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MATUKU-1 WELL SPUDS

PEP 51906 – OFFSHORE TARANAKI BASIN, NEW ZEALAND

KEY POINTS:

- **Matuku-1 has been spudded by the Kan Tan IV drilling rig**
- **The well has been designed to test multiple potential target zones**

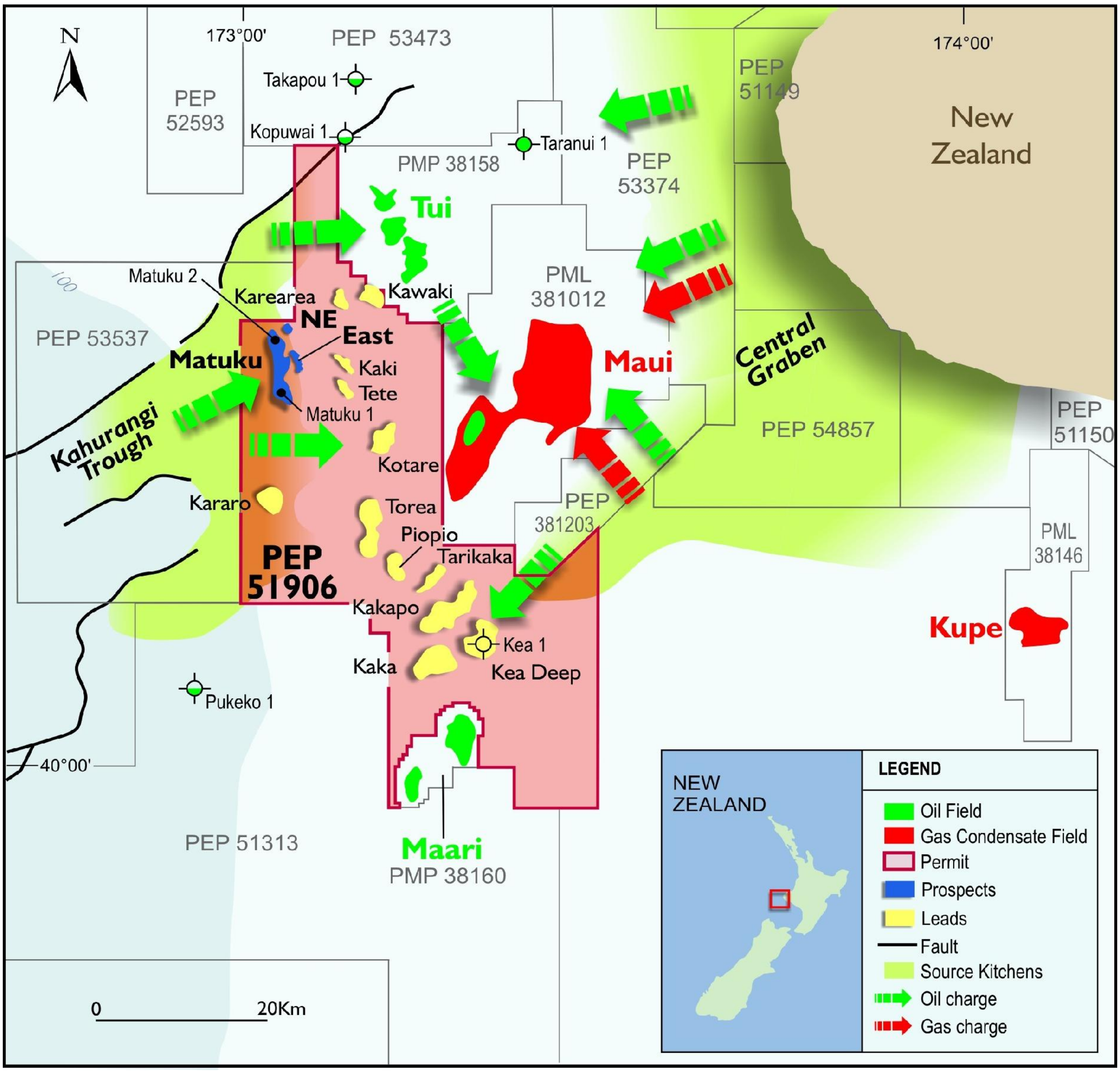

Figure 1: ***Location Map of PEP 51906 and the Matuku-1 Well***

Octanex N.L. ***(ASX Code: OXX)*** (**Company**) has been advised by the Operator of the Matuku-1 exploration well, OMV New Zealand Limited (**OMV**), that the well was spudded at a location within the offshore Taranaki Basin permit PEP 51906 at 13:50 hours on Saturday, 30 November 2013 – see the Figure 1 *Location Map* for PEP 51906 and Matuku-1.

Spudding of the well was delayed due to the rig having to wait on weather.

Matuku-1 is programmed as a vertical well that is being drilled by the Kan Tan IV semi-submersible rig in water depths of approximately 130m. The Kan Tan IV is a mobile offshore drilling unit (MODU) capable of operating in water depths up to 450m and drilling to depths of approximately 7600m.

Dependent upon the results while intersecting the zones of interest (*as detailed below*), Matuku-1 will be drilled to a potential total depth (**TD**) of approximately 4750m MDRT (measured depth below rotary table). The well is scheduled to take 45 days to drill to TD and then abandon.

Matuku-1 is targeting the hydrocarbon potential of the Kapuni Group Farewell Formation F sandstone reservoir (T10 sands); with sandstones of the Kapuni Group Kaimiro Formation D Sand (T20 sands) and Pakawau Group North Cape Formation (K90) being secondary targets – see the Figure 2 *Prospect Map* of Matuku and the well targets.

The Company's wholly-owned subsidiary, Octanex NZ Limited, holds a 22.5% participating interest in the PEP 51906 permit and this interest is being free carried by OMV through the drilling of the Matuku-1 well.

Weekly reports on drilling progress will be released during the initial drilling phase.

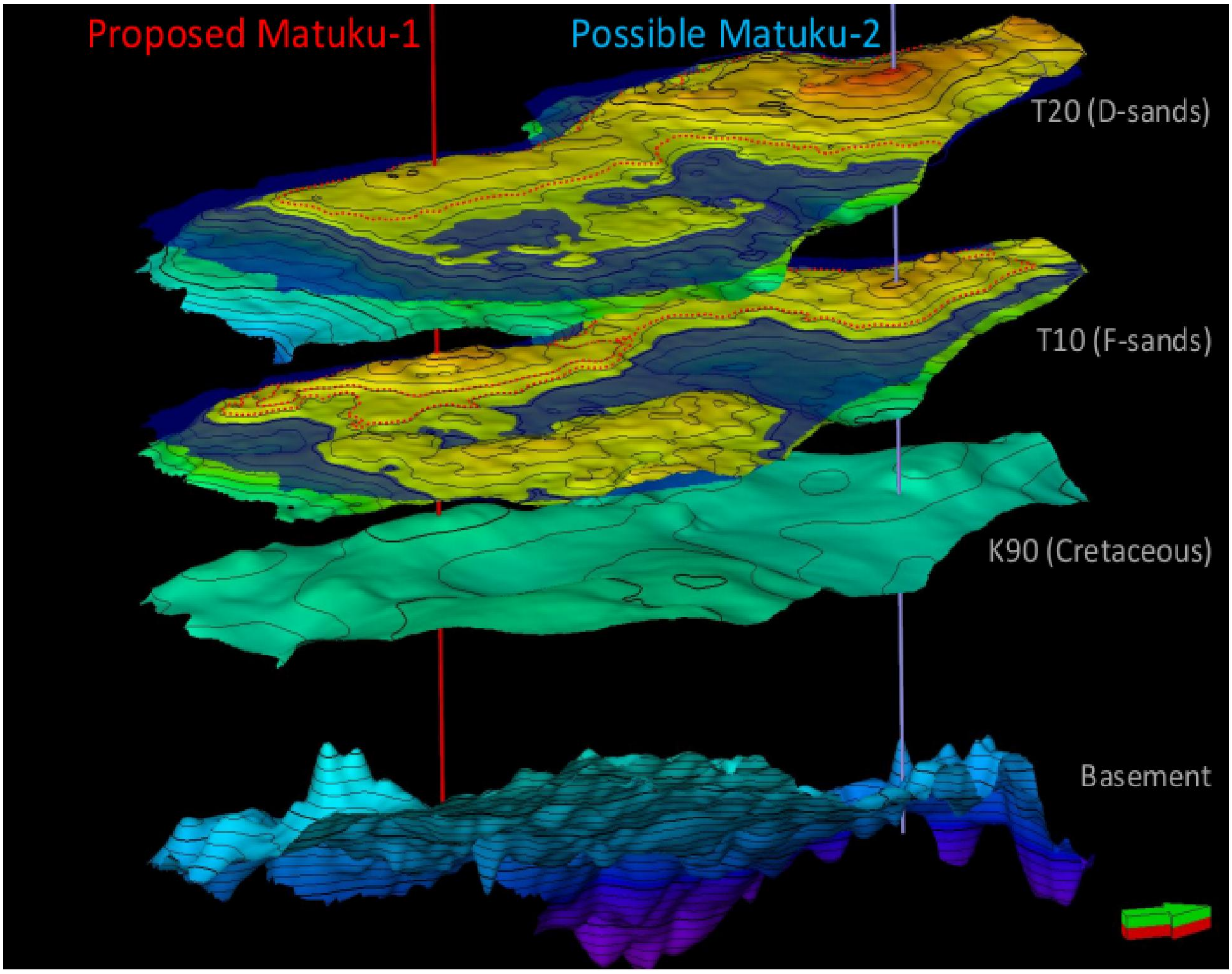

Figure 2: *Matuku Prospect – 3D perspective of Targets*

The participants in the PEP 51906 permit and its Joint Venture are:

OMV New Zealand Limited	65.0%
Octanex NZ Limited	22.5%
Australia and New Zealand Petroleum Limited *(Subsidiary of New Zealand Oil & Gas Ltd* ***(ASX Code: NZO)****)*	12.5%

On behalf of the Board

J.G. Tuohy
Company Secretary

2 December 2013