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ASX AND MEDIA RELEASE

PROGRESS REPORT: 3D SEISMIC ACQUISITION OVER EPENARRA PROSPECT

Key Points:

- **41% of 3D data now acquired**
- **Good weather conditions continue to hold**
- **Data quality excellent**

MELBOURNE, AUSTRALIA (October 10, 2006) -- Methanol Australia Limited (ASX: MEO) advises that the PGS Australia vessel, M/V Orient Explorer, continues to make good progress with the Company's acquisition of 3D seismic data over the Epenarra prospect, located in the Company's 100% owned Exploration Permit, NT/P68.

At midnight, October 9, 2006, approximately 41% of the data for the 500 square km 3D seismic survey had been acquired and progress remains ahead of schedule.

The processing of the 3D data has commenced on board the vessel. The 3D seismic data processing will include pre-stack depth migration, which will ensure the optimum results for the development of fault and fracture distribution mapping, required to determine the optimum location for the planned appraisal well.

C.R. Hart
Managing Director
10 October 2006