

3 August 2015

DECLARATION OF LOCATION OVER ASCALON GAS DISCOVERY WA-407-P – SOUTHERN BONAPARTE BASIN

KEY POINTS:

- Location declared over the Ascalon gas discovery
- In proximity to existing LNG transmission pipeline
- Octanex holds a 100% interest
- Retention lease will be sought to facilitate appraisal activities

Octanex N.L. (**ASX Code: OXX**) (**Company**) advises that a location has been declared over the Ascalon gas discovery in the Southern Bonaparte Basin, offshore from Western Australia. The declaration is an initial step in obtaining a retention lease over the discovery.

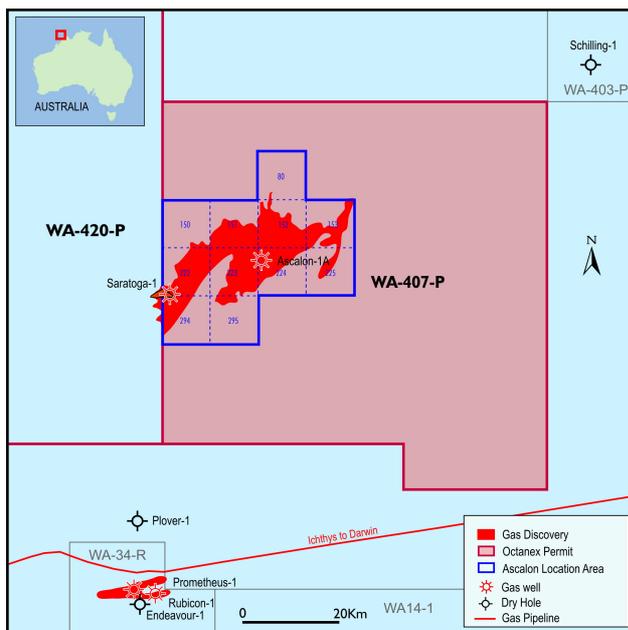


Figure 1: Location Blocks and the Ascalon Gas Discovery

The Ascalon gas accumulation is located approximately 465km west of Darwin in water depths of less than 100m and in proximity (~60km) to the Ichthys to Darwin pipeline. The location covers 11 graticular blocks within the WA-407-P petroleum exploration permit, in which Octanex holds a 100% interest.

Drilled by Mobil in 1995, the Ascalon-1A discovery well recovered gas to surface; proving the presence of a large dry gas accumulation within sandstones of the Late Permian, Cape Hay Formation of the Hyland Bay Subgroup.

The Ascalon-1A well, located some 200m off the crest of the structure, intersected a gross gas column of 146m. The discovery has been subsequently mapped on the modern Ascalon 3D Marine Seismic Survey, acquired by Octanex in 2012, and on reprocessed vintage 2D seismic data.

The Ascalon Location also encompasses the separate discovery made by the Saratoga-1 well, which encountered an 8.5m gas column in the overlying Early Cretaceous, Sandpiper Sandstone Formation.

The commerciality of the Ascalon gas discovery will be determined by further engineering assessment and future gas market conditions. A retention lease work programme will be designed to analyse and monitor both of these factors.

Octanex's COO, Ms Rae Clark, said today "The declaration of a location over the Ascalon gas discovery is a key first step in positioning Octanex as a future participant in the growing global LNG market. This will be enhanced if Ascalon can take advantage of its close proximity to the Ichthys gas pipeline to Darwin or other nearby undeveloped gas accumulations. The next step is to secure a retention lease over Ascalon to enable Octanex to retain its interest in the discovery."

For personal use only