



Methanol Australia Limited

ACN 066 447 952

Level 25
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9614 0430
Fax: (+61 3) 9614 0660
Email: admin@methanol.com.au
Website: www.methanol.com.au

ASX AND MEDIA RELEASE

3D SEISMIC ACQUISITION OVER EPENARRA PROSPECT COMPLETED

Key Points:

- **3D seismic data now fully acquired**
- **Acquisition within budget**
- **Data quality excellent**

MELBOURNE, AUSTRALIA (October 31, 2006) -- Methanol Australia Limited (ASX: MEO) advises that the PGS Australia vessel, M/V Orient Explorer, as of 2312 hours on October 30, 2006, successfully completed full acquisition of the new 3D seismic data over Epenarra, located in the Company's 100% owned Exploration Permit, NT/P68.

The survey acquisition was completed well within budget and no health, safety or environmental incidents were recorded. Processing of the new data was commenced on the vessel to multiple reduction and Tau-p Deconvolution. The data is currently being prepared for transfer by helicopter to the PGS Australia processing facility in Perth.

3D seismic data has been acquired to confirm distribution and orientation of faults and fracturing within the 50m gas bearing fractured carbonate zone of the Epenarra prospect intersected by the Heron-1 well, which was drilled by ARCO in 1972. This data will be used to determine the optimum location for the Heron-2 appraisal well.

Methanol Australia and Coogee Resources have secured the Seadrill West Atlas Jack-up drilling rig for a minimum contract term of twelve months. The rig will initially drill the Company's firm wells and then move to the location of the Coogee wells.

The West Atlas is a new rig of well proven design in construction at the Keppel FELS construction yard in Singapore and is currently scheduled to be completed in August 2007. The rig would then be delivered shortly thereafter to the location of the proposed Heron-2 well on the Epenarra structure in the Company's Exploration Permit, NT/P68.

C.R. Hart
Managing Director
31 October 2006