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WEEKLY DRILLING PROGRESS REPORT OPHIR DRILLING CAMPAIGN

Octanex Limited (**ASX Code: OXX (Octanex)**) provides the following weekly update for the Ophir three well development drilling campaign which details drilling operations up to 06:00hrs on Friday 9 June 2017.

Weekly Operations Summary

Ophir A1 and A2 wells are being batch drilled by the Naga 2 jack up drilling rig. The Ophir A1 well spudded on 2 June 2017.

At 06:00hrs on Friday 9 June 2017 the Ophir A1 well has been drilled to a depth of 554m with 13 3/8 casing run and cemented. The rig was then skidded to the Ophir A2 well slot.

The Ophir A2 well has been drilled to a depth of 554m with 13 3/8 surface casing run and cemented. The rig has been skidded back onto A1 where the current operation is installing and testing Blow-Out Preventers (BOPs) prior to drilling ahead to the horizontal section.

Forward Plan

The forward plan for the week ahead is to drill the 121/4" section of A1 to penetrate the target J20 lower reservoir at 1983m md.

About the Ophir Drilling Campaign

The Ophir drilling campaign comprises three horizontal production wells, A1, A2 and A3. The wells are targeting the J Group stacked oil reservoir of the regionally prolific Lower Miocene Tapis formation.

The Ophir field is a four-way dip closed structure defined by 3D seismic previously discovered and tested by the discovery well, Ophir-1 and appraised by four additional well penetrations.

Participating Interests

The Ophir field is being developed by Ophir Production Sdn Bhd, an incorporated joint venture company with ownership interests as follows

Octanex	50%
Scomi	30%
Vestigo	20%

About Octanex

Octanex is an Australian-based oil and gas company seeking to increase its exposure to production and development. Octanex's portfolio includes interests in the Ophir oil development offshore Malaysia, interests in two pre-development assets offshore Western Australia and five exploration permits offshore Western Australia.

Octanex's share of the Ophir project is fully funded via OPSB's 75% project financing from a consortium of three banks and Octanex's US\$12Million Convertible Note facility with Sabah

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International Petroleum, which is wholly owned by Sabah Development Bank Berhad ("SDB"). SDB itself is wholly owned by the Ministry of Finance of the Malaysian state of Sabah.

About the Ophir Project

The Ophir field is located offshore Peninsular Malaysia, with a water depth of approximately 70m and is being developed via three production wells, a well head platform (WHP) and Floating Production Storage and Offload (FPSO) vessel.

The Ophir field is being developed pursuant to a Risk Service Contract (RSC) granted in 2014 to Ophir Production Sdn Bhd (OPSB). Octanex holds a 50% interest in OPSB and its joint venture shareholders in OPSB are Scomi with 30% and Vestigo with 20%. Scomi is a wholly-owned subsidiary of Scomi Energy Services Bhd, a Malaysian downstream oil and gas services company listed on the Main Board of Bursa Malaysia. Vestigo is a wholly-owned subsidiary of Petronas focused on the development of small, marginal and mature fields.