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RELEASE

OMV AND ENI COMMIT TO DRILLING A WELL IN THE NORTHERN EXMOUTH PLATEAU, OFFSHORE NORTH WEST SHELF

KEY POINTS:

- **OMV and ENI have committed to drill a well in one of WA-362-P, WA-363-P, WA-386-P or WA-387-P at their cost.**
- **Octanex has elected to participate in the drilling programme and will be fully carried with a 20% interest through the first well, and the next well thereafter (if drilled), in that particular permit.**
- **OMV and ENI are to acquire a new 3,955 Km² 3D survey across WA-362-P and WA-363-P, focussing on the Gigantor Prospect, entirely at their cost.**
- **Drilling location expected to be determined Q3 2010.**
- **Drilling expected in 2011.**
- **A brief profile of OMV, ENI and Octanex is contained in the Appendix.**

Octanex N.L. ("**Octanex**") (ASX Code: OXX) is pleased to announce that each of OMV Australia Pty Ltd (**OMV**) and ENI Australia Limited (**ENI**) have given notice to Octanex committing to the drilling of a well in one of WA-362-P, WA-363-P, WA-386-P or WA-387-P. The actual permit where the first well will be drilled is to be determined subsequently, after completion of the acquisition, processing and interpretation of a new 3D seismic survey to be conducted across WA-362-P and WA-363-P. The acquisition of new 3D data over the known leads within WA-362-P and WA-363-P, indicates to Octanex that the first well is likely to be drilled in either of these permits.

Octanex, in turn, has elected not to exercise its contractual right to receive a \$US16,000,000 payment from OMV and ENI in respect of the permit in which the well is to be drilled. Octanex has confirmed to OMV and ENI that Octanex will, instead, retain a 20% fully carried interest in that permit, at least until such time as two wells have been drilled at OMV and ENI's cost in that permit.

In respect of each one of the other three permits, Octanex has the same contractual right to make an election as to whether to receive a cash consideration of \$US16,000,000 should OMV and ENI make an election to drill a well in any one of those other three permits. Alternatively, Octanex can elect to retain a 20% fully carried interest through two wells in each such permit where a drilling commitment is subsequently made.

In order to better identify the location of the well, OMV and ENI will, at their cost, acquire 3,955 kms² of new 3D seismic data over part of the area of WA-362-P and WA-363-P, as shown in Figure 1 below. The intention is to commence the 3D data acquisition phase in the first half of 2010, subject to the availability of a suitable vessel for the programme.

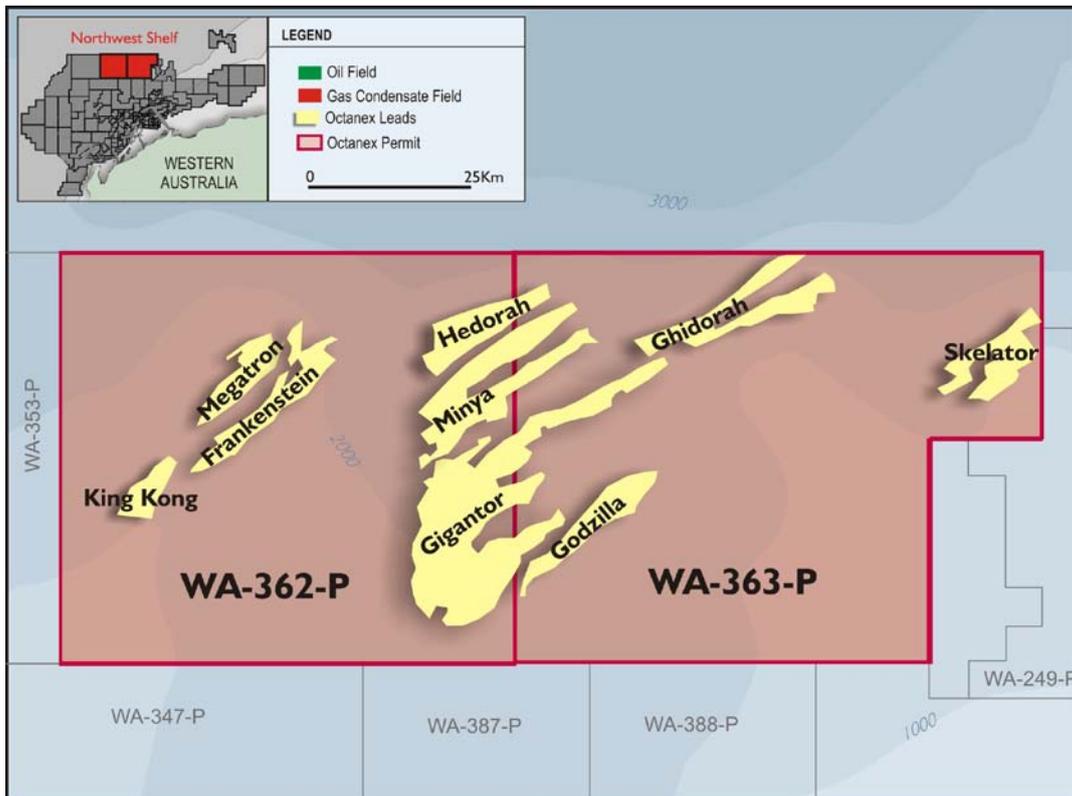


Figure 2: WA- 362-P and WA-363-P leads

The activities of the Joint Venture should also be viewed in a regional context where considerable exploration activity is underway in nearby permits. In a recent release to the ASX, Woodside provided some information about the leads and prospects it has identified in permits which adjoin WA-362-P and WA-386-P or are nearby to WA-386-P. Leads and prospects have also been identified by other operators active in the region and nearby to WA-387-P (see Figure 3 below).

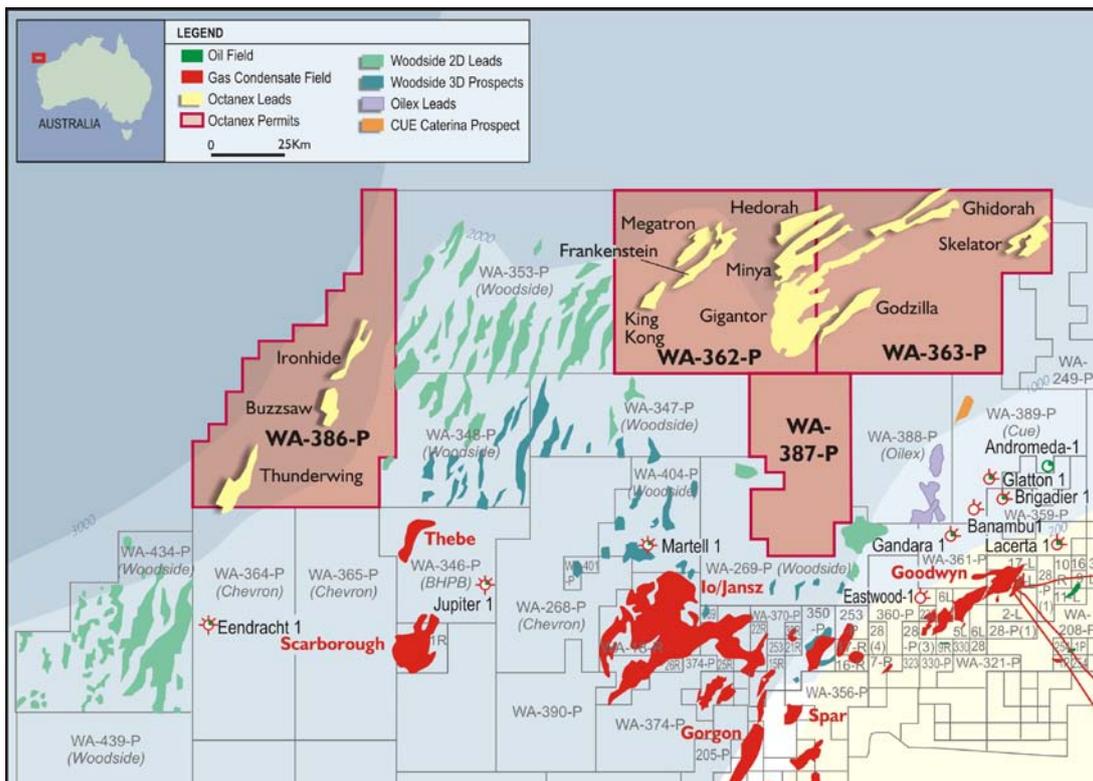


Figure 3: Leads and prospects in Octanex and nearby permits

The prospective resource estimates for the leads identified thus far in the four permits in which Octanex has an interest are set out in Table 1 below. These prospective resource estimates were provided to Octanex in an Independent Geologists Report prepared for Octanex by RPS Energy Pty Ltd ("RPS"). As used by RPS, prospective resources means those quantities of petroleum estimated to be potentially recoverable from an undiscovered accumulation. However, it should be appreciated that these accumulations might not exist and no actual resources may exist. Exploration is an inherently risky undertaking, but the figures below suggest there is considerable scope for substantial reward if the exploration activities planned are successful.

Prospective Gas Resources (Bcf)					
Prospect	Low Estimate	Best Estimate	Mean estimate	High Estimate	Risk Category
Gigantor	1024	4506	6865	17488	High to Moderate
Ghidorah	919	2902	3629	8138	High
Minya	869	2579	3192	7010	High
Hedorah	259	900	1176	2754	High
Frankenstein	274	932	1222	2858	High
Buzzsaw	271	834	1057	2378	High
Megatron	331	931	1126	2417	High
Skelator	223	719	925	2107	High
Thunderwing	262	769	920	2018	High
Ironhide	341	872	995	2030	High
Godzilla	245	785	954	2143	Moderate

Table 1 - Prospective Gas Resources and Risks for WA-362-P, WA-363-P and WA-386-P (Source: RPS)

Conclusion

The decision of OMV and ENI to commit to drilling operations is regarded by Octanex as a major milestone event. As a result of this decision, Octanex will be a 20% participant in the search for large gas resources in joint venture with substantial international companies having the technical and financial capability to locate, discover and develop any hydrocarbons that may be found within the permit areas.

By Order of the Board



J.G. Tuohy
Company Secretary

18 December 2009

APPENDIX



About ENI

ENI is an integrated energy company, headquartered in Milan, Italy, operating in oil and natural gas, electricity generation, engineering and oilfield services and petrochemicals. ENI is active in 70 countries and has over 79,000 employees.

In 2008 ENI made an annual profit of €8.83 billion with production of 1.797 million barrels of oil equivalent per day.

ENI operates in exploration and production of oil and natural gas in Italy, North Africa, West Africa, the North Sea and the Gulf of Mexico. It also operates in areas with great development potential such as Latin America, Australia, the Middle and Far East and the Caspian Sea.

In Australia, ENI is the Operator and 65% interest holder in the Woolybutt oil field, has a 10.99% interest in the Bayu Undan gas/condensate field and Darwin LNG facility, and has 100% of and operates the Blacktip gas field, along with an extensive portfolio of exploration interests.



About OMV

OMV is headquartered in Vienna and is one of Austria's largest industrial companies. OMV runs a network of over 2,483 service stations and operates five refineries. OMV is active in each of its core businesses areas of refining and marketing including petrochemicals, exploration and production, as well as gas and power.

In its Exploration and Production business segment, OMV is active in 17 countries worldwide structured around six core regions, namely Central and Eastern Europe, North Africa, North Western Europe, the Middle East, Australia/New Zealand and the Russia/Caspian region. Daily production is more than 300,000 barrels of oil equivalent per day. OMV's proved reserves at the end of 2008 were approximately 1.2 billion barrels of oil equivalent.

OMV has been active in Australia and New Zealand since 1999. OMV has offices in Perth and in Wellington, New Zealand. In Australia, OMV has interests in 7 operated and 1 non-operated exploration licenses. In New Zealand, OMV is the operator of the producing Maari oil field and has interests in the producing Pohokura and Maui gas/condensate fields.



About Octanex

Octanex NL is a Melbourne based, Australian oil and gas exploration company. Octanex has interests in 11 offshore exploration permits, 10 in Australia and one in New Zealand. Octanex has substantial ongoing economic interests (free of any costs) in another 3 exploration permits operated by Shell, but without direct rights of participation.

Octanex pursues an exploration philosophy of seeking large interests in exploration areas which have transformational potential. Octanex aims to conduct initial exploration, such as seismic data acquisition, on its own account, and then to farmout for the drilling phase of exploration in order to reduce exploration and funding risk.

Octanex is currently listed on the ASX and has ample liquid funds to meet all of its committed exploration obligations.