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KARORO 3D SEISMIC SURVEY COMMENCES

PEP 52593 – OFFSHORE TARANAKI BASIN

KEY POINTS:

- **Acquisition of the new Karoro 3D seismic survey has commenced within the PEP 52593 permit in the offshore Taranaki Basin of New Zealand**
- **The Karoro survey follows on from the successful completion of the Kokako 3D seismic survey in the adjoining permit, PEP 53473**
- **The Karoro survey will more than meet the permit work requirement to acquire 225km² of new 3D data within PEP 52593**
- **The 3D survey is being acquired by the Schlumberger vessel, *"MV Western Monarch"***
- **Octanex is being partially carried through all of the cost of the Karoro survey**

Octanex N.L. ***(ASX Code: OXX)*** (**Company**) is pleased to advise that a second 3D seismic survey has commenced in another of the Company's offshore Taranaki Basin permits, PEP 52593 (**Permit**). The survey, named Karoro, is planned to acquire approximately 299km² of new 3D data from within and adjacent to the Permit – see Figure 1: *Location Map of PEP 52593 and Kokako 3D Survey Area*.

The Karoro survey follows on from the Kokako survey that has been successfully completed in the Company's adjoining permit, PEP 53473.

The Company's 50% interest in the Permit is held by its wholly-owned subsidiary, Octanex NZ Limited (**Octanex NZ**). New Zealand Oil & Gas Limited ***(ASX Code: NZO)*** (**NZOG**) holds the other 50% interest and is the Operator of the Permit, and of the PEP 52593 Joint Venture exploring the Permit.

PEP 52593 covers an area of over 3,500km² and is located to the north of PEP 51906 (in which Octanex NZ holds a 22.5% carried interest) and adjoins the northern and western boundaries of PEP 53473 (in which Octanex NZ holds a 50% partially carried interest) – see Figure 1.

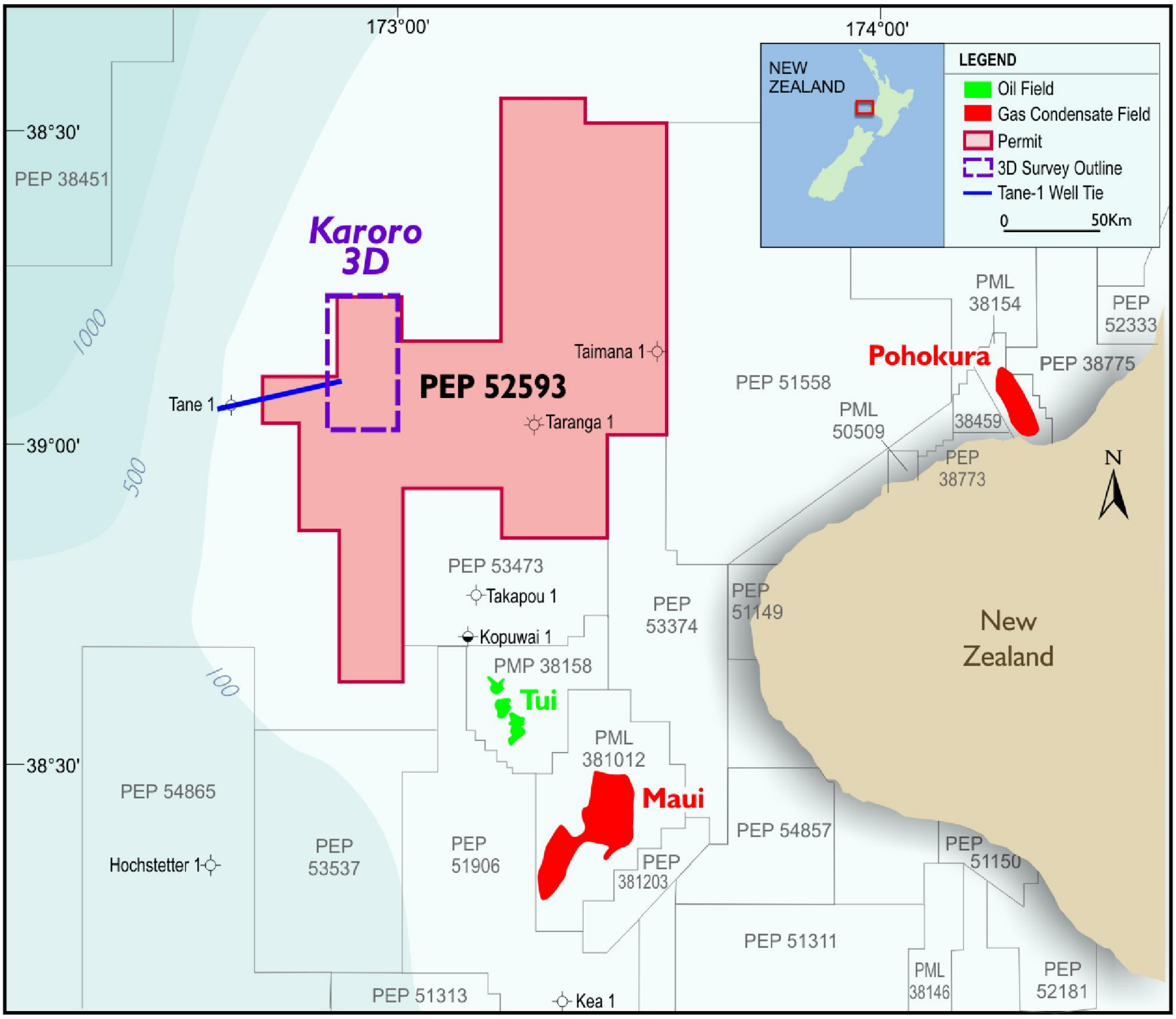

Figure 1: ***Location Map of PEP 52593 and Karoro 3D Survey Area***

Of the total 299km² of new 3D data planned to be acquired by the Karoro survey, approximately 275km² will be acquired within the area of the Permit This will more than fulfil the Permit's work programme requirement, which is to acquire 225km² of new 3D data.

The survey will also include the acquisition of a 'tie line' to the Tane-1 well, which is outside of the Permit boundary to the west.

The Karoro survey is being acquired by the Schlumberger-owned vessel *"MV Western Monarch".* As with the previous Kokako 3D survey, the vessel will utilise a 10-streamer array of 8.3km streamers and is scheduled to take 12 days to complete the acquisition, subject to weather and any other interruptions.

The main focus of the Karoro 3D survey is the attractive Karoro lead identified within the northwest area of the permit – see Figure 2: *Location Map of PEP 52593 Leads and Wells*.

The Karoro lead has been mapped on 2D seismic as a potential anticlinal depth closure within the extend of the North Cape Sand reservoir play that was penetrated and found to be porous in the nearby Tane-1 and Hoki-1 wells – see Figure 2.

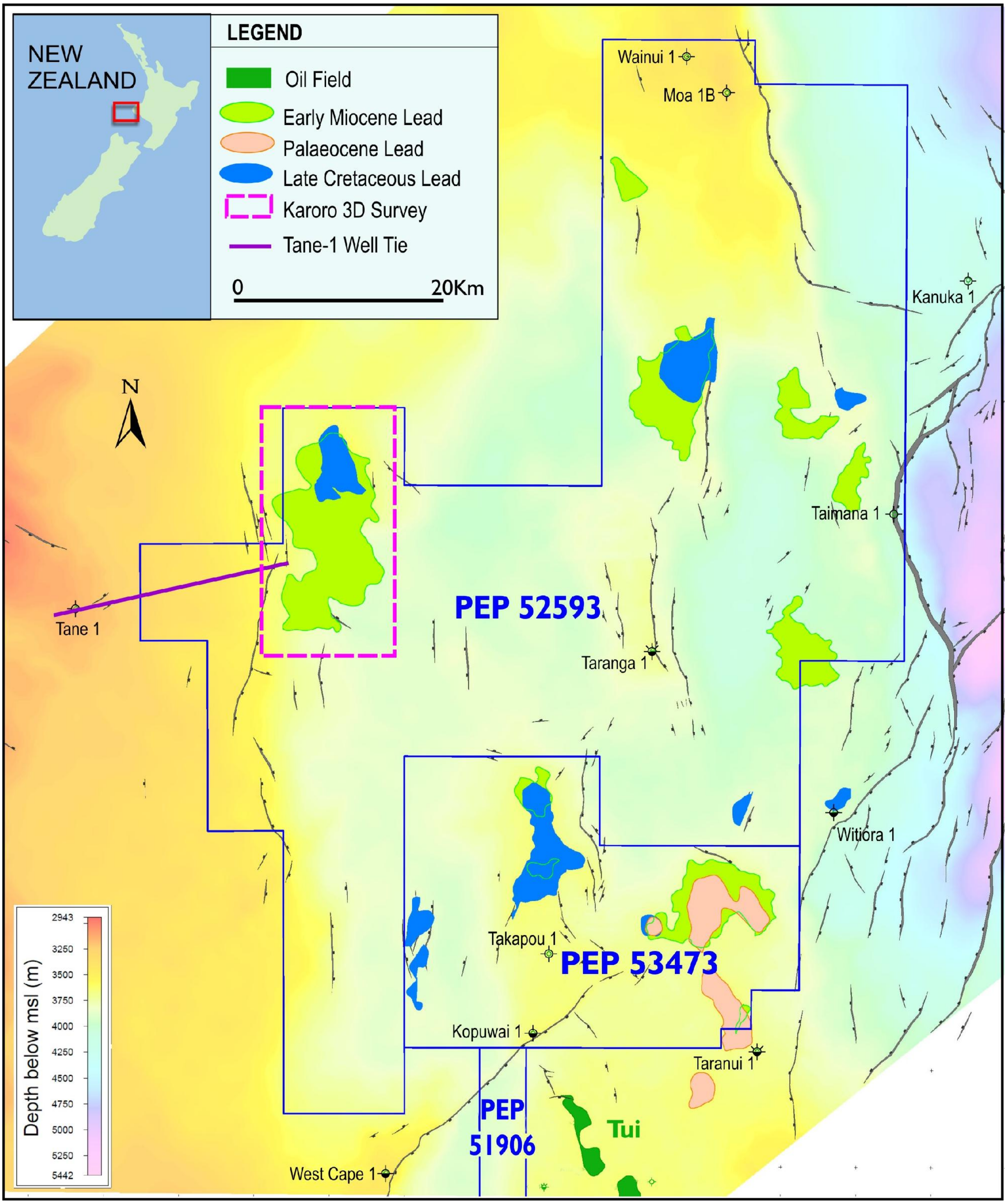

Figure 2: ***Location Map of PEP 52593 Leads (at top Kapuni F Sand horizon) and Wells***

The new 3D data is planned to assist in determining whether the Karoro lead is a valid structural closure and whether the North Cape Sand has preserved porosity; the aim being to elevate the lead to the status of a drillable prospect.

Seismic sections, displaying the interpreted North Cape Sand horizon at the Karoro lead, are displayed below in Figures 3 and 4.

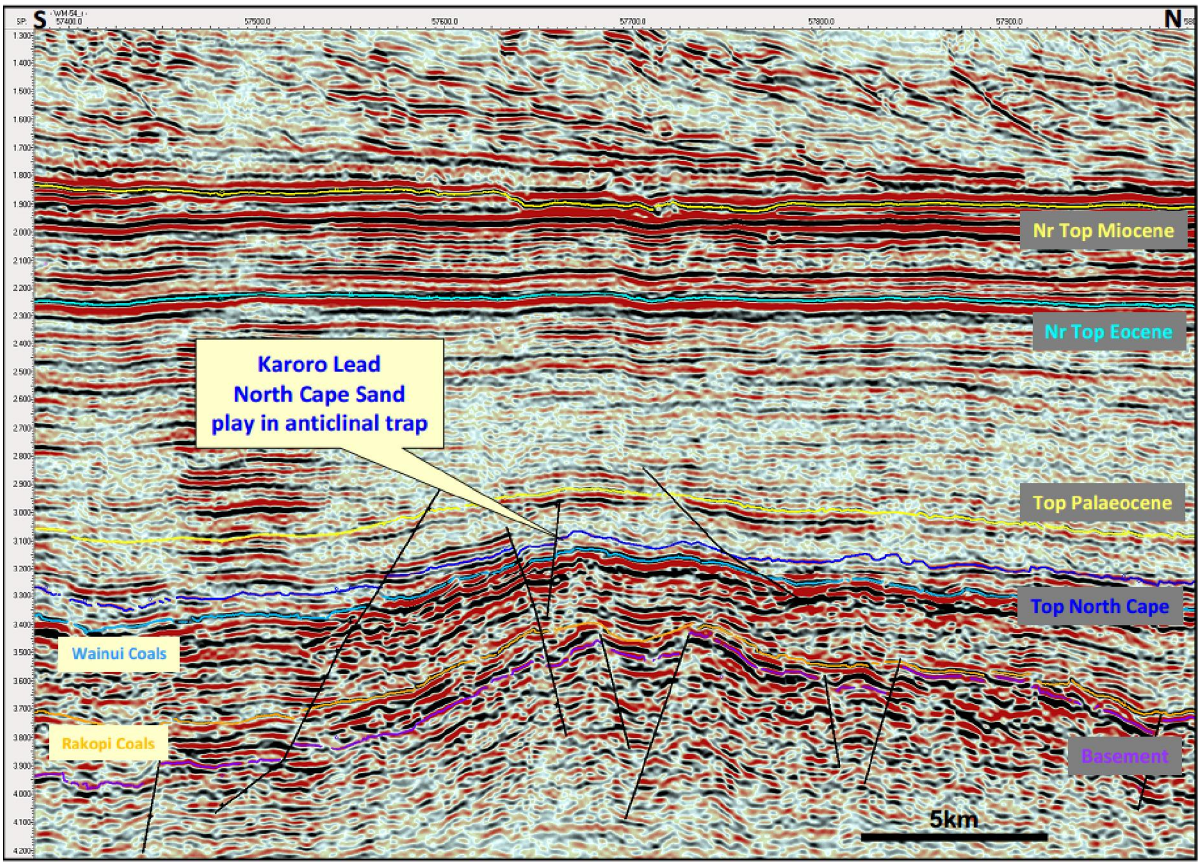

Figure 3: ***North to South seismic line over the Karoro Lead***

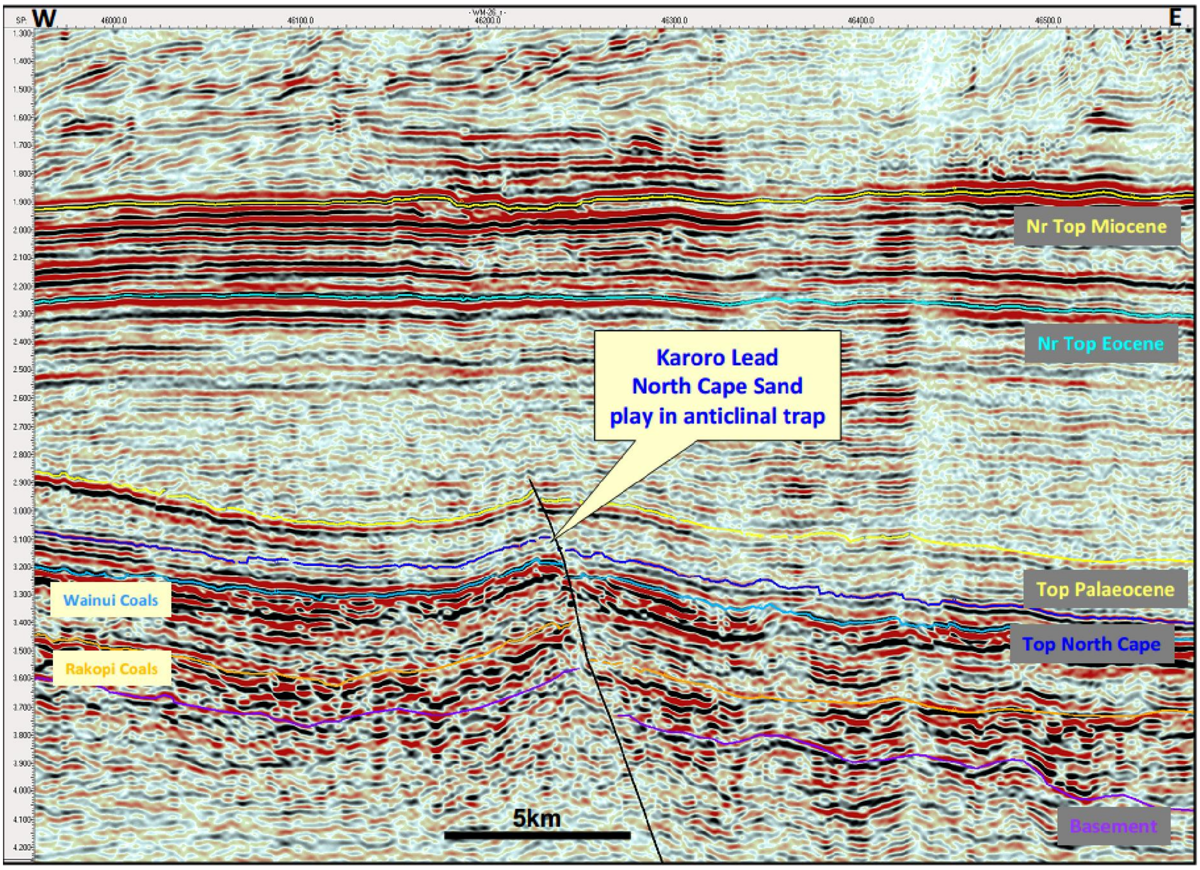

Figure 4: ***West to East seismic line over the Karoro Lead***

The PEP 52593 Joint Venture has until 31 March 2014 to acquire, process, interpret and map the required 250km^2 of new data and to build its inventory of leads and prospects.

Under the terms of the previously announced farmin agreement, Octanex NZ assigned a 50% interest in PEP 52593 to NZOG in consideration of NZOG agreeing to fund 60% of all on-going exploration costs in the Permit, until such time as the Permit is either surrendered, or a commitment is made to the Secretary of Energy to drill a well in the Permit.

Octanex NZ will therefore contribute 40% towards the costs of the Karoro 3D survey, with NZOG meeting 60% of the total costs of acquisition, processing, interpretation and mapping of the survey data.

On behalf of the Board

J.G. Tuohy
Company Secretary

22 April 2013