

30 January 2023

Quarterly Activity Report 31 December 2022

Assets and Activities Overview

Relinquishment of all Permits

As announced on 25 November 2022, following an investigation and critical review of conceptual targets identified in respect to the Company's East Yilgarn tenement interests, it was determined to relinquish all of the Company's remaining exploration tenements.

Privatisation

On 6 December 2022 the company announced that it had received an expression of interest from its Chairman, Mr Geoffrey Albers, advising that Mr Albers had under consideration the making of a proposal to Octanex shareholders whereby companies and interests associated with Mr Albers would, with the approval of the non-Albers shareholders, acquire the Octanex shares held by those shareholders and the Company would be privatised.

Subsequent to the quarter end, on 20 January 2023, the Company received a privatisation proposal from Mr Albers and provided an overview to Shareholders with key details including:

- Non-Associated Shareholders will receive \$0.002 (0.2 of a cent) cash per share from Mr Albers as Scheme Consideration in consideration of transferring all of their Octanex shares to Mr Albers. This represents an aggregate Scheme Consideration of approximately \$207,000 for the shares held by the Non-Associated Shareholders.
- No consideration of any kind will be payable by or provided to Non-Associated Shareholders by Octanex.
- Octanex's Independent Directors recommend the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interest of shareholders.
- Mr Albers abstains from making any recommendation on the proposal and Scheme because of his conflict of interest.
- Octanex's largest independent shareholder, Sabah International Petroleum Ltd (**Sabah**), holding 15.7% of Octanex's issued shares, has indicated to the Independent Directors that if;
 - the independent expert (to be appointed to consider whether the proposed Scheme is in the best interests of the Non-Associated Shareholders) concludes that the Scheme is in their best interests; and,



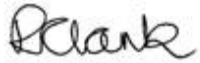
- there is no superior offer or proposal capable of implementation;

then its present intention is to vote in favour of the Scheme on the proposed Scheme Meeting being held.

Under the proposal put to Octanex by Mr Albers, Australis Finance Pty Ltd (a company controlled by Mr Albers) will extend its existing facilities to Octanex and will advance further funds to meet the costs and disbursements incurred in implementing or seeking to implement the Proposal and the Scheme (estimated at approximately \$150,000).

On completion of the Scheme Octanex will be wholly owned by Mr Albers and his Associates.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement.



Rae Clark

Director

30 January 2023

For more information

Rae Clark

Director, Octanex Limited | admin@octanex.com.au



Additional Information Required by Listing Rules 5.3.3 and 5.4.3

Mineral Tenements held/applied for at the date of this report and their location

Nil.

Tenements acquired during the quarter

Nil.

Tenements disposed of during the quarter

Tenement	Octanex interest	Tenement status
E 38/3416	100%	Surrendered
E 38/3432	100	Surrendered
E 38/3433	100	Surrendered
E 38/3626	100	Surrendered
E 39/2240	100	Surrendered

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the Quarter:

Nil.

Additional Information Required by Listing Rule 5.3.5

Payments to related parties during the quarter included in Appendix 5B – Quarterly Cash Flow Report

Payments were made to directors and their associates during the quarter totalling approximately \$32,000. Payments were for office costs, contracted services and corporate work.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

OCTANEX LIMITED

ABN

61 005 632 315

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	43	205
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(97)	(203)
	(e) administration and corporate costs	(60)	(275)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash used in operating activities	(114)	(273)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	(1)
	(c) property, plant and equipment		
	(d) exploration & evaluation	(16)	(38)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – application refunds	31	31
2.6	Net cash used in investing activities	15	(8)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	75	275
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from financing activities	75	275

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	59	41
4.2	Net cash used in operating activities (item 1.9 above)	(114)	(273)
4.3	Net cash used in investing activities (item 2.6 above)	15	(8)
4.4	Net cash from financing activities (item 3.10 above)	75	275

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	35	35

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	35	59
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35	59

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	32
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	875	525
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	875	525
7.5	Unused financing facilities available at quarter end		350
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Octanex has extended its Line of Credit Facility with Australis Finance Pty Ltd effective 31 December 2022. The facility limit has been increased to \$875,000 with an interest rate of 8%p.a and maturity date of 30 June 2023. The facility is unsecured.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(114)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(16)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(130)
8.4	Cash and cash equivalents at quarter end (item 4.6)	35
8.5	Unused finance facilities available at quarter end (item 7.5)	350
8.6	Total available funding (item 8.4 + item 8.5)	385
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.0
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 January 2023

Date:



Authorised by:

Robert Wright – Company Secretary

Released with authority of the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.