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ASX AND MEDIA RELEASE

NT/P68 3D SEISMIC PROCESSING UPDATE

Key Points:

- **3D seismic data processing to pre-stack time migration is currently 92% completed**
- **Pre-stack depth migration processing has commenced**

MELBOURNE, AUSTRALIA (January 17, 2007) -- Methanol Australia Limited (ASX: MEO) advises that PGS Australia has completed approximately 92% of the new NT/P68 3D pre-stack time migrated (PSTM) seismic data processing sequence. The data quality is described as excellent. The new 3D seismic acquisition and processing is on schedule and under budget.

Delivery of the PSTM migrated volume is expected in the last week of January 2007 and interpretation/mapping will commence immediately. PGS has built the initial velocity model for the first pass of the pre-stack depth migration (PSDM). The final 3D seismic PSDM volume is scheduled for delivery on April 1, 2007.

3D seismic PSDM data is required to accurately 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, to be drilled in August/September 2007.

C.R. Hart
Managing Director
17 January 2007