

ASX Announcement

24 March 2017

ASX: OEX

AIM: OEX

Issue of Tranche 1 Placement Shares and Section 708A(5)(e) Notice

Oilex Ltd (the Company) is pleased to advise that it has issued 271,230,456 of the Tranche 1 shares pursuant to the £1.1 million (approximately A\$1.78 million) capital raising announced on 16 March 2017 (Placement). The Placement, to investors in the EU, is to support the Company's planned 2017 work programme and working capital requirements.

The Tranche 1 issue of 271,230,456 fully paid ordinary shares at an average price of 0.225 pence (A\$0.0036) for gross proceeds of £0.61 million (A\$0.98 million) is pursuant to ASX Listing Rule 7.1 and 7.1A. The Company intends to issue a total of 298,353,502 Tranche 1 shares, with the balance of the 27,123,046 Tranche 1 shares expected to be issued by 31 March 2016.

Subject to shareholder approval at a general meeting to be held on or about 3 May 2017, the Company will issue a further 190,353,386 shares at 0.225 pence each pursuant to Tranche 2. 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.

Oilex gives notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (Act) that:

1. Oilex issued the Shares without disclosure to investors under Part 6D.2 of the Act;
2. as at the date of this notice, Oilex has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to Oilex; and
 - (b) section 674 of the Act; and
3. as at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708A(7) and 708A(8) of the Act.

Details of issue of 10% Placement Facility under ASX LR 7.1A

The shares issued under Tranche 1 of the Placement pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX Listing Rule 7.1A. The Company provides the following information as required under ASX LR 3.10.5A in respect of the shares issued under the Placement:

- The dilutive effect of the Placement on existing shareholders is as follows:

| | |
|---|---------------|
| Number of shares on issue prior to the Placement | 1,195,414,012 |
| Placement issue under LR 7.1 of 162,738,273 shares | 11.10 % |
| Placement issue under LR 7.1A of 108,492,183 shares | 7.40 % |
| Total dilution as a result of the Placement | 18.50 % |
| Number of shares on issue following the Placement | 1,466,644,468 |

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 oilex@oilex.com.au

ABN 50 078 652 632

- The 108,492,183 shares under LR 7.1A were issued to several sophisticated and professional investors as it was considered to be the most efficient and expedient mechanism for raising the funds required to achieve its stated objectives.
- The Company confirms there was no underwriting arrangements entered into in respect of the Placement.
- Average broking fees of 8.6% are payable on the amount raised. As part of its remuneration, the UK broker Cornhill Capital Limited will also 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, if required.

Oilex confirms that the source of the data for determining the placement issue price, which was at least 75% of the 15 Day VWAP as calculated under LR 7.1A.3, was the trading price-volume data available on the ASX market for Oilex shares.

The Company advises that application has also been made for the admission to trading on AIM and it expects the shares to be admitted to trading on AIM on 27 March 2017.

Attached is an Appendix 3B.

For and on behalf of Oilex Ltd



Mark Bolton
Chief Financial Officer Company Secretary

For further information, please contact:

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

OILEX LTD

ABN

50 078 652 632

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 271,230,456 Tranche 1 Ordinary Shares: a) 162,738,273 – Tranche 1 (a) – LR7.1 b) 108,492,183 – Tranche 1 (b) – LR7.1A |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

| | | |
|----|--|---|
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes The New Shares will rank <i>pari passu</i> with existing Shares in the Company from the date of allotment. |
| 5 | Issue price or consideration | Average price of £0.00225 (\$0.0036) per share: a) Tranche 1(a) - £0.00196 (\$0.00313) b) Tranche 1(b) - £0.00269 (\$0.00430) |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | The net proceeds will be applied towards the analysis of the Cambay-23z core sample, subsurface studies and associated Cambay field operations in India, as well as working capital. |
| 6a | Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i | Yes |
| 6b | The date the security holder resolution under rule 7.1A was passed | 23 November 2016 |
| 6c | Number of +securities issued without security holder approval under rule 7.1 | 162,738,273 |
| 6d | Number of +securities issued with security holder approval under rule 7.1A | 108,492,183 |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Not applicable |
| 6f | Number of +securities issued under an exception in rule 7.2 | Not applicable |
| 6g | If +securities issued under rule 7.1A was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | Yes. Issue price of \$0.0043 was greater than 75% of the 15 day VWAP to 23 March 2017 of \$0.0042 (as calculated per 7.1A.3). VWAP was calculated based on data sourced from Patersons Securities Limited. Shares issued 24 March 2017. |

+ See chapter 19 for defined terms.

| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | Not applicable | | | | | | | | | | | |
|---------------|--|--|--------|--------|---------------|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|---------|-------------------------------|--|
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | Listing Rule 7.1: 16,573,828 Listing Rule 7.1A: 11,049,218 | | | | | | | | | | | |
| 7 | +Issue dates Notes: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in appendix 7A. Cross reference: item 33 of Appendix 3B. | 24 March 2017 | | | | | | | | | | | |
| 8 | Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable) | <table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,466,644,468</td><td>Fully Paid Ordinary Shares</td></tr></table> | Number | +Class | 1,466,644,468 | Fully Paid Ordinary Shares | | | | | | | |
| Number | +Class | | | | | | | | | | | | |
| 1,466,644,468 | Fully Paid Ordinary Shares | | | | | | | | | | | | |
| 9 | Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable) | <table><tr><th>Number</th><th>+Class</th></tr><tr><td>275,000</td><td>\$0.25 Options due 05/08/2017</td></tr><tr><td>2,000,000</td><td>\$0.25 Options due 11/11/2017</td></tr><tr><td>5,000,000</td><td>\$0.10 Options due 22/12/2017</td></tr><tr><td>275,000</td><td>\$0.35 Options due 05/08/2018</td></tr></table> | Number | +Class | 275,000 | \$0.25 Options due 05/08/2017 | 2,000,000 | \$0.25 Options due 11/11/2017 | 5,000,000 | \$0.10 Options due 22/12/2017 | 275,000 | \$0.35 Options due 05/08/2018 | |
| Number | +Class | | | | | | | | | | | | |
| 275,000 | \$0.25 Options due 05/08/2017 | | | | | | | | | | | | |
| 2,000,000 | \$0.25 Options due 11/11/2017 | | | | | | | | | | | | |
| 5,000,000 | \$0.10 Options due 22/12/2017 | | | | | | | | | | | | |
| 275,000 | \$0.35 Options due 05/08/2018 | | | | | | | | | | | | |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | The Company's dividend policy will apply to the new shares in the same way it applies to existing shares in the Company. | | | | | | | | | | | |

Part 2 - Pro rata issue

| | | |
|----|--|----------------|
| 11 | Is security holder approval required? | Not applicable |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |

+ See chapter 19 for defined terms.

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| | | |
|----|---|--|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Issue date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought Not applicable
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
-

+ See chapter 19 for defined terms.

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

| Number | +Class |
|--------|--------|
| | |

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Mark Bolton
Company Secretary

Date: 24 March 2017

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12, Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|---|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 1,180,426,999 |
| Add the following: | |
| <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 | 12,987,013 (issued 23/11/2016) 2,000,000 (issued 17/03/2017) |
| <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval | |
| <ul style="list-style-type: none"> Number of partly paid +ordinary securities that became fully paid in that 12 month period | |
| Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items | |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | Nil |
| “A” | 1,195,414,012 |

+ See chapter 19 for defined terms.

| | |
|--|--|
| Step 2: Calculate 15% of "A" | |
| "B" | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply "A" by 0.15 | 179,312,101 |
| Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 162,738,273 |
| "C" | 162,738,273 |
| Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1 | |
| "A" x 0.15 <i>Note: number must be same as shown in Step 2</i> | 179,312,101 |
| Subtract "C" <i>Note: number must be same as shown in Step 3</i> | 162,738,273 |
| Total ["A" x 0.15] – "C" | 16,573,828 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 1,195,414,012 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 119,541,401 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items | 108,492,183 |
| “E” | 108,492,183 |
| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | 119,541,401 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | 108,492,183 |
| Total [“A” x 0.10] - “E” | 11,049,218 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.