

**Octanex N.L.**

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QUARTERLY ACTIVITY REPORT TO 30 JUNE 2009

HIGHLIGHTS FOR THE QUARTER

- Merger of Octanex Group bedded down
- Good progress being made by the Operator (OMV) in assessing Outer Exmouth permits
- Further progress in the understanding of the Winchester Prospect in WA-323-P and WA-330-P
- Successful capital raising in support of an increase in the Shareholder base
- Extension of Expiry Date of the listed Options and variation of terms of payment of the Exercise Price

Octanex N.L. (NSX Code: OCT) by itself and through its wholly-owned subsidiaries, holds working interests in 10 petroleum exploration permits and residual and royalty interests in 3 such permits, all situated in the offshore basins of Australia and with a concentration of these permits on the Greater North West Shelf offshore from Western Australia. These permits are located in regions of moderate to intense exploration activity.

References in this report to the Octanex Group are references to Octanex and its wholly-owned subsidiaries following the merger of Octanex and Strata Resources NL (via a scheme of arrangement) and the acquisition of Exmouth Exploration Pty Ltd. Those arrangements were finalised on 20 March 2009 through the merger process and associated proposals approved by the Members in general meeting. The policy underlying the management of the Octanex Group permits, investments and related interests is a cohesive policy which, insofar as is practical and both legally and commercially expedient, does not differentiate between whether they are owned by Octanex directly, or indirectly through one or more of its wholly-owned subsidiaries.

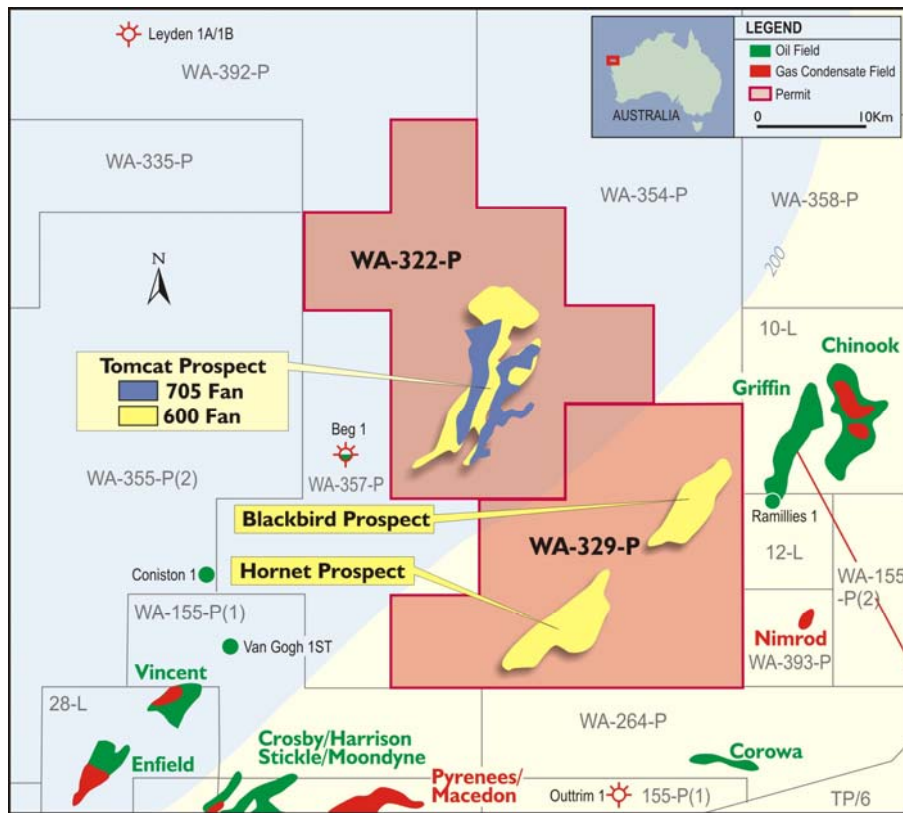
The Company issued an Offer Information Statement on 10 June 2009 to raise \$1 million through the placement of 5,000,000 shares at an issue price of 20 each and with an accompanying free option attached to each share subscribed for ("Offer"). The Offer was essentially a precursor to making application to be admitted to the Official List of ASX, should the Offer achieve its objective of increasing the 'spread' of shareholders that would meet ASX listing requirements in that regard. The Offer closed fully subscribed.

Prior to the end of the quarter and at the election of the holder, the listed Options due to expire on 30 June 2009 were extended to expire on 31 December 2010. The terms of exercise were altered to be either payment on or before the extended expiry date of the full exercise price of 25 cents or payment of 5 cents on exercise and then further payment of two calls of 10 cents each on 31 December 2011 and 2012. The Options issued under the Offer have the same terms and conditions of exercise.

Five of the permits in which direct and residual interests are held by the Octanex Group are located in the Exmouth Sub-basin (WA-322-P, WA-329-P, WA-384-P, WA-385-P and WA-394-P), with a further four permits located on the Exmouth Plateau (WA-362-P, WA-363-P, WA-386-P and WA-387-P). Two of the permits are located in the Dampier Sub-basin (WA-323-P and WA-330-P), while the two remaining permits (EPP34 and Vic/P61) are located in the Otway Basin, offshore of South Australia and Victoria respectively.

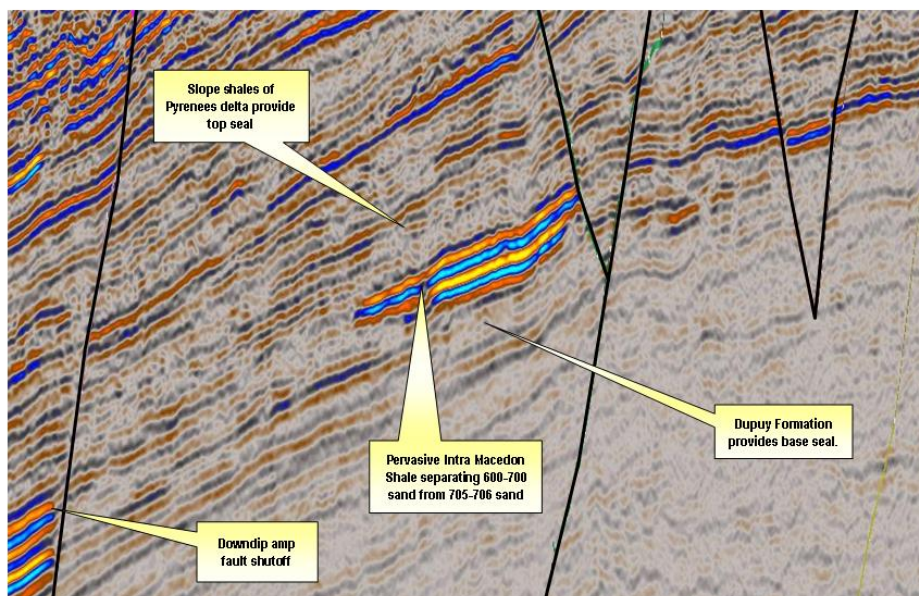
WA-322-P EXMOUTH SUB-BASIN (Octanex Group 100%)

A substantial amount of 3D seismic is held over this permit, including approximately 640 km² of 3D acquired as part of the HCA04A Survey.



Permit and Prospects Map for WA-322-P and WA-329-P

We are in the process of interpreting and reassessing prospectivity in the permit, with an emphasis on the Tomcat Prospect, a Lower Barrow (Jurassic) oil play.

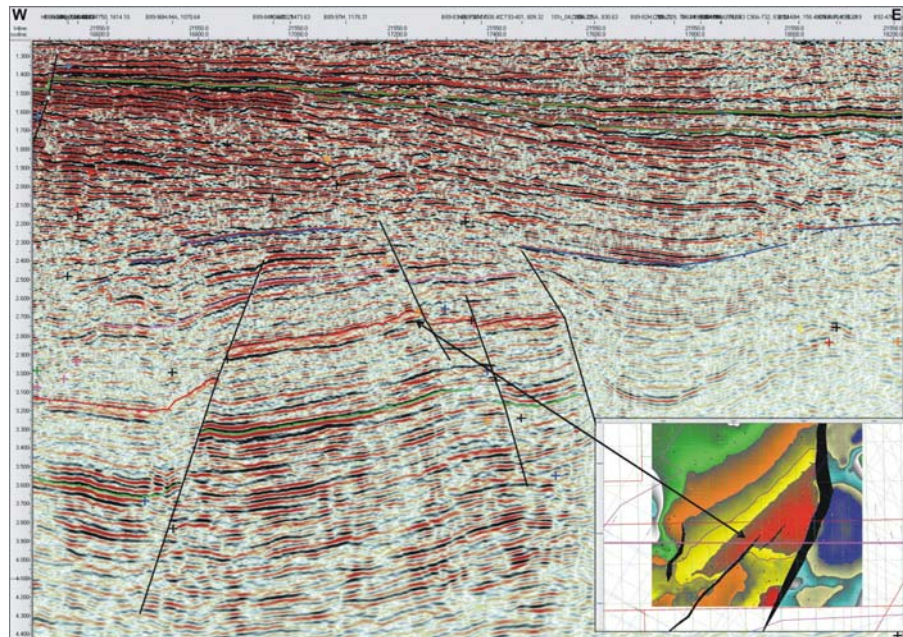


Tomcat Submarine Fan Play – WA-322-P

WA-329-P EXMOUTH SUB-BASIN (Octanex Group 100%)

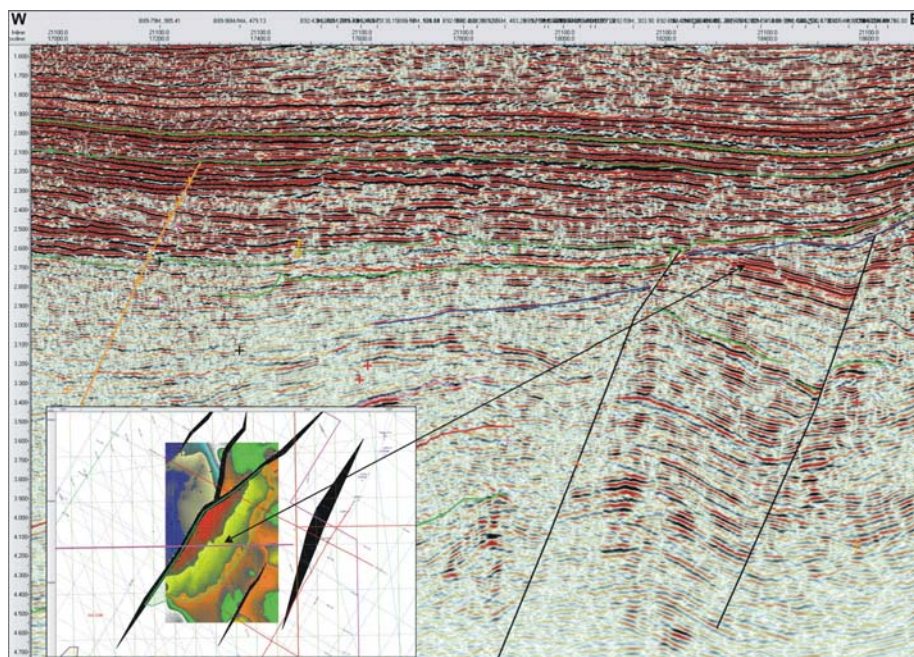
A substantial amount of 3D seismic is also held over this permit, including approximately 107 km² acquired as part of the HCA04A Survey and the reprocessed Swell-Baylis 3D dataset of some 800 km².

The Blackbird Prospect is interpreted as a 40 km² faulted Triassic closure, with a maximum closure height of 350m, with the top of the closure at 3,985m sub-seabed, in a water depth of 165m. Estimates of scope for recovery are in the range of 1.65TCF to 2.68TCF of gas, together with a condensate contribution.



Blackbird Prospect WA-329-P

The Hornet Prospect is interpreted as a 28 km² faulted Triassic closure, with a maximum closure height of 750m, with the top of the closure at 4,285m sub-seabed, in a water depth of 165m. Estimates of scope for recovery are in the range of 1.32TCF to 2.01TCF of gas, together with a condensate contribution.

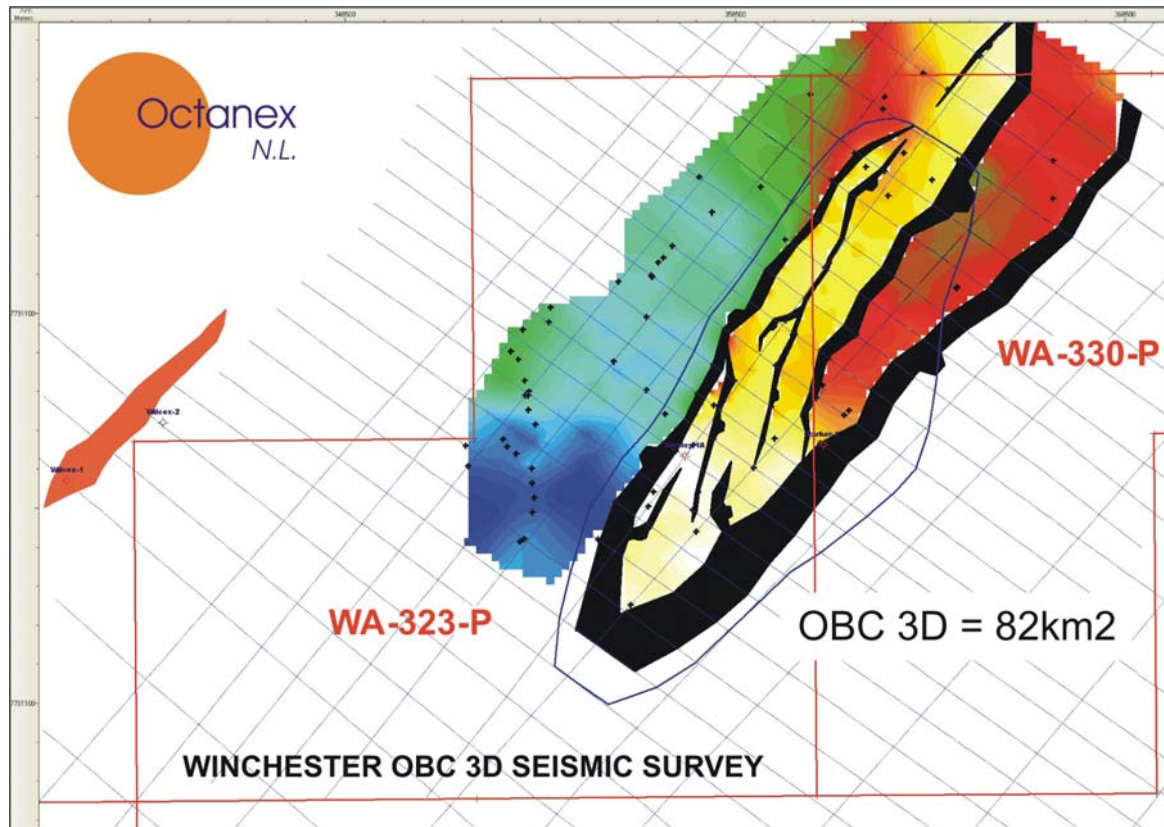


Hornet Prospect WA-329-P

WA-323-P & WA-330-P DAMPIER SUB-BASIN (Octanex Group 100%)

The Dampier Project consists of two contiguous tenements, WA-323-P and WA-330-P, that comprise a discrete project area for exploration of 640 kms².

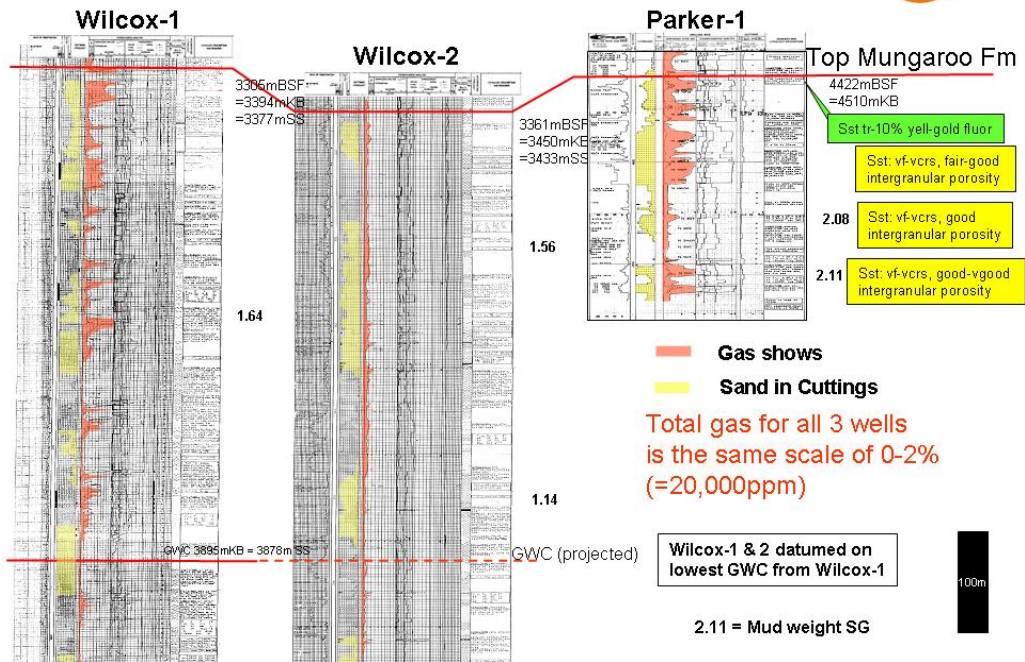
An ocean bottom cable (OBC) 3D seismic survey was acquired in mid 2008 over the Winchester Prospect which straddles both permits. The total outline area of the survey was some 195 km², of which approximately 82 km² was the subject of high-fold data acquisition, while the remaining surveyed area will provide further but less intensive seismic data (see map below).



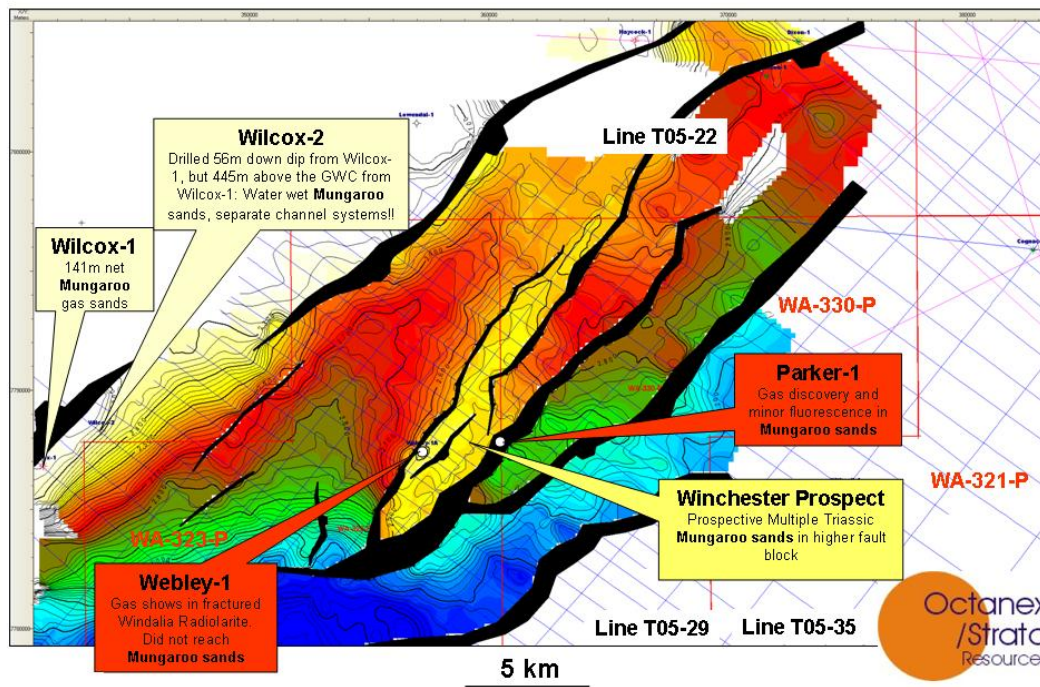
Sophisticated processing of the Winchester OBC 3D seismic data continued during the quarter.

The focus of the Winchester OBC 3D seismic survey, the Winchester Prospect, is located on the Parker/Webley horst and terrace feature, being part of the more regional Rankin Trend and Kendrew Trough. The general region is proven for the formation, location and production of both oil and natural gas. Major commercial hydrocarbon discoveries in proximity to the WA-323-P and WA-330-P permits include the giant gas and condensate fields of the North West Shelf; these being Goodwyn, North Rankin and Perseus, while the significant oil fields in Lambert, Wanaea and Cossack are in the same region. Recently, new and sizeable gas discoveries have been made at Julimar, Brunello, Brulimar, Xena, Pluto and Wheatstone, to the immediate north and west of the permits, while the Lady Nora and Pemberton discoveries have been made to the north.

Parker-1 Gas Discovery compared with Wilcox-1 Gas Discovery



Parker/Webley Horst - Top Triassic TWT Map Winchester Prospect



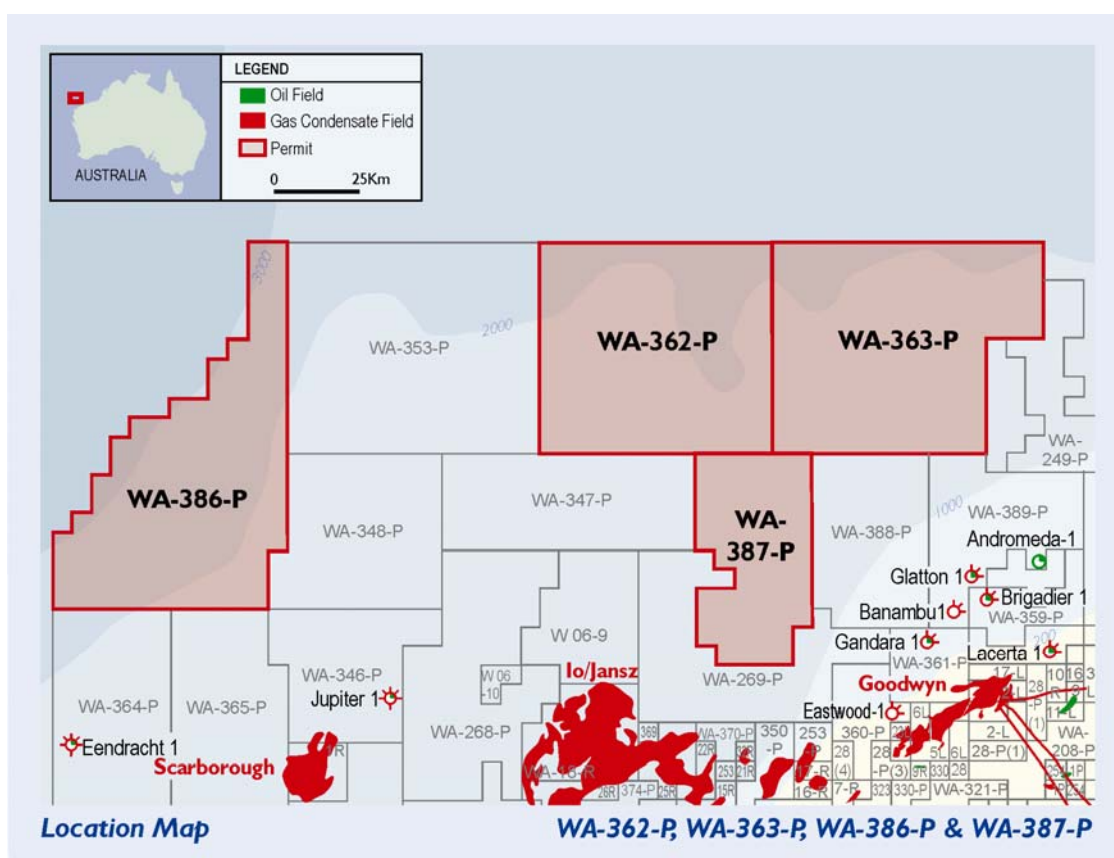
The proximity to WA-323-P and WA-330-P of existing infrastructure and likely future infrastructure extensions, as well as new infrastructure, bodes well for any discovery that may be made at Winchester, whether that be oil or gas. Significant future demand for gas to supply both domestic demand and the Wheatstone and Pluto LNG developments are anticipated, so any potential gas discovery made in the permits is seen as being valuable and capable of monetisation, particularly so if such a gas discovery were to be rich in gas liquids. There is some encouragement for rich gas liquids, as Wilcox-1 was reported at 66-79 barrels of condensate per million cubic feet of gas.

WA-362-P, WA-363-P, WA-386-P and WA-387-P EXMOUTH PLATEAU (Octanex Group 40%)

The Joint Venture for these four permits consists of:

OMV Australia Limited	30% and Operator
ENI Australia Limited	30%
Octanex Group	40%

The Octanex Group holds a 40% interest in each of these four outer Exmouth Plateau permits in a joint venture and subject to a farmin agreement with OMV Australia Limited ("OMV") and ENI Australia Limited ("ENI"). The permits, which cover an aggregate area of approximately 37,795 kms², are on the northern margin of the Exmouth Plateau, 300-400 kms north-west of the Western Australian coastline. The Exmouth Plateau is the largely unexplored deepwater frontier of the Carnarvon Basin, Australia's largest petroleum basin which includes the giant gas resources of the North West Shelf (Rankin Trend), the Greater Gorgon region and Io/Janz. The map below shows the location of the four permits.



The Operator of the Joint Venture, OMV, continued interpretation of the 7,407 km Klimt 2D seismic survey during the quarter.

The Octanex Group can exercise various options under the farmin arrangements as decisions are made by OMV and ENI on whether or not to drill a well in each permit.

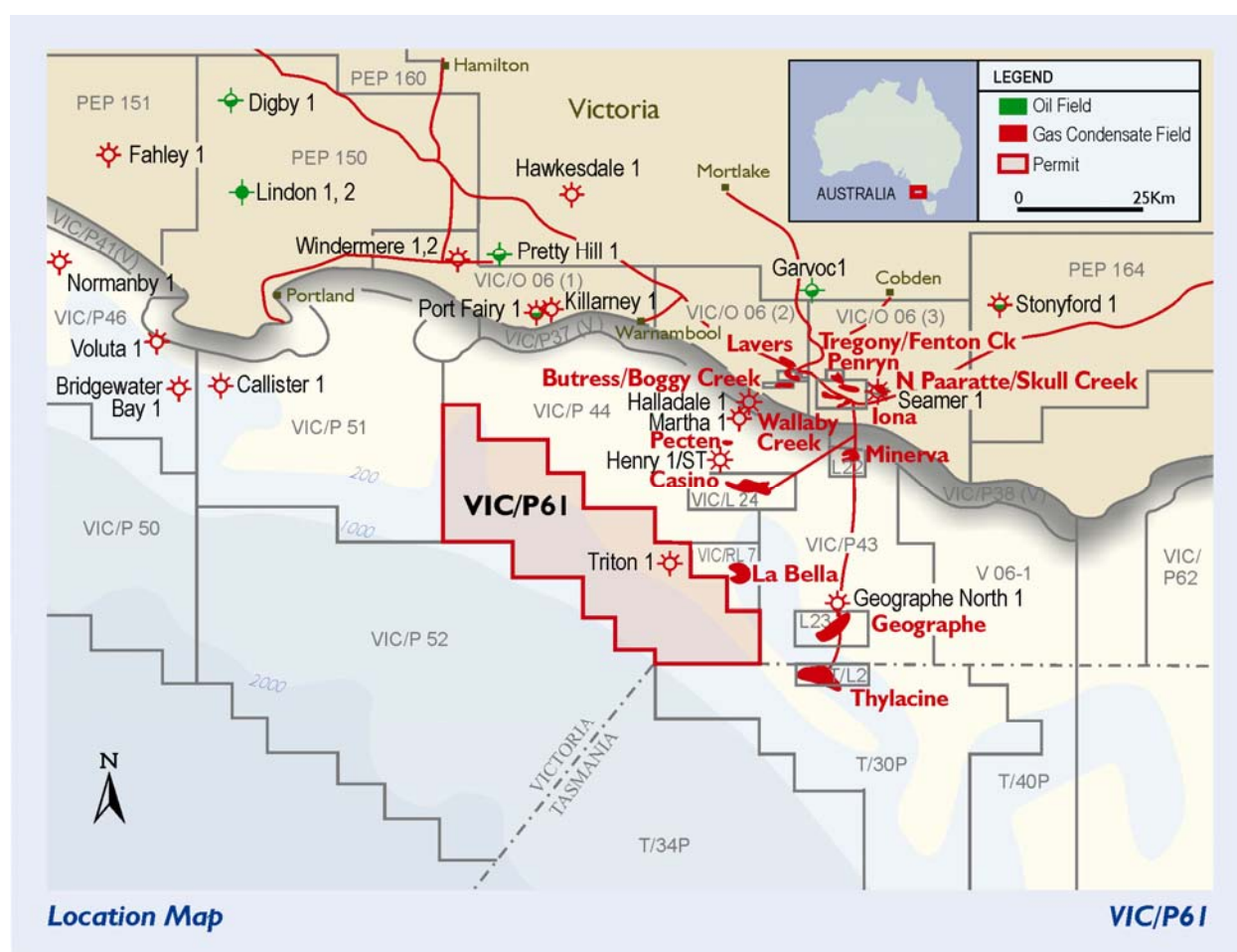
VIC/P61 OTWAY BASIN (Octanex Group 20% earning pursuant to farmin)

The Vic/P61 Joint Venture consists of:

Exoil Limited	30% and Operator
Gascorp Australia Pty Ltd	30%
Moby Oil & Gas Limited	20% earning pursuant to farmin
Octanex Group	20% earning pursuant to farmin

The Vic/P61 Joint Venture has undertaken a critical evaluation of future operations in the permit, balancing prospectivity against the restrictive environmental requirements and the difficulty of reconciling good industry and acquisition practice with those requirements.

Subsequent to that evaluation the Joint Venture has initiated discussions with the authorities with a view to relinquishing the permit.



By Order of the Board

E.G. Albers
Director
Melbourne, Australia
22nd July 2009



Exploration Quarterly Report

Quarter ended ("current quarter")

30 JUNE 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from joint venture participant		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(33)	(1,215)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	185	1,137
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		(6,162)
1.7	Other		
Net Operating Cash Flows		75	(6,828)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(1,000)	(2,885)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (Cash acquired on Purchase of Subsidiary)	-	16,897
Net investing cash flows		(1,000)	14,012
1.13	Total operating and investing cash flows (carried forward)	(925)	7,184

Exploration Quarterly Report

1.13	Total operating and investing cash flows (brought forward)	(925)	7,184
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		2
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Share issue costs	(72)	(72)
	Net financing cash flows	(72)	(70)
	Net increase/(decrease) in cash held	(997)	7,114
1.20	Cash at beginning of quarter/year to date	31,147	23,004
1.21	Exchange rate adjustments to item 1.20	(15)	17
1.22	Cash at end of quarter	30,135	30,135

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	23
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Project management, Corporate management, administration ,etc

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Strata Resources NL and Exmouth Exploration Pty Ltd acquired 20 March 2009 by issue of shares in the company.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	300	375
5.2 Deposits at call	29,835	30,772
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	30,135	31,147

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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Issued securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	171,428,104	171,428,104		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	67,610	67,610	25 cents	25 cents
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	27,901,372 750,000 500,000 750,000 500,000 750,000 500,000	27,901,372 - - - - - -	Exercise price 25 cents 50 cents 30.30 cents 60 cents 36.36 cents 70 cents 42.42 cents	Expiry date 31/12/2010 30/06/2010 30/06/2010 30/06/2011 30/06/2012 30/06/2012 30/06/2012
7.8 Issued during quarter				
7.9 Exercised during quarter	67,610	67,610	25 cents	30/06/2009
7.10 Expired during quarter	945,728 500,000 750,000	945,728 - -	25 cents 24.24 cents 40 cents	30/06/2009 30/06/2009 30/06/2009
7.11 Debentures (totals only)				

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7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act .
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 22/07/2009
(Secretary)

Print name: J.G.TUOHY

Notes

- 1 The quarterly report provides a basis for informing shareholders how the entity's activities have been financed for the past quarter and the effect on its cash position.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** The Australian equivalent of International Accounting Standards have been complied with.

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