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OPHIR OIL DEVELOPMENT PROGRESS UPDATED PRESENTATION

Octanex N.L. (**ASX Code: OXX (Octanex)**) advises that the Ophir oil development is forecast to commence production in the second half of this calendar year. The PETRONAS-approved field development plan assumes production of 5.2 million barrels of oil over the life of the field. Taking into account recent reservoir studies and the well basis of design, the dynamic reservoir model predicts a “most likely” production estimate of an aggregate 6.7 million barrels from three wells over the approximate 3-year life of field.

Located offshore Peninsular Malaysia, the Ophir Oil Field is being developed under a Risk Service Contract (RSC) granted in 2014 to Ophir Production Sdn Bhd (OPSB), a joint venture company in which Octanex has a 50% interest.

The Ophir Oil Field is being developed via three production wells, a well head platform (WHP) and leased Floating Production Storage and Offload (FPSO) vessel.

Octanex's share of the Ophir project is fully funded via OPSB's 75% bank consortium project financing and through Octanex's strategic alliance and funding arrangements with major shareholder Sabah International Petroleum (SIP). SIP is ultimately owned by the Ministry of Finance of the Malaysian State of Sabah.

OPSB was formed by Octanex together with Scomi Energy Services Bhd (Scomi) (30%) and Vestigo Petroleum Sdn Bhd (Vestigo) (20%) in order to contract with PETRONAS for the Ophir development. Scomi is a Malaysian downstream oil and gas services company listed on the Main Board of Bursa Malaysia. Vestigo is a wholly owned subsidiary of PETRONAS Carigali Sdn Bhd, with a focus on marginal field development.

A presentation overview of the development is attached.



Ophir Oil Field Update



Disclaimer

This presentation may contain forward looking statements, not based on historical fact, that are subject to risk factors associated with oil and gas businesses.

While it is believed the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially.

Octanex makes no representation, warranty (express or implied) or assurance as to the completeness or accuracy of any projections and, accordingly, expresses no opinion or any other form of assurance regarding them. Octanex does not intend to publish updates or revisions of any forward looking statements included in this document to reflect the circumstances of Octanex NL after the date of this presentation or to reflect subsequent market analysis

The views expressed within this document are solely those of Octanex and do not necessarily reflect the opinions of its joint venture participants.

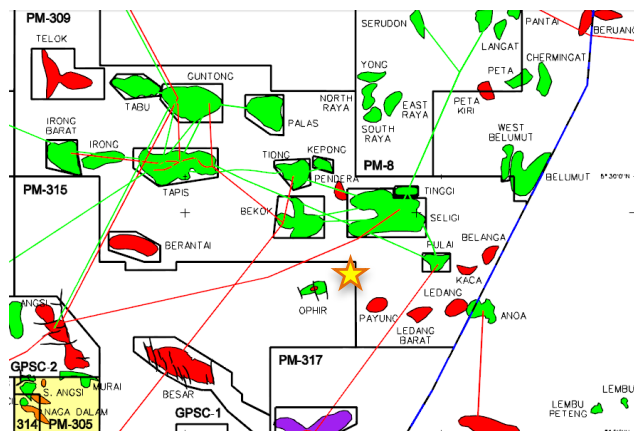
Investors should undertake their own analysis and obtain independent advice before investing in Octanex securities.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Ophir Oil Field Development

- Production expected this year
- Octanex's participation fully funded
 - 75% project finance (banking consortium)
 - US\$17M (Sabah International Petroleum placement/facility)
- Economic at current oil prices
- Significant cost savings locked in

Ophir Project Overview



230 km offshore East Coast Malaysia.

73m water depth.

Developed under a Risk Service Contract (RSC) with PETRONAS where OPSB is the contractor

First Oil : 2H 2017

Development CAPEX : USD90m

OPSB revenue linked to KPI performance :

- Capital Costs (Development CAPEX)
- Production Performance/Targets

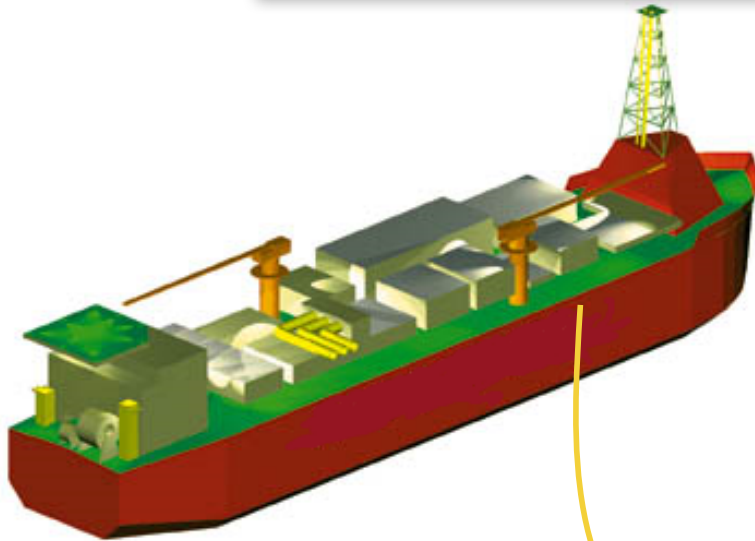
OPSB Shareholders : Octanex (50%)
Scomi (30%)
Vestigo (20%)

Facilities Overview



Floating Production Storage & Offloading Vessel (FPSO)

- Converted Oil storage tanker, capable of storing up to 350k barrels of crude
- Small process facility module built separate and install on topdeck
- Moored permanently to the seabed on location



Wellhead Platform (WHP)

- 4 well slots, plan to drill 3 wells
- Solar powered
- Unmanned & Remote operated from FPSO

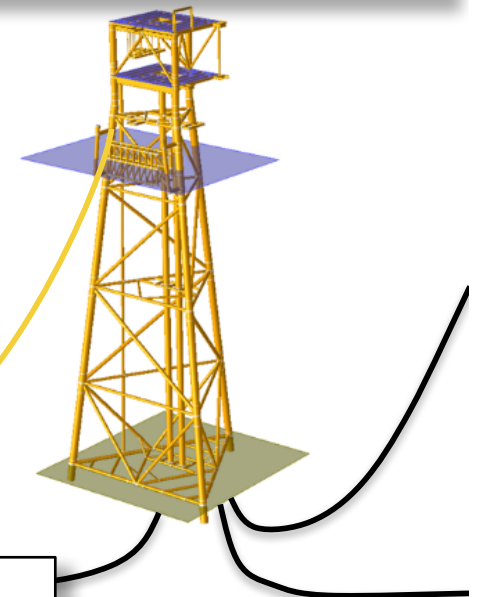


Drilling Rig

- Jack-up drilling rig to drill 3 production wells

Pipeline

- Approximately 350m distance between WHP and FPSO
- Flexible 8" flowline



Executive Summary & Milestones



- No reportable incidents or accidents to date
- First Oil target second half 2017
- Costs below budget
- Government approvals on track
- Wellhead platform complete - pending installation
- Production drilling to commence quarter 2 2017 (contracted awarded November 2016)

Event	Forecast/ Actual
RSC Effective Date	25/8/15
Award Wellhead Platform (WHP) contract	9/11/15
Commence WHP Construction	15/2/16
Install WHP (Ready for Rig)	Q2 2017
Commence production drilling	Q2 2017
Installation, hook-up and commissioning of FPSO	2H 2017
First Oil	2H 2017

Platform: Topsides



- ~100m Tall (including jacket)
- 320 MT
- 4 Well Slots
(3 used + 1 spare)
- Production and Test Manifold
- Wellhead Control Panel
- Solar Panel + Uninterrupted Power Supply
- 5 MT Crane

Platform: Jacket

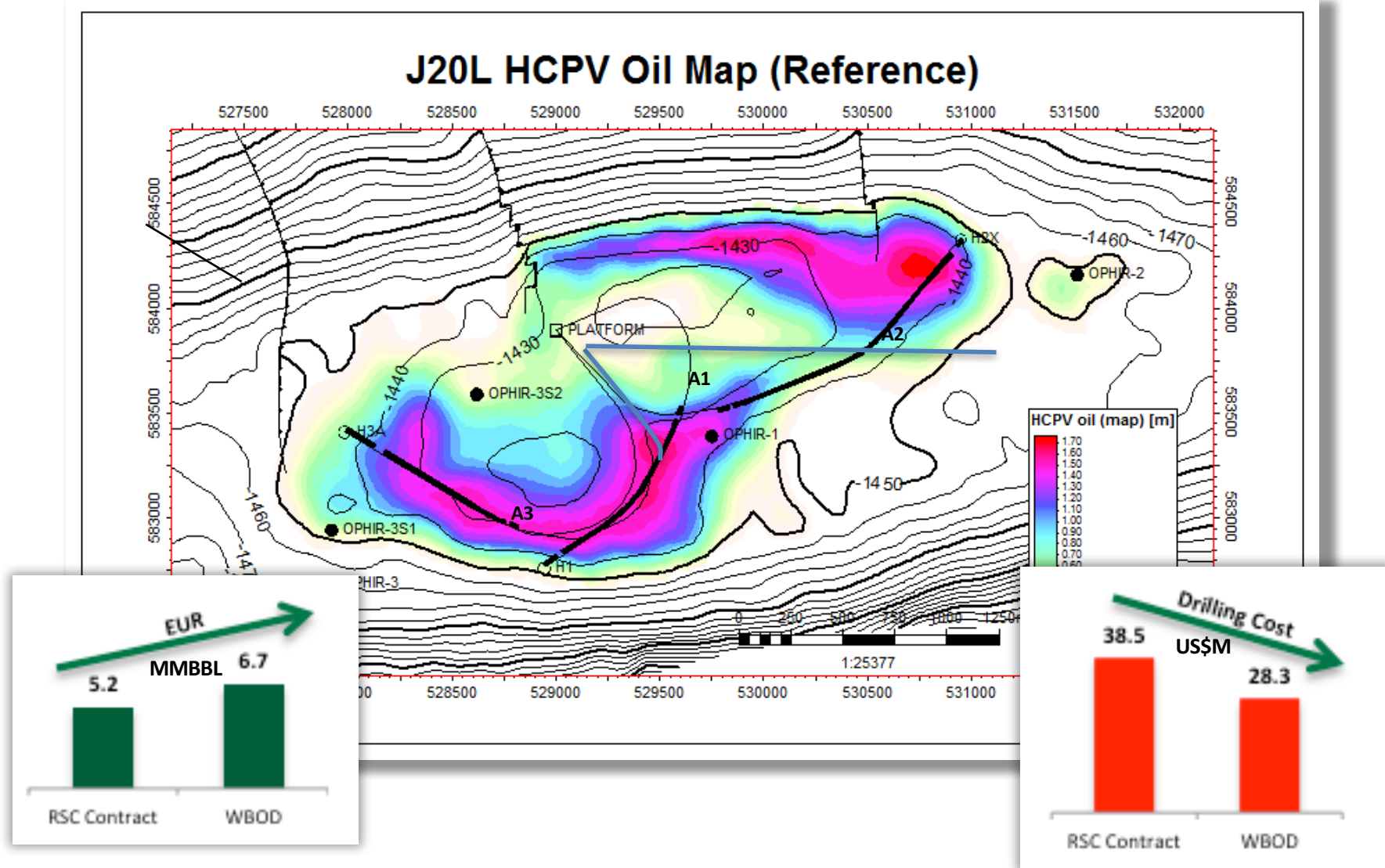


- ~100m Tall
(including topsides)
- 1203 MT
- 3 x Suction piles
13m
- Rapid offshore
installation
- Easy
decommissioning
by reversed
installation

Production Drilling Naga 2 Jack-up Rig



Ophir Reservoir Model



- *EUR* – Estimated Ultimate Recovery (deterministic “most likely” over life of field)
- *WBOD* – Well Basis of Design

Project Economics Improved by reduced CAPEX

CAPEX	US\$ Million
Original RSC 2014	135
Revised Field Development Plan	90
Target	75