



## **Methanol Australia Limited**

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### **ASX RELEASE**

## **COMPLETION OF PLACEMENT OF SHARES BY TRUSTEE FOR THE BENEFIT OF METHANOL AUSTRALIA LIMITED**

MELBOURNE, AUSTRALIA (March 1, 2006) -- Methanol Australia Limited (ASX: MEO) is pleased to advise that Doravale Enterprises Pty Ltd, in its capacity as the Trustee of a Scheme of Arrangement ("Scheme") pursuant to which it holds shares in the Company on trust for sale for the benefit of MEO, has through Patersons Securities Limited, placed 8,000,000 shares held by it to raise an amount of \$1,600,000 in new equity funding for MEO.

Under the Scheme terms, the net funds raised will be received by MEO as capital. No new shares will be issued or allotted by MEO in giving effect to the transaction and the number of ordinary shares continues to remain at 140,450,105.

Patersons acted as Lead Manager on this transaction and placed these shares to investor clients, primarily institutions. The net proceeds will add to general working capital for MEO, which will now stand at approximately \$2,600,000.

The Company is focusing on successfully negotiating a farmout agreement on both of its 100% owned exploration permit NT/P68 and equity participation in the adjacent Timor Sea LNG Project.

The exploration permit, NT/P68, lies approximately 25 km to the west of Tassie Shoal and contains the large Seahawk, Epenarra and Heron Plover gas/condensate prospects that have a potential for an aggregate in place gas resource exceeding 7 TCF (P50).

The LNG production module has recently been re-designed by Worley Limited utilising Air Products DMR (dual mixed refrigerant) technology. This new design has increased production capacity to over 3 Mtpa and has resulted in a substantial improvement in plant conversion efficiency. Arup Energy redesigned the LNG storage tank to a single 170,000 m<sup>3</sup> LNG tank. The attached 3D Cad image shows the design progress for the proposed methanol and LNG facilities on Tassie Shoal.

**C.R. Hart**

Managing Director, 1 March 2006

