

Octanex N.L.

ABN 61 005 632 315

Level 21 500 Collins Street Melbourne Victoria 3000 Australia

Tel: (+61 3) 9629 6100 Fax: (+61 3) 9629 6278 Email: admin@octanex.com.au

RELEASE

WA-384-P, WA-385-P and WA-394-P

COMMERCIAL ARRANGEMENTS WITH SHELL

Octanex NL (NSX Code: OCT) is pleased to announce that it has today entered into agreements with Shell Development (Australia) Pty Ltd (Shell) for the disposition of the 50% working interest of Octanex in each of WA-384-P, WA-385-P and WA-394-P, the locations of which being as shown on the map attached. Octanex's co-venturer in the permits, Strata Resources NL (Strata) has also entered into identically worded agreements such that Shell has agreed to acquire a 100% working interest in the permits.

Under the agreements

- Shell has agreed it must either commit to a well before the start of Permit Year 5 (21 August 2010 in the case of WA-384-P and WA-385-P and 21 February 2011 in the case of WA-394-P) or reassign to Octanex for nil consideration a 50% interest in any permit where no well commitment is made.
- Shell has agreed to make a "Discovery Payment" to Octanex for any Discovery made in the permits but limited to a maximum of three Discovery Payments per permit.
- Within six months of having made a discovery Shell must either:
 - (i) Pay US\$2,500,000 to Octanex; or
 - (ii) Reassign to Octanex a 50% interest in the permit in which the discovery was made.
- Following the initial Discovery Payment, if Shell thereafter:
 - (i) spuds an appraisal well in respect of the Discovery; or
 - (ii) applies for a location, production licence or retention lease in respect of any Discovery;

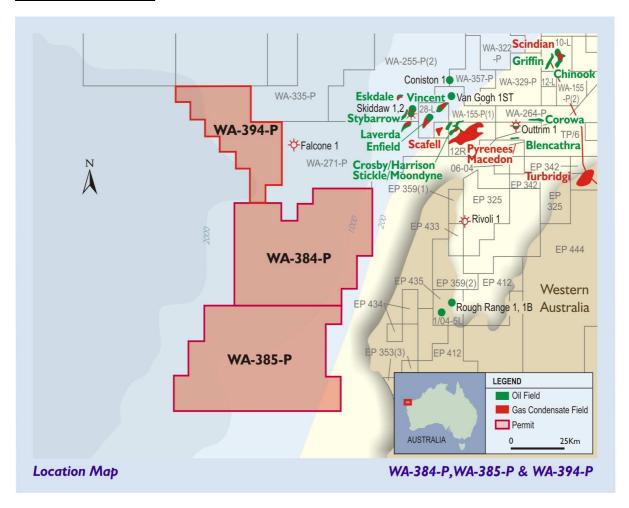
then Shell must pay a further US\$2,500,000 to Octanex.

• Shell has also granted in favour of Strata and Octanex a 1% Overriding Royalty payable on the basis of the gross assessable petroleum receipts recovered from a permit.

- Shell has also agreed it will make an immediate cash payment to Octanex;
- If at any time Shell wishes to exit from any permit a 50% interest in the relevant permit must be offered back to Octanex.
- The agreements are subject to the usual regulatory approvals and FIRB approval.

Octanex is delighted to have concluded this transaction. Shell is a world class operator and is committed to the conduct of a thorough assessment of the exploration potential of the three permits. While Octanex no longer has any direct equity interest in the permits it retains significant access to the upside exploration potential in the permits through the mechanism of the Discovery Payments described above and the Overriding Royalty.

MAP OF PERMITS



By Order of the Board

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D.B.HillSecretary21 February 2008