



Octanex N.L.

ABN 61 005 632 315

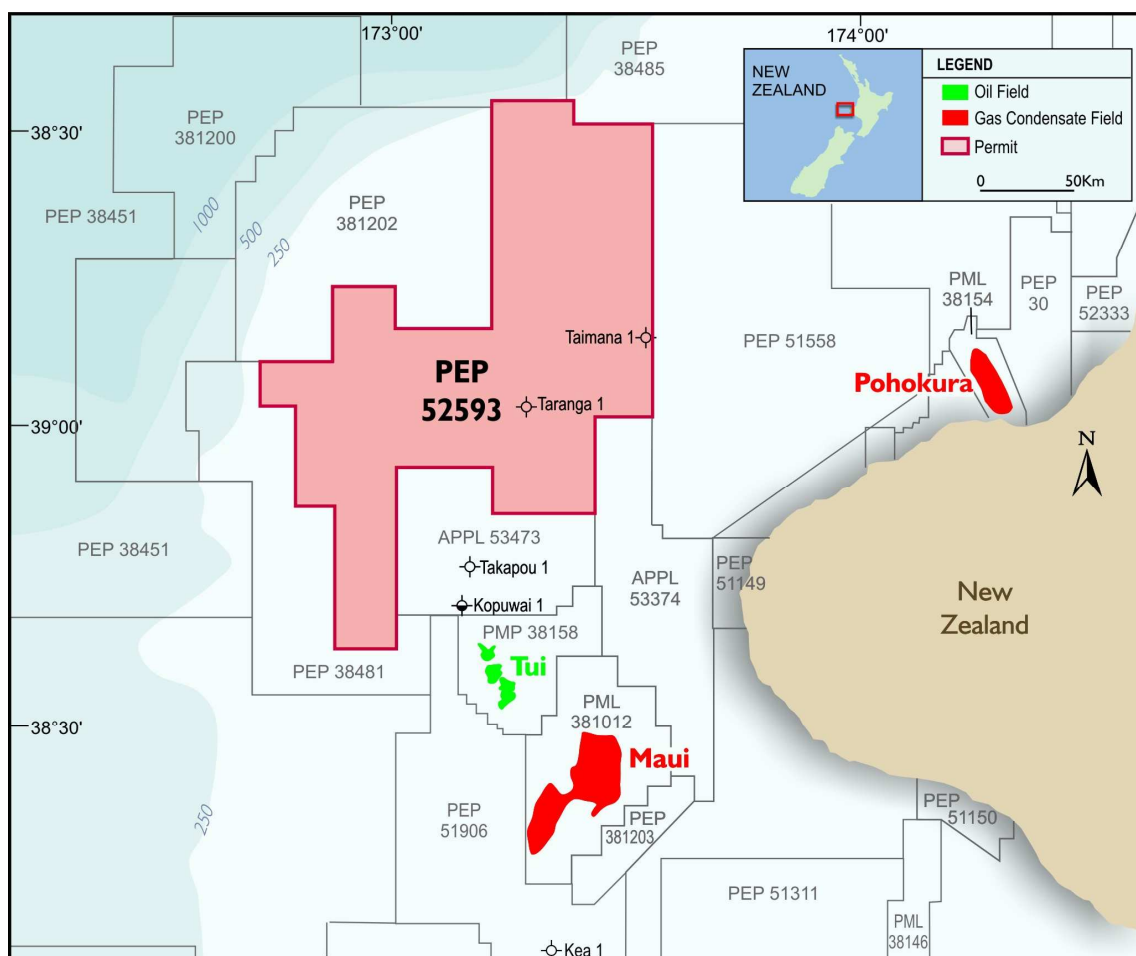
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OCTANEX EXTENDS ITS NEW ZEALAND EXPLORATION POSITION

KEY POINTS:

- Octanex NZ Limited (100% owned by Octanex NL) has been granted a second permit, PEP 52593, in the offshore region of the Taranaki Basin, New Zealand
- The work programme for the new permit requires seismic reprocessing and staged additional work, including new 2D seismic and a well, but with the right to surrender the permit before assuming a drilling obligation
- Octanex NZ is already well underway with the seismic reprocessing obligations
- Octanex NZ has also applied for a third permit adjacent to PEP 52593, the Tui oil field and PEP 51906



Grant of PEP 52593

Octanex N.L. (**ASX Code: OXX**) advises that its wholly-owned subsidiary, Octanex NZ Limited (**Octanex NZ**), has been granted a second petroleum exploration permit, PEP 52593, covering an area of over 3,500km² and located in the offshore Taranaki Basin of New Zealand; as shown above.

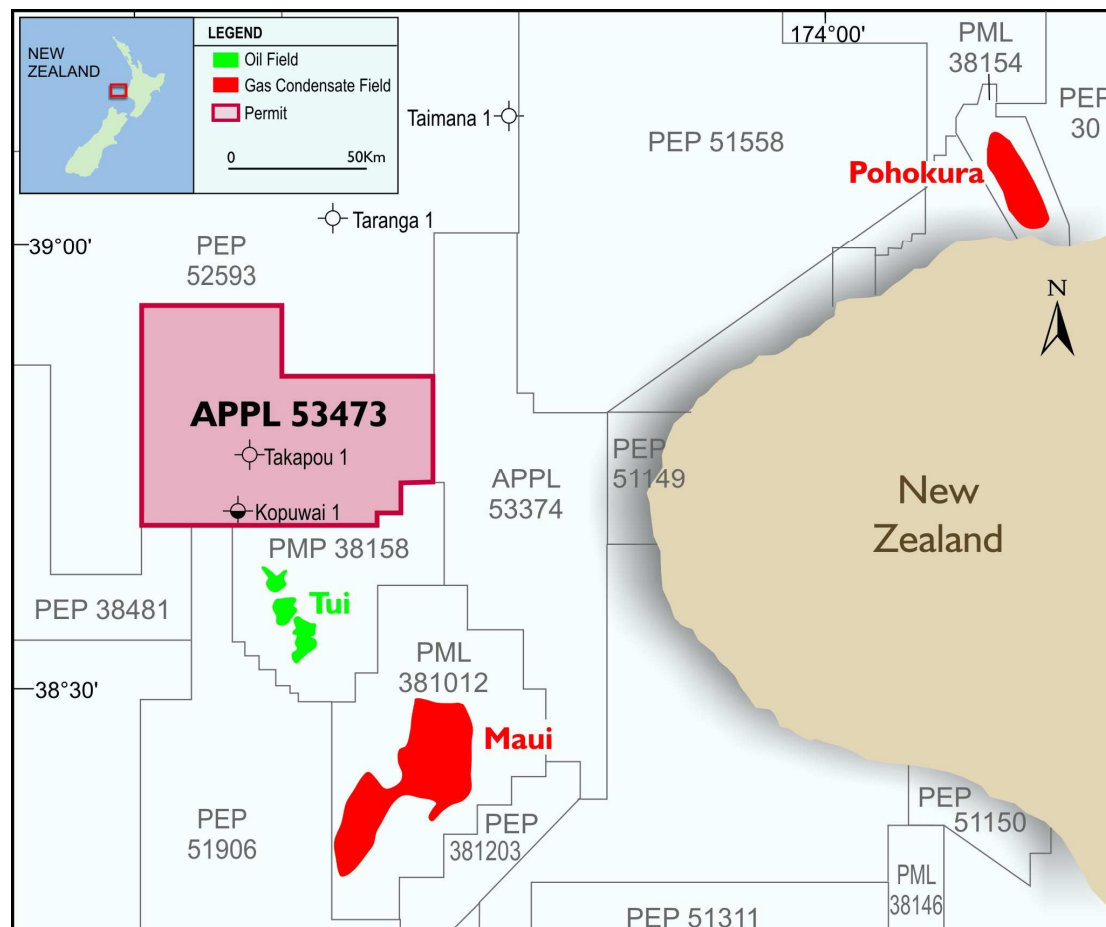
PEP 52593 is to the north of the producing Tui oil field and appears to overly rocks that have been buried deep enough and long enough to have generated hydrocarbons. There is also reasonable evidence from past exploration of the potential for good quality reservoir sequences within the permit. Locating a robust trap for any hydrocarbons that may have been generated within the permit area or on a migration pathway is the prime focus of Octanex NZ's initial exploration efforts in PEP52593.

While the area of the PEP 52593 permit has been the subject of various seismic surveys, many of these are relatively old. Four wells have been drilled in the permit area but the most recent of these was in 1992. Octanex NZ has acquired all the seismic data across the area of the permit and a reprocessing contract has been awarded to DownUnder Geosolutions in Perth. The reprocessing of the existing seismic data is already well underway.

Under the terms of the permit, the reprocessing is due to be completed within 18 months of the permit grant date of 1 April 2011. Following the reprocessing, and not later than 24 months after the permit grant date, Octanex NZ can either surrender the permit or commit to acquire, process and interpret a minimum of 2,250 km of new 2D seismic data. Alternatively, Octanex can surrender a minimum of 25% of the permit area and commit to acquire process and interpret a minimum of 1,750 km of new 2D seismic data. By not later than 1 April 2014, Octanex NZ must either commit to drill a well in the permit area or surrender the permit.

Application for Third NZ Permit

Octanex NZ has also applied for a third permit, PEP 53473, also in the offshore Taranaki Basin - located as shown below.

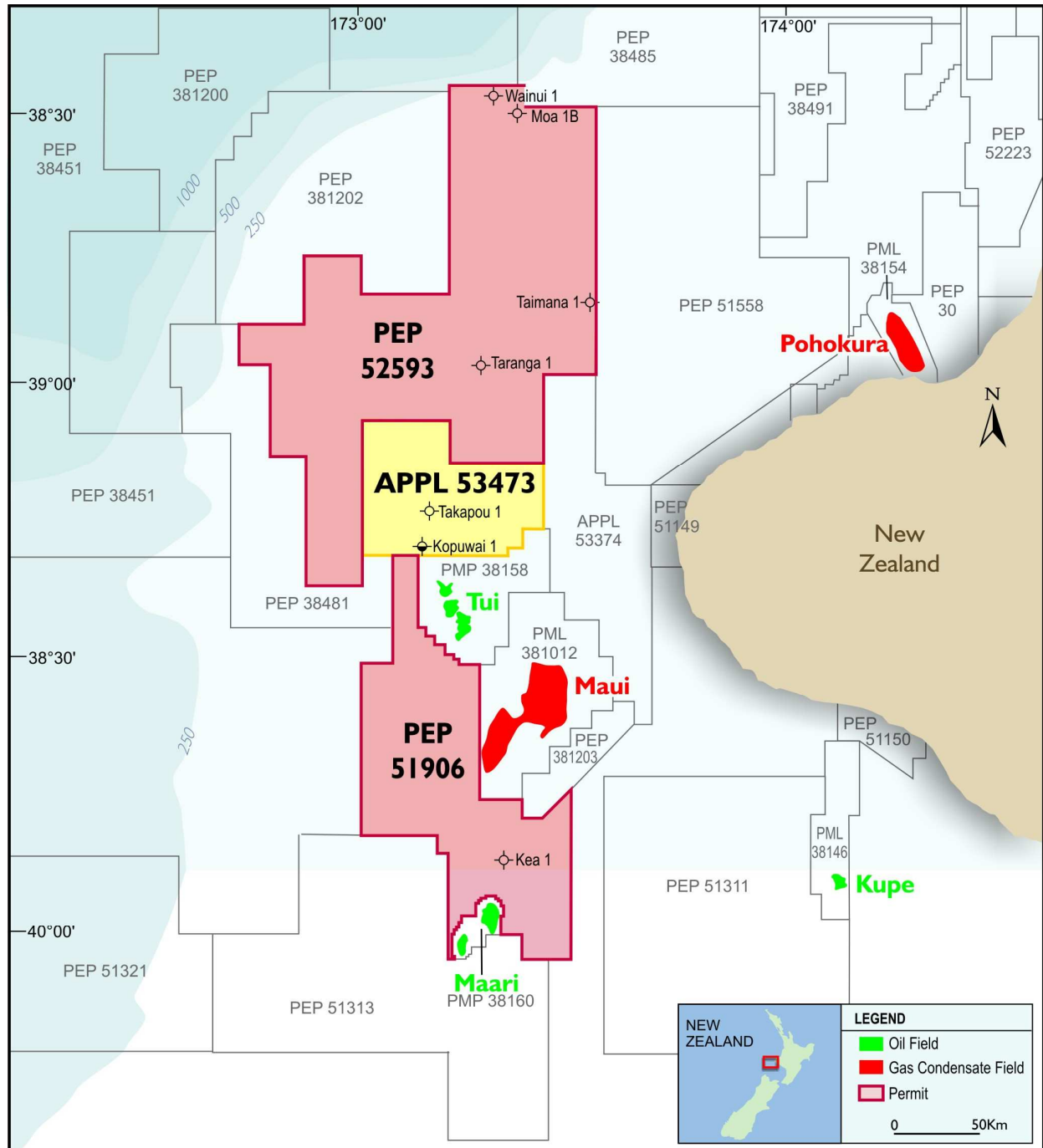


Under the regulatory regime in New Zealand, the area applied for could have been the subject of competing applications but the time within which such competing applications were required to be lodged has now passed. The Octanex NZ application will now be considered on its merits.

The application area is covered by an extensive grid of 2D seismic data of various vintages and has had two wells drilled within it, one of which (Kopuwai-1) encountered some oil shows. There has been no modern 3D seismic data acquired within the permit area.

Commentary

The Octanex Group has now built a substantial New Zealand exploration position in the offshore Taranaki Basin; the premier basin for oil and gas exploration and production within New Zealand. The full extent of the Octanex Group interests is shown below.



Octanex Taranaki Basin Permit Portfolio

PEP 51906 was recently successfully farmed out to OMV New Zealand Limited (a major participant in and operator of the Maari oil field) on terms whereby Octanex has a 35% interest carried through a 2D and 3D seismic acquisition programme, and, if OMV elects to drill a well, a 35% carry through that well. The exploration efforts of Octanex NZ in the northern permit and application area will be combined to the maximum extent possible and as circumstances permit.

New Zealand has an excellent fiscal regime for petroleum exploration, well established exploration and production infrastructure and ready availability of a skilled work force. All of the permit interests held by Octanex NZ are well located for the discovery of hydrocarbons. New Zealand is now an important part of the overall exploration portfolio held by the Octanex Group.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J.G. Tuohy', is written over a light blue circular stamp.

J.G. Tuohy
Company Secretary

1 April 2011