

ASX Announcement

16 November 2018

ASX: OEX
AIM: OEX

Compliance with High Court Order

Oilex Ltd (Oilex or the Company) advises that it has formally confirmed with the High Court of Gujarat, India (the Court) that Gujarat State Petroleum Corporation (GSPC) has submitted the required funds in compliance with its order. Pursuant to the order issued by the Court, as announced by the Company on 5 November 2018, GSPC was required to submit 30 crore rupees with the Court by 15 November 2018.

Background

By way of background, on 30 July 2018 Oilex announced that it had formally requested the Government of India (GoI) to transfer GSPC's participating interest (PI) in the Cambay PSC to the Company. The request was made strictly in accordance with the JOA and follows GSPC's failure to remedy the Event of Default Notice (EoD Notice) within the required 60-day period. The EoD Notice was a result of GSPC's ongoing failure to pay its PI share of Cambay PSC expenses.


GSPC subsequently served an *ex-parte* interim stay order (Order) from the Court directing the Company not to take any coercive steps against GSPC. The Order was awarded on an interim basis to delay the Company transferring GSPC's PI in the Cambay PSC.

On 5 November 2018, the Company announced that the Court had decided on all applications pending regarding the Order obtained by GSPC. In summary, the Court issued and passed judgement further delaying the implementation of the EoD Notice dated 29 May 2018 and also Notice of Withdrawal of Participating Interest (NoW) dated 29 July 2018, subject to the fulfilment of all of the following conditions:

- a) GSPC is directed to deposit a sum of Rs.8.25 crores rupees (US\$1.1 million approx) before the Court in the name Registrar of the High Court on or before by 15 November 2015#;
- b) GSPC is directed to submit a bank guarantee for Rs.21.75 crores rupees (US\$3.0 million approx) in the name of Registrar of High Court of Gujarat latest by 15 November 2015#; and
- c) GSPC shall commence arbitration proceedings on or before 1 December 2018.

Should GSPC meet the abovementioned conditions, the Court has directed that these conditions remain valid for the duration of the arbitration and that the Cambay Joint Operating Agreement (JOA) will continue to operate during this same period. Accordingly, in addition to submitting in aggregate, 30 crores rupees to the Court, GSPC will also be required to pay its current and ongoing 55% share of the Cambay Joint Venture expenditure while seeking to have the EoD Notice rescinded through the arbitration proceedings.

In the event GSPC does not adhere to all of the abovementioned conditions, the stay order will no longer prevent the Company from seeking to implement all of its rights under the JOA.

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For and on behalf of Oilex Ltd



Joe Salomon
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We are advised by our Indian legal counsel that the applicable date should read 2018

For further information, please contact:

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