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RELEASE

GRANT OF OFFSHORE TARANAKI EXPLORATION PERMIT

Octanex NL (ASX Code : OXX) is pleased to announce that its wholly owned New Zealand incorporated subsidiary, Octanex NZ Limited, has been granted Petroleum Exploration Permit 51906 by the New Zealand Ministry of Energy.

PEP 51906 is strategically located in New Zealand's only producing hydrocarbon basin, the Taranaki Basin. It covers an area of 1,613 kms² and is adjacent to three existing producing fields; the Maui gas/condensate field to the east, which has been in production since 1979, the Tui oil field to the north east, which has been producing since 2008, and the Maari/Manaia fields to the south, which have been producing since the beginning of this year. Figure 1 below shows the location of the permit area, some of the existing leads within the area of the permit, the potential source rock areas and hydrocarbon migration paths.

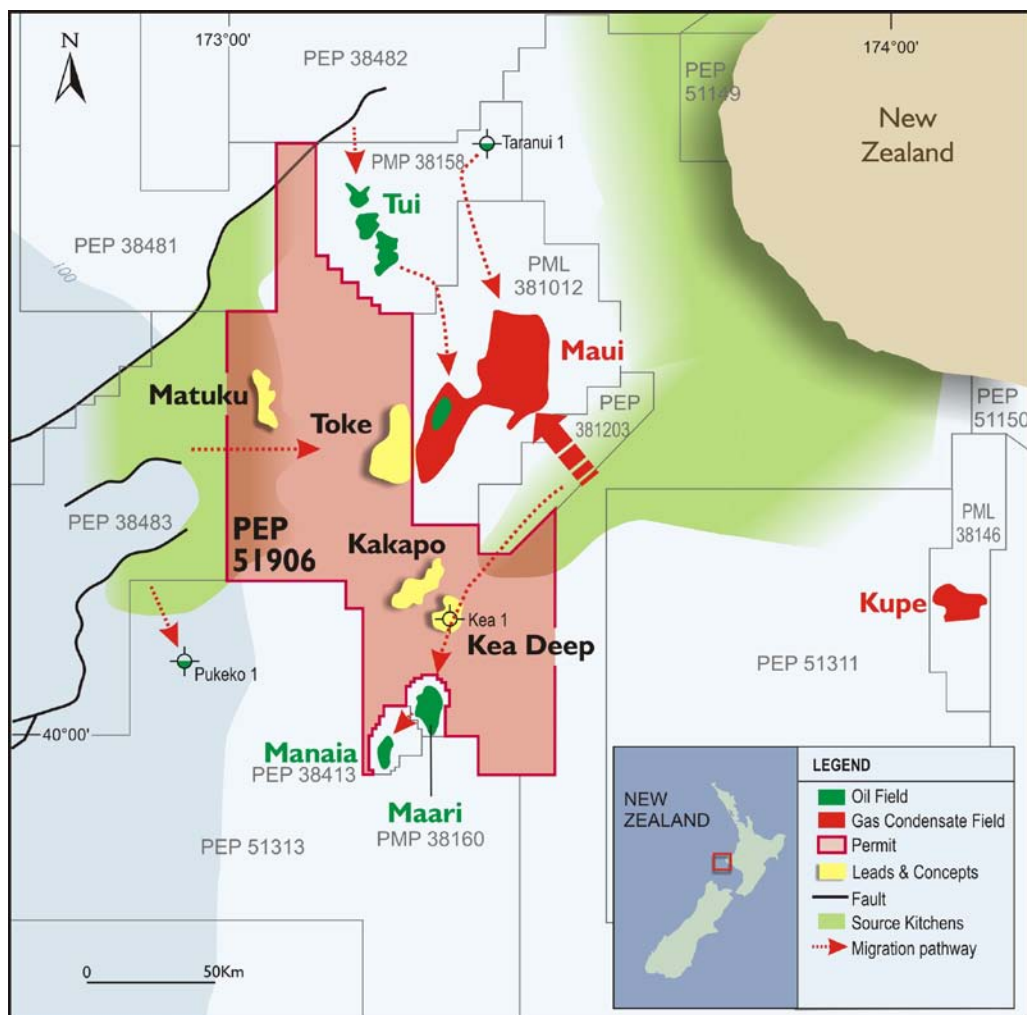


Figure 1 – PEP51906 Location, Taranaki Basin

The Work Programme

The permit 5-year work programme requires Octanex NZ to:

- Reprocess 1500 km of existing seismic data.
- Within 18 months, either commit to the acquisition of up to 1,000 km of new 2D seismic data or relinquish the permit.
- Within 42 months, either commit to the drilling of well or relinquish of the permit.

Octanex NZ has undertaken an extensive review of the permit area, in anticipation of the permit being granted.

As shown in Figure 2, several 2D seismic surveys of various vintages have been acquired over parts of the permit area. Despite this amount of data, there remain some weak seismic coverage areas, particularly in the central and south eastern areas of the permit.

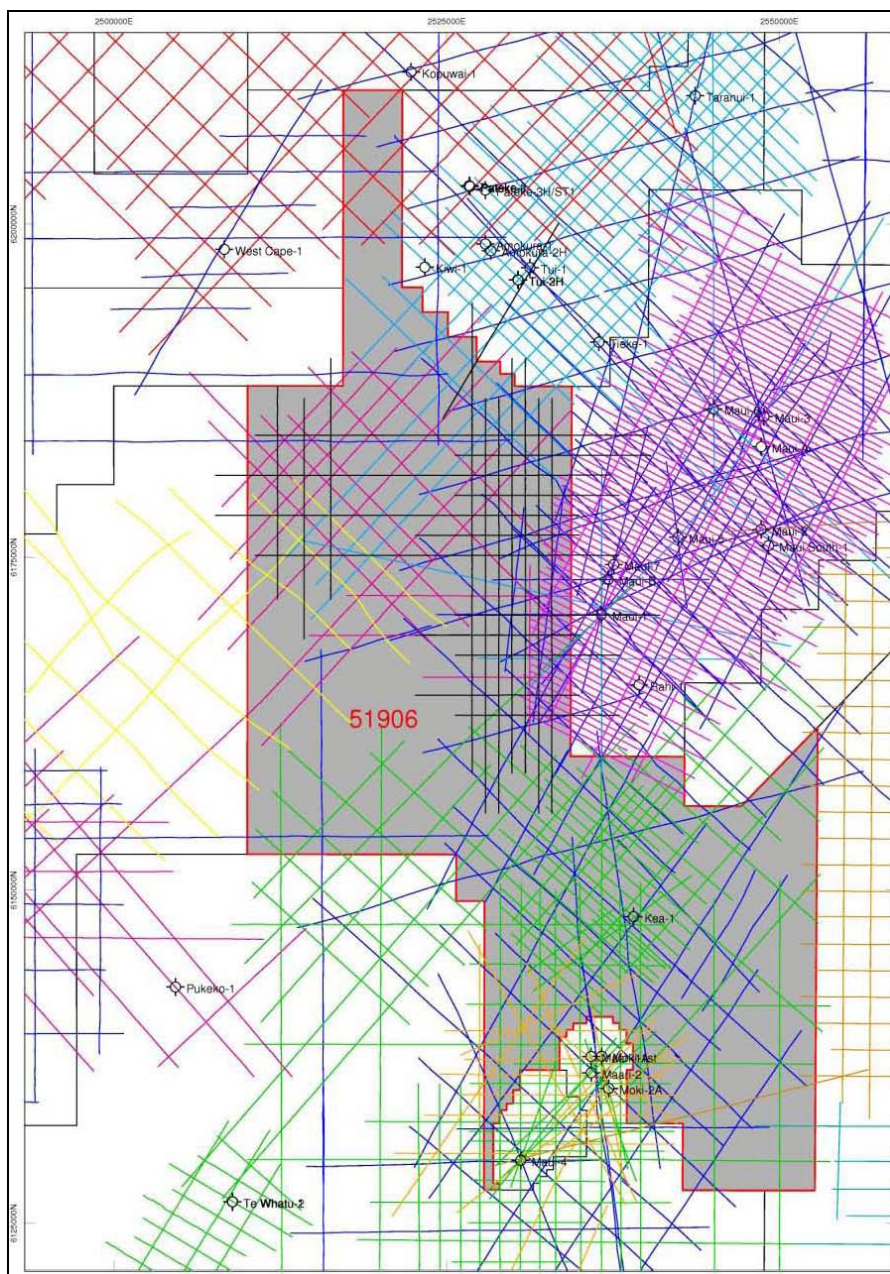


Figure 2 – Existing 2D Seismic coverage in PEP51906

Prospectivity

Octanex intends to focus, at least initially, on four features that are visible on the older data:

- Kakapo
- Kea Deep;
- Toke; and
- Matuku.

Only one well has been drilled in the area of the permit, Kea-1. This well aimed to evaluate the hydrocarbon potential of the Kapuni sands, but was found to be water bearing. However, Octanex believes that there remains real potential in a deeper part of the Kea feature, adjacent to the bottom hole location of Kea-1, as shown in Figures 3 and 4 below.

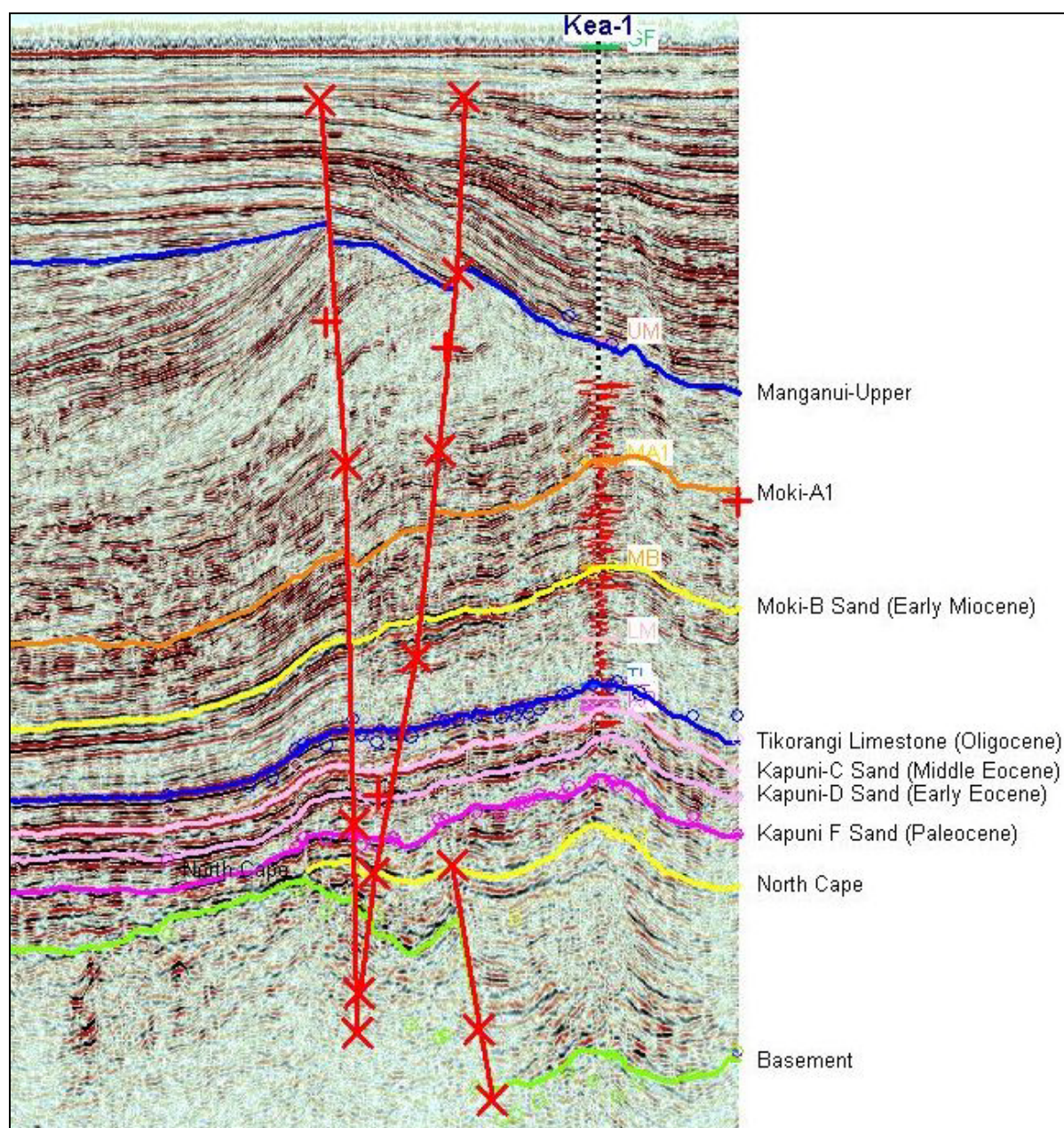


Figure 3 – Seismic Section at Kea-1 Location

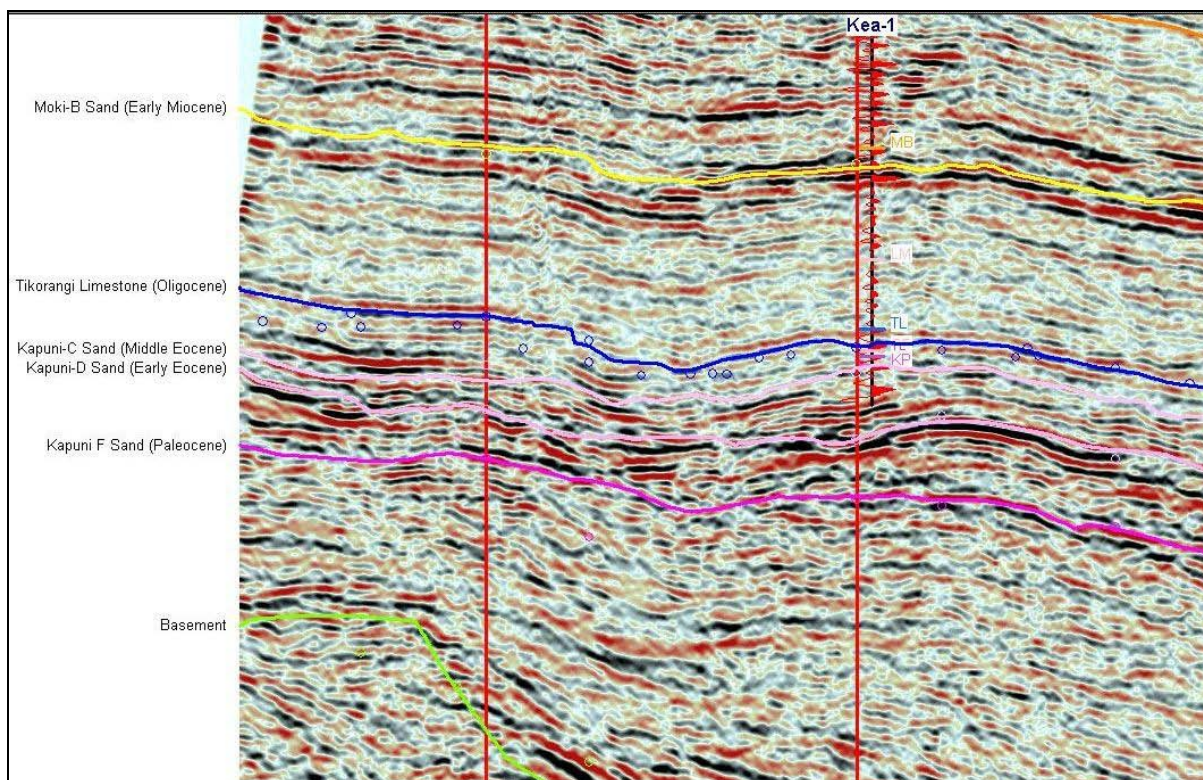


Figure 4 – Seismic Section – Kea-1

In addition to Kakapo, Kea Deep, Toke and Matuku, Octanex believes there are a number of other potential features that may warrant the acquisition of further seismic in order to ascertain if they can be elevated to lead or prospect status.

The directors and management of Octanex NL have had a long and successful prior association with New Zealand petroleum exploration and are delighted that Octanex has been granted PEP 51906 in this highly prospective area.

By Order of the Board

J.G. Tuohy
Company Secretary
19th November 2009