

16 October 2017

FPSO INSTALLED AT OPHIR FIELD

Octanex Limited (**ASX Code: OXX**) advises that the MTC Ledang FPSO is on location at the Ophir Field. The FPSO is in final position, all mooring lines attached. The flowline between the FPSO and the previously installed Wellhead Platform has been installed and tested. Commissioning activities are now underway.



Figure 1 Ophir Platform on left, MTC Ledang FPSO second from right, with installation vessel and tugs around FPSO

The MTC Ledang FPSO has a small process facility module with capacity for 15,000 barrels of fluid per day and gas flaring, and is capable of storing up to 300,000 barrels of crude. It is contracted to be at the Ophir field for a period of three years, with a one year extension option.

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 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 Petroleum Sdn Bhd 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 Petroleum Sdn Bhd is a wholly-owned subsidiary of PETRONAS Carigali Sdn Bhd focused on the development of small, marginal and mature fields.

PETRONAS introduced the Risk Service Contract (RSC) as a petroleum arrangement designed with the objective of intensifying upstream Malaysian oil and gas activities and developing smaller, stranded oil and gas resources. Under the terms of the RSC, the Contractor is the service provider and Operator of the field, while PETRONAS is the resource owner. Upfront investment of capital is contributed by the Contractor, with the Contractor compensated via the reimbursement of costs plus a remuneration fee for services rendered. The remuneration fee is linked to production volume and capital cost key performance indicators, and paid from proceeds of Ophir crude sales.

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 four 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 (drawn to US\$8Million) with Sabah International Petroleum, which is wholly owned by Sabah Development Berhad ("SDB"). SDB itself is wholly owned by the Ministry of Finance of the Malaysian state of Sabah.