

**Octanex N.L.**

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

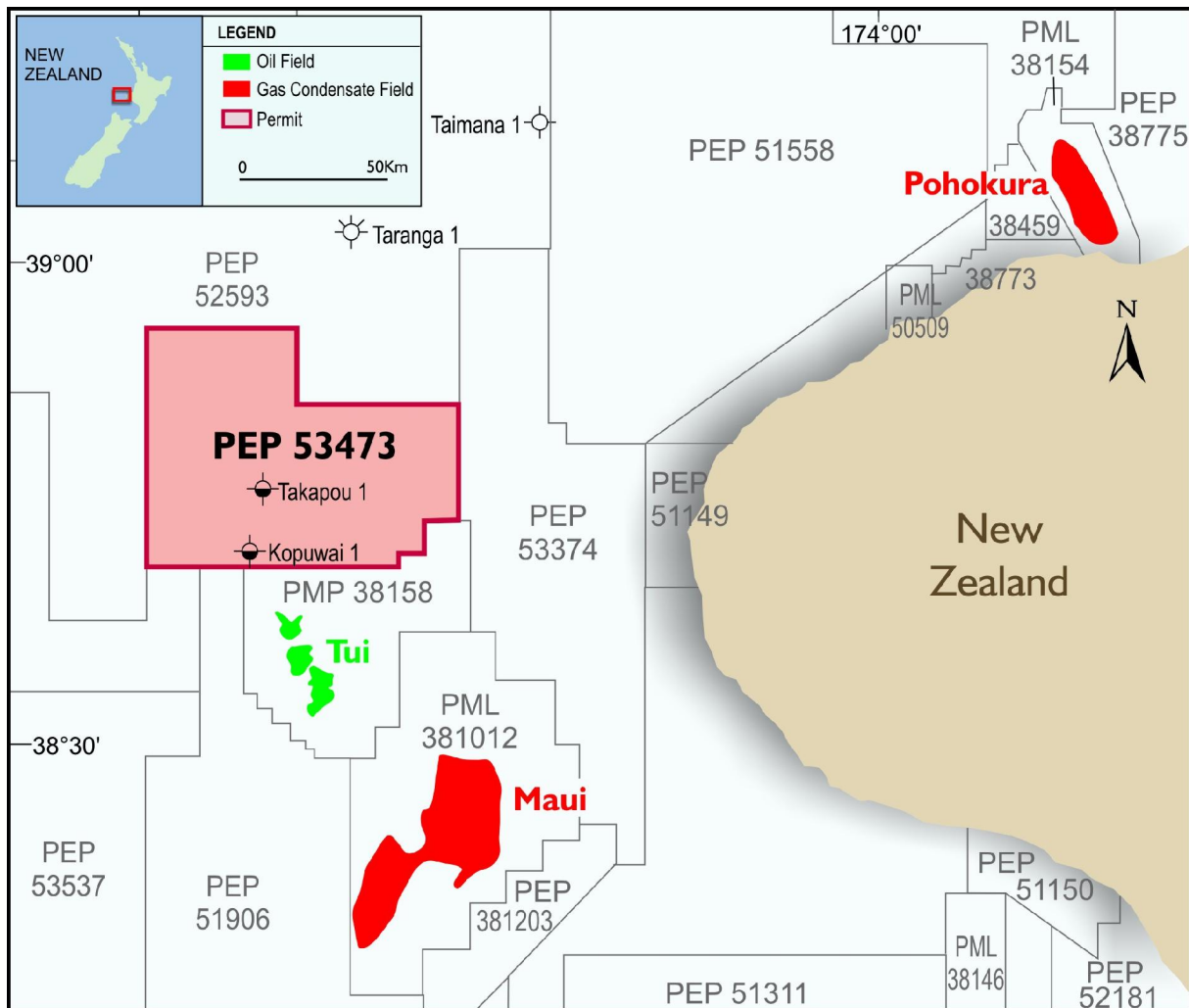
OCTANEX AWARDED 4TH NEW ZEALAND EXPLORATION PERMIT**PEP 53473 - OFFSHORE TARANAKI BASIN****KEY POINTS:**

- Octanex has been granted a fourth permit, **PEP 53473**, in the offshore region of the Taranaki Basin, New Zealand
- The permit is immediately adjacent to the north of the producing Tui oil field production licence
- The work programme for the new permit requires seismic reprocessing and staged additional work and incorporates rights to surrender at each decision point
- Octanex will immediately commence work on the seismic reprocessing obligations
- Octanex now has an interest in four permits covering over 7,000 km² in New Zealand's premier oil producing Taranaki Basin
- New Zealand is now a significant exploration focus for Octanex

Octanex N.L. (**ASX Code: OXX**) is pleased to announce that its wholly-owned subsidiary, Octanex NZ Limited (**Octanex NZ**), has been granted a 100% interest in a fourth petroleum exploration permit, PEP 53473. The permit is located in the offshore Taranaki Basin of New Zealand - see the following *PEP 53473 Location Map*.

As displayed in the *Location Map*, the permit lies between the PEP 51906 and PEP 52593 permits (in which Octanex NZ holds 35% and 100% interests respectively) and is adjacent to the north of the producing Tui oil field.

The permit extends to an area of approximately 853 km² and there have been two wells drilled within it (Takapou-1 and Kopuwai-1), both of which encountered oil shows.



PEP 53473 Location Map

Under the terms of the permit, Octanex NZ must reprocess and interpret a minimum of 1000 km of existing 2D seismic data from within and immediately adjacent to the permit and carry out various geotechnical studies. This work is to be completed within 12 months. Octanex NZ will carry out extensive reprocessing of the vintage 2D seismic data acquired by earlier operators of the permit and surrounding area.

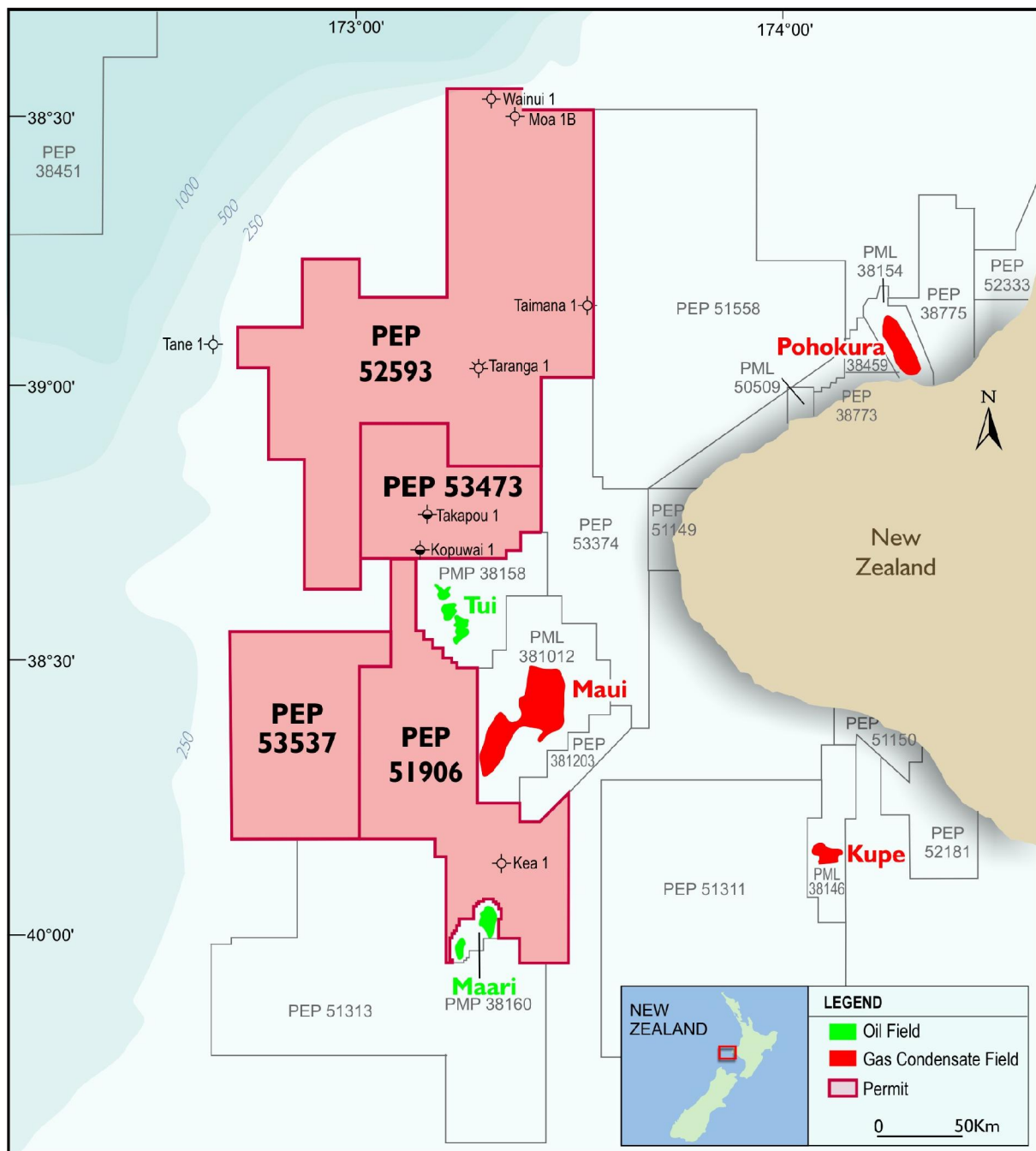
Following the reprocessing and studies, Octanex NZ can either surrender the permit or commit to acquire, process and interpret a minimum of 250 km² of new 3D seismic data within 24 months of the permit grant date. Despite its location adjacent to the producing Tui oil field, there has been little modern 3D seismic data acquired within the permit area to date, apart from approximately 40km² of Tui 3D ingress seismic in the south of the permit where a lead was defined by AWE in 2008.

Should Octanex NZ carry out the new 3D seismic survey then it must either commit to drill a well in the permit area within 36 months of the permit grant date or surrender the permit.

As noted above, two wells, Takapou-1 and Kopuwai-1, have been drilled within the area of PEP 53473. Several other wells have also been drilled just outside the area of the permit and provide a useful reference. These include Tane-1 and Taranga-1, plus the Pateke-1 & 2, Amokura-1, Kiwi-1 and Tui-1 wells that were drilled within the area of the Tui production licence.

The permit area is underlain by a Late Cretaceous rift basin containing coal measures belonging to the Wainui Member and Rakopi Formation of the Pakawau Group. These deposits are proven source rocks for oil and gas generation in the Taranaki Basin and PEP 53473 appears to lie on a potential oil migration pathway.

Sandstones in the Lower North Cape Formation (penetrated in Tane-1 and Takapou-1) and the Palaeocene, Kapuni Group F sands that are best developed in the south, are the primary reservoir targets for the on-going exploration of the permit. Locating traps, possibly with subtle closures only definable on 3D seismic and possessing sandstones with good porosity, is the prime focus of Octanex NZ's initial exploration efforts in both PEP 53473 and PEP 52593.



Octanex Taranaki Basin Permit Portfolio Map

Commentary

With the grant of PEP 53437, the Octanex Group has added to its already substantial New Zealand exploration position in the offshore Taranaki Basin; the premier basin for oil and gas exploration and production within New Zealand. The full extent of the Octanex Group's portfolio of interests is shown in the *Octanex Taranaki Basin Permit Portfolio Map* above and the combined area covers in excess of 7,000 km².

Of this portfolio of interests:

- PEP 51906 was successfully farmed out to OMV New Zealand Limited (**OMV**) (a major participant in and operator of the Maari oil field) on terms whereby Octanex has a 35% interest that has been carried through a 2D and 3D seismic acquisition programme and, if OMV elects to drill a well, a 35% carry through that well.
- PEP 53537 was granted to Octanex NZ and OMV in July 2011. The application for the permit was made on the basis of Octanex NZ and OMV holding 35% and 65% participating interests respectively in the permit and related Joint Venture; these being the same participating interests the companies have in PEP 51906. Since the permit's grant, a 3D and 2D seismic acquisition programme was completed in conjunction with the same work carried out in PEP 51906.
- PEP 52593 was granted 100% to Octanex NZ in April 2011 and the exploration efforts in this more northern permit have to date been to reprocess existing seismic data. The reprocessing has been completed and interpretation and mapping is continuing. The outcome of this work will determine whether the Company commits to the next phase of the work obligations; which entails the acquisition of new 2D seismic data. The work in PEP 52593 and the just granted PEP 53473 will be combined to the maximum extent possible.

New Zealand has an excellent fiscal regime for petroleum exploration, well established exploration and production infrastructure and ready availability of a skilled work force. All of the permit interests held by Octanex NZ are well located for the potential discovery of hydrocarbons and the New Zealand acreage now forms an important part of the overall exploration portfolio held by the Octanex Group.

By Order of the Board



J.G. Tuohy
Company Secretary

21 March 2012