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ASX AND MEDIA RELEASE

PROGRESS REPORT: 3D SEISMIC ACQUISITION OVER EPENARRA PROSPECT

Key Points:

- **62% of 3D data now acquired**
- **Data quality excellent**
- **Data processing commenced**

MELBOURNE, AUSTRALIA (October 18, 2006) -- Methanol Australia Limited (ASX: MEO) advises that the PGS Australia vessel, M/V Orient Explorer, continues to make excellent progress with the Company's acquisition of 3D seismic data over Epenarra, located in the Company's 100% owned Exploration Permit, NT/P68.

At midnight, October 17, 2006, approximately 62% of the data for the 500 square km 3D seismic survey had been acquired and progress remains ahead of schedule.

The acquisition of approximately 600 line kilometres of infill 2D seismic in the permit over Blackwood by Compagnie Generale de Geophysique Group (CGG) using the M/V CGG Duke is scheduled to commence in early November, 2006.

C.R. Hart
Managing Director
18 October 2006