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DRILLING OF OPHIR A1 DEVELOPMENT WELL COMMENCES

Octanex Limited (**ASX Code: OXX (Octanex)**) advises that the Ophir A1 well was spud 2 June 2017, using the UMW Naga 2, a jack-up mobile offshore drilling unit.

The Ophir A1 well is the first of three planned production wells to be drilled and completed in the Ophir field located offshore Peninsular Malaysia. The Ophir field is being developed via the three production wells, a well head platform (WHP) and Floating Production Storage and Offload (FPSO) vessel.

The well will target stacked reservoirs in a four-way dip closed structure previously discovered and tested by the discovery well, Ophir-1 and four additional appraisal wells, and further defined with 3D seismic data acquired in 2011. The target reservoirs have been proven oil-bearing through the Ophir discovery and appraisal wells, and further supported by productive wells located in adjacent fields.





About Octanex

Octanex is an Australian-based oil and gas company seeking to increase its exposure to production and development. Octanex's portfolio includes interests in the Ophir oil development offshore Malaysia, interests in two pre-development assets offshore Western Australia and five exploration permits offshore Western Australia.

Octanex's share of the Ophir project is fully funded via OPSB's 75% project financing from a consortium of three banks and Octanex's US\$12Million Convertible Note facility with Sabah International Petroleum, which is wholly owned by Sabah Development Bank Berhad ("SDB"). SDB itself is wholly owned by the Ministry of Finance of the Malaysian state of Sabah.

About the Ophir Project

The Ophir field is located offshore Peninsular Malaysia, with a water depth of approximately 70m and is being developed via three production wells, a well head platform (WHP) and Floating Production Storage and Offload (FPSO) vessel.

The Ophir field is being developed pursuant to a Risk Service Contract (RSC) granted in 2014 to Ophir Production Sdn Bhd (OPSB). Octanex holds a 50% interest in OPSB and its joint venture shareholders in OPSB are Scomi with 30% and Vestigo with 20%. Scomi is a wholly-owned subsidiary of Scomi Energy Services Bhd, a Malaysian downstream oil and gas services company listed on the Main Board of Bursa Malaysia. Vestigo is a wholly-owned subsidiary of Petronas focused on the development of small, marginal and mature fields.