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Investor Presentation – November 2006

Methanol Australia Limited
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This presentation contains includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with estimation of potential hydrocarbon resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

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Emerging Gas & GTL province

BONAPARTE BASIN:

Developed Gas Reserves – Darwin LNG

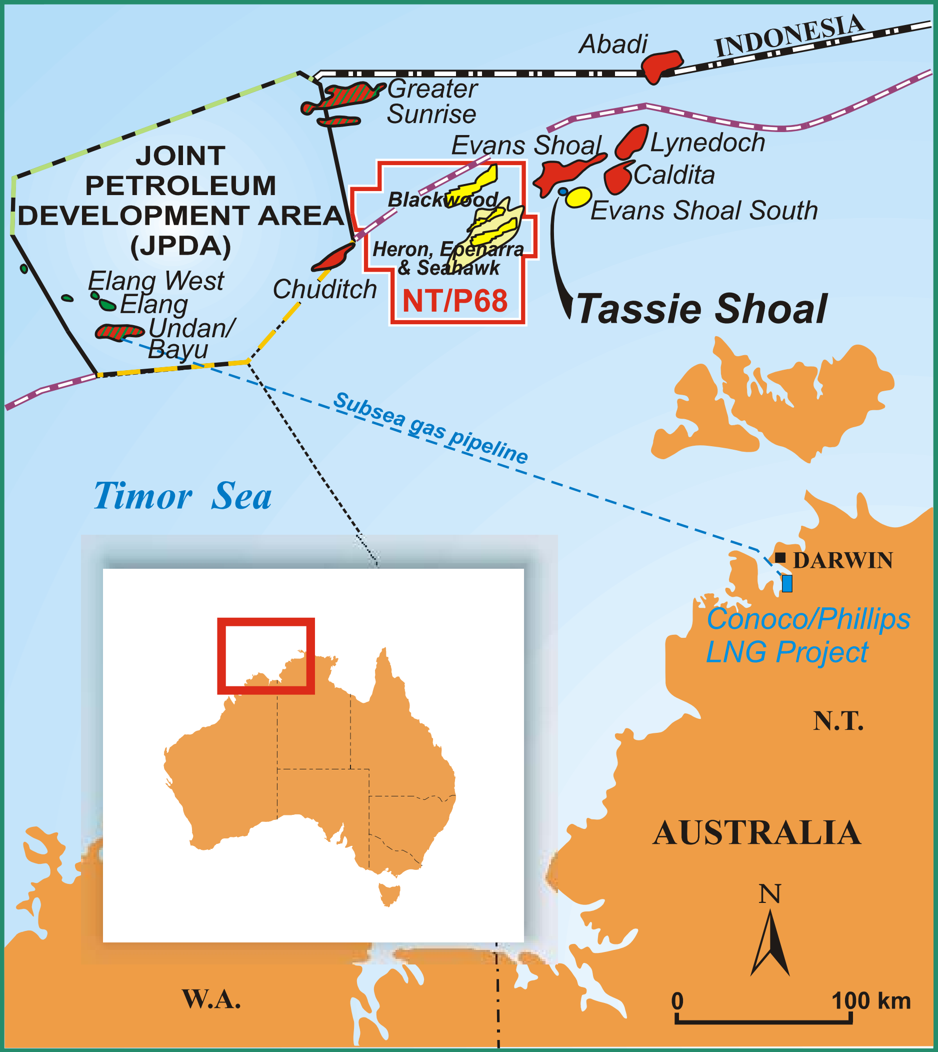
- Bayu-Undan (3.4 Tcf, wet)

Undeveloped Gas Reserves

- Greater Sunrise: 8.4 Tcf (wet)
- Abadi: 5 Tcf (CO_2)
- Evans Shoal: 6.6 Tcf (CO_2)
- Caldita: 2.9 Tcf (CO_2)
- Lynedoch: 1.5 Tcf (CO_2)

NT/P68 potential

- **5 Structures**
- **1 gas discovery (Heron-1)**
- **>14 Tcf mapped GIP potential**
- **Significant possible liquids yield from gas**



MEO has two approved GTL Projects: LNG & methanol

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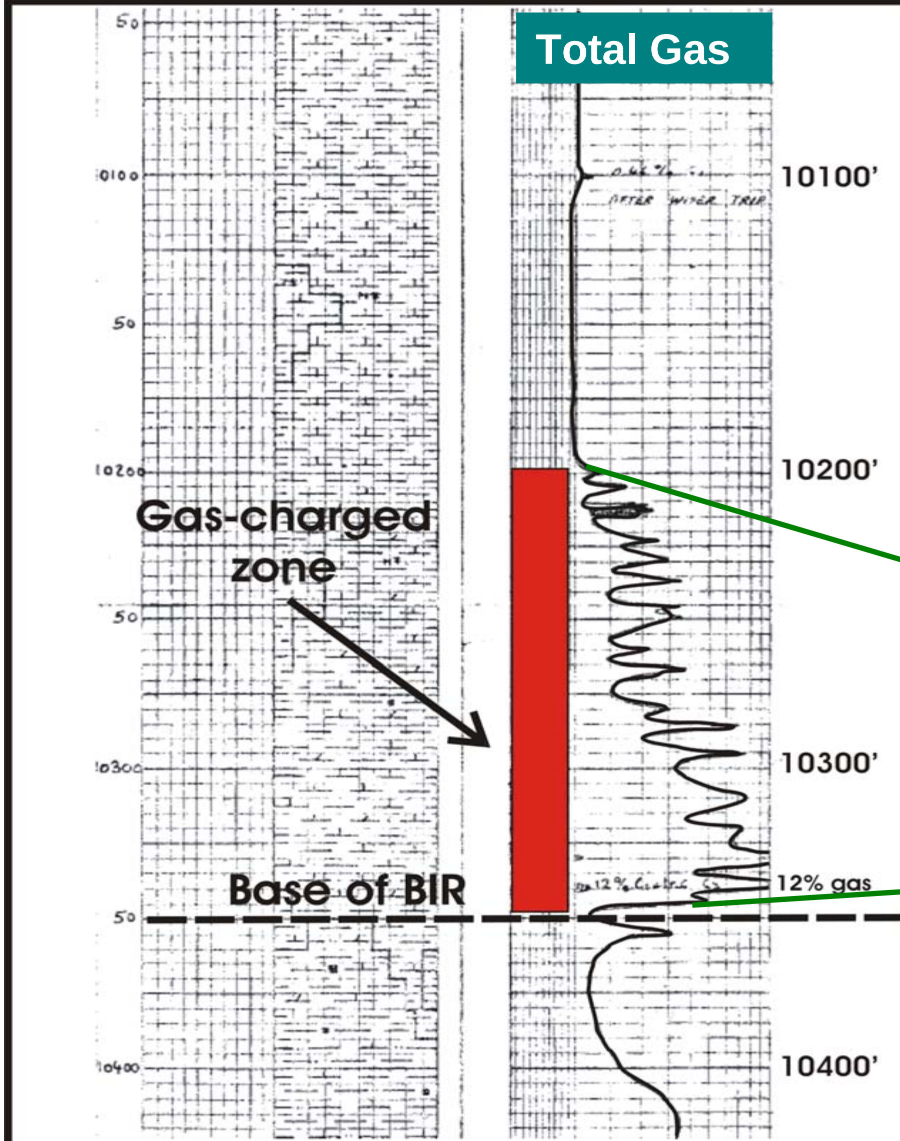
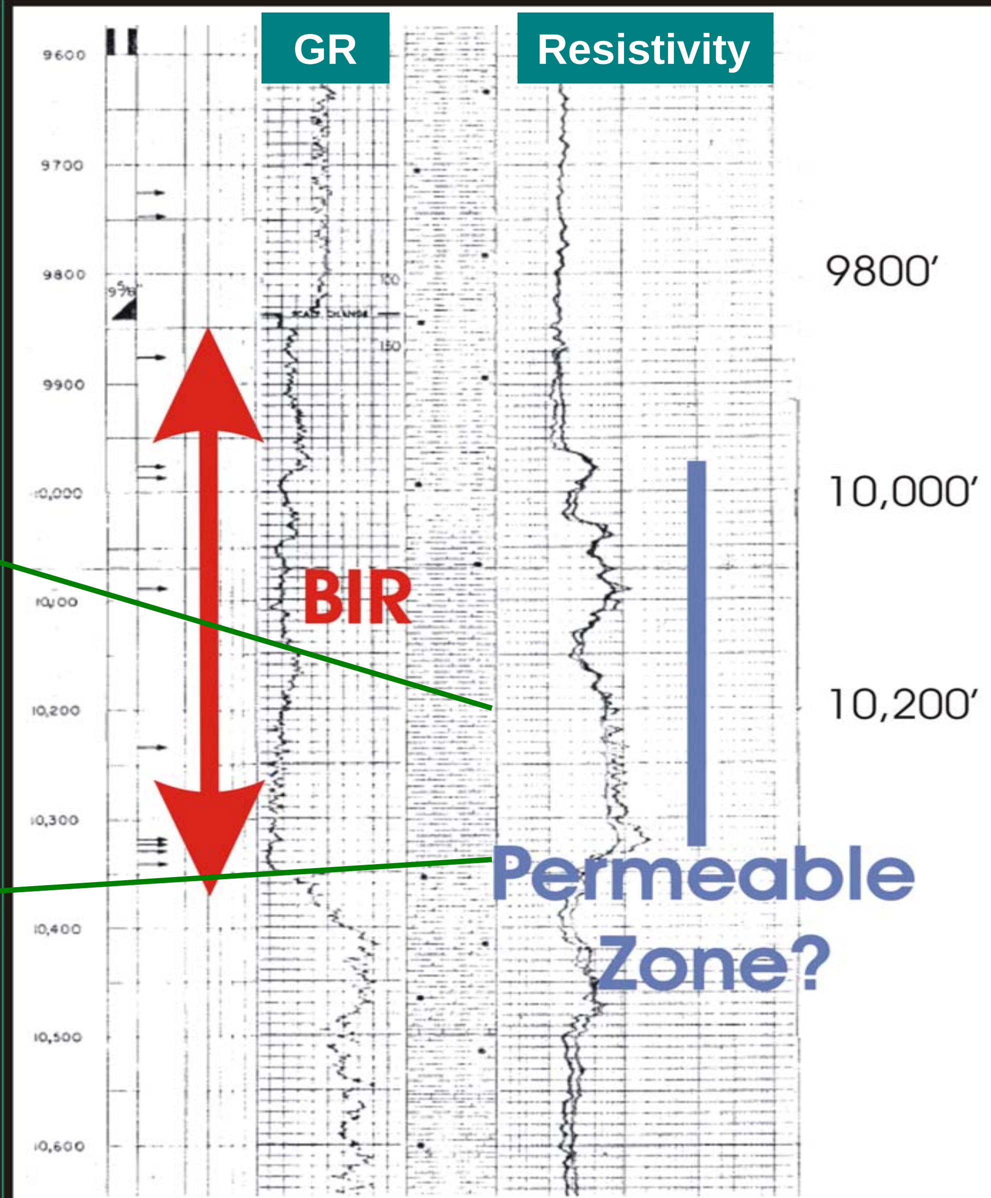
Heron-1 intersected 50m gas column



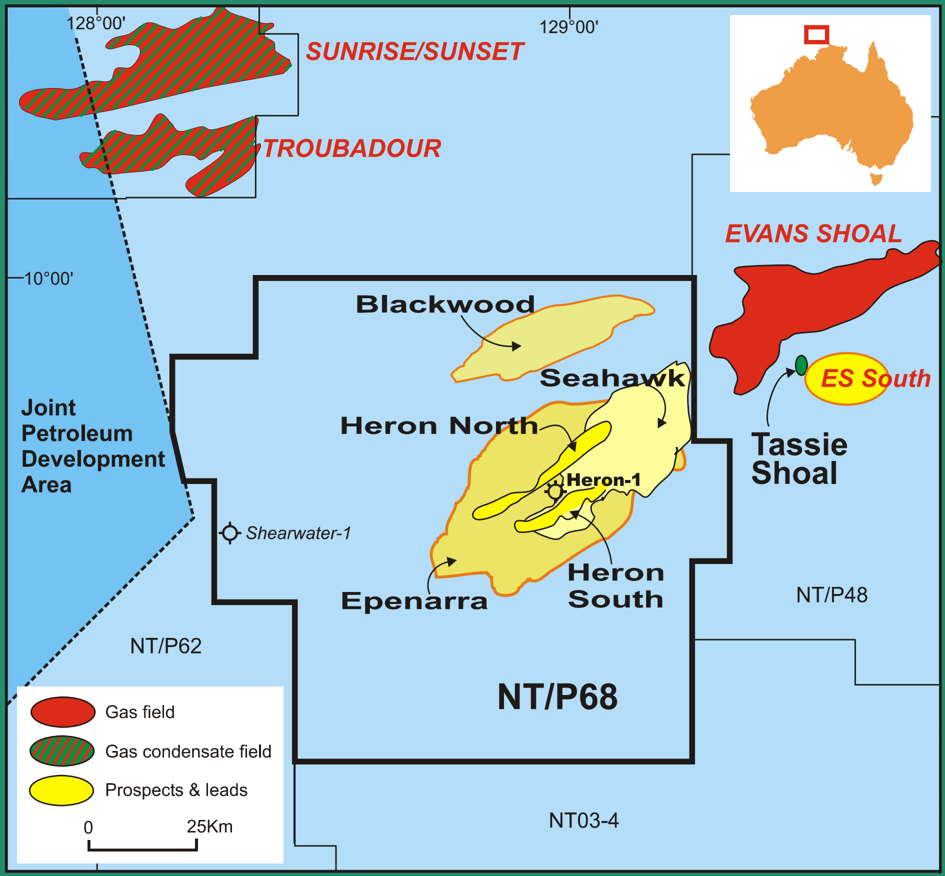
Mud Gas: Heron 1
Bathurst Island Radiolarite



Resistivity Log

100% owned permit with gas discovery

- **Epenarra structure**
  - **1,200km² closure**
  - **~6 Tcf (P50) wet GIP**
  - **Up to 800 Mmbbls condensate**
  - **Drilled by Heron-1 (1972)**
  - *Est. mean CGR* 150 bbls/mmcf*
- Acquired 500km² 3D (Oct'06) + 600 km 2D (Nov'06) seismic
- **Drilling Aug'07**
  - Heron-2
  - Blackwood-1
  - Heron-3



** CGR = Condensate : Gas Ratio expressed as barrels condensate/million cubic feet gas*

NT/P68 Activities 2006 – US$11M

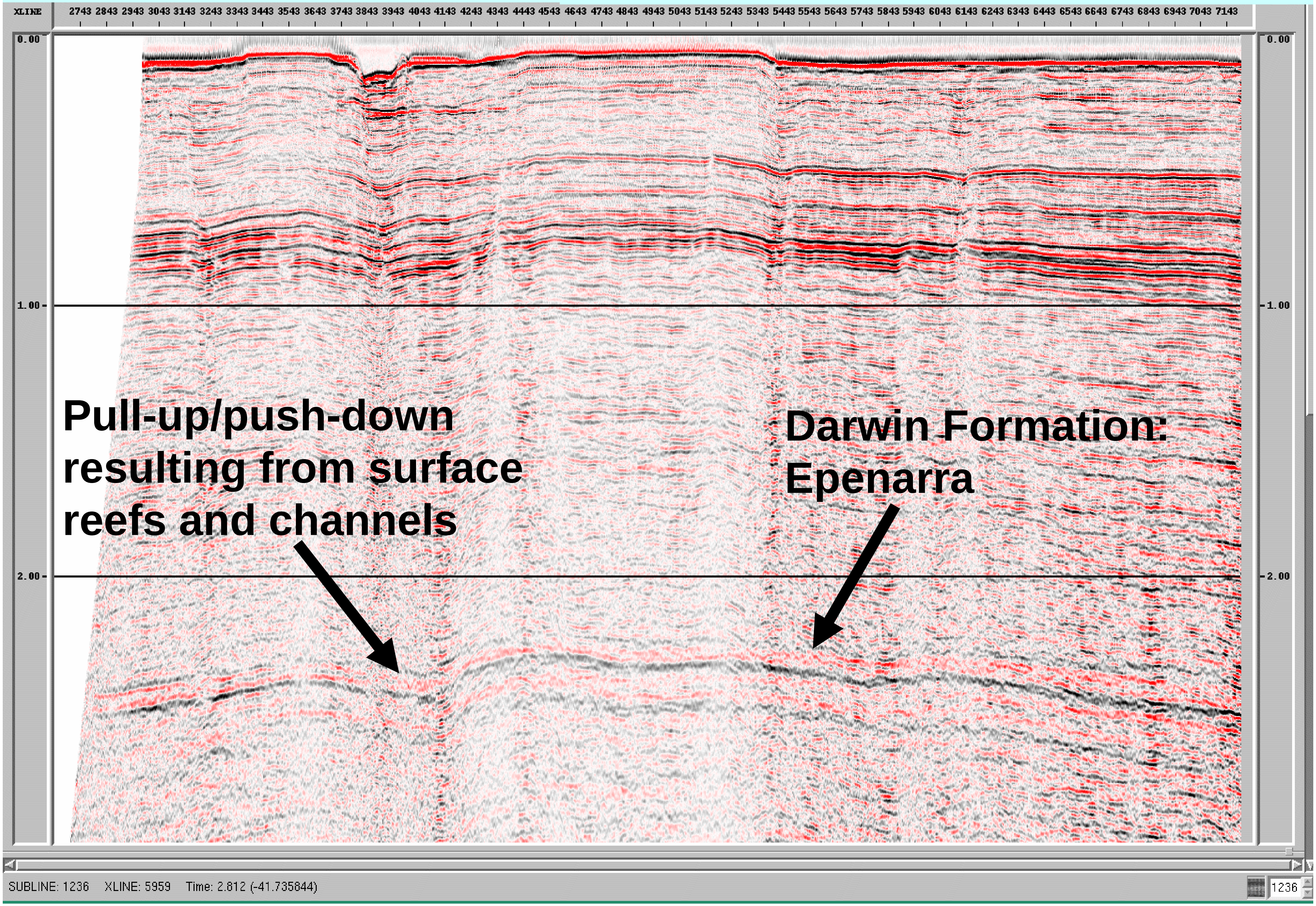
Orient Explorer: 500 sq km 3D over Epenarra completed, acquired to confirm Heron-2 and Heron-3 locations

Polar Duke: 600 Line km 2D over Blackwood acquired to confirm Blackwood-1 location

INITIAL 3D PROCESSING

Zoomed Stack after Taup Deconvolution

Improved multiple attenuation



Rig Secured

**Seadrill West Atlas
Jack-up
Drilling Rig
Secured for
August 2007
to drill:
Heron-2
Blackwood-1
Heron-3**

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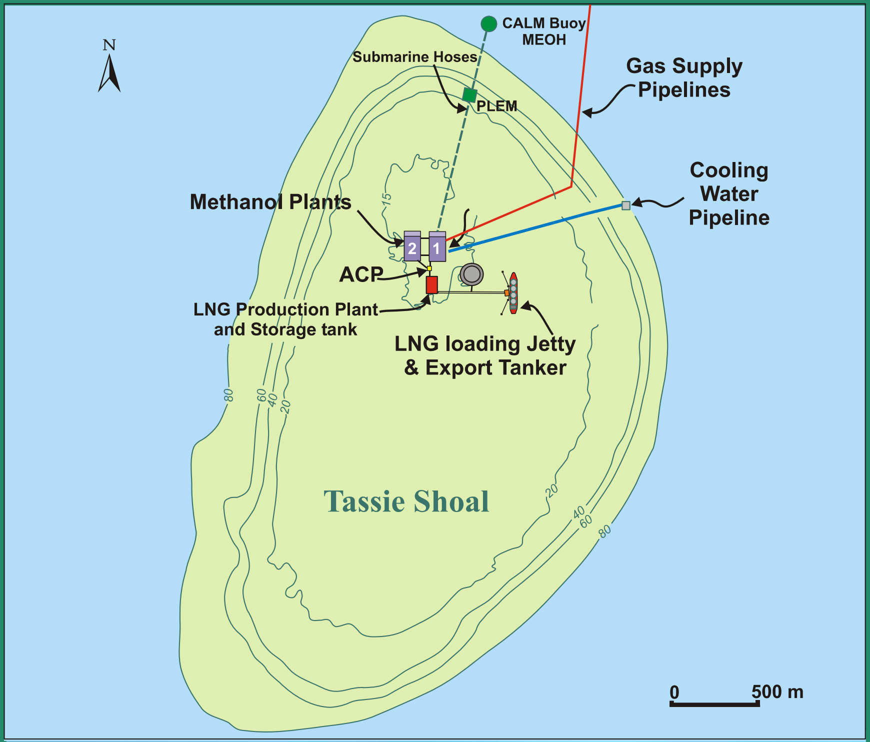
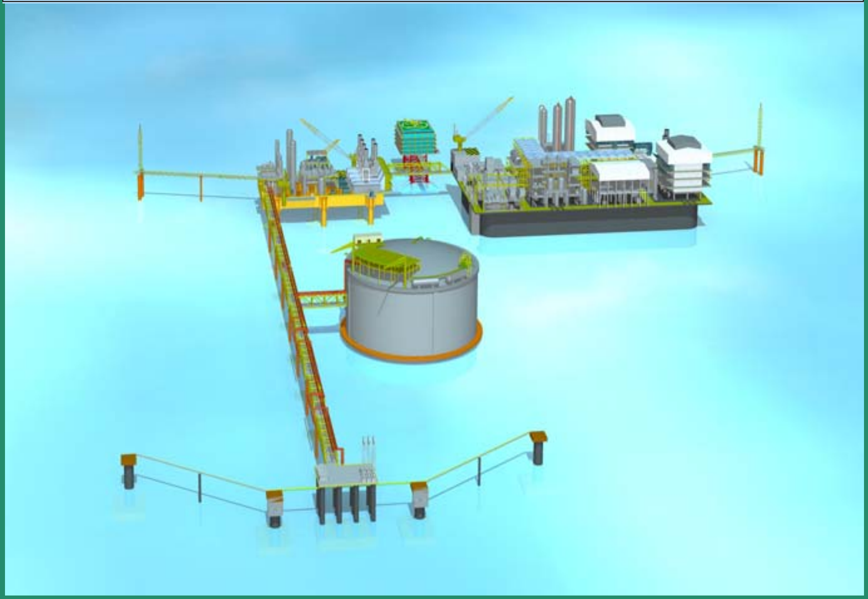
Tassie Shoal

- Shallow water (14m), 275km NW of Darwin in ***Australian waters***
- Environmental ***approvals*** granted by Commonwealth Gov't for ***50yrs***
  - 2x 1.8 Mtpa MeOH plants (Dec02)
  - 1x ~3 Mtpa LNG plant (May04)
- ***Globally Competitive*** projects:
  - Methanol benefits from high CO_2
  - Low input gas price
    - Proximity to liquids rich gas (LNG)
    - Eliminates long pipelines to shore
    - Pre-fabrication in Asia/tow to site
  - Transport cost advantage
    - Proximity to markets
    - Own port facilities





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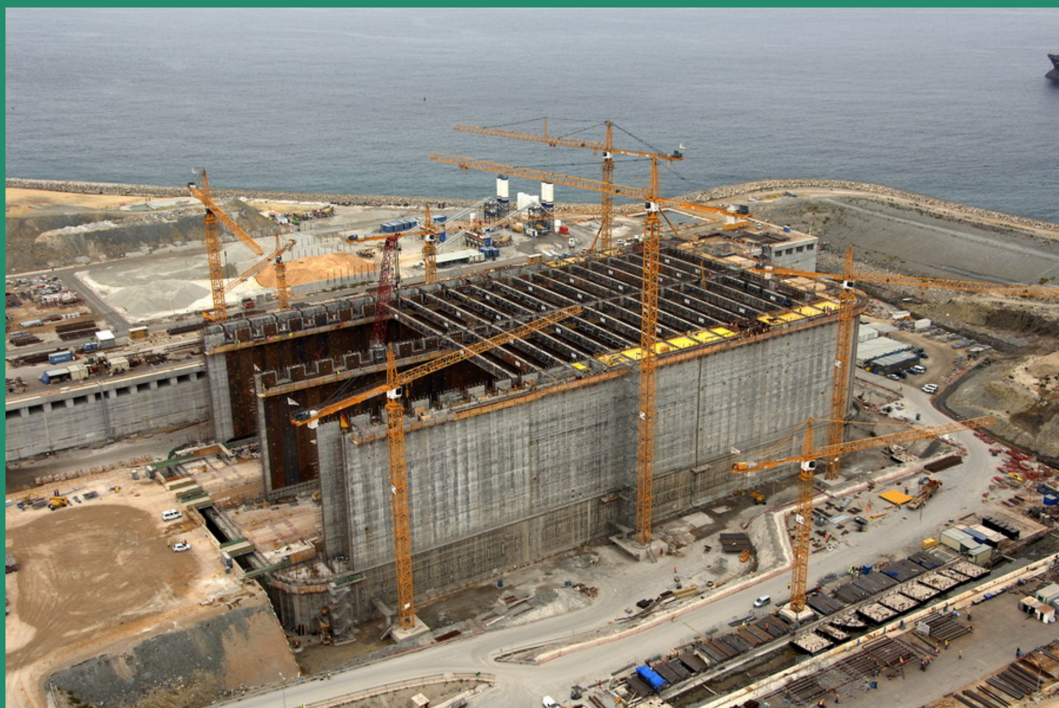
Proven Substructure Solutions



Exxon Adriatic LNG Re-gas terminal: Similar footprint as TSMP, but higher structure due to greater Seawater depth at Exxon site

Production ACE For LNG plant Similar to Hang Tuah Vietnam (Conoco)

Project Summaries

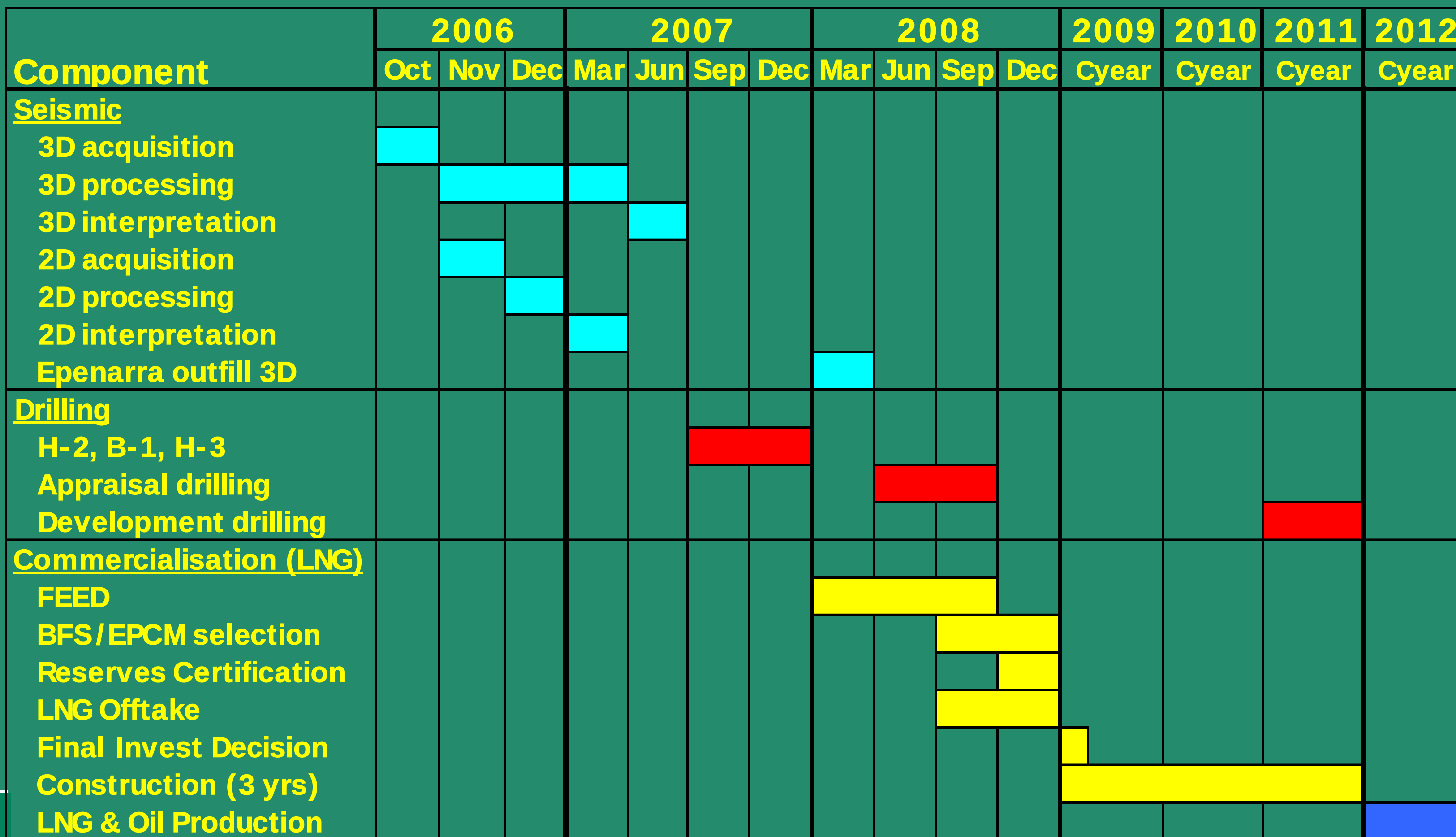
Activity	Upstream Interests	Downstream Interests		
Seismic	NT/P68 (100%)	LNG Project	Methanol Projects: 50% (APCI)	
Well #1	**Heron-2** **Epenarra Appraisal** Darwin Fm - 3,200m **~6 Tcf GIP** (P50) **Lo CO_2** **>650Mbbls liquids**	**100%** 3+ mtpa **US$1001m** **NPV* $1547M** **US$437M p.a.** **IRR*: 32%**	**Stage I** 1.8 mtpa **US$872m** **NPV* US$456M** **US$197M p.a.** **IRR*: 19%**	**Stage II** 5,000 t/d 1.8 mtpa **Superior economics to Stage I**
Well #2	**Blackwood-1** Plover Fm - 3,300m **3 Tcf GIP** (P50) **Lo-Mod CO_2** **Mod liquids**			
Well #3	**Heron-3** **Epenarra stepout &** **Heron South test** Plover Fm - 4,000m **3 Tcf GIP** (P50) **Hi CO_2**			

Required Gas Reserves
(over 20 years)

3.2 Tcf **(lo CO_2)** eg. Epenarra, Blackwood	**1.3 Tcf** **(hi CO_2)** eg. Heron N/S (Evans Shoal)	**1.3 Tcf** **(hi CO_2)** eg. Heron N/S (Evans Shoal)

** Economics are pre-tax, NPV:10% discount rate, Un-geared, US$1.25/GJ input gas, LNG:US$4.50 FOB, MEOH:US$200/t CFR*

Development Schedule (LNG)



MEO Capital Structure

ASX Code	MEO	**Shareholders**	1,850

Security Class	**Millions**
Ordinary shares	197.3
<u>Options</u>	
30-Apr-07 expiry, $0.25 ex pr	52.7
Fully Diluted	**250.0**

Substantial Shareholders	**%**
Cambrian Oil & Gas Plc	24.6%
Geoff Albers Group	14.8%
Santos Limited	10.5%
Directors	7.7%
	57.6%

Market Capitalisation*	**A$m**
Ordinary Shares	$ 90.8
Fully diluted for options	$ 115.0

Monthly turnover	
Volume (millions)	13.7
Value (A$m)	$ 3.8

* Assumes Price at 10-Nov-06 $ 0.46

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Experienced Board

Warwick Bisley - Non-Executive Chairman
35 years with Exxon/Esso 1966-2001.
Appointed **Chairman & CEO of Exxon Chemicals Australia**. Oversaw rationalisation of Altona Petrochemicals.
First Chairman of Kemcor.
Appointed MD & CEO in mid-1990's to implement **Exxon's US2.4bn (stage I) petrochemical complex in Singapore**, including planning, execution, staffing and commissioning before retiring in 2001.

Andy Rigg - Non-executive director
35 years international exploration experience principally with Exxon/Esso, Santos and Ampolex.
Program Manager with the Australian Petroleum Co-Operative Research Centre (APCRC) managing the GEODISC research program, designed to investigate the technological, environmental and commercial feasibility of geological sequestration of carbon dioxide in Australia.

Chris Hart- MD & CEO
15 years in upstream petroleum industry.
Co-founded Timor Sea Petroleum (original tenement holder of **Evans Shoal Gas field)**.
Expertise in **gas marketing and commercialisation strategies.**
Instrumental in developing the Gas-To-Liquids & upstream projects.

Walter Dewe
Executive Director - Gas Commercialisation
25 years international upstream experience principally with BHP Petroleum and Kerr-McGee.
Secured commitment from BHP to build the **Methanol Research Plant** (MRP) at Laverton using ICI technology.
MRP was Australia's first methanol plant.

James Willis - Non Executive Director
Partner with Bell-Gully a leading New Zealand legal firm. Responsible for all apsects of gas contracting.

Conclusions

- Globally competitive GTL projects, robust economics
  - Lowest quartile production costs
    - Delivered product cost advantage (transport advantage)
  - Substantial capital cost savings (pipelines, pre-fabrication)
    - Managing capital risks – key alliances (eg Air Products)
  - Pragmatic solution for high CO_2 3rd party gas
- 50yr C'Wealth Government Environmental Approvals
  - Australia's only approved new greenfield LNG project
  - Major Project Facilitation Status
- Securing gas supply
  - 100% owned permit (NT/P68) - Heron-1 gas discovery
    - Potential for high quality, liquids rich, low CO_2 gas
    - Retaining control ensures timely development of projects
    - 3D & 2D seismic acquired to provide optimum well locations
    - Secured rig contract - Heron-2 & Blackwood-1 (Aug'07)
  - 3rd party gas supply negotiations underway concurrently