



ABN 61 005 632 315

Level 21
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: +61 (0)3 8610 4702
Fax: +61 (0)3 8610 4799
Email: admin@octanex.com.au
Website: www.octanex.com.au

RELEASE

CORNEA-3 WA-342-P, BROWSE BASIN OFFSHORE FROM WESTERN AUSTRALIA PROGRESS REPORT NO. 6 (FINAL)

Octanex N.L. (**ASX Code: OXX**) advises that drilling operations at Cornea-3 have now concluded.

Late on 24 December 2009 the well penetrated the targeted Middle Albian and Lower Jamieson Formation B and C sand reservoir interval, 2.2 metres deeper than predicted, but, as planned, just below the predicted gas oil contact. The well was then deepened to penetrate exploration targets in the Early Albian and Aptian of the Lower Heywood Formation before terminating at a total depth of 910.6 metres (measured depth below rotary table or MDRT). The data obtained while drilling indicated the intersection of a hydrocarbon bearing column in the Middle Albian, Lower Jamieson Formation. The exploration targets in the Lower Heywood Formation did not contain hydrocarbons.

The objectives of the Cornea-3 well were to define the location of hydrocarbon contacts and to obtain data relating to the potential reservoir qualities of the Middle Albian and Lower Jamieson Formation.

Following the conclusion of drilling, a series of logs were run, including a Magnetic Resonance log, as conventional logging tools are unable to resolve the reservoir properties due to the glauconitic nature of the rocks. In addition a wireline formation tester was run to assess the pressure within the reservoir and to take fluid samples.

The results of drilling and logging can be summarised as follows.

1. An oil column of 20.4m metres was intersected between the gas oil contact at 785.6m MDRT and the free water level (as defined by pressure data) at 806m MDRT. The logging has established a clear oil and water gradient – a significant improvement on the position known before the well was drilled. This will better enable the assessment of the aggregate quantity of hydrocarbons across the greater Cornea feature.
2. Extensive efforts were made to sample the oil, but the unconsolidated nature of the reservoir meant, that on every attempt, the test tools became blocked with sand preventing fluid sampling. The failure to recover fluid samples was somewhat disappointing but oil samples had been obtained by the previous operator.
3. A considerable number of pressure testing results were obtained which enabled the establishment of oil and water gradients and hydrocarbon contacts.
4. The condition of the hole through the hydrocarbon bearing section was excellent and enabled the recovery of high quality log data from the Magnetic Resonance tool. These data are now being analysed to deduce reservoir porosity, permeability, water saturation and oil viscosity.

Overall, the results of Cornea-3 have clearly defined for the first time the location of an oil column. As noted above, the condition of the hole through the reservoir section was excellent. A great deal has been learned about how future wells can be drilled in the greater Cornea feature. This has given the Cornea Joint Venture confidence about the ability to drill subsequent horizontal wells through the reservoir section.

Looking forward, the data obtained from Cornea-3 will enable the Cornea Joint Venture to formulate a future exploration, appraisal and development strategy now that an oil column has been proved and that good data relating to the potential reservoir performance has been obtained.

Cornea-3 has now been plugged and abandoned as planned. The Songa Venus rig is now being towed to the Braveheart-1 location in WA-333-P.

The participants in the Cornea-3 well and the Cornea Joint Venture are:

Moby Oil & Gas Limited (ASX Code: MOG)	22.375%
Cornea Resources Pty Ltd (subsidiary of Exoil Limited) (NSX Code: EXX)	16.750%
Cornea Oil & Gas Pty Ltd (subsidiary of Australian Oil & Gas Corporation)	17.000%
Octanex N.L. (ASX Code: OXX)	8.000%
Cornea Energy Pty Ltd (subsidiary of Goldsborough Limited)	8.500%
Auralandia N.L.	5.000%
Private Interests	22.375%

The Operator of the Cornea Joint Venture is Hawkestone Oil Pty Ltd, a wholly-owned subsidiary of Exoil Limited.

By Order of the Board



J.G. Tuohy
Company Secretary

29 December 2009