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AWARD OF MALAYSIAN RISK SERVICE CONTRACT

KEY POINTS:

- Octanex and partners have been awarded a RSC for the Ophir Field offshore Malaysia
- JV company formed between Octanex, Scomi D&P Sdn Bhd and Vestigo Petroleum Sdn Bhd for development and production of petroleum from Ophir Field
- First Oil expected in 18 months

Octanex N.L. (**ASX Code: OXX**) (**Octanex**) is pleased to announce that following a bid submission in August 2013, it has, together with its joint venture partners, been awarded a Risk Service Contract in respect of the Ophir Field by Petroliaam Nasional Berhad (**PETRONAS**).

PETRONAS introduced the Risk Service Contract (**RSC**) in 2011 as a new petroleum arrangement designed with the objective of intensifying upstream Malaysian oil and gas activities and developing smaller, stranded oil and gas resources. The RSC model balances the sharing of risks with fair returns for the development and production of discovered small fields. Under the terms of the RSC, the Contractor is the service provider and Operator of the field, while PETRONAS is the resource owner. Upfront investment of capital is contributed by the Contractor, with the Contractor compensated via the reimbursement of costs plus a remuneration fee for services rendered. The remuneration fee is linked to production volumes as well as certain key performance indicators.

Octanex, together with its two Malaysian joint venturers, Scomi D&P Sdn Bhd (**Scomi**) and Vestigo Petroleum Sdn Bhd (**Vestigo**), has incorporated "Ophir Production Sdn Bhd" (**OPSB**) to undertake the contract, with Octanex holding a 50% interest, Scomi 30% and Vestigo 20%.

The third round offer of RSCs was commenced in April 2013. Octanex established a presence in Malaysia and appointed Frank Jacobs to head up the review and bidding process. Octanex qualified as a bidder and submitted a bid for development of the Ophir Field in August 2013.

OPSB will develop the Ophir oil field via a low risk development concept involving three production wells, a single wellhead and production platform and export and storage of oil by Floating Storage and Offloading Unit.

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 fully owned subsidiary of PETRONAS Carigali Sdn Bhd, incorporated in 2013 with a focus on the development of small, marginal and mature fields.

Octanex Chairman, Geoff Albers, comment: "The award of the Ophir RSC is an important milestone for Octanex's broadened strategy to include the acquisition of near term production assets".

For further information please contact Frank Jacobs at Octanex's Malaysian office on +60-182890848.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'R. J. Wright', is positioned above the printed name.

Robert J Wright

Company Secretary and Chief Financial Officer