

ASX Announcement

9 March 2015

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India Operations Update

- Cambay 2015-2016 work program and budget approved
 - 2 firm wells + 2 contingent wells and 5 firm workovers to enhance production
- Tendering process for long lead equipment has commenced
- Updated independent Reserves and Resource statement anticipated to be complete during April 2015
- Progressing facilities construction, with increased production expected in H2 2015
- Engineering studies for permanent gas processing facilities have commenced
- Head of India Assets appointed to lead operational activities

Oilex Ltd is pleased to provide the following update of activities at the Company's Indian Assets.

Cambay Field

Work program and budget 2015/16

Subsequent to the successful flowback and production testing of the proof of concept well, Cambay-77H, Oilex commenced planning for the 2015/16 work program year. The work program has been approved by both the Joint Venture and the Government of India. Oilex has commenced work on schedule critical tendering activities and expects to take advantage of the recent decrease in global oil & gas activity to achieve a reduction in drilling and other costs.

The work program consists of a firm 2 well drilling campaign and 2 contingent wells for which all long lead items will be procured concurrently such that a timely decision can be made to commit to the contingent wells. Additional detail regarding the wells and their locations are included in an addendum to this announcement. The first well is expected to spud late in H2 2015, subject to the finalisation of funding. Full diameter core across the Y zone will be collected in each firm well. Special analyses will be conducted on each core and the data obtained from the analyses will be used to finalise the frac design for each well. Core analysis is widely undertaken in North America and it is anticipated that core data will enable a better frac efficiency to be achieved compared to Cambay-77H.

Update of independent Reserves and Resource Statements

The Company has compiled production data for the past 3 years, as well as data for Cambay-77H and Cambay-73 into a comprehensive package to enable an update of the October 2011 Resource Statement. The updated Independent Reserves and Resource statement is scheduled for completion during April 2015.

Production and facilities

Construction of production facilities at Cambay-73 is on track and approximately 50% complete.

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Prior to the commencement of the horizontal well drilling campaign, the JV plans to commence a 5 well work-over campaign to boost oil and possibly gas production. This work-over campaign is integral to achieving the Company's target of cash flow positive operations in India during 2015, excluding CAPEX. By finishing the work-over program before the drilling campaign, deployment of manpower and equipment can be optimised.

Engineering studies for permanent production and gas treatment facilities has commenced. These studies will examine the cost and schedule parameters of a range of throughput sizes as part of the development planning for the field. The work includes conceptual design of a small throughput plant that would enable pipeline quality gas to be sold into the gas grid relatively quickly and thus tapping into a larger market. Other engineering studies have commenced to determine the temporary production facilities for Cambay-77H.

Bhandut Field

Design engineering work has commenced for the gas production facilities required for Bhandut-3 and discussions are in progress regarding the gas transportation arrangements provided by the buyer. The design work is ~ 40% complete. Procurement of equipment will commence after the design has been finalised and delivery of critical equipment will govern the start of Bhandut-3 gas production.

People

Jayant R. Sethi has assumed the role of Head of India Assets and is now in charge of daily operations in India. A trained geologist with strong contracts and project management experience in Cairn India's organisation, Jayant brings technical and operational leadership experience to the organisation and will be responsible for delivery of the next drilling campaign.

Managing Director of Oilex, Ron Miller, said;

"Oilex is very pleased with the strong support of the Government of India and rapid approval of the 2015/16 work program for the Cambay Field after the successful proof of concept activities at Cambay-77H. We are moving forward with the planning and preparation for the work-over and drilling campaigns both of which target increasing production, cashflow and reserves from our India assets. The strong growth outlook for the Indian economy together with a significant shortage of gas and substantial gas demand provides a robust environment for future gas prices which helps to shield Oilex from the full impact of low oil prices."

For and on behalf of Oilex Ltd



Ron Miller
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