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## OCTANEX STRATEGIC REVIEW RESPONSE TO OIL PRICE DECLINE

Octanex N.L. (**ASX Code: OXX (Octanex)**) is pleased to provide an update to shareholders following a strategic review conducted by the board in response to the decline in oil price over the past three months.

Octanex has today announced changes to the composition of its board and is very pleased by the addition of directors Guistino (Tino) Guglielmo, Kevin How Kow and Suhnylla Kler to the board, strengthening the board and bringing greater diversity and complement of skills.

Octanex has reviewed the impact of the oil price decline on its 50% interest in the Ophir RSC via joint venture company Ophir Production Sdn Bhd (**OPSB**). The Ophir RSC is for the development of the Ophir oil field, offshore Peninsular Malaysia. Octanex, and its fellow OPSB shareholders, have focussed on project cost reductions since the award of the RSC in June and are on target to achieve significant capex and opex savings, as against the approved field development plan budget. Such savings will help shield the project from the impact of low oil prices. Octanex expects that such savings should enable OPSB to generate returns for shareholders, even if oil prices remain low.

As a result of OPSB's previously announced project finance, and following receipt of shareholder approval for the Sabah transactions (to be sought in February), Octanex will have secured funding for its equity share of the Ophir project.

As announced earlier this week, Octanex decided, as a result of the strategic review, not to extend the implementation end date for the proposed Schemes of Arrangement between Peak Oil & Gas Limited (**Peak**) and its members and option holders. The Schemes could not be completed by the agreed end date, and the application to the Supreme Court in relation to the Schemes was accordingly withdrawn by Peak. Octanex continues to be a shareholder in Peak and has a loan receivable from Peak. Octanex remains supportive of Peak's endeavours.

Following the strategic review, Octanex has implemented cost reduction measures to further reduce corporate overheads and expenditure.

Octanex believes that the measures implemented following its strategic review stand the company well to face the challenges posed by a low oil price environment.

### About Octanex

Octanex is implementing a change in strategy to reduce its exposure to exploration and to include the acquisition of near-term production assets which have the capacity to provide future cashflow generation.

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Octanex is transforming from a pure exploration focused company to a full cycle exploration and production company. Octanex has interests in two development assets, the Ophir oil field, offshore Malaysia, and the Cornea oil field, offshore Western Australia, in addition to its portfolio of exploration acreage in Australia and New Zealand.

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