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ASX RELEASE

CLARIFICATION STATEMENT

MELBOURNE, AUSTRALIA (April 27, 2006) -- Methanol Australia Limited (ASX: MEO) wishes to clarify the nature of some recent share transfers included in the Form 604 lodged by Mr E G Albers on April 21, 2006.

Mr Albers retired as chairman of the Company on July 1, 2005 and retired as a director of the Company on August 31, 2005. Mr Albers is a director of 500 Custodian Pty Ltd which had acted as the trustee of the Company's Directors Share Savings and Performance plans. As Mr Albers has no further involvement in the Company's activities or affairs, a new trustee has been appointed to administer the two plans. These events resulted in the transfer of 5,289,740 shares from 500 Custodian Pty Ltd to the beneficial owners, including the directors and senior executives of the Company and the new trustee.

The Company is progressing the commercial aspects of its significant gas-to-liquid (GTL) projects and remains highly optimistic about the potential of its 100% owned exploration permit, NT/P68. The Company continues to focus on the successful completion of farm-out arrangements for both the permit and equity participation in the adjacent Timor Sea LNG Project.

While the methanol and LNG projects are strategically located amongst a number of significant, proven but stranded gas resources, the Company believes NT/P68 could offer the scope for discovery of gas accumulations that may in their own right support the future gas demands of its GTL projects. 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 Company believes that the Heron-1 well, which confirmed a 50m gas bearing zone in the Darwin Formation within the structural closure of Epenarra, should be considered as a discovery well. The Company now plans to confirm commercial hydrocarbon flows from the Darwin Formation with a second well, to be fully funded by the farminee.

C.R. Hart
Managing Director
27 April 2006