

Dear Shareholder:

The company's Management and the Board of Directors wish to provide you with an interim update on the progress of Octant Energy's financing and operational activities over the last year.

IPO Financing Update

In the first half of 2018, on the back of rising oil prices, Octant tested the waters for a London listed IPO with the concurrent financing of approximately US\$30 million. Despite the higher oil prices, our financial advisors subsequently advised us that the risk appetite was not there for early stage exploration companies. Since then the spot price of Brent oil has continued its increase to over US\$80 per barrel. We are beginning to witness a start of renewed optimism in the exploration sector but are of the opinion the demand for exploration companies has still not fully recovered to commence IPO activities once again. The company intends to update investors on financing activities once there is a material positive change in market sentiment towards junior oil exploration companies and our financial advisors recommend it is timely to move forward with an IPO or other financing.

Operational Update

Block 1

Octant holds an 80% interest in the Block 1 oil concession in northern Kenya on the border with Somalia. Work on this block remains paused due to continued security risks in the region. To help improve the security situation on a long-term basis, the International Development Agency is financing a North/South road through the region. To begin construction on the road the security problems in the area must be alleviated in advance and Octant intends to monitor the situation closely. We will leverage off this improved security situation to complete our seismic work in the area following the successful future financing. At present, the timeline is for road construction to begin the middle of 2019, but this timeline is vulnerable to slippage.

Block 17/18

Block 17/18, 100% owned by Octant, is located on the coast of Kenya from the Tanzania border up to the port of Mombassa. Octant has several targets identified both onshore and offshore totalling 656 million barrels of oil (PMean). Our current data indicate that the best two targets on the block are offshore. Octant received good news over the most recent quarter when our operations team determined that one of the offshore prospects is reachable from an onshore drilling location, thus dramatically reducing the cost of a well. We are now working on an updated Environmental Impact Assessment ("EIA") for a drill site from this new location. This prospect, called the Wasin prospect, targets 143 million barrels (PMean).

Tanga Block

Octant has a 74% working interest in the Tanga block located along the northern coast of Tanzania bordering our Block 17/18 in Kenya. There are high expectations in the prospectivity of the block's several offshore targets that target a total a 548 million barrels (PMean). Although Octant purchased the Tanga block from Afren's bankruptcy receiver in 2016, we have experienced delays from moving forward with the asset until receipt of a formal Deed of Assignment from the Tanzanian Government. At several points in the past, we felt approval was imminent. Maximizing our efforts towards obtaining this Deed of Assignment from the Tanzanian authorities is one of Octant's highest priorities.

Interim Financing

To cover costs over the near-term, Octant will seek to raise approximately US\$1,000,000 in equity from existing investors via an Open Shareholder Placement. Complete details on this shareholder only offering will be being circulated by the transfer agent shortly. These funds are intended to cover Octant's requirements until the end of the first quarter of 2019. Rosseau Asset Management is expected to participate for its pro-rata economic share in the financing and take up any shares that are not subscribed for up to a maximum of US\$1,000,000.

Overview

Octant continues advancing the assets while an improving environment for the financing of our drill program matures around us. The company is fortunate enough to be one of a handful of juniors in the position to continue moving its projects forward, while being fully prepared to tap the financing window when it opens. Kenya and Tanzania have prospectivity that is continually demonstrated and refined while Octant positions itself for successful future operations.