

ASX & Media Release

Tassie Shoal Projects - Value Realisation Initiative

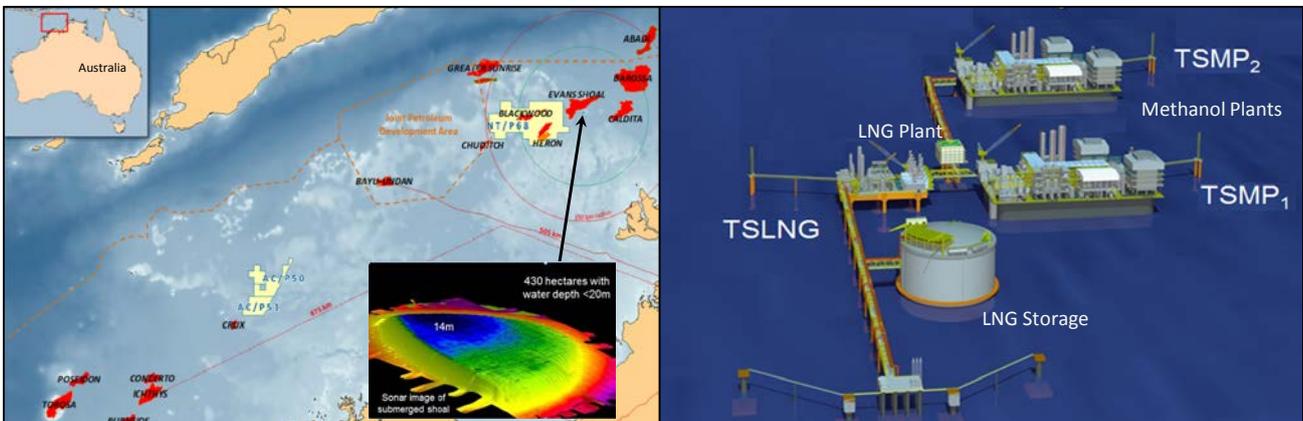
Key Points:

- MEO announces Tassie Shoal Projects value realisation initiative
- Offers sale of equity in Tassie Shoal Projects in response to market interest
- UBS appointed as adviser to MEO

MELBOURNE, AUSTRALIA (7th August, 2014)

MEO Australia Limited (ASX: **MEO**), is pleased to announce an initiative to realise value from its strategic Tassie Shoal Methanol and LNG projects proposed for offshore Northern Australia. The decision to pursue this initiative has been taken following a number of discussions with parties who had expressed interest to MEO in obtaining equity in these projects. UBS has been appointed as adviser to MEO to assist with conducting a formal process in relation to this initiative.

The Tassie Shoal projects are strategically located within the North West Australian hydrocarbon precinct, approximately 275 km from Darwin.



The methanol projects offer the opportunity to develop two 1.75 Mtpa methanol plants based on Davy Process M5000 technology with the potential to accept gas with a CO₂ content of up to 30%. The developments have the potential to provide a commercially attractive development path for the large nearby undeveloped gas resources.

The Tassie Shoal Projects also provide the opportunity to develop a 3Mtpa LNG facility which may provide material cost savings relative to other LNG regional development options such as LNG processing at Darwin or floating LNG technology.

Environmental approvals have been secured in accordance with the EPBC Act and remain current until 2052. The LNG Project environmental approvals include provision for a review process every 5 years, with the next review due in 2017.

Commenting on the Tassie Shoal value realisation initiative, Mr Jürgen Hendrich (MEO's Managing Director) said, "Over the years, our technical and commercial teams have continued to de-risk the Tassie Shoal projects to enhance their realisable value. The company has established relationships with key technology providers, secured environmental approvals and obtained Major

Tassie Shoal Value Realisation Initiative



Project Facilitation status from the Government. Non-binding Letters of Intent were signed with three parties in 2013 for all methanol off-take from both Methanol Plants.

Having progressed the project to this point and taking account of the interest expressed in the assets along with recent transactional evidence in the region, we feel now is the time to offer equity in the Tassie Shoal Projects to other participants who can further enhance the value of the projects. With its prime location and strong underlying demand for the Tassie Shoal production stream, we believe the Projects provide significant early-mover advantage to an acquirer."

MEO's other assets comprise 7 Australian permits (of which 5 are operated) and a producing oil discovery, onshore New Zealand. Mr Hendrich added, *"the MEO portfolio has been developed with the aim of delivering a material resource base to allow the company to build a sustainable oil & gas business. The missing ingredient to building a sustainable business is operating income. Funds generated from this value realisation initiative will allow MEO to pursue several opportunities to acquire near term cash generating assets consistent with this strategy. In parallel, we will continue to invite offers for participation in any of our assets across the portfolio."*

MEO expects to update the market in relation to its Tassie Shoal Projects value realisation programme later in the year.

Jürgen Hendrich

Managing Director & Chief Executive Officer