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18 April 2008

Dear Optionholder

**PROPOSED 3-WAY MERGER OF PERMIT INTERESTS**  
**and**  
**PROPOSAL TO EXTEND OPTION EXERCISE DATE**

As indicated in the Chairman's Review in our 2007 Annual Report to members, the Board of Octanex N.L. ("Octanex") has been considering a rationalisation of activities with our joint venture participants; Strata Resources N.L. ("Strata") and Gascorp Australia Pty Ltd ("Gascorp"). We have looked at various possibilities which might see a 3-way amalgamation of certain of the exploration interests held by these two companies into Octanex. Many of these interests are common to those held by Octanex. Any actions will be the subject of the requisite approval of the respective shareholders.

As a result, Octanex has entered into exclusive discussions with Strata and Gascorp that may ultimately lead to a series of formal transactions (subject to requisite shareholder and other approvals). The potential transactions, which are in the planning and negotiation stage, involve the possible acquisition of Australian offshore petroleum exploration permit interests. Any transaction will be subject to a number of conditions, including agreement on the form of acquisition, on consideration, completion of due diligence by all parties, and a number of other matters.

As those arrangements as envisaged, if implemented, will significantly change the capital structure and asset base of Octanex, the Directors of Octanex propose the extension of the expiry date for the 30 June 2008 Options of Octanex ("Options"). The merger of permit interests are, assuming they are proceeded with, not capable of being completed prior to 30 June 2008. The extension of the expiry date of the 30 June 2008 Options is considered by the directors to be in the interests of shareholders generally and the optionholders.

You are registered as the holder of options to acquire ordinary shares in the capital of Octanex detailed in the accompanying notice. The Options expire at 5.00 pm (AEST) on 30 June 2008 ("Expiry Date"). The shares in Octanex are currently trading in a range between \$0.25 and \$0.26 cents (NSX Code OCT) and the Options referred to are exercisable at 25 cents. The Options are trading in a range of between 3½ and 4½ cents (NSX Code OCTOB).

Recognizing the above matters, the Board of Directors of Octanex has resolved to offer each holder of the Options a right to extend the expiry date of their Options until 5.00pm (AEST) on 30 June 2009.

Optionholders have been provided with a letter of Acceptance of Offer in respect to the option extension offer (Acceptance Form) and will be required to return this Acceptance Form direct to Link Market Services Limited (Link) before 5.00 pm (AEST) on Friday, 23 May 2008 in the reply paid envelope or by facsimile. The facsimile number to which executed Acceptance Forms should be faxed is (61-3) 9629 6278 (Octanex). Failure to accept this offer and to ensure that your signed Acceptance Form is received by Link or Octanex before 5.00 pm on Friday, 23 May 2008 will mean that your Options will remain exercisable by 30 June 2008 and, if not exercised by that time, will lapse and cease to exist.

Your acceptance of this offer must be executed or signed by you to be effective. Please refer to the notes on execution or signature set out on the Acceptance Form.

Octanex cautions that there is no assurance that these discussions will result in any specific transaction being implemented.

Yours sincerely

A handwritten signature in black ink, appearing to be "D.B. Hill", written in a cursive style.

**D.B. Hill**  
Secretary



All Registry communication to:  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Telephone: (612) 8280 7111  
Facsimile: (613) 9615 9744  
NSX Code: OCT  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**Securityholder  
Reference Number /  
Holder Identification  
Number:**

**No of Options Held:**

**Current expiry Date:** 30 June 2008

### **ACCEPTANCE OF OFFER**

I/We, being the registered proprietor of those options noted above hereby accept the offer by Octanex N.L. to extend the Expiry Date of the Options held by me/us.

Dated this                      day of                      2008.

### **SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)

Sole Director & Sole Company Secretary

Securityholder 2 (Individual)

Secretary/Director (delete one)

Securityholder 3 (Individual)

Director

### **NOTES ON EXECUTION OF ACCEPTANCE OF OFFER OF EXTENSION OF EXPIRY PERIOD**

1. Corporate Optionholders should comply with the execution requirements set out in these notes or otherwise comply with the provisions of Section 127 of the Act.
2. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company; or
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.
3. For Octanex to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary must state that next to his or her signature.
4. Where a person signs as a director of a corporate optionholder does not state that he is also sole secretary, that person will be deemed to have represented to Octanex that he is the sole director of a proprietary company which has no secretary as permitted under the Act.