

Dear Shareholder,

Capital Funding Program

I am writing to you about your Company's announcement on 7 July 2015, regarding a capital funding program which is currently in progress. You should have recently received a Notice of Meeting for a General Meeting of Oilex shareholders to be held on 12 August 2015, as well as an Offer Booklet pertaining to a fully underwritten rights issue for eligible shareholders. The General Meeting and the rights issue are components of a A\$30 million capital funding program by Oilex to fund its 2015/16 work programme in India, minimum work commitments in the Canning Basin and working capital. This growth opportunity is underpinned by the recent Independent Reserve Classification of gross proven plus probable (2P) reserves of 206 Bcf of natural gas and 8 million bbls of condensate (light oil) in the Cambay Field, India.


The major part of the fundraising requires your voting support. The Board believes that the resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that all Shareholders vote in favour of the resolutions, as they intend to do so, in respect of their own beneficial shareholdings. The purpose of this letter is asking you to vote in favour of the resolutions proposed by your Board as set out in the Notice of Meeting.

It is important to understand why this transaction is very much in your interest and the interests of all stakeholders as Oilex progresses its transformation into a sustainable business based upon production, cash flow and reserves growth at the Cambay Project in Gujarat State, India. Your Board has reviewed a range of different funding structures and opportunities before selecting a structure of a two Tranche Placement and fully underwritten renounceable one (1) for four (4) rights issue for existing Shareholders to secure the requisite funding package totalling A\$30 million. At the time of writing this letter, Tranche 1 is complete and the fully underwritten rights issue is in progress and is expected to be completed before the General Meeting.

Oilex has recently announced its first local market gas sales from our Cambay Field in India, a significant milestone for the business towards growing revenue and essential to being operationally cash flow positive in India, a key corporate milestone for 2015. In addition to Cambay-73, other gas production wells coming online during 2015 will include Cambay-77H and Bhandut-3. India has a fast growing economy where natural gas attracts a premium price and the demand is strong, which should allow Oilex to quickly expand its business.

The fundraising will facilitate the following approved work programmes:

- Cambay Field
 - Drilling and completion of two horizontal multistage production wells (Cambay-78H and Cambay-80H)
 - Workover operations on five existing wells
 - Engineering studies for, amongst other things, a larger development of 50MMscfd gas production on plateau
- Bhandut Field
 - Gas production facilities to support gas sales from Bhandut-3 well
- Canning Basin - Wallal Graben Play Fairway
 - Technical work to develop a leads and prospects portfolio to facilitate a farm-out

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It is anticipated that the successful delivery of the Cambay Field 2015/16 work programme will be a transformational event for Oilex as we deliver significantly enhanced commercialisation of our hydrocarbon reserves.

By voting to support the fundraising process either by Proxy or in person at the General Meeting on 12 August, you will ensure that your Company has the necessary funds available to undertake its growth plans and create sustainable value for all Shareholders and Stakeholders.

Thank you for your ongoing support and we look forward to growing our Company together.

For and on behalf of Oilex Ltd

A handwritten signature in black ink, appearing to read 'Ron Miller', written over a faint, large watermark that says 'For personal use only'.

Ron Miller
Managing Director

28 July 2015