic Data Reprocessing	\$150,000
	2	22 May 2014	Geological and Geophysical Studies	\$200,000
	3	22 May 2015	One (1) Exploration well	\$20,000,000
Secondary Term	4	22 May 2016	400 km <sup>2</sup> New 3D Seismic Survey	\$5,000,000
	5	22 May 2017	Geological and Geophysical Studies	\$200,000
	6	22 May 2018	One (1) Exploration well	\$20,000,000

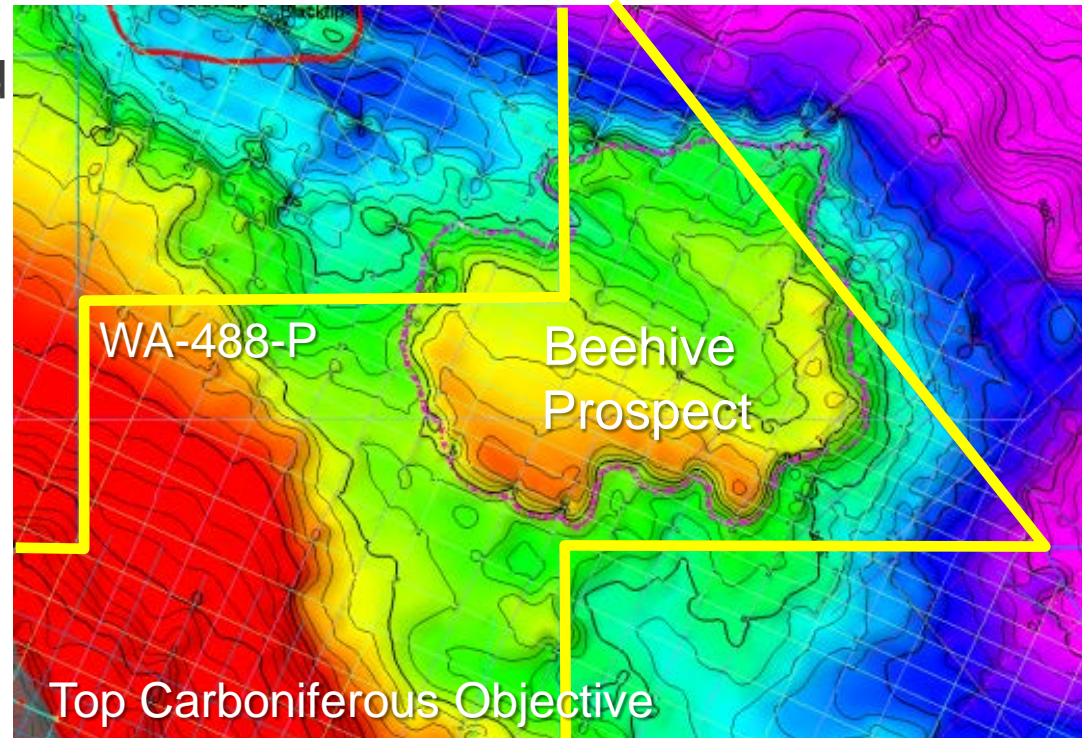


# WA-488-P: Beehive Prospect



Two stacked objectives each with significant potential

- Located in shallow water (40m)
- Identified on high quality, tightly spaced 2D seismic grid
- Primary Objective ~140 km<sup>2</sup>  
Carboniferous Isolated Carbonate Platform
  - Oil prone follow up to Ungani discovery
  - Analogous to giant Tengiz field of North Caspian basin
- Secondary Objective ~600 km<sup>2</sup>  
Ordovician buried hill
  - Oil prone
  - Analogous to giant Tahe field onshore China

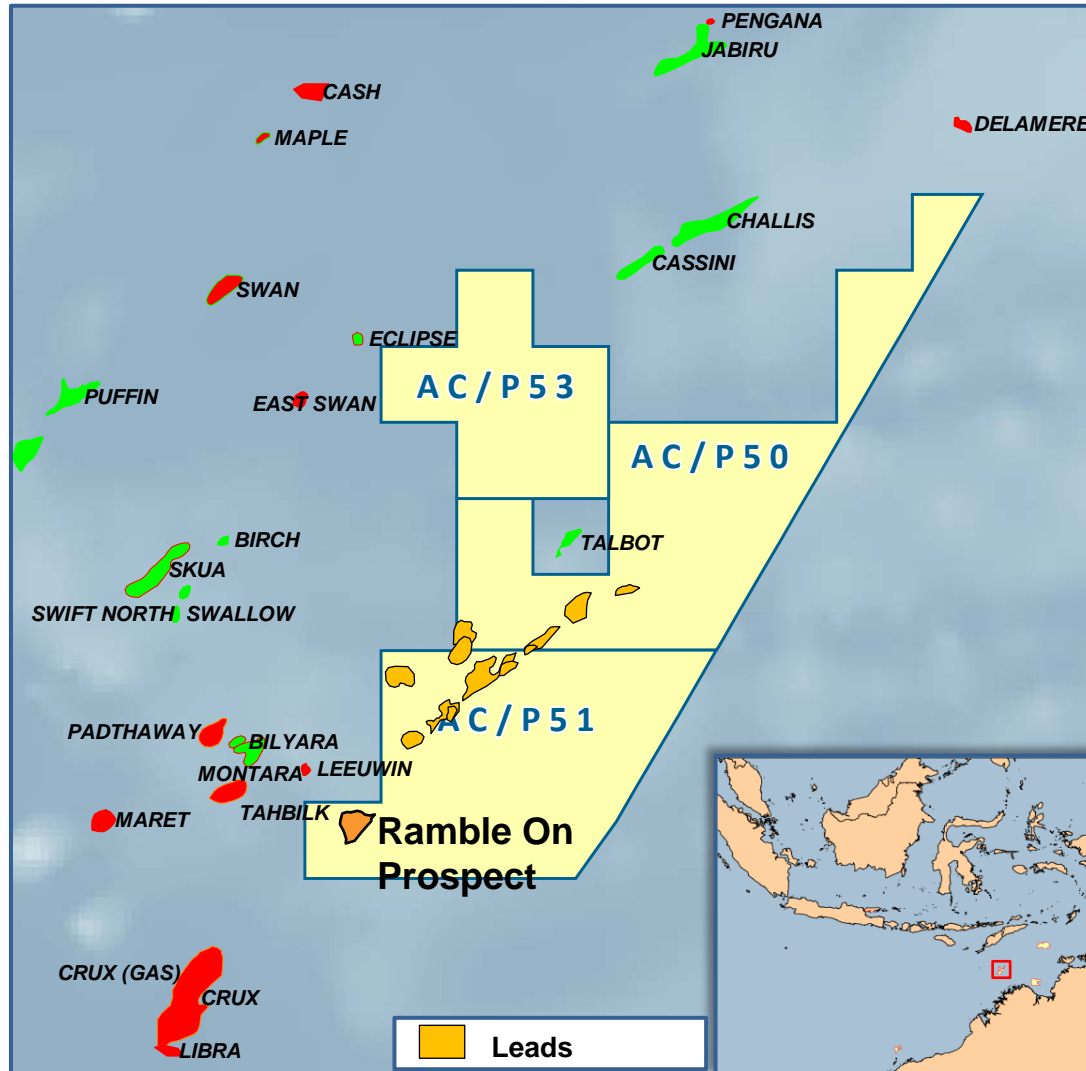


## Prospective Resources (100%, unrisked)

Beehive Prospect	Low	Best	Mean	High
Carboniferous Objective (MMstb)	104	<b>598</b>	925	2,182
Ordovician Objective (MMstb)	67	<b>328</b>	546	1,314

# Ashmore Cartier (MEO 100%)

Multiple prospects and leads identified on new seismic



- Located within the Vulcan sub-basin
  - proven commercial gas and oil province
- 2010: MEO acquired 100% for \$270k
- 2011/12: Developed geologic concepts & acquired 3D seismic
- Improved data quality allowed MEO to identify new prospective trend
  - proven reservoir/source
  - new trap mechanism for basin
- Ramble On prospect has oil potential from 8 (low) to 130 MMstb (high)
- Significant follow up potential
- Seeking to farmout or partial divestment
- Potential drilling in 2014/15



# AC/P51: Ramble On prospect

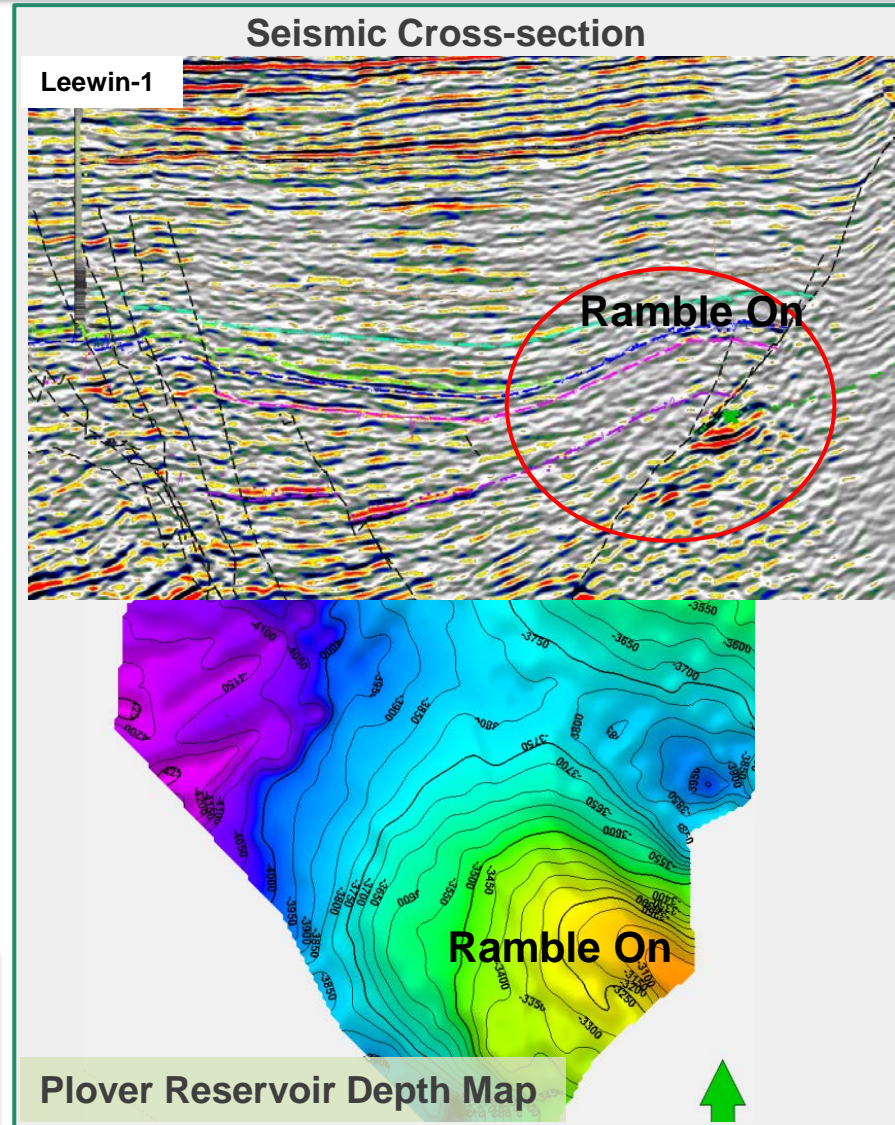
Oil prospect with significant follow up potential



- Large, robust structure
- Targeting proven Plover & Montara reservoirs
- Accessing proven source area
- First test of a low-side fault prospect (a play type that works in Carnarvon & Gippsland basins)
- Water depth ~68m
- Target depth ~3,000m
- Leading candidate for potential 2014/15 well

## Prospective Resources (100%, unrisked)

Ramble On Prospect*		Low	Best	Mean	High
Gas Scenario	(Bscf)	29	162	461	1,136
Condensate	(MMstb)	1	6	16	39
Oil Scenario	(MMstb)	8	39	56	130





# South East Asian Projects

Targeting proven basins or analogues to proven basins



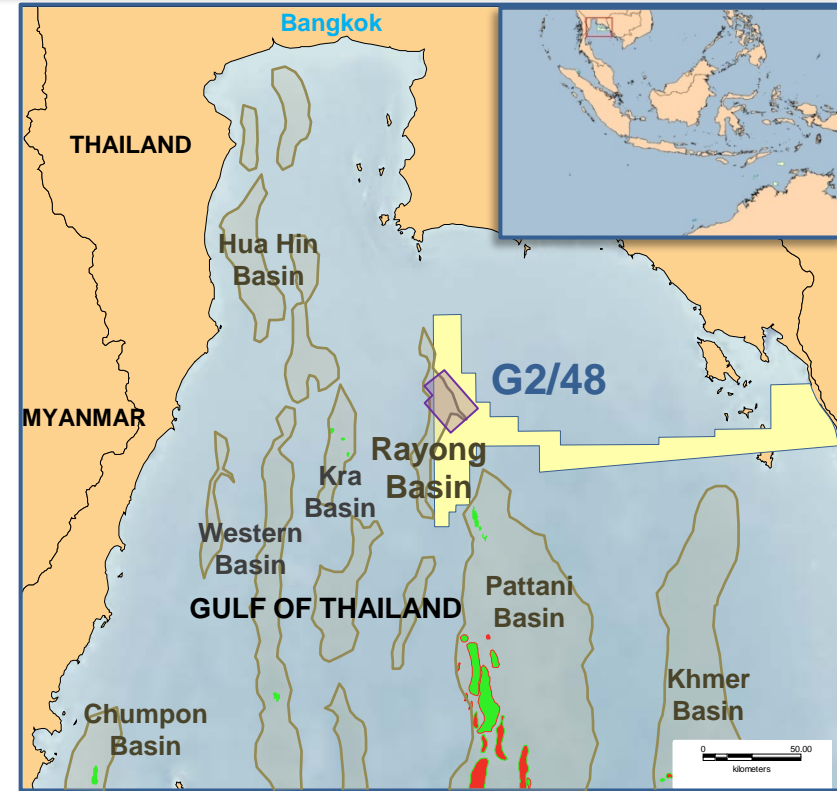
- MEO regional office in Jakarta
  - Operator of 2 Indonesian PSC's
  - Non-operator of Gulf of Thailand concession
- MEO acreage in
  - shallow water & onshore basins
  - close to infrastructure & markets

# Gulf of Thailand: G2/48 (MEO 50%)

## Targeting oil in a low cost environment



- Located in Northern Gulf of Thailand
- Shallow water, low cost exploration / development environment
- Covers Rayong Basin, one of many Tertiary basins, most of which have proven oil potential
- Mapping post 2012 drilling has identified a number of quality Tertiary and pre-Tertiary leads
- Seeking to farmout or partially divest jointly with Operator (Mubadala Petroleum)
- Potential drilling in 2014



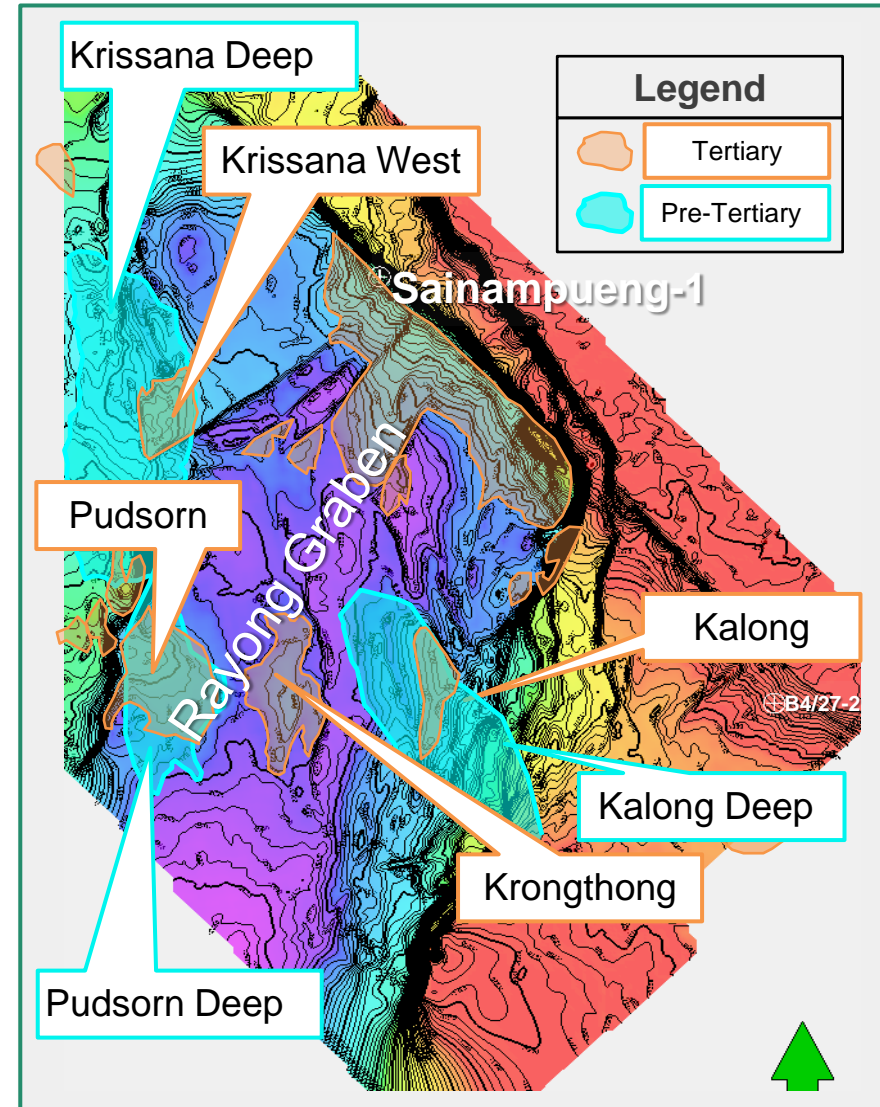
	Year	Starts	G2/48 Program
Third Obligation Period	7	08/01/2013	Geological Studies (\$100K)
	8	08/01/2014	Drilling of one exploratory well (\$3MM) Geological Studies (\$100K);
	9	08/01/2015	Geological Studies (\$50K)

# G2/48: Exploration Potential

## Focus on Oil Potential of Rayong Tertiary Graben



- Sainampeung-1 (2012) did not reach target depth but indicates a thicker and more extensive prospective section than previously thought
- Oligo-Miocene fairway with 4 leads defined on 3D seismic with cumulative, unrisks potential of 100+ MMstb and additional follow up
- Very large pre-Tertiary Permian Carbonate lead with 100+ MMstb potential

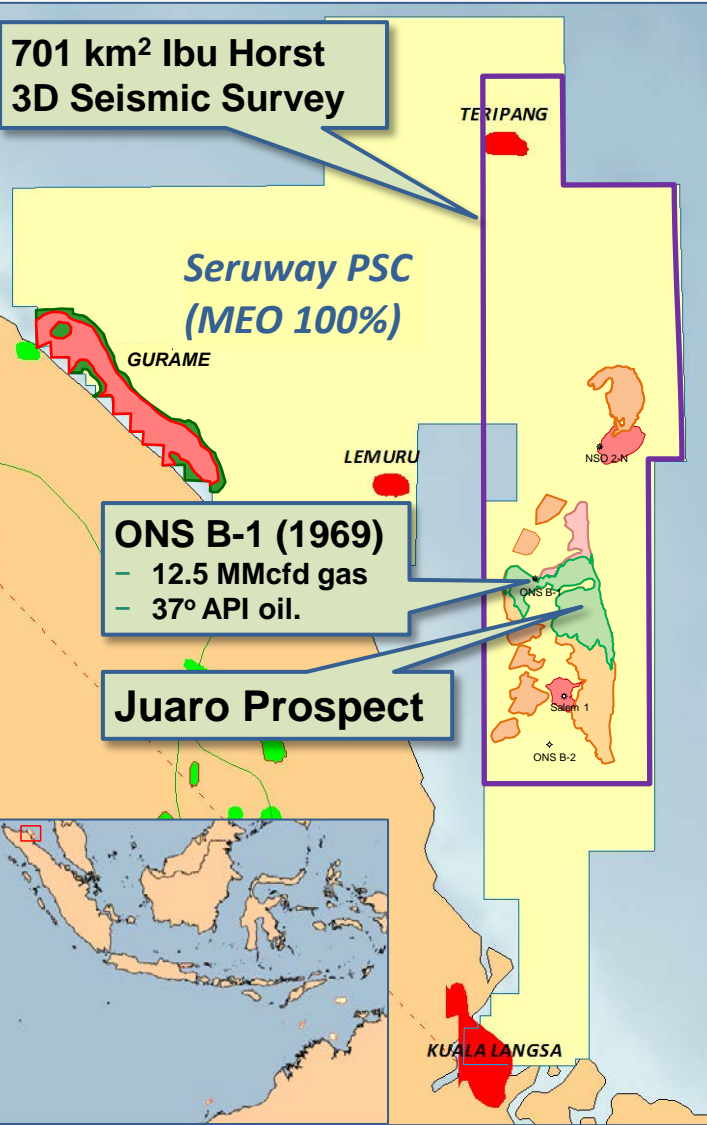


G2/48 Tertiary Fairway Prospective Resources *	
Prospect	Best Estimate (MMstb)
Krissana West	15
Krongthong	33
Kalong	10
Pudsorn	46
Other Leads	Under Evaluation
<b>Unrisks total</b>	<b>104 MMstb</b>
G2/48 Pre-Tertiary Fairway Prospective Resources *	
Krissana Deep	>100 MMstb
Pudson Deep	Under Evaluation
Kalong Deep	Under Evaluation



# Seruway PSC (MEO 100%): Juaro Prospect

200+ MMstb oil prospect



- Proven basin, numerous oil and gas recoveries on PSC
- Juaro prospect identified on Ibu Horst 3D seismic
- Follow-up to 1969 ONS B-1 oil and gas discovery
- Prospect defined on 3D seismic with amplitude support for presence of high quality, widespread reservoir and likely hydrocarbon fill
- Seeking to farmout or partially divest
- Potential drilling in 2014

Juaro Prospective Resources *		Low	Best	Mean	High
Oil Dominant Scenario	Gas Bscf	11	51	51	93
	Liquids MMstb	39	202	204	370
Gas Dominant Scenario	Gas Bscf	146	723	730	1,323
	Liquids MMstb	6	32	33	62
Aggregate Recoverable Hydrocarbons	Total MMboe	36	181	183	334
Aggregate Net Entitlement Interest	Total MMboe	23	79	80	131

# MEO potential near term value drivers



Activity	MEO Equity	Remarks	2H 2013		2014				2015				2H 2016		
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
			J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D	J F M	A M J	
<b>Own Drilling</b>		<b>Target</b>													
Blackwood-2	50%	897 Bscf ("Best" estimate) <sup>①</sup>		■	■	■									
Breakwater-1	50%	708 Bscf ("Best" estimate) <sup>①</sup>							■	■	■	■	■	■	■
Beehive-1	100%*	598MMstb ("Best" estimate) <sup>①</sup>							■	■	■	■	■	■	■
<b>Drilling by others</b>	<b>Operator</b>	<b>Impacts</b>													
Evans Shoal North-1	Eni	Bonaparte: NT/P48	■	■											
Barossa Drilling (3 wells)	CoP	Bonaparte: NT/P69				■	■	■							
<b>Planned Transactions</b>															
WA-488-P (Beehive)	100%*	Underway	■	■	■	■									
Seruway farmout	100%*	Underway	■	■											
AC/P51 farmout	100%*	Underway	■	■	■	■									
Thailand G2/48 farmout	50%*	Underway	■	■											
Tassie Shoal	100%*	Underway													
<b>Potential Transactions</b>															
NWS farmout	50-62.5%*	Pending 3D results					■	■			■	■			
WA-454-P farmout	50%*	Partial sale of residual equity					■	■	■	■	■	■			
<b>Own Drilling - contingent</b>															
Seruway PSC	100%*	TBC pending farmout					■	■	■	■					
AC/P51	100%*	TBC pending farmout							■	■	■	■			
Thailand G2/48	50%*	TBC pending farmout					■	■	■	■					
<b>Eni Farmin Decisions</b>															
Heron follow-up well	50%	Eni Option Expiry						■							

\* Pre-farmout or partial sale <sup>①</sup> Per PRMS Guidelines for most likely case

# MEO Summary

Seeking to build shareholder value by finding overlooked hydrocarbons



- Cash reserves @ 30 June 2013: \$16.6m, Market Cap ~\$45m
- 110 MMboe 2C contingent resources & 1,667 MMboe (best estimate) un-risked Prospective Resources
- Enterprise value (~\$30m) easily covered by the value of Blackwood-2 carry by Eni (~US\$22.5m) and the WA-454-P farm out with Origin Energy (A\$16.1m)
- Blackwood-2 appraisal drilling 4Q'2013 with zero cost to MEO
- 2 year investment in permits and seismic now yielding commercial results
  - 1<sup>st</sup> Half 2013:
    - NT/P68 Blackwood-2 commitment by Eni,
    - WA-454-P farmout to Origin
  - 2<sup>nd</sup> Half 2013:
    - Multiple farm-out/partial sale processes underway
- Continuing to high grade portfolio
  - Exited NT/P79
  - Awarded WA-488-P containing giant Beehive oil prospect with twin objectives
  - Active New Ventures process to screen for attractive opportunities