

ASX-RNS Announcement

27th May 2022

ASX: OEX / AIM: OEX

Cambay Reserves Re-classification

Oilex Limited (**Oilex** or the **Company**) is pleased to announce the following update with respect to the re-classification of Cambay gas and condensate volumes to reserves and increase in resources.

Summary

1. A review of Oilex's net reserve and resource position in the Cambay PSC by an independent reserves auditor has resulted in the return of 206 BCF of gas and 8 million barrels of condensate to the 2P Reserves category from Contingent Resources.
2. Oilex's participating interest in the reserves and resources has increased from 45% to 100% following its purchase of GSPC's share of the project.

The revised reserve and resource position showing the re-allocation from Contingent Resource category to Reserves and the increase in volumes from the GSPC acquisition is shown in Tables 1 and 2:

Table 1 Reconciliation of Reserves (Net to Oilex)


| Reserves (Oilex WI %) | Gas (Bscf) | | | Condensate (MMstb) | | |
|--------------------------|------------|-----|-----|--------------------|----|------|
| | 1P | 2P | 3P | 1P | 2P | 3P |
| At 1 June 2016 (45%) | 0 | 0 | 0 | 0 | 0 | 0 |
| At 1 June 2022 (100%) | 0 | 206 | 377 | 0 | 8 | 17.3 |

Table 2 Reconciliation of Contingent Resources (Net to Oilex)

| Contingent Resources (Oilex WI %) | Gas (Bscf) | | | Condensate (MMstb) | | |
|--------------------------------------|------------|-----|------|--------------------|------|------|
| | 1C | 2C | 3C | 1C | 2C | 3C |
| At 1 June 2016 (45%) | 215 | 417 | 728 | 12 | 27.4 | 54.6 |
| At 1 June 2022 (100%) | 388 | 720 | 1239 | 23.7 | 52.8 | 104 |

Background

In April 2015, the Company tabled a Resource Report on the Cambay Field Eocene gas and condensate reservoir which is the same reservoir that hosts current oil and gas production and that is the focus of upcoming re-frac of the C-77H well as reported in recent announcements. The resource report was prepared by independent oil and gas advisors RISC and allocated recoverable gas and condensate volumes across Reserve, Contingent Resources and Prospective Resources categories. In June 2016, due to changes in economic assumptions specifically a fall in world oil and gas prices and the then impasse with GSPC deferring field development activities, the Reserves component of the overall gas and condensate volumes was re-classified to Contingent Resources while the aggregate Reserve and Resource volumes remained unchanged.

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RISC has again reviewed the recent material changes to the circumstances surrounding the Cambay project which remove the previous impediments to progress on the project development. These changes include the following:

1. Grant of a PSC term extension to September 2029 by the Indian government
2. Approval of a Field Development Plan for the Eocene reservoir by the Indian regulator (the Directorate General of Hydrocarbons)
3. Resolution of the joint venture impasse through Oilex's purchase of GSPC's participating interest taking Oilex's participating interest to 100%
4. Recommencement of gas and condensate production from the Eocene reservoir with delivery of gas to buyers under a new gas sales agreement
5. Issue of new Environmental Clearances by the Indian government
6. Oilex's commitment to the required work program to develop the resources including advanced planning and contracting for a re-frac of the C-77H well planned to commence in July 2022
7. Improvements in economic factors including the high current global and Indian oil and gas prices and the high demand for petroleum products in India.

As a result the contingencies for development identified in 2016 have been resolved and RISC consider that the Reserves re-classified as Contingent Resources in 2016 can now be reclassified as undeveloped Reserves, justified for development as shown in Table 1. The company's net volumes have also increased following the GSPC acquisition as shown in Tables 1 and 2. At this point in time the 1P allocation is zero. Under the Society of Petroleum Engineers Petroleum Resource Management System (PRMS) the 1P volumes may be attributed once capital has been spent and a commercial analysis has confirmed a positive NPV¹⁰. Oilex intends that 1P volumes will be added at the appropriate time.

Oilex's Chief Executive Officer, Roland Wessel, commented:

"The return of the volumes from contingent resource to reserve classification and the increase in overall volumes reflect the very significant and positive advances made by the Company over the last 12 months. The current efforts to re-frac the C-77H well and increase production levels are on schedule and it is expected that equipment will be mobilised to the Cambay field in June with the re-frac flow back testing scheduled for July. Current production at C-77H confirms the presence of gas and condensate within a tight formation and specialist advice received on implementing a re-frac stimulation suited to the geology of the formation will provide the best opportunity to realise commercial gas flows. A successful outcome will allow further field development to be undertaken to address the large gas and condensate volumes that have been identified."

Qualified Petroleum Reserves and Resources Evaluator Statement

Pursuant to the requirements of Chapter 5 of the ASX Listing Rules, the information in this report relating to petroleum reserves and resources is based on and fairly represents information and supporting documentation prepared by or under the supervision of Mr Joe Salomon, Chairman employed by Oilex Ltd. Mr Salomon has over 30 years' experience in petroleum geology and is a member of the Society of Petroleum Engineers and AAPG. Mr Salomon meets the requirements of a qualified petroleum reserve and resource evaluator under Chapter 5 of the ASX Listing Rules and consents to the inclusion of this information in this report in the form and context in which it appears. Mr Salomon also meets the requirements of a qualified person under the AIM Note for Mining, Oil and Gas Companies and consents to the inclusion of this information in this report in the form and context in which it appears.

For and on behalf of Oilex Ltd



Roland Wessel
Chief Executive Officer

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