

Appendix 3B

Consolidation of Shares and Issue of Convertible Notes.

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Octanex NL

ABN

61 005 632 315

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | a. Consolidation of ordinary shares
b. Issue of Unlisted convertible notes (Convertible Notes). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a. Consolidation of 67,078,910 ordinary partly paid shares into 40,247,386 ordinary fully paid shares on the cancellation of all unpaid and uncalled capital on all partly paid shares as resolved on 24 November 2016.
b. 4,000,000 Convertible Notes issued |

+ See chapter 19 for defined terms.

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<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>a. The 40,247,386 ordinary fully paid Shares resulting from the consolidation of 67,078,910 partly paid shares as resolved at the AGM on 24 November 2016. The 40,247,386 ordinary fully paid shares rank equally all with other Ordinary Fully Paid Shares on issue. b. The Convertible Notes have a maturity date of 31 December 2018, with 8% interest payable per annum. The Convertible Notes may be converted into ordinary shares at any time after the issue date, each with a conversion price of \$0.15.</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>a. The 40,247,386 ordinary fully paid Shares resulting from the consolidation of 67,078,910 partly paid shares rank equally with all other fully paid shares on issue. b. The fully paid ordinary shares that will be issued upon conversion of the Convertible Notes will rank equally with the existing class of fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>a. N/A b. \$0.15 per Convertible Note</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a. N/A. Reorganisation of capital: not a new issue. b. Funding of the Ophir Development project</p>

6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>a. Yes b. Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>a. 24 November 2016 b. 4 February 2015</p>
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	<p>a. Nil b. Nil</p>
6d	<p>Number of +securities issued with security holder approval under rule 7.1A</p>	<p>a. Nil b. Nil</p>
6e	<p>Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>a. The 67,078,910 partly paid shares consolidated into 40,247,386 fully paid shares is a re-organisation of capital: not a new issue. Date of Meeting 24 November 2016. b. 4,000,000. Date of Meeting 4 February 2015.</p>
6f	<p>Number of +securities issued under an exception in rule 7.2</p>	<p>a. N/A b. N/A</p>
6g	<p>If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>a. N/A b. N/A</p>
6h	<p>If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>a. N/A b. N/A</p>
6i	<p>Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>	<p>Attached</p>

+ See chapter 19 for defined terms.

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

a. Consolidation effective 12 December 2016
b. 7 December 2016

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

Number	+Class
272,712,947	Fully Paid Ordinary Shares.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	2,000,000	15 October 2018 Options @ \$0.1534
	5,600,000	15 October 2018 Options @ \$0.1534
	1,000,000	19 May 2018 Options @ \$0.15
	1,000,000	11 June 2018 Options @ \$0.15
	1,000,000	11 June 2018 Options @ \$0.15 (subject to vesting criteria)
	4,000,000	11 June 2018 Options @ \$0.15 (subject to expiry date adjustment and vesting criteria)
	250,000	1 February 2018 Options @ \$0.20
	250,000	1 February 2019 Options @ \$0.25
	4,000,000	Convertible Notes, each with a conversion price of \$0.15

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	All ordinary shares rank equally for dividends from the date of issue and allotment
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Part 2 - Pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A

+ See chapter 19 for defined terms.

14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



12 December 2016

Sign here: Date:
(Company secretary)

Robert J Wright

Print name:

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	152,127,398
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 0 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 73,332,663 • Number of partly paid +ordinary securities that became fully paid in that 12 month period 0 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	(194,500)
“A”	225,265,561

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	33,789,834
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	33,789,834
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.15] – “C”	33,789,834 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	225,265,561
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	22,526,556
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	0

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	22,526,561
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.10] – "E"	22,526,561 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

OCTANEX N.L.

**FIRST 20 INVESTORS REPORT
MONDAY 12 DECEMBER 2016**

<u>Rank</u>	<u>Investor</u>	<u>Current Balance</u>	<u>% Issued Capital</u>
Security: OXX - FULLY PAID ORDINARY SHARES			
1	SABAH INTERNATIONAL PETROLEUM LTD	40,332,663	14.79%
2	GASCORP AUSTRALIA PTY LTD	35,200,014	12.91%
3	DORAVALE ENTERPRISE PTY LTD	30,000,000	11.00%
4	MR ERNEST GEOFFREY ALBERS + MRS PAMELA JOY ALBERS	25,868,034	9.49%
5	SACROSANCT PTY LTD <SACROSANCT SUPER FUND A/C>	14,436,081	5.29%
6	GREAT MISSENDEN HOLDINGS PTY LTD	12,946,004	4.75%
7	MR ERNEST GEOFFREY ALBERS	10,809,017	3.96%
8	NATIONAL GAS AUSTRALIA PTY LTD	7,200,000	2.64%
9	GREAT AUSTRALIA CORPORATION PTY LTD	6,291,000	2.31%
10	BASS STRAIT GROUP PTY LTD	6,059,049	2.22%
11	CUE PETROLEUM PTY LTD	5,763,357	2.11%
12	AURALANDIA PTY LTD	4,411,004	1.62%
13	THE ALBERS COMPANIES INCORPORATED PTY LTD	3,780,491	1.39%
14	AUSTRALIS FINANCE PTY LTD	3,773,188	1.38%
15	FUGRO EXPLORATION PTY LTD	3,691,721	1.35%
16	MRS PAMELA JOY ALBERS	3,521,875	1.29%

OCTANEX N.L.

FIRST 20 INVESTORS REPORT
MONDAY 12 DECEMBER 2016

<u>Rank</u>	<u>Investor</u>	<u>Current Balance</u>	<u>% Issued Capital</u>
17	MILLER ANDERSON PTY LTD ATF <LONGHORN RIDGE SUPER FUND A/C>	3,000,000	1.10%
18	GREAT MISSENDEN GROUP PTY LTD	2,765,060	1.01%
19	ALBERS FAMILY CUSTODIAN PTY LTD <ALBERS FAMILY A/C>	2,542,875	.93%
20	SEAQUEST PETROLEUM PTY LTD	2,248,000	.82%

TOTAL FOR TOP 20:	224,639,433	Investors 20	82.37%
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TOTAL IN THIS REPORT:	224,639,433	Investors 20	82.37%
TOTAL OTHER INVESTORS:	48,073,514	1,436	17.63%
GRAND TOTAL:	272,712,947	1,456	100.00%

end of report

OCTANEX N.L.

**INVESTOR RANGES
MONDAY 12 DECEMBER 2016**

<u>Ranges</u>	<u>Investors</u>	<u>Securities</u>	<u>% Issued Capital</u>
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Security Code : OXX FULLY PAID ORDINARY SHARES

Holding Type : Issuer

1 to 1000	129	44,590	.02
1001 to 5000	573	1,438,856	.53
5001 to 10000	95	731,601	.27
10001 to 100000	181	5,456,342	2.00
100001 and Over	32	83,540,317	30.63
Total	1,010	91,211,706	33.45

Holding Type : CHES

1 to 1000	41	9,652	.00
1001 to 5000	72	211,012	.08
5001 to 10000	52	437,837	.16
10001 to 100000	199	7,378,776	2.71
100001 and Over	82	173,463,964	63.61
Total	446	181,501,241	66.56

Totals for Security Code OXX

1 to 1000	170	54,242	.02
1001 to 5000	645	1,649,868	.61
5001 to 10000	147	1,169,438	.43
10001 to 100000	380	12,835,118	4.71
100001 and Over	114	257,004,281	94.24
Total	1,456	272,712,947	100.00

The number of security investors holding less than a marketable parcel of 11112 securities (\$.045 on 25/11/2016) is 975 and they hold 3010923 securities.

end of report