

OILEX LTD



Value focused Methodical delivery

**ASX / AIM: OEX
February 2015**

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The information in this Presentation has been compiled by the Managing Director of Oilex Ltd, Ron Miller MS Engineering who has over 38 years experience in the oil and gas industry. Peter Bekkers, B.Sc. Hons., the Chief Geoscientist of Oilex Ltd, reviewed the estimates of hydrocarbon resources and has over 17 years experience in the oil and gas industry and is a member of the AAPG and SPE.

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Highlights: Foundations for value and growth

Oilex has a diversified oil and gas portfolio, is focused on countries adjacent to the Indian Ocean Rim having proven onshore hydrocarbon provinces.

Strategy

- Becoming a leading onshore “tight” oil and gas producer in India
- Generation of sustainable production, profit and cash
- Foundation set for significant growth over the next 2-5 years

Portfolio

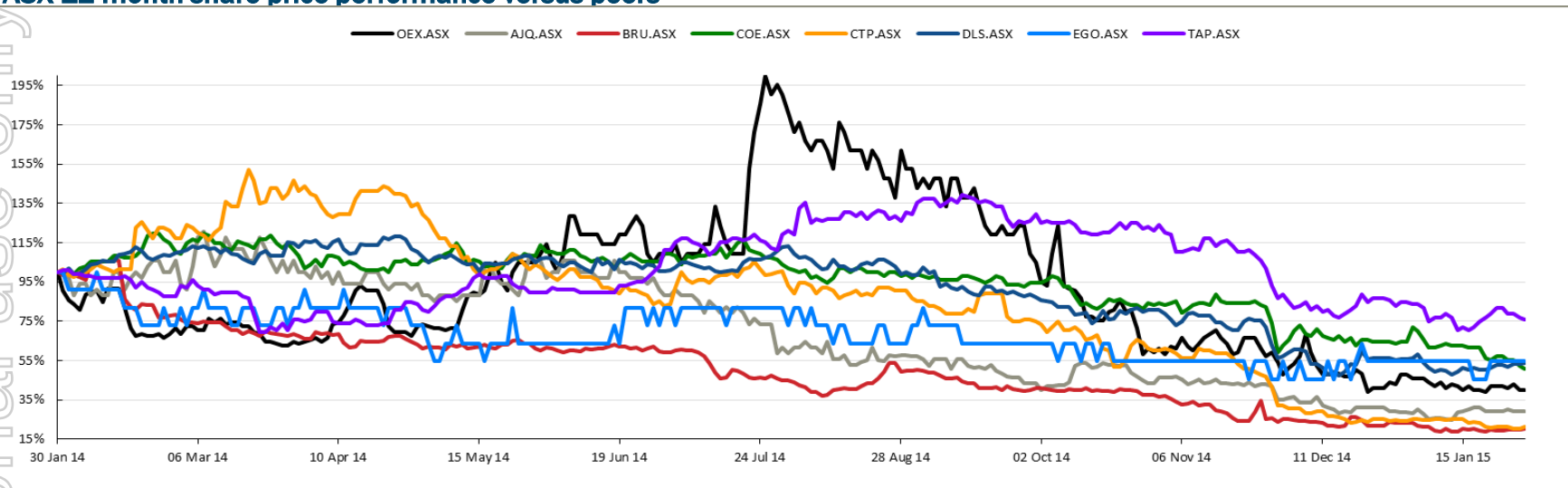
- India: Cambay Basin - onshore tight reservoir asset
 - 167MMboe gross certified 2C Contingent Resources
 - Deeper upside potential of 11.6Bnbbbls gross oil in-place and 12.6Tcf gross gas in-place
- Australia: Canning Basin – Low cost entry into 2.8million acres with significant potential

Value Catalysts

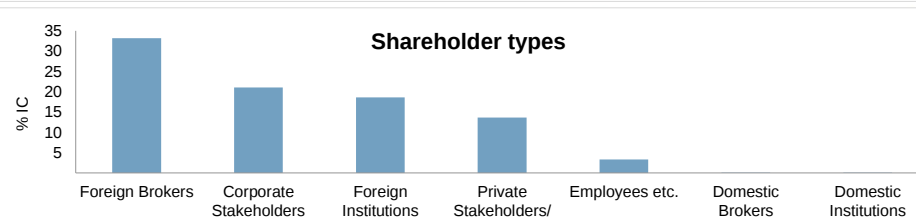
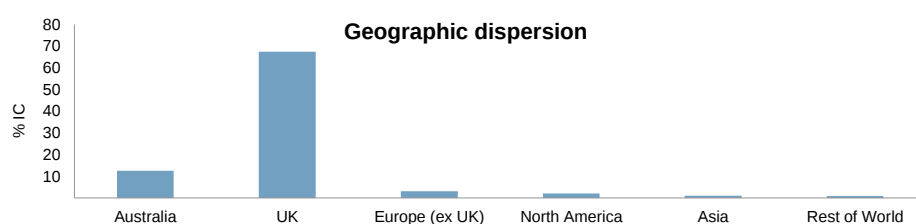
- Quality Indian asset in a premium market – gas more valuable than oil
- Experienced executive team focused on delivery of production led strategy
- Focused on near term production and cash flow

Company Profile: ASX / AIM: OEX

ASX 12 month share price performance versus peers



Oilex is listed on ASX and AIM	ASX	AIM
Share price (as at 3/02/15)	4.0¢	1.8p
Market capitalisation	\$27m	£12m
Ordinary shares	678 million	
Listed Options	189 million	
Unlisted Options	35 million	
Substantial Shareholders:		
Magna Energy Limited	17.66%	



Transition: Moving to sustainable production and cashflow

Indian Ocean Rim focus

- Onshore tight reservoir plays – applying proven technology from US shale industry

India

- Targeting cash neutral operations¹ in India in H2 2015 – average boe 340 bbls/day gross
- Cambay (45% interest)
 - 75MMboe net 2C Contingent Resource
 - Substantial upside from 4 deeper zones
 - Government of India endorsement for sale of gas from C-77H & C-73
 - Gas production facilities being established
 - First gas sales in Q2 2015
- Bhandut (40% interest)
 - Government of India endorsement for sale of gas from B-3
 - Gas production facilities being established
 - First gas sales in Q2 2015

¹Excluding Cambay Field capex

Oilex in India: A compelling proposition

Investment Highlights

Strong Domestic Economy

Highly conducive energy market fundamentals in Gujarat, strong gas demand for power generation and industrial uses, competing with predominantly imported LNG

Supportive Government

Strong support for Oilex and its Cambay project from federal, state and local governments in India

Technical Success

Oilex is the first company to successfully produce gas from a multi-stage fracture-stimulated horizontal TGTO well in India.
Oilex is applying proven technology from US shale gas industry.

Strong JV Partner

Gujarat State Petroleum Company (GSPC) is a supportive joint venture partner, holding 55% and has the largest gas distribution and marketing network in the state, which has a population of **250 million** people

Existing Infrastructure

Oilex is drilling in areas adjacent to existing pipeline infrastructure, facilitating the commercialisation of gas on a highly cost-effective basis

First Mover in India

Oilex made its country entry into India in 2006 and has developed a quality operating team, strong government relations and an attractive asset position

Growth Opportunities

Oilex has strong growth options beyond Cambay Field, with the potential to establish a much larger position in the Cambay Basin. The Basin has been identified by the EIA as one of the pre-eminent locations for replication of the success in North America



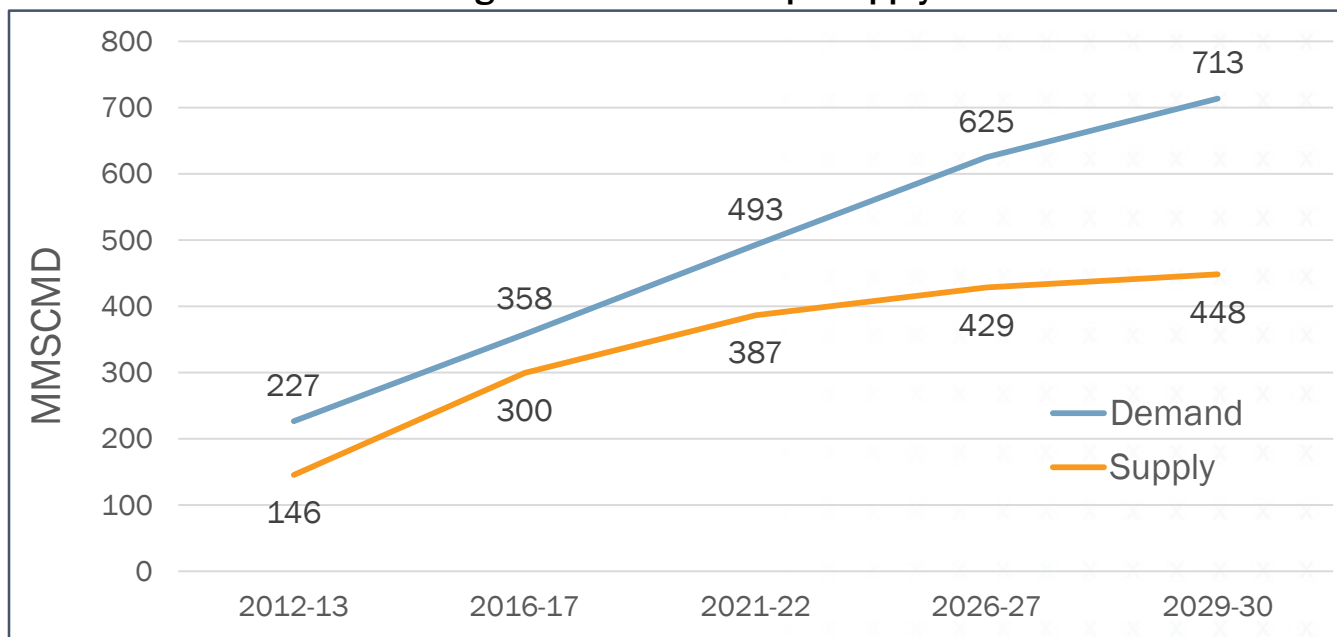
India: Macro settings for continued growth

India is world's fifth largest energy consumer with a significant unsatisfied gas demand and associated high sustainable gas prices.

Gas demand remains strong, Gujarat State with gas fired power stations running at less than capacity and strong competition for gas from various industrial customers.

Based on third party modelling, future successful wells should provide adequate returns, even in the current low oil price environment.

India gas demand outstrips supply



Meeting Demand Challenges Of An Emerging LNG Market: INDIA By Dr A K Balyan MD & CEO Petronet LNG Limited, India

Cambay Field: Highlights

Field resource ~ 167MM Boe

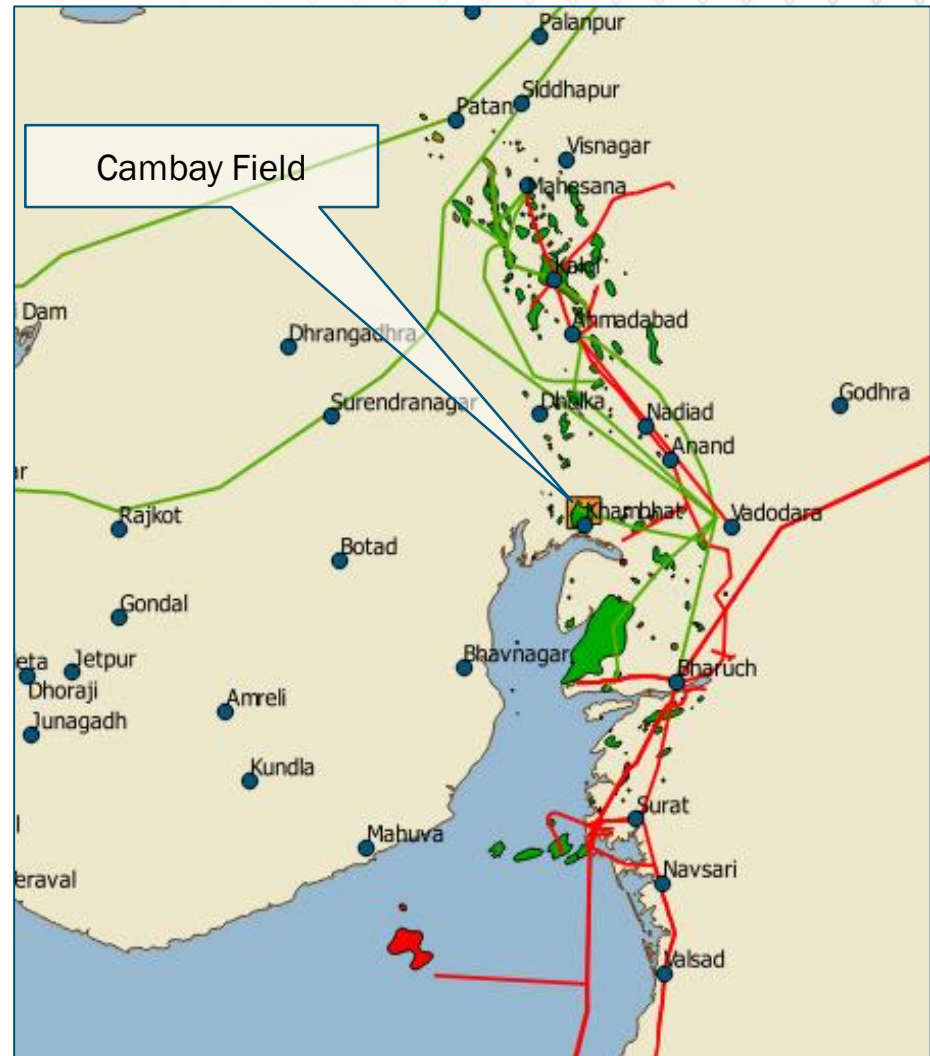
- Independently Certified 2C by NSAI
- 50% liquids, 50% gas

Acreage

- Cambay Basin: large oil province
- Cambay Field: 161 km² (40,000 acres)
- Multiple productive reservoirs

Commercial Environment

- Significant gas demand within 15km
- Infrastructure with capacity
- Strong and stable local gas price environment
- Good fiscal regime



Cambay Field: Proven oil and gas

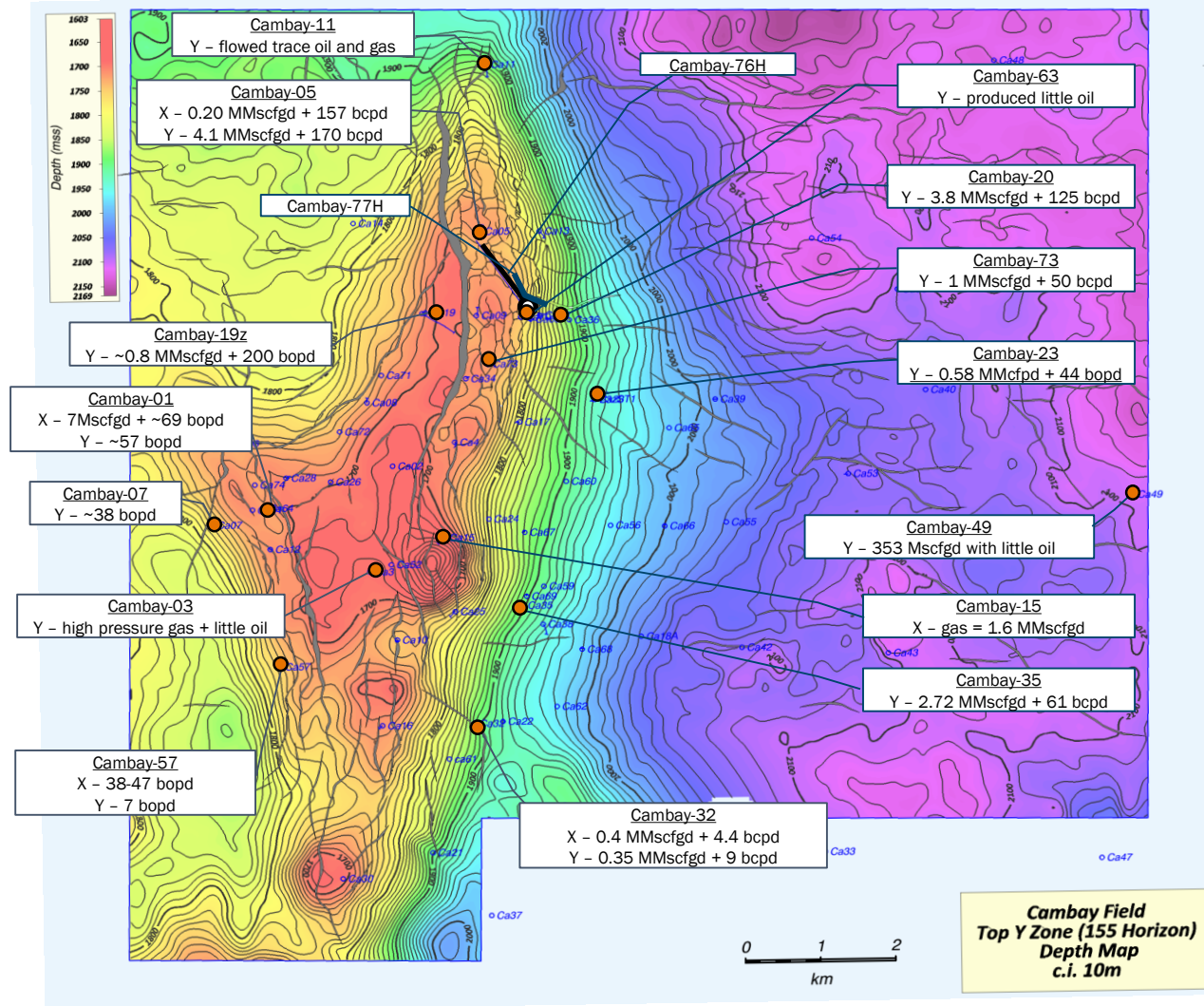
Geology proven to deliver

- 2,800m of prospective section
- 38 wells penetrated the Eocene formation (X & Y)
- 18 wells tested oil and gas to surface
- Remaining wells also had log indications

High quality 3D seismic

No free water observed

Continue implementing proven US technology to achieve commercial production



Cambay Field: Substantial upside in four deeper zones

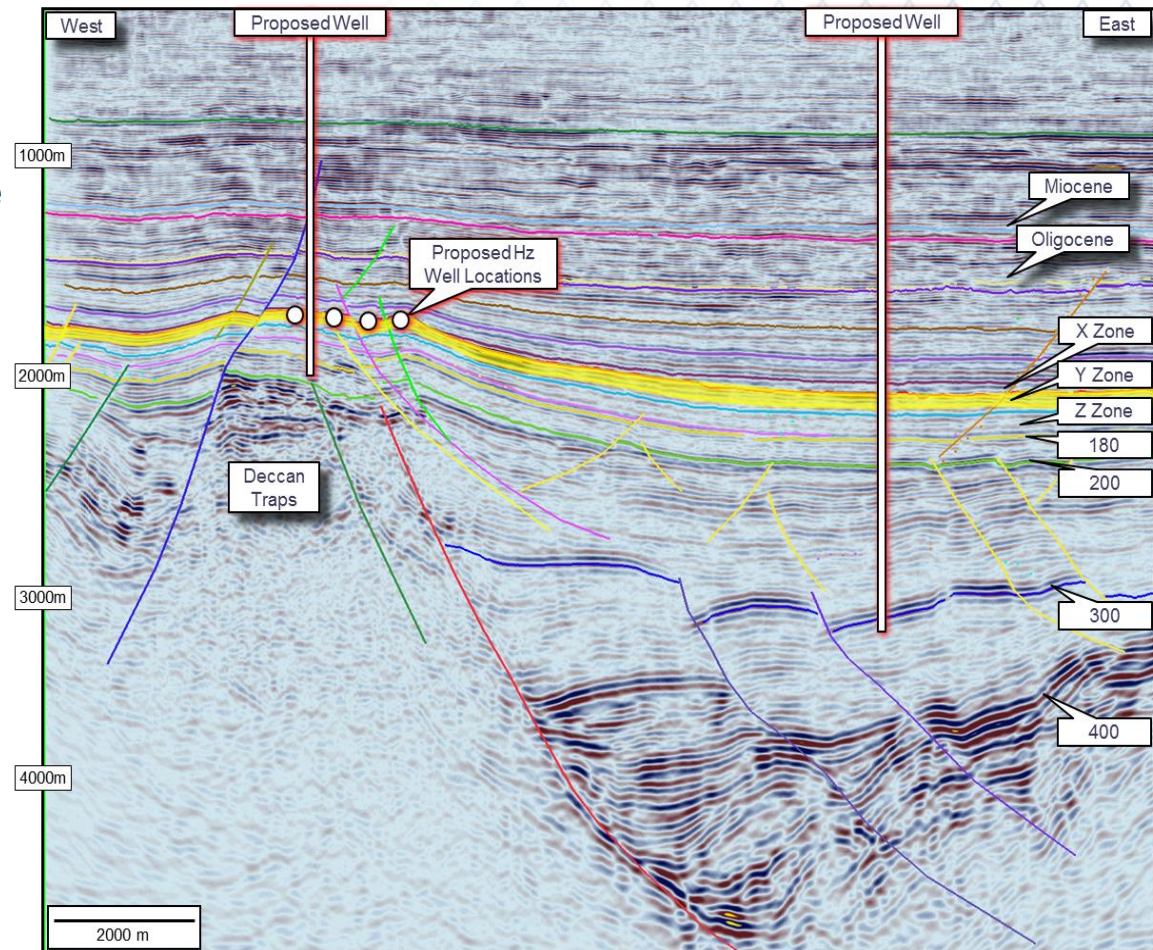
Additional potential independently assessed by NSAI

Undiscovered P50 gross in-place volumes

- Gas: 12.6 Tcf
- Liquids: 11.6 Bn bbls

Unrisked P50 gross prospective resources

- Gas: 934 BCF
- Liquids: 140 MMbbls
- Certified by NSAI



Cambay Field cross section

Cambay-77H: Proof of concept achieved

Drilling operations

- Efficient drilling operations
- Repeatability of directional drilling capability

Y zone reservoir

- Hydrocarbon saturated and no free water observed to date
- Properties are laterally consistent

Fracture treatments

- Successfully perforated, isolated and treated 8 fractures in 4 stages
- Future wells may have wider frac spacing, => significant cost savings

Flowback

- Flowed light oil, gas and operations water during ~85 days since opening well
- Hydrocarbon liquid to gas ratio (LGR) ~100 bbls/MMscf and higher than expected
- Sustained gas rate predicted to be 0.5 – 1.0MMscfd plus light oil, ~API 49°
- 86% of frac and operations water recovered from the reservoir
- No formation water observed to date

Cambay Comparison: Range Resources (NYSE: RRC)

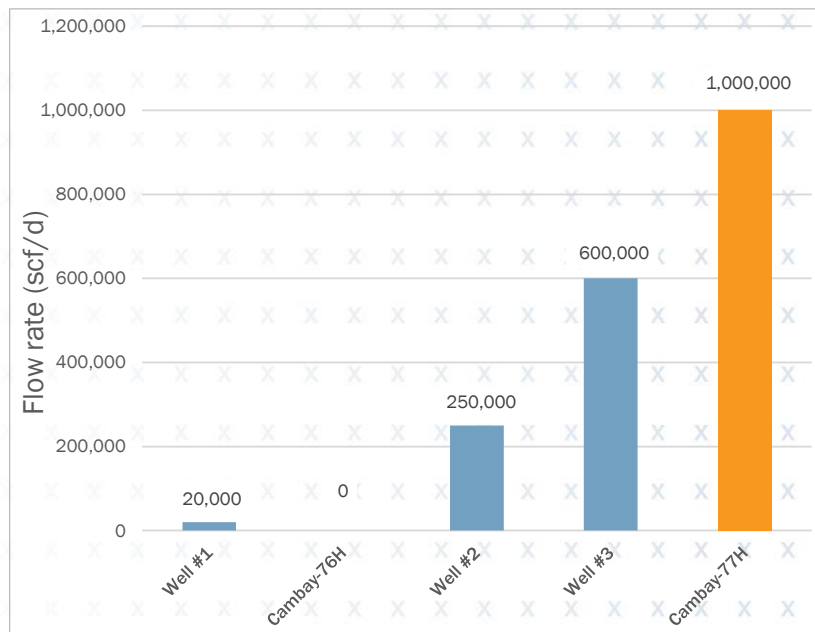
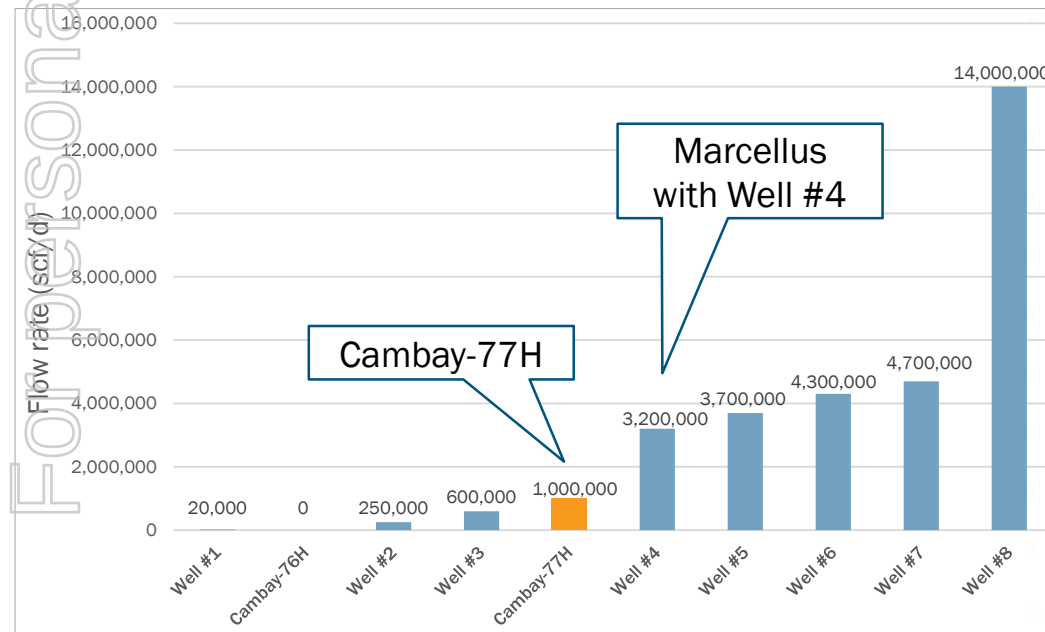
The experience of others helps shorten the learning curve

The progress at Cambay Field compares favourably to other's experiences in a new basin

Range Resources Corporation ((NYSE: RRC) "Range Resources") was the early mover in the Marcellus Field, now one of the largest producing gas fields in the world

Range Resources "*cracked the code*" in the Marcellus with Well #4, achieving a flow rate of 3.2 MMscfd

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These graphs do not infer or imply anything regarding possible production rates from future wells in the Cambay Field.*

Cambay: Independent resource estimate (NSAI)

NSAI has been engaged to update resource estimate

Update will integrate C-73 and C-77H flow results

Report to be completed in Q1 2015

Unrisked Contingent Resource Estimates (near term production and cash)

	Low (1C)		Best (2C)		High (3C)	
	Oil MMstb	Gas BCF	Oil MMstb	Gas BCF	Oil MMstb	Gas BCF
Gross in place	831	672	1,633	1,314	2,888	2,297
Gross recoverable	31	180	83	495	179	1,073
Net OEX rec. (45%)	14	81	37	222	81	483

Unrisked Prospective Resource Estimates (the Upside)

	Low		Best		High	
	Oil MMstb	Gas BCF	Oil MMstb	Gas BCF	Oil MMstb	Gas BCF
Gross in place	4,679	4,962	11,592	12,645	21,912	23,178
Gross recoverable	36	258	140	935	553	3,632
Net OEX rec. (45%)	16	116	63	421	249	1,632

Netherland Sewell and Associates Inc., October 2011 (refer ASX announcement dated 11 October 2011)

India: 2015 Activities and goals

Targeting cash neutral operations¹ in H2 2015

2015 Cambay activities

- ✓ Cambay-73 gas sales agreement approved
- ✓ Cambay-77H gas sales agreement approved
- Restart Cambay-73 & 77 production
- 2 well firm campaign in 2015
 - Longer laterals, more fracs with wider spacing
- Enhance oil production from legacy wells
 - Workover up to 6 wells

2015 Bhandut activities

- ✓ Gas sales agreement approved
- Facilities installation
- Commence Bhandut-3 gas sales



¹Excluding Cambay Field capex

Australia: Canning Basin background

Strategic rationale:

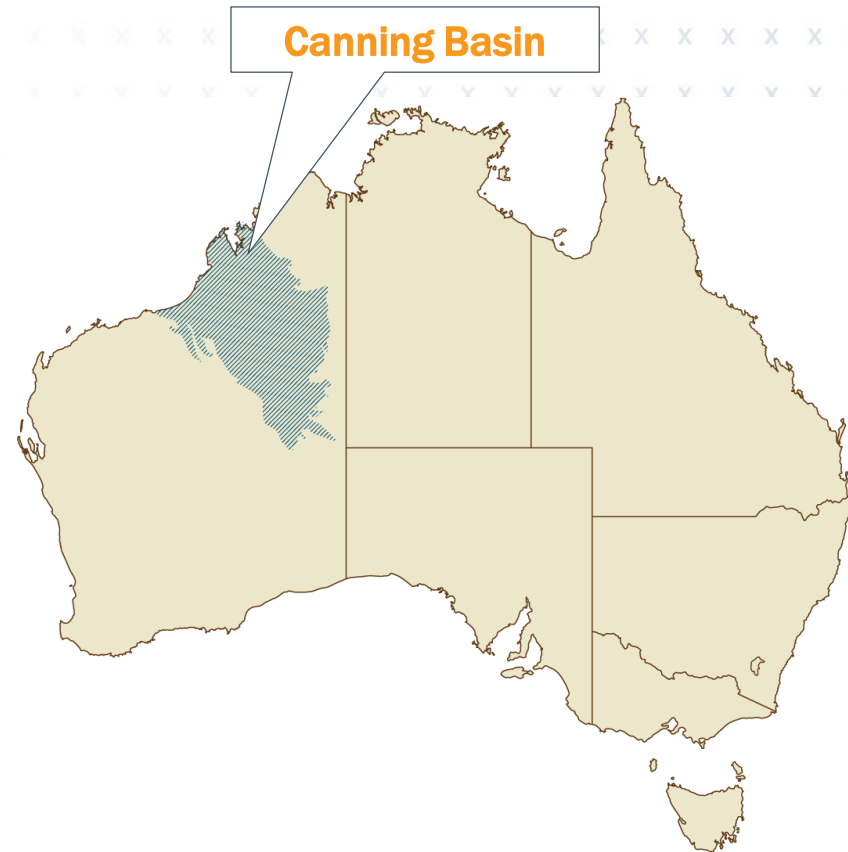
- Adjacent to global resource centre
 - Significant energy demand
- Infrastructure within acreage
- Low-cost entry, concentrated prospectivity
- Long-term growth potential and diversity

Canning Basin acreage (~3 million acres)

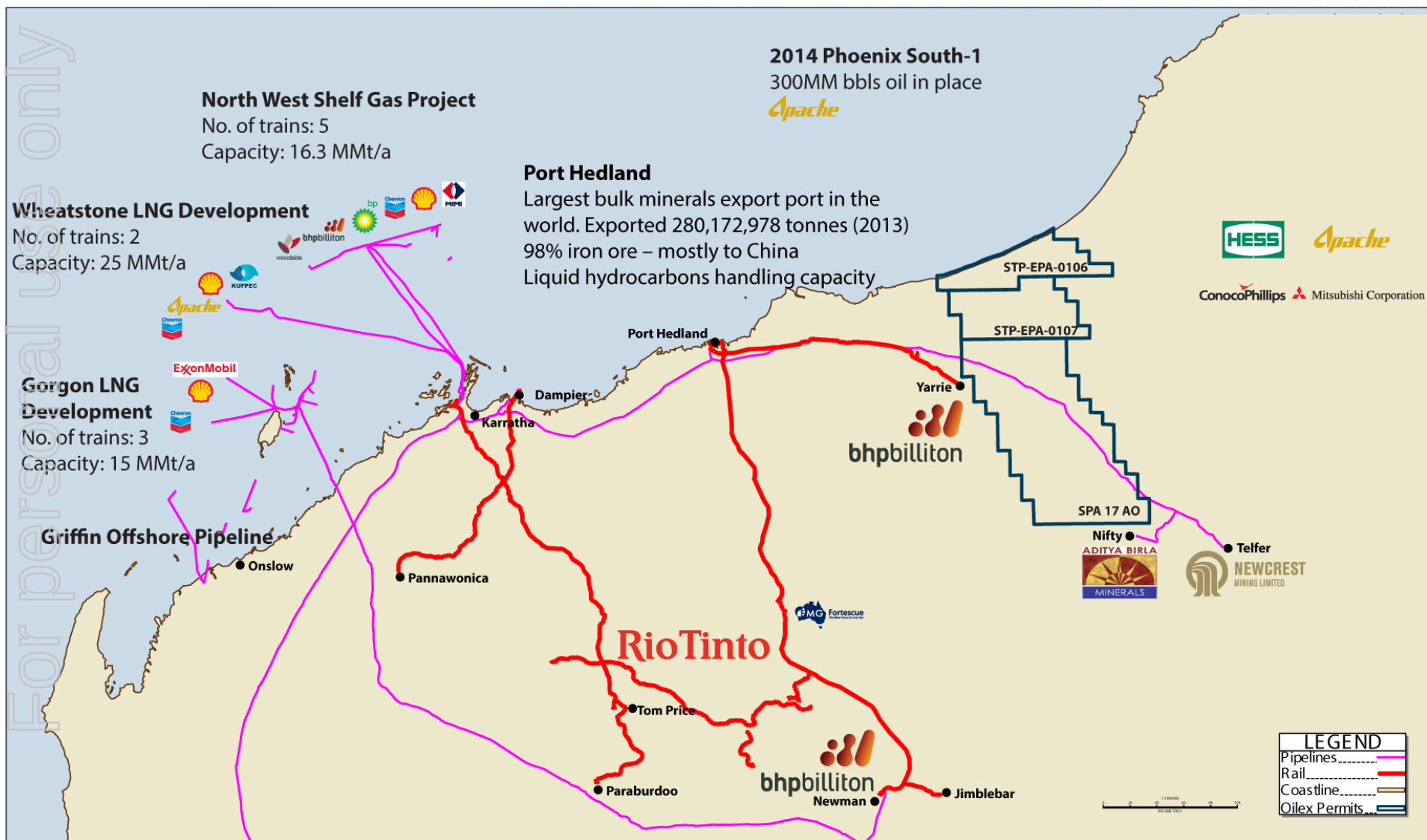
- STP-EPA-0131 ~ 1.35 million acres
- STP-EPA-0106 ~ 700,000 acres
- STP-EPA-0107 ~ 900,000 acres
- Potential prospectivity for oil & liquids-rich gas

Current activities

- Finalising Heritage Agreement negotiations
- Farmout – exploring alternatives



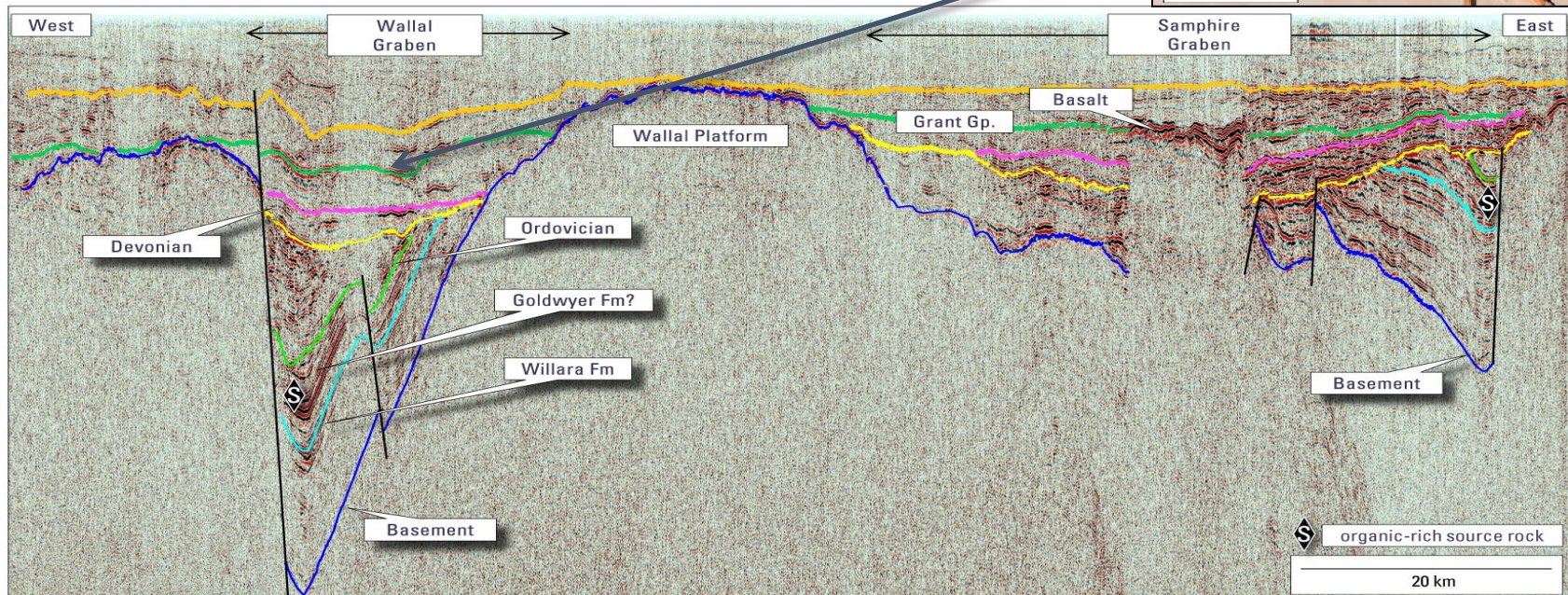
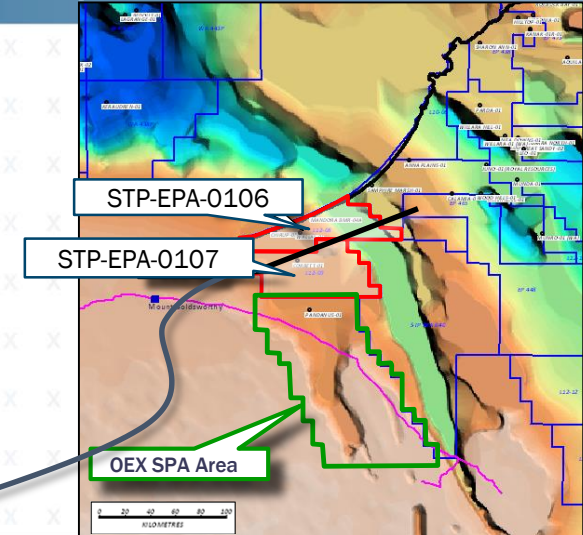
Western Australia: A global resource centre



Canning Basin: Wallal Graben revealed by seismic

Jump correlations with regional seismic data infer

- A near-complete Ordovician sequence is preserved
- Possible thick Goldwyer Formation - primary source rock
- Potential for additional organic-rich formations



Wallal Graben: New gravity survey proves the story

Conducive to efficient exploration

- ~15km wide
- ~200km long within Oilex areas

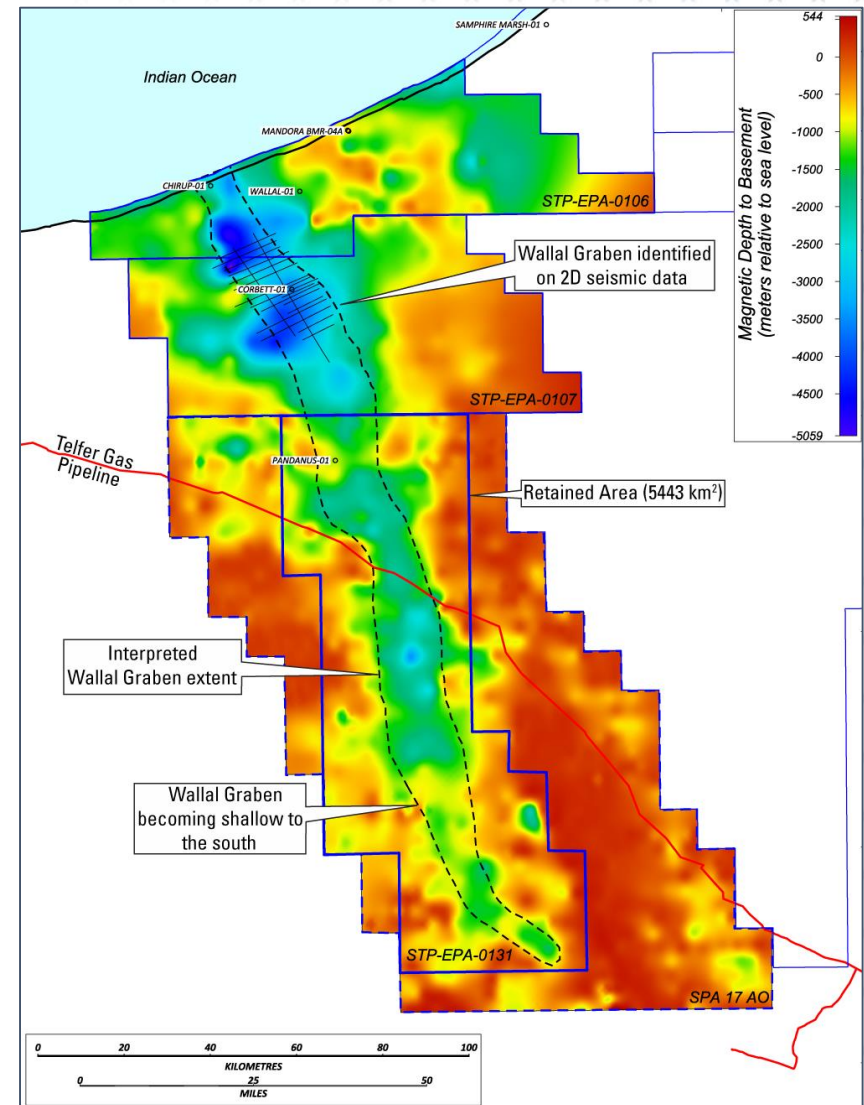
Prospectivity

- Conventional and unconventional
- Leads and prospects being compiled
- Drilling in 2017

Infrastructure

- Near ports
- Proximal to large gas consumers
- Numerous roads and tracks
- Gas pipeline across acreage

Oilex has captured entire Wallal Graben play fairway



Oilex: Investment opportunity

India – Strategic focus

- Production, cash flow and reserves to increase
- Targeting cash neutral operations¹ in 2015
- Operating in a strong domestic economy

Cambay operations

- Multi-well drilling campaign in 2015
- Longer horizontals & target reduced costs
- Commence gas sales

Australia – Canning Basin

- Wallal Graben presence confirmed
- Leads inventory being compiled
- Farm-out opportunities being pursued



Cambay-77H Flare during testing

Unconventional Resource Focus
Growing production and reserves

¹Excluding Cambay Field capex

Company Profile: Board and Management Team

Max Cozijn

Non-Executive Chairman.
Over 32 years experience in administration of listed companies.



Sundeep Bhandari

Vice Chairman.
More than 20 years experience in the energy business.



Jeffrey Auld

Non Executive Director, UK based.
24 years experience in the oil & gas sector, focused on commercial and financial management.



Ron Miller

Managing Director.
Management & Engineering. 38 years of experience in the international oil & gas industry.



Chris Bath

Chief Financial Officer & Company Secretary
Over 20 years experience in resources & energy in Australia and Asia.



Pete Bekkers

Chief Geoscientist
More than 17 years experience.

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