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WINCHESTER-1 – WA-323-P – DAMPIER SUB-BASIN

WEEKLY PROGRESS REPORT No. 3

Octanex N.L. (**ASX Code: OXX**) (**Company**) has been advised by Santos Offshore Pty Ltd, the Operator of the Winchester-1 exploration well being drilled in the Dampier Sub-basin permit WA-323-P, that at 06:00 hours (WST) on Tuesday, 30 April 2013, the well was at a depth of 1875m MDRT (measured depth below rotary table) and preparing to carry out function and pressure tests of the blowout preventer (**BOP**).

Operations over the last week has seen the 26" surface hole drilled to the current depth and the 20" casing run and cemented in prior to installing the wellhead and BOP.

Planned operations over the coming week are to drill the 17½" hole to the next casing point at approximately 2930m MDRT.

Winchester-1 is to be a deviated well and is being drilled by the Ensco-109 jack-up rig. The well is being drilled in approximately 75m of water and to a total depth (**TD**) of 4803m MDRT. It is scheduled to take approximately 80 days from the 7 April spud date to reach TD.

Winchester-1 is targeting the hydrocarbon potential of Triassic aged reservoirs mapped within a four-way dip closed anticline structural closure. The well has been designed, *inter alia*, to target at least four potential reservoir zones, each associated with high amplitude seismic events. Winchester-1 is located on the northeast trending Parker Terrace, representing a structural high separated from the Rankin Trend to the east.

The Company's wholly-owned subsidiary, Winchester Resources NL, holds a 25% participating interest in the WA-323-P and WA-330-P permits and this interest is being free carried through the drilling of the Winchester-1 well.

The participants in the WA-323-P and WA-363-P permits and their Joint Venture are:

Santos Offshore Pty Ltd 75%
(Subsidiary of SANTOS Limited (**ASX Code: STO**))

Winchester Resources NL 25%
(Subsidiary of Octanex N.L. (**ASX Code: OXX**))

On behalf of the Board

A handwritten signature in black ink, appearing to read "J.G. Tuohy", is written over a white background.

J.G. Tuohy
Company Secretary

30 April 2013