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WA-323-P

Octanex Limited (ASX Code: OXX) advises that the Winchester Joint Venture (Santos 75% / Octanex 25%) has decided not to lodge an application for Retention Lease in respect of the Winchester gas discovery in Petroleum Exploration Permit WA-323-P. The Permit, which is in year 5 ending on 5 July 2018, and is not eligible for a further renewal.

This decision follows advice by the Operator, Santos Offshore Pty Ltd, that its efforts to identify a development concept likely to be commercial within a period of fifteen years have not been successful.

The Joint Venture had intended to lodge an Application for Retention Lease prior to expiry of WA-323-P. A declaration of a Location over the Winchester gas accumulation was previously sought and obtained as a pre-requisite for applying for such a Retention Lease.

In order for a Retention Lease to be granted the block must contain petroleum and two other criteria must be satisfied; first that the recovery of the petroleum is not currently commercially viable and, secondly, that the recovery of the petroleum is likely to become commercially viable within fifteen years. The Operator formed the view that efforts to demonstrate the future commercial viability test were not sustainable.

Accordingly the Permit will expire on 5 July 2018.

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