

# METHANOL AUSTRALIA LIMITED

ACN 066 447 952

## NOTICE OF GENERAL MEETING

**Notice of general meeting of members of Methanol Australia Limited to be held in the Meeting Room of The Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne on Wednesday, 17 January 2007 at 10.30 am.**

NOTICE IS HEREBY GIVEN that a general meeting of the members of the Company will be held at the time and place set out above for the purpose of considering and if thought fit approving the following resolutions:

### **As a Special Resolution**

**1. Change of Name of the Company**

“THAT subject to the consent of the Australian Securities & Investment Commission the name of the Company be changed from “Methanol Australia Limited” to “MEO Australia Limited”.

### **As Ordinary Resolutions**

**2. Ratification of the Issue of 25,000,000 Shares**

“THAT in accordance with Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited, the issue of 25,000,000 ordinary fully paid shares in the capital of the Company, to clients of Tolhurst Noall Limited and WH Ireland Limited, on 13 day of December 2006, at a price of \$0.48 per share be hereby ratified”.

### **VOTING EXCLUSION STATEMENT**

The Company will disregard any vote cast in relation to Resolution 2 in respect of any shares held by any person to whom shares referred to Resolution 2 were issued or by any associate of such person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**3. Appointment of a Director**

“THAT Mr John Allan Newton, being a Director of the Company who was appointed Director since the last annual general meeting retires and, being eligible for re-election, is hereby re-elected as a Director of the Company”.

**4. Grant of Options to a Director**

“THAT approval be given to the Directors to grant, within 1 month of the date of this meeting, 1,000,000 free 30 November 2009 options over ordinary fully paid shares in the capital of the Company at an exercise price of 50 cents per share, to Mr John Newton”.

### **VOTING EXCLUSION STATEMENT**

The Company will disregard any vote cast in relation to Resolution 4 in respect of any share held by Mr John Allan Newton or an associate of Mr John Allan Newton. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board of Methanol Australia Limited

D.B. Hill  
Secretary  
14 December 2006

## NOTES

### 1. Voting

- (a) Methanol Australia Limited has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the shares of Methanol Australia Limited that are quoted on Australian Stock Exchange Limited as at close of business on 15 January 2007, will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the meeting.
- (b) A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights.
- (c) A proxy duly appointed need not be a member. In the case of joint holders all must sign.
- (d) A form of proxy accompanies this Notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be lodged with the Company not less than 48 hours before the time appointed for the Meeting. Any proxy lodged after that time will be treated as invalid.
- (e) Directors and officers of all corporate shareholders should note that unless the corporate member either:
  - (i) completes and lodges with the Company a valid form of appointment of proxy in accordance with the instructions on the enclosed proxy form ; or
  - (ii) completes and either lodges with the Company prior to the meeting a form of appointment of representative in accordance with the provisions of Section 250D of the Corporations Act or causes such personal representative to attend the meeting with such form of appointment; or
  - (iii) has appointed an attorney;and such proxy, personal representative or attorney attends the relevant meeting, then such corporate member will be unable to exercise any votes at the Meeting.
- (f) Proxy and corporate representative forms may be lodged with the Company by delivery (by hand, mail, or facsimile) to the Company Secretary, Methanol Australia Limited at its registered office:

Level 25  
500 Collins Street  
Melbourne Vic 3000  
Facsimile: **61+ 3 9614 0660**
- (g) Corporate members should comply with the execution requirements set out on the proxy form or otherwise comply with the provisions of Section 127 of the Act. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
  - (i) 2 directors of the company; or
  - (ii) a director and a company secretary of the company; or
  - (iii) for a proprietary company that has a sole director who is also the sole company secretary - that director.
- (h) The appointment of a proxy or attorney is not revoked by the appointor attending and taking part in the meeting but if the appointor votes on a resolution, the person acting as proxy or attorney for the appointor is not entitled to vote as the appointor's proxy or attorney on the resolution.
- (i) Where a proxy form or form of appointment of representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a form of proxy or appointment.

## 2. Business of the Meeting

### **Resolution 1: Change of the Company's Name to MEO Australia Limited**

The Company has since 2000 used the name Methanol Australia Limited, during which time the Tassie Shoal Methanol Project ("TSMP") has been the Company's main undertaking and principal focus.

The Company's activities now embrace a second gas-to-liquid project (GTL), the Timor Sea LNG Project, and the NT/P68 oil and gas exploration project. Success in the exploration planned for NT/P68 referred to below, will result in a broadening to the Company's operational profile and the products that are proposed to be produced.

While less specific, the new name does not completely move away from its methanol roots as the Company has assigned the words methanol, energy and oil to "MEO". Additionally, MEO is the ASX code for the Company.

### **Resolution 2: Ratification of the Issue of 25,000,000 Ordinary Shares**

Resolution 2 seeks shareholder ratification of the issue of 25m shares by Directors. Directors and their related parties did not participate in the issue. In accordance with ASX Listing Rule 7.4, with ratification, the issue is treated as having been made with shareholder approval, thereby reinstating the ability of Directors to issue further shares, up to 15% of the shares now on issue.

Petroleum exploration permit NT/P68 was granted to the Company on 23 February 2003 for a six year period. During the initial 3 year term of NT/P68 ending in February 2007, the Company will have completed a seismic data acquisition program of approximately 600km of 2D data and approximately 500 sq km of 3D seismic data, exceeding and in satisfaction of the 3 year work requirement.

The Company proposes to proceed into the secondary work program, and complete processing and interpretation of the new 2D and 3D seismic data, followed by a drilling program of up to 3 wells within the permit area.

To provide funding for continued exploration and evaluation of the permit area, the Company has raised \$12m before costs of issue, by the issue of 25m shares to clients of WH Ireland Limited and Tolhurst Noall.

To undertake the drilling program of up to three wells in 2007, MEO has secured a new jack-up rig. Seadrill's West Atlas rig is currently in construction at the Keppel FELS yard in Singapore. The West Atlas is due for delivery to NT/P68 in August 2007 for the drilling of the Heron-2 appraisal well on the Epenarra structure.

The Company has adopted a policy of maintaining the maximum possible interest in NT/P68 during the exploration phase so as, in the event of a commercial discovery, to maximise control of the potential resources for the Company's two GTL projects. This means that the Company must aim to raise sufficient capital to meet a large proportion of the likely drilling costs in 2007. While Resolution 2 relates to the issue of shares generally to new shareholders, in any further capital raising, consideration will be given to an offer of shares to all shareholders via a rights issue.

#### **The following information is provided in accordance with ASX Listing Rule 7.4:**

- (a) The number of shares allotted was 25,000,000 as set out in the resolution;
- (b) The price at which the shares were allotted was \$0.48 per share;
- (c) The terms of issue of the shares are that they are ordinary fully paid shares ranking pari passu with all other ordinary shares in the capital of Methanol Australia Limited, and
- (d) The use to which funds raised by the issue are intended to be applied is set out above.

### **Resolution 3: Appointment of Director**

On 11 December 2006, the Directors appointed Mr John Newton as a Director, to fill a casual vacancy on the Board. Mr Newton is Director and Chief Executive Officer of Xtract Energy, an AIM (UK) listed company.

Mr Newton has a background in international stockbroking, accounting and corporate finance and has been a director of a number of listed companies in Australia and Canada. John has maintained a continued involvement in the Australian and international financial sector as an investment adviser and consultant

In accordance with the Company's Constitution, Mr Newton holds office until the next annual general meeting, but offers himself for election at this meeting in advance of Company's increased activities over the coming year.

#### **Resolution 4: Grant of Options to a Director**

If resolutions 3 and 4 are passed, Directors will grant to Mr Newton options to subscribe for up to 1,000,000 ordinary fully paid shares, at a price of 50 cents per share, and approve the issue of up to 1,000,000 ordinary fully paid shares on the exercise of those options. The grant will bring Mr Newton into line with the other Directors, following the grant to them of 1,000,000 options as approved at the Company's annual general meeting, on 10 November 2006. The options were agreed to be granted to Mr Newton as a term of his appointment. The terms of issue of the options are set out below.

The Board policy in relation to Directors' remuneration as set out in the Remuneration Report, includes long term incentives, in the form of options, so as align the interests of Directors with those of shareholders. In the event that the options are granted, the fair value of the options at grant date will be recognised and reported in the Remuneration Report, as the expense for the services received by the Company, in accordance with the Company's accounting policy and accounting standard *AASB 2 Share-based Payment*.

The fair value of the options at grant date will be determined by independent valuation by DMR Corporate Pty Ltd.

DMR Corporate Pty Ltd has assessed the fair value of the options, for the purpose of this notice of meeting at \$0.1956 each, employing a binomial option pricing model and using as the current market value of the Company's shares the placement price of shares on 5 December 2006, of \$0.48.

#### **Terms and Conditions of 30 November 2009 Options**

##### **Exercise price**

Each option entitles the holder to subscribe for 1 fully paid ordinary share in Methanol Australia Limited at a subscription price of \$0.50 per share.

##### **Manner of exercise**

Each option is exercisable at any time on or prior to 5:00pm (AEST) on 30 November 2009 by completing an option exercise form and delivering it to Methanol Australia Limited together with payment for the share in respect of which the option is exercised and the option holding statement for the option.

##### **Assignment of options**

Options are not assignable or transferable without the prior written consent of the Directors, except in the case of the death of the holder when the options may be transmitted to the personal representative of the deceased.

##### **Expiration of options on cessation of employment**

On cessation of employment by, or by any subsidiary of, Methanol Australia Limited, options may be exercised for a period of 6 months, after which time the options shall expire.

##### **Ranking and quotation of shares**

All shares issued upon exercise of options will rank equally in all respects with the then existing fully paid ordinary shares in Methanol Australia Limited. Within 10 business days after the issue of shares upon exercise of options, Methanol Australia Limited will apply to ASX for those shares to be admitted to quotation.

##### **Participation rights**

Holders of options may only participate in a new issue of securities to holders of ordinary shares in Methanol Australia Limited if an option has been exercised and a share issued in respect of that option before the record date for determining entitlements to the new issue. Methanol Australia Limited must give holders of options at least 6 business days' notice of the record date for determining entitlements to that new issue in accordance with the ASX Listing Rules.

##### **No change to option terms**

There will be no change to the exercise price of an option or the number of shares over which an option is exercisable in the event of Methanol Australia Limited making a pro rata issue of shares or other securities to holders of ordinary shares in Methanol Australia Limited (other than a bonus issue).

##### **Reorganisation of capital**

In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, all of the options will be re-organised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

**PROXY FORM**  
**METHANOL AUSTRALIA LIMITED**  
**(ACN 066 447 952)**

The Company Secretary  
Methanol Australia Limited  
Level 25  
500 Collins Street  
Melbourne Vic 3000

I/We (name of shareholder).....  
of (address).....

being a member/members of Methanol Australia Limited HEREBY APPOINT

(name) ..... or failing that person then the  
Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to  
be held at The Meeting Room of the Institute of Chartered Accountants in Australia, Level 3, 600 Bourke Street Melbourne, in the  
State of Victoria on 17 January 2006 at 10.30 AM (AEST) and at any adjournment of the meeting.

**INSTRUCTIONS AS TO VOTING ON RESOLUTIONS – To indicate your instructions mark**

X
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If no directions are given my proxy may vote as the proxy thinks fit or may abstain. Otherwise my proxy is to vote as follows:

		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1	Change of name to MEO Australia Limited			
Resolution 2	Ratification of issue of 25,000,000 shares			
Resolution 3	Appointment of Mr John Newton as Director			
Resolution 4	Approval of grant of options to Director			

**Subject to the operation of the express voting exclusions contained in the notes to the notice of meeting, the Chairman's intention is to vote an undirected proxy in favour of each resolution to be put to the meeting.**

If you do not wish to direct your proxy how to vote, please place a mark in the box.

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By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as your proxy will be disregarded because of that interest.

My total voting right is \_\_\_\_\_ shares. This Proxy is appointed to represent \_\_\_\_\_ % of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_\_ % and Proxy 2 represents \_\_\_\_\_ % of my total votes. If no direction is given above or if more than one box is marked in relation to a resolution, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of that resolution at the meeting and any adjournment of the meeting.

**Signature(s)**

Date

Individual or  
Joint Shareholder 1



Director/Company Secretary

Joint Shareholder 2



Director

Joint Shareholder 3



Sole Director & Sole Company  
Secretary

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights.
2. A proxy duly appointed need not be a member. In the case of joint holders all must sign.
3. This form and any document necessary to show the validity of the form of proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Any form of proxy lodged after that time will be treated as invalid.
4. Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
  - (a) completes and lodges with the Company a valid form of appointment of proxy; or
  - (b) completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of personal representative in accordance with the provisions of Section 250D of the Act or causes such personal representative to attend the meeting with such form of appointment or certificate; or
  - (c) has appointed an attorney;and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.
5. Proxy and corporate representative appointment forms may be lodged with the Company by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Methanol Australia Limited at its registered office:

Level 25  
500 Collins Street  
Melbourne Vic 3000  
Facsimile: **61+ 3 9614 0660**
6. Corporate members should comply with the provisions of Section 127 of the Act. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company; or
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary - that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. **In particular a person who executes a document, with or without affixing a common seal and who is the sole director and sole company secretary of the company must indicate that next to his or her signature.**

7. The appointment of a proxy or attorney is not revoked by the appointor attending and taking part in the meeting but if the appointor votes on a resolution, the person acting as proxy or attorney for the appointor is not entitled to vote as the appointor's proxy or attorney on the resolution.
8. Where a proxy form or form of appointment of or certificate of appointment of personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.