



Summary

CAMBAY PSC, ONSHORE GUJARAT, INDIA

- Successfully finished the Cambay-77H production test
- Delivered the Proof of Concept, demonstrating the Cambay Field can be commercially developed
- Initial production profiles indicate robust economics, despite the recent sharp drop in oil prices
- Government of India approve the grant of an extension of the Petroleum Mining Lease for the Cambay Field to 22 September 2019

BHANDUT FIELD, ONSHORE GUJARAT, INDIA

- Endorsement from the Government of India for the sale of gas from the Bhandut-3 well, located within the Bhandut Field
- Commenced establishing production facilities for Bhandut-3, including a compressed natural gas (CNG) loading facility that will enable CNG “bullet” trucks to be loaded at site for transportation of the gas to end users

STP-EPA-0131 (Formerly SPA 17 AO), ONSHORE CANNING BASIN, WESTERN AUSTRALIA

- WA Department of Mines and Petroleum (DMP) approval of Oilex’s application to convert the Special Prospecting Authority (SPA 17 AO) to Exploration Permit Application
- The newly acquired survey data with 2D seismic, regional gravity, magnetic, surface geological and well data, confirms Oilex’s structural model of the Wallal Graben and its extension into STP-EPA-0131

CORPORATE

- Completion of Share Purchase Plan raising a total of A\$2.5 million before costs
- On 28 January 2015 Oilex announced the appointment of Mr Jeffrey D Auld as an independent Non-Executive Director. The appointment of a UK based independent non-executive director, with significant experience in the London capital markets and upstream oil and gas industry, is in line with the Company’s decision to appoint additional directors to achieve the right mix of skills, experience and diversity which reflects the Company’s strategy and increase the balance of independence on the Board.

Operations review

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

No Lost Time Incident recorded during the quarter.

TOTAL NET OIL PRODUCTION – 849 BBLs for the quarter

CAMBAY FIELD, GUJARAT, INDIA (Oilex: Operator and 45% interest)

The Cambay Field delivered net oil production of 849 barrels for the three months to 31 December, a decrease of 43% on the previous quarter due to the shut-in of Cambay-77H after finishing the production test.

Significant progress was achieved during the quarter on the Cambay Field development. The Company successfully completed the Cambay-77H production test. The test was focused on acquiring long term performance data which is essential for assessment of reservoir properties and will supplement surface data collected during flowback. A 5 day shut-in period preceded the test to allow the well to stabilise after ~ 85 days of flowback production.

The formal test had two distinct sections:

- 300 hour (12.5 days) flow period, where the well flowed on a constant choke size after achieving stable flow soon after opening; and
- 300 hour shut-in period, where data continues to be recorded and monitored.

The production test is the final major field activity for Cambay-77H. Oilex will now focus on putting Cambay-77H into production as soon as possible, as well as incorporating the proof of concept outcomes into the planning for the next drilling campaign.

Delivering the Proof of Concept

Proof of Concept objectives are critical to demonstrating that the Cambay Field can be commercially developed using multi-stage fracture treatments (fracs) in horizontal wells. Key objectives achieved include:

- Efficient drilling operations demonstrating the repeatability of targeting the Y zone
- Y zone reservoir properties are laterally consistent, having variability within expectations
- Successful completion of 8 fracture treatments
- Successfully demonstrated “Plug and Perf” completion technique in India
- First horizontal well in the Cambay Basin with multiple fracture treatments to achieve flowback
- Flowback data used to calibrate horizontal well model for the first time
- Future well designs may have wider frac spacing, leading to significant cost savings

The Cambay Field is expected to have robust economics, despite the recent sharp drop in oil prices. Initial production profiles modelled by the Company for the next three horizontal wells using the Cambay-77H data provide the following indicative value metrics per well:



Well configuration	Product slate	10 Yr Assumed recovery (BOE)	Payback (Months)	NPV ₁₀ /BOE US\$
700m lateral with 9 fracs	Gas	531,000	~48	\$1
700m lateral with 9 fracs	Gas + Oil	680,000	~22	\$15
1,400m lateral with 18 fracs	Gas + Oil	>1,000,000	~12	>\$20

The above modelling assumes a US\$70 / Bbl oil and US\$8 / MSCF gas price. The NPV calculation assumes utilisation of existing tax losses. Full field economics will be assessed after completion of the engineering studies, including determining the appropriate throughput rate for gas processing facilities. A well with 700m lateral and 9 fracs compares favourably with Oilex's previous commercial assessment for Cambay.

The "700m gas only" well shows the economic impact of no revenue from concurrent oil production. Initial modelling indicates that even a gas well with no associated liquids is economic. A further positive from analysis of the Cambay-77H data is the significantly higher oil gas ratio (OGR), which has a material positive impact on the revenue stream from future Cambay horizontal wells.

The well economics are underpinned by the significant excess demand over supply within the Indian domestic economy, which is forecast to grow. According to the US Energy Information Agency:

- India is a significant importer of crude oil, as the country's demand growth continues to outstrip domestic supply growth; and
- Natural gas serves as a substitute for coal in electricity generation and fertiliser production in India. The country began importing liquefied natural gas in 2004 and increasingly relies on imports to meet domestic natural gas needs.

Oilex has concluded two gas sale agreements (GSA) to date. GSAs are conducted via a bid system, with buyers submitting offers to purchase via a tender process. Given the demand for gas by nearby industrial users, strong pricing is secured, above the floor price recently established by the Indian Government.

Existing industry located within 15km of the Cambay Field also means very low capital cost is associated with sales of gas to the local market and the tie-in to existing gas transmission pipeline network. The network has excess capacity for additional gas that can be used for gas from the Cambay Field.

Subsequent to the reporting period:

Oilex has received approval from the Government of India for the grant of an extension of the Petroleum Mining Lease (PML) for the Cambay Field to 22 September 2019.

The Government of India has endorsed the sale of gas from Cambay-77H. Oilex is pleased by the Indian Government's ongoing support for the development of the Cambay Field.

Following the completion of the production test for Cambay-77H and to ensure Oilex can execute the next phase of the development at Cambay, Oilex has appointed Mr Jayant R Sethi, as Head of India Assets. Mr Sethi will report directly to the Managing Director and have overall responsibility for delivery of value from the Indian business including the execution of the forthcoming drilling campaign at Cambay. Mr Sethi has over 30 years of experience in Oil & Gas Upstream industry, including with ONGC and Cairn India before joining Oilex.

BHANDUT FIELD, GUJARAT, INDIA

(Oilex: Operator and 40% interest)

During the quarter Oilex received endorsement from the Government of India for the sale of gas from the Bhandut-3 well, located within the Bhandut Field. This is a critical milestone for returning the field to production, supplying gas to the local market and generating positive cash flow for the Company from a previously idle asset.

Now that endorsement of the gas sales agreement has been received, the Bhandut Joint Venture will proceed to establish the appropriate production facilities for Bhandut-3. This will include a compressed natural gas (CNG) loading facility that will enable CNG “bullet” trucks to be loaded at site for transportation of the gas to end users. Bhandut-3 gas is “lean” and therefore no material condensate production is expected.

As previously announced on 20 August 2013, Bhandut-3 flowed at a maximum rate of 6.5MMscfd through a 10mm choke with a flowing tubing head pressure of 1,190 psia during an isochronal test. The test confirmed the reservoir sand has a permeability of 124mD, making it a conventional reservoir. It is planned to deliver approximately 0.5-1MMscfd from the Bhandut-3 well. The Company anticipates the cost of the production facilities payback in 7 months from commencement of production based upon the contracted gas price.

SABARMATI FIELD, GUJARAT, INDIA

(Oilex: Operator and 40% interest)

During the quarter the Joint Venture finalised cost estimates for the plug and abandonment of the Sabarmati-1 well and commenced the process to obtain Government of India approval to relinquish the Sabarmati Field. Plug and abandonment activities are expected to be completed in Q1 2015. As part of the relinquishment of the Sabarmati Field, Oilex plans to transfer equipment from Sabarmati EPS facility for possible future use at Cambay field.

STP-EPA-0131 (Formerly SPA 17 AO) Wallal Graben, CANNING BASIN, WESTERN AUSTRALIA

(Oilex: Operator and 100% interest)

During the quarter the WA Department of Mines and Petroleum (DMP) approved Oilex’s application to convert the Special Prospecting Authority (SPA) (SPA 17 AO) to Exploration Permit Application (STP-EPA-0131).

The committed work program for SPA 17 AO was fulfilled by the acquisition, processing and interpretation of a 4,060 line km gravity gradiometry/magnetic survey (Survey). Under the terms of the SPA, Oilex had exclusive rights to negotiate a formal exploration permit with the Government of Western Australia. The terms of the SPA state that the area retained as an exploration permit from within the SPA is limited to 30-50% of the total area.

The final report for SPA 17 AO incorporating the newly acquired Survey data with 2D seismic, regional gravity, magnetic, surface geological and well data, confirmed Oilex’s structural model of the Wallal Graben and its extension into SPA 17 AO.

The committed work program negotiated for the exploration permit comprises an airborne gravity/magnetic survey designed to “infill” the recently acquired Survey. This will facilitate a much higher resolution image and interpretation of the Wallal Graben extension. The retained area (5,443 km²) to be converted to STP-EPA-0131 encompasses the entire Wallal Graben extension and represents 48% of the original SPA area (Figure 1).

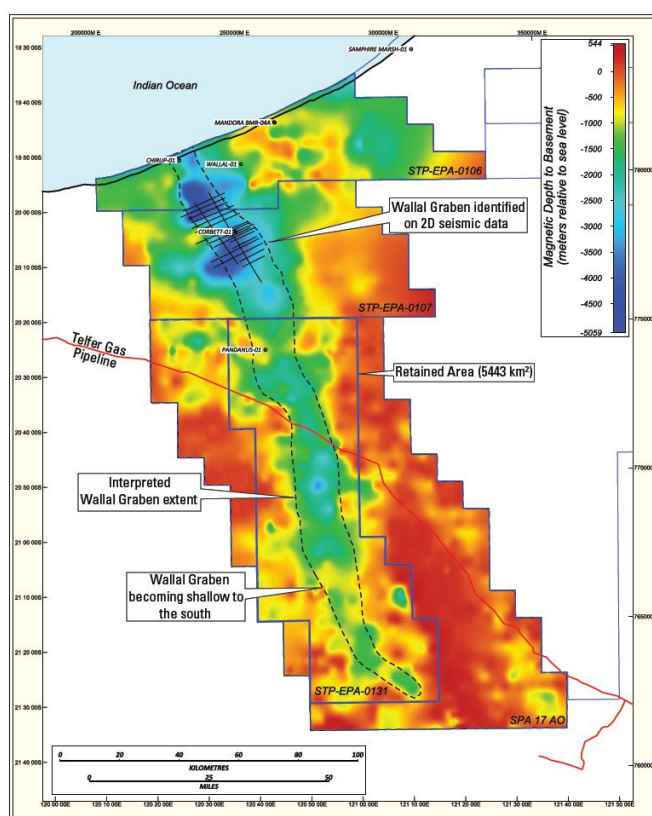


Figure 1: Interpretation of the Wallal Graben extent overlain on the magnetic depth to basement horizon (meters relative to sea level)

The graben is present in Oilex’s three, 100%-owned, exploration areas encompassing approximately 11,900 km² (~3 million acres). The acreage is in a unique position in the Canning Basin as it is adjacent to many world class mining projects in the Pilbara region. This activity has led to the development of a significant amount of infrastructure in the area with the Great Northern Highway, numerous sealed roads, good quality graded roads and multiple airstrips being present within

the Oilex acreage. The Telfer Gas pipeline traverses STP-EPA-0131 and any future pipelines from the Canning Basin to the main export terminals at Port Hedland and Karratha would have to pass through the acreage (Figure 2).

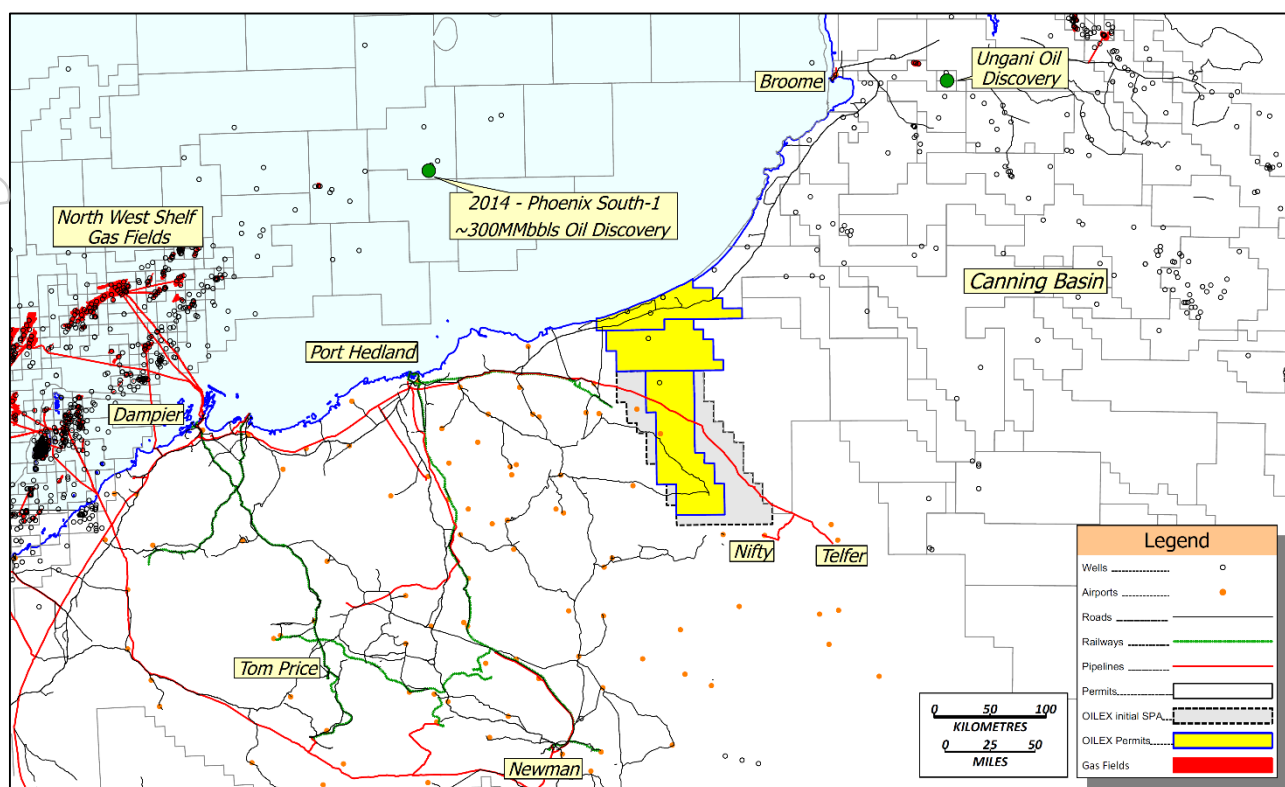


Figure 2: Significant infrastructure within and adjacent to Oilex's Walla Graben permits – a unique situation in the Canning Basin

Farm-out activities are in progress and the new data and commitment program has been incorporated into the discussions with prospective farminees. Negotiations with the Traditional Owners on Native Title Agreement(s) applicable for all areas are nearing completion. The regulatory process of conversion to a formal exploration permit have commenced with the DMP.

STP-EPA-0106, STP-EPA-0107 CANNING BASIN, WESTERN AUSTRALIA (Oilex: Operator and 100% interest)

Negotiations with Traditional Owners on Native Title agreements are continuing. Once agreements are finalised, the regulatory process of conversion to a formal exploration permit will commence.

JPDA 06-103, TIMOR SEA (Oilex: Operator and 10% interest)

In October 2014 the ANP extended the temporary suspension of the PSC for a further 3 months to enable the completion of the ANP legal assessment and continued discussion between the parties to address the way forward. Subsequent to the end of the quarter, a further extension of the temporary suspension has been granted.

WEST KAMPAR PSC, CENTRAL SUMATRA, INDONESIA (Oilex: 45% interest and further 22.5% secured*)

A Court approved Scheme of Arrangement has been approved by creditors to repay acknowledged creditors over a 10 year period. Oilex is pursuing enforcement of the Arbitration Award.

NEW OPPORTUNITIES

No work completed during the quarter.

CORPORATE

During the quarter the Company raised \$2.5 million before costs via a Share Purchase Plan which closed on 16 December 2014. At the end of the quarter the Company retained a cash position of \$5.4 million.

Dr Bruce McCarthy retired as a Non-Executive Director at the AGM held 18 November 2014. On 28 January 2015 Oilex announced the appointment of Mr Jeffrey D Auld as a Non-Executive Director. The appointment of a UK based independent non-executive director, with significant experience in the London capital markets and upstream oil and gas industry, is in line with the Company's decision to appoint additional directors to achieve the right mix of skills, experience and diversity which reflects the Company's strategy and increase the balance of independence on the Board. Further appointments to the Board may be made, if the Board identifies other non-executive directors with the right mix of skills, experience and diversity which reflects the Company's strategy and further increases the balance of independence on the Board.

The Company's website www.oilex.com.au is regularly updated with current information.

CORPORATE DETAILS

Board of Directors

Max Cozjin	Non-Executive Chairman
Sundeeep Bhandari	Non-Executive Vice Chairman
Jeffrey Auld	Non-Executive Director
Ron Miller	Managing Director

Share Registry (as of 2 February 2015)

Link Market Services Limited
Central Park
Level 4
152 St. Georges Terrace
Perth, WA 6000
Telephone:
+1300 554 474
Website:
<https://investorcentre.linkmarketservices.com.au>

Company Secretary

Chris Bath	Chief Financial Officer & Company Secretary
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Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom
Telephone: +44 (0) 870 703 6149
Facsimile: +44 (0) 870 703 6116

Stock Exchange Listing

Australian Securities Exchange	Code: OEX
AIM Market of London Stock Exchange	Code: OEX

Capital Structure as at 31 December 2014

Ordinary Shares	677,905,419
Listed Options	188,597,091
Unlisted Options	35,225,000

ASSET SCHEDULE – 31 DECEMBER 2014

ASSET	LOCATION	JOINT OPERATIONS PARTIES	EQUITY %	OPERATOR
Cambay Field PSC	Cambay/ Gujarat/ India	Oilex Ltd	30.0	Oilex Ltd
		Oilex NL Holdings (India) Limited	15.0	
		Gujarat State Petroleum Corp. Ltd	55.0	
Bhandut Field PSC	Cambay/ Gujarat/ India	Oilex NL Holdings (India) Limited	40.0	Oilex NL Holdings (India) Limited
		Gujarat State Petroleum Corp. Ltd	60.0	
Sabarmati Field PSC	Cambay/ Gujarat/ India	Oilex NL Holdings (India) Limited	40.0	Oilex NL Holdings (India) Limited
		Gujarat State Petroleum Corp. Ltd	60.0	
West Kampar PSC	Central Sumatra/ Indonesia	Oilex (West Kampar) Limited	67.5 ⁽¹⁾	PT Sumatera Persada Energi
		PT Sumatera Persada Energi	32.5	
JPDA 06-103 PSC	Flamingo/ Joint Petroleum Development Area/Timor-Leste & Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd
		Japan Energy E&P JPDA Pty Ltd	15.0	
		GSPC (JPDA) Limited	20.0	
		Videocon JPDA 06-103 Limited	20.0	
		Bharat PetroResources JPDA Ltd	20.0	
		Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15.0	
STP-EPA-0131 (formerly SPA 17 AO)	Canning/Western Australia	Admiral Oil Pty	100.0	Admiral Oil Pty Ltd
STP-EPA-0106	Canning/Western Australia	Admiral Oil and Gas (106) Pty Ltd	100.0	Admiral Oil and Gas (106) Pty Ltd
STP-EPA-0107	Canning/Western Australia	Admiral Oil and Gas (107) Pty Ltd	100.0	Admiral Oil and Gas (107) Pty Ltd

(1) Oilex (West Kampar) Limited is entitled to have assigned an additional 22.5% to its holding through the exercise of its rights under a Power of Attorney granted by SPE following the failure of SPE to repay funds due. The assignment has been provided to BPMigas (now SKK Migas) but has not yet been approved or rejected. If Oilex is paid the funds due it will not pursue this assignment.

LIST OF ABBREVIATIONS AND DEFINITIONS

Barrel/bbl	Standard unit of measurement for all oil and condensate production. One barrel is equal to 159 litres or 35 imperial gallons.
MMBO	Million standard barrels of oil or condensate
MSCFD	Thousand standard cubic feet (of gas) per day
MMSCFD	Million standard cubic feet (of gas) per day
BBO	Billion standard barrels of oil or condensate
BCF	Billion Cubic Feet of gas at standard temperature and pressure conditions
Discovered in place volume	Is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production
Undiscovered in place volume	Is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered
PSC	Production Sharing Contract
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied.

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. Peter Bekkers, Chief Geoscientist employed by Oilex Ltd. Mr. Bekkers has over 17 years' experience in petroleum geology and is a member of the Society of Petroleum Engineers and AAPG. Mr. Bekkers 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. Bekkers 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.

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.13 Total operating and investing cash flows (brought forward)	(2,054)	(7,501)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc (net)	2,313	5,403
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings (net)	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	2,313	5,403
Net increase (decrease) in cash held	259	(2,098)
1.20 Cash at beginning of quarter/year to date	5,149	7,456
1.21 Exchange rate adjustments to item 1.20	18	68
1.22 Cash at end of quarter	5,426	5,426

Payments to directors of the entity and associates of the directors	Current quarter \$A'000
Payments to related entities of the entity and associates of the related entities	
1.23 Aggregate amount of payments to the parties included in item 1.2	179
1.24 Aggregate amount of loans to the parties included in item 1.10	
1.25 Explanation necessary for an understanding of the transactions	

2 Non-cash financing and investing activities
2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows N/A
2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest N/A

3 Financing facilities available	Amount available \$A'000	Amount used \$A'000
<i>Add notes as necessary for an understanding of the position.</i>		
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

4 Estimated cash outflows for next quarter	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	580
4.3 Production	150
4.4 Administration	800
Total	3,030

5 Reconciliation of cash		
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,286	3,058
5.2 Deposits at call	140	2,091
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,426	5,149

6 Changes in interests in mining tenements and petroleum tenements				
	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Refer to Permit/Asset Schedule in Quarterly Report		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer to Permit/Asset Schedule in Quarterly Report		

7 Issued and quoted securities at end of current quarter <i>Description includes rate of interest and any redemption or conversion rights together with prices and dates.</i>				
	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference +securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	677,905,419	677,905,419	Various	-
7.4 Changes during quarter				
(a) Increases through rights issue or placement	60,975,610	60,975,610	\$0.041	-
(b) Increases through employee performance rights issues	-	-	-	-
(c) Increases through issues (options exercised)	2,000	2,000	\$0.15	-
(d) Decreases through returns of capital, buy-backs	-	-	-	-

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Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)			Exercise price	Expiry date
	188,597,091	188,597,091	\$0.15	07/09/2015
	75,000	-	\$0.63	01/08/2015
	3,000,000	-	\$0.15	17/12/2015
	1,000,000	-	\$0.15	30/01/2016
	5,000,000	-	\$0.25	08/03/2016
	500,000	-	\$0.15	27/06/2016
	2,000,000	-	\$0.15	04/11/2016
	2,000,000	-	\$0.15	11/11/2016
	3,000,000	-	\$0.15	05/12/2016
	1,000,000	-	\$0.25	30/01/2017
	250,000	-	\$0.15	10/03/2017
	500,000	-	\$0.25	27/06/2017
	1,325,000	-	\$0.25	05/08/2017
	1,500,000	-	\$0.25	25/08/2017
	2,000,000	-	\$0.25	11/11/2017
	5,000,000	-	\$0.10	22/12/2017
	250,000	-	\$0.25	10/03/2018
	1,325,000	-	\$0.35	05/08/2018
	4,000,000	-	\$0.15	29/04/2019
	1,500,000	-	\$0.35	25/08/2019
Total	223,822,091	188,597,091		
7.8 Issued during quarter	5,000,000	-	\$0.10	22/12/2017
7.9 Exercised during quarter	2,000	2,000	\$0.15	07/09/2015
7.10 Expired during quarter	8,737,500	-	\$0.37	10/11/2014
7.11 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (totals only)	Nil	Nil		

COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30 January 2015

CFO & Company Secretary

Print name: Chris Bath

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