

**Octanex N.L.**

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RELEASE

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

COMPLETION OF COMMERCIAL ARRANGEMENTS WITH SHELL

Octanex NL (NSX Code : OCT) is pleased to announce that, following approvals by the Foreign Investment Review Board (FIRB) and the Designated Authority pursuant to the Petroleum (Submerged Lands) Act, it has received the monetary component, (US)\$15 million, from Shell Development (Australia) Pty Ltd (Shell), of the overall commercial arrangements with Shell for the disposition of the entire 50% working interest of Octanex in each of Petroleum Exploration Permits WA-384-P, WA-385-P and WA-394-P, the locations of which are shown on the map attached. Shell has also acquired from Strata Resources N.L. (Strata) the remaining 50% interest in those permits on the same terms.

Under the agreements, first announced on 21 February 2008:

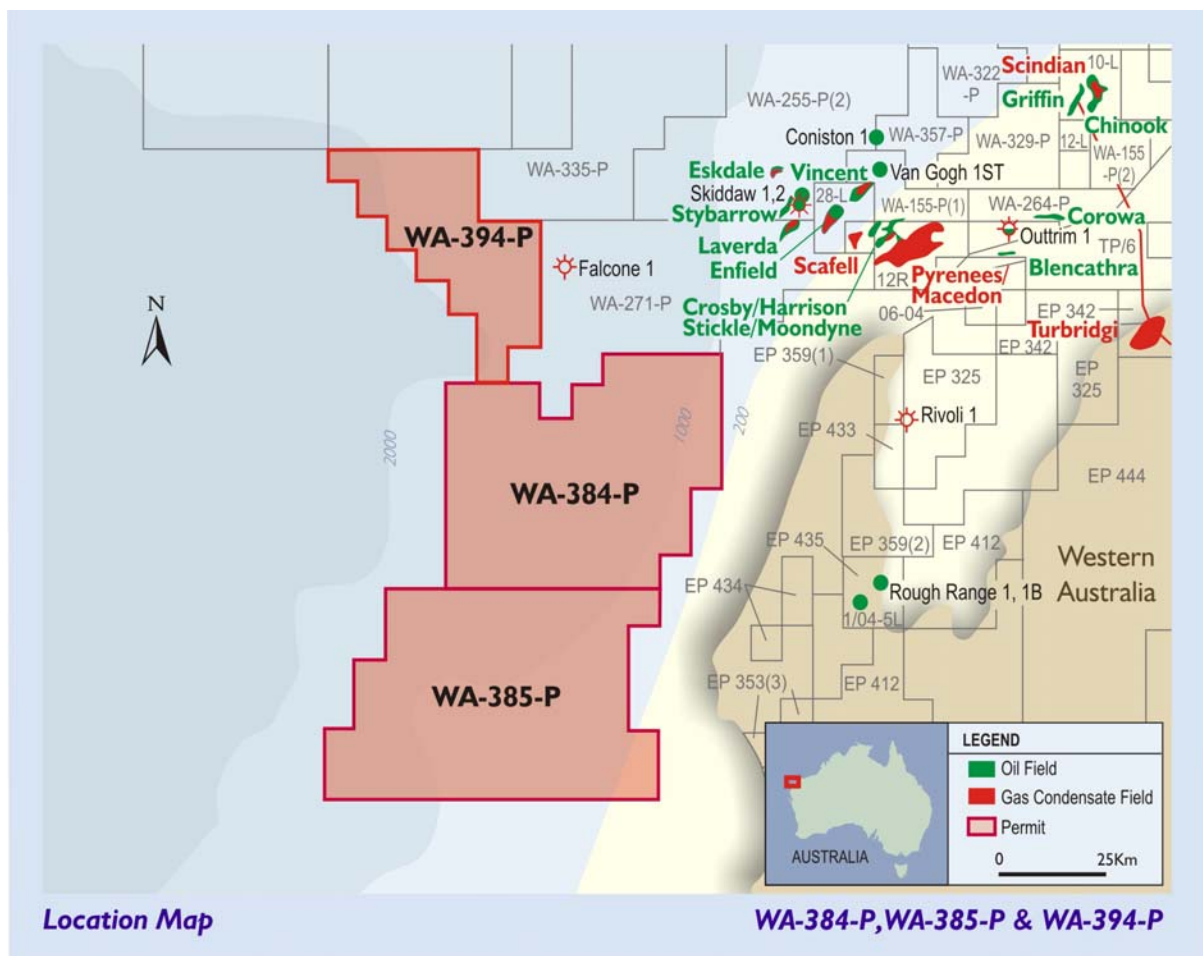
- Shell has agreed it must either commit to a well before the start of Permit Year 5 (21 August 2010 in the case of WA-384-P and WA-385-P and 21 February 2011 in the case of WA-394-P) or reassign to Octanex for nil consideration a 50% interest in any permit where no well commitment is made.
- Shell has 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 an initial Discovery Payment, if Shell:
 - (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.
- If at any time Shell wishes to exit from any permit a 50% interest in the relevant permit must be offered back to Octanex.

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

D.B.Hill
Secretary
19 June 2008