

ASX & Media Release

Tassie Shoal Projects – Updated Environmental Approvals

Key Points:

- LNG Project environmental approval extended until 2052, now aligned with Methanol Project
- LNG Project limit of 3% CO₂ feed gas is removed, able to receive gas of varying qualities
- Methanol and LNG projects provide low cost development options consistent with recent industry trend of modularised construction to reduce costs

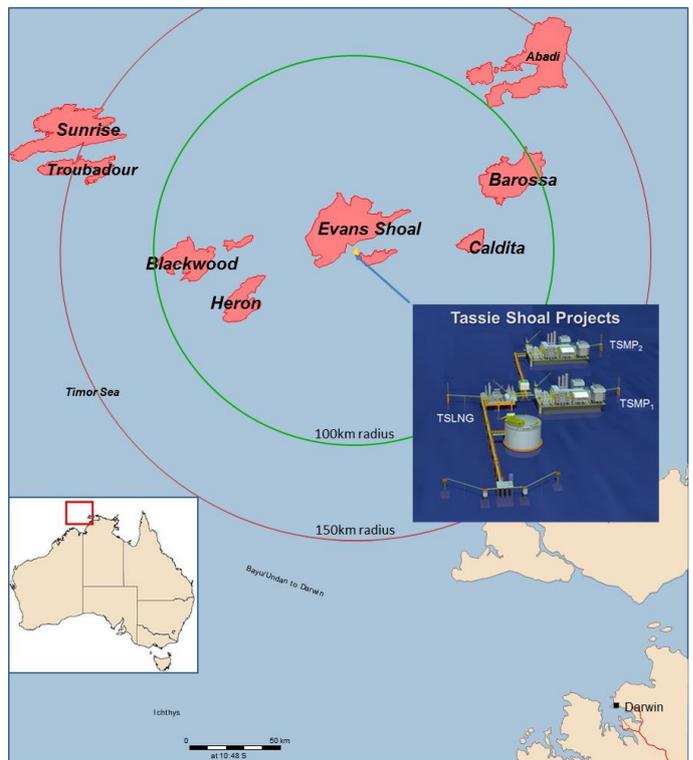
MELBOURNE, AUSTRALIA (4th August, 2016)

MEO Australia Limited (ASX: **MEO**) is pleased to advise that its strategic Tassie Shoal Projects proposed for offshore Northern Australia have received updated environmental approvals that extend the approvals period for the LNG Project to 2052, and increase the flexibility to process gas of varying qualities into LNG.

The potential Tassie Shoal Projects, comprising one LNG plant (TSLNG) and two methanol plants (TSMP₁ & TSMP₂), are strategically located on a shallow water shoal within the North West Australian hydrocarbon precinct, approximately 275 km from Darwin, and surrounded by significant discovered but undeveloped high CO₂ gas fields, currently held under retention leases.

TSLNG has a design capacity of 3Mtpa and provides significant cost savings relative to other LNG development options. The updated environmental approvals clarify the potential for TSLNG to accept all gas qualities and compete on an even footing with other development options.

Under full development the two Methanol plants would use 440 Mscf/d, or 4 trillion cubic feet (TCF) of raw gas over 25 years. The plants can accept raw gas with a CO₂ content of up to 30%. Methanol is a globally traded product with growing global demand in downstream chemical industries and also as a gasoline additive. MEO had previously reported that in conjunction with potential equity partners, it had offered to purchase raw unprocessed gas (including CO₂) for US\$3.15MMBTU (January 2015 basis, delivered to TSMP plant gate), an offer which was rejected by producers at the time.





MEO Managing Director & CEO Peter Stickland commented:

"These updated environmental approvals for the LNG Project now align both the requirements for feedstock gas and the approval period to 2052. The Tassie Shoal Projects represent a high potential, low cost and long-term opportunity for MEO shareholders.

The industry is starting to recognise the need to take steps to collaborate to secure lowest cost and efficient resource development in Australia. The unique concept of the Tassie Shoal Projects represents an opportunity for industry to collaborate with MEO to commercialise the significant, undeveloped discovered resources in the region for the benefit of all stakeholders."

A handwritten signature in blue ink, appearing to read 'Peter Stickland'.

Peter Stickland

Managing Director & Chief Executive Officer