

ASX Announcement

15 March 2017

ASX: OEX
AIM: OEX

Placement to Fund Cambay Work Programme

- **Two Tranche Placement to raise approximately £1.1 million (A\$1.78 million)**
- **Funds to be used towards delivering the Cambay PSC 2017 Work Programme**
- **Cornhill Capital Limited to be appointed as Company AIM Broker**

Oilex Ltd is pleased to advise that it agreed a capital raising (**Placement**) to secure funding of approximately £1.1 million (A\$1.78 million) to support its 2017 work programme. Cornhill Capital Limited (**Cornhill**) have arranged £1 million from new investors in the United Kingdom with the Company having also received direct subscriptions of £0.1 million from existing significant professional shareholders.

Key Placement Terms

The Placement, part of which is subject to shareholder approval, will secure approximately £1.1 million before expenses through the issue of 488,888,888 new fully paid ordinary shares or 0.0225 pence each in the (**Shares**) and options in the issued capital of the Company. The Placement will occur via a two tranche Placement which shall be structured as follows:

Tranche 1

The Company will issue 298,353,502 Shares at an average issue price of 0.225 pence (A\$0.0036) to raise up to £0.67 million in accordance with its approved placement capacity. Specifically, it will issue:

- a) 179,012,101 Shares pursuant to its 15% placement capacity under ASX Listing Rule 7.1; and
- b) 119,341,401 Shares pursuant to its additional 10% placement capacity under ASX Listing Rule 7.1A which was approved by shareholders by special resolution at the Company 2016 Annual General Meeting.

The issue price of the 119,341,401 Shares issued pursuant to ASX Listing Rule 7.1A will not be less than 75% of the 15 day volume weighted average market price of Shares immediately before the date upon which the Shares will be issued.

The Company anticipates completing the issue of Tranche 1 Shares on or about 23 March 2017.

 +61 (8) 9485 3200

 oilex@oilex.com.au

ABN 50 078 652 632

Tranche 2

Subject to shareholder approval, the Company will issue approximately 246,090,941 Shares at a price of 0.225 pence per Share to raise a further £0.554 million (**Tranche 2 Shares**). Each Tranche 2 Share shall be issued with an attached unlisted option which will be exercisable at 0.35 pence (A\$0.0056) at any time within six months from the date of issue. Each option holder shall be entitled to be issued one Share upon exercise and payment of the exercise price. The issue of the 246,090,941 Tranche 2 Shares and 246,090,941 options are subject to shareholder approval in accordance with ASX Listing Rule 7.1. Further information relating to Tranche 2 of the Placement will be contained in the meeting materials in respect of the proposed shareholder meeting.

Warrants

As part of its remuneration, Cornhill will receive 88,888,888 warrants to subscribe for new Ordinary Shares at an exercise price of 0.225 pence per share on completion of Tranche 2. Such warrants shall be valid for a period of three years from receipt of shareholder approval.

Use of Funds

Funds raised from the Placement will primarily be applied to the delivery of a planned work programme within the Cambay PSC. Prior drilling confirmed that a large wet gas resource is present in the deeper EP-IV tight reservoir zones, and a portion of the raised funds will be directed towards acquiring data which will lead to optimised future drilling programmes and potential commercial production. More specifically, proceeds will be applied towards the analysis of EP-IV core from the Cambay-23z well. Additionally, two workovers will be undertaken in the shallower OS-II conventional reservoir aiming to re-establish gas flow from this historically productive zone. Concurrently the Company is seeking government approval to re-start production from two EP-IV wells which were shut during 2016 after government approvals to test production for a specified time-period expired. This multi-faceted work programme is designed to re-establish production, provide an optimal “recipe” for future drilling campaigns, and to secure the potential extension of the Cambay PSC under a government defined process. The funds raised will also be used as working capital.

Joe Salomon, Managing Director of Oilex, commented: *‘We are very pleased to have launched this fundraising which will underpin the work to take Cambay forward. It remains our key asset and we are confident we can realise value for the Company with the planned work Programme a key milestone in that process. We thank our existing shareholders for their continued support and welcome the new UK investors to our register.’*

Key dates

Key dates for the conduct of the Placement are as follows:

Event	Estimated Date
Placement Tranche 1 Announced & Bookbuild Complete	15 March 2017
Issue of Shares under Placement Tranche 1	23 March 2017
Shareholder meeting to approve Issue of Shares under Placement Tranche 2	27 April 2017
Issue of Shares and options under Placement Tranche 2	28 April 2017

Note that all dates are indicative only. The Company reserves the right to change these dates subject to the *Corporations Act 2001* (Cth), ASX Listing Rules, the AIM Rules for Companies and the Placing Agreement.

Application will be made for the Admission of the 488,888,888 new Ordinary Shares to trading on AIM. Admission of the Tranche 1 shares and the Tranche 2 shares is expected to occur on or about 23 March 2017 and 28 April 2017, respectively.

Appointment of AIM Broker and Placing Agent

The Company is pleased to announce that Cornhill will be appointed as its AIM Broker upon completion of Tranche 1 of the Placement. With the majority of the Company's share register being comprised of persons and entities within the European Union, together with an active market on the AIM, the Company welcomes Cornhill's appointment and assistance in further supporting its UK presence.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Patersons Securities Limited

As part of the Placement and the planned appointment of Cornhill as its AIM Broker, Patersons Securities Limited will cease providing corporate advisory services to the Company from July 2017. In addition to all other accrued amounts, the Company is required to prepay fees for this period in the amount of \$200,000.

We thank Patersons for their significant assistance.

For and on behalf of Oilex Ltd

Jonathan Salomon
Managing Director

For further information, please contact:

Investor Enquiries	Nominated Adviser	Media Enquiries (UK)	Media Enquiries (Aus)
Oilex Ltd	Strand Hanson Limited	Vigo Communications	Citadel-MAGNUS
Joe Salomon	Nominated Adviser	Public Relations	Michael Weir
Managing Director	Rory Murphy/Ritchie Balmer	Patrick d'Ancona/Chris McMahon	Email: mweir@citadelmagnus.com
Email: oilex@oilex.com.au	Email: oilex@strandhanson.co.uk	Email: patrick.dancona@vigocomms.com	Tel: +618 6160 4900
Tel: +61 8 9485 3200	Tel: +44 20 7409 3494	chris.mcmahon@vigocomms.com	Australia
Australia	UK	Tel: +44 20 7830 9700	