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ASX AND MEDIA RELEASE

Name Change to MEO Australia Limited

MELBOURNE, AUSTRALIA (January 17, 2007) -- Methanol Australia Limited (ASX: MEO) has received shareholder approval to change its name to MEO Australia Limited.

The Managing Director of the Company, Chris Hart said the name change was necessary because the company now had a broader focus to its projects.

“The manufacture of methanol is no longer the sole focus of the company. The company has expanded its focus to include exploration and appraisal of its 100% owned Exploration Permit, NT/P68 as well as the development of an offshore LNG production facility. We now can see the possibility of significant natural gas and condensate production from NT/P68”, said Chris Hart.

“The company intends drilling up to three wells in NT/P68 beginning in the third quarter of this year.”

Chris Hart said that the permit area showed considerable promise with the potential for significant liquids rich gas. A well in the permit area drilled by Arco in 1972 (Heron-1) intersected a 50m gas bearing zone in a fractured carbonate section of the Darwin formation. This zone has an estimated mapped closure of 1200 sq km and has been named Epenarra.

MEO engaged an independent consultant, Dr Geoffrey O’Brien to undertake a study focused on determining the likely wetness of the hydrocarbon gases detected by Heron-1.

The results of the basin modeling supported the view that Epenarra’s gas contained significant quantities of condensate.

“New 2D and 3D seismic was acquired in the permit late last year and processing is nearing completion.”

The new seismic data will be utilized to help determine the optimum well locations for the planned 2007 drilling program. The Seadrill West Atlas jack-up drilling rig has been secured to drill the MEO wells later in the year.

The West Atlas is a new build rig and is ahead of construction schedule. The rig is due to be delivered to the Heron-2 location in late August 2007. The image below shows the advanced stage of rig construction at the Singapore Keppel FELS yard and equipment fit-out.

“In addition to the planned three well drilling program, MEO continues to advance its two GTL production projects (LNG and methanol), which have both secured Commonwealth environmental approvals,” Chris Hart said.

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