

**Octanex N.L.**

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Our ref: 14699

26 November 2004

Mr Scott Evans
General Manager
Stock Exchange of Newcastle Limited
Ground Floor
384 Hunter Street
NEWCASTLE NSW 2300

By Fax: (02) 4929 1556

Dear Sir

Re: Price Query

We refer to your letter of 26 November enquiring about changes in price of the Company's securities.

We answer each of your questions in the order raised:

1. The Company is not aware of any price sensitive information concerning it that has not been announced previously.
2. Not applicable.
3. The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 6.4.

We attribute the rise in the price of the Company's securities to the general increase in value of shares in the oil and gas sector and, in particular, to the Company's principal investment, which is in Cue Energy Resources Ltd ("Cue"), comprising 36,380,140 shares, currently representing 10.9% of the issued share capital of Cue. The value of the holding, based on the closing price (37¢) of Cue's share on the ASX today, 26th November 2004, is \$13,460,000. This shareholding is detailed in our recently released 2004 Annual Report, as well as earlier releases including the 7 November 2003 Prospectus (see Item 3.1 of that Prospectus).

Yours faithfully

E.G. Albers
Chairman