



## Excellence in Oil & Gas Conference

David Johnson – Managing Director  
March 1<sup>st</sup> 2011

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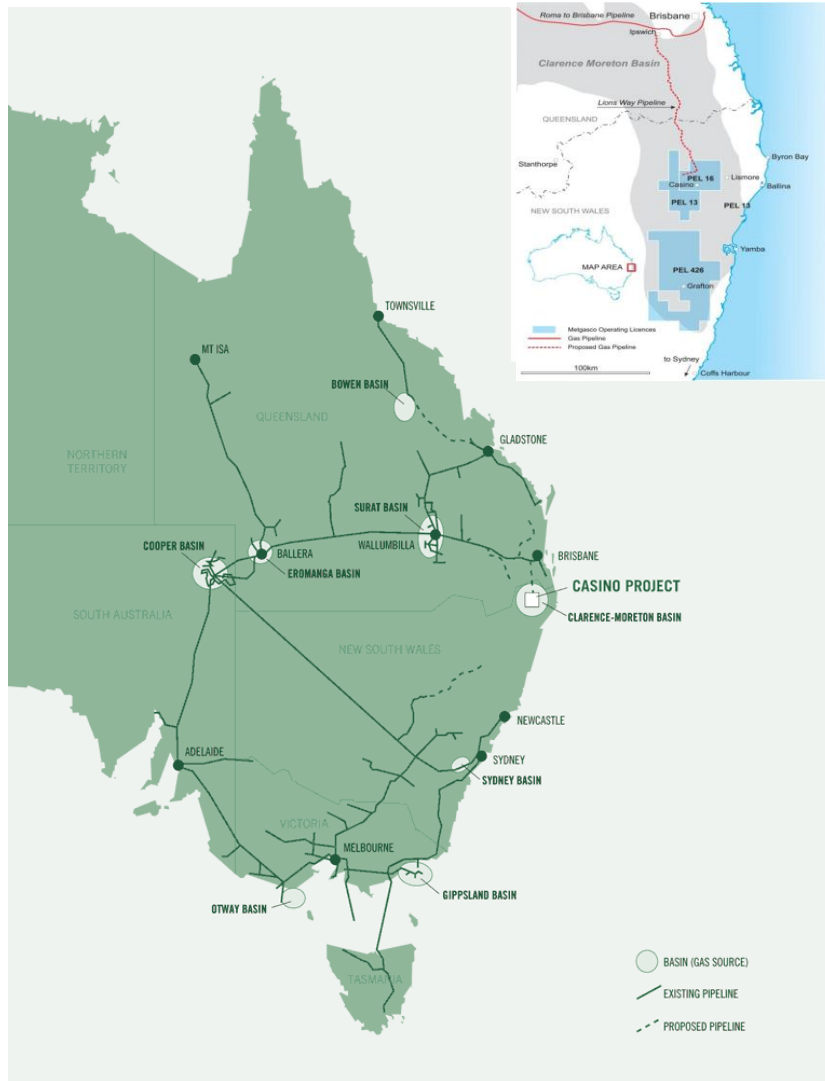
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# Presentation Guide

- Corporate overview
- Exploration program
- Commercialisation agenda
- Corporate details
- Forward program

# Corporate overview

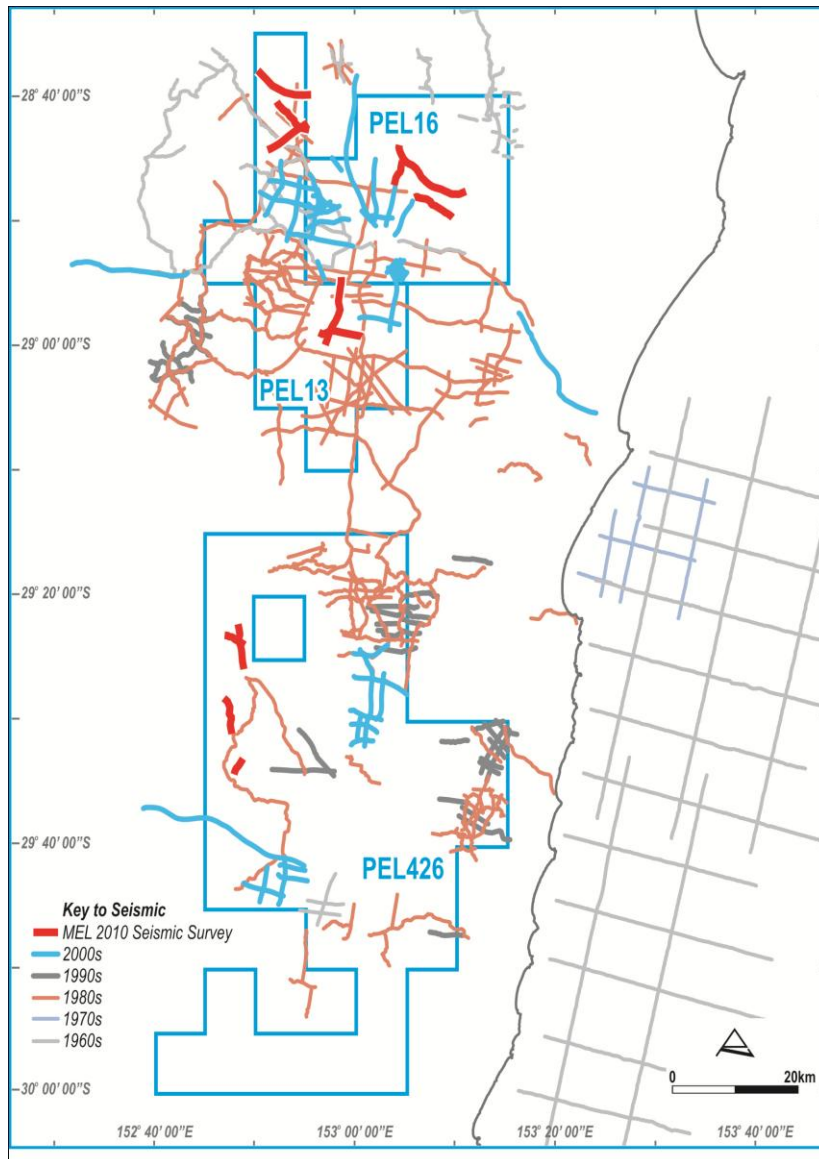


- Onshore oil and gas exploration close to markets on east coast of Australia
  - Significant and growing CSG resources
  - Emerging conventional gas resources
- ASX listed December 2004
- Approximately 252 million shares on issue and 9 million options
- Market cap ~ A\$100million @\$0.38 (28 Feb 2011)
- Cash A\$13 million (31 Dec 2011)
- Experienced board and management

# Exploration Program

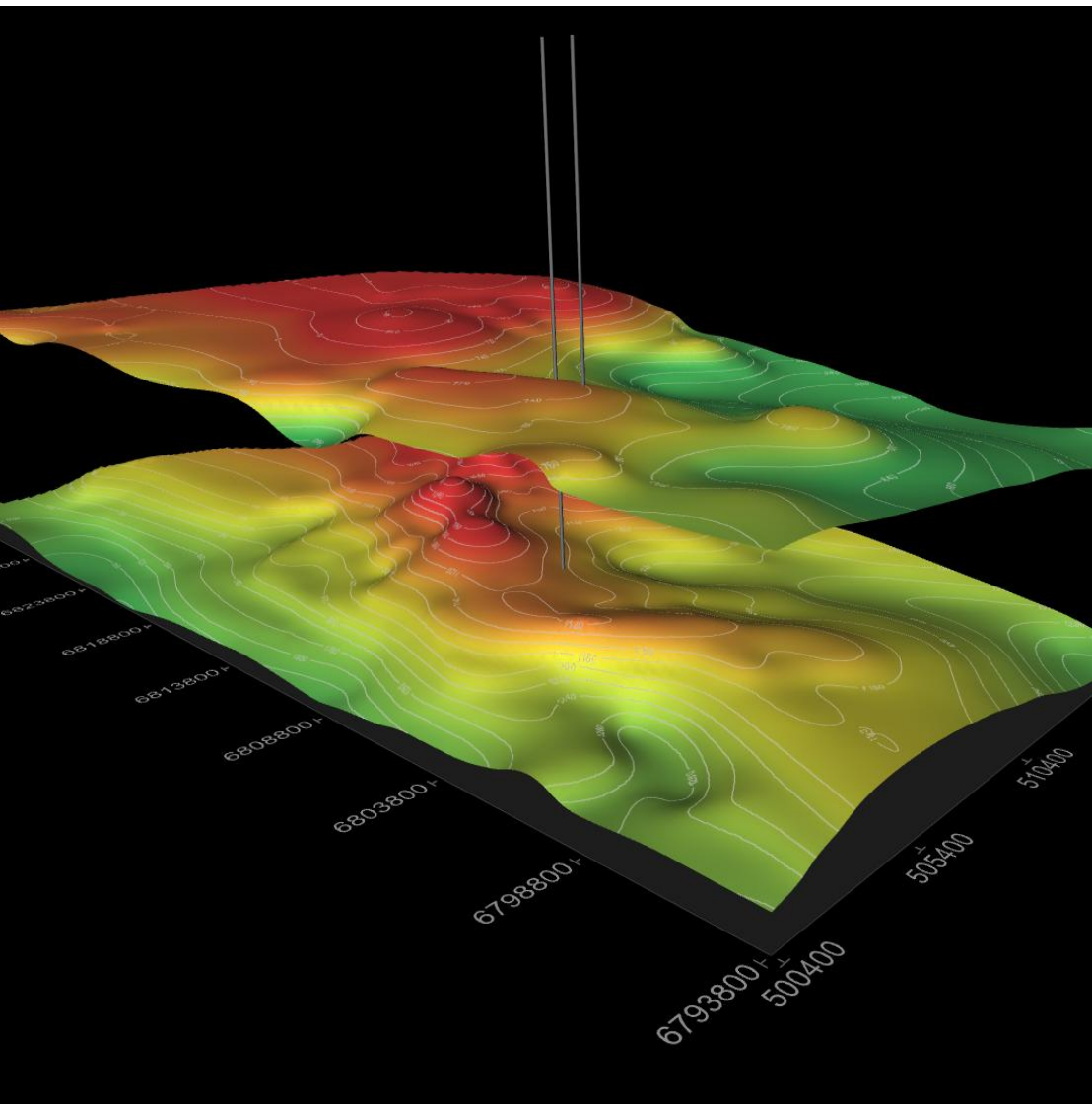


# Exploration Program – 2010 2D Seismic



- 124 line km new 2D data acquired November 2010
- Processing and interpretation to February 2010
- Focus on mid basin high with Kingfisher – Mackellar and Leeville-Rappville trends
- Additional seismic to support investigation of Kingfisher E1 gas discovery, 1<sup>st</sup> major conventional gas discovery in NSW (November 2009)
- Extensive testing and appraisal program
  - 22 zones perforated and tested
  - All zones flowing good quality +95% CH<sub>4</sub> gas
- Extended production tests
  - 2,050-2,043.7m (conventional zone) – 2.97mmcf/d, 1450-1453m (tight gas zone) final pressure buildup
- Well TD'd in gas, depth of system unknown

# Exploration Program – 2010 2D Seismic



## Kingfisher Field

- Remains open at Ipswich level
- No change in contingent resource
  - P50 : 77 Bcf
  - P10 : 284
- Likely to be related to Mackellar North structure

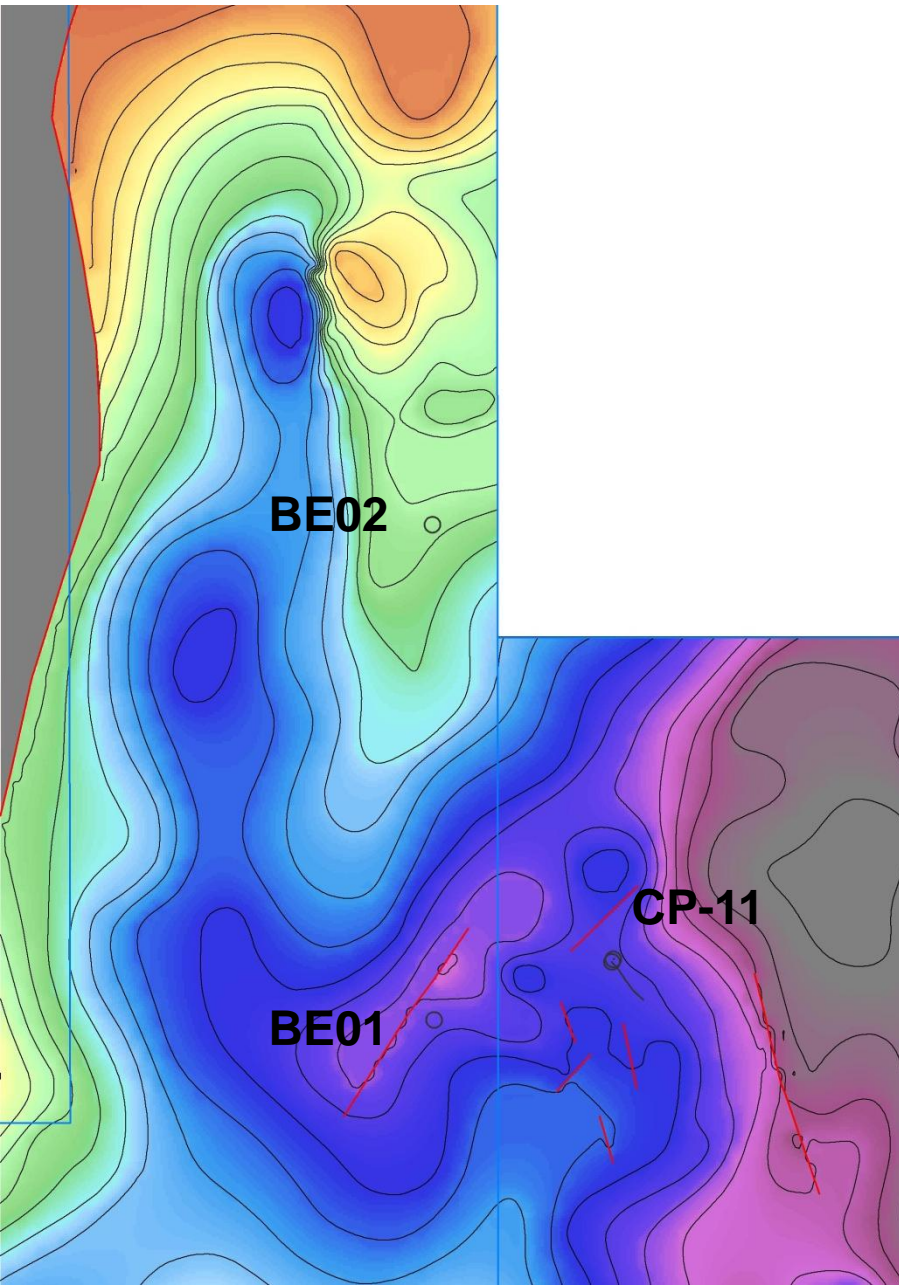
## Mackellar Lead

- Closure of structure
- P50 OGIP estimate
  - Was : 63 Bcf
  - Now : 77 Bcf

## Mackellar North Lead

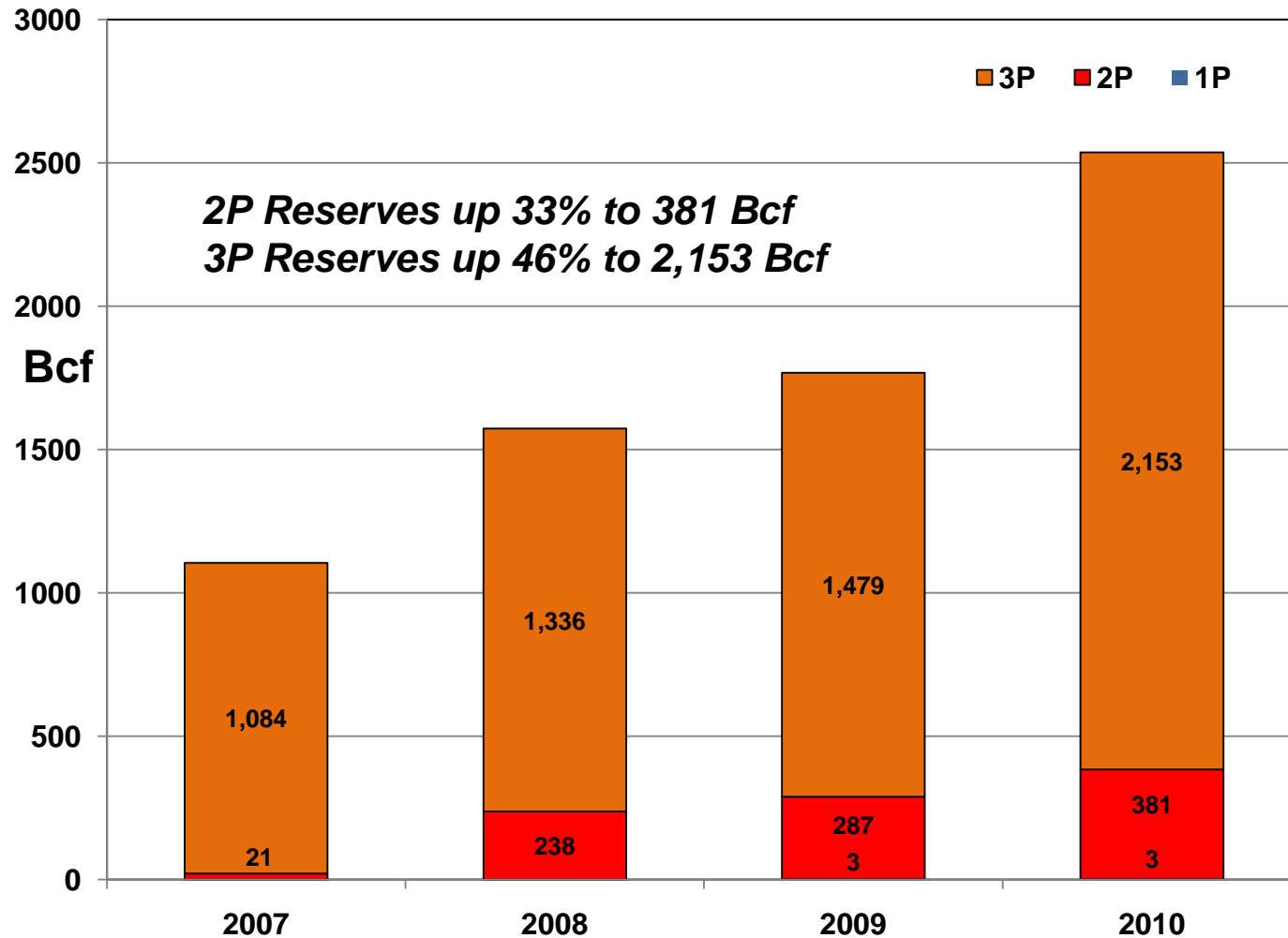
- Structure has opened up
- some evidence for closure but not definitive, further seismic required
- P50 OGIP estimate
  - Was : 146 Bcf
  - Now : 1,312 Bcf

# Exploration Program - CSG reserves development



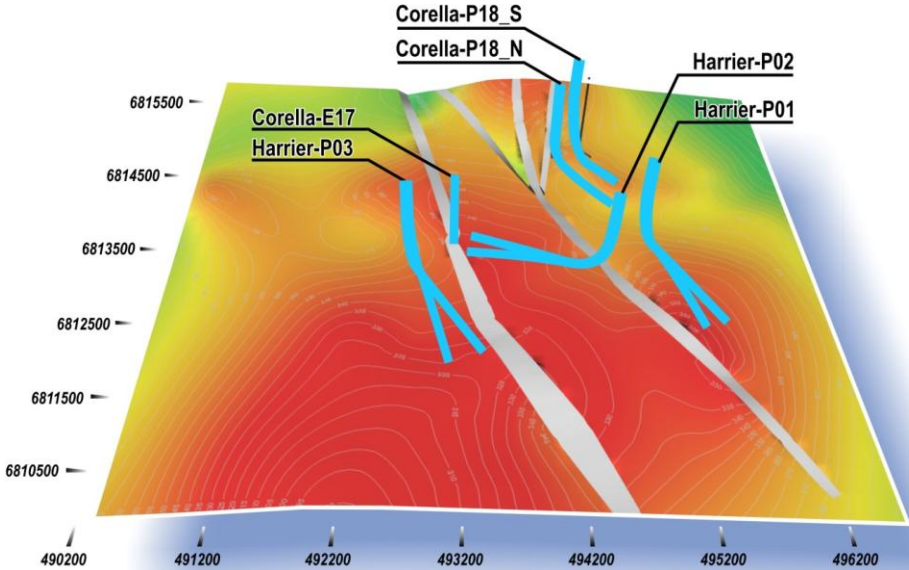
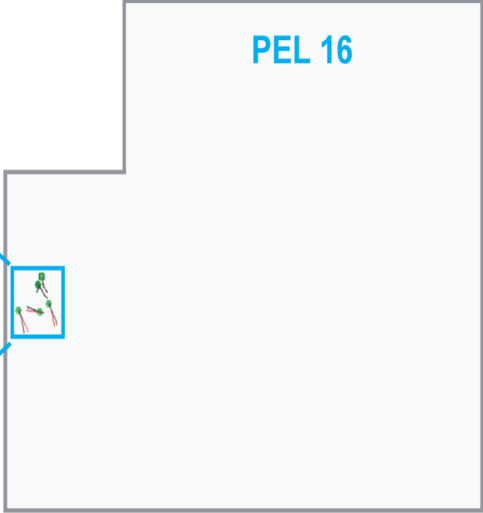
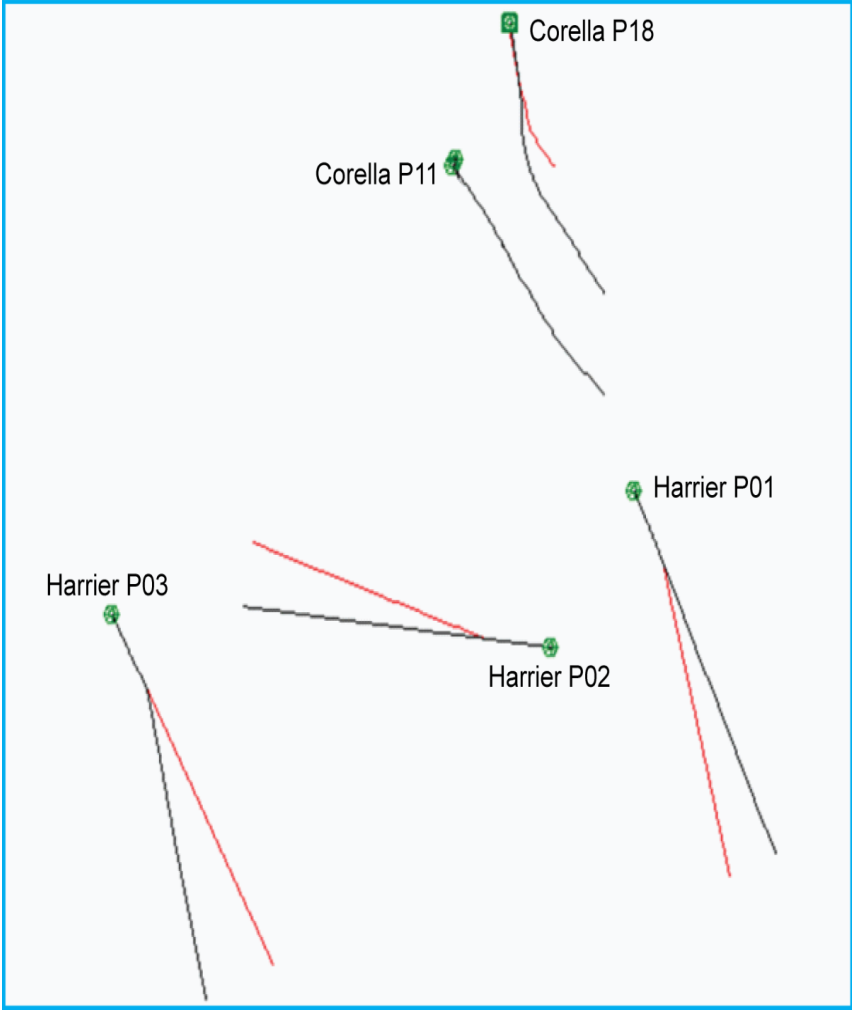
- Bowerbird Core Drilling program
- BE01
  - 14.2m net coal
  - Average gas content data awaited, expect similar to BE02
  - Gas composition 98% CH<sub>4</sub>
- BE02
  - 8.8m net coal
  - Average gas content 16.8m<sup>3</sup>/t daf
  - Gas composition 98% CH<sub>4</sub>
- Downhole testing showing acceptable permeability in Richmond and lower seams
- Extends interpreted productive fairway 3.6km west and 9km north west into PEL 13

# Exploration Program - CSG reserves development



Reserves have been certified by Mr Tim Hower of MHA Petroleum Consultants (Denver) who is a qualified person as defined under the ASX Listing Rule 5.11. Reserves have been developed within the guidelines of the SPE. Mr Hower has consented to the use of the reserve figures in this presentation.

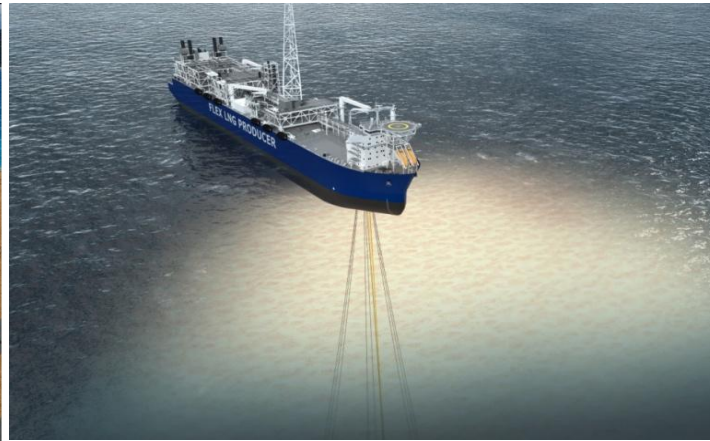
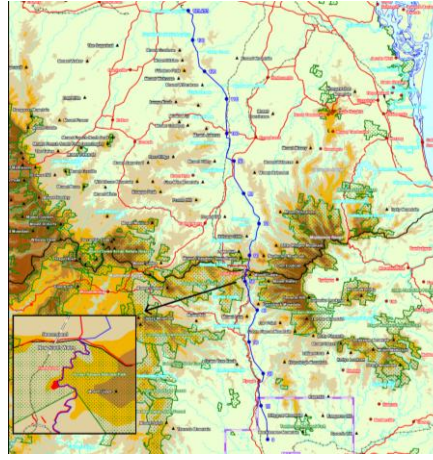
# Exploration Program - CSG Trial Production



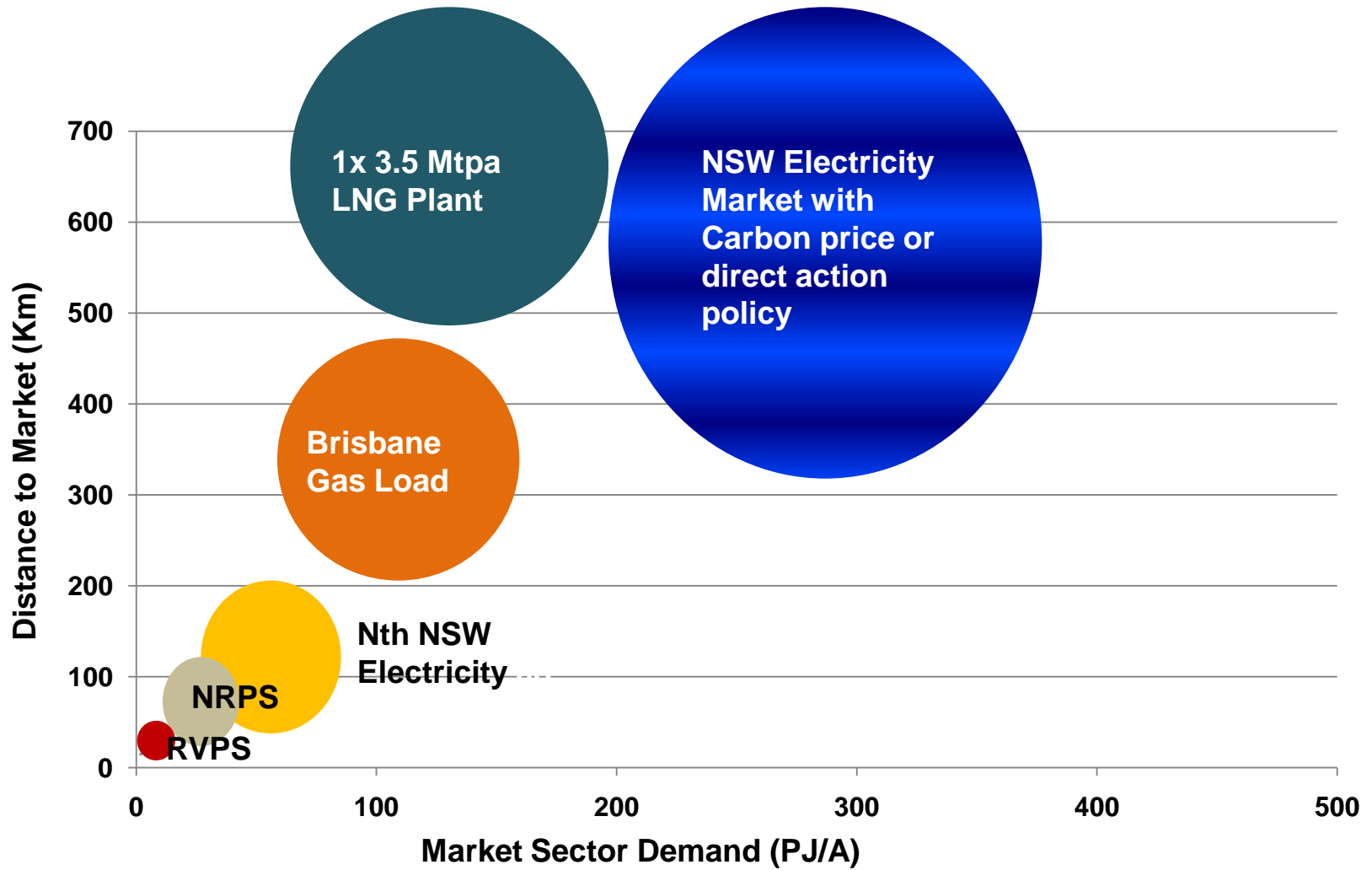
# Exploration Program - CSG Trial Production



# Commercialisation Agenda

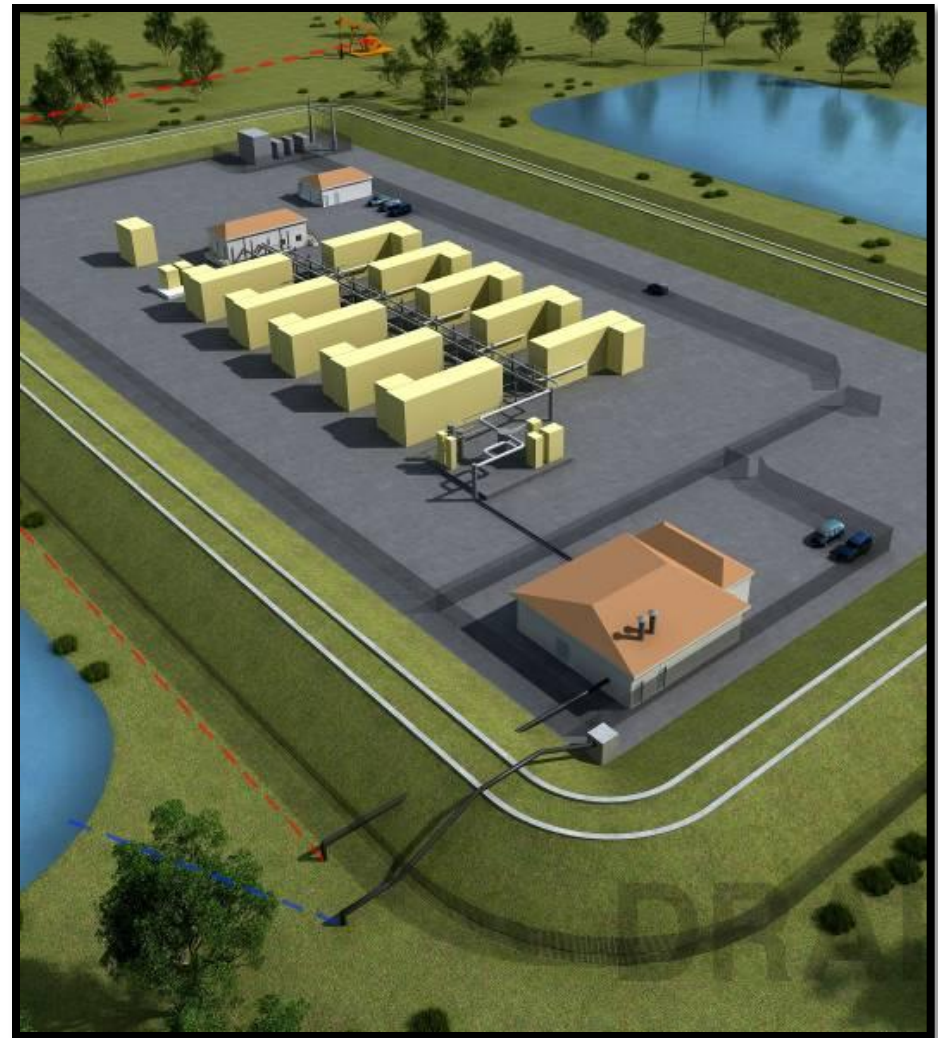


# Multiple development pathways – gas, power, LNG



# Commercialisation Agenda - Richmond Valley Power Station

- 30 Mw Richmond Valley Power Station
  - Field development studies complete
  - Site acquisition complete
  - Development approval granted
  - EPC contracts now being negotiated
  - Offtake agreements now being negotiated
  - Application for registration and licences
  - FID 2011
- Intention to complement RVPS with gas sales to local customers



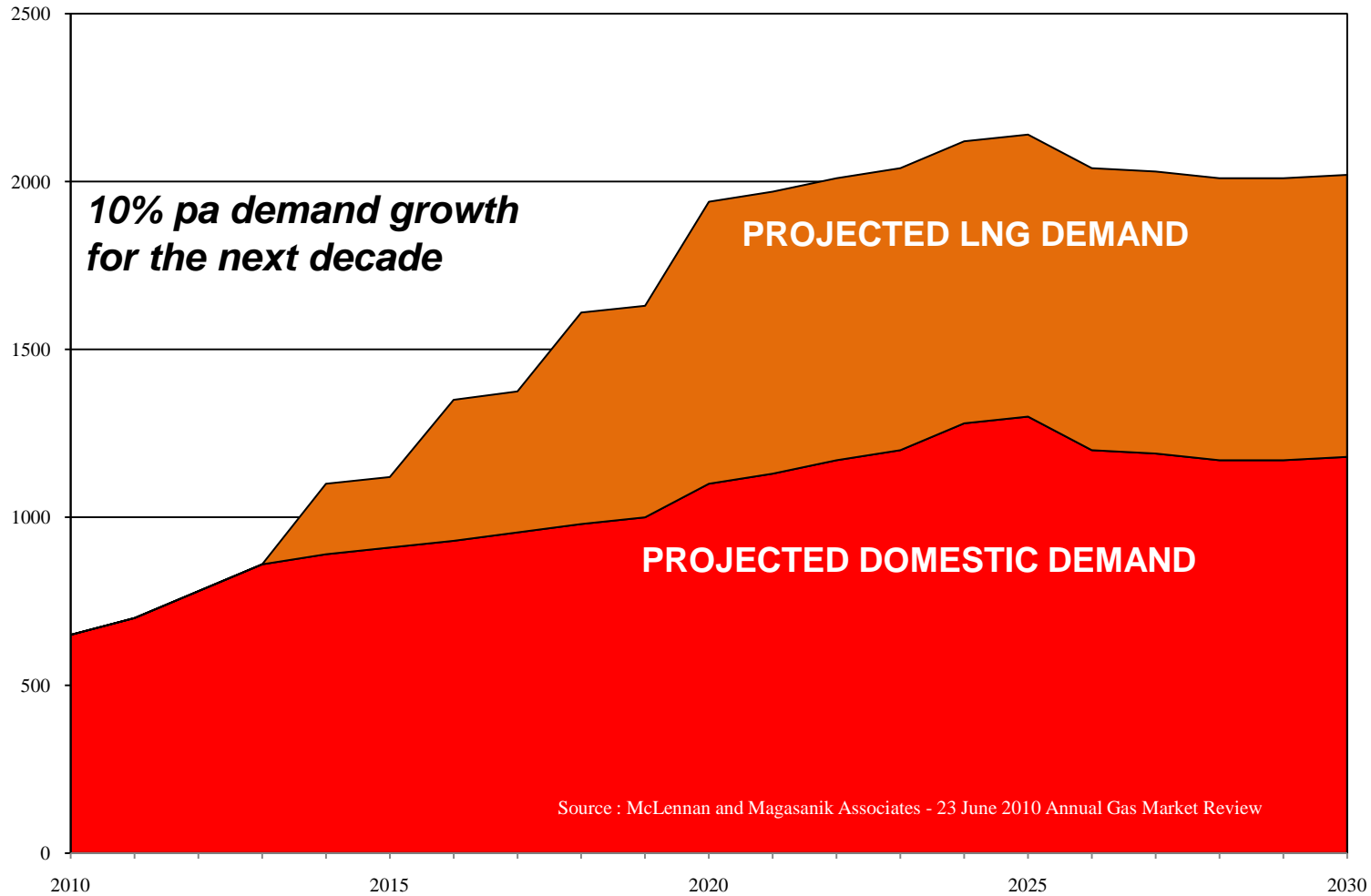
# Commercialisation Agenda - Lions Way Pipeline

- New high pressure gas pipeline to connect Clarence Moreton gas fields in Northern NSW to customers in SE Qld
- 145km pipeline starting in Casino (NSW) and finishing in Ipswich (Qld)
- Environmental Assessment Studies lodged with DOP. Regulatory review process underway
- will allow for supply of gas into SE Qld via an alternative delivery route and alternative supply basin
- Access to gas grid offers opportunity to participate in LNG market via swaps



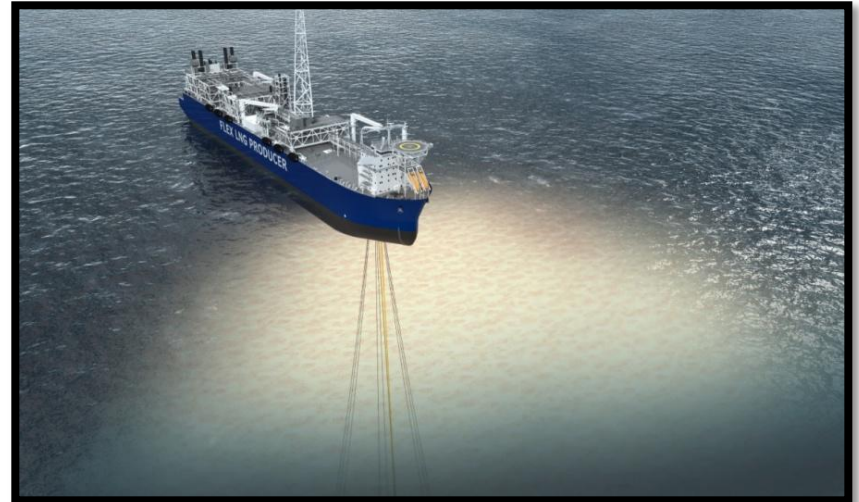
# Commercialisation Agenda - LNG Sector

## Eastern Australia Gas Demand Growth



# Commercialisation Agenda - LNG Studies

- Investigating LNG capability
- Resources may be sufficient for LNG scale participation or development
- MOU with **LNG Ltd**, developer of approved & environmentally permitted LNG site at Fisherman's landing at Gladstone
- MOU with leading FLNG technology provider **FLEX LNG** for Floating LNG located offshore NSW
- Lionsway pipeline offers connection to SE Queensland and LNG market
- Worley Parsons appointed to undertake feasibility studies
- Expect to finalise preferred option in 2011



# Corporate details - Board

## **NICK HEATH Non Executive Chairman**

Chemical engineer with over 35 years experience in Australian and international energy markets. Previously a Director of ExxonMobil Australia responsible for marketing of gas and gas liquids

## **DAVID JOHNSON Managing Director**

Geologist with over 25 years experience in the minerals and petroleum exploration sectors. Founding Director

## **PETER HENDERSON Managing Director Designate**

Mechanical engineer with over 30 years experience in upstream development in the oil and gas sector. Previously with Esso Australia, Santos and Premier Oil

## **GLENDA MCLOUGHLIN Chief Financial Officer**

Over 20 years experience in investment banking and management consulting. Previously with Morgan Stanley and Barclays Capital

## **STEVEN KOROKNAY Non Executive Director**

More than 30 years experience in the international oil & gas industry. Senior management roles at Esso Australia, Bridge Oil and founder and CEO of Anzon Australia

## **LEN GILL Non Executive Director**

Mechanical engineer with more than 30 years experience in the Australian energy industry. Previously CEO of TXU Australia. Currently Chairman of power company, Alinta Energy

# Corporate details - market data & financials

ASX code	MEL
Share price (25 Feb 2011)	\$0.38
Market Capitalisation	\$97 m
Shares on Issue	252 m
Options on Issue	9 m
Cash at 31 Dec 10	\$13.3 m
Debt	Nil



# Forward Program

- Pilot Production Activities
  - Harrier inseam lateral program
  - Conventional appraisal program
- Field development plans
- Follow up seismic - refine Mackellar North area interpretation
- Commercial Agenda
  - Local area gas sales
  - Richmond Valley Power Station
  - Lions Way Pipeline
  - Develop LNG supply options
- Commercial discussions on partnerships