

# Investor Update

## UK-European Roadshow

September 10<sup>th</sup> - 14<sup>th</sup>, 2012

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# Corporate snapshot

SE Asian focus – 3 high impact well results during 4Q



Ticker symbols (ASX / OTCQX)	MEO	MEOAY
Share Price (ASX: MEO)	(7 Sept)	A \$0.20
Issued shares	(million)	539.9
Issued options (\$0.50 ex)	(million)	18.9
Market Capitalisation	(million)	A \$108
Cash & Cash Equivalents	(30-Jun)	A \$55
<b>Enterprise value</b>	<b>(million)</b>	<b>A \$53</b>
Daily liquidity (3 mth avg)	(million)	2.2



## General

HQ Melbourne, Australia

- Jakarta branch office

SE Asian portfolio

- 7 upstream project areas (6 offshore)
- 3 infrastructure projects (Tassie Shoal)

## Core strengths

- High calibre new venture capability
- Track record of high value transactions



# Board, executives & key technical personnel

New board & executive management 2008, technical expansion 2010-11



## Board of Directors



**Nicholas Heath** (Chairman)  
• Chemical Engineer, 30 year international career with ExxonMobil  
• Past APPEA President  
**2008**



**Jürgen Hendrich** (CEO and MD)  
• Appointed June 2008  
• Geologist, 12 years at ExxonMobil  
• 13 years in Financial Markets  
**2008**



**Greg Short** (Non-Exec Director)  
• Proven record of establishing production  
• Geologist, 33 year International ExxonMobil career  
**2008**



**Stephen Hopley** (Non-Exec Director)  
• 14 years at Macquarie Bank  
• Business Coach and Mentor for early stage enterprises  
**2008**



**Michael Sweeney** (Non-Exec Director)  
• Practicing Barrister/Arbitrator/Mediator  
• Ten year career as Senior Executive with MiMi (Mitsui/Mistubishi)  
**2008**

## Executive Team



**Ken Hendrick** (Implementation Mgr)  
• >45 yrs Project Management experience in major resource projects  
**2007**



**Colin Naylor** (Chief Financial Officer)  
• 35 years upstream experience with BHP Petroleum, Woodside Petroleum  
**2007**



**David Maughan** (Exploration Manager)  
• 35 year international experience with ExxonMobil  
**2008**



**Robert Gard** (Commercial Manager)  
• 25 years industry experience  
• Formerly ExxonMobil  
**2008**



**Peter Stickland** (New Ventures Mgr)  
• 22 years upstream industry experience  
• Former CEO of Tap Oil  
**2011**



**Robert Zammit** (Exec Mgr, Business Development)  
• 25 years international gas marketing experience with ExxonMobil  
**2011**



**Andrew Leeds** (Senior Comm. Advisor)  
• 16 yrs in Finance, Oil & Gas and Mining  
• Formerly Macquarie, Merrill Lynch, Santos, Bechtel and Orica/XOM  
**2011**

## Snr Technical Team



**Errol Johnstone** (Chief Geologist)  
• 29 years international experience with ExxonMobil  
**2010**



**Dean Johnstone** (Senior Geoscientist)  
• 28 years international experience with ExxonMobil  
**2011**



**Lubing Liu** (Chief Reservoir Engineer)  
• 17 years international experience with Sinopec, CNOOC, ConocoPhillips and Woodside Petroleum  
**2011**



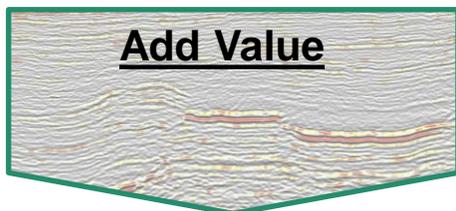
**Jarrod Dunne** (Senior Geophysicist)  
• 14 years industry experience with Shell, Woodside and Nexus  
**2011**



**Oliver Gross** (Snr Geophysical Advisor)  
• 40+ years international experience with ExxonMobil  
**2012**

# Core business strategy

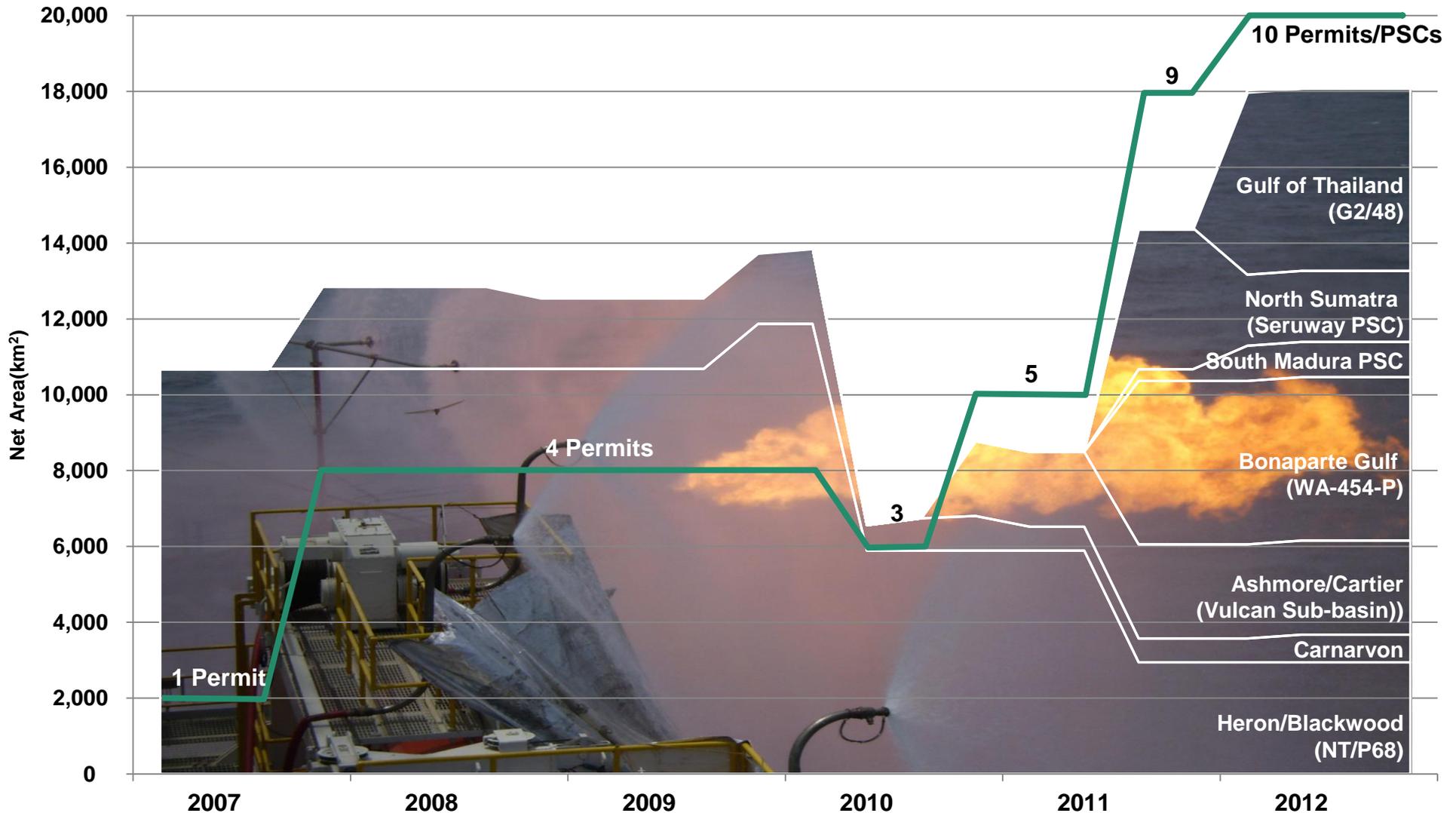
Creating high value optionality by leveraging technical skills



- Seek high equity at low entry cost
  - Proven basins with over-looked potential
- Add technical value
  - Invest in 3D seismic to define prospects
- Farm out to fund drilling
  - Recover invested capital
  - Seek carry beyond initial drilling
- Retain significant equity interest
  - Provides leverage to drilling outcome
- Strategy requires strong capabilities in:
  - New ventures
  - Prospect generation
  - Commercial negotiations
  - Operations (seismic, drilling)

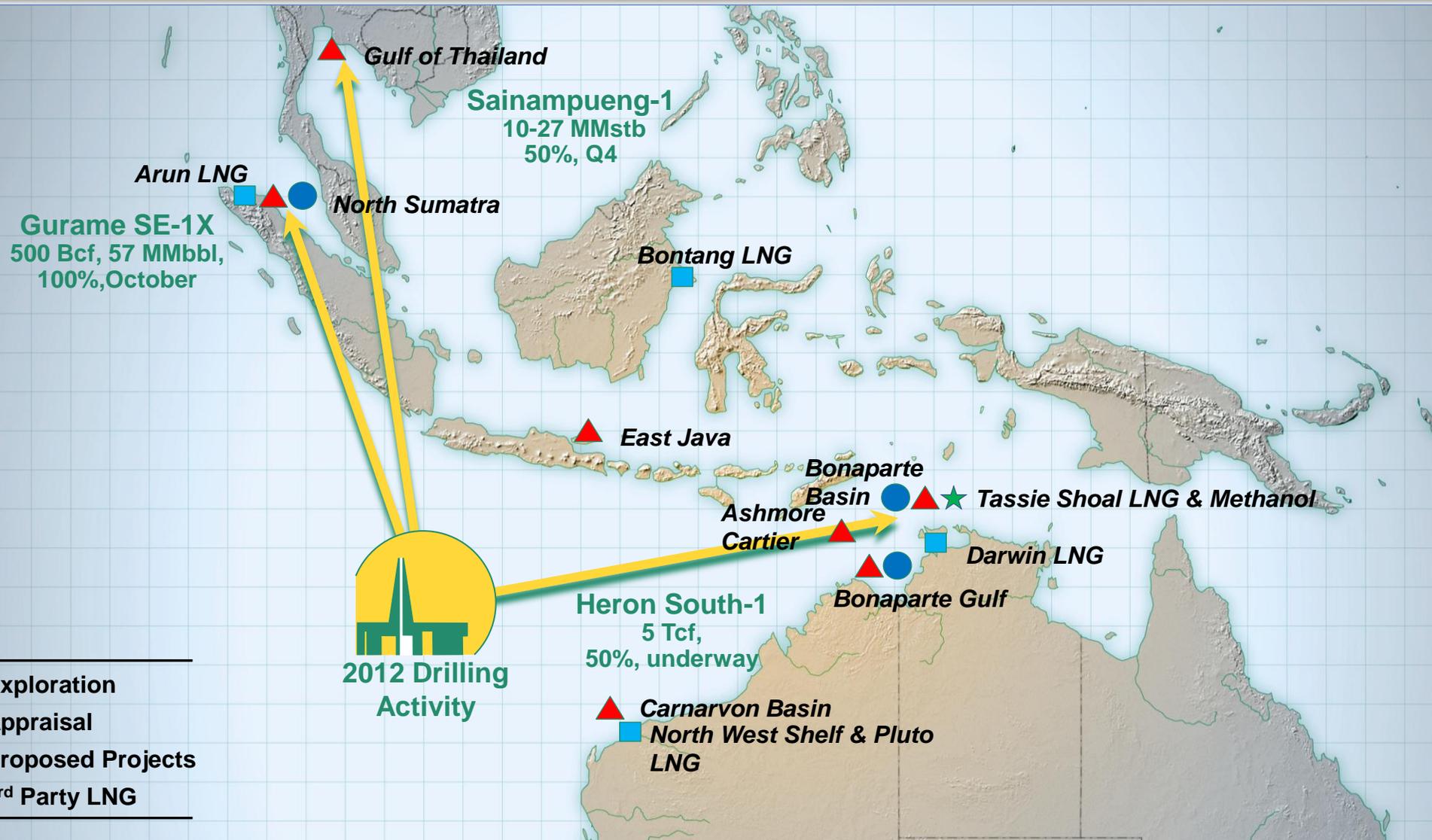
# Significant portfolio expansion from late 2010

Diversity in geography, play type and hydrocarbon product



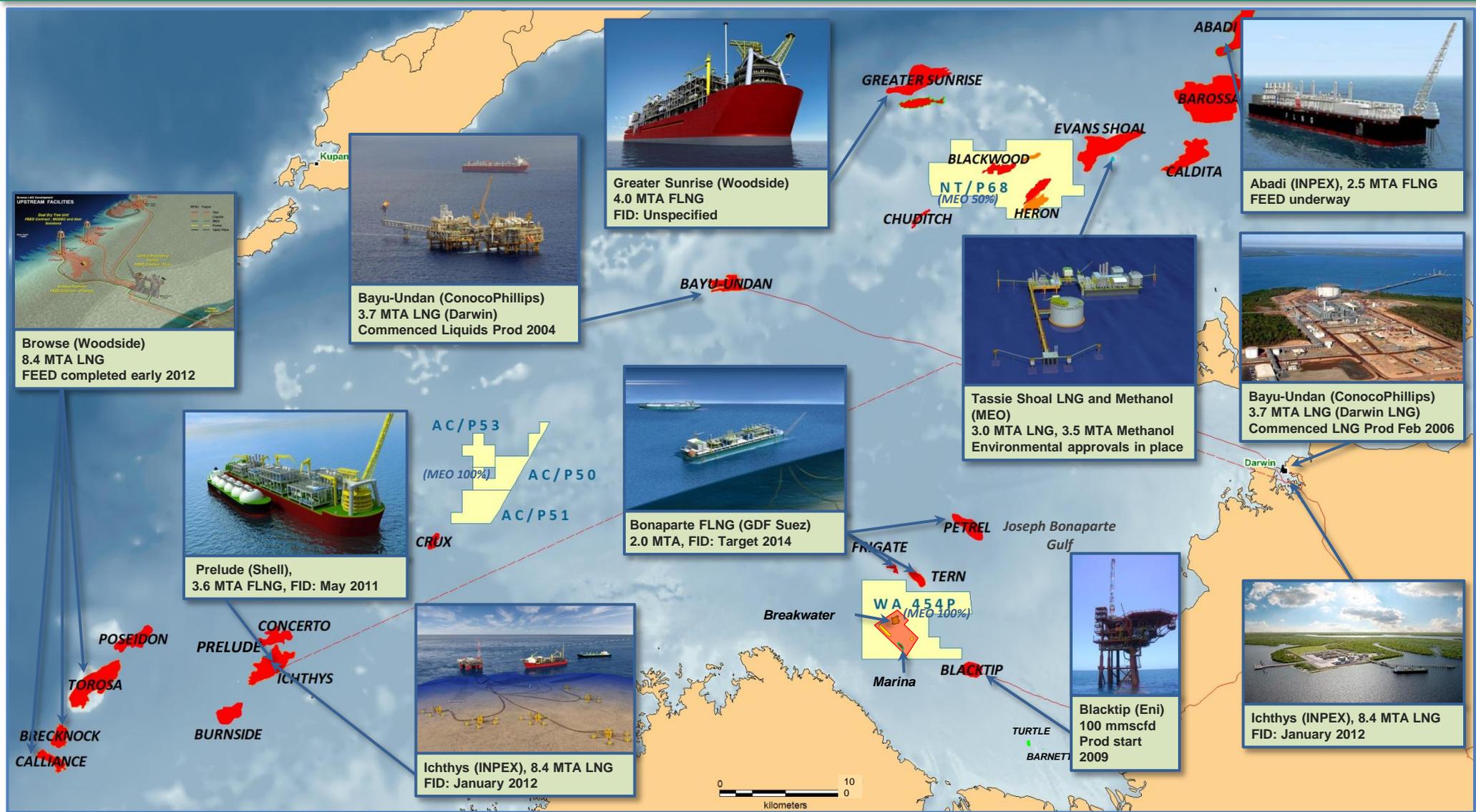
# 2012 Drilling Activity

3 high impact, high equity well results in 4Q



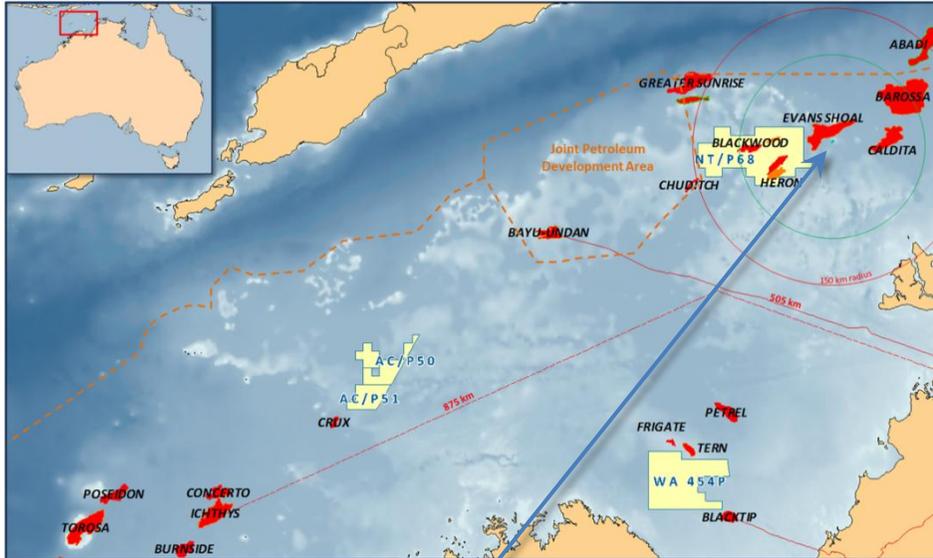
# Bonaparte Basin Regional Activity

Well positioned acreage near significant development activity

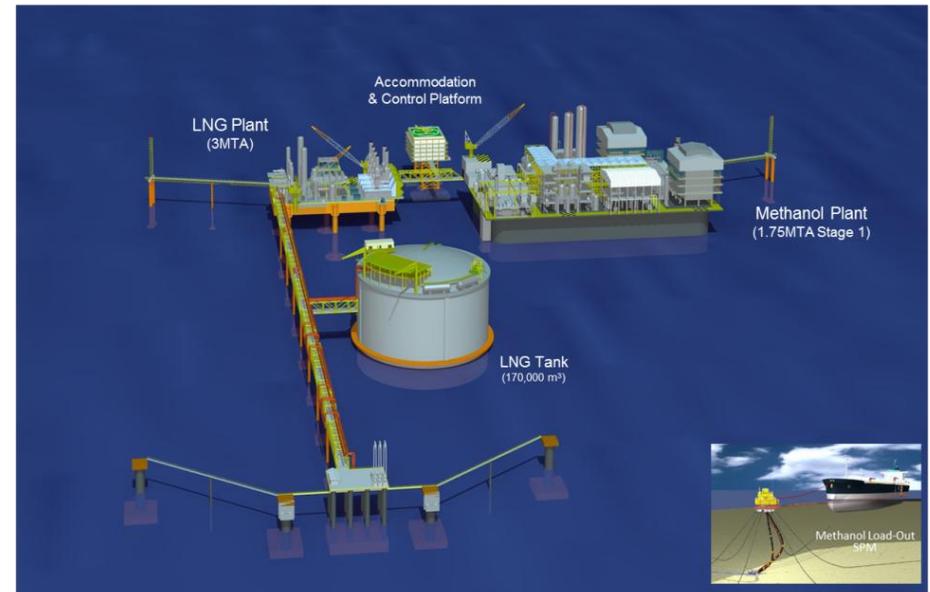
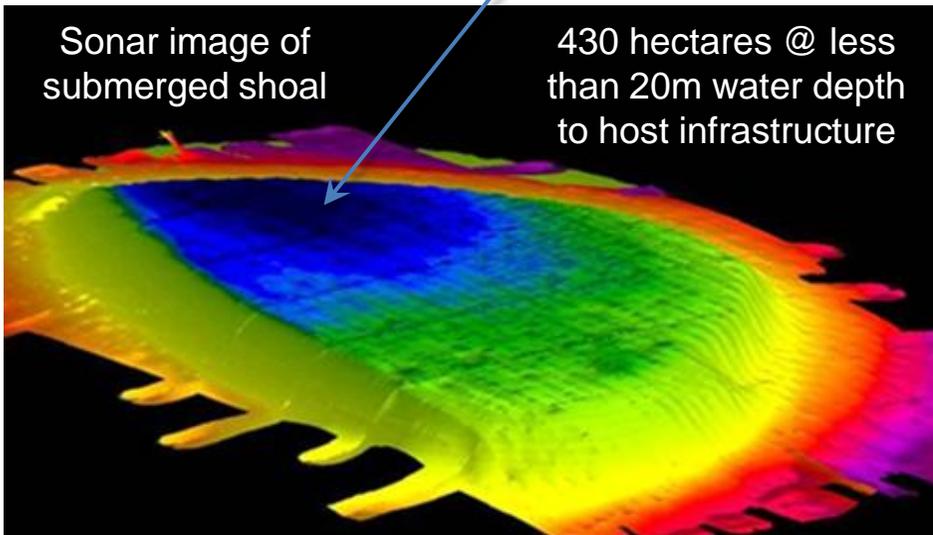


# Tassie Shoal Projects

A regional solution for economically stranded, remote, high CO<sub>2</sub> gas

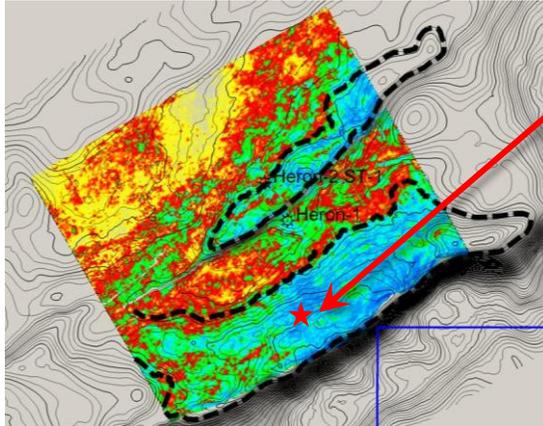
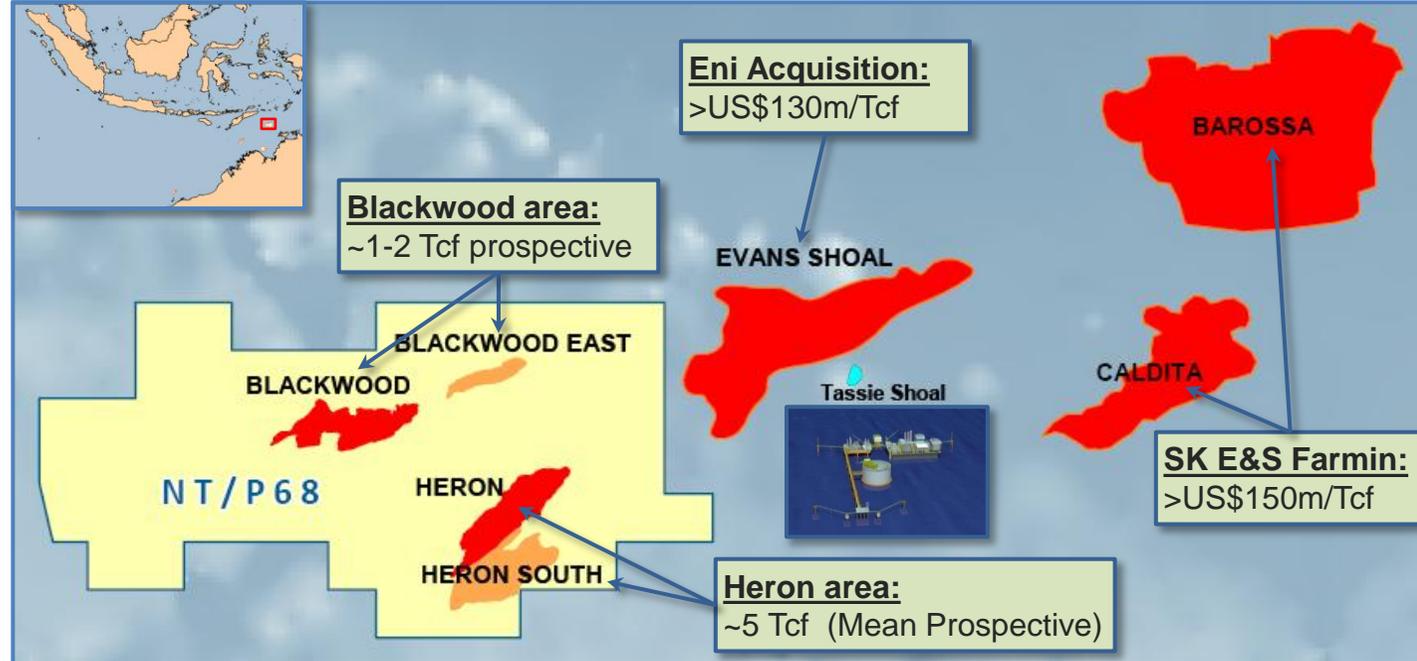
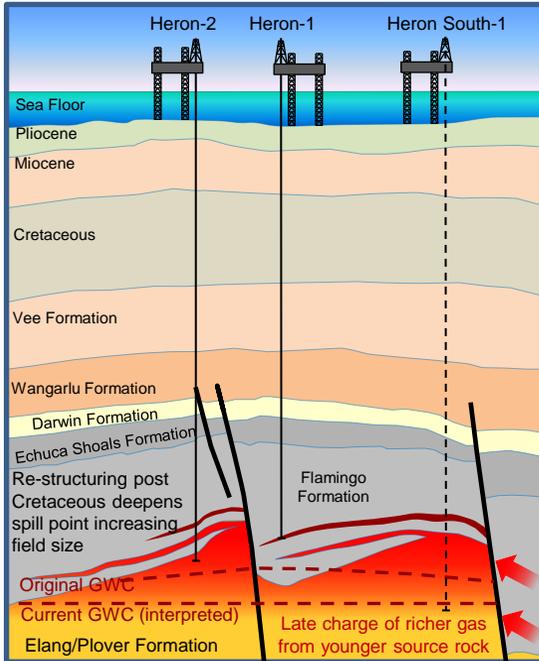


- Environmental approvals in place
- Assigned Major Project Facilitation Status
- **Methanol:** 2 of 1.75MTA plants
  - Built in two stages (TSMP<sub>1</sub> & TSMP<sub>2</sub>)
  - Consumes up to 25% CO<sub>2</sub> in raw gas stream
  - EoI's received for 8.3 MTA offtake from TSMP<sub>1</sub>
  - Exploring synergies between offtake and midstream/upstream investment
- **LNG:** 3MTA LNG plant (TSLNG)



# Well #1: Heron South-1 (50%) - underway

5 Tcf potential LNG scale prospective gas resource\*



- Heron South-1 targeted at potential reservoir sweet spot
- 2<sup>nd</sup> Heron well decision within 60 days of Heron South-1 completion
- Blackwood well decision by 5th Jan'13

### Assumptions Note:

- Evans Shoal valuation based on Eni acquisition of 40% interest from Santos for total consideration of US\$350 million (see Eni press release of 29 Nov 2011). Assumes 6.6 Tcf resource
- Barossa/Caldita gas valuation based on SK E&S farmin for 49.5% interest with Santos and Conoco Phillips for total work program and cash consideration of US\$520 million (see Santos press release of 7 June 2012) assumes 6.6 Tcf resource
- Both valuations assume all options exercised

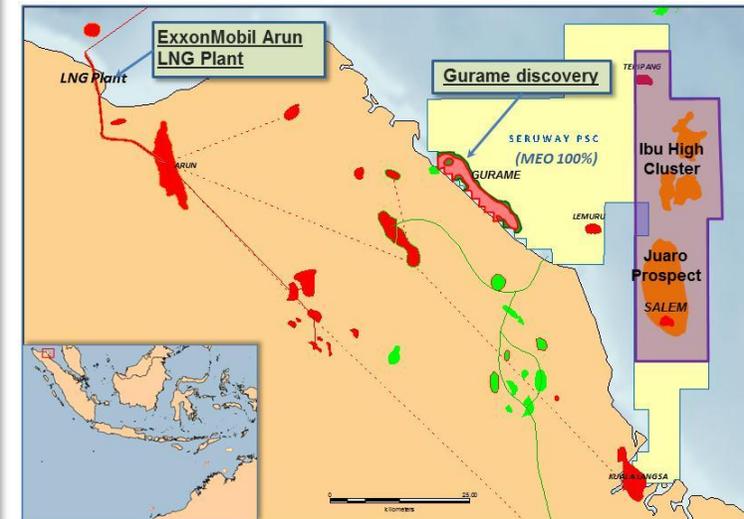
\* Prospective recoverable resource (mean)

# South East Asia Regional Context

## Targeting proven basins or analogues to proven basins

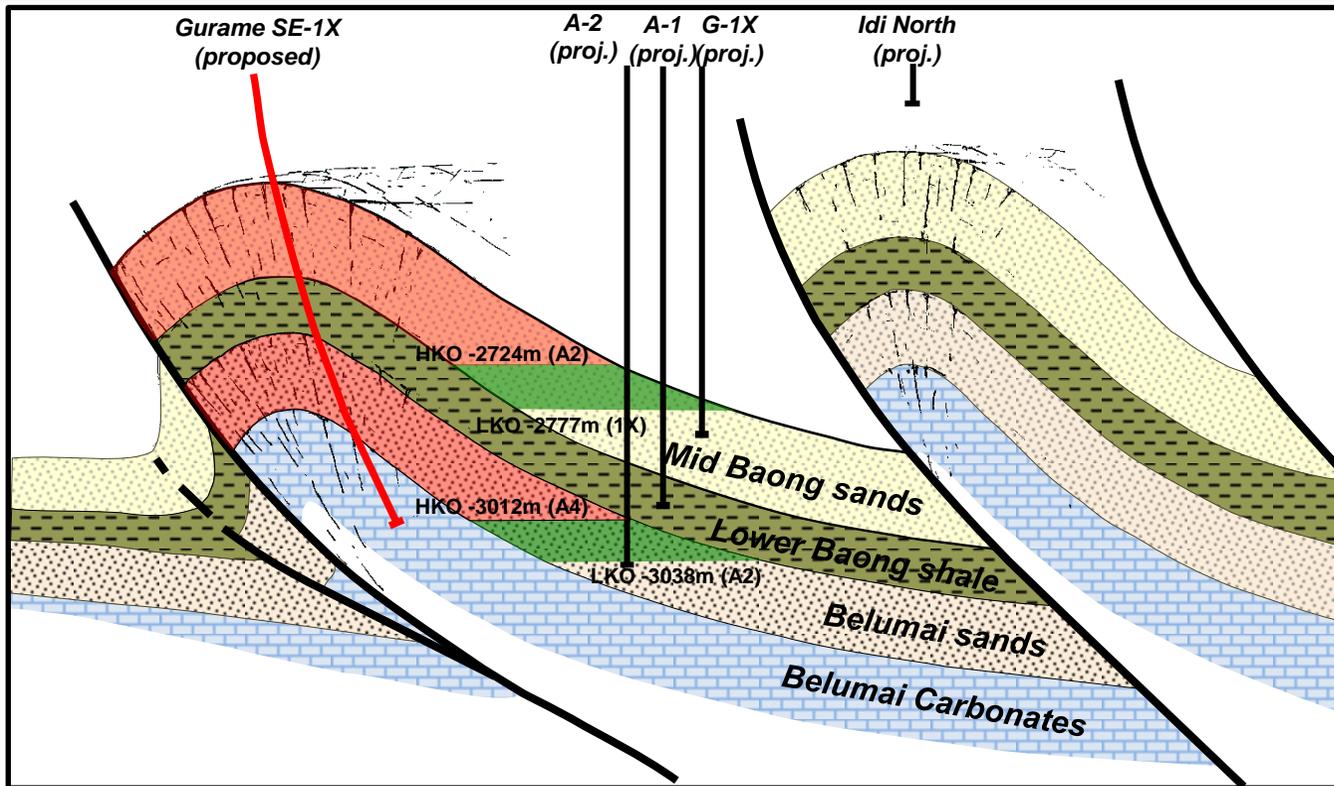


- Historically a gas exporting region
  - LNG infrastructure now under-utilised
- Growth in demand and declining production has inflated gas prices
- MEO acreage in
  - shallow water & onshore basins
  - close to infrastructure & markets
- MEO office in Jakarta
  - Operator of 2 PSC's



# Well #2: Gurame SE-1X (100%) - October

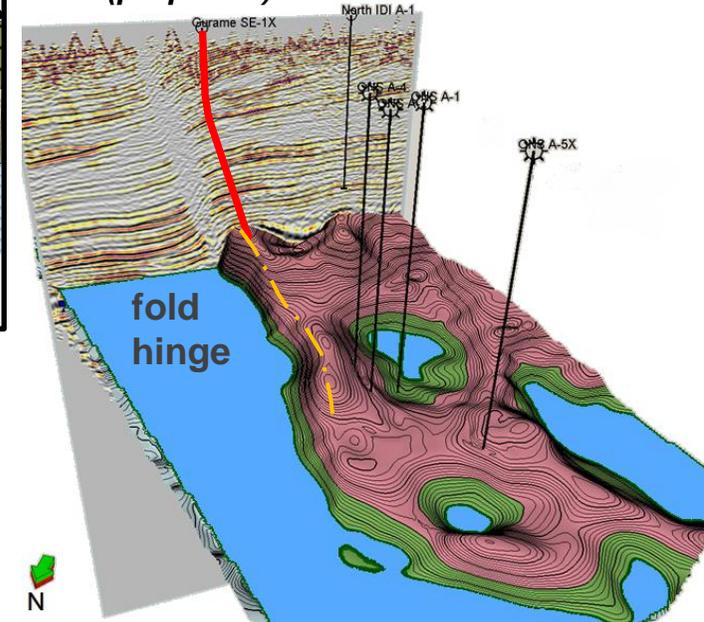
Targeting gas in optimal location to achieve commercial gas flow



## Gurame SE-1X targeting:

- structure updip of known oil – expecting gas cap
- 500 Bcf gas & 57 MMstb liquids\*
- Natural fractures likely in fold hinge
- Commercial gas flow will advance development

## Gurame SE-1X (proposed)



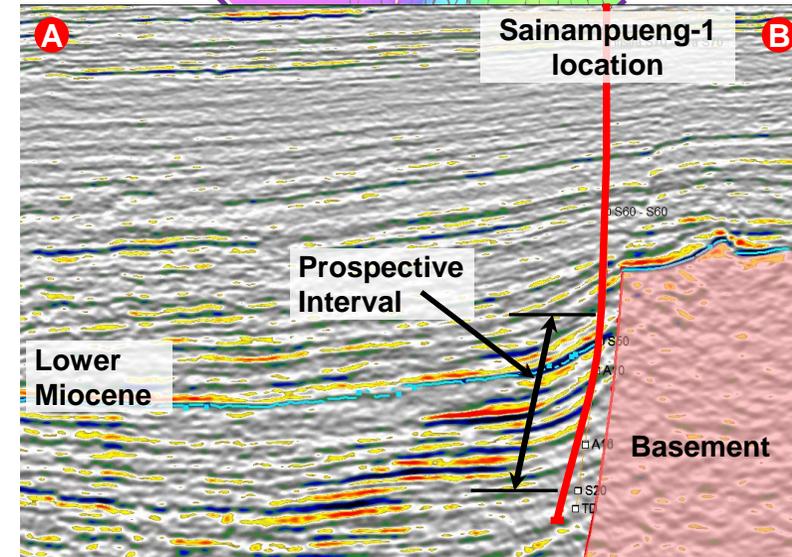
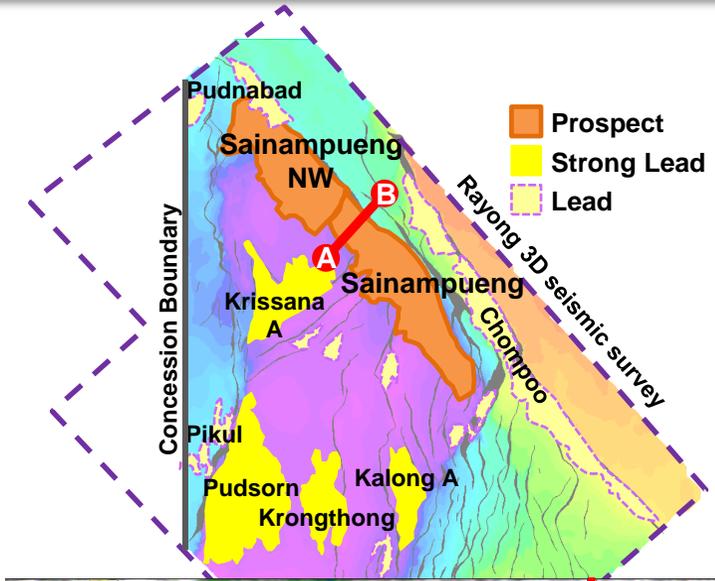
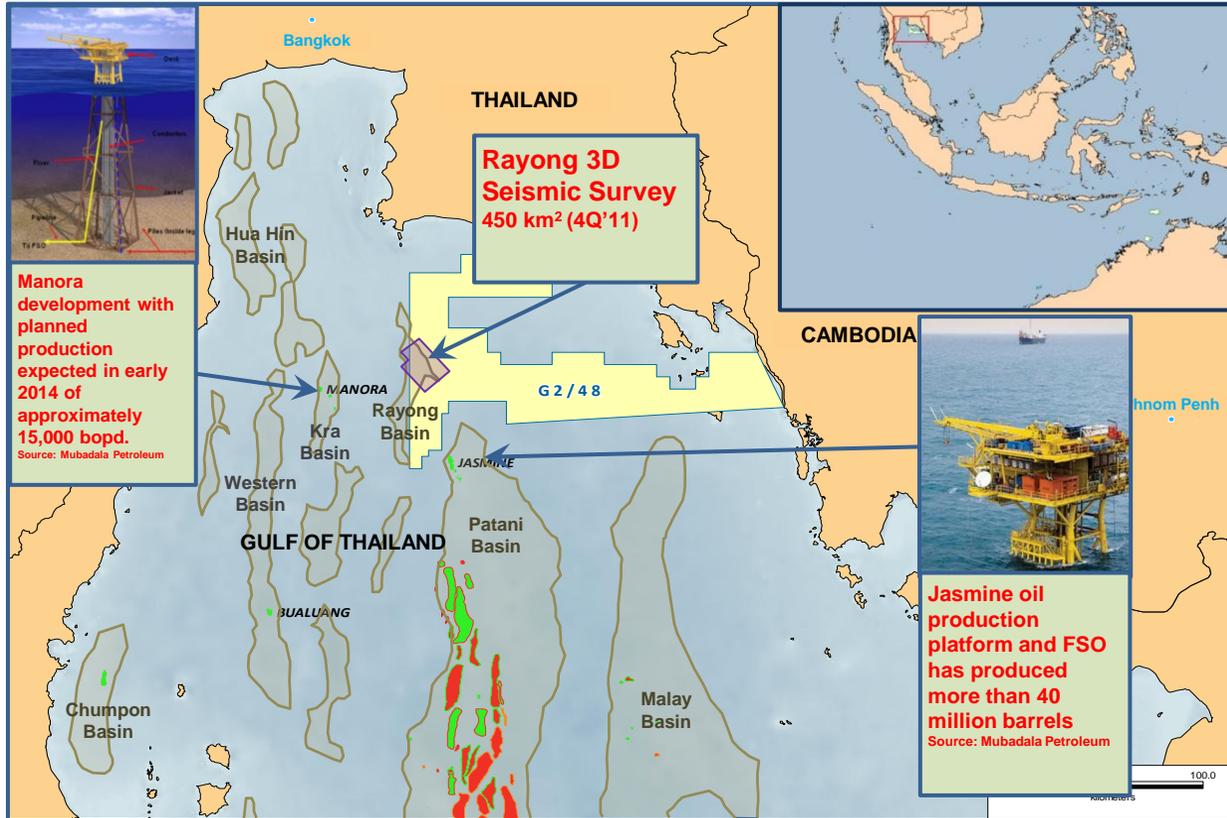
blue plane = lowest known oil

- Lost control of discovery well (A-1) drilled in 1968
- Resultant blow out flowed oil & gas from target reservoirs
- Subsequent wells failed to produce flow rate from same reservoirs
  - Suspected formation damage due to drilling practices employed to ensure no repeat of discovery well blow-out
- Crest of structure has never been drilled

\* Prospective recoverable resources (Mean)

# Well #3: Gulf of Thailand G2/48 (50%) - Q4

Sainampueng-1 targeting 10 – 27 MMstb\* oil

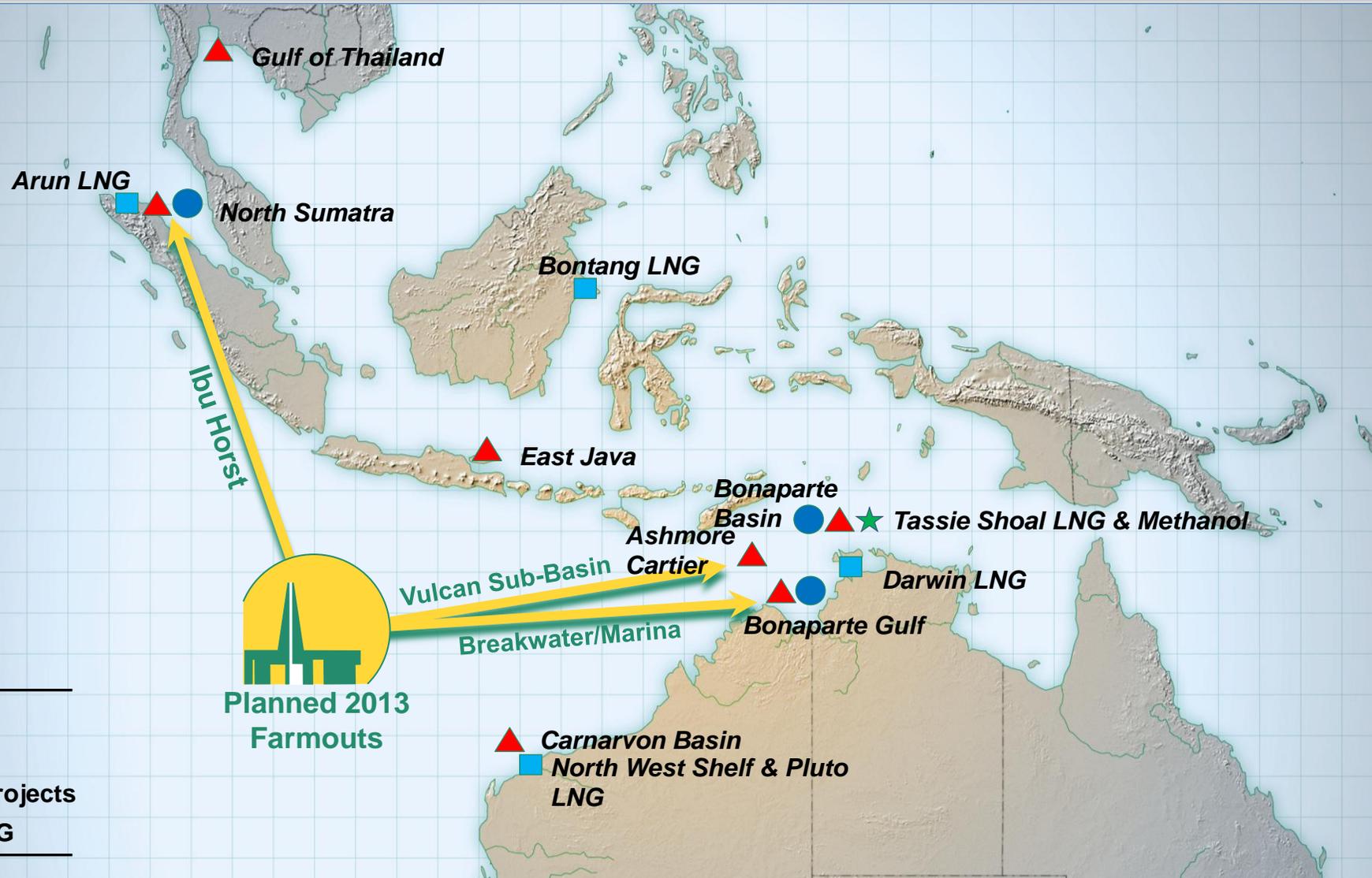


- Will evaluate thick prospective section and oil prone source rocks
- 10 MMstb to 27MMstb (mean to P10) resource\*
- 23 prospects and leads with total 100+ MMstb mean resource potential\*
- ~50 MMstb mean resource\* potential in top five targets
- Larger identified prospects provide significant follow-up potential

\* Prospective recoverable resource (unrisked)

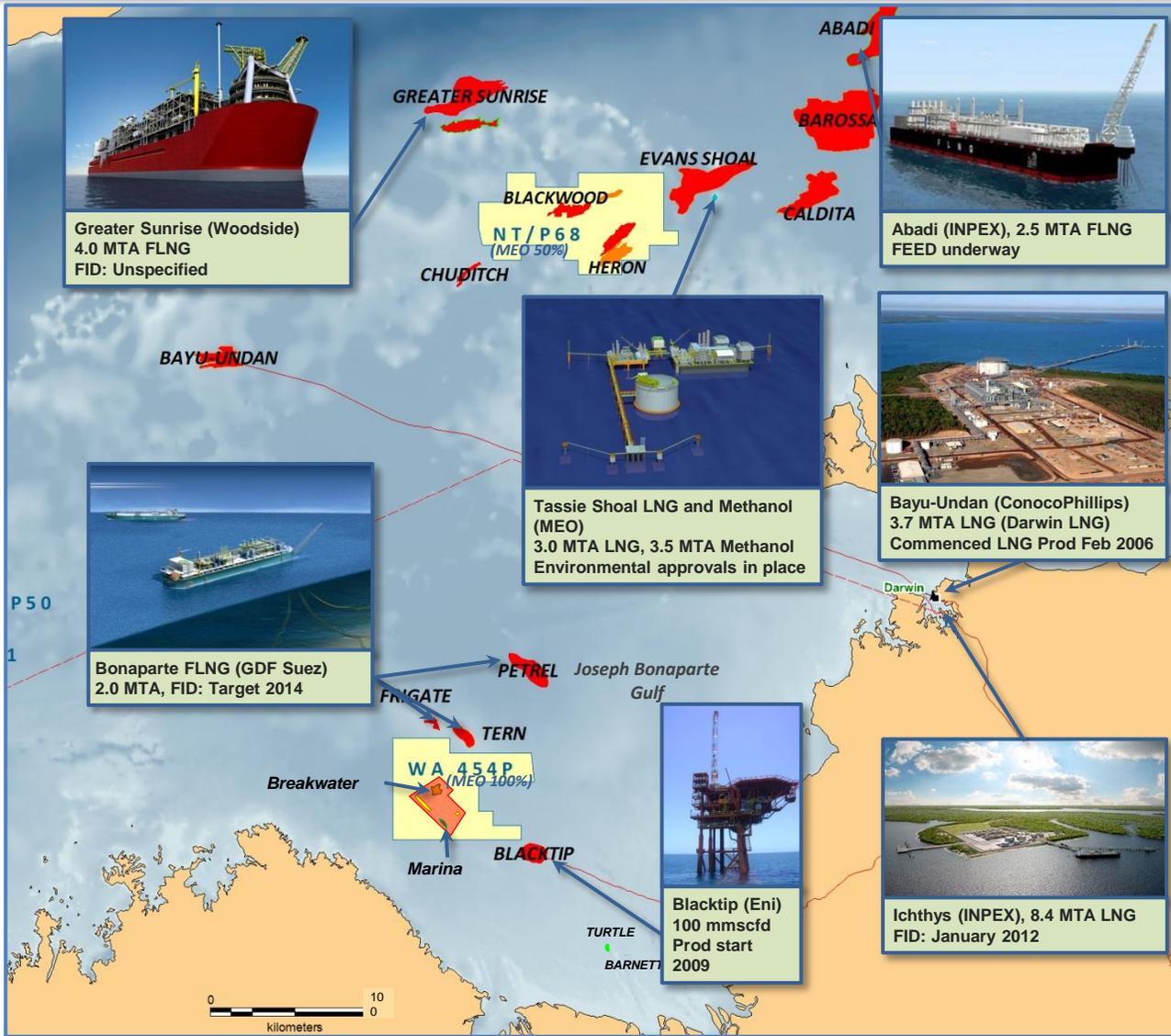
# Planned 2013 Farmout Activity

Seeking to recover back costs and achieve financial carry through drilling



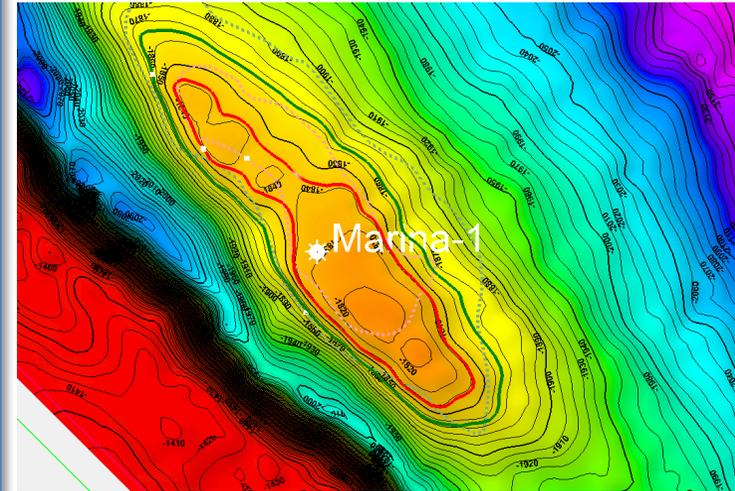
# WA-454-P (100%) strategically located

Features Marina oil & gas discovery and nearby Breakwater prospect



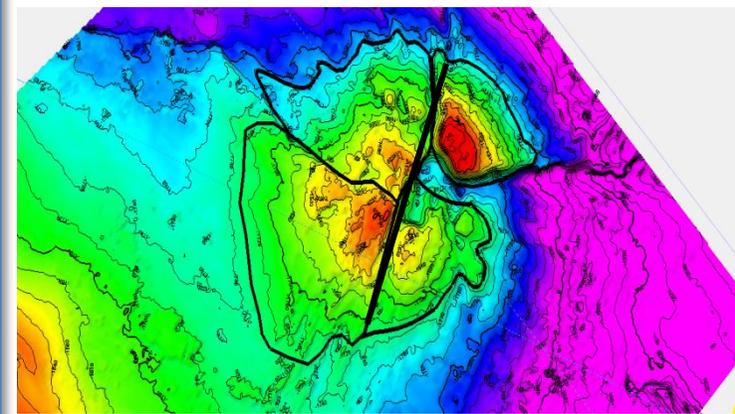
## Marina gas and oil discovery

98 - 302 Bcf gas / 6.5 - 29.5 MMstb liquids\*



## Breakwater prospect (gas and oil case)

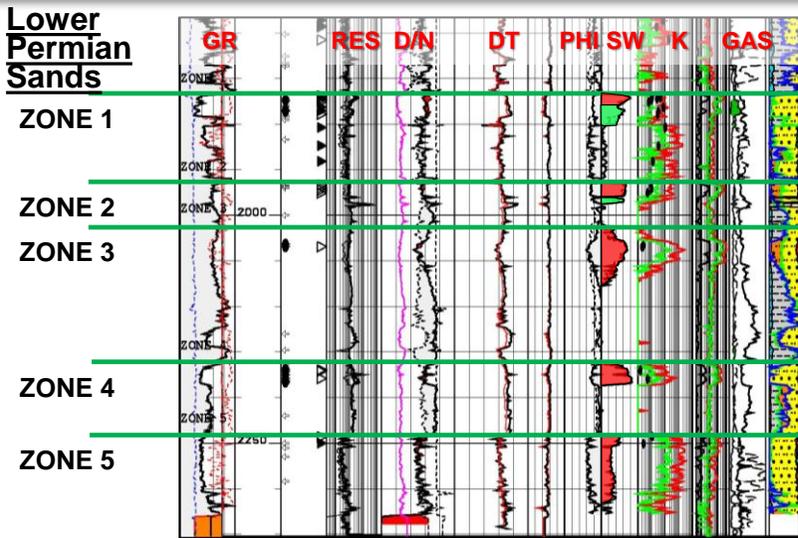
0.6 - 2.4 Tcf gas / 52 - 276 MMstb liquids\*



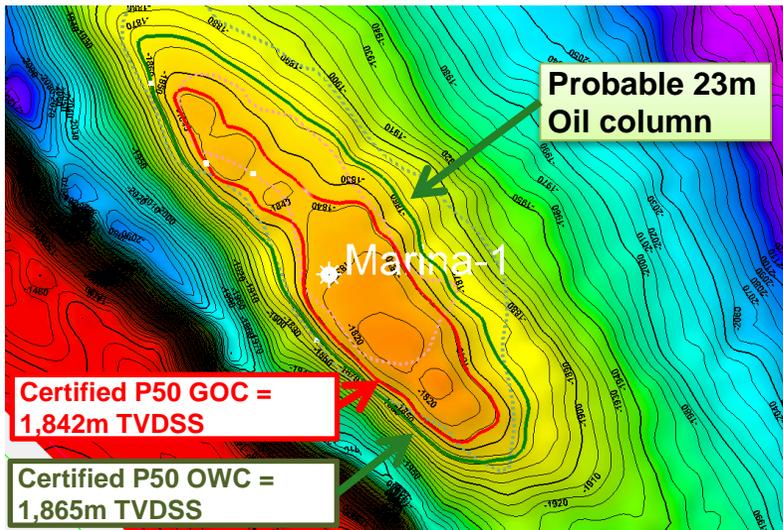
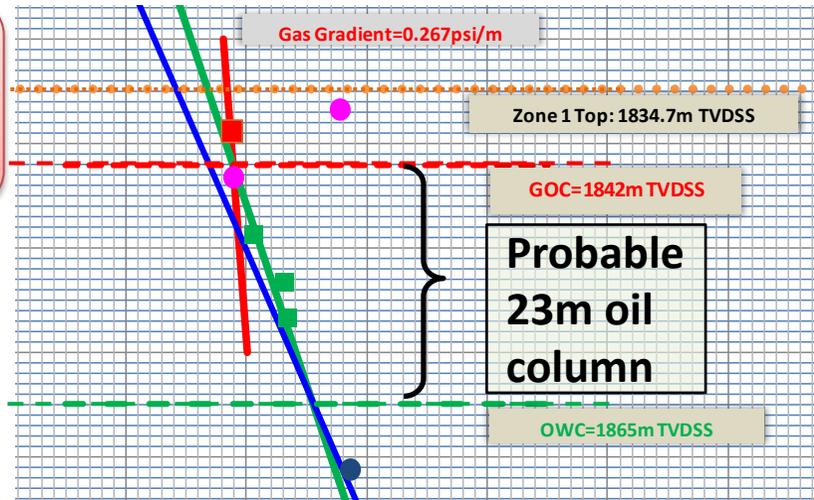
\* Prospective recoverable resources (ranges are mean to P10)

# Marina gas and probable oil discovery

Contingent resources: 98–302 Bcf gas + 5–22 MMstb oil (Mean-P10)



MDT sample recovered Gas and Liquids



Marina structure is a simple four way rollover (low side fault bend fold)

## Contingent Resources (Recoverable) \*

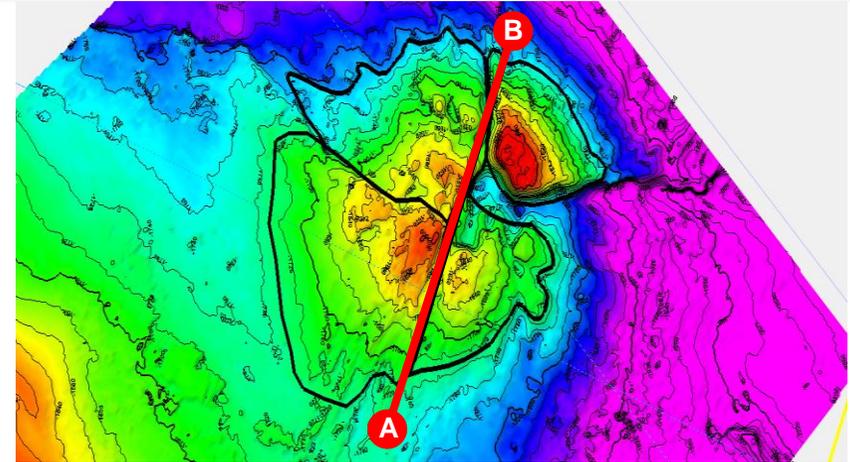
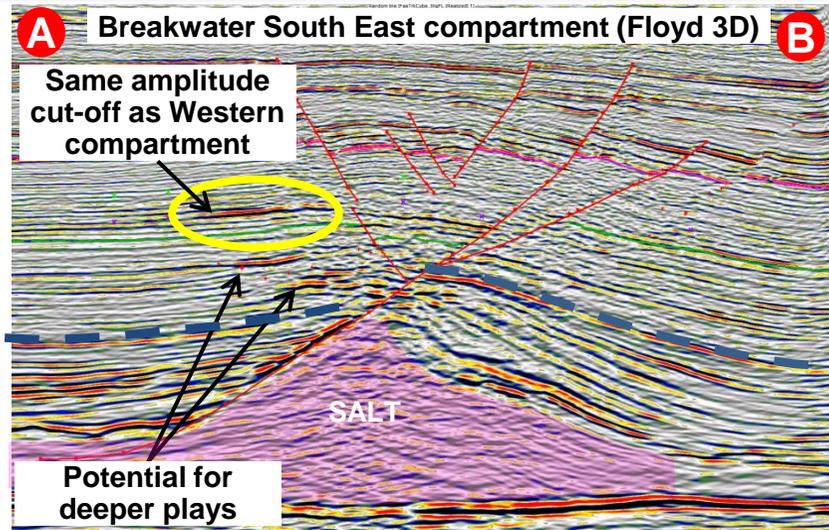
	Mean	P10
Gas (Bscf)	98	302
Condensate (MMstb)	1.5	7.5
Oil (MMstb)	5	22
<b>Total Liquids (MMstb)</b>	<b>6.5</b>	<b>29.5</b>

Note: Volumes will be updated with inputs from Floyd 3D seismic

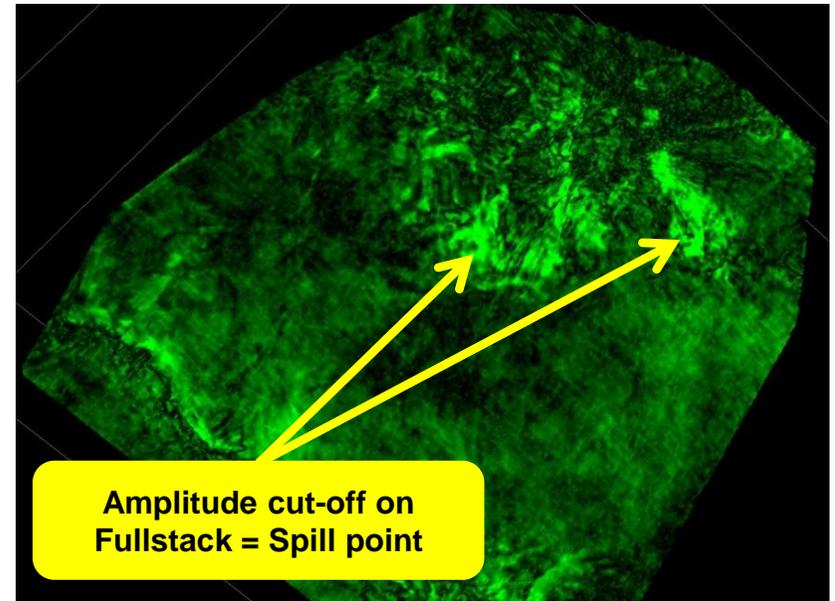
Marina Zone 1 Depth map (interpreted on Floyd 3D)

# Breakwater prospect

Multi-Tcf gas prospect with potential for 40-200 MMstb oil (Mean-P10)



Near A4 TWT structure map



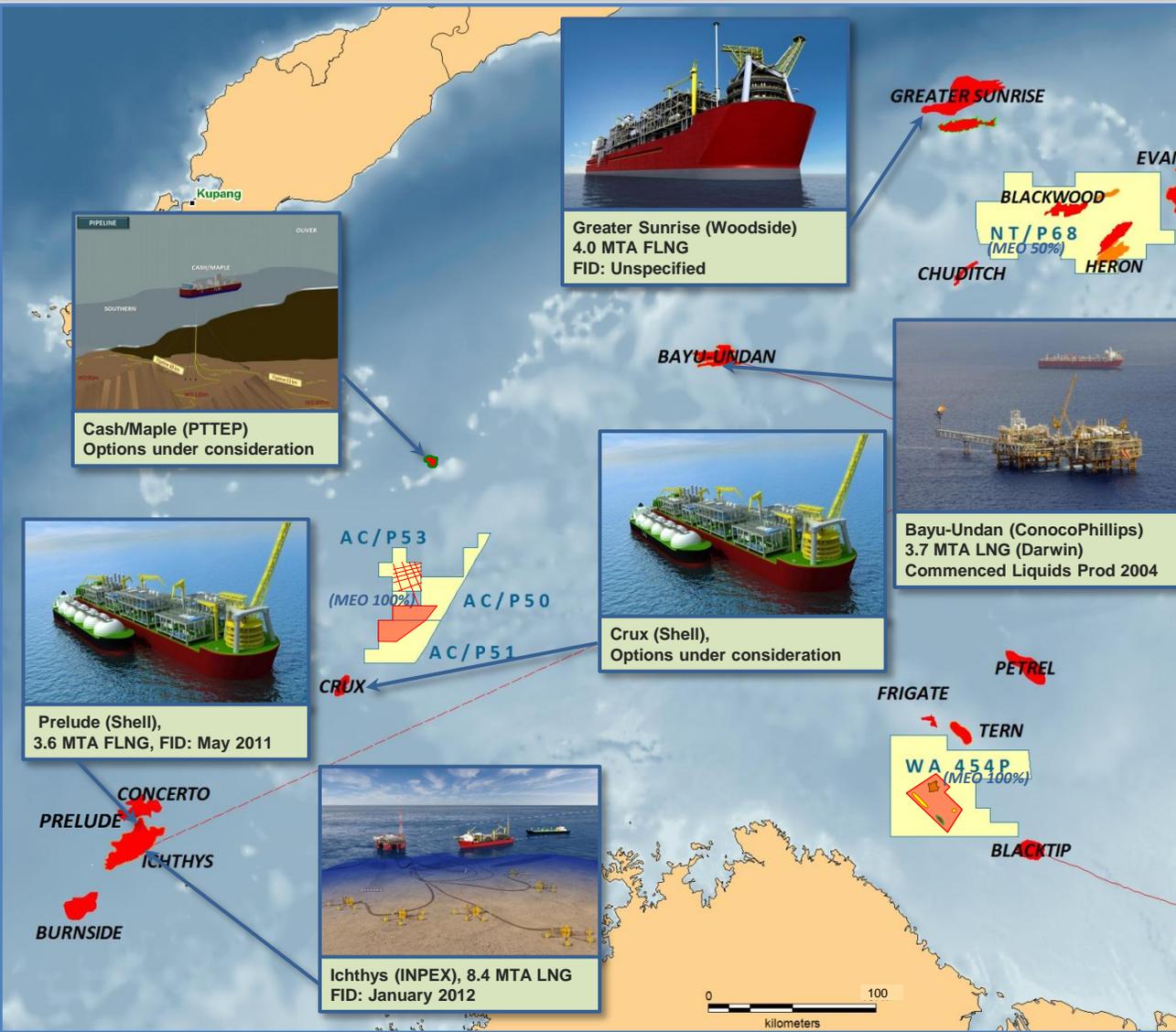
## Un-Risked Prospective Resources (Recoverable) \*

Gas only Scenario	Mean	P10
Gas (Bscf)	751	2,798
Condensate (MMstb)	13	87
<b>Total Liquids (MMstb)</b>	<b>13</b>	<b>87</b>
<hr/>		
Gas & Oil Scenario	Mean	P10
Gas (Bscf)	636	2,391
Condensate (MMstb)	11	75
Oil (MMstb)	41	201
<b>Total Liquids (MMstb)</b>	<b>52</b>	<b>276</b>

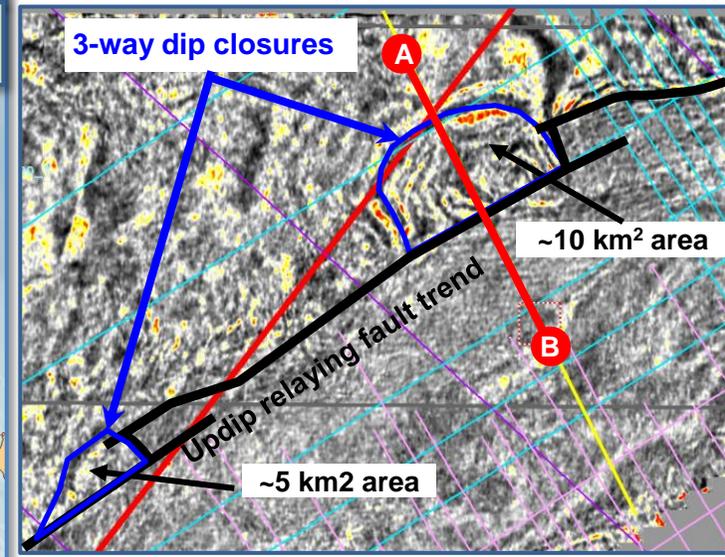
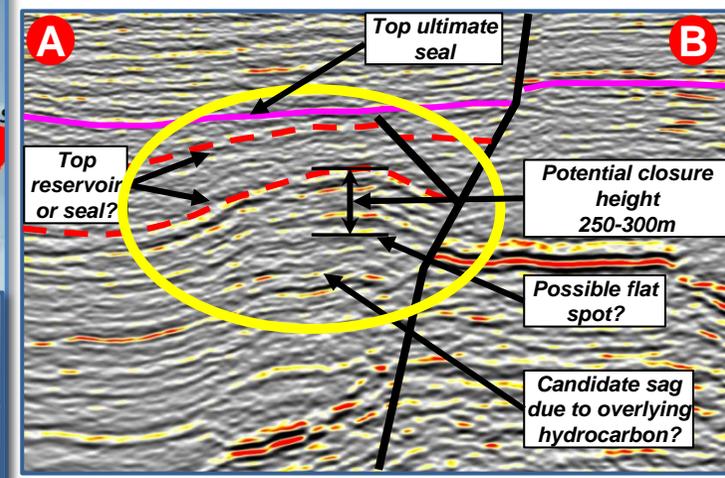
Note: Volumes will be updated with inputs from Floyd 3D seismic

# Vulcan Sub Basin (100%) Regional Context

New Seismic acquired in AC/P50, AC/P51 & AC/P53

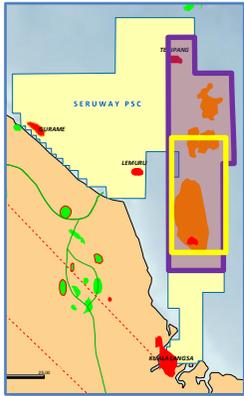


## AC/P50 Lead

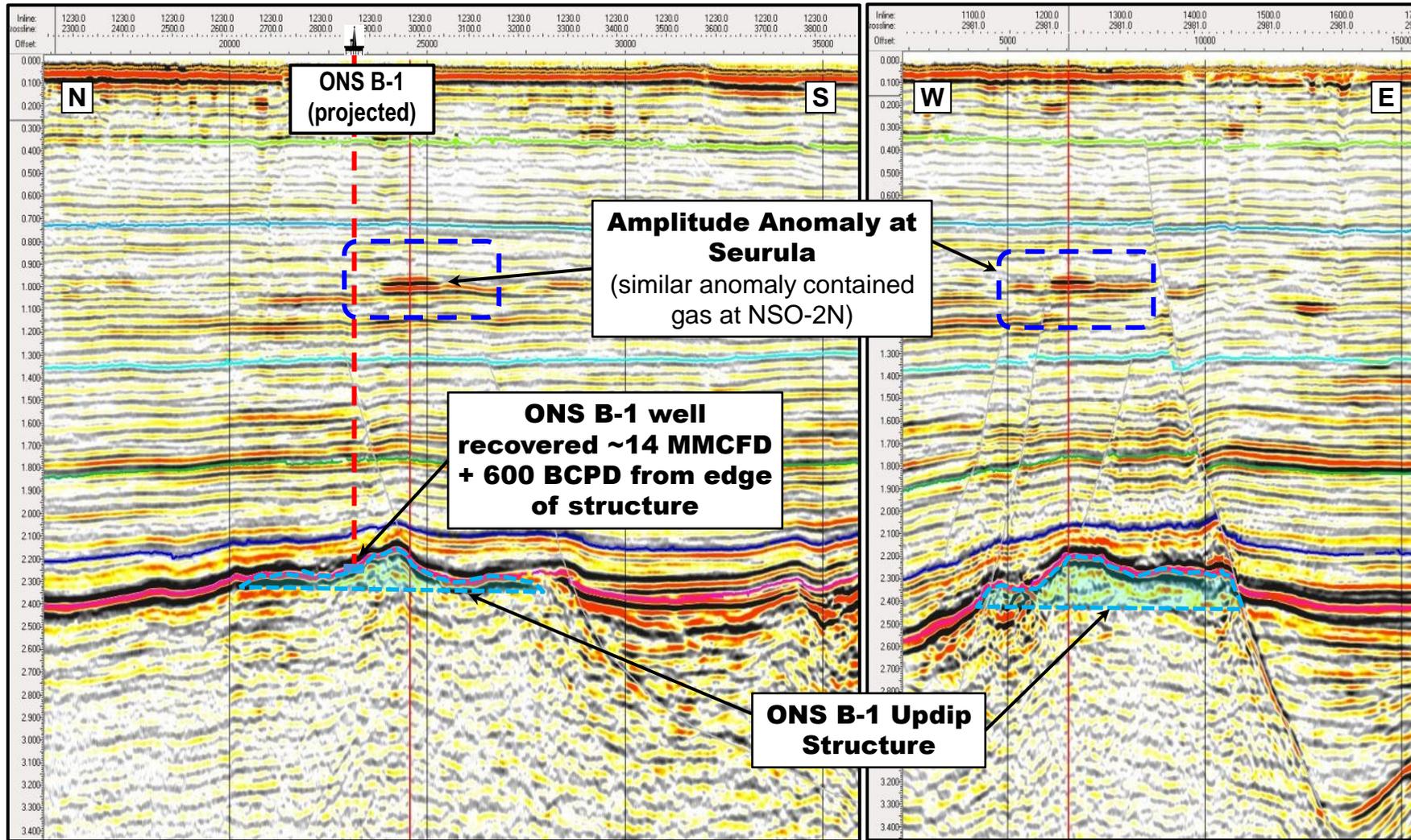
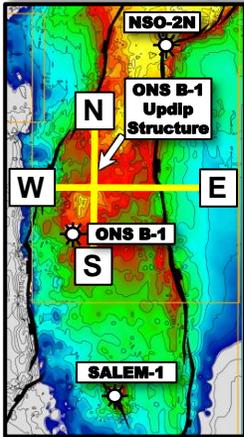


# Seruway PSC (100%) – Ibu Horst 3D

## Identified significant structural closure updip of ONS B-1 'discovery'

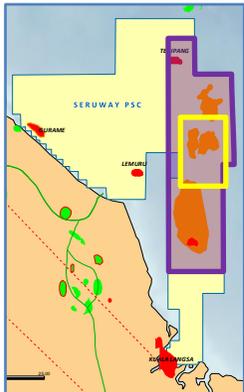


**Juaro Area Structure Map**

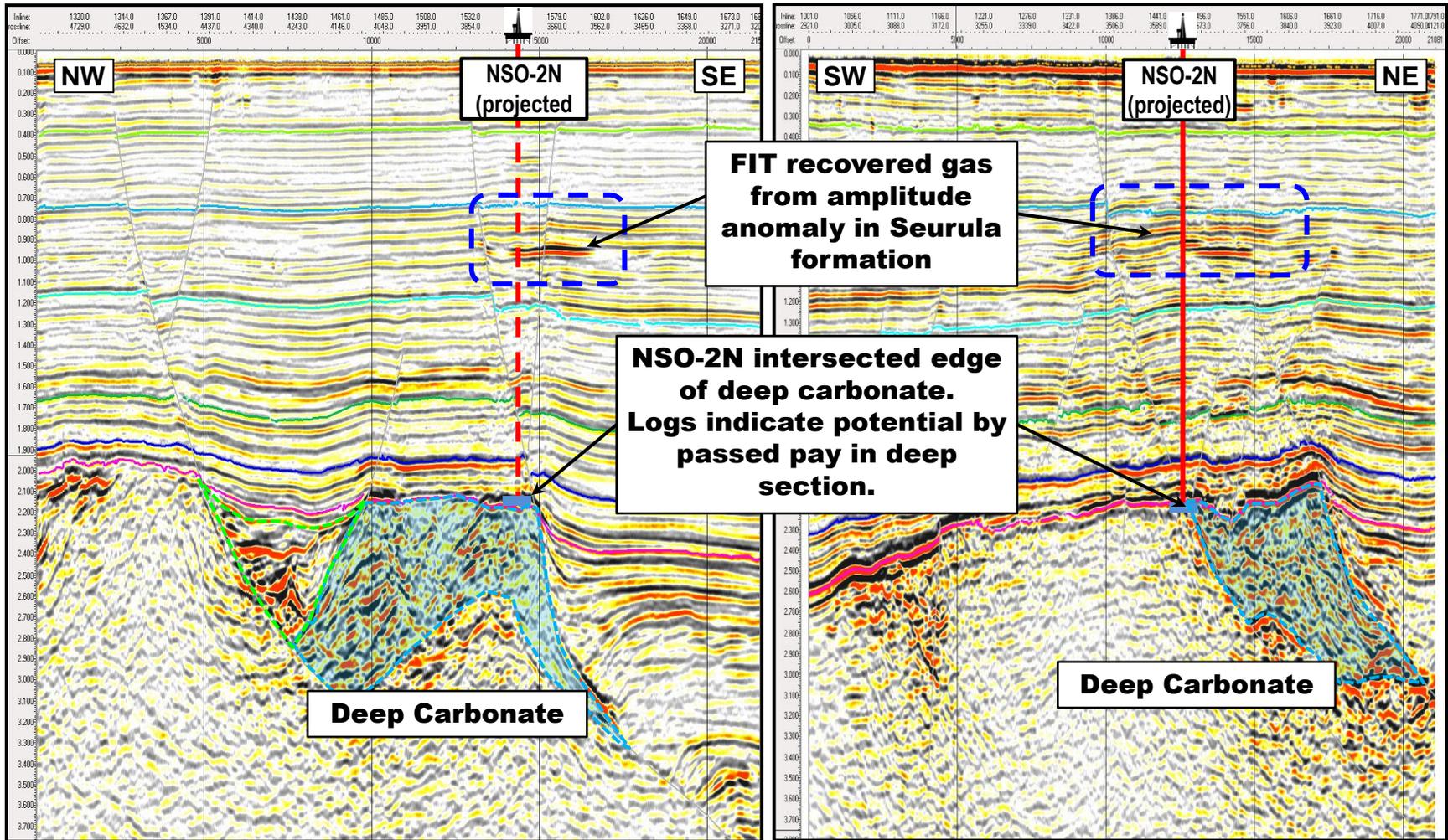
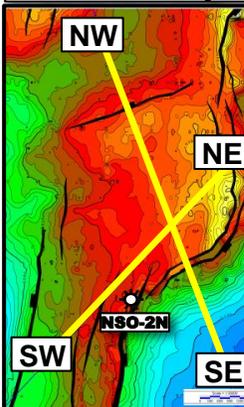


# Seruway PSC (100%) – Ibu Horst 3D

## Revealed potential extent of deep carbonate clipped by NSO-2N



**Ibu Alpha Structure Map**



# Drilling exposure & cost recovery strategy

Cash reserves to cover current drilling, 2013 farmouts to fund future activity



## Drilling Costs

Location (Permit)	Equity	Well	Target resource (100%)+	MEO Cost (US\$ m)	Cost Recovery Strategy
Bonaparte (NT/P68)	50%	Heron South-1	5 Tcf	\$0	Fully carried by Eni, well cost uncapped
Seruway PSC	100%	Gurame SE-1X	500 Bcf/57 MMstb	\$25* (untested)	Farmout 1H'2013, sell-down on success
Gulf of Thailand (G2-48)	50%	Sainampueng-1	10-27 MMstb	\$4-5*	Future sell down or farmout
<b>Estimated drilling cost</b>				<b>\$29-\$30*</b>	

## Cost Recovery

Location (Permit)	Equity	Survey	Target resource (100%) +	MEO Cost (US\$ m)	Cost Recovery Strategy
Petrel (WA-454-P)	100%	Floyd 3D	98-302 Bcf/6.5-29.5 MMstb 636-2,391 Bcf/52-276 MMstb	\$6.4	Farmout to commence November 2012
Seruway PSC	100%	Ibu Horst 3D	Gas, condensate, oil	\$7.7	Farmout to commence 1Q'2013
Vulcan (AC/P50 & 51)	100%	Zeppelin 3D	Large, liquids rich gas	\$7.3	Farmout to commence 1Q'2013
<b>Targeted cost recovery</b>				<b>\$21.4</b>	<b>Subject to future farmout</b>

## Contingent Cost Recovery

Location (Permit)	Equity	Well	Target resource (100%)+	MEO Cost (US\$ m)	Cost Recovery Strategy
Seruway PSC	100%	Gurame SE-1X	500 Bcf/57 MMstb	\$25* (untested)	Include in cost recovery on success

+ Mean prospective recoverable resources (ranges are mean to P10)

\* Estimated drilling costs

# Summary

## High level of activity to continue into 2013



- Significant leverage to 2012 drilling program outcomes
  - Net 2.5 Tcf mean raw prospective gas resources for potential LNG (Heron South-1)
  - Net 500 Bcf mean raw prospective gas resources for Domgas/LNG (Gurame SE-1X)
  - Net 5 – 13.5 MMstb mean prospective oil resources (Sainampueng-1)
- Drilling program fully funded from existing cash reserves
- 3 new farmouts planned to recover invested capital & fund future drilling
  - WA-454-P (100%) targeting gas & oil discovery + significant prospect
  - Seruway PSC (100%) targeting gas & liquids on Ibu Horst
  - AC/P blocks (100%) targeting liquids rich gas

