



**MEO Australia**

energy for the future

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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.

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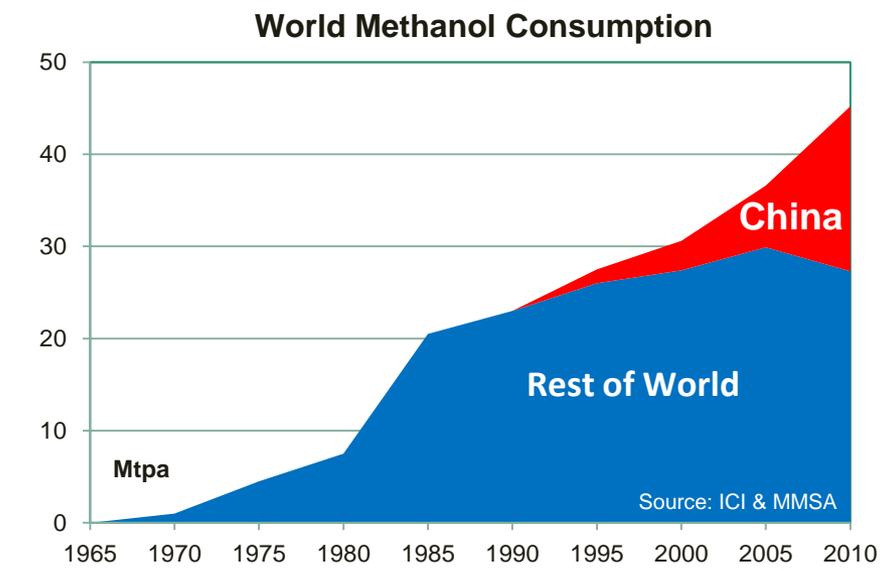
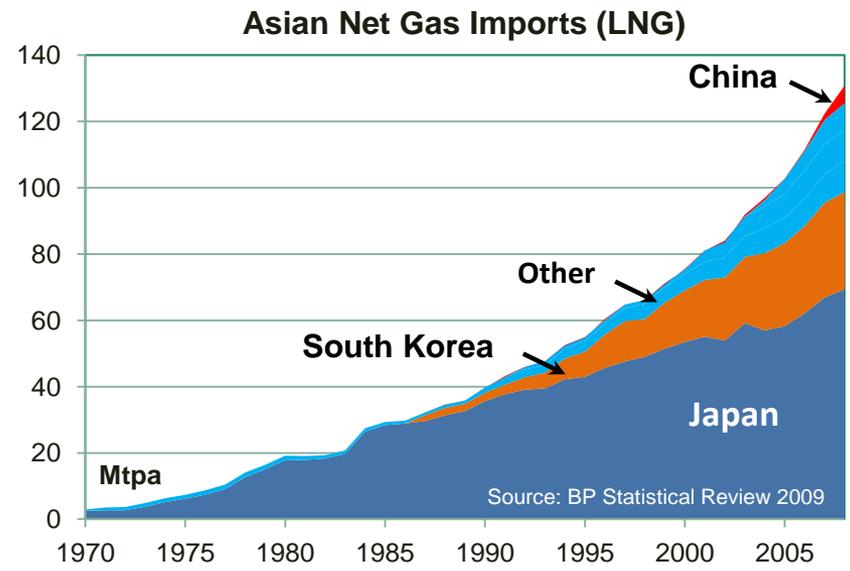
# North American Roadshow

November 8-12, 2010

# Corporate snapshot

Leverage to growing export gas markets, strong cash position

MEO Australia Limited (ASX: MEO; OTC: MEOAY)	
Issued ordinary shares	477.2m
Unlisted options	8.9m
Market Cap (undiluted @ \$0.50)	A\$239m
Cash @31 <sup>st</sup> Oct (AUD/USD = \$1.00)	A\$71m
Enterprise value	A\$168m
Avg daily liquidity (Rolling 3 months)	3.6m shares
Shareholders (31 <sup>st</sup> October)	12,571
Top 20 hold (31 <sup>st</sup> October)	17.4%



# Experienced team

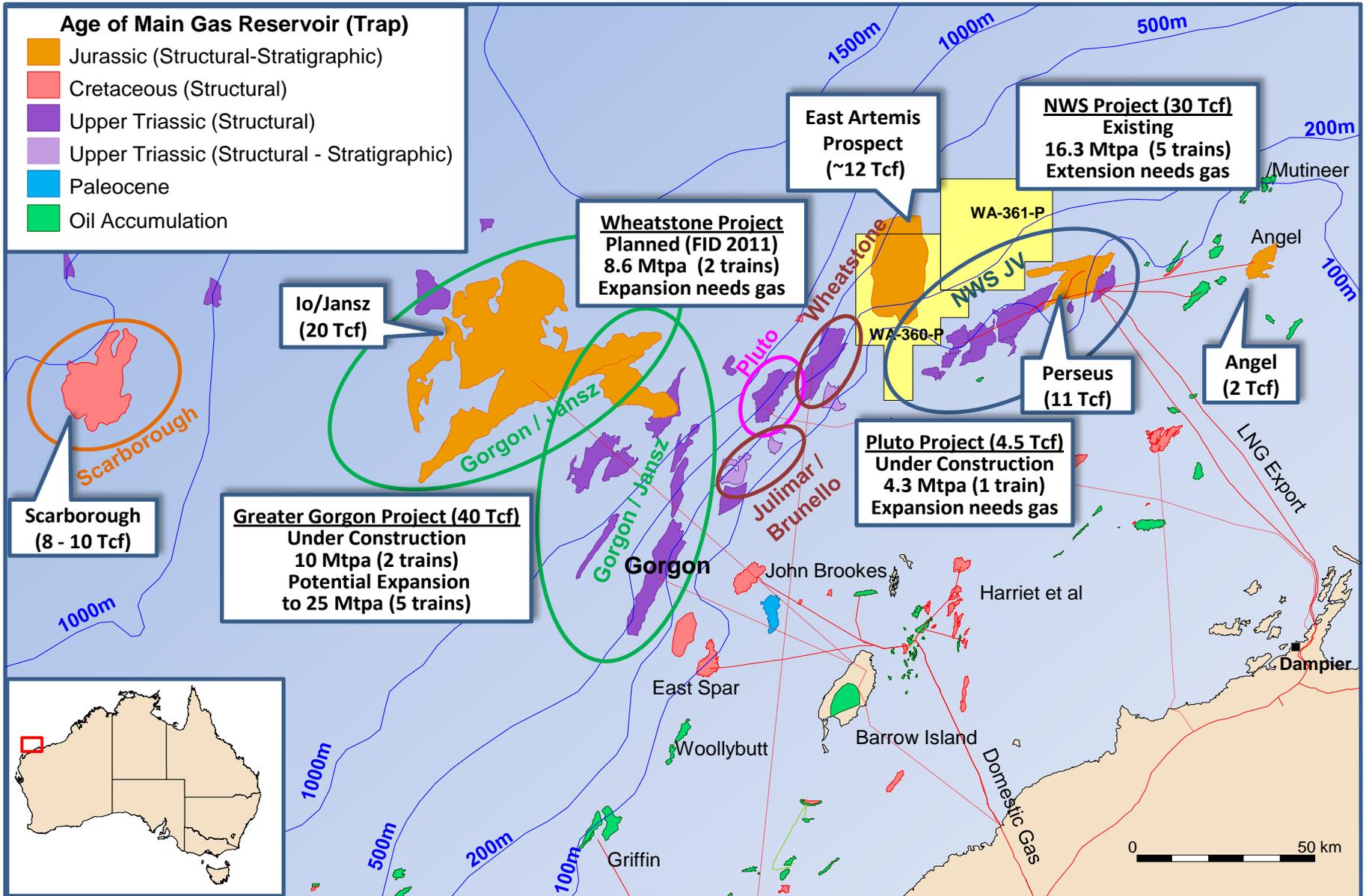
Sound commercial decisions, underpinned by technical rigour

	<p><b>Nick Heath</b> Non-Executive Chairman</p> <ul style="list-style-type: none"> <li>• Appointed May 2008</li> <li>• Engineer</li> <li>• &gt;30 years with ExxonMobil</li> <li>• Past APPEA President</li> </ul>
	<p><b>Jürgen Hendrich</b> MD &amp; CEO</p> <ul style="list-style-type: none"> <li>• Appointed July 2008</li> <li>• Geologist, Investment Banking</li> <li>• 12 years at Esso Australia</li> <li>• 13 years financial markets</li> </ul>
	<p><b>Greg Short</b> Non-Executive Director</p> <ul style="list-style-type: none"> <li>• Appointed July 2008</li> <li>• Geologist</li> <li>• &gt;33yrs with ExxonMobil</li> <li>• Retired 2006</li> </ul>
	<p><b>Michael Sweeney</b> Non-Executive Director</p> <ul style="list-style-type: none"> <li>• Appointed October 2008</li> <li>• Barrister, arbitrator &amp; mediator</li> <li>• Practicing Barrister</li> <li>• 10 years MiMi (Mitsui/Mitsubishi)</li> </ul>
	<p><b>Stephen Hopley</b> Non-Executive Director</p> <ul style="list-style-type: none"> <li>• Appointed October 2008</li> <li>• Financial Services</li> <li>• 14 years with Macquarie Bank</li> <li>• Retired 2003</li> </ul>

	<p><b>Colin Naylor</b> CFO/Company Secretary</p> <ul style="list-style-type: none"> <li>• 30 years at Woodside, BHP, Rio</li> </ul>
	<p><b>Robert Gard</b> Commercial Manager</p> <ul style="list-style-type: none"> <li>• 22 years with ExxonMobil</li> </ul>
	<p><b>Ken Hendrick</b> Implementation Manager</p> <ul style="list-style-type: none"> <li>• &gt;40 years with large companies</li> </ul>
	<p><b>Dave Maughan</b> Exploration Manager</p> <ul style="list-style-type: none"> <li>• 35 years with ExxonMobil</li> </ul>
	<p><b>Errol Johnstone</b> Chief Geoscientist</p> <ul style="list-style-type: none"> <li>• 29 years with ExxonMobil</li> </ul>

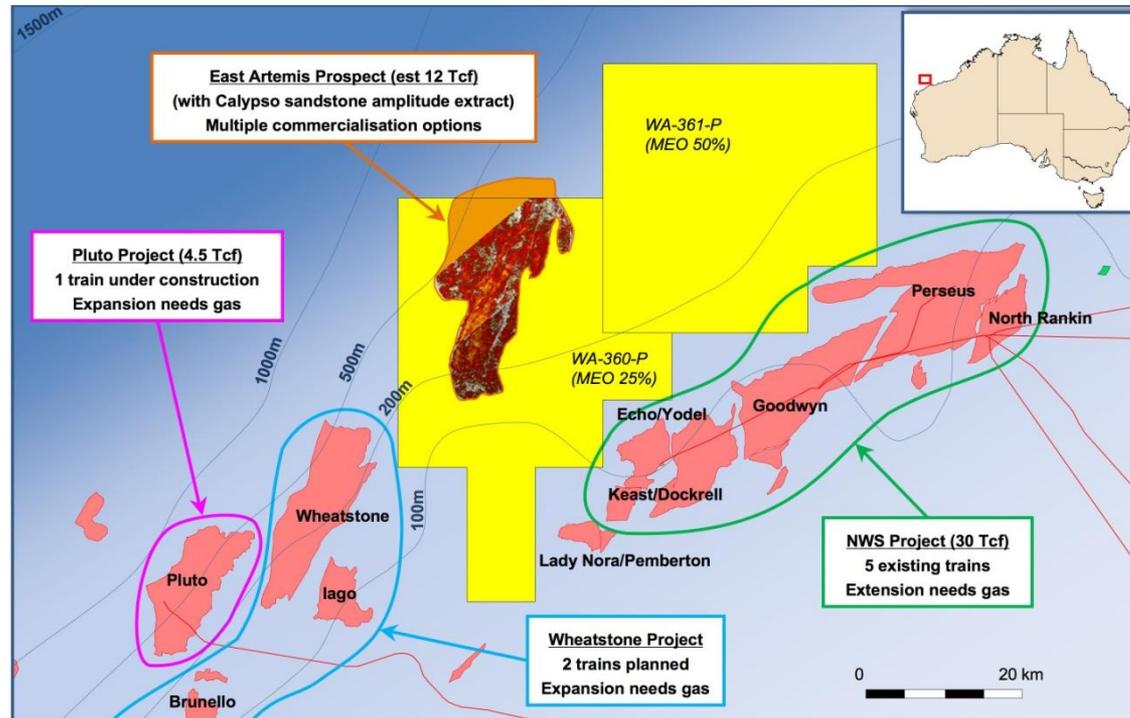
# Strategically located acreage

Near existing LNG projects hungry for gas to underpin expansion



# Petrobras farm-in to WA-360-P

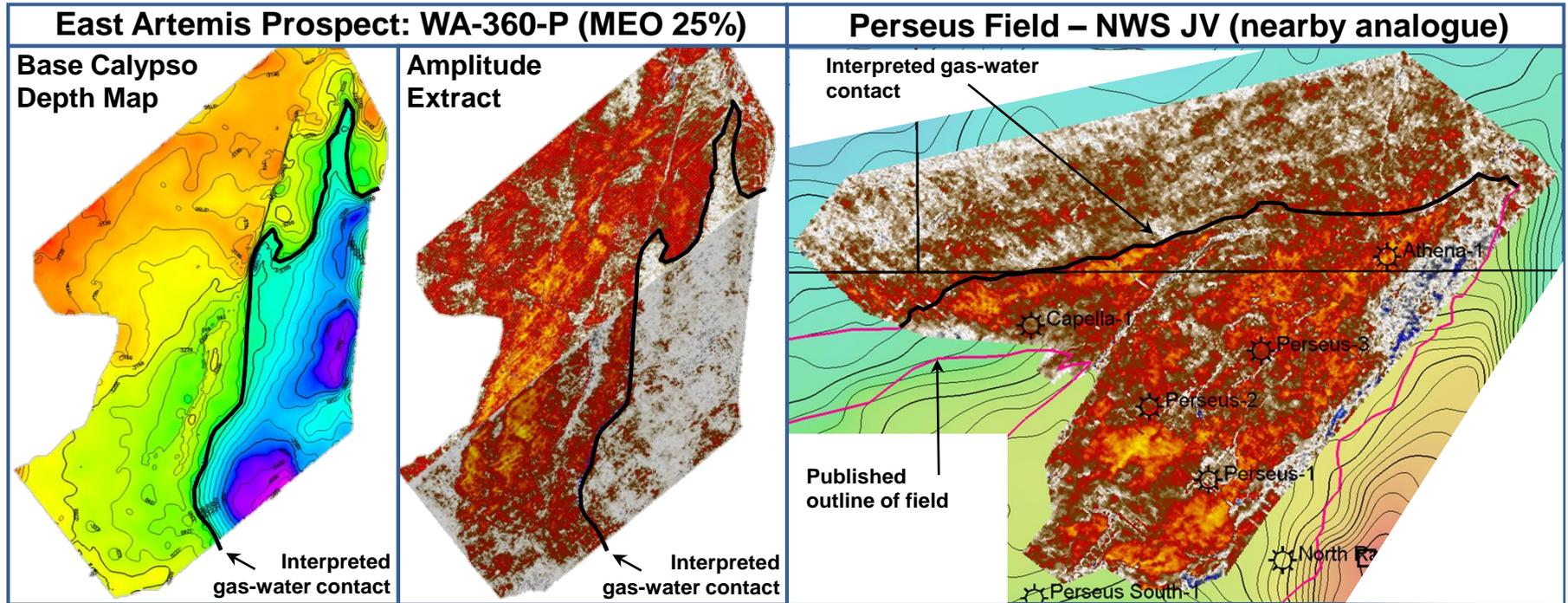
~12 Tcf prospect, multiple development options, drilling Nov/Dec 2010



- Petrobras farmed in for 50% interest (April 2010)
  - Paying 100% of 1<sup>st</sup> well (to US\$41m cap, MEO & Petrobras 50/50 above cap)
  - MEO received US\$31.5m cash, plus US\$7.5m in seismic related back-costs
  - Success case
    - Paying 70% of 2 additional wells (MEO carried for 20% PI, to US\$62m cap/well)
    - MEO receives additional US\$31.5m cash payment
- MEO has 25% participating interest & Operator
- All approvals in place to drill Artemis-1
- Rig handover expected +/- November 11<sup>th</sup>, 7 day tow to location

# 12 Tcf Artemis prospect revealed on MEO 3D

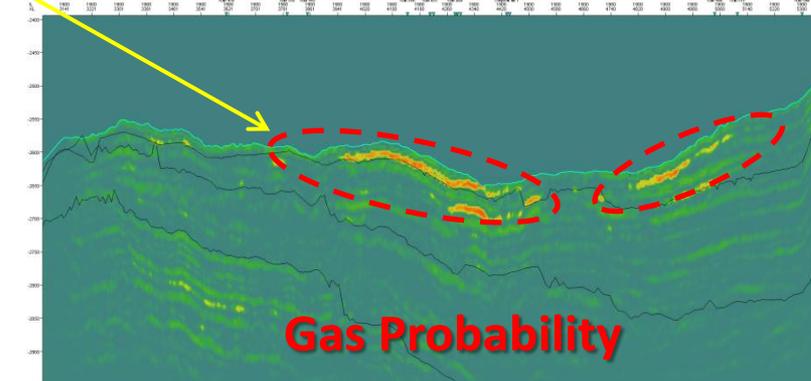
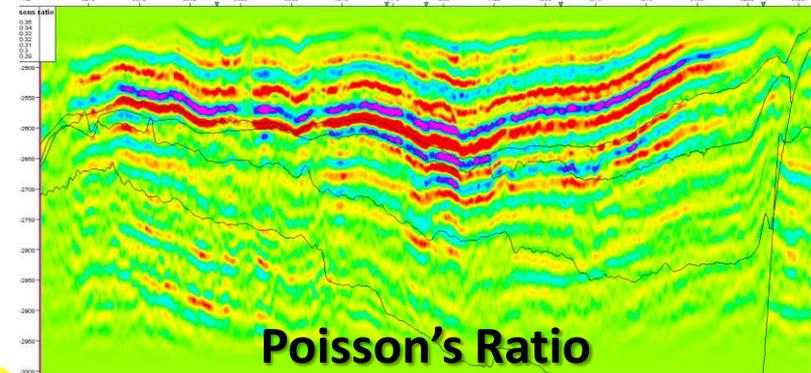
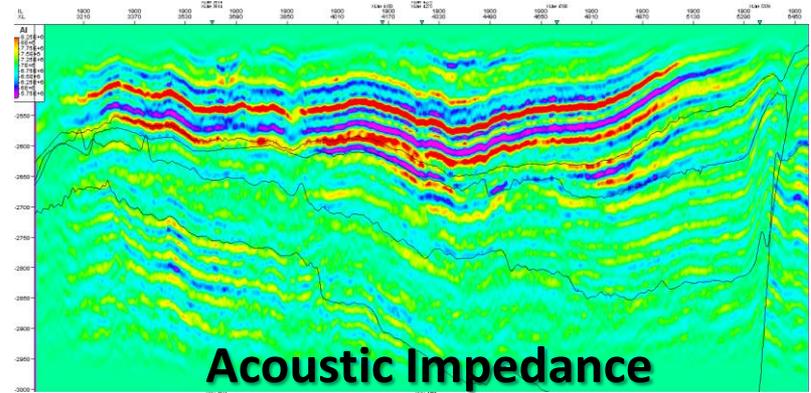
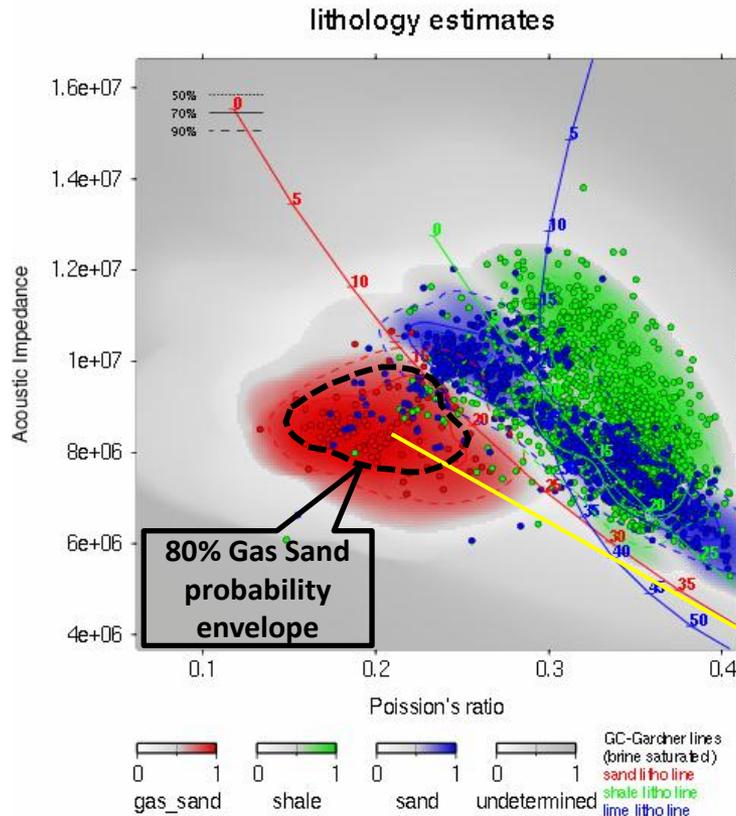
Analogous to Perseus field - DHI\* termination = Gas Water Contact?



- \* DHI = Direct Hydrocarbon Indicator
- Geological Chance of Success (GCOS) = 32%
- Gas quality expected to be similar to Pluto & Wheatstone (low CO<sub>2</sub>, low liquids)
- Multiple options to monetise discovered resources

# Rigorous geophysical analysis

Used to identify & quantify probability\* of gas sands occurring



Simultaneous inversion was undertaken to produce three datasets (Acoustic Impedance, Poisson's Ratio and Gas Probability\*) that were used to determine distribution of likely gas sands

\* Note: Gas probability calculation is not calibrated to well data in this 3D seismic data set. Artemis-1 will calibrate the data



# Resource assessment (100% basis)

Combined 12 Tcf mean prospective resources, 32% GCOS

Formation		P90	P50	Mean	P10	Parameter	Distribution	Calypso Fm	Legendre Fm
<b>Calypso</b>						GR Volume	10 <sup>6</sup> m <sup>3</sup>	20,650	23,769
Gas-in-place	TCF	7.7	10.6	10.8	14.0	Net to Gross	Triangular	25%-45%-70%	25%-45%-70%
Recoverable	TCF	4.6	6.3	6.4	8.4	Porosity	Triangular	17%-22%-25%	15%-20%-22%
<b>Legendre</b>						Gas Saturatn	Normal	70%, 4% std dev	70%, 4% std dev
Gas-in-place	TCF	5.9	9.2	9.5	13.4	Gas Expansn	Normal	212, 5% std dev	212, 5% std dev
Recoverable	TCF	3.5	5.5	5.6	8.0	Gas Recovery	Normal	60%, 3% std dev	60%, 3% std dev
<b>Combined</b>						Heating value	Btu/scf	1,000	1,000
Gas-in-place	TCF	13.6	19.8	20.3	27.4	Inerts	%	Nil	Nil
<b>Recoverable</b>	<b>TCF</b>	<b>8.1</b>	<b>11.8</b>	<b>12.0</b>	<b>16.4</b>	GWC	mSS	-3,275m	-3,275m

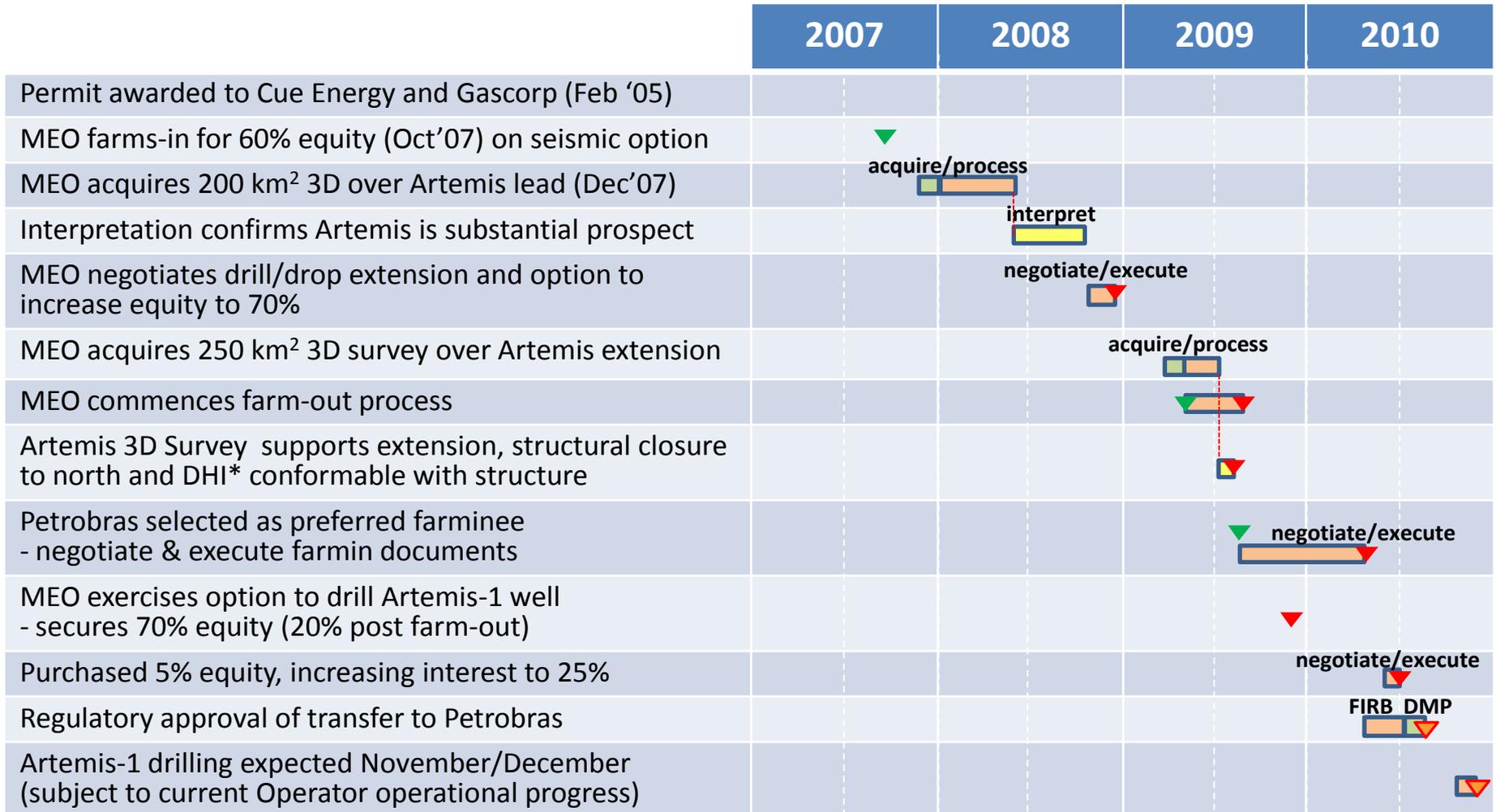
Source: P. J. Cameron, Resource Invest Pty Ltd, August 2009

Prospect Elements	Probability
Overall Geological COS	20%
DHI de-risking multiplier	1.6x
<b>Estimated Geological COS</b>	<b>32%</b>
MEO participating interest	25%

Prospect Elements	Probability
Reservoir - presence/quality	80%
Trap* (pre-2009 Artemis 3D estimate)	50%
Source – presence/quality	80%
Seal adequacy	70%
Maturation/Migration	90%
Timing	100%
Preservation	100%

# WA-360-P case study

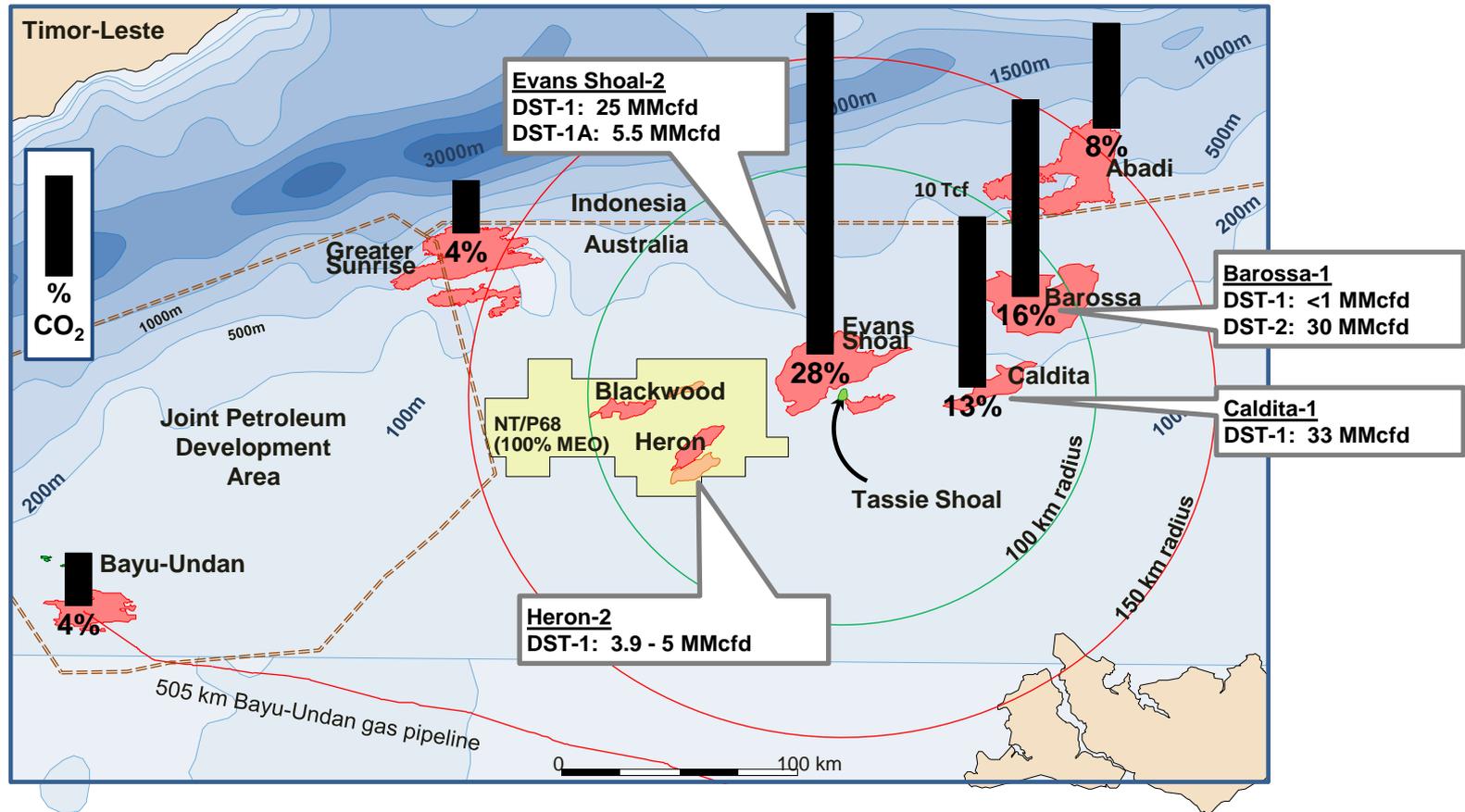
MEO's technical skills and rapid evaluation identifies potential value



\* DHI = Direct Hydrocarbon Indicator, an indication of high probability of gas based on seismic interpretation

# Bonaparte Basin – more challenging for LNG

Best quality resource developed, other resources economically challenged



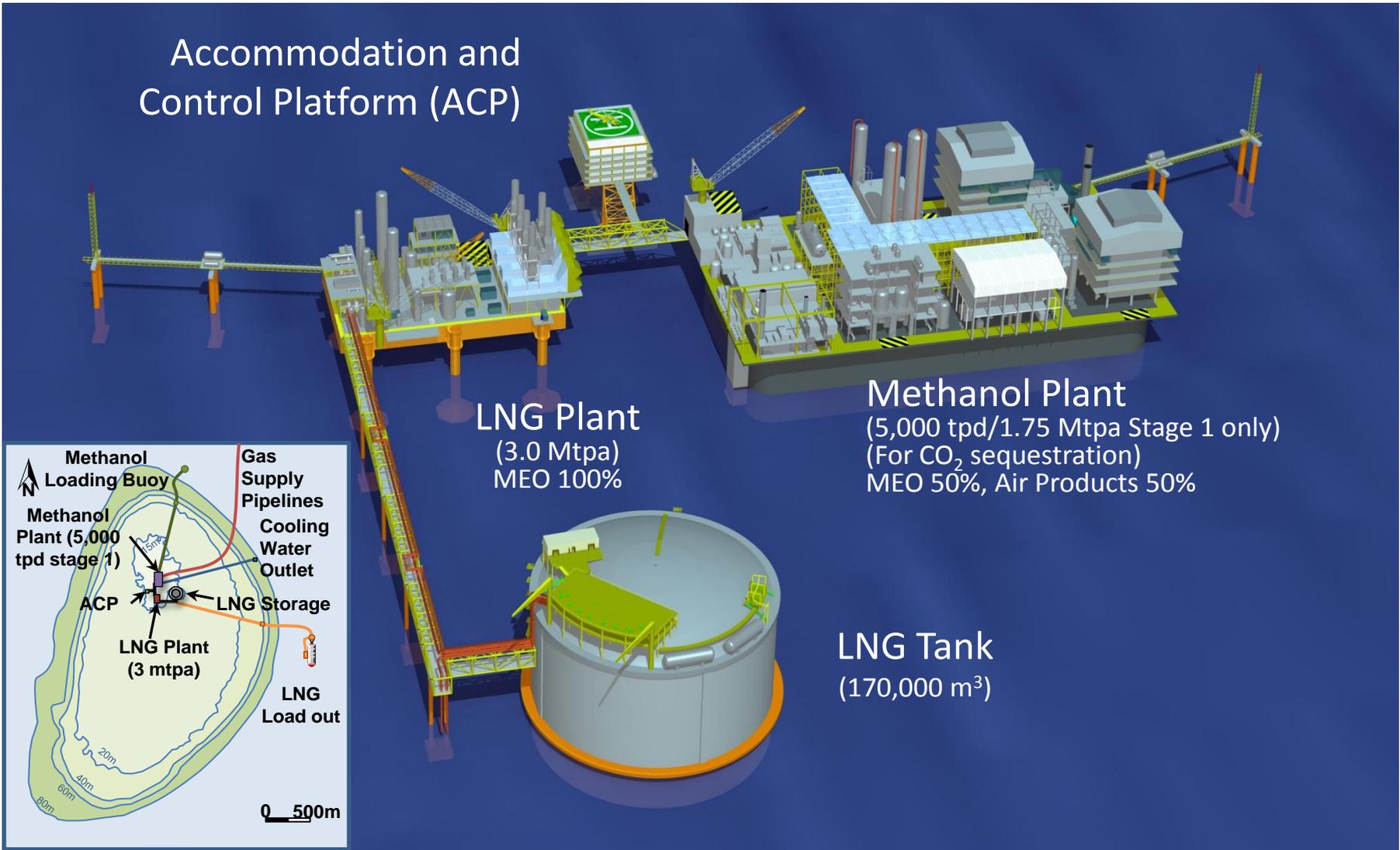
## Impediments to economic development:

- Gas quality – low liquids & high CO<sub>2</sub> content
- Uncertain resource size & long term reservoir performance issues
- Capital cost uncertainty & technology (FLNG) risks
- Remoteness & geopolitical issues

# Tassie Shoal Projects have environmental approvals

A modular hub ready for gas of any quality...

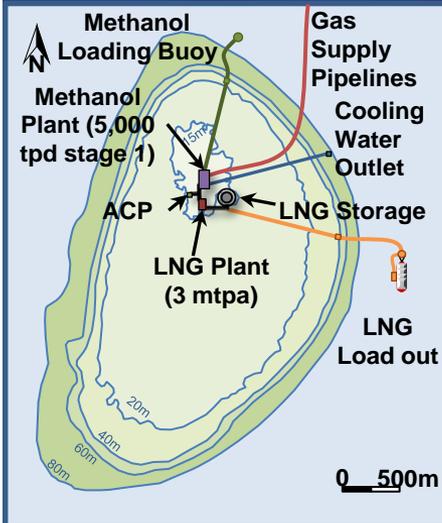
## Accommodation and Control Platform (ACP)



**LNG Plant**  
(3.0 Mtpa)  
MEO 100%

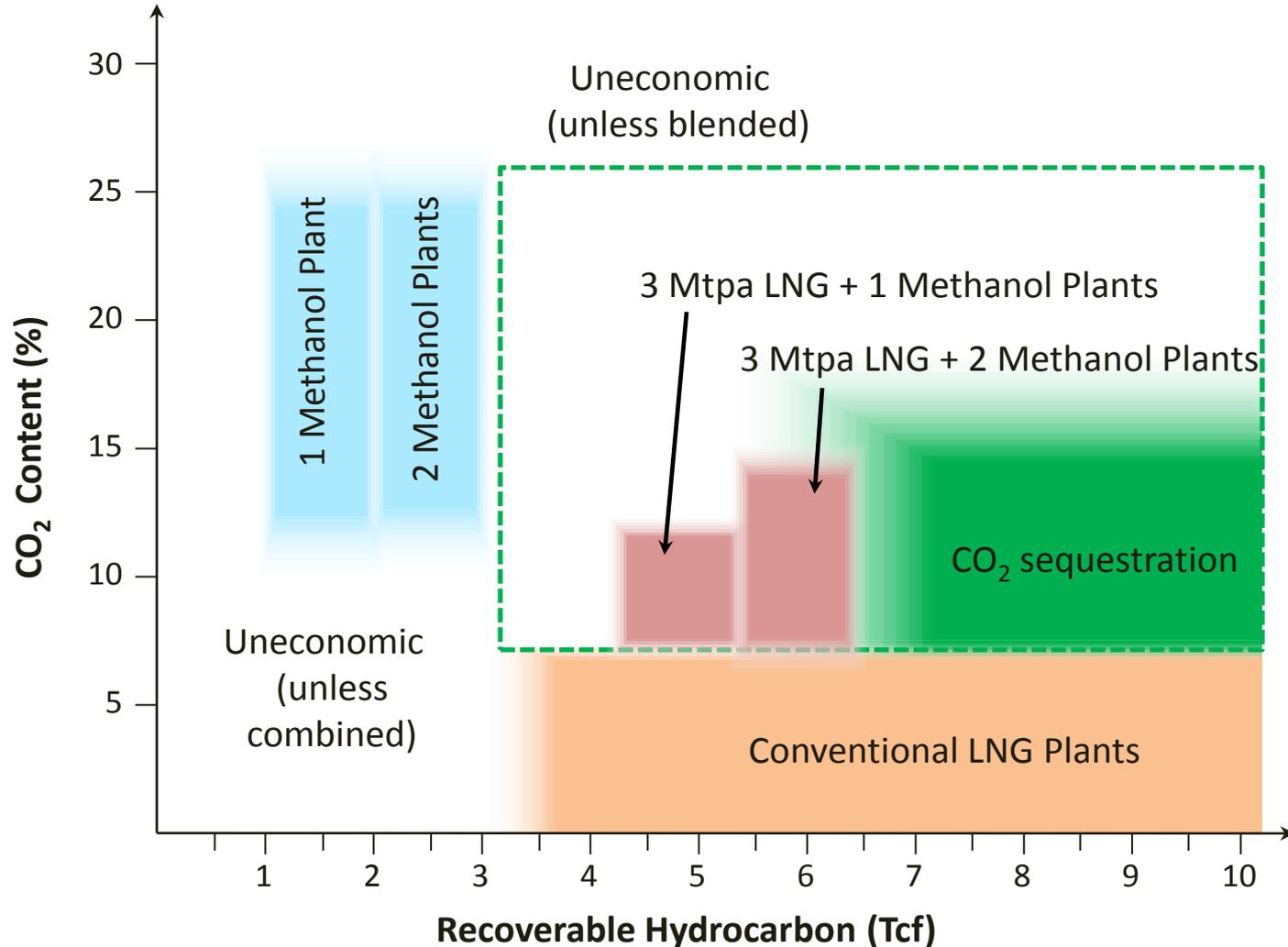
**Methanol Plant**  
(5,000 tpd/1.75 Mtpa Stage 1 only)  
(For CO<sub>2</sub> sequestration)  
MEO 50%, Air Products 50%

**LNG Tank**  
(170,000 m<sup>3</sup>)



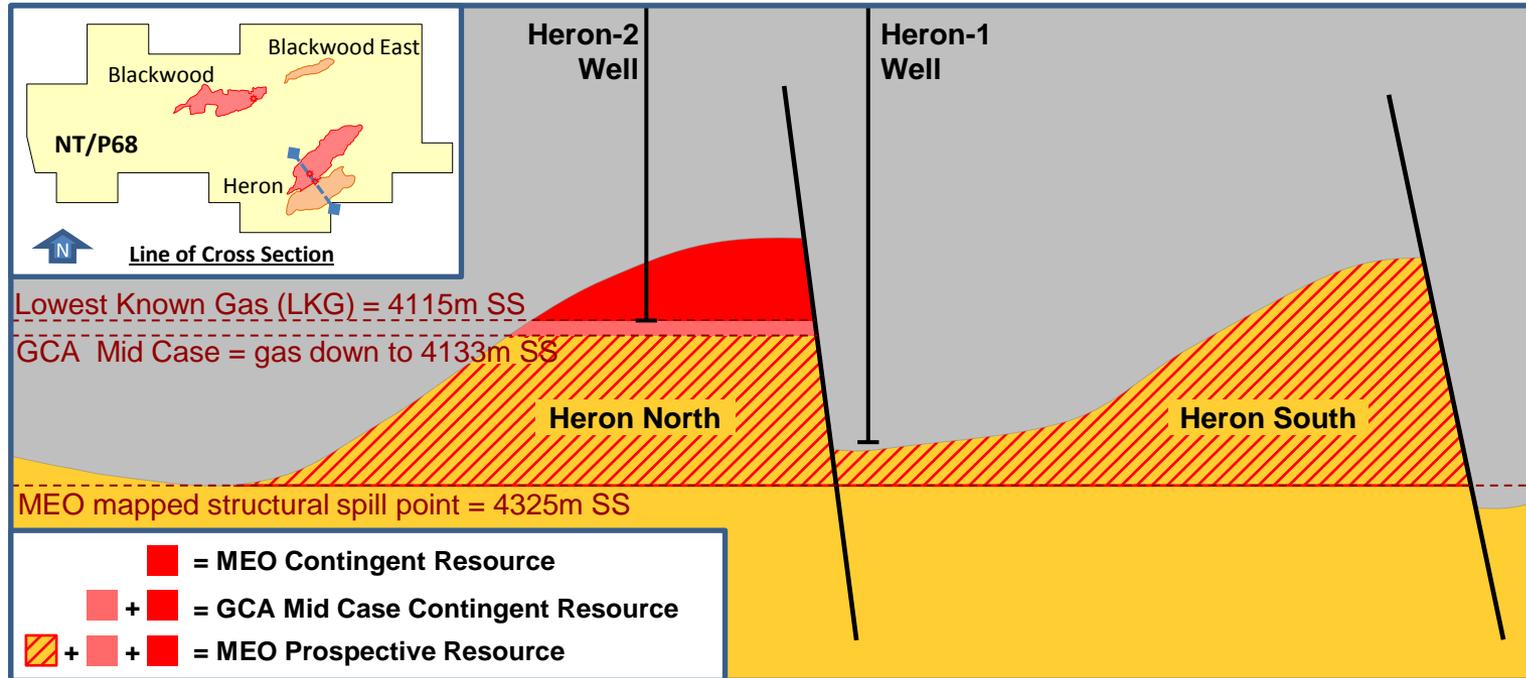
# Projects provide optionality & flexibility

Methanol plant has substantially lower reserves threshold than LNG



# Heron gas discovery – seeking farminee

Best estimate, prospective resource ~5 Tcf



**Table 1. Heron North (Discovered Resource)**

Raw Gas Ultimate Recovery (Tcf)	1C	2C	3C
GCA Contingent Resource Assessment <sup>1</sup>	0.19	0.39	0.80
MEO Contingent Resource Assessment <sup>1</sup>	0.21	0.29	0.39

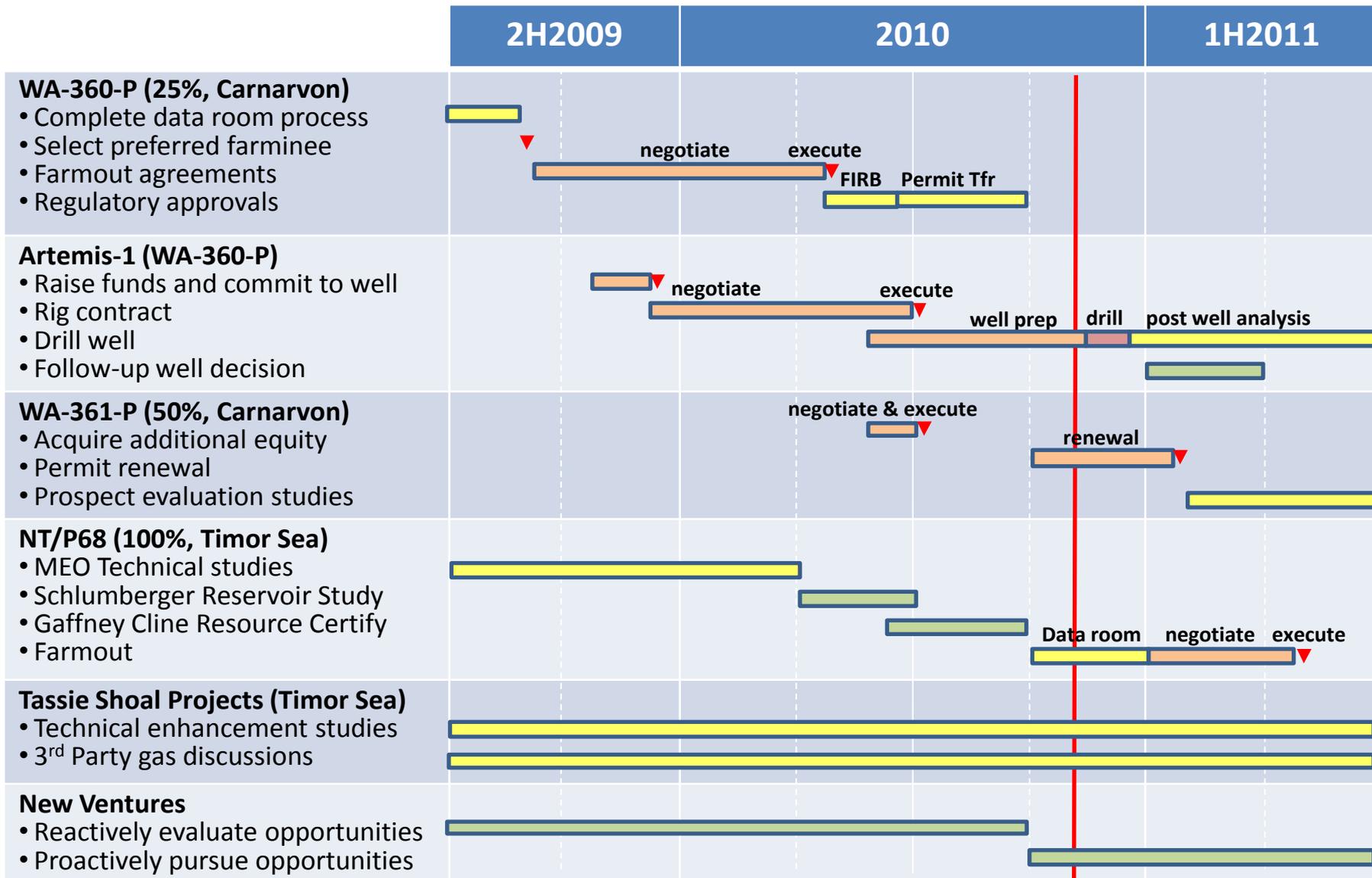
**Table 2. Greater Heron Structure (Prospective Resource)**

Raw Gas Ultimate Recovery (Tcf)	Low	Best Estimate	High
MEO Prospective Resource Assessment <sup>2</sup>	3.66	4.96	6.64

1. The GCA and MEO volumes reported in this table have NOT been reduced for non-hydrocarbon gas (CO<sub>2</sub>, N<sub>2</sub>) content. Expected ranges are shown in Table 3 below. MEO has limited the non-hydrocarbon gas (CO<sub>2</sub>, N<sub>2</sub>) content to that observed in the primary reservoir at Evans Shoal-2.

# Portfolio management

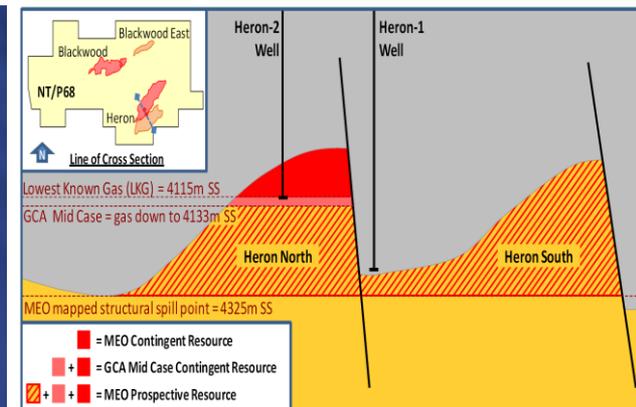
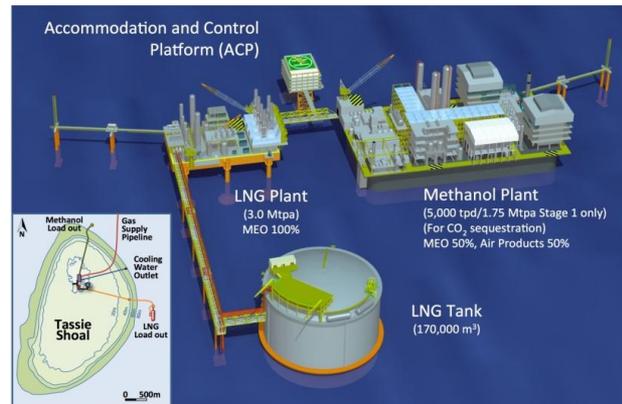
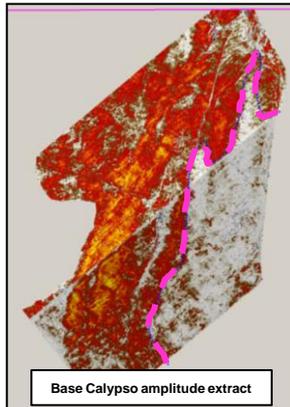
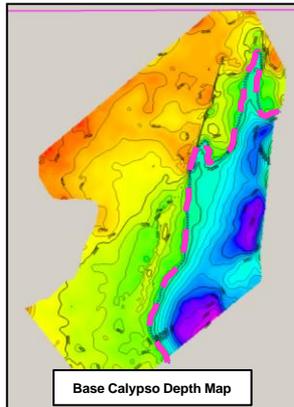
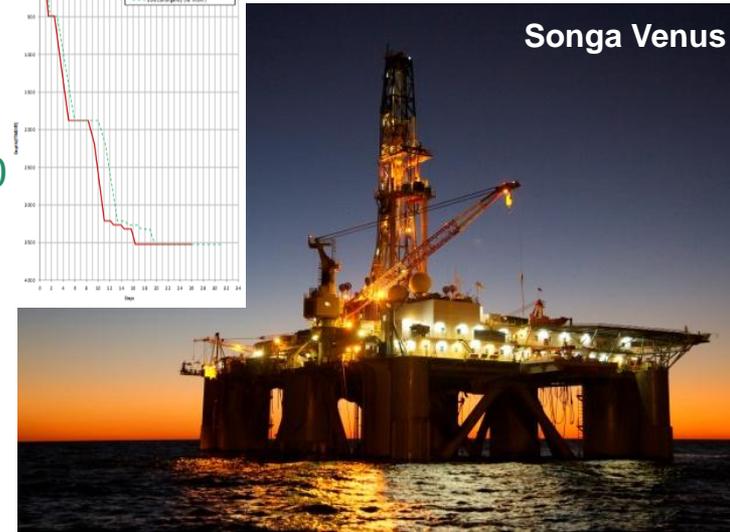
Identify prospectivity, add value, test potential, replenish acreage



# Summary

Balanced portfolio with considerable growth potential

- Balanced board, experienced management team
- ~A\$71m uncommitted cash (assumes AUD/USD = parity)
- Material gas projects near existing infrastructure
- 25% equity in ~12 Tcf Artemis prospect – drilling Nov 2010
- Proposed Tassie Shoal development hub
  - Robust economic solution for all undeveloped gas
  - TSMP sequesters CO<sub>2</sub> into methanol derivatives
  - LNG project approved for low CO<sub>2</sub> gas
- 100% equity in two NT/P68 gas discoveries
  - Seeking farminee to appraise Heron gas discovery

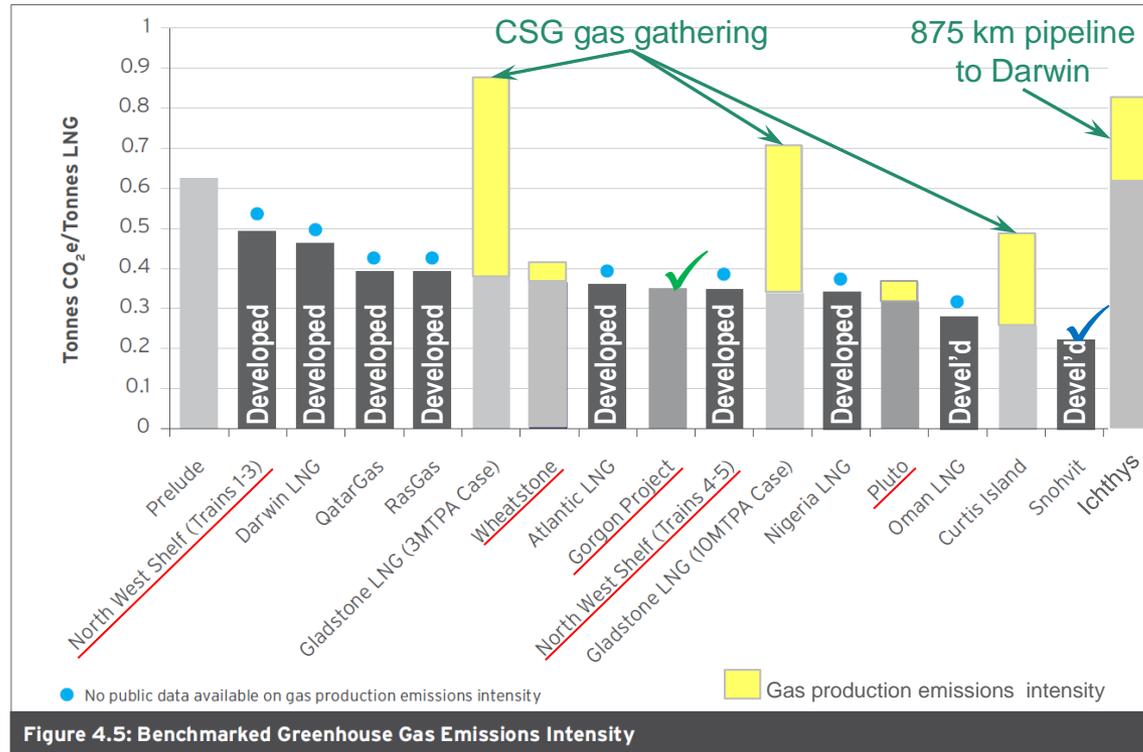


# Supplementary information

## Technical back-up

# CO<sub>2</sub> emissions intensity

Projects must deal with carbon to achieve Environmental Approvals

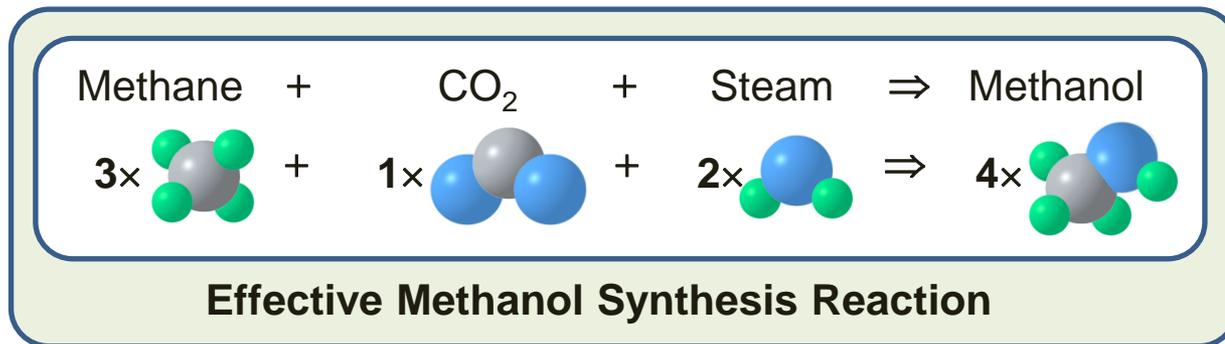
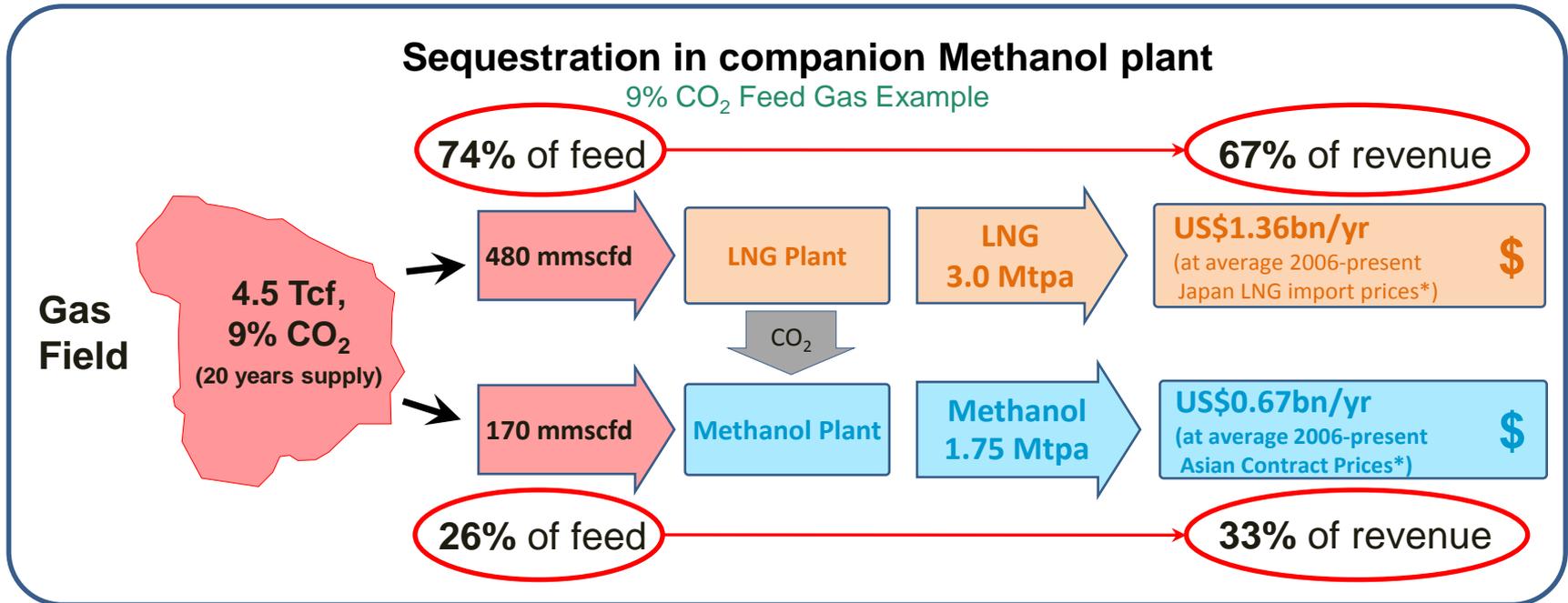


## Drivers:

- CO<sub>2</sub> content in reservoir gas
  - LNG plant efficiency
  - Gas gathering/transportation
  - Geo-sequestration
- (Prelude vs Wheatstone)
  - (NWS trains 1-3 vs trains 4-5)
  - (Ichthys vs Prelude) (CSG gas gathering)
  - (Gorgon)

# Methanol production sequesters CO<sub>2</sub>

Enables gas with moderate CO<sub>2</sub> content to be sanitised for LNG production



**Legend**

-  = Hydrogen
-  = Carbon
-  = Oxygen

\* Source = World Bank and Methanex

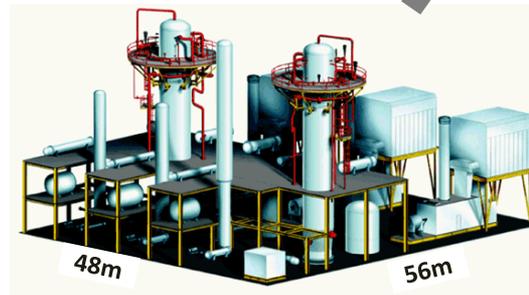
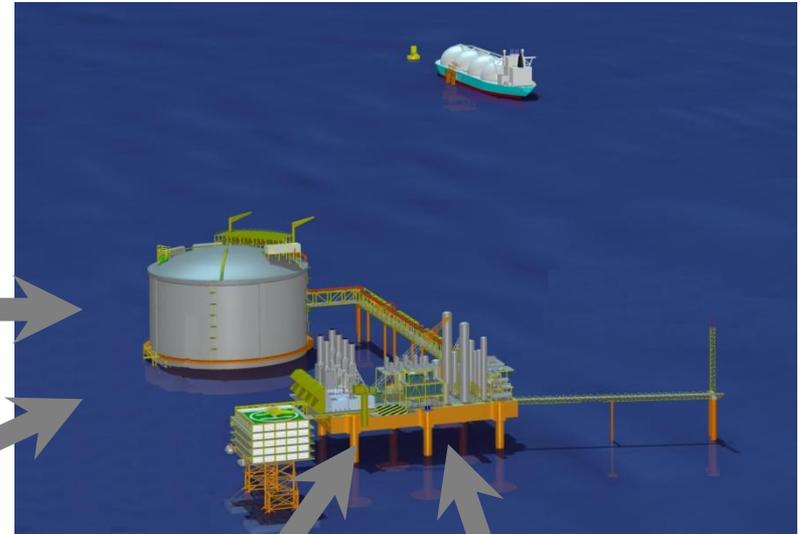
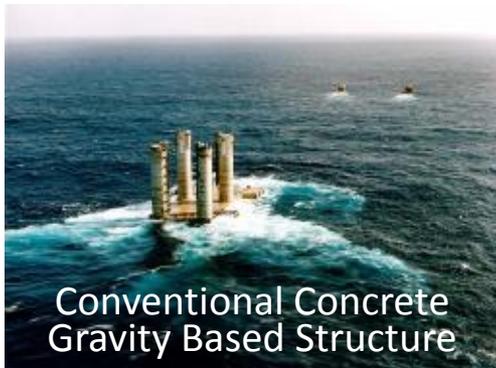
# Prelude and Greater Sunrise FLNG

“Shell plans world’s biggest ship at Australian field”

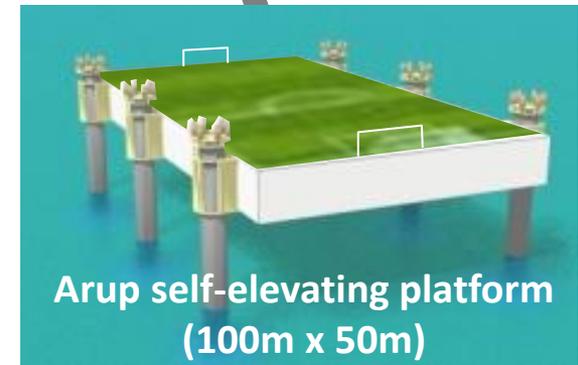


# Timor Sea LNG Plant (TSLNGP) – no floating risks

“MEO plans smallest footprint 3.0 Mtpa LNG plant”



**Air Products 3.0 Mtpa LNG Plant**



- One 3.0 Mtpa module
- 170,000 m<sup>3</sup> LNG storage
- Arup, Air Products and Worley Parsons designs and costings

# Tassie Shoal Methanol Project (TSMP)

Brings the gas processing plant to gas field – eliminating long pipelines



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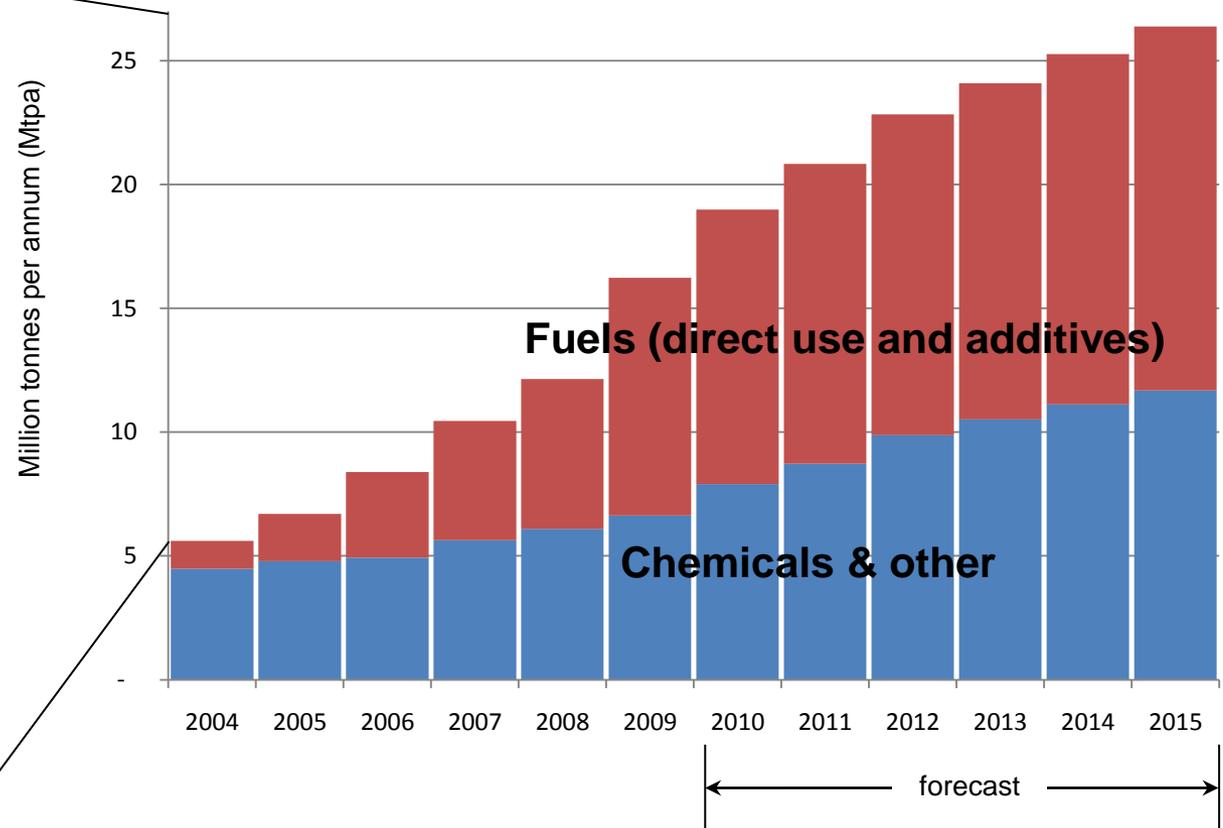
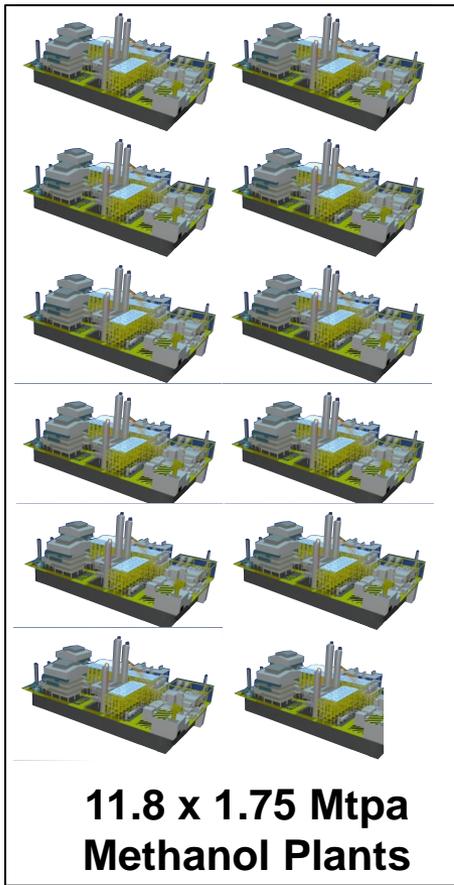


**Methanol Plant on Concrete Gravity Structure (CGS)**

- Off-the-shelf technology
- DPT, Arup & Aker Kvaerner designs
- Worlds scale 1.75 Mtpa (5,000 tpd)

# Methanol Demand – China Only

High forecast demand growth



- Strong growth averages more than one 1.75 Mtpa plant every year
- Coal based methanol production is currently swing producer
- Coal based methanol production emits 1.7 x CO<sub>2</sub> of gas based plant