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ASX AND MEDIA RELEASE

2D SEISMIC ACQUISITION OVER BLACKWOOD PROSPECT COMMENCES

Key Points:

- **CGG Duke departed from Darwin Harbour noon yesterday**
- **2D seismic acquisition over Blackwood commenced**

MELBOURNE, AUSTRALIA (November 2, 2006) -- Methanol Australia Limited (ASX: MEO) advises that the Compagnie Generale de Geophysique Group (CGG) vessel, M/V CGG Duke, early today, commenced acquisition of the new 2D seismic data over the Blackwood prospect, located in the Company's 100% owned Exploration Permit, NT/P68.

The vessel sailed from Darwin Harbour at noon, November 1, 2006, and arrived at the permit approximately 12 hours later. The survey commenced a week earlier than planned due to a variation in the order of acquisition programs for the vessel in adjoining exploration permits. Complete acquisition of the new 2D data is expected to take 8 days.

The CGG Duke will acquire approximately 600 line kilometres of infill 2D seismic over Blackwood. This new infill data will be combined with the extensive 1997 2D grid already over the permit. The new 2D seismic data will improve the structural mapping of Blackwood and is expected to confirm the final location of the Blackwood-1 exploration well.

As previously announced, MEO has secured a new jack-up rig to drill up to three wells next year in NT/P68. Seadrill's West Atlas is currently in construction at the Keppel FELS yard in Singapore and is due for delivery to NT/P68 in August 2007. Drilling of the Heron-2 appraisal well on the Epenarra structure is expected to commence shortly thereafter and has been designed for an extended production test. The Blackwood-1 well is the second well in the planned drilling program.

C.R. Hart
Managing Director
2 November 2006