

15 September 2017

## FPSO ON WAY TO OPHIR FIELD

Octanex Limited (**ASX Code: OXX**) advises that the FPSO contracted from MTC Engineering Sdn Bhd (MTCE), *MTCE Ledang*, has sailed from Keppel Shipyard in Singapore en route to the Ophir field. On arrival at the Ophir field, the FPSO will be anchored to the seabed and connected to the Ophir platform via a flexible 8" pipeline.

The MTCE Ledang FPSO was converted from an oil tanker by OPSB FPSO contractor, MTCE at the Keppel Shipyard in Singapore. It 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.



*Figure 1 MTCE Ledang FPSO in background, project team members and OPSB directors in foreground, including Octanex directors Tino Guglielmo, Rae Clark and James Willis*

### 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 between Petronas (as the resource owner) and Ophir Production Sdn Bhd (OPSB) (as contractor). 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

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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.

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.

The Ophir drilling campaign was completed ahead of time, and under budget. It comprised three horizontal production wells drilled and completed in the J20 oil reservoirs of the Lower Miocene Tapis formation.

Completions have been run in A1ST, A2 and A3 wells and production assembly installed. All wells have been flowed to clean-up the drilling and completion fluids, prior to being shut-in for the impending tie-in works to the FPSO.



*Ophir Platform, Naga-2 drilling rig and support vessels*

### **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 (drawn to US\$8Million) with Sabah 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.