

**Octanex N.L.**

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RELEASE**ACTIVITIES UPDATE****1. EXPLORATION****1.1 Exmouth Joint Venture (Octanex 37.5 – Operator)****Generally**

The Exmouth Sub-basin is an emerging oil province at the southern end of the Carnarvon Basin, offshore from Western Australia.

Interests in the Exmouth Joint Venture, which holds participating and non-participating interests in the two Exmouth Sub-basin permits, WA-322-P and WA-329-P, are:

Octanex N.L. – 37%
Strata Resources N.L. – 37.5%
Rocky Mountain Minerals, Inc – 25%

The permits WA-322-P and WA-329-P are located 100kms NW of Barrow Island, a significant and long-standing oil producing area off the coast of Western Australia. The permits have been only lightly explored and no wells have been drilled in either.

To the south, east and west, within 5 – 25kms of the Exmouth Joint Venture project boundaries, there are new oil and gas fields and discovery wells. To the southwest are the gas and oil fields of the Pyrenees/Macedon complex, while further to the west there are the significant new oil discoveries at Crosby, Stickle, Stybarrow, Ravensworth, Novarra, Vincent and Enfield, with decisions for development having been announced for Vincent and Enfield.

WA-322-P

Recently, the Exmouth Joint Venturers concluded and settled an agreement with a subsidiary of BHP Billiton Petroleum Limited (“BHP Billiton”) for the sale of the whole of the participating interest in WA-322-P to BHP Billiton. In return BHP Billiton have agreed to the acquisition and processing of a 55 kms² of 3D seismic in the Exmouth Joint Venture’s adjacent permit, WA-329-P, as well as a cash reimbursement, a deferred contingent cash payment, and the grant of an overriding royalty interest with respect to any production from WA-322-P to the Exmouth Joint Venturers.

WA-329-P

The Exmouth Joint Venture has acquired an extensive body of existing geological data available in relation to WA-329-P, including a large amount of seismic data, together with pertinent existing reports and basic data collected by previous operators in the area. This data includes the 800 kms² reprocessed, combined Swell and Baylis 3-D seismic data set. In addition, BHP Billiton will, at their cost, acquire and process a new 55 kms² 2-D seismic programme on behalf of the Exmouth Joint Venture in WA-329-P as part of the terms of their acquisition of WA-322-P, as well as a further 80 kms² of ingress data in WA-329-P.

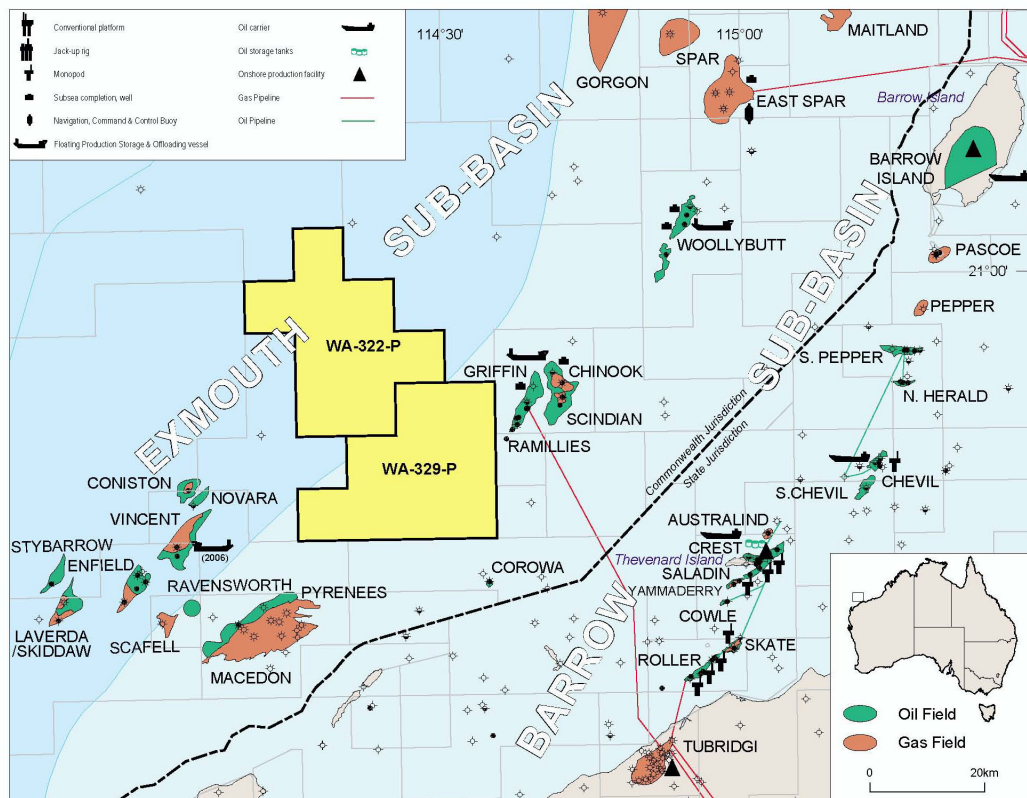


Figure 1: Location Map of Exmouth Project tenements showing significant oil and gas discoveries and facilities

Seismic Commitment Matters

Exploration permit WA-329-P is currently in Permit Year 2, ending on 21 September 2004. The work commitment for Permit Year 2 comprises the acquisition of 750 kms of 2D seismic, although this program is currently the subject of a detailed submission to the Designated Authority to vary this to 55 kms² of 3D seismic.

BHP Billiton is contractually committed to the Exmouth Joint Venturers to shoot the 55 kms² of 3D seismic for the benefit of the Exmouth Joint Venturers in WA-329-P. In addition, BHP Billiton have also indicated that they will shoot a further 80 kms² in WA-329-P as ingress data, which will also be made available to the Exmouth Joint Venturers. Costs associated with the shooting of 3D seismic data are usually in the order of (AUD)\$10-12,000 per km².

The Exmouth Joint Venturers have suggested that the Designated Authority (the body responsible for administering permits for the Australian government) accept the 55 kms of 3D seismic in full satisfaction of the 750 kms of 2D data (or alternatively have suggested 1,100 kms of such data produced in a 2D format) as fulfilling the Year 2 work commitment in WA-329-P.

BHP Billiton have recently advised, following extensive tendering by them, that due to a longer than anticipated environmental approvals process (caused by the need to “refer” the Environmental Plan), the “window of opportunity” allowing their contractor to acquire 3D seismic survey over part of WA-329-P and other adjacent areas, was lost. BHP advised that the next available opportunity to acquire the survey under the existing contract is in the January to March, 2005 timeframe.

As a result, BHP Billiton has advised that it has sought Designated Authority approval to suspend the Permit Year 2 work programme conditions in WA-322-P for a period of 6-months, together with a corresponding extension of such permit term, allowing BHP Billiton to fulfil the Year 2 work commitment in that permit.

As a consequence of these outcomes for our contractual agent, BHP Billiton, the Exmouth Joint Venture have sought similar approvals in relation to WA-329-P. Accordingly, Octanex N.L., on behalf of the WA-329-P joint venturers, has sought Designated Authority approval to suspend the Permit Year 2 work programme conditions in WA-329-P for a period of 6-months, together with a corresponding extension of the permit term, thus allowing BHP Billiton to shoot the 3D seismic survey in question and enable the Exmouth Joint Venturers time to fulfil the Year 2 work commitment. If approved by the Designated Authority, this would extend the Year 2 end date to 21 March 2005 in both WA-322-P and WA-329-P. Year 3 would end on 21 March 2006.

The Forward Exploration Program

The anticipated forthcoming program for Year 2 for each of WA-322-P and WA-329-P is the shooting of the 3D seismic referred to above. The following period, Year 3, is expected to see processing and interpretation of this data in both permits.

1.2 Dampier Joint Venture (Octanex 50% - Operator)

Octanex holds a 50% interest in the Dampier Joint Venture, a project area in the Dampier Sub-basin. Three contiguous permits (WA-321-P, WA-323-P and WA-330-P) are held by the Joint Venture, immediately south of the traditional North West Shelf gas and oil producing region (see Figure 2). There are also a number of other producing oil and gas fields in the region and a number of significant wells in and adjacent to our project area. These wells have variously established the presence of oil, gas and condensate.

The Company's share of the 2004/2005 budget for exploration for the Dampier Joint Venture includes the shooting of an approximate 900kms of 2-D seismic.

Figure 2 below shows the location of these permits.

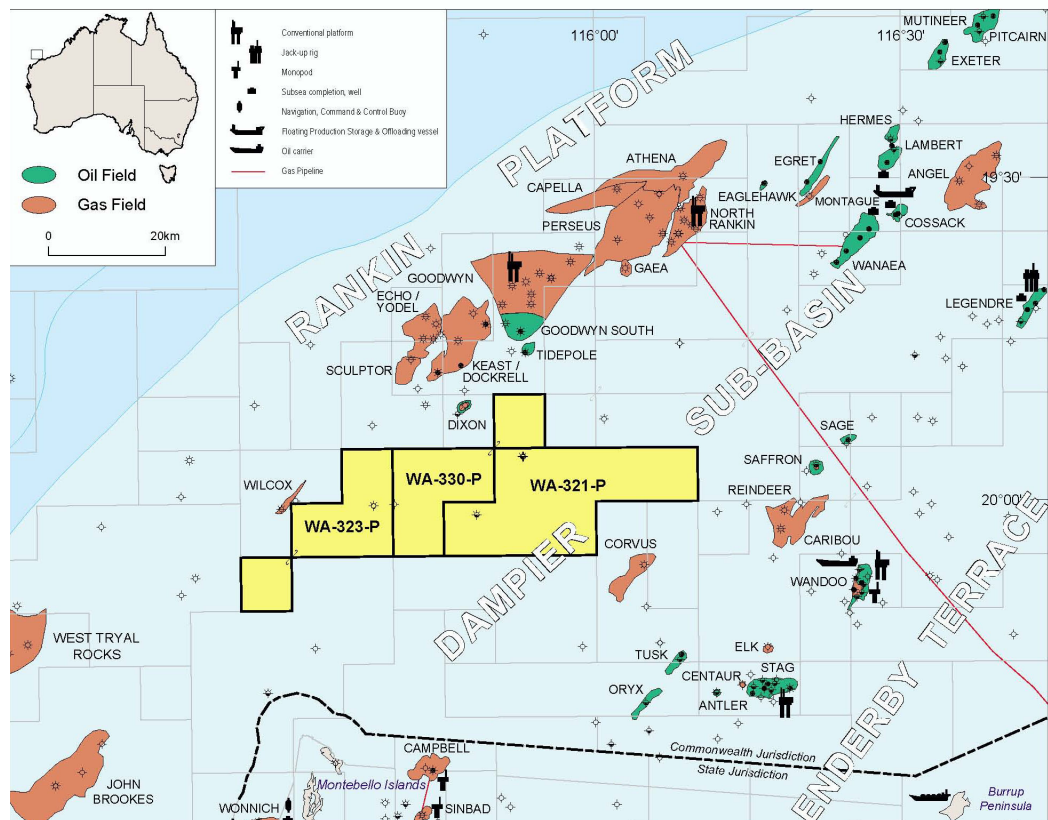


Figure 2: Location map of Dampier Project tenements showing significant oil and gas discoveries and facilities

The first offshore exploration well in Western Australia was drilled in the Dampier Sub-basin at the Legendre-1 location in 1968. Discoveries have included the Rankin Trend gas, condensate and oil fields that are managed in large part by the North West Shelf Venture (NWSV) lead by Woodside. The partners in this project have undertaken a total capital investment of more than A\$9 billion in the development of these fields. The present trunkline, which brings gas from the Rankin platform ashore at the Burrup Peninsula, passes 15kms to the northeast of WA-321-P. Shortly a second trunkline will parallel it, and this will involve further expenditure of A\$800 million.

Permits WA-330-P, WA-321-P and WA-323-P (Figure 2), occupy an area of the sub-basin immediately to the south of the Echo, Goodwyn, Wilcox, Perseus and the North Rankin Gas Fields.

The Madeleine structural trend, which hosts the Wanaea Oil Field 60 kilometres to the northeast, traverses the WA-330-P and WA-321-P permit areas.

The Parker Terrace structural trend runs through the northwest corner of WA-330-P and bisects WA-323-P. It hosts the Dixon and Tidepole gas and condensate accumulations, which are located approximately 8 kilometres to the north of WA-330-P.

2. INVESTMENTS

2.1 Cue Energy Resources Limited (“Cue”)

The Company holds a total of 36,380,140 shares in Cue (ASX Code : CUE).

Additional information about Cue is available from Cue’s website:
www.cuenrg.com.au.

2.2 Methanol Australia Limited (“MEO”)

The Company holds a total of 4,077,944 shares in MEO (ASX Code : MEO).

Additional information about MEO is available from the MEO website
www.methanol.com.au.

3. SHAREHOLDER MATTERS

3.1 Newcastle Stock Exchange Listing

The Company’s share and option securities are quoted on the Newcastle Stock Exchange (“NSX”). The Company’s Code on the NSX is “OCT”. The two series of options (see below) are also quoted.

3.2 Capital Structure

The Company’s capital structure is as follows:

34,684,729 Ordinary Fully Paid Shares (listed)
15,275,058 31 March 2005 Options (exercisable at 10¢) (listed)
15,275,058 30 June 2008 Options (exercisable at 25¢) (listed)
1,250,000 31 March 2005 (exercisable 10¢) (unlisted)

3.3 Website

The Company has a website at www.octanex.com.au. Relevant Company documents, including the IPO document, are displayed on that website.



E.G. Albers
Chairman
Melbourne, Australia
30th July 2004