



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

**PROPOSAL TO EXTEND THE 30 JUNE 2009 EXERCISE DATE OF THE
OPTIONS TO 31 DECEMBER 2010 AND AMEND THE TERMS OF EXERCISE**

Octanex N.L. (*NSX Code: OCT*) advises that it will be writing to Optionholders today with a proposal to extend the 30 June 2009 exercise date and the terms of exercise of the options (*NSX Code for the Options: OCTOF*).

A copy of that letter forms part of this release and is attached.

By Order of the Board

J.G. Tuohy
Company Secretary

29 May 2009

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29 May 2009

Dear Optionholder

PROPOSAL TO EXTEND THE 30 JUNE 2009 EXERCISE DATE OF THE OPTIONS TO 31 DECEMBER 2010 AND AMEND THE TERMS OF EXERCISE

Background to the Proposal

When originally granted, the Octanex NL ("Octanex" or "the Company") options were to expire on 30 June 2008 but prior to expiry the Company's Board of Directors ("the Board") extended the expiry date to the current 30 June 2009.

Following Shareholder approval and then consequent merger of Octanex with Strata Resources NL, that was recently completed in conjunction with the related acquisition of Exmouth Exploration Pty Ltd, the Board is of the view that the Company and its assets may, over time, achieve a greater level of awareness in the market. An enhanced awareness may possibly change the perceived value of the Company within the broader investment community. While this greater perception of value is not assured, the Board considers it appropriate that the present expiry date of the 30 June 2009 options ("Options") be extended to enable both the Shareholders and Optionholders to gain any benefit that may actually arise.

At the same time the Board has considered the existing terms of the Options and resolved that Optionholders be offered modified terms of exercise, as an alternative to paying the exercise price in full on exercise.

Existing Option Terms

You are registered as the holder of Options as referred to above.

The Options presently expire at 5:00 pm AEST on 30 June 2009 ("Present Expiry Date").

The accompanying Acceptance Form sets out full details of your holding of Options.

Current Share and Option Prices

There have been no trades of Octanex shares or Options in the three months prior to the date of this letter. However, in the four months prior to the date of this letter, Octanex shares have traded in a range between \$0.08 and \$0.28 (8 cents and 28 cents), the low trade on 18 February and the high trade on 24 February. You should note that the Options are exercisable on the Present Expiry Date at an exercise price of \$0.25 (25 cents) each ("Exercise Price").

Proposed modification of Option Exercise Terms

Taking into account the matters outlined above, the Board has resolved to offer each holder of Options:

1. The right to extend the expiry date of their Options from the Present Expiry Date until 5:00 pm AEST on 31 December 2010 ("Extended Expiry Date").
2. A continued right to exercise their Options on or before the Extended Expiry Date by paying up the Options in full at the unaltered Exercise Price (of 25 cents) per Option.

OR

3. As an alternative to payment of the Exercise Price in full on or before the Extended Expiry Date; the right to exercise their Options on the Extended Expiry Date by the payment of \$0.05 (5 cents) per Option on exercise, with the balance of \$0.20 (20 cents) per Option that remains outstanding to be paid in two (2) calls of \$0.10 (10 cents) each such that:
 - (a) the first call of \$0.10 (10 cents) is paid by 5:00 pm AEST on 31 December 2011; and
 - (b) the second call of \$0.10 (10 cents) is paid by 5:00 pm AEST on 31 December 2012.

THE FOLLOWING ARE YOUR ALTERNATIVES

1. Do nothing and allow your Options to lapse

You may elect not to exercise your Options and merely allow them to lapse. This means that any investment you have in Octanex that is represented by your holding of Options will be lost. In this case you will receive no value for your Options and the prospect that you might have participated in any future increase in value of the underlying shares, between the Present Expiry Date and the Extended Expiry Date, will not eventuate.

If you wish to take this course of action then the Board recommends that you obtain independent advice before doing so.

2. Retain the existing terms of the Options and exercise them on the Present Expiry Date by payment in full of the Exercise Price

This course of action is the best one for the Company as it receives the Exercise Price in full at the earliest possible time. However, this alternative is not necessarily in your best interests.

If you choose this alternative then you will need to complete the enclosed Notice of Exercise of Options ("Notice") in accordance with its instructions and then returning the Notice directly to the share registry, Link Management Services Limited ("Link"), in the enclosed reply paid envelope to arrive **before** 5:00 pm AEST on 30 June 2009.

If you wish to take this course of action then the Board recommends that you obtain independent advice before doing so.

3. **Accept the Company's offer to modify the terms of the Options by extending the expiry date to the Extended Expiry Date of 5:00 pm AEST on 31 December 2010.**

This course of action gives you, as a holder of Options:

- (a) a continued interest in Octanex at no immediate cost, via an 18 month deferral of the obligation to pay any or all of the Exercise Price; and
- (b) the flexibility during the period until the Extended Expiry Date to:
 - (i) sell the Options if their price increases and you wish to take advantage of any price increase;
 - (ii) exercise the Options on or before the Extended Expiry Date by either:
 - (A) paying the Exercise Price in full; or
 - (B) choosing to exercise the Options by paying \$0.05 (5 cents) on exercise and the balance of the Exercise Price in two (2) calls of \$0.10 (10 cents) each; and

(N.B. You do not have to choose between (A) and (B) until the Extended Expiry Date. You can then choose the alternative that is in your best interests.)
- (c) the ability to let the Options lapse on the Extended Expiry Date; if exercising them is not in your best interests, bearing in mind the then share price or other matters relevant to you.

This alternative preserves your Options intact and gives you maximum flexibility in dealing with them from now until the Extended Expiry Date.

Each Director and their Associates (within the meaning of the Corporations Act 2001) intends to take this course of action.

ACCEPTANCE OF THE COMPANY'S OFFER

You can accept the Company's offer by completing the enclosed **Acceptance Form** ("Form") in accordance with its instructions and then returning the Form:

- directly to the share registry, Link, in the enclosed reply paid envelope to arrive **before 5:00 pm AEST** on 30 June 2009; or
- by facsimile to arrive **before 5:00 pm AEST** on 30 June 2009. Completed Forms can be faxed to Link at +61 (0)3 9615 9744.

Failure to accept this offer, and to ensure that your completed and signed Form is received by Link or the Company before 5:00 pm AEST on Tuesday, 30 June 2009, will mean that your Options will remain exercisable by no later than the Present Expiry Date (being 5:00 pm AEST on 30 June 2009) and if not exercised by that time then they will lapse and cease to exist.

Your **Acceptance Form** must be executed or signed by the holder of the Options to be effective. Should you choose this alternative, the terms of your Options will be modified under the contract that comes into existence

when the Company receives your signed Form and not otherwise. Therefore, it is important that the holder of the Options executes or signs the Form strictly in accordance with the instructions set out on the reverse of the Form. Failure to follow the instructions on the Form will mean that you may inadvertently allow your Options to lapse unexercised.

There are notes on the back of the Notice and the Form that you can refer to as they will assist you in completing and executing / signing whichever of these two documents is relevant to you.

If you require further information on how to complete the Notice or the Form you should contact the Company on +61 (0)3 9927 3009.

On behalf of the Board
OCTANEX N.L.

J.G. TUOHY
Company Secretary