



A Turnaround Story

30 November 2011



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Turnaround Underway

- ✓ **New Board of Directors appointed**
- ✓ **Implementing Texas focussed, 3 pronged strategy**
- ✓ **Restructuring & recapitalisation well advanced**
- ✓ **Undertaking review of all assets & operations**
- ✓ **Looking for future growth opportunities**





Corporate Summary

Capital Structure

Shares on Issues (ASX: MDA)	288,739,426
Options	74,011,250 (listed)
Convertible Notes	A\$7.99 million
Market Cap. (undiluted)	~A\$15 million
Cash on Hand	~A\$0.5 million
Share Price	A\$0.052/share
52 Week Range	A\$0.019 – A\$0.16/share

Top 5 Shareholders

HSBC Custody Nominees	11.29%
Penson Australia Nominees	4.54%
Gelc Pty Ltd	3.79%
P&B Bastion	3.50%
K Mahon	3.45%

Board and Management

Cosimo Damiano	Non-Executive Chairman
Andrew Mattin	Managing Director
Craig Martin	Non-Executive Director
Melanie Leydin	Company Secretary

Offices

Registered Office	Melbourne, Victoria
Management Offices	Perth, Western Australia
Operations Offices	Houston, Texas Corpus Christi, Texas





New Board of Directors

- **New Board has proven track record establishing, growing & ultimately monetising junior oil & gas companies**
 - Key technical, financial & commercial skills
 - Internationally experienced in exploration, development & production
 - A focus on strong corporate governance

Andrew Mattin Managing Director



Andrew Mattin has over 21 years experience in the exploration, development and production of oil and gas in Australia, New Zealand, South-East Asia, Europe, North Africa and the USA with a range of companies, including Woodside Energy, Tap Oil and Nido Petroleum. During his career he has held technical and executive positions and been responsible for numerous onshore and onshore projects. Andrew is a member of the Australian Institute of Company Directors (AICD), the Society of Petroleum Engineers (SPE) and South East Asian Petroleum Exploration Society (SEAPEX).

Cosimo Damiano Non Executive Chairman



Over 15 years experience in the finance industry, including 10 years in Investment Banking / Research specializing in the energy sector and 2.5 years in Global Oil Trading companies (Trafigura and Mercuria). Formerly Director of Upstream Investments for Mercuria Energy Group and Head of Australian Oil & Gas Research for Merrill Lynch, based in Melbourne. He has wide commercial and investment experience in the oil and gas exploration industry in Australia, Asia, Africa, United States, Canada and Argentina.

Craig Martin Non Executive Director



Craig Martin is a senior executive oil and gas professional with extensive experience in oil and gas, offshore and onshore operations. Craig has worked for Australian and international upstream operators for more than 26 years in oil and gas production operations, field development, exploration, drilling and crude oil and gas marketing. Craig holds a Bachelor of Science Degree (Geology), a Master of Business Administration and Graduate Diploma in Oil and Gas Engineering.





A Texas Focussed Strategy

- **Why Texas?**

- Prolific oil & gas province with extensive infrastructure & support facilities
- Abundant opportunities that are a good fit with the Company's size & skill set
- Easy access to US energy markets – oil & gas readily saleable

- **The strategy...**

- Short Term (up to 6 months) – **Recovery**
 - Retention, reacquisition & optimisation of existing production assets
 - Cash flow maximisation
 - Rebuild reputation & relationships
- Medium Term (3 to 12 months) – **Production**
 - Low risk value creation through restart of production
 - Rework/recomplete existing wells, where technically & economically appropriate
 - Exploration & appraisal opportunities in existing leases
- Medium to Long Term (3 months & beyond) – **Growth**
 - Assess acquisition opportunities in Texas



Restructuring & Recapitalisation Programme

- **Balance sheet restructuring well advanced**
 - Convertible note and loan negotiations continuing
 - Finalising new convertible note (same terms as most recent note)
- **Short-term G&A reduction and management programme implemented**
 - >60% reduction in day-to-day running costs
- **Adopting a pragmatic approach to outstanding legal cases**
 - BNP settlement to be finalised on 13 Jan 2012
- **Existing assets**
 - Asset review on-going
 - Renegotiating leases where required
 - Preparing bid for South Sprint Gas Unit
 - Reducing cost & risk exposure – reviewing potential JV partners for Padre Island



Potential Work Programme¹

	Est. Schedule ³	Est. Capex ^{3,4}	Est. Potential Prod. Rates ^{3,5}
LOW HANGING FRUIT - Maintenance and minor upgrades			
<i>Dunn McCampbell A4, Rivera #1 & #2, Saenz #1 & #2 New Compressor, well & facility maintenance</i>	1Q-2Q 2012	<\$100k	150-250 Mcf/d
EXPLOITATION - Low risk production increases²			
<i>Renegotiate leases (underway) Mid Frio #1 & #2 – Assess well workovers & undertake if technically & economically viable</i>	1Q-2Q 2012	<\$250k	2,000 Mcf/d
<i>Assess well workovers & recompletions; undertake if technically & economically viable Dunn Peach #5 & #7 – recompletions Dunn Peach #6 & ST 1008 #1 – workovers²</i>	2Q-3Q 2012	~\$800k	4,400 Mcf/d
LOW RISK EXPLORATION/APPRAISAL²			
<i>Bid on South Sprint Gas Unit (SSGU) Assess well redrill, workovers & recompletions; undertake if technically & economically viable ST 938 redrill – redevelop proved & probable resources 938 #1 & #2 – recompletions SSGU redrill – workover & redrill to develop remaining resources & test deeper structures</i>	3Q-4Q 2012	~\$1,500k ⁶	9,500 Mcf/d
TOTAL ESTIMATED CAPEX		~\$2,650k	

NOTES:

1. Work programme preliminary only and subject to finalisation of technical and economics review
2. Subject to successful renegotiation of leases and/or successful bid for South Sprint Gas Unit and some State Tract leases
3. Schedule, capex and production rates based on previous estimates – under review
4. Estimated capex is Net Capex
5. All production forecasts are unrisked estimates
6. Subject to potential farm out





Abundant Opportunities

- **New opportunities are the key to future success...**
 - Existing assets can assist with short/medium-term cash flow
 - New assets for longer term growth
- **Vibrant market in Texas**
 - Recent private auction of ~480 leases
 - 1,500+ exhibitors at NAPE in Houston
- **Assessing a range of opportunities to enhance MDA's portfolio**
 - Low to medium risk exploration, development & redevelopment
 - Near term production
- **Investigations show a large number of opportunities that are a good fit with MDA's size & skill set**



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