

**Octanex N.L.**

ABN 61 005 632 315

Level 25
500 Collins Street
Melbourne Victoria 3000 Australia

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

RELEASE**OCTANEX TO CONDUCT SHARE BUY-BACK**

Octanex N.L. is pleased to announce that it will be undertaking an on-market share buy-back for a maximum of 5% or 2,482,698 shares ("Buy-Back") of its total issued capital of 49,653,967 ordinary shares. The Company's shares are quoted on the Newcastle Stock Exchange ("NSX") and it will be on this stock exchange that the Buy-Back will be conducted. The Buy-Back will operate for a period of 12 months commencing from 14 days after today's lodgement of the required form with the Australian Securities and Investments Commission. The Buy-Back will operate until 27 July 2006 or until the maximum number of shares is acquired.

Octanex is launching the NSX based Buy-Back so as to allow it to maintain an efficient capital structure. The Company maintains a strong balance sheet.

Shareholder approval will not be required as the Company is within the limits permitted under Section 257B of the Corporations Act which permit companies to purchase, without shareholder approval, up to 10% of their issued capital within a 12 month period.

In making today's announcement, the Company noted that the actual number of shares to be purchased under the on-market program will be dependent on market conditions and the need to retain sufficient balance sheet flexibility to fund new growth opportunities.

The Company advises that its continuing strong cash position coupled with no borrowings will enable new opportunities to be pursued while at the same time maintaining its balanced approach to capital management.

Octanex's Chairman, Mr Geoffrey Albers, said "Our solid investment performance over the last two years allows us to undertake this Buy-Back. We will continue to evaluate ways to optimise our capital structure by balancing the cash generative aspects of our Company and its requirements for growth and, in such a way, maximise shareholder returns".

For shareholders continuing to hold shares, the Buy-Back will enhance the ability of the company to optimize per share values and return on equity through the overall reduction in capital.

For more information please contact:

A.P. Armitage
Buy-Back Co-coordinator
(03) 9629 6100

E.G. Albers
Chairman
14 July 2005

Announcement of buy-back (*except* minimum holding buy-back)

Name of entity

OCTANEX N.L.

ABN

61 005 632 315

We (the entity) give NSX the following information.

Information about buy-back

1	Type of buy-back	On market buy back
2	⁺ Class of shares which is the subject of the buy-back (<i>eg, ordinary/preference</i>)	Ordinary
3	Voting rights (<i>eg, one for one</i>)	One for one
4	Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>)	Fully paid
5	Number of shares in the ⁺ class on issue	49,653,967
6	Whether shareholder approval is required for buy-back	No
7	Reason for buy-back	Improved capital management
8	Any other information material to a shareholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>)	Nil

On-market buy-back

9	Name of broker who will act on the company's behalf	F.W. Holst & Co Pty Ltd
10	Not used	
11	If the company intends to buy back a maximum number of shares - that number	2,482,698
12	If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention	maximum of 12 months
13	If the company intends to buy back shares if conditions are met - those conditions	N/A

Employee share scheme buy-back

14	Number of shares proposed to be bought back	N/A
15	Price to be offered for shares	N/A

Selective buy-back

- | | | |
|----|--|-----|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | N/A |
| 17 | Number of shares proposed to be bought back | N/A |
| 18 | Price to be offered for shares | N/A |


Equal access scheme

- | | | |
|----|--|-----|
| 19 | Percentage of shares proposed to be bought back | N/A |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | N/A |
| 21 | Price to be offered for shares | N/A |
| 22 | +Record date for participation in offer | N/A |

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here: 

(Company Secretary)

Date: 14 July 2005

Print name: David B. Hill

== == == == ==