



## **Methanol Australia Limited**

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### **ASX RELEASE**

#### **PGS AUSTRALIA AWARDED 3D SEISMIC ACQUISITION CONTRACT**

MELBOURNE, AUSTRALIA (August 15, 2006) -- Methanol Australia Limited (ASX: MEO) is pleased to advise that a contract has been awarded to PGS Australia Pty Ltd to acquire and process approximately 500 square km of 3D seismic over the crest of the Epenarra prospect in the central region of the Company's 100% owned Exploration Permit, NT/P68, utilizing the M/V Orient Explorer.

The 3D survey has recently been expanded from 410 to 500 square km and is scheduled to commence on September 13, 2006. The 3D seismic program is designed to identify the density, distribution and orientation of faults and fracturing within the 50m gas bearing zone intersected by Heron-1 and determine the optimum location for an appraisal well to test the productivity of this interval. Drilling is planned for late 2007. The expanded survey will also improve the imaging of the deeper Heron North and South Plover Formation structures. Subject to confirmation by appraisal drilling, the potential gas resource could underpin the Company's proposed LNG and methanol projects.

The Epenarra structure is a broad, low relief anticline at the Darwin Formation level with a mapped closure of approximately 1,200 sq km. The estimated in place Contingent Resource for gas in Epenarra ranges from 2930 BCF (low estimate: P90) to 9400 Bcf (high estimate: P10) with a mean Contingent Resource of 5620 Bcf (P50: most likely). Heron-1, drilled by ARCO in 1972, recorded several interpreted gas bearing zones, including a 50m fractured carbonate interval in the lower section of the Darwin Formation. Studies indicate that the gas quality at this level may be low in carbon dioxide with the possibility for attractive levels of associated condensate.

The Company has previously announced the award of a 2D acquisition contract to the Compagnie Generale de Geophysique Group (CGG) to acquire approximately 600 line kilometres of infill 2D seismic over the Blackwood lead in the northern part of NT/P68. This survey is now scheduled to commence late October, 2006. The new 2D seismic data is designed to improve the structural mapping of Blackwood and is expected to elevate it to Prospect and drill ready status.

**C.R. Hart**  
Managing Director  
15 August 2006

*PGS Australia Pty Ltd 3D Seismic Acquisition vessel, M/V Orient Explorer*



*NT/P68 Permit map showing main Prospects and Leads*

