



Methanol

the clean alternative

Investor Presentation - February 2006

Chris Hart, Managing Director

Methanol Australia Profile

- **Shareholders: 2000**
- **ASX Listing code: MEO**
- **Ordinary Shares: 140.45 million**
- **Market Capitalisation A\$23 million**
- **Upstream company – uniquely positioned to develop approved gas-to-liquid (GTL) projects off the north coast of Australia**



MEO Strategy

- **Focused on the development of offshore GTL projects:**
 - **Tassie Shoal Methanol Project (TSMP)**
 - **Timor Sea LNG Project (TSLNGP)**
 - **Strategic upstream interests**
- **Strategically located in heart of significant gas province & close to major Asian growth markets for LNG and methanol**
- **Other applications of IP in Australia where CO₂ remains an issue for LNG production**



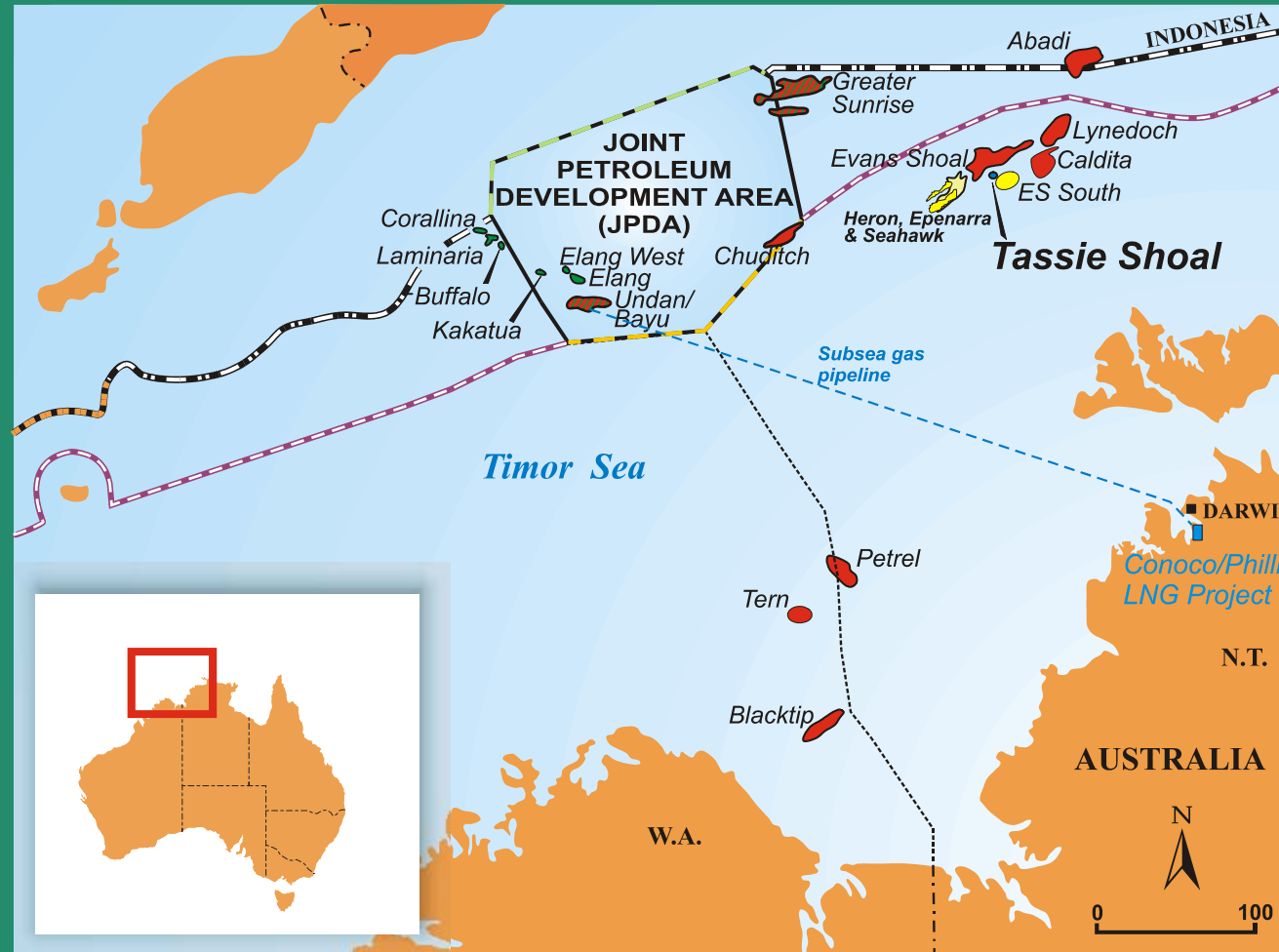
Fundamental for success

- **Commodities: low cost producer (current and forecast LNG & methanol pricing)**
- **Unique project characteristics**
 - Construction costs
 - Carbon dioxide consumption (methanol)
 - Freight cost and market proximity
- **Advantages long lasting**
- **APCI partner in TSMP**
- **Similar strategic partner for LNG**
- **Number of gas supply options emerging**



Location of shoal, projects & gasfields

Emerging gas province
In heart of gas resources
Evans Shoal: 12 km, Heron, Epenarra and Seahawk 50 km to Tassie Shoal
Other gas: Caldita, Lynedoch



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Status of GTL Projects

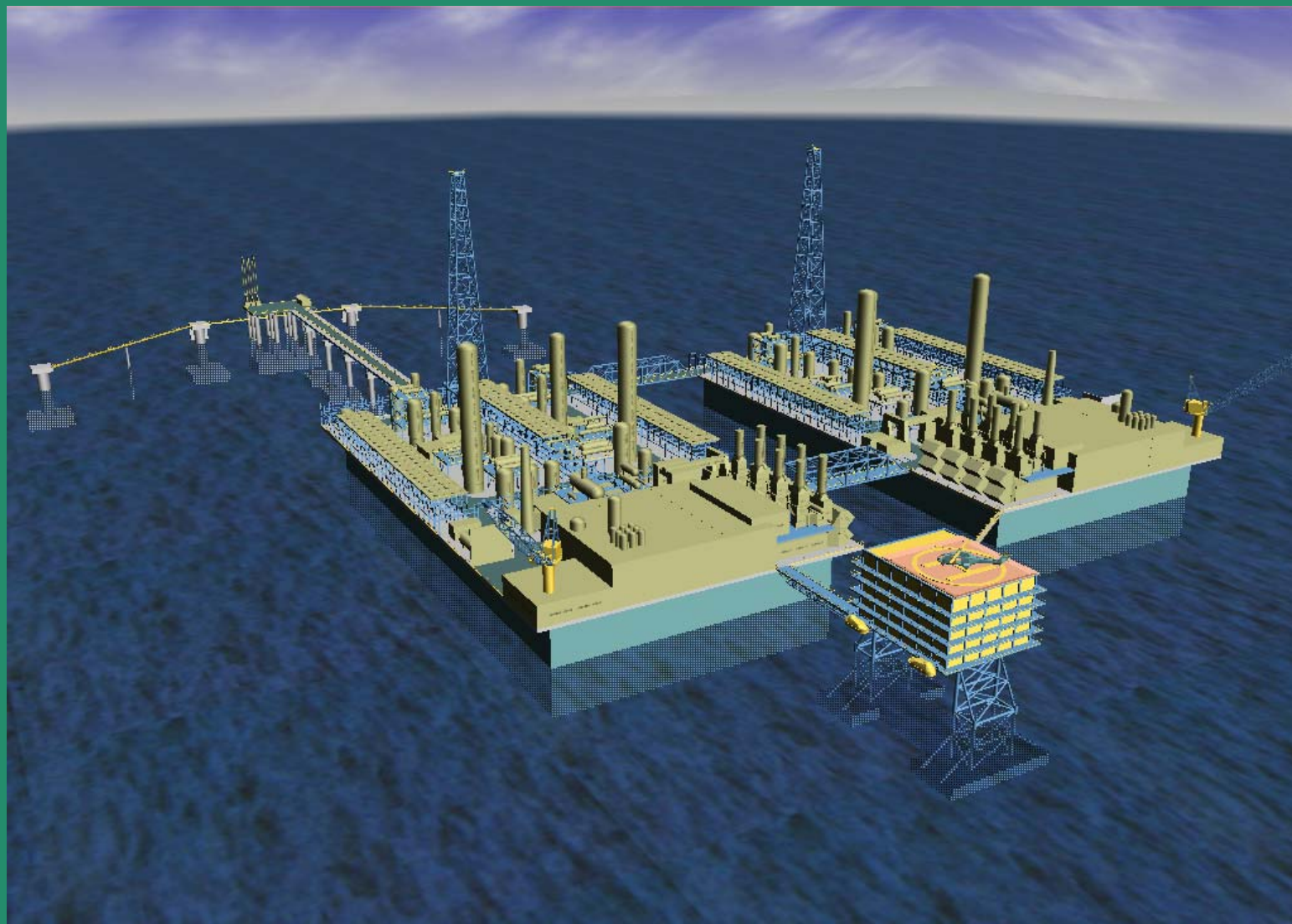
- **Tassie Shoal Methanol Project (Capex US\$750m)**
 - Capital cost review
 - Process has moderate escalation - steel
 - GBS optimization offsetting increases
 - Continued strong product demand – US\$330/t
 - Secure gas supply: FEED/EPC commences
- **Timor Sea LNG Project (Capex US\$860m)**
 - GBS LNG tank and process re-design & optimization
 - Q4 2005 cost estimate
 - 3+ Mtpa LNG Production
 - 100% owned by MEO – securing partner



Methanol & LNG Projects on Tassie Shoal



Tassie Shoal Methanol Project



TSMP GBS Concept a Reality

ExxonMobil Adriatic LNG Re-gas Terminal

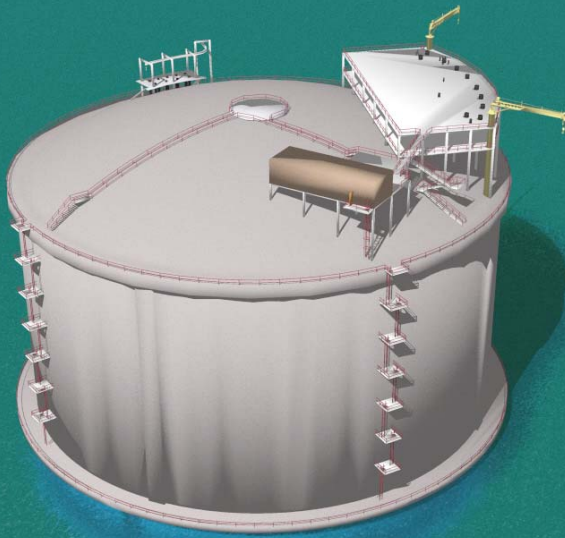


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Timor Sea LNG Project

New LNG Tank Design by
Arup Energy – 170,000 m³



ACE platform for LNG
process: Arup Energy

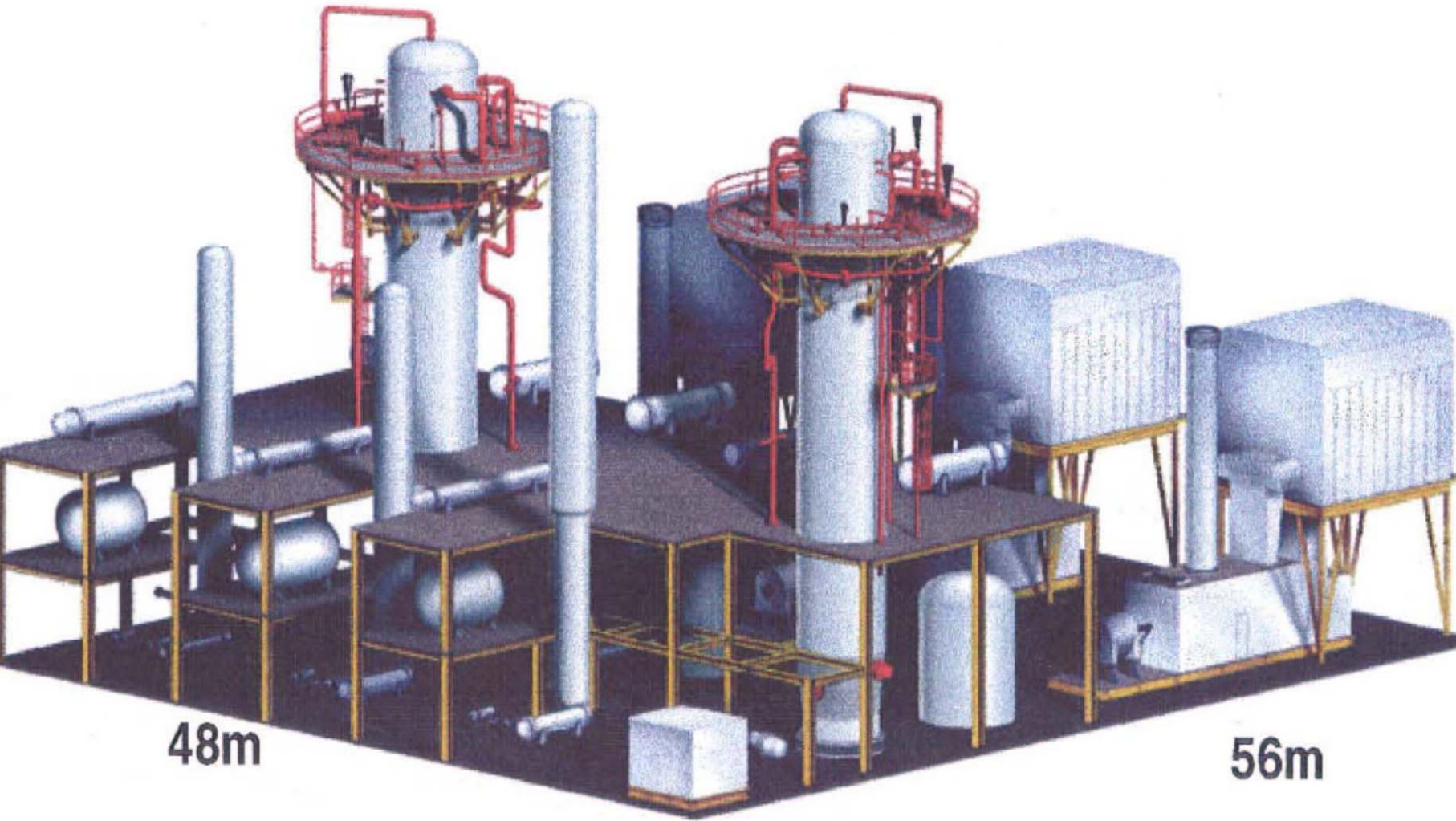
ACE platform in service:
Hang Tuah, Vietnam



Tank Concept Used by Compass Port

(Source - ConocoPhillips)





48m

56m

LNG Process: Air Products

Dual Mixed Refrigerant (DMR): Efficiency gains

Proven technology, 3+ MTPA LNG Production



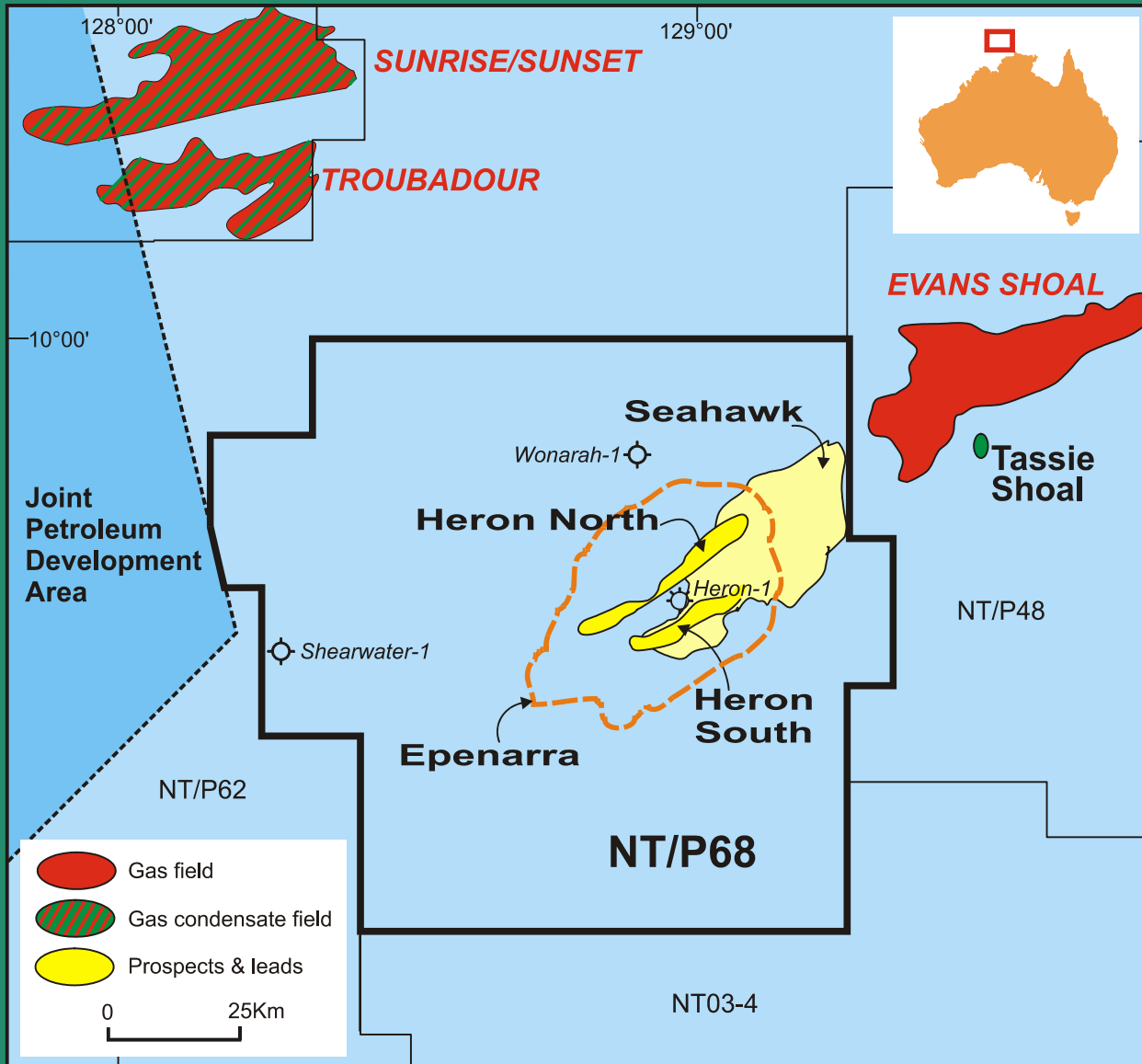
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Upstream Interests: NT/P68 Significant Potential for Gas & Oil



Exploration Permit NT/P68

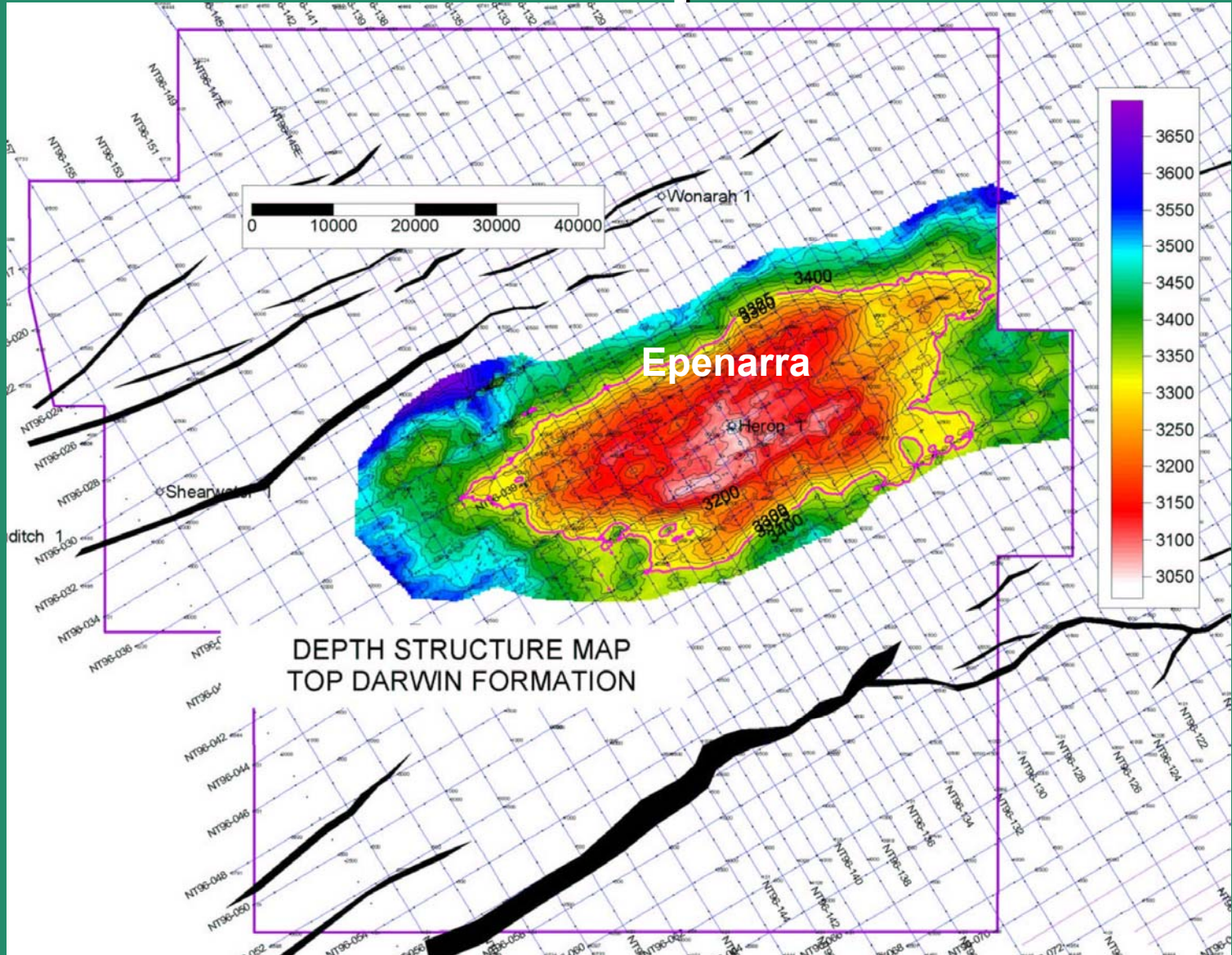


Exploration Permit NT/P68

- **Seahawk prospect**
 - Vee Formation (1200 m)
 - P50: gas 2 Tcf GIIP, large oil potential
- **Epenarra prospect**
 - Darwin Radiolarite Formation (3000 m)
 - P50: gas 6 Tcf GIIP, (Heron-1 gas, Arco 1972)
- **Heron North & South prospects**
 - Plover Formation (3900m, P50: gas 3.3 Tcf GIIP)
- **Current activity**
 - Securing farminnee
 - 3D required to confirm best well location
 - 3D costs part of farmin obligations



NT/P68 - Epenarra



Summary

- **Australian projects strategically located: proximity to high growth Asian markets**
- **Low delivered costs**
- **Robust & competitive economics**
- **Proven & sound technologies**
- **Managing capital risks – key alliances**
- **Low sovereign risk producer**
- **Key statutory approvals secured**
- **Strategic upstream interests**

