

ASX Announcement

6 June 2017

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Cambay PSC Workover and Project Update

Oilex Ltd (the Company) provides the following update on the field workover programme and ongoing activities.

Workover Programme

The field programme involving the workover of two older wells C-70 and C-23z to test potential production flow rates from the OS-II reservoir has been completed. The results on C-70 are currently under review with the well returning small volumes of both oil and gas. A sustained flow has not yet been confirmed and the well is being monitored for clean-up flow. The Company is considering whether further stimulation is warranted. The work on C-23z has resulted in an observed water influx into the well bore, however, no hydrocarbons have been recovered.

The field program has been completed under the highest HES controls and has come in under budget.

EP-IV Core Analysis

Historical core samples from C-23z are currently being analysed and tested by Schlumberger with completion of the work and delivery of results anticipated later in July. Baker Hughes is currently completing an initial desk study on EP-IV wells in the PSC in advance of undertaking evaluation work to provide direction on the optimal stimulation methodologies for future drilling and testing.

Gas Production

Cambay gas production is currently being achieved from the C-77H well at approximately 250,000 cubic feet per day.


The Bhandut Field is continuing to flow gas at approximately 250,000 cubic feet per day from the Bhandut-3 well. Water production rates are increasing with the water gas ratio presently at approximately 40%.

Cambay Joint Venture

The Company is currently in discussions with several potential partners who are undertaking data room reviews of the EP-IV tight gas potential at Cambay. Should any change in the structure of the joint venture eventuate, a restructure of the Company's ongoing funding commitment to the Cambay Project may ensue.

Work on the Field Development Plan is continuing using both in-house personnel and contracted specialists as part of the application for an extension of the PSC term beyond September 2019. The application is required to be lodged by September 2017.

The Company continues to maintain a constructive dialogue with GSPC in respect of resolving the outstanding cash calls.

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Bhandut Joint Venture

Upside exploration potential has been identified on the PSC and the Company is in discussions with a potential buyer for its interest in the Bhandut field.

New Business Opportunities

The Company continues to evaluate potentially value accretive new business opportunities ranging from discovered undeveloped resources with exploration upside to existing production. In general, we note the frequency and quality of available opportunities in the sector as presented to the Company has improved markedly in recent months.

Managing Director of Oilex Joe Salomon, said;

"The Company remains active in all areas and we continue to work closely with our Indian partner and the Government of Indian, to ensure that the full potential of the Cambay Project can be realised. In addition, we are reviewing several new business opportunities internationally."

For and on behalf of Oilex Ltd

Jonathan Salomon
Managing Director

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