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**RELEASE****AGREEMENT WITH BHP BILLITON AND APACHE ENERGY  
WITH RESPECT TO WA-329-P**

Octanex N.L. advises that it and its joint venturers (Strata Resources N.L. and Rocky Mountain Minerals, Inc.), have entered into an agreement with BHP Billiton Petroleum Pty Ltd (“BHP Billiton”) and Apache Energy Limited (“Apache”) for the sale of a 100% working interest in WA-329-P, a petroleum exploration permit in the offshore Exmouth Sub-basin of Australia (See Figure 1). The Permit covers an area of approximately 720 kms<sup>2</sup> (about 177,000 acres).

The terms of the agreement (which contains a condition precedent requiring approvals by the Designated Authority, registrations and filings), provide for a full 100% working interest in the Permit WA-329-P to be assigned to BHP Billiton and Apache.

The consideration for the transfer includes a cash reimbursement to the vendors, a deferred contingent cash payment, and the grant of an overriding royalty interest with respect to any future production from WA-329-P.

Percentage interests in WA-329-P presently are:

Octanex N.L.	37.5%
Strata Resources N.L.	37.5%
Rocky Mountain Minerals, Inc.	25.0%

In announcing the agreement, the Chairman of Octanex N.L., Mr Geoffrey Albers said that “the transaction will see our joint venturers participate in the most cost effective way through the royalty arrangement in a significantly more intensive program than might otherwise have been undertaken. The Exmouth Sub-basin is a highly desirable exploration focus, with a high level of exploration and development activity being carried out by major international oil companies. We anticipate that WA-329-P will become the subject of the same quality and intensity of work that we see occurring in the nearby permits.”

**Background**

Until the late 1990s, the offshore Exmouth Sub-basin was regarded as a province with little prospect for commercial viability. However, strong oil flows in recent wells have changed this preconception, and it is currently one of the most actively and successfully explored oil

provinces in Australia. Hydrocarbon-bearing sandstones usually occur at either the base or the top of the Barrow Group.

WA-329-P is centrally located in the Exmouth Sub-basin close to numerous Barrow Group discoveries, both to the northeast and in the southwest (See Figure 1 attached). The Vincent oil discovery at the top of the Barrow Group in 1998 is significant in that it proved producible oil. The Vincent 1 well became the harbinger of successful exploration drilling campaigns in this area. The Vincent/Van Gogh oil accumulation is located approximately 15 kilometres west of WA-329-P.

The Novara/Coniston oil accumulation, discovered on the Novara Arch, is also in the same area. The Macedon gas and Pyrenees oil accumulations, which are collectively known as the West Muiron accumulation, are another example of successful plays on the Novara Arch.

Importantly, the Basal Barrow Group plays have emerged as a successful exploration play concept in recent years. The basal sandstone (Macedon Formation) of the Barrow Group is the oil-bearing reservoir of the Enfield, Laverda, Stybarrow, Ravensworth, Crosby and Stickle accumulations. These accumulations are located about 30 km southwest of WA-329-P.

Woodside is proposing to develop the Vincent, Enfield and Laverda oil accumulations, which contain combined oil reserves of approximately 314 million barrels according to the Environmental Impact Statement (EIS), approval of which was granted in July 2003. Oil production is expected to start in 2006, using a floating production storage and offloading (FPSO) vessel. As new oil accumulations were discovered after the release of the EIS in 2002 in relation to the proposed development, some of these new discoveries will possibly be tied-in as satellite developments.

The Table immediately below details some of the nearby recent discoveries in the Exmouth Sub-basin.

**Table : Nearby recent discoveries to the south-west of WA-329-P**

<b>Discovery</b>	<b>Year</b>	<b>Permit</b>	<b>Company</b>	<b>Reserves (Millions of barrels)</b>	<b>Comments</b>
Enfield*	1999	WA-271-P	Woodside	119 (90P)	Expected short-term development
Laverda*	2000	WA-271-P	Woodside	29 (90P)	Expected short-term development
Scafell*	2000	WA-155-P	BHP Petroleum	6 (50P)	Expected medium to long term development
Skiddaw*	2003	WA-155-P	BHP Billiton	10 (50P)	Expected medium to long term development
Stybarrow*	2003	WA-255-P	BHP Billiton	112 (50P)	Expected medium to long term development
Ravensworth	2003	WA-155-P	BHPB/Apache	Not Known	Expected medium to long term development

Crosby	2003	WA-155-P	BHPB/Apache	Not Known	Expected medium to long term development
Stickle	2004	WA12R	BHPB/Apache	Not Known	Expected medium to long term development

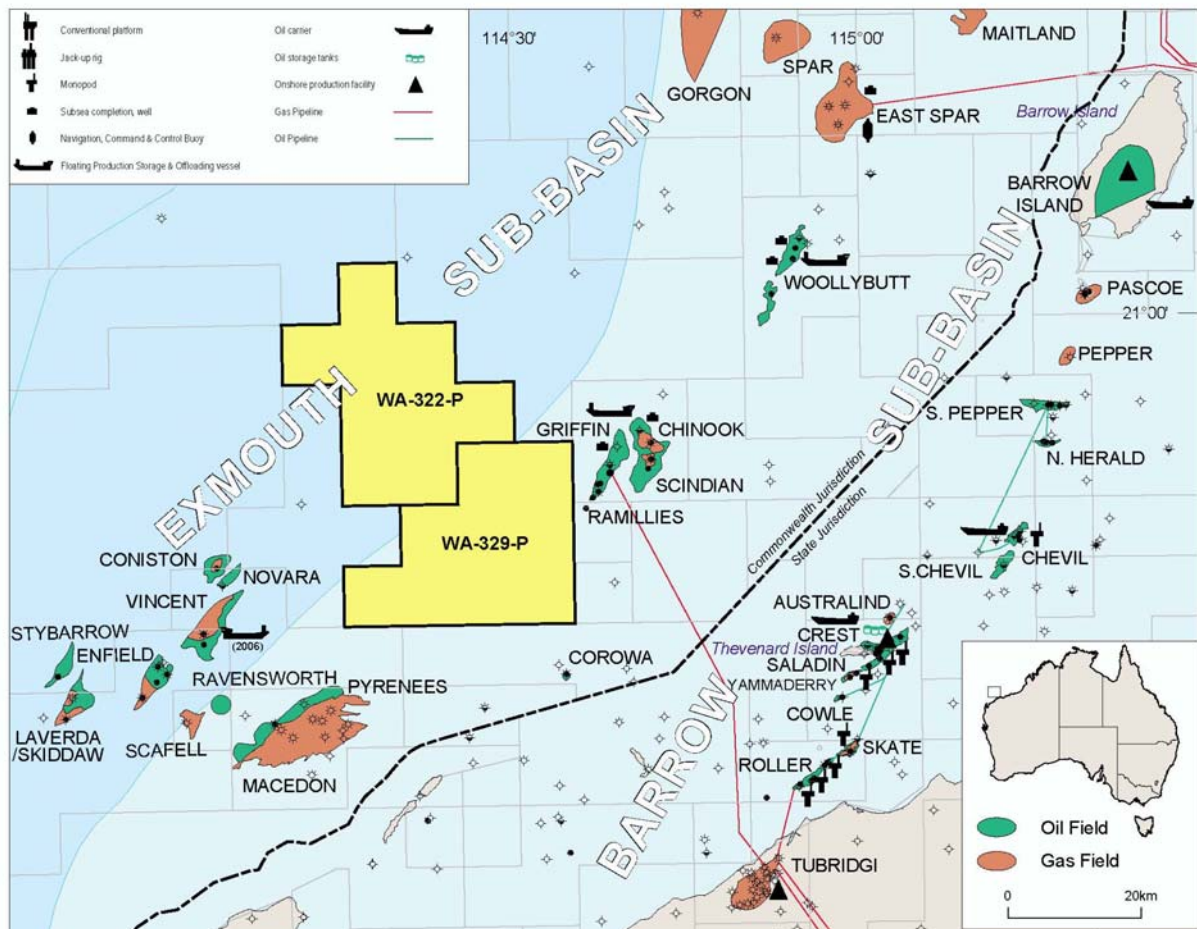
\* Information from <http://www.doir.wa.gov.au/mineralsandpetroleum/index.asp>

A number of undrilled prospects have also been identified in the vicinity of these accumulations by both Woodside and by BHP Billiton and their respective joint venturers.

In mid 2004 the same joint venture of Octanex, Strata and RMMI finalised a similar agreement with BHP Billiton in relation to WA-322-P, located to the immediate north of WA-329-P. (See also Figure 1).



**E.G. Albers**  
Chairman  
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15<sup>th</sup> July 2005



**Figure 1. Location Map of Exmouth Project tenements showing significant oil and gas discoveries and facilities**