

28 February 2017

FPSO SELECTED FOR OPHIR OIL DEVELOPMENT

KEY POINTS:

- Donor vessel for Ophir FPSO secured
- Conversion of donor vessel to commence
- Competitive rates locked in
- Three year term with one year extension option

Octanex Limited (**ASX Code: OXX (Octanex)**) advises that a donor vessel has been secured for conversion into an FPSO for use on the Ophir field, with conversion works to commence shortly.

MTC Engineering Sdn Bhd (MTCE), an experience Malaysian oil and gas marine contractor, has purchased an oil tanker, Puteri Bangsa, for conversion into the MTC Ledang FPSO. Engineering design works for the conversion are well advanced and conversion works on the tanker will shortly commence.

The MTC Ledang FPSO will have a small process facility module with capacity for 15,000 barrels of fluid per day and gas flaring and will be capable of storing up to 350,000 barrels of crude. It will be anchored to the seabed at the Ophir field and connected to the Ophir platform via a flexible 8" pipeline. It is contracted to be at the Ophir field at a competitive rate for a period of three years, with a one year extension option.



Puteri Bangsa Tanker to be converted to the MTC Ledang FPSO for use at the Ophir Field

Located offshore Peninsular Malaysia, the Ophir oil field is being developed under a Risk Service Contract (RSC) granted in 2014 to Ophir Production Sdn Bhd (OPSB), a joint venture company in which Octanex has a 50% interest.

The Ophir oil field is being developed via three production wells, a well head platform (WHP) and Floating Production Storage and Offload (FPSO) vessel.

Octanex's share of the Ophir project is fully funded via OPSB's 75% project financing and through Octanex's strategic alliance and funding arrangements with major shareholder, Malaysian, Sabah International Petroleum.

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