OILEX LTD

FINANCIAL REPORT 2017

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Dear Shareholder

The 2017 financial year has delivered important steps to reset your Company and regain momentum behind the Cambay Project, the Company's key asset.

The Company remains committed to unlocking the multi TCF in-place tight gas potential in the tight EP-IV siltstones at its onshore Cambay Project, Gujarat State in India. Energy demand in India continues to underpin a strong investment case for the Joint Venture partners at Cambay.

The Company appointed Schlumberger and Baker Hughes to advise on the optimal well and stimulation design required to achieve potential commercial flow rates in the EP-IV reservoir. Importantly, the results from their analysis has confirmed the potential for substantially increased flow rates with the application of the appropriate stimulation technology suite. The Company is now reviewing its existing vertical wells with a view to conducting an initial test of the stimulation recipe.

During the year, the Company actively engaged in resolving the legacy issues associated with Cambay. In the June quarter, our Indian joint venture received the equivalent of US$1.4 million in outstanding cash calls from its joint venture partner, with additional proceeds anticipated. Importantly, all outstanding work programmes were approved by the joint venture and government regulator, and our joint venture partner has resumed payment of Cambay cash calls relating to the 2017/18 work programme.

A key focus of the 2017 financial year has been the preparation of the application for an extension of the Cambay PSC. As required, the application was lodged in September 2017 ahead of PSC expiry date of September 2019. The Company anticipates receiving a response to the application from the Government of India in mid-2018.

Strategically, the Company continues to actively review new opportunities to create value by diversifying the Company's project portfolio.

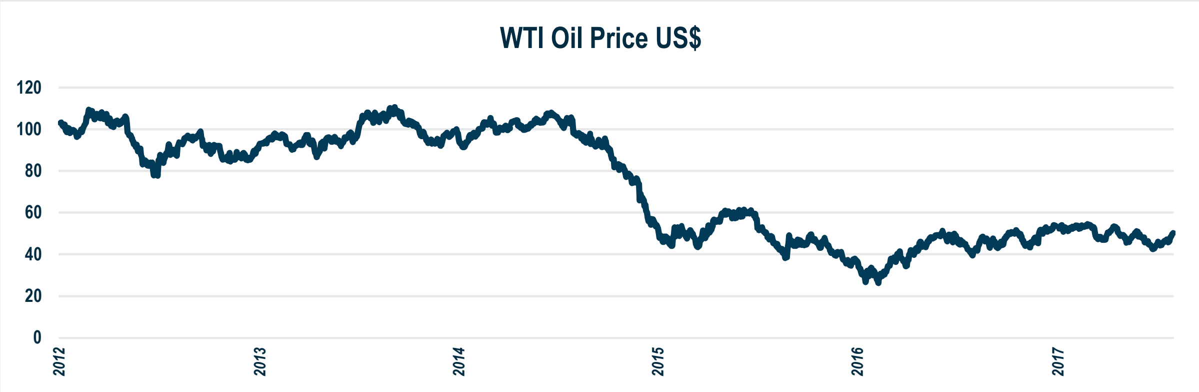
On behalf of the Board, I wish to thank our staff, Joint Venture partners, contractors, local communities, shareholders and stakeholders for their ongoing support as the Company moves closer to unlocking substantial unconventional hydrocarbon resources within the Cambay Project.

Bradley W. Lingo

Mr B Lingo
Chairman
12 September 2017

External Impact on the Petroleum Industry

Low global oil and gas prices during 2016/17 continue to negatively impact the oil and gas industry. Overall new capital expenditures have remained relatively low, with funding for greenfield exploration projects challenging. Many companies have responded by continuing where possible to reduce costs and defer projects. Oilex has responded similarly by reducing its headcount and non-core expenditure.



In contrast, the Indian economy has remained strong and is described as the fastest growing major economy in the World. India's oil consumption grew by 8.3 per cent year-on-year in 2016, against the global growth of 1.5 per cent, making it the third-largest oil consuming nation in the world. The Indian government is actively supporting foreign investment, including in the oil and gas sector.

Oilex Strategy

Oilex continued to focus on its core project in India during the year while also evaluating potentially value accretive new business opportunities ranging from discovered undeveloped resources with exploration upside to existing production. These evaluations are aimed at broadening the company's opportunity base and investment opportunities.

Figure 1: Oilex Staff

Introduction

The Cambay Project, Oilex's major project, is located onshore in the state of Gujarat in the heart of one of India's most prolific hydrocarbon and leading industrialised provinces. The project is ideally located near a major industrial corridor and approximately 20 km from the existing national gas pipeline grid. The project is well-positioned to commercialise production in the fast-growing, demand-driven domestic energy market.

The area has a long history of hydrocarbon production from a number of vertically stacked reservoir sections. Oilex continues to focus on a tight siltstone Eocene aged reservoir which has potential for Multi-TCF gas resources within the license area of the Cambay Production Sharing Contract (PSC). A secondary conventional reservoir is present in the Oligocene section. Oilex and its Joint Venture partner, the Gujarat State Petroleum Corporation Limited (GSPC), have been working on a development plan for both zones. The plan was submitted together with an application for a ten-year extension of the PSC in September 2017.

Production of gas and condensate from Cambay continued throughout most of the year. Gas was also produced during the year from the smaller Bhandut field until water production curtailed the operations.

Cambay Field, Onshore Gujarat, India

(Oilex - 45%, Operator)

Oilex is the Operator of the Cambay Field and holds a 45% participating interest. The remaining 55% interest is held by Joint Venture partner, Gujarat State Petroleum Corporation Limited (GSPC).

Exploration and production in the region has occurred since the early 1960s. Oilex's focus on the tight siltstone reservoir is a step away from the conventional exploration and production that has dominated the basin. It requires application of drilling and stimulation technologies to produce the reservoir at commercial rates. Core samples from a well drilled in 2008 have been analysed by Schlumberger for geomechanics properties and fluid and proppant matching. This core test analysis along with the data from previous vertical and horizontal wells has been the subject of an in-depth review by Baker Hughes aimed specifically to identify reasons for the limited success of past drilling and stimulation, and to outline optimal drilling and stimulation methodologies for future work programmes to establish commercial gas production.

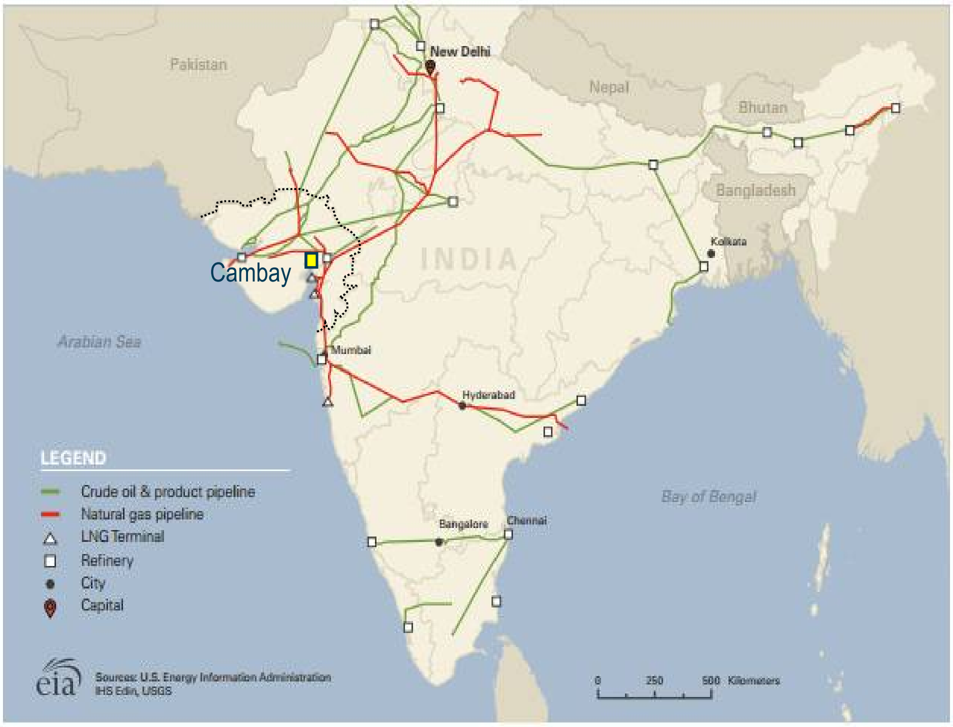


Figure 2: Gujarat Gas Pipeline Network to the Nation

A detailed development plan for both the Eocene siltstones and the Oligocene sandstones has been prepared during the year and submitted to the Indian government regulator, the Director General of Hydrocarbons in September 2017. The plan is required to support the application for the PSC extension. The PSC's primary term expires in September 2019, requiring submission of the application documents two years in advance. The Joint Venture has applied for an extension of up to ten years.

The development plan encompasses a staged approach, initially focussing on workovers and drilling of a small number of new wells. It is anticipated that notification by the government regarding the PSC extension will occur during Q2 of 2018. No major expenditure will be undertaken whilst the PSC extension is being considered.

A 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 was completed in June 2017. However, these wells did not return commercial volumes of oil and or gas.

During the year, a small volume of gas was produced into the local low pressure pipeline from the Eocene reservoir. The C-77H well produced 8.6 mmscf, and C-73 produced 2.7 mmscf. A plan of cycling production alternately from C-77H and C-73 will continue into the next year.

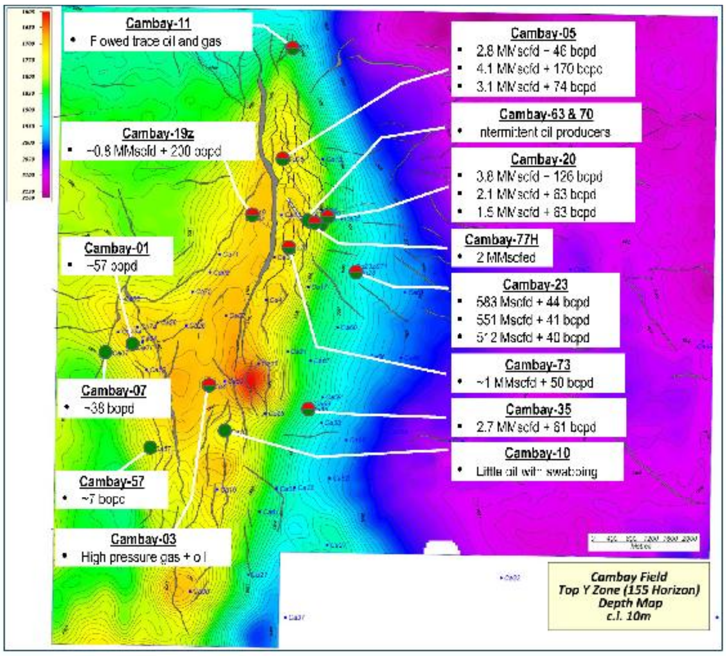


Figure 3: Cambay Field – recorded hydrocarbon flowrates from EP-IV (Y Zone) reservoir

The Company is in discussion with potential partner companies who have undertaken data room reviews of the EP-IV tight gas potential. Should any change in the structure of the existing Cambay joint venture eventuate, a restructure of the Company's ongoing funding commitment to the Cambay Project may ensue.

Figure 4: Cambay-73 Production Facility

Joint Venture Management

Oilex's has been working with its Joint Venture partner, GSPC, to resolve a number of unpaid cash calls going back several years. During the year Oilex received US$1.708 million gross from GSPC attributable to the Cambay Field. At 30 June 2017, gross unpaid cash calls issued to GSPC totalled approximately US$5.492 million. Oilex continues to engage positively with its Joint Venture partner to resolve these unpaid amounts. During the year Oilex continued to bear the ongoing costs of the Joint Venture and managed payment of the Cambay Joint Venture creditors. It is anticipated that GSPC will commence regular contributions to ongoing operating cash calls going forward.

Oilex has worked closely with GSPC exploring various options for the PSC and on the future development plan. There are no outstanding work commitments remaining on the PSC before the term expires.

In December 2016, Oilex participated in a formal tender process initiated by GSPC, by submitting a conditional offer for a possible additional 55% interest in the Cambay PSC. The outcome of this process has yet to be determined.

Cambay Contingent Resources

Resource volumes for the Eocene are unchanged since June 2016 and are summarised in the following table which shows Oilex net working interest. The development plan submitted as part of the application for extension of the PSC term addresses a sub-set of these resources in a staged approach.

Unrisked Cambay Field Contingent Resource Estimates at June 2017

	Net Gas Volume Bcf			Net Condensate Volume million bbl		
	1C	2C	3C	1C	2C	3C
X & Y Zones	215	417	728	12	27.4	54.6

Bhandut Field, Onshore Gujarat, India

(Oilex - 40%, Operator)

Oilex N.L. Holdings (India) Limited is the Operator of the Bhandut Field Production Sharing Contract (PSC) in the Cambay Basin onshore Gujarat, India and holds a 40% participating interest. The remaining 60% interest is held by Joint Venture partner Gujarat State Petroleum Corporation Limited (GSPC).

The Bhandut Field was initially discovered and developed by ONGC in 1976.

Production from the Bhandut-3 well continued until June 2017 when it was shut-in due to increasing water production. A total of 28.5 mmscf was produced during the year.

The field has ongoing production and exploration potential, coupled with existing production facilities. The Company is currently in discussion with several parties, regarding a possible sale of its participating interest in the PSC. A development plan in support of the application for an extension of the PSC was submitted in September 2017.

During the financial year, the Joint Venture received US$0.283 million gross from GSPC against outstanding cash calls for Bhandut. Total unpaid cash calls by GSPC were reduced to US$62,983 (gross) at 30 June 2017.

Figure 5: Bhandut Production Facility

Sabarmati Field, Onshore Gujarat, India

(Oilex - 40%, Operator)

The Sabarmati Field Petroleum Mining Permit was relinquished in August 2016. During the financial year, the Joint Venture received US$84,644 gross from GSPC against outstanding cash calls and the total unpaid cash calls by GSPC had been reduced as at June 2017 to US$769 (gross).

JPDA 06-103, Timor Sea

(Oilex - 10%, Operator)

The Joint Venture submitted a request to the Autoridade Nacional do Petroleo e Minerais (ANPM) to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim on 12 July 2013 (Request to Terminate).

The Request to Terminate followed Joint Venture concerns over the security of PSC tenure as a result of developments within the JPDA, including JPDA 06-103, which are outside the control and influence of the Joint Venture Participants, including:

- existence of separate unilateral rights to terminate the Certain Maritime Arrangements in the Timor Sea (CMATS) arising in 2013 in favour of both the Government of Timor Leste and the Government of Australia; and
- formal arbitration proceedings being initiated by the Timor Leste Government against the Government of Australia to have CMATS declared void ab initio.

On 15 January 2014, the ANPM suspended the PSC for 3 months to provide sufficient time for a response to the Request to Terminate be determined. The ANPM subsequently granted successive 3 month extensions to the PSC.

In May 2015, the ANPM responded to the Joint Venture and advised that the Request to Terminate had been rejected. Shortly thereafter, the Joint Venture received a Notice of Intent to Terminate the PSC (Notice) from the ANPM effective 15 July 2015.

The Notice asserts a monetary claim against the Joint Venture for payment of the estimated cost of exploration activities not carried out in 2013 and certain local content obligations set out in the PSC. The total amount sought to be recovered by the ANPM in the Notice is approximately US$17 million. The obligations and liabilities of the Joint Venture participants under the PSC are joint and several.

The Joint Venture had previously requested credit for excess expenditure on the approved work programme in the amount of circa US$56 million and this issue remains unresolved. The Notice does not include any reference to, nor allowance for, credit for excess monies which have been spent by the Joint Venture during the PSC term. Oilex considers such excess expenditure should be included as part of any financial assessment incorporated in the termination process.

The Joint Venture continues to discuss any financial liabilities which may arise from the termination of the PSC with the ANPM.

Notwithstanding the Group's belief that no penalty is applicable, both parties have made a number of offers to settle the matter, none of which have been mutually acceptable. In view of ongoing discussions to resolve this matter, the Group has elected to make a provision of US$600,000 as at 31 December 2016, being the Group's share of a proposed settlement of the JPDA matter. The provision, timing and or settlement, if any, is subject to variation dependent upon ongoing negotiations with the ANPM.

The Joint Venture continues its discussions with the ANPM and remains hopeful an amicable settlement will be reached. If the parties are unable to reach an amicable settlement, any party may refer the matter to arbitration. If this occurs, the obligations and liabilities of the Joint Venture participants under the PSC are joint and several, with parent company guarantees provided by all Joint Venture participants. Oilex has a 10% participating interest in the Joint Venture and is the Operator

The equity interest of the Joint Venture participants are:

Oilex (JPDA 06-103) Ltd (Operator)	10%
Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15%
Japan Energy E&P JPDA Pty Ltd	15%
GSPC (JPDA) Limited	20%
Videocon JPDA 06-103 Limited	20%
Bharat PetroResources JPDA Ltd	20%
Total	100%

The Joint Venture is presently being conducted in accordance with a care and maintenance budget.

Canning Basin, Western Australia

Oilex currently holds exploration permit application STP-EPA-0131, and has “preferred applicant” status for two adjacent exploration areas, STP-EPA-0106 and STP-EPA-0107 in the onshore Canning Basin, Western Australia. The combined total area is ~3 million acres. The exploration areas cover the prospective Wallal Graben.

The acreage is adjacent to many world class mining projects in the Pilbara region. The Great Northern Highway runs through the northern area and the Telfer Gas Pipeline traverses STP-EPA-0131.

Final award of each permit requires signing of Heritage Agreements with the Nyangumarta and Njamal People and is linked to a request to the Department of Mines and Petroleum (DMP) that all three permits be awarded simultaneously. Oilex can review its position in pursuing these applications at any time.

West Kampar PSC, Central Sumatra

(Oilex - 45% + further 22.5% secured, Non operator)

Oilex continues to pursue a commercial resolution to the Joint Venture dispute with the Operator in the West Kampar PSC, in parallel with considering options to enforce its Arbitration Award in Jakarta. The Pendalian Field which lies within the PSC has been managed outside of the terms of the JOA and funded by the Operator with no accounting of any production revenues to Oilex.

Following application by a creditor, the Commercial Court in Jakarta appointed an Administrator and implemented a scheme of arrangement to repay creditors over a ten-year period. As this scheme excluded Oilex’s claim, Oilex has commenced legal action to recover the balance of the arbitration award and to ensure its interests are protected.

At the end of 2016 the Indonesian Operator applied to the Indonesian courts for a debt payment obligation suspension. This was denied and the operating company, PT Sumatera Persada Energi (SPE) was declared bankrupt. A number of creditors meetings were held during the year. Oilex has instructed its Indonesian based lawyers to pursue its claim in the courts covering refund of monies provided by Oilex to the Operator, accrued interest, arbitration and legal costs and loss of profits.

Oilex recently has received confirmation from the Indonesian Government regulator, SKKMigas that Oilex continues to retain a 45% participating interest in the PSC. In the absence of a commercial settlement, the Company intends to preserve its rights including the Arbitration Award.

The carrying value of this investment had been fully provided for in 2012 pending resolution of this matter.

Financial

Treasury policy

The funding requirements of the Group are reviewed on a regular basis by the Group’s Chief Financial Officer and reported to the Board to ensure the Group is able to meet its financial obligations as and when they fall due. Internal cash flow models are used to review and to test investment decisions. Until sufficient operating cash flows are generated from its operations, the Group remains reliant on equity or debt funding, as well as assets divestiture or farmouts to fund its expenditure commitments.

Formal control over the Group’s activities is maintained through a budget and cash flow monitoring process with annual budgets considered in detail, and monitored monthly by the Board and forming the basis of the Company’s financial management strategy.

Cash flows are tested under various scenarios to ensure that expenditure commitments are able to be met under all reasonably likely scenarios. Expenditures are also carefully monitored against budget.

The Company continues to actively develop funding options in order that it can meet its expenditure commitments and its’ planned future discretionary expenditure.

As at 30 June 2017 the Group had no loan borrowings.

Corporate

The Company has dual listing on the ASX and on the Alternative Investment Market (AIM) of the London Stock Exchange with approximately 64% of the Company's shares held on the Company's UK register. At the 23 November 2016, Annual General Meeting, shareholders approved the adoption of an updated Constitution.

During the year, the Company continued to undertake material cost reduction initiatives in both its Perth and Indian offices. The cost reductions undertaken in both Perth and India, included a 30% overall reduction in the number of personnel; and a 14% average reduction in salaries and wages for existing personnel.

A capital raising (Placement) to secure funding of approximately £1.1 million (A$1.78 million) to support its 2017 work programme and working capital requirements was undertaken in the first half of 2017. Cornhill Capital Limited (Cornhill) was appointed as broker pursuant to the AIM Rules for Companies and arranged £1 million from new investors in the United Kingdom. The Company also received direct subscriptions of £0.1 million from existing professional shareholders. The Placement, part of which was subject to shareholder approval, secured approximately £1.1 million before expenses through the issue of 488,888,888 new fully paid ordinary shares at an average price of 0.225 pence (A$0.0036) per share and 190,353,386 options in the issued capital of the Company.

The first tranche of 298,353,502 shares issued for £0.67 million (approximately A$1.07 million) completed during the March 2017 quarter. Shareholder approval was gained at a subsequent General Meeting held on 3 May 2017, for a second tranche of 190,353,386 shares at 0.225 pence each for a gross raising of £0.43 million (approximately A$0.69 million). Each share of this second tranche was issued with an attached unlisted option exercisable at 0.35 pence (A$0.0056) at any time within six months from the date of issue. The General Meeting also approved the granting to Cornhill of 88,888,888 unlisted options exercisable at 0.225 pence per share exercisable within 3 years of grant.

As at 30 June 2017 the Company had:

- Available cash resources of $3.22 million;
- No loans or borrowings;
- Issued capital of 1,684,302,899 fully paid ordinary shares and unlisted options of 286,974,272.

On 4 September 2017, the Company issued 13,809,266 new ordinary shares following the exercise of 11,722,222 broker options at 0.225 pence and the sum of 2,087,044 shares in lieu of consulting fees.

Figure 6: Oilex Tree Planting

Executive and Board Changes

In early 2017, a number of changes were made at Board level.

In February, Mr Max Cozijn stepped down as Non-Executive Chairman of the Company and Mr Bradley Lingo agreed to act as Non-Executive Chairman in an interim capacity during the transition period. The Company has initiated a formal search process to identify a potential new Chairman.

On 17 March 2017, Mr Jonathan Salomon's contract as Managing Director, was extended by one year.

In May, Mr Paul Haywood was appointed as a Non-Executive Director, providing the Company with United Kingdom financial markets expertise.

The Board continues to review the Board composition with a view to conforming with best corporate governance requirements while being cognisant of the need to conserve the cash resources of the group during this constrained economic environment for the hydrocarbon industry globally.

Risk Management

The full Board undertakes the function of the Audit and Risk Committee and is responsible for the Group's internal financial control system and the Company's risk management framework. Management of business risk, particularly exploration, development and operational risk is essential for success in the oil & gas business. The Group manages risk through a formal risk identification and risk management system.

Health, Safety, Security and Environment

Policy

Oilex is committed to protecting the health and safety of everybody who plays a part in our operations or lives in the communities where we operate. Wherever we operate, we will conduct our business with respect and care for both the local and global, natural and social environment and systematically manage risks to drive sustainable business growth. We will strive to eliminate all injuries, occupational illness, unsafe practise and incidents of environmental harm from our activities. The safety and health of our workforce and our environment stewardship are just as important to our success as operational and financial performance and the reputation of the Company.

Oilex respects the diversity of cultures and customs that it encounters and endeavours to incorporate business practices that accommodate such diversity and that have a beneficial impact through our working involvement with local communities. We strive to make our facilities safer and better places in which to work and our attention to detail and focus on safety, environmental, health and security issues will help to ensure high standards of performance. We are committed to a process of continuous improvement in all we do and to the adoption of international industry standards and codes wherever practicable. Through implementation of these principles, Oilex seeks to earn the public's trust and to be recognised as a responsible corporate citizen.

Qualified Petroleum Reserves and Resources Evaluator Statement

Pursuant to the requirements of Chapter 5 of the ASX Listing Rules, the information in this report relating to petroleum reserves and resources is based on and fairly represents information and supporting documentation prepared by or under the supervision of Mr Joe Salomon, Managing Director employed by Oilex Ltd. Mr Salomon has over 31 years' experience in petroleum geology and is a member of the American Association of Petroleum Geologists, Petroleum Exploration Society of Australia and South East Asian Petroleum Exploration Society. Mr Salomon meets the requirements of a qualified petroleum reserve and resource evaluator under Chapter 5 of the ASX Listing Rules and consents to the inclusion of this information in this report in the form and context in which it appears. Mr Salomon also meets the requirements of a qualified person under the AIM Note for Mining, Oil and Gas Companies and consents to the inclusion of this information in this report in the form and context in which it appears.

PERMIT SCHEDULE AS AT 30 JUNE 2017				
ASSET	**LOCATION**	**ENTITY**	**EQUITY %**	**OPERATOR**
Cambay Field PSC	Gujarat, India	Oilex Ltd Oilex N.L. Holdings (India) Limited	30.0 15.0	Oilex Ltd
Bhandut Field PSC	Gujarat, India	Oilex N.L. Holdings (India) Limited	40.0	Oilex N.L. Holdings (India) Limited
West Kampar PSC	Sumatra, Indonesia	Oilex (West Kampar) Limited	67.5 (1)	PT Sumatera Persada Energi
JPDA 06-103 PSC	Joint Petroleum Development Area Timor Leste and Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd
STP-EPA-0131	Western Australia	Admiral Oil Pty Ltd (3)	100.0	Admiral Oil Pty Ltd (2)
STP-EPA-0106	Western Australia	Admiral Oil and Gas (106) Pty Ltd (3)	100.0 (3)	Admiral Oil and Gas (106) Pty Ltd (2)
STP-EPA-0107	Western Australia	Admiral Oil and Gas (107) Pty Ltd (3)	100.0 (3)	Admiral Oil and Gas (107) Pty Ltd (2)

(1) Oilex (West Kampar) Limited is entitled to have assigned an additional 22.5% to its holding through the exercise of its rights under a Power of Attorney granted by PT Sumatera Persada Energi (SPE) following the failure of SPE to repay funds due. The assignment request has been provided to BPMigas (now SKKMigas) but has not yet been approved or rejected. If Oilex is paid the funds due it will not be entitled to also pursue this assignment.

(2) Ultimate parent entity is Oilex Ltd.

(3) Current status is a Preferred Applicant.

2017 FINANCIAL REPORT

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For the year ended 30 June 2017

The directors of Oilex present their report (including the Remuneration Report) together with the consolidated financial statements of the Group comprising of Oilex Ltd (the Company) and its subsidiaries for the financial year ended 30 June 2017 and the auditors' report thereon.

DIRECTORS

The directors of Oilex Ltd (the Company) in office at any time during or since the end of the financial year are:

Mr Bradley Lingo

(Non-Executive Chairman)
Bachelor of Arts with Honours, Juris Doctorate, MAICD
Mr Lingo was appointed as a Non-Executive Director in February 2016 and Non-Executive Chairman in February 2017. Mr Lingo has more than 31 years of experience in a diverse range of oil and gas leadership roles, including business development, new ventures, mergers and acquisitions and corporate finance. Mr Lingo has worked with Tenneco Energy and El Paso Corporation in the US and Australia, the Commonwealth Bank of Australia and Drillsearch Energy Limited. He is currently the Managing Director and CEO of Elk Petroleum Limited.

During the last three years Mr Lingo has been a director of the following ASX listed companies:

- Elk Petroleum Limited (from August 2015 to current)
- Drillsearch Energy Limited (from May 2009 to July 2015)
- Acer Energy Limited (from November 2012 to July 2015)
- Ambassador Oil and Gas Limited (from August 2014 to July 2015)

Mr Max Cozijn

(Non-Executive Director)
BCom CPA MAICD
Mr Cozijn was initially appointed Chairman when the Company listed on the Australian Securities Exchange (ASX) in 2003, having been the founding director of Oilex Ltd. He stepped down as Chairman in February 2017 and is currently a Non-Executive Director of the Company. Mr Cozijn has a Bachelor of Commerce degree from the University of Western Australia, is a member of CPA Australia and is a member of the Australian Institute of Company Directors. Mr Cozijn has over 35 years of experience in the administration of listed mining and industrial companies and is the Non-Executive Chairman of Jacka Resources Limited and is a director of various private companies. Mr Cozijn was appointed a Non-Executive Board Member of Indigo Junction Inc, a not-for-profit organisation providing emergency accommodation and support services in July 2017.

During the last three years Mr Cozijn has been a director of the following ASX listed companies:

- Jacka Resources Limited (from May 2014 to current)
- Energia Minerals Limited (from May 1997 to June 2016)
- Carbon Energy Limited (from September 1992 to April 2015)

Mr Paul Haywood

(Non-Executive Director – appointed 29 May 2017)
Mr Haywood was appointed as a Non-Executive Director in May 2017. Mr Haywood has over 14 years of international experience in delivering value for his investment network through a blended skill-set of corporate and operational experience, including six years in the Middle East, building early stage and growth projects. More recently, Mr Haywood has held senior management positions with UK and Australian public companies in the natural resource and energy sectors including O&G exploration and development in UK, EU and Central Asia. Mr Haywood's expertise stretch across a broad UK and Australian public market, with a cross-functional skill set with diverse experience and capability encompassing research, strategy, implementation, capital and transactional management. Mr Haywood is currently Executive Director of Block Energy Plc and resource focussed UK advisory firm, Plutus Strategies Ltd.

During the last three years Mr Haywood has not been a director of any other ASX listed companies.

Mr Jonathan Salomon

(Managing Director)
B App Sc (Geology), GAICD
Mr Salomon was appointed as a Non-Executive Director in November 2015 and Managing Director on 18 March 2016. Mr Salomon has over 31 years of experience working for upstream energy companies. Further details of Mr Salomon's qualifications and experience can be found in the Executive Management section of the Directors' Report.

During the last three years Mr Salomon has not been a director of any other ASX listed companies.

COMPANY SECRETARY

The Chief Financial Officer, Mr Mark Bolton (B Bus) was appointed Company Secretary in June 2016.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement, which reports on Oilex's key governance principles and practices is available on the Oilex website.

In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd edition. The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The Corporate Governance Statement provides detailed information on the Board and committee structure, diversity and risk management.

DIRECTORS' MEETINGS

Directors in office and directors' attendance at meetings during the 2016/17 financial year are as follows:

	Board Meetings (1)	
	Held (2)	Attended
Non-Executive Directors		
B Lingo (3)	14	14
M D J Cozijn (4)	14	14
P Haywood (5)	1	1
Executive Director		
J Salomon	14	14

(1) Following the changes to the Board at the Annual General Meeting on 25 November 2015, the Board resolved that the full Board would perform the role of the Audit and Risk Committee and the Remuneration and Nomination Committee. The Company is considering the appointment of additional independent non-executive directors in order to achieve best practice corporate governance and may reconstitute the Committees at that time.

(2) Held indicates the number of meetings available for attendance by the director during the tenure of each director.

(3) Current Chairman effective 23 February 2017.

(4) Prior Chairman to 23 February 2017.

(5) Appointed as Non-Executive Director 29 May 2017.

EXECUTIVE MANAGEMENT

Mr Jonathan Salomon

(Managing Director)
B App Sc (Geology), GAICD
Mr Salomon was appointed as a Non-Executive Director in November 2015 and Managing Director on 18 March 2016. Mr Salomon has a Bachelor degree in Applied Science and is a member of the American Association of Petroleum Geologists, Petroleum Exploration Society of Australia, South East Asian Petroleum Exploration Society and has over 31 years of experience working for upstream energy companies. Mr Salomon has worked for a number of oil and gas companies in various senior positions including General Manager Exploration and New Ventures at Murphy Oil Corporation and Global Head of Geoscience at RISC PL, in addition to a number of executive director roles including Strategic Energy Resources, Norwest Energy and Nido Petroleum. At several times in his career, Mr Salomon has acted as an independent consultant for various oil and gas companies, including New Standard Energy and Pacrim Energy. Mr Salomon first worked on Indian projects in 1994 while at Ampolex and since that time has maintained connection with the Indian industry, at various times bidding in India's exploration and field development rounds and working with Indian companies as joint venture partners, both in India and internationally.

Mr Mark Bolton

(Chief Financial Officer and Company Secretary)
B Business
Mr Bolton was appointed Chief Financial Officer and Company Secretary in June 2016. He has significant experience in the resource sector in Australia, having worked as Chief Financial Officer and Company Secretary for a number of resource companies since 2003. Prior to this, Mr Bolton worked with Ernst & Young as an Executive Director in Corporate Finance. Mr Bolton has experience in the areas of commercial management and the financing of resource projects internationally. He also has extensive experience in capital and equity markets in a number of jurisdictions including ASX and AIM.

Mr Ashish Khare

(Head - India Assets - appointed 8 November 2016)
Bachelor of Engineering (BE in Chemical Engineering, including petroleum management)
Mr Khare was appointed Acting Head - India Assets on 8 November 2016 and is based in Gandhinagar India and has over 16 years of experience in the petroleum industry. Mr Khare's area of expertise include upstream oil and gas, as well as midstream and downstream project implementation and operation management. Mr Khare originally worked for Oilex as GM Operations & Business Development, and has experience working for various Indian companies including Cairn India Ltd and Reliance Petroleum.

Mr Peter Bekkers

(Chief Geoscientist– until 30 September 2016)
BSC (Hons) Geology and Geophysics
Mr Bekkers joined Oilex in 2007, appointed as Chief Geoscientist in April 2010 until he ceased working for Oilex in September 2016. Mr Bekkers held various roles with Woodside Energy Ltd, Santos Ltd and Boral Energy and had over 20 years of experience in the oil and gas industry.

Mr Jayant Sethi

(Head - India Assets - until 11 November 2016)
Geology (Masters)
Mr Sethi joined Oilex in February 2015 as Head - India Assets and ceased working for Oilex in November 2016. Mr Sethi previously held senior management positions with Cairn Energy Ltd and the Oil & Natural Gas Corporation and had over 30 years of experience in the oil and gas industry.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year included:

- exploration for oil and gas;
- appraisal and development of oil and gas prospects; and
- production and sale of oil and gas.

There were no significant changes in the nature of the activities during the year.

OPERATING RESULTS

The loss after income tax of the consolidated entity for the year ended 30 June 2017 amounted to $3,665,192 (2016: loss of $36,154,111).

Revenue for the period decreased due to Bhandut-3 being shut in from 6 October 2016, Cambay-73 only being on production test from 2 July to 24 July 2016, and Cambay-77 being shut in after June 2016 until May 2017.

Other income includes the recovery of $285,558 relating to joint venture receivables reclassified to development assets in prior years, but subsequently received in the current financial year.

The prior year results included the impairment of development assets of $10,023,940, with no impairment recorded in the current year. Exploration and evaluation assets were impaired by $373,780 (2016: $11,572,740). Exploration expenses of $936,721 were offset by the reversal of $1,287,170 prior year expenses, including the reversal of cash calls and the decrease in the joint venture partners' share of creditors initially taken up by the Group in its capacity as operator, resulting in a net write back of $350,449 (2016: expense $3,972,848).

Administration expenses of $2,982,826 (2016: $5,648,298) includes the recovery of $693,400 arising from the insurance claim relating to the Zeta Resources Limited (Zeta) litigation, whilst the prior year included $1,484,993 for legal and settlement costs associated with Zeta. Other expenses include a provision of $795,229 (2016: Nil) being the Group's 10% share of a proposed settlement of the JPDA 06-103 termination penalty.

The impairment of receivables owing from Gujarat State Petroleum Corporation (GSPC) has been partially reversed with $473,112 written back in the current period (2016: expense of $3,941,988).

Cash and cash equivalents held by the Group as at 30 June 2017 was $3,215,565 (30 June 2016: cash and cash equivalents $5,158,361).

FINANCIAL POSITION

The net assets of the consolidated entity totalled $7,273,611 as at 30 June 2017 (2016: $9,328,974).

DIVIDENDS

No dividend was paid or declared during the year and the directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS

A review of the operations of the Group during the financial year and the results of those operations are set out in the Review of Operations on pages 3 to 11 of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Review of Operations details those changes that have had a significant effect on the Group.

Other than those matters, there have been no other significant changes in the state of affairs of the Group that occurred during the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to year end, on 4 September 2017, the Company issued 11,722,222 ordinary shares upon the exercise of £0.00225 ($0.004) unlisted options and 2,087,044 ordinary shares as consideration for consulting services.

There were no other significant subsequent events occurring after year end.

LIKELY DEVELOPMENTS

Additional comments on expected results on operations of the Group are included in the Review of Operations on pages 3 to 11.

Further disclosure as to likely developments in the operations of the Group and expected results of those operations have not been included in this report as, in the opinion of the Board, these would be speculative and as such, disclosure would not be in the best interests of the Group.

ENVIRONMENTAL ISSUES

The Group's oil and gas exploration and production activities are subject to environmental regulation under the legislation of the respective states and countries in which they operate. The majority of the Group's activities involve low level disturbance associated with its drilling programmes and production from existing wells. The Board actively monitors compliance with these regulations and as at the date of this report is not aware of any material breaches in respect of these regulations.

FINANCIAL POSITION

Capital Structure and Treasury Policy

Details of transactions involving ordinary shares during the financial year are as follows:

	Number of Shares	Number of Shares Under Option	Gross Amount Raised $
November 2016 - Managing Director Award Shares	12,987,013		-
March 2017 - Managing Director Retention Rights	2,000,000		-
March 2017 - Tranche One Placement	298,353,502		1,074,073
May 2017 - Tranche Two Placement including options	190,535,385	190,535,385	762,142
May 2017 - Broker options		88,888,888	-
Total	503,875,900	279,424,273	1,836,214

At the date of this report, the Company had a total issued capital of 1,698,112,165 ordinary shares and 274,977,051 unlisted options exercisable at Australian Dollar equivalent prices of between $0.004 and $0.35 per share.

As at 30 June 2017 the Group had no loan borrowings.

Material Uncertainty Related to Going Concern

The audit opinion for the year ended 30 June 2017 identifies a material uncertainty regarding continuation as a going concern. The consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business. The Group will require funding in order to continue its exploration activities and progress the Cambay Project.

The funding requirements of the Group are reviewed on a regular basis by the Group's Chief Financial Officer and Managing Director and are reported to the Board at each board meeting to ensure the Group is able to meet its financial obligations as and when they fall due. Until sufficient operating cash flows are generated from its operations, the Group remains reliant on joint venture contributions, equity raisings or debt funding, as well as asset divestitures or farmouts to fund its expenditure commitments.

The Company continues to actively develop funding options in order that it can meet its expenditure commitments and its planned future discretionary expenditure, as well as any contingent liabilities that may arise.

DIRECTORS' INTERESTS

The relevant interest of each director in shares and unlisted options issued by the Company, as notified by the directors to the ASX in accordance with Section 205G (1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Number of Ordinary Shares		Number of Options Over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
B Lingo	-	-	-	-
M D J Cozijn	-	1,848,218	-	-
P Haywood	-	-	-	-
J Salomon	14,987,013	-	-	-

SHARE OPTIONS

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option (with an exercise price) are:

Expiry Date	Number of Shares	Exercise Price
Unlisted Options		
11 November 2017	2,000,000	$0.25
22 December 2017	5,000,000	$0.10
5 August 2018	275,000	$0.35
22 November 2017	190,535,385	£0.0036 ($0.006)
22 May 2020	77,166,666	£0.00225 ($0.004)
Total	274,977,051	

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Unissued shares under option that expired during the year

During the financial year, the following unlisted employee and advisor options expired or were cancelled upon cessation of employment:

Date Lapsed	Number	Exercise Price
25 August 2016	1,500,000	$0.25
25 August 2016	1,500,000	$0.35
4 November 2016	2,000,000	$0.15
11 November 2016	2,000,000	$0.15
5 December 2016	3,000,000	$0.15
4 January 2017	1,000,000	$0.25
4 January 2017	500,000	$0.35
13 February 2017	500,000	$0.25
13 February 2017	500,000	$0.35
1 March 2017	100,000	$0.25
1 March 2017	100,000	$0.35
Total	12,700,000	

Shares issued on exercise of unlisted options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of unlisted options as follows (there were no amounts unpaid on the shares issued):

	Number of Shares	Amount Paid on Each Share
During the financial year	-	-
Since the end of the financial year	11,722,222	£0.00225 ($0.004)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group paid a premium in respect of insurance cover for the directors and officers of the Group. The Group has not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' liability and legal expense insurance contracts, as such disclosure is prohibited under the terms of the insurance contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company, nor has any application been made in respect of the Company under Section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Group is important.

The Board has considered the non-audit services provided during the year and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and these have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Refer note 23 of the Consolidated Financial Statements for details of the amounts paid to the auditor of the Group, KPMG Australia, and its network firms for audit and non-audit services provided during the year.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, unless otherwise stated.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration for the year ended 30 June 2017 has been received and can be found on page 33.

REMUNERATION REPORT - AUDITED

The Board has performed the function of the Nomination and Remuneration Committee since June 2016 when the Board considered that, given the size and composition of the existing Board, that there are no efficiencies to be gained by having a separate committee. The Board has adopted a *Nomination and Remuneration Committee Charter*, which describes the role, composition, functions and responsibilities of the committee. The Nomination and Remuneration Committee is responsible for the review and recommendation to the Board, of the Company's Remuneration Policy, senior executives' remuneration and incentives, the remuneration framework for directors, superannuation arrangements, incentive plans and remuneration reporting.

1. PRINCIPLES OF COMPENSATION

Remuneration is referred to as compensation throughout this report. The Remuneration Report explains the remuneration arrangements for directors and senior executives of Oilex Ltd who have authority and responsibility for planning, directing and controlling the activities of the Group (key management personnel).

The compensation structures explained below are designed to attract, retain and motivate suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel;
- the ability of key management personnel to control the performance of the relevant segments;
- the current downturn of the resources industry;
- the Company's performance including:
    - the Group's earnings; and
    - the growth in share price and delivering constant returns on shareholder wealth;
- exploration success; and
- development of projects.

Compensation packages include a mix of fixed compensation and long-term performance-based incentives. In specific circumstances the Group may also provide short-term cash incentives based upon the achievement of Company performance hurdles or in recognition of specific achievements.

1.1 Fixed Compensation

Fixed compensation consists of base compensation and employer contributions to superannuation funds. Compensation levels are reviewed annually through a process that considers individual, sector and overall performance of the Group. In addition, reviews of available data on oil and gas industry companies provide comparison figures to ensure the directors' and senior executives' compensation is competitive in the market.

In September 2016 following another review of cost reduction initiatives, the Board resolved to reduce the remuneration of Non-Executive Directors by 10%, the Managing Director by 22.3% and the CFO by 5% effective from 1 October 2016.

Compensation for senior executives is separately reviewed at the time of promotion or initial appointment.

1.2 Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives designed to reward key management personnel for growth in shareholder wealth. The short-term incentive (STI) is an "at risk" bonus provided in the form of cash or shares, while the long-term incentive plan (LTI) is used to reward performance by granting options over ordinary shares of the Company.

Short-term incentive bonus

The Group does not utilise short-term incentives on an annual or regular basis, as these are not considered part of the standard compensation package for key management personnel.

In certain circumstances the Board may, for reasons of retention, motivation or recognition, consider the use of short-term incentives.

Short-term incentives, if granted, are at the discretion of the Board having regard to the business plans set before the commencement of the financial year as well as the achievement of performance targets as determined by the Board. These targets include a combination of key strategic, financial and personal performance measures which may have a major influence over company performance in the short-term.

1. PRINCIPLES OF COMPENSATION (CONTINUED)

Short-term incentive bonus (continued)

The prior year short-term incentive, granted to Mr Salomon as Managing Director, of $100,000 in Oilex shares upon the resolution of the Zeta Resources Limited litigation, was conditional upon shareholder approval.

Shareholder approval was obtained in the current financial year at the AGM held 23 November 2016. The 2016 financial year fully vested short-term incentive was awarded on 24 November 2016, with 12,987,013 shares issued to Mr Salomon. The pricing of the Oilex shares was based on the 20 day VWAP for OEX on the ASX in the 20 trading days preceding the AGM.

During the reporting period, a short-term incentive cash bonus was paid to Mr Sethi, Head of India Assets of $5,328. This discretionary bonus was in recognition of Mr Sethi's contribution to the strengthening of the Groups' relationship with its Indian joint venture partner, GSPC.

Long-term incentive bonus

Long-term incentives include shares, rights and options and are issued at the discretion of the Board.

The issue of options is designed to allow the Group to attract and retain talented employees. The issue of options aims to closely align the interests of senior executives and employees with those of shareholders and create a link between increasing shareholder value and employee reward. Any options issued to senior executives are issued under the Australian Securities Exchange Rule 7.1.

Whilst the Company moved certain assets to development in previous financial years, these have been impaired and the Company does not generate profits or net operating cash inflows and as such does not pay any dividends, and consequently remuneration packages are not linked to profit performance. It is the performance of the overall exploration and appraisal programme and ultimately the share price that largely determines Oilex's performance. The Board therefore considered that fixed compensation combined with short-term and long-term incentive components is the best remuneration structure for achieving the Company's objectives to the benefit of shareholders. The table below sets out the closing share price at the end of the current and four previous financial years.

	2017	2016	2015	2014	2013
Share Price (cents)	0.3	1.0	6.1	11.5	5.0

The remuneration of directors, may consist of a cash component as well as an equity component, and is designed to retain directors of a high calibre, whilst rewarding them for their ongoing commitment and contribution to the Company on a cost effective basis. The issue of shares, rights or options to directors, subject to shareholder approval, is judged by the Company, to further align the directors' interests with that of shareholders, whilst maintaining the cash position of the Company. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing shares, rights or options to directors.

The Company did not issue any options to senior executives or staff during the year.

In the previous financial year, the Board granted the incoming Managing Director, Mr Salomon a retention award of 2 million rights to fully paid ordinary shares in the Company, if Mr Salomon's employment with the Company was extended beyond the initial one-year term, expiring on 18 March 2017, with the issue of these rights being subject to shareholder approval. Shareholder approval was obtained at the AGM held 23 November 2016, during the current year and 2 million retention rights to shares were issued at no cost on 16 December 2016 and converted to ordinary shares on 17 March 2017.

No non-executive directors have been granted any shares, rights or unlisted options in this financial year. During the financial year, no long-term incentives were granted to any employee.

1. PRINCIPLES OF COMPENSATION (CONTINUED)

1.3 Non-Executive Directors

Total compensation for all Non-Executive Directors is based on comparison with external data with reference to fees paid to Non-Executive Directors of comparable companies. Directors' fees cover all main Board activities and membership of committees.

The Board resolved to reduce the remuneration of Non-Executive Directors by 10% effective from 1 October 2016.

The Chairman's annual fee including superannuation reduced to $78,840 per annum the previous year, was again reduced by 10% to $70,956 per annum effective from 1 October 2016.

The Australian based Non-Executive Directors fees including superannuation of $54,750 per annum was reduced by 10% to $49,275 per annum effective 1 October 2016.

The annual fee for Mr Haywood, the Company's United Kingdom based Non-Executive Director was set at £30,000 per annum on commencement in May 2017.

The aggregate maximum fixed annual amount of remuneration available for Non-Executive Directors of $500,000 per annum was approved by Shareholders on 9 November 2011.

In addition to the fixed component, the Company can remunerate any director called upon to perform extra services or undertake any work for the Company beyond their general duties. This remuneration may either be in addition to, or in substitution for, the director's share of remuneration approved by Shareholders.

1.4 Clawback Policy

The Board has adopted the following Clawback Policy applicable from August 2015.

In relation to circumstances where an employee acts fraudulently or dishonestly, or wilfully breaches his or her duties to the Company or any of its subsidiaries, the Board has adopted a clawback policy in relation to any cash performance bonuses (including deferred share awards) or LTIs. The Board reserves the right to take action to reduce, recoup or otherwise adjust an employee's performance based remuneration in circumstances where in the opinion of the Board, an employee has acted fraudulently or dishonestly or wilfully breached his or her duties to the Company or any of its subsidiaries. The Board may:

- deem any bonus payable, but not yet paid, to be forfeited;
- require the repayment by the employee of all or part of any cash bonus received;
- determine that any unvested and/or unexercised LTIs will lapse;
- require the repayment of all or part of the cash amount received by the employee following vesting and subsequent sale of a LTI;
- reduce future discretionary remuneration to the extent considered necessary or appropriate to take account of the event that has triggered the clawback;
- initiate legal action against the employee; and/or
- take any other action the Board considers appropriate.

1. PRINCIPLES OF COMPENSATION (CONTINUED)

1.5 Managing Director Sign On and Retention Awards

The table below sets out the special funding and retention awards granted to Mr Salomon as part of his employment contract. The retention award was issued free of charge and enables the holder to subscribe for one fully paid ordinary share in the Company per retention right.

Terms and Conditions of Each Grant

2017	**Number of Shares Granted**	**Number of Shares Vesting in the Year (1)**	**Percentage of Cumulative Shares Vested (%)**	**Service Commencement Date / Grant Date**	**Value at Grant Date**	**Exercise Price**
J Salomon (1)	12,987,013	12,987,013	100%	23 November 2016	-	Nil
J Salomon (2)	2,000,000	2,000,000	100%	23 November 2016	$14,000	Nil
Total	14,987,013	14,987,013				
2016						
J Salomon (1)	-	-	-	18 March 2016	$100,000	Nil
Total	-	-				

(1) The granting of $100,000 in Oilex shares upon the resolution of the Zeta Resources Limited litigation, subject to shareholder approval was treated as vested for the year ended 30 June 2016. The Zeta litigation settlement was announced by the Company on 8 June 2016, with $100,000 expensed to 30 June 2016. For accounting purposes under AASB 2 *Share-based Payment* where the grant date occurs after year end (upon shareholder approval), the fair value of the grant is estimated at the end of the reporting period 30 June 2016. Shareholder approval was granted in the current year at the AGM held on 23 November 2016 and 12,987,013 shares were awarded on 24 November 2016.

(2) The granting of 2 million retention rights to ordinary shares on 18 March 2016, should Oilex elect to extend and Mr Salomon elects to enter a subsequent term of employment, subject to shareholder approval, was treated as vested for the year ended 30 June 2017. The Company issued 2 million retention rights on 19 December 2016 and these retention rights converted into 2 million ordinary shares on 17 March 2017, upon Mr Salomon's employment being extended beyond 18 March 2017.

1.6 Remuneration Consultants

There were no remuneration recommendations made in relation to key management personnel by remuneration consultants in the financial year ended 30 June 2017.

1.7 Adoption of year ended 30 June 2016 Remuneration Report

At the Annual General Meeting held 23 November 2016 shareholders adopted the 30 June 2016 Remuneration Report with a clear majority of 248,754,044 votes in favour, being 96.5% of the votes cast.

2. EMPLOYMENT CONTRACTS

The following table summarises the terms and conditions of contracts between key executives and the Company:

Executive	Position	Contract Start Date	Contract Termination Date	Resignation Notice Required	Unvested Options on Resignation	Termination Notice Required from the Company (1)	Termination Payment
J Salomon	Managing Director	18 March 2016	18 March 2018 (2)	3 months	Forfeited	3 months	For termination by the Company, three months' salary plus any accrued leave entitlement. If a Material Change Event occurs, employee may give notice to the Company within one month of the Material Change Event, terminating the Contract of Employment and following that effective date, the Company will pay a Termination Payment equal to six months' fixed annual remuneration. The fixed annual remuneration of $350,000 was reduced by agreement to $271,950 effective from 1 October 2016. Subject to the *Corporations Act 2001* and any necessary approvals required thereunder.
M Bolton	Chief Financial Officer and Company Secretary	3 June 2016	31 May 2018 (3)	3 months	Forfeited	3 months	For termination by the Company, three months' salary plus any accrued leave entitlement.
A Khare (4)	Head of India Assets	1 May 2015	n/a	30 days	Forfeited	30 days	For termination by the Company, one months' salary plus any accrued leave entitlement.

(1) The Company may terminate the contract immediately if serious misconduct has occurred. In this case the termination payment is only the fixed remuneration earned until the date of termination and any unvested options will immediately be forfeited.

(2) The Managing Director's contract had an initial term of one year expiring 18 March 2017, which was extended by mutual agreement between the Company and Mr Salomon to 18 March 2018.

(3) The Chief Financial Officer's contract had an initial term of one year expiring 31 May 2017, which was extended by mutual agreement between the Company and Mr Bolton to 31 May 2018.

(4) Mr Khare became key management personnel when he was appointed Head of India Assets effective 8 November 2016. Prior to this Mr Khare was GM Operations & Business Development - Cambay.

3. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel of the consolidated entity are:

		Short-Term							Share-based Payments		
	Year	Salary & Fees $	STI Cash Bonus [1] $	Benefits (including Non-Monetary) [2] $	Total $	Post-Employment Superannuation Benefits $	Other Long-Term Benefits [3] $	Termination Benefits $	Options and Rights [4] $	Total $	Proportion of Remuneration Performance Related %
Non-Executive Directors											
B Lingo [5]	**2017**	**53,175**	**-**	**-**	**53,175**	**5,052**	**-**	**-**	**-**	**58,227**	**-**
Chairman	2016	26,185	-	-	26,185	2,488	-	-	-	28,673	-
M D J Cozijn [6]	**2017**	**84,675**	**-**	**-**	**84,675**	**5,669**	**-**	**-**	**-**	**90,344**	**-**
Non-Executive Director	2016	76,667	-	-	76,667	7,283	-	-	-	83,950	-
P Haywood [7]	**2017**	**4,685**	**-**	**-**	**4,685**	**-**	**-**	**-**	**-**	**4,685**	**-**
Non-Executive Director	2016	-	-	-	-	-	-	-	-	-	-
Executive Director											
J Salomon [8]	**2017**	**266,176**	**-**	**7,321**	**273,497**	**25,286**	**16,748**	**-**	**14,000**	**329,531**	**4%**
Managing Director	2016	113,741	-	3,103	116,844	10,805	9,310	-	100,000	236,959	42%
Executives											
M Bolton [9]	**2017**	**240,625**	**-**	**5,764**	**246,389**	**22,859**	**13,653**	**-**	**-**	**282,901**	**-**
Chief Financial Officer / Company Secretary	2016	19,180	-	420	19,600	1,822	-	-	-	21,422	-
A Khare [10]	**2017**	**113,716**	**-**	**832**	**114,548**	**10,341**	**941**	**-**	**-**	**125,830**	**-**
Head of India Assets	2016	-	-	-	-	-	-	-	-	-	-
P Bekkers [11]	**2017**	**67,726**	**-**	**1,472**	**69,198**	**8,817**	**7,405**	**155,324**	**-**	**240,744**	**-**
Chief Geoscientist	2016	288,460	-	5,555	294,015	27,404	29,382	-	5,376	356,177	2%
J Sethi [12]	**2017**	**95,597**	**5,328**	**-**	**100,925**	**10,608**	**1,717**	**19,199**	**-**	**132,449**	**-**
Head of India Assets	2016	272,784	-	-	272,784	30,268	9,808	-	5,691	318,551	2%
Total	**2017**	**926,375**	**5,328**	**15,389**	**947,092**	**88,632**	**40,464**	**174,523**	**14,000**	**1,264,711**	
Total	2016	797,017	-	9,078	806,095	80,070	48,500	-	111,067	1,045,732	

The Directors of the Company may be Directors of the Company's subsidiaries. No remuneration is received for directorships of subsidiaries. All key management personnel other than A Khare and J Sethi are employed by the parent entity.
Refer to the following explanatory notes for additional information.

3. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONTINUED)

Notes in Relation to Directors' and Executive Officers' Remuneration

(1) The amount represents the STI earned and paid in the respective year ended 30 June.

(2) Benefits, including non-monetary include relocation costs and related expenses, as well as minor benefits, such as payments on behalf of employees considered personal, car parking and any associated fringe benefits tax.

(3) Includes, where applicable, accrued employee leave entitlement movements.

(4) All share-base payment disclosures, other than for Mr Salomon's retention rights, relate to unlisted options.

The fair value of the options is calculated at the date of grant using the Black-Scholes Model. The fair value of the options is allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options allocated in each reporting period. In valuing the options, market conditions have been taken into account.

No unlisted options were issued to key management personnel and executives as remuneration during the year ended 30 June 2016 or 30 June 2017.

(5) Mr Lingo was appointed a Non-Executive Director on 11 February 2016 and interim Chairman on 23 February 2017. Mr Lingo's remuneration reflects the announcement by the Board on 29 September 2016, of further cost reductions including a 10% reduction in the remuneration of Non-Executive Directors to $49,275 inclusive of statutory superannuation effective from 1 October 2016.

(6) Mr Cozijn's remuneration reflects the announcement by the Board on 29 September 2016, of further cost reductions including a 10% reduction in the remuneration of the Chairman to $70,956 inclusive of statutory superannuation effective from 1 October 2016. Mr Cozijn stepped down as Chairman, to continue as a non-Executive Director on 23 February 2017 with an annual remuneration of $49,275 inclusive of statutory superannuation. Mr Cozijn received additional fees during the financial year of $25,000 in relation to extra duties undertaken in relation to the settlement of the Zeta Resources Limited litigation.

(7) Mr Haywood was appointed a Non-Executive Director on 29 May 2017. Mr Haywood is based in the United Kingdom and is paid £30,000 per annum. The amount disclosed is the pro rata amount converted into Australian dollars at the applicable exchange rate at the date of payment.

(8) Mr Salomon was appointed Managing Director in March 2016 with a fixed annual remuneration of $350,000 per annum, inclusive of statutory superannuation, having previously been a Non-Executive Director. Mr Salomon's remuneration reflects the announcement by the Board on 29 September 2016, of further cost reductions including a 22.3% reduction in the remuneration of the Managing Director to $271,950 inclusive of statutory superannuation effective from 1 October 2016.

Upon appointment as Managing Director in 2016, Mr Salomon was granted the following three initial funding and retention awards, conditional upon shareholder approval, which was obtained at the AGM on 23 November 2016:

- $100,000 in Oilex shares upon resolution of the Zeta Resources Limited litigation. This performance condition was achieved as at 8 June 2016. The 2016 financial year fully vested short-term incentive was awarded on 24 November 2016, with 12,987,013 shares issued to Mr Salomon. The pricing of the Oilex shares was based on the 20 day VWAP for OEX on the ASX in the 20 trading days preceding the AGM.
- $100,000 in Oilex shares in respect of recovery of joint venture partner's outstanding receivables and progressing of the drilling of the next well at Cambay by March 2017. This performance condition was not achieved.
- Granting of 2 million Retention Rights to shares at no cost if Mr Salomon and the Company agree that Mr Salomon will enter into a subsequent term of employment as Managing Director.

The 2 million retention rights were issued to Mr Salomon on 19 December 2016 and converted into ordinary shares on 17 March 2017 upon Mr Salomon's employment being extended to 18 March 2018.

3. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONTINUED)

Notes in Relation to Directors' and Executive Officers' Remuneration

(9) On 10 June 2016, Mr Bolton became key management personal following his appointment on 3 June 2016, with an annual remuneration of $273,750 inclusive of statutory superannuation. The amount paid in the year ended 30 June 2017 reflects the announcement by the Board on 29 September 2016, of further cost reductions with Mr Bolton agreeing to reduce his remuneration by 5% to $260,063 effective 1 October 2016.

(10) Mr Khare became key management personnel on 8 November 2016 and is based in India. Mr Khare's remuneration in 2016 is not disclosed as it relates to his previous position of General Manager Operations and Business Development, a position he held until August 2016 when he left on unpaid sabbatical leave. Mr Khare was appointed Head of India Assets in late 2016 and his remuneration disclosed is from 8 November 2016 which reflects a partly worked year. Mr Khare's remuneration has been converted from Indian Rupees at the average exchange rate for the year.

(11) Mr Bekkers ceased employment on 30 September 2016.

(12) Mr Sethi resigned 11 November 2016.

Analysis of bonuses included in remuneration

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to key management personnel are detailed below:

	Short-term incentive cash bonus		
Executives	**Included in remuneration**	**% vested in year**	**% forfeited in year** (1)
Mr J Sethi (2)	$5,328	100%	-

(1) The amounts forfeited are due to the performance or service criteria not being met in relation to the current financial year.

(2) Amounts included in remuneration for the financial year represent the discretionary amount related to the financial year. This bonus was paid in recognition of Mr Sethi's contribution to the strengthening of the Groups' relationship with its Indian joint venture partner GSPC.

4. EQUITY INSTRUMENTS

SHARES

Full details of the ordinary shares in the Company issued as compensation to key management personnel during the financial year have been disclosed at item *1.5 Managing Director Sign On and Retention Awards.*

During the current financial year 12,987,013 ordinary shares were issued to Mr Salomon. The granting of $100,000 in Oilex shares upon the resolution of the Zeta Resources Limited litigation, subject to shareholder approval was treated as vested for the year ended 30 June 2016. The Zeta litigation settlement was announced by the Company on 8 June 2016, with $100,000 expensed to 30 June 2016. For accounting purposes under *AASB 2 Share-based Payment* where the grant date occurs after year end (upon shareholder approval), the fair value of the grant has been estimated at the end of the reporting period 30 June 2016. Shareholder approval was granted in the current year at the AGM held on 23 November 2016 and 12,987,013 shares were awarded on 24 November 2016.

An additional 2,000,000 ordinary shares were issued upon the conversion of the retention rights. Full details are disclosed at the following item 4.1 Rights and Options Over Equity Instruments Granted as Compensation.

RIGHTS AND OPTIONS

All rights and options refer to rights and unlisted options over ordinary shares of the Company, which are exercisable on a one-for-one basis.

4.1 Rights and Options Over Equity Instruments Granted as Compensation

There were no unlisted options over ordinary shares granted as compensation during the financial year.

Details on rights over ordinary shares in the Company that were granted as compensation to each key management person during the financial year are as follows:

Rights	Number of Rights Granted during 2017	Vesting Condition	Grant Date	Fair Value at Grant Date	Expiry Date
J Salomon	2,000,000	Entering into a subsequent term of employment	23 November 2016	$0.007	18 March 2017

All rights expire on the earlier of their expiry date or termination of the individual's employment. The rights granted in the previous year were subject to shareholder approval which was obtained in the current year at the AGM on 23 November 2016. The conversion to 2 million ordinary shares occurred 17 March 2017.

4.2 Rights and Options Over Equity Instruments Granted as Compensation Granted Since Year End

No rights and options over ordinary shares in the Company were granted as compensation to key management personnel and executives since the end of the financial year.

4.3 Modification of Terms of Equity-Settled Share-based Payment Transactions

No terms of equity-settled share-based payment transactions (including options granted as compensation to key management personnel) have been altered or modified by the issuing entity during the financial year.

4.4 Exercise of Options Granted as Compensation

During the financial year no shares were issued on the exercise of options previously granted as compensation.

4. EQUITY INSTRUMENTS (CONTINUED)

4.5 Details of Equity Incentives Affecting Current and Future Remuneration

Details of vesting profiles of the rights held by the key management person of the Group are detailed below:

	Instrument	Number	Grant Date	% Vested in Year	% Forfeited in Year	Financial Years in Which Grant Vests
J Salomon [(1)]	Rights	2,000,000	23 November 2016	100%	-%	30 June 2017

(1) Mr Salomon was appointed Managing Director on 18 March 2016, the previous financial year. Upon appointment as Managing Director, Mr Salomon was granted (conditional upon shareholder approval, which was obtained at the AGM held 23 November 2016 in the current financial year):

2,000,000 retention rights to shares at no cost, if Mr Salomon and the Company agree that Mr Salomon will enter into subsequent term of employment as Managing Director. These rights were issued 16 December 2016 and converted to ordinary shares on 17 March 2017 upon Mr Salomon entering into a subsequent term.

There were no options granted to key management personnel in the financial years ended 30 June 2017 or 2016.

4.6 Analysis of Movements in Equity Instruments

The value of rights or options over ordinary shares in the Company granted and exercised held by each key management person during the reporting period is detailed below:

	Granted in Year [(1)]	Value of Rights Exercised in Year
J Salomon [(2)]	2,000,000	14,000

(1) The value of rights granted in the year is the fair value of the rights calculated at grant date. The total value of the rights granted is included in the table above. This amount is allocated to remuneration over the vesting period.

(2) Mr Salomon was appointed Managing Director on 18 March 2016, the previous financial year. Upon appointment as Managing Director, Mr Salomon was granted (conditional upon shareholder approval, which was obtained at the AGM held 23 November 2016 in the current financial year):

2,000,000 retention rights to shares at no cost, if Mr Salomon and the Company agree that Mr Salomon will enter a subsequent term of employment as Managing Director. These rights were issued 16 December 2016 and converted to ordinary shares on 17 March 2017 upon Mr Salomon entering a subsequent term.

There were no options granted to key management personnel in the financial years ended 30 June 2017 or 2016.

4. EQUITY INSTRUMENTS (CONTINUED)

4.7 Options or Rights over Equity Instruments Granted as Compensation

No unlisted options held by key management personnel are vested but not exercisable. The movement during the financial year in the number of options over ordinary shares or rights to ordinary shares, in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2016	Granted as Compensation	Exercised	Held at 30 June 2017	Vested During the Year	Vested and Exercisable at 30 June 2017
J Salomon (1)	-	2,000,000	2,000,000	-	2,000,000	-
B Lingo	-	-	-	-	-	-
M D J Cozijn	-	-	-	-	-	-
P Haywood (2)	n/a	-	-	-	-	-
M Bolton	-	-	-	-	-	-
A Khare (3)	n/a	-	-	-	-	-
P Bekkers (4)	1,500,000	-	-	n/a	-	n/a
J Sethi (5)	1,000,000	-	-	n/a	-	n/a

(1) Mr Salomon was appointed Managing Director on 18 March 2016, the previous financial year. Upon appointment as Managing Director, Mr Salomon was granted (conditional upon shareholder approval, which was obtained at the AGM held 23 November 2016 in the current financial year):

> 2,000,000 retention rights to shares at no cost, if Mr Salomon and the Company agree that Mr Salomon will enter a subsequent term of employment as Managing Director. These rights were issued 16 December 2016 and converted to ordinary shares on 17 March 2017 upon Mr Salomon entering a subsequent term.

(2) Mr Haywood was appointed as a Non-Executive Director on 29 May 2017.

(3) Mr Khare commenced employment 8 November 2016.

(4) Mr Bekkers ceased employment on 30 September 2016 and held 1,500,000 vested and exercisable unlisted options at date of resignation. These options lapsed unexercised on 4 January 2017.

(5) Mr Sethi resigned 11 November 2016 and held 1,000,000 vested and exercisable unlisted options at date of resignation. These options lapsed unexercised on 13 February 2017.

5. KEY MANANGEMENT PERSONNEL TRANSACTIONS

5.1 Other Transactions with Key Management Personnel

One key management person, Mr Cozijn, holds positions in other entities that results in him having control or joint control over the financial or operation policies of those entities.

Oilex utilised the services of Diplomat Holdings Pty Ltd, of which Mr Cozijn is a director. Mr Cozijn provided management services in relation to the settlement of the Zeta Resources Limited litigation. The Oilex Board considered the amount paid of $25,000 was a reasonable amount for the services rendered.

This transaction has been disclosed in the remuneration table.

5. KEY MANANGEMENT PERSONNEL TRANSACTIONS (CONTINUED)

5.2 Movements in Shares

The movement during the financial year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2016	Received on Exercise of Options or Rights	Other Changes [(1)]	Held at 30 June 2017
J Salomon [(2)]	-	2,000,000	12,987,013	14,987,013
B Lingo	-	-	-	-
M D J Cozijn	1,848,218	-	-	1,848,218
P Haywood [(3)]	n/a	-	-	-
M Bolton	-	-	-	-
A Khare [(4)]	n/a	-	-	-
P Bekkers [(5)]	643,903	-	-	n/a
J Sethi [(6)]	-	-	-	n/a

[(1)] Other changes represent shares that were granted, purchased or sold during the year.

[(2)] Mr Salomon was appointed Managing Director on 18 March 2016, the previous financial year. Upon appointment as Managing Director, Mr Salomon was granted (conditional upon shareholder approval, which was obtained at the AGM held 23 November 2016 in the current financial year):

$100,000 in Oilex shares upon resolution of the Zeta Resources Limited litigation. This performance condition was achieved as at 8 June 2016 and has been included as remuneration in the year ended 30 June 2016. The pricing of the Oilex shares was based on the 20 day VWAP for OEX on the ASX in the 20 days preceding the meeting of shareholders to approve such awards and 12,987,013 shares were issued on 24 November 2016 following the AGM.

2,000,000 retention rights to shares at no cost, if Mr Salomon and the Company agree that Mr Salomon will enter a subsequent term of employment as Managing Director. These rights were issued 16 December 2016 and converted to ordinary shares on 17 March 2017, upon Mr Salomon entering a subsequent term.

[(3)] Mr Haywood was appointed as a Non-Executive Director on 29 May 2017.

[(4)] Mr Khare commenced employment 8 November 2016.

[(5)] Mr Bekkers ceased employment 30 September 2016.

[(6)] Mr Sethi ceased employment 11 November 2016.

END OF REMUNERATION REPORT - AUDITED

Mr Brad Lingo
Chairman

Mr Jonathan Salomon
Managing Director

Signed in accordance with a resolution of the Directors.

West Perth
Western Australia
12 September 2017

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Oilex Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Oilex Ltd for the financial year ended 30 June 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Graham Hogg

Partner

Perth

12 September 2017

	Note	2017 $	2016 $
Revenue	4(a)	**91,744**	446,132
Cost of sales	4(b)	**(620,067)**	(1,080,512)
Gross loss		**(528,323)**	(634,380)
Other income	4(c)	**311,601**	1,281
Exploration expenditure	4(d)	**350,449**	(3,972,848)
Impairment of exploration and evaluation assets	7	**(373,780)**	(11,572,740)
Impairment of development assets	8	**-**	(10,023,940)
Administration expense	4(e)	**(2,982,826)**	(5,648,298)
Share-based payments expense	21	**(8,262)**	(149,523)
Other expenses	4(f)	**(382,789)**	(3,813,481)
Results from operating activities		**(3,613,930)**	(35,813,929)
Finance income		**56,071**	62,228
Finance costs		**(63)**	(309)
Foreign exchange (loss)/gain	4(g)	**(107,270)**	(402,101)
Net finance (loss)/income		**(51,262)**	(340,182)
Loss before income tax		**(3,665,192)**	(36,154,111)
Income tax expense	5	**-**	-
Loss		**(3,665,192)**	(36,154,111)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences		**15,074**	1,143,897
Other comprehensive income, net of tax		**15,074**	1,143,897
Total comprehensive loss		**(3,650,118)**	(35,010,214)
Earnings per share			
Basic loss per share (cents per share)	6	**(0.3)**	(3.2)
Diluted loss per share (cents per share)	6	**(0.3)**	(3.2)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	**2017** $	2016 $
Assets			
Cash and cash equivalents	11	**3,215,565**	5,158,361
Trade and other receivables	12	**1,742,283**	2,235,737
Prepayments		**128,549**	79,441
Inventories	9	**1,188,110**	1,238,553
Total current assets		**6,274,507**	8,712,092
Trade and other receivables	12	**-**	102,343
Exploration and evaluation	7	**518,670**	909,593
Development assets	8	**5,927,288**	6,139,004
Property, plant and equipment	15	**220,954**	263,400
Total non-current assets		**6,666,912**	7,414,340
Total assets		**12,941,419**	16,126,432
Liabilities			
Trade and other payables	13	**1,253,787**	2,914,769
Employee benefits	10	**229,752**	356,510
Provisions	10	**955,538**	181,794
Total current liabilities		**2,439,077**	3,453,073
Provisions	10	**3,228,731**	3,344,385
Total non-current liabilities		**3,228,731**	3,344,385
Total liabilities		**5,667,808**	6,797,458
Net assets		**7,273,611**	9,328,974
Equity			
Issued capital	16	**172,866,479**	171,513,760
Reserves	16	**8,093,764**	8,425,861
Accumulated losses		**(173,686,632)**	(170,610,647)
Total equity		**7,273,611**	9,328,974

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

		Attributable to Owners of the Company				
	Note	Issued Capital 16(a) $	Option Reserve 16(b) $	Foreign Currency Translation Reserve 16(b) $	Accumulated Losses $	Total Equity $
Balance at 30 June 2015		153,928,046	2,342,059	6,351,222	(136,017,376)	26,603,951
Total comprehensive (loss)/income						
Loss		-	-	-	(36,154,111)	(36,154,111)
Other comprehensive income						
Foreign currency translation differences		-	-	1,143,897	-	1,143,897
Total other comprehensive income		-	-	1,143,897	-	1,143,897
Total comprehensive (loss)/income		-	-	1,143,897	(36,154,111)	(35,010,214)
Transactions with owners of the Company						
Contributions and distributions						
Shares issued		20,589,107	-	-	-	20,589,107
Capital raising costs		(3,055,535)	-	-	-	(3,055,535)
Managing Director Special Award Shares		-	-	-	-	-
Shares issued on exercise of listed options		52,142	-	-	-	52,142
Transfers on forfeited options		-	(1,560,840)	-	1,560,840	-
Share-based payment transactions		-	149,523	-	-	149,523
Total transactions with owners of the Company		17,585,714	(1,411,317)	-	1,560,840	17,735,237
Balance at 30 June 2016		**171,513,760**	**930,742**	**7,495,119**	**(170,610,647)**	**9,328,974**
Balance at 30 June 2016		**171,513,760**	**930,742**	**7,495,119**	**(170,610,647)**	**9,328,974**
Total comprehensive (loss)/income						
Loss		-	-	-	(3,665,192)	(3,665,192)
Other comprehensive income						
Foreign currency translation differences		-	-	15,074	-	15,074
Total other comprehensive income		-	-	15,074	-	15,074
Total comprehensive (loss)/income		-	-	15,074	(3,665,192)	(3,650,118)
Transactions with owners of the Company						
Contributions and distributions						
Shares issued		1,836,214	-	-	-	1,836,214
Capital raising costs [1]		(597,495)	347,774	-	-	(249,721)
Managing Director Special Award Shares		114,000	(114,000)	-	-	-
Shares issued on exercise of listed options		-	-	-	-	-
Transfers on forfeited options		-	(589,207)	-	589,207	-
Share-based payment transactions		-	8,262	-	-	8,262
Total transactions with owners of the Company		1,352,719	(347,171)	-	589,207	1,594,755
Balance at 30 June 2017		**172,866,479**	**583,571**	**7,510,193**	**(173,686,632)**	**7,273,611**

(1) Capital raising costs include cash payments and the fair value of options granted to the underwriter.

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Cash receipts from customers		**110,997**	438,993
Payments to suppliers and employees		**(4,535,094)**	(5,720,957)
Cash outflow from operations		**(4,424,097)**	(5,281,964)
Proceeds from/(payments for) exploration and evaluation expenses		**980,930**	(5,060,999)
Cash receipts from government grants		**-**	325,280
Interest received		**55,852**	62,867
Interest paid		**(63)**	(309)
Net cash used in operating activities	11	**(3,387,378)**	(9,955,125)
Cash flows from investing activities			
Payments for capitalised exploration and evaluation		**(1,380)**	(1,142,168)
Proceeds from sale of assets and scrap materials		**20,493**	3,088
Acquisition of development assets		**(1,499)**	(1,921,290)
Acquisition of property, plant and equipment		**(24,275)**	(45,643)
Net cash used in investing activities		**(6,661)**	(3,106,013)
Cash flows from financing activities			
Proceeds from issue of share capital	16	**1,836,214**	20,769,192
Proceeds from exercise of share options		**-**	52,142
Payment for share issue costs	16	**(249,721)**	(3,551,134)
Net cash from financing activities		**1,586,493**	17,270,200
Net (decrease)/increase in cash and cash equivalents		**(1,807,546)**	4,209,062
Cash and cash equivalents at 1 July		**5,158,361**	1,187,158
Effect of exchange rate fluctuations on cash held		**(135,250)**	(237,859)
Cash and cash equivalents at 30 June	11	**3,215,565**	5,158,361

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

ABOUT THIS REPORT - OVERVIEW

NOTE 1 – REPORTING ENTITY

Oilex Ltd (the Company) is a for-profit entity domiciled in Australia. These consolidated financial statements comprise the Company and its subsidiaries (collectively the Group and individually Group Entities). Oilex Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX) and on the Alternative Investment Market (AIM) of the London Stock Exchange. The Group is primarily involved in the exploration, evaluation, development and production of hydrocarbons.

NOTE 2 – BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 11 September 2017.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for share-based payment arrangements measured at fair value and the foreign currency translation reserve.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(c) Going Concern Basis

The Directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred a loss of $3,665,192, including $373,780 for impairment of exploration assets, and had cash outflows from operating and investing activities of $3,387,378 and $6,661 respectively. As at 30 June 2017, the Group's current assets exceeded current liabilities by $3,835,430 and the Group has cash and cash equivalents of $3,215,565.

The Group will require additional funds within the next twelve months in order to meet planned expenditures for its projects, including progressing the Cambay Project, any new business opportunities that the Group may acquire and administrative expenses. The Group may also require funds in relation to the matter set out in note 25, noting that the timing and amount of discretionary expenditures is able to be varied or deferred as required, although certain commitments exist in the short and medium term. The Group will continue to manage its funding and expenditure to ensure that it has sufficient cash reserves for at least the next twelve months.

The Directors believe that the Company will be able to secure sufficient funding to meet the requirements to continue as a going concern, including the receipt of outstanding cash calls owing by its joint venture partner Gujarat State Petroleum Corporation (GSPC), acknowledging that repayment by the joint venture partner is not guaranteed, and/or capital raisings. The Company also has a history of successful previous capital raisings, acknowledging that the structure and timing of any capital raising is dependent upon investor support, prevailing capital markets, shareholder participation, oil and gas prices and the outcome of planned exploration and evaluation activities, which creates uncertainty.

The Directors consider the going concern basis of preparation to be appropriate based on its forecast cash flows for the next twelve months and that the Group will be in a position to continue to meet its minimum administrative, evaluation and development expenditures and commitments for at least twelve months from the date of this report.

If further funds are not able to be raised or realised, then it may be necessary for the Group to sell or farmout its exploration and development assets and to reduce discretionary administrative expenditure.

The ability of the Company to achieve its forecast cash flows, particularly the repayments from its joint venture partner and the raising of additional funds, represents a material uncertainty that may cast significant doubt about whether the Company can continue as a going concern, in which case it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the stated amounts in the financial statements.

NOTE 2 – BASIS OF PREPARATION (CONTINUED)

(d) Currency and Foreign Currency Transactions

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The functional currency of the Company's subsidiaries is United States or Australian dollars.

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(e) Basis of Consideration

These consolidated financial statements comprise the Company and its subsidiaries (collectively the Group and individually Group Entities).

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The list of controlled entities is contained in note 17. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii) Joint Arrangements - Joint Operations

The interests of the Group in unincorporated joint operations and jointly controlled assets are recorded in note 18.

iii) Transactions Eliminated on Consolidation

Intragroup balances and transactions, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(f) Key Estimates, Judgements and Assumptions

In preparing these consolidated financial statements, management continually evaluate judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances. Actual results may differ from these judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A key assumption underlying the preparation of the financial statements is that the entity will continue as a going concern. An entity is a going concern when it is considered to be able to pay its debts as and when they fall due, and to continue in operation, without any intention or necessity to liquidate or otherwise wind up its operations.

Judgement has been required in assessing whether the entity is a going concern as set out in note 2(c).

In the process of applying the Group's accounting policies, management have made judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year as follows:

Income Tax - refer note 5

Exploration and Evaluation Assets - refer note 7

Development Assets - refer note 8

Provisions - refer note 10

Trade receivables - refer note 12

NOTE 2 – BASIS OF PREPARATION (CONTINUED)

(g) Rounding of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, unless otherwise stated.

(h) Accounting Polices

Significant accounting policies that are relevant to the understanding of the consolidated financial statements have been provided throughout the notes to the financial statements. Accounting policies that are determined to be non-significant have not been included in the consolidated financial statements.

The accounting policies disclosed have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities, except for the following changes in accounting policies.

- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101.* The standard makes amendments to AASB 101 *Presentation to Financial Statements* arising from the IASB's Disclosure Initiative project. The Group has applied these amendments in the current year. The amendments do not require any significant change to current practice, but clarify that specific single disclosures that are not material do not have to be presented in the financial statements and that aggregating or disaggregating information can facilitate improved reporting to users. The order of notes to the financial statements are not prescribed and accounting policies can be combined with notes on related subjects.
- AASB 2014-4 Amendments to AASB 116 and AASB 138 - *Clarification of Acceptable Methods of Depreciation and Amortisation* prohibits revenue based depreciation for property, plant and equipment, a depreciation method that the Group does not use.

The adoption of new and amended Standards had no impact on the financial position or the consolidated financial statements of the Group.

The Group has not elected to early adopt any other new or amended AASB's that are issued but not yet effective (refer note 27).

OILEX LTD'S RESULTS FOR THE YEAR

This section focuses on the results and performance of the Group.

NOTE 3 – OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has identified its operating segments based upon the internal management reports that are reviewed and used by the executive management team in assessing performance and that are used to allocate the Group's resources. The operating segments identified by management are based on the geographical location of the business. Each segment has responsible officers that are accountable to the Managing Director (the Group's chief operating decision maker). All operating segments' operating results are regularly reviewed by the Group's Managing Director to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's executive management team evaluates the financial performance of the Group and its segments principally with reference to revenues, production costs, expenditure on exploration evaluation and development costs.

The Group undertakes the exploration, development and production of hydrocarbons and its revenue from the sale of oil and gas. Information reported to the Group's chief operating decision maker is on a geographical basis.

Financing requirements, finance income and expenses are managed at a Group level.

Corporate items include administration costs comprising personnel costs, head office occupancy costs and investor and registry costs. It may also include expenses incurred by non-operating segments, such as new ventures and those undergoing relinquishment. Assets and liabilities not allocated to operating segments and disclosed are corporate, and mostly comprise cash, plant and equipment, receivables as well as accruals for head office liabilities.

Major Customer

The Group's most significant customer is Enertech Fuel Solutions Pvt Limited with gas sales representing 89% of the Group's total revenues (2016: 77%). Indian Oil Corporation Limited, in its capacity as nominee of the Government of India, represents 11% of the Group's total revenues from sale of oil (2016: 23%).

Revenue

Revenue is recognised when the significant risks and rewards of ownership have transferred to the buyer. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the product to the customer. Revenues from test production are accounted for as revenue.

Expenses

Impairment – refer notes 7 and 8

Doubtful debts – refer note 12

Depreciation – refer note 15

Amortisation – refer note 8

Employee benefits – refer note 10

Leases – refer note 24

NOTE 3 – OPERATING SEGMENTS (CONTINUED)

	India		Australia		JPDA [(1)]		Indonesia		Corporate [(2)]		Consolidated	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Revenue												
External revenue	**91,744**	446,132	**-**	-	**-**	-	**-**	-	**-**	-	**91,744**	446,132
Cost of sales												
Production costs	**(637,921)**	(1,027,166)	**-**	-	**-**	-	**-**	-	**-**	-	**(637,921)**	(1,027,166)
Amortisation of development assets	**(944)**	(46,652)	**-**	-	**-**	-	**-**	-	**-**	-	**(944)**	(46,652)
Movement in oil stocks inventory	**18,798**	(6,694)	**-**	-	**-**	-	**-**	-	**-**	-	**18,798**	(6,694)
Total cost of sales	**(620,067)**	(1,080,512)	**-**	-	**-**	-	**-**	-	**-**	-	**(620,067)**	(1,080,512)
Gross loss	**(528,323)**	(634,380)	**-**	-	**-**	-	**-**	-	**-**	-	**(528,323)**	(634,380)
Exploration expenditure expensed	**517,625**	(3,082,482)	**(62,780)**	(391,405)	**-**	(299,831)	**-**	(182,018)	**(104,396)**	(17,112)	**350,449**	(3,972,848)
Impairment of exploration and expenditure	**-**	(11,572,740)	**(373,780)**	-	**-**	-	**-**	-	**-**	-	**(373,780)**	(11,572,740)
Impairment of development assets	**-**	(10,023,940)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(10,023,940)
Depreciation	**(30,488)**	(38,251)	**-**	-	**-**	-	**-**	-	**(26,849)**	(29,576)	**(57,337)**	(67,827)
Share-based payments	**-**	(8,543)	**-**	-	**-**	-	**-**	-	**(8,262)**	(140,980)	**(8,262)**	(149,523)
Other income	**20,019**	1,242	**-**	-	**-**	1,170	**-**	-	**291,582**	(1,131)	**311,601**	1,281
Other expenses	**479,442**	(3,719,178)	**-**	-	**(840,455)**	(10,138)	**(220,433)**	(21,638)	**(2,726,832)**	(5,642,998)	**(3,308,278)**	(9,393,952)
Reportable segment profit/(loss) before income tax	**458,275**	(29,078,272)	**(436,560)**	(391,405)	**(840,455)**	(308,799)	**(220,433)**	(203,656)	**(2,574,757)**	(5,831,797)	**(3,613,930)**	(35,813,929)
Net finance income											**56,008**	61,919
Foreign exchange (loss)/gain											**(107,270)**	(402,101)
Income tax expense											**-**	-
Loss for the period											**(3,665,192)**	(36,154,111)
Segment assets	**11,191,203**	10,638,650	**215**	374,226	**6,791**	45,561	**-**	-	**1,743,210**	5,067,995	**12,941,419**	16,126,432
Segment liabilities	**3,868,800**	4,640,250	**-**	-	**784,834**	6,196	**302,418**	232,011	**711,756**	1,919,001	**5,667,808**	6,797,458

There were no significant inter-segment transactions during the year.

(1) Joint Petroleum Development Area.

(2) Corporate represents a reconciliation of reportable segment revenues, profit or loss, assets and liabilities to the consolidated figure.

NOTE 4 – REVENUE AND EXPENSES

Loss from ordinary activities before income tax has been determined after the following revenues and expenses:

	Note	2017 $	2016 $
(a) Revenue			
Oil sales		**9,749**	100,405
Gas sales		**81,995**	345,727
		91,744	446,132
(b) Cost of Sales			
Production costs		**(637,921)**	(1,027,166)
Amortisation of development assets		**(944)**	(46,652)
Movement in oil stocks inventory		**18,798**	(6,694)
		(620,067)	(1,080,512)
(c) Other Income			
Recovery of recharges		**285,558**	-
Oilex Oman Limited liquidation recovery		**6,024**	-
Profit on disposal of other assets		**20,019**	1,281
		311,601	1,281

Recovery of recharges relate to the recovery of head office expenditure recharged to the Cambay Joint Venture, reclassified from joint venture receivables to development assets in the year ended 30 June 2015, then subsequently impaired in the year ended 30 June 2016 and recovered via repayment in the current period.

	Note	2017 $	2016 $
(d) Exploration Expenditure			
Exploration expense		**(936,721)**	(3,972,848)
Write back joint venture partners share of costs previously provided for		**1,287,170**	-
	3	**350,449**	(3,972,848)
(e) Administration Expenses			
Employee benefits expense		**(1,241,565)**	(1,296,011)
Redundancy benefits		**(191,519)**	(51,762)
Administration expense		**(1,633,611)**	(2,815,532)
Corporate advisory fee		**(600,000)**	-
Zeta Resources Limited settlement and legal costs		**(9,531)**	(1,484,993)
Insurance recovery		**693,400**	-
		(2,982,826)	(5,648,298)

Zeta Resources Limited settlement & legal costs in 2016 excluded the recovery from an insurance claim received in 2017.

	Note	2017 $	2016 $
(f) Other Expenses			
Depreciation provision	15	**(57,337)**	(67,827)
Doubtful debts provision	12	**-**	(3,941,988)
Doubtful debts provision reversal	12	**473,112**	-
Well abandonment adjustment/(expense)	10	**-**	196,334
Termination penalty provision JPDA 06-103 PSC	10 & 25	**(795,229)**	-
Loss on disposal of other assets		**(3,335)**	-
		(382,789)	(3,813,481)
(g) Foreign Exchange (Loss)/Gain - net			
Foreign exchange gain/(loss) - realised		**15,782**	(166,388)
Foreign exchange (loss)/gain - unrealised		**(123,052)**	(235,713)
		(107,270)	(402,101)

NOTE 5 – INCOME TAX EXPENSE

Numerical reconciliation between tax expense and pre-tax accounting loss:

	2017 **$**	2016 $
Loss before income tax	**(3,665,192)**	(36,154,111)
Income tax using the domestic corporation tax rate of 27.5% (2016: 30%)	**(1,007,928)**	(10,846,233)
Effect of tax rate in foreign jurisdictions	**(372,567)**	(3,501,373)
Non-deductible expenses		
Share-based payments	**2,272**	44,857
Foreign expenditure non-deductible	**1,785,848**	1,469,010
Non-deductible foreign impairment expenditure	**-**	6,479,004
Other non-deductible expenses	**309,554**	735,922
Non-assessable income		
Recovery of fully impaired development asset receivable	**(76,275)**	-
	640,904	(5,618,813)
Unrecognised deferred tax assets generated during the year and not brought to account at balance date as realisation is not regarded as probable	**-**	5,618,813
Income tax expense	**640,904**	-
Tax losses utilised not previously brought to account	**(640,904)**	-
Income tax expense for the period	**-**	-

Tax Assets and Liabilities

During the year ended 30 June 2017, $640,904 of tax losses were recognised and were offset against the current tax liability resulting in nil tax assets and liabilities.

	2017 **$**	2016 $
Unrecognised deferred tax assets not brought to account at balance date as realisation is not regarded as probable – temporary differences		
Other	**25,495,372**	27,174,420
Losses available for offset against future taxable income	**15,286,865**	15,157,350
Deferred tax asset not brought to account	**40,782,237**	42,331,770

The deductible temporary differences and tax losses do not expire under current tax legislation.

The deferred tax asset not brought to account for the 2017 financial year will only be realised if:

- It is probable that future assessable income will be derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by the tax legislation continue to be complied with; and
- The companies are able to meet the continuity of ownership and/or continuity of business tests.

The foreign component of the deferred tax asset not brought to account for the 2017 financial year will only be realised if the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised and the Group continues to comply with the deductibility conditions imposed by the Income Tax Act 1961 (India) and there is no change in income tax legislation adversely affecting the utilisation of the benefits.

NOTE 5 – INCOME TAX EXPENSE (CONTINUED)

Tax Consolidation

In accordance with tax consolidation legislation the Company, as the head entity of the Australian tax-consolidated group, has assumed the deferred tax assets initially recognised by wholly owned members of the tax-consolidated group with effect from 1 July 2004. Total tax losses of the Australian tax-consolidated group, available for offset against future taxable income are $6,518,031 (2016: $7,222,073).

Accounting Policy

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Key Estimates and Assumptions

The application of the Group's accounting policy for recognition of tax losses requires management to make certain estimates and assumptions as to future events and circumstances, including the assessment of whether economic quantities of resources have been found, or alternatively, that the sale of the respective areas of interest will be achieved. Any such estimates and assumptions may change as new information becomes available. A deferred tax asset is only recognised for unused losses if it is probable that future taxable profits will be available to utilise those losses.

In determining the amount of current and deferred tax the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTE 6 – LOSS PER SHARE

(a) Basic Loss Per Share

	2017 $	2016 $
Loss used in calculating earnings per share		
Loss for the period attributable to ordinary shareholders	**3,665,192**	36,154,111

	2017 Number	2016 Number
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	**1,180,426,999**	677,906,039
Effect of shares issued	**115,920,908**	446,449,448
Effect of share options exercised	**-**	5,140
Weighted average number of ordinary shares at 30 June	**1,296,347,907**	1,124,360,627

(b) Diluted Loss Per Share

The Company's potential ordinary shares, being its options and warrants granted, are not considered dilutive as the conversion of these instruments would result in a decrease in the net loss per share.

(c) Subsequent Transactions

The Company has issued 13,809,266 ordinary shares since year.

On 4 September 2017, 11,722,222 shares were issued upon exercise of broker options at 0.225 pence (0.04 cents) expiring 22 May 2020 and 2,087,044 shares were issued as consideration for consulting services.

Accounting Policy

Basic earnings per share is calculated by dividing net profit or loss attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders and weighted average number of shares outstanding for the dilutive effect of potential ordinary shares, which may comprise outstanding options, warrants and their equivalents.

ASSETS AND LIABILITIES

This section provides information on the assets employed to develop value for shareholders and the liabilities incurred as a result.

NOTE 7 – EXPLORATION AND EVALUATION

	2017	2016
	$	$
Balance at 1 July	**909,593**	11,644,674
Expenditure capitalised	**1,380**	469,190
Transfer to development assets	**-**	(193,585)
Impairment	**(373,780)**	(11,572,740)
Effect of movements in foreign exchange rates	**(18,523)**	562,054
Balance at 30 June	**518,670**	909,593

As at 30 June 2017, the seismic costs capitalised in relation to STP-EPA-0131 in the Canning Basin were fully impaired following an internal evaluation which showed that these assets were unlikely to be recouped through successful development or sale in the near future and hence would not recover costs capitalised to date. As a consequence of this assessment, $373,780 was impaired (2016: $11,572,740 was impaired in relation to Cambay-72, Cambay-19z and the initial acquisition costs of the Indian assets).

The balance remaining relates to the Cambay Field which is currently under evaluation. It has minimal production that is sold to a third party.

Accounting Policy

Accounting for exploration and evaluation expenditure is assessed separately for each area of interest. Exploration and evaluation expenditure in respect of each area of interest is accounted for under the successful efforts method. An area of interest is an individual geological area which is considered to constitute a favourable environment for the presence of hydrocarbon resources or has been proven to contain such resources.

Expenditure incurred prior to securing legal rights to explore an area is expensed. Exploration licence acquisition costs relating to established oil and gas exploration areas are capitalised.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in a successful discovery.

All other exploration and evaluation expenditure, including general administration costs, geological and geophysical costs and new venture expenditure is expensed as incurred, except where:

- The expenditure relates to an exploration discovery for which, at balance date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or
- The expenditure relates to an area of interest under which it is expected that the expenditure will be recouped through successful development and exploitation, or by sale.

When an oil or gas field has been approved for commercial development, the accumulated exploration and evaluation costs are first tested for impairment and then reclassified as development assets.

Impairment of Exploration and Evaluation Expenditure

The carrying value of exploration and evaluation assets are assessed at each reporting date if any of the following indicators of impairment exist:

- The exploration licence term in the specific area of interest has expired during the reporting period or will expire in the near future and it is not anticipated that this will be renewed;
- Expenditure on further exploration and evaluation of specific areas is not budgeted or planned;
- Exploration for and evaluation of oil and gas assets in the specific area has not lead to the discovery of potentially commercial reserves; or
- Sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full, either by development or sale.

NOTE 7 – EXPLORATION AND EVALUATION (CONTINUED)

Key Estimates and Assumptions

The application of the Group's accounting policy for exploration and evaluation expenditure necessarily requires management to make certain estimates and assumptions as to future events and circumstances, particularly the assessment of whether economic quantities of resources have been found, or alternatively, that the sale of the respective areas of interest will be achieved. Critical to this assessment are estimates and assumptions as to contingent and prospective resources, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is determined that the expenditure is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the consolidated statement of profit or loss and other comprehensive income.

NOTE 8 – DEVELOPMENT ASSETS

	2017 $	2016 $
Cost		
Opening balance	**16,161,010**	15,647,996
Transfer from exploration	**-**	193,585
Transfer (to)/from joint venture receivables	**-**	(347,029)
Acquisition of development assets	**1,499**	163,827
Effect of movements in foreign exchange rates	**(530,759)**	502,631
Closing balance	**15,631,750**	16,161,010
Amortisation and Impairment Losses		
Opening balance	**10,022,006**	-
Impairment of development assets	**-**	10,023,940
Amortisation charge for the year	**943**	46,651
Effect of movements in foreign exchange rates	**(318,487)**	(48,585)
Closing balance	**9,704,462**	10,022,006
Carrying Amounts		
Opening balance	**6,139,004**	15,647,996
Closing balance	**5,927,288**	6,139,004

Cambay Field Development Assets

There was no impairment of the Cambay Field development assets during the year ended 30 June 2017 (2016: $9,830,355 for Cambay Field and $193,585 for Bhandut gas production facilities).

June Impairment

The recoverability of the Cambay Field development assets as at 30 June 2017 was estimated assessing the fair value less cost to sell by using a discounted cash flow model.

The key assumptions used for the determination of the discounted cash flow assessment were based upon projected gas and condensate production assuming an extension to the PSC. Projected production remains below 2P resources.

Natural gas prices are based upon the Company's review of the correlation of historical Brent oil and Indian LNG import prices, together with independent consensus estimates for future Brent oil prices. The forecast Indian LNG prices have been adjusted for re-gas charges and Indian taxes. Forecast real prices increase steadily from US$5.40/mmbtu in 2017 to US$7.00/mmbtu by 2022, after which time the prices remain steady until 2029 (2016: US$5/mmbtu through to 2024 rising to US$13/mmbtu by 2029).

Real oil prices, derived from independent forward price curves (US$/bbl) used were US$56.4 in 2018 increasing steadily to US$61.00 by 2022.

The PSC primary term expires in September 2019. The Government of India has issued a PSC extension policy which enables the Company to apply for an extension to the PSC to the earlier of the economic life of the field or 2029, subject to a field development plan being submitted. The Cambay Field development plan was submitted in September 2017. The CGU's recoverable amount includes the assumption that the extension will be obtained.

The assumption for long term US inflation rate was 2.2% and for AUD/USD was $0.77. The pre-tax nominal discount rate adopted was 20.6% (2016: 2.2%, $0.74 and 18.1% respectively).

The Company has certain specific risks in implementing its planned development of Cambay which are not fully considered by the pre-tax discount rate. Accordingly, the Company has risked the discounted cash flow calculation for these specific risks including the well success, grant of PSC extensions and well completion technologies by applying an estimated risk factor for each risk as at 30 June 2017. The specific risk adjustment has decreased in 2017, reflecting the advanced status of the Cambay PSC extension application together with positive technical progress on the stimulation optimisation.

Whilst the Company's long term forecast gas prices were lower as at 30 June 2017, the Company's forecast operating and capital costs were also lower, as were the overall specific risk adjustments applied for the development of Cambay, including the grant of the extension. Accordingly, no impairment or reversal was required in the year ended 30 June 2017.

NOTE 8 – DEVELOPMENT ASSETS (CONTINUED)

Accounting Policy

Development expenditure includes past exploration and evaluation costs, pre-production development costs, development drilling, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

The definition of an area of interest for development expenditure is narrowed from the exploration permit for exploration and evaluation expenditure to the individual geological area where the presence of an oil or natural gas field exists, and in most cases will comprise an individual oil or gas field.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of economically recoverable reserves.

Impairment of Development Assets

The carrying value of development assets are assessed on a cash generating unit (CGU) basis at each reporting date to determine whether there is any indication of impairment or reversal of impairment. Indicators of impairment can include changes in market conditions, future oil and gas prices and future costs. Where an indicator of impairment exists, the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. The CGU is the Cambay Field, India. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell (FVLCS). As a market price is not available, FVLCS is determined by using a discounted cash flow approach. In assessing FVLCS, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Valuation principals that apply when determining FVLCS are that future events that would affect expected cash flows are included in the calculation of FVLCS.

Impairment losses are reversed when there is an indication that the loss has decreased or no longer exists and there has been a change in the estimate used to determine the recoverable amount. Such estimates include beneficial changes in reserves and future costs, or material increases in selling prices. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

Key Estimates and Assumptions

Significant judgements and assumptions are required by management in estimating the present value of future cash flows particularly in the assessment of long life development assets. It should be noted that discounted cash flow calculations are subject to variability in key assumptions including, but not limited to, the expected life of the relevant area of interest, long-term oil and gas prices, currency exchange rates, pre-tax discount rates, number of future wells, production profiles and operating costs. In addition, the CGU's recoverable amount includes the assumption that the PSC extension will be obtained.

An adverse change in one or more of the assumptions used to estimate FVLCS could result in an adjustment to the development asset's recoverable amount.

Development costs are amortised on a units of production basis over the life of economically recoverable reserves, so as to write off costs in proportion to the depletion of the estimated reserves. The estimation of reserves requires interpretation of geological and geophysical data. The geological and economic factors which form the basis of reserve estimates may change over reporting periods. There are a number of uncertainties in estimating resources and reserves, and these estimates and assumptions may change as new information becomes available.

NOTE 9 – INVENTORIES

	2017 $	2016 $
Oil on hand - net realisable value	**26,112**	7,949
Drilling inventory - net realisable value	**1,161,998**	1,230,604
	1,188,110	1,238,553

There were no reversal of writedowns to net realisable value.

Accounting Policy

Inventories comprising materials and consumables and petroleum products are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NOTE 10 – PROVISIONS

	2017 $	2016 $
Site Restoration, Well Abandonment and Other Provisions		
Balance at 1 July	**3,526,179**	3,595,742
Provision adjustments during the year - Restoration	**-**	(196,334)
Provision adjustments during the year -Termination (refer note 25)	**795,229**	-
Effect of movements in exchange rates	**(137,139)**	126,771
Balance at 30 June	**4,184,269**	3,526,179
Current - Restoration and Termination	**955,538**	181,794
Non-current - Restoration	**3,228,731**	3,344,385
	4,184,269	3,526,179
Employee Entitlements	**229,752**	356,510

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are made for site rehabilitation of an oil and gas field on an incremental basis during the life of the field (which includes the field plant closure phase). Provisions include reclamation, plant closure, waste site closure and monitoring activities. These costs have been determined on the basis of current costs, current legal requirements and current technology. At each reporting date the rehabilitation provision is re-measured to reflect any changes in the timing or amounts of the costs to be incurred. Any such changes are dealt with on a prospective basis.

Short-term employee benefits for wages, salaries and fringe benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised based on remuneration wage and salary rates that the Group expects to pay as at the reporting date as a result of past service provided by the employee, if the obligation can be measured reliably.

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service up to the reporting date. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the high quality corporate bond rate at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations.

Key Estimates and Assumptions

In relation to rehabilitation provisions the Group estimates the future removal costs of onshore oil and gas production facilities, wells and pipeline at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and discount rates to determine the present value of these cash flows.

NOTE 11 – CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash at bank and on hand	**3,215,565**	5,158,361

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 20.

Accounting Policy

Cash and cash equivalents comprise bank balances, call deposits, cash in transit and short-term deposits with an original maturity of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Reconciliation of Cash Flows from Operating Activities

	2017	2016
	$	$
Net loss for the period	**(3,665,192)**	(36,154,111)
Amortisation of development assets	**944**	46,652
Depreciation	**57,337**	67,827
Provision for doubtful debts/(net reversal)	**(473,112)**	3,941,988
Loss/(profit) on disposal of assets	**3,335**	(1,281)
Profit on sale of scrap	**(20,019)**	-
Impairment of exploration and evaluation assets	**373,780**	11,572,740
Impairment of development assets	**-**	10,023,940
Termination penalty provision	**795,229**	-
Well abandonment provision/(reversal)	**-**	(196,334)
Equity-settled share-based payments	**8,262**	149,523
Unrealised foreign exchange loss	**51,550**	215,205
Operating Loss Before Changes in Working Capital and Provisions	**(2,867,886)**	(10,333,851)
Movement in trade and other payables	**(1,652,794)**	2,481,955
Movement in prepayments	**(49,108)**	516,145
Movement in trade and other receivables	**1,258,725**	(2,579,972)
Movement in provisions	**(21,211)**	30,053
Movement in inventory	**50,443**	10,930
Movement in employee benefits	**(105,547)**	(80,385)
Net Cash Used in Operating Activities	**(3,387,378)**	(9,955,125)

NOTE 12 – TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Current		
Allocation of receivables		
Joint venture receivables	**1,377,795**	1,583,668
Other receivables	**364,488**	652,069
	1,742,283	2,235,737
Joint venture receivables		
Joint venture receivables	**5,323,861**	6,169,854
Provision for doubtful debts	**(3,946,066)**	(4,586,186)
	1,377,795	1,583,668
Other receivables		
Corporate receivables	**473,749**	732,577
Provision for doubtful debts	**(109,261)**	(80,508)
	364,488	652,069
Non-current		
Other receivables - India TDS (tax deducted at source)	**-**	102,343

Joint venture receivables include the Group's share of outstanding cash calls and recharges owing from the joint venture partners.

The Group has been in ongoing discussions with its joint venture partner Gujarat State Petroleum Corporation, for repayment of disputed and other amounts owing. Whilst progress has been made in recovering outstanding amounts, an assessment has been made of the recoverable balance as at 30 June 2017, in line with identified impairment indicators. Each receivable has been assessed individually for recovery, and those deemed to have a low chance of recovery have been fully provided for in the current year. The recovery of $1,879,153 (Equivalent US$1,426,013) in the quarter ended 30 June 2017 has resulted in a partial reversal of the prior years' provision.

The Group is continuing discussions in order to resolve the outstanding issues and recover the outstanding amounts.

The carrying value of trade and other receivables is considered to approximate its fair value due to the assessment of recoverability.

Details of the Group's credit risk are disclosed in note 20(b).

	2017 $	2016 $
Movement in provision for doubtful debts		
Balance at 1 July	**(4,666,694)**	(782,919)
Provisions reversed/(made) during the year	**473,112**	(3,941,988)
Effect of movements in exchange rates	**138,255**	58,213
Balance at 30 June	**(4,055,327)**	(4,666,694)
Allocation of provision		
Joint venture receivables	**(3,946,066)**	(4,586,186)
Other receivables	**(109,261)**	(80,508)
	(4,055,327)	(4,666,694)

NOTE 12 – TRADE AND OTHER RECEIVABLES (CONTINUED)

Accounting Policy

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value and subsequently measured at amortised cost, less any impairment losses.

A provision for doubtful debts is recognised in profit or loss when there is objective evidence of non-recovery or an impairment indicator exists. If receivables are subsequently recovered, or an event causes the amount of impairment loss to decrease, the amounts are reversed through profit or loss.

Impairment of Receivables

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. The Group considers that there is evidence of impairment if any of the following indicators are present; financial difficulties of the debtor, probability that the debtor will dispute amounts owing and default or delinquency in payment (more than one year old).

Key Estimates and Assumptions

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. This requires judgemental assumptions regarding recoverability. Changes in these assumptions impact the recoverable amount of the asset.

NOTE 13 – TRADE AND OTHER PAYABLES

	2017 $	2016 $
Trade creditors	**593,978**	1,887,716
Accruals	**659,809**	1,027,053
	1,253,787	2,914,769

The Company's assessment in note 12, of the recoverability of outstanding cash call amounts owing from its joint venture partner (GSPC) has resulted in an additional impairment and consequently the Company is of the opinion that the Cambay Joint Venture will be unable to meet its third party liabilities, without financial support from the Company as Operator, due to non-payment of outstanding cash calls by the Joint Venture partner. As a result, the Group has accrued $49,800 as at 30 June 2017 (2016: $467,924) to cover Cambay and Bhandut Joint Venture third party liabilities.

The carrying value of trade and other accruals is considered to approximate its fair value due to the short nature of these financial liabilities.

Accounting Policy

Trade and other payables are recorded at the value of the invoices received and subsequently measured at amortised cost and are non-interest bearing. The liabilities are for goods and services provided before year end, that are unpaid and arise when the Group has an obligation to make future payments in respect of these goods and services. The amounts are unsecured. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTE 14 – EXPENDITURE COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration permits, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various state and national governments. These obligations are subject to renegotiation when application for an exploration permit is made and at other times. These obligations are not provided for in the financial report. The expenditure commitments are currently estimated to be payable as follows:

	2017 $	2016 $
Within one year	**-**	-
One year or later and no later than five years	**-**	-
	-	-

Future commitments may include the Canning Basin Exploration Permit Applications. The formal exploration permit period does not commence until Oilex accepts an offer of a Petroleum Exploration Permit from the Government of Western Australia, Department of Mines and Petroleum.

There are no minimum exploration work commitments in the Cambay and Bhandut Production Sharing Contracts.

When obligations expire, are re-negotiated or cease to be contractually or practically enforceable, they are no longer considered to be a commitment.

Further expenditure commitments for subsequent permit periods are contingent upon future exploration results. These cannot be estimated and are subject to renegotiation upon expiry of the existing exploration leases.

Capital Expenditure Commitments

The Group had no capital commitments as at 30 June 2017 (2016: Nil).

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Total $
Cost				
Balance at 1 July 2015	14,456	1,192,477	143,711	1,350,644
Acquisitions	-	39,432	6,211	45,643
Disposals	(5,217)	(37,155)	(3,875)	(46,247)
Currency translation differences	495	15,704	2,532	18,731
Balance at 30 June 2016	9,734	1,210,458	148,579	1,368,771
Balance at 1 July 2016	9,734	1,210,458	148,579	1,368,771
Acquisitions	-	24,275	-	24,275
Disposals	-	(325,637)	-	(325,637)
Currency translation differences	(336)	(15,787)	(2,647)	(18,770)
Balance at 30 June 2017	**9,398**	**893,309**	**145,932**	**1,048,639**
Depreciation and Impairment Losses				
Balance at 1 July 2015	13,537	961,007	95,949	1,070,493
Depreciation charge for the year	252	60,757	6,818	67,827
Disposals	(5,217)	(37,155)	(2,068)	(44,440)
Currency translation differences	459	9,148	1,884	11,491
Balance at 30 June 2016	9,031	993,757	102,583	1,105,371
Balance at 1 July 2016	9,031	993,757	102,583	1,105,371
Depreciation charge for the year	180	51,567	5,590	57,337
Disposals	-	(321,827)	-	(321,827)
Currency translation differences	(315)	(10,686)	(2,195)	(13,196)
Balance at 30 June 2017	**8,896**	**712,811**	**105,978**	**827,685**
Carrying amounts				
At 1 July 2015	919	231,470	47,762	280,151
At 30 June 2016	703	216,701	45,996	263,400
At 1 July 2016	703	216,701	45,996	263,400
At 30 June 2017	**502**	**180,498**	**39,954**	**220,954**

Accounting Policy

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located and an appropriate proportion of overheads.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in the consolidated statement of profit or loss and other comprehensive income.

Depreciation is calculated using the reducing balance method over the estimated useful life of the assets, with the exception of software which is depreciated at prime cost. The estimated useful lives in the current and comparative periods are as follows:

- Motor vehicles 4 to 7 years
- Plant and equipment 2 to 7 years
- Office furniture 2 to 10 years

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate, at each financial year end.

Impairment of Property, Plant and Equipment

The carrying value of assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

EQUITY, GROUP STRUCTURE AND RISK MANAGEMENT

This section address the Group's capital structure, the Group structure and related party transactions, as well as including information on how the Group manages the various financial risks.

NOTE 16 – ISSUED CAPITAL AND RESERVES

The reconciliation of the movement in capital and reserves for the consolidated entity can be found in the consolidated statement of changes in equity.

(a) Issued Capital

Shares	**2017 Number of Shares**	**2017 $ Issued Capital**	2016 Number of Shares	2016 $ Issued Capital
On issue 1 July - fully paid	1,180,426,999	171,513,760	677,906,039	153,928,046
Issue of share capital				
Shares issued for cash			502,520,960	20,641,249
Shares issued for cash (1)	**271,230,456**	**976,430**	-	-
Shares issued for cash (2)	**27,123,046**	**97,642**	-	-
Shares issued for cash (3)	**190,535,385**	**762,142**	-	-
Shares issued for non-cash (4)	**12,987,013**	**100,000**	-	-
Conversion of retention rights (5)	**2,000,000**	**14,000**	-	-
Capital raising costs		**(249,721)**		(3,055,535)
Underwriter and sub-underwriter options (6)		**(347,774)**		-
Balance at the end of the period - fully paid	**1,684,302,899**	**172,866,479**	1,180,426,999	171,513,760

Refer notes following for additional information and note 21 for details of unlisted options.

Additional information of the issue of ordinary shares and unlisted options:

On 15 March 2017, the Company announced a two tranche placement and underwritten rights issue placement to raise approximately $1.78 million.

(1) On 24 March 2017, the Company issued 271,230,456 new ordinary shares under Tranche One of the Placement at an average issue price of 0.225 pence ($0.0036) per share.

(2) On 31 March 2017, the Company issued 27,123,046 new ordinary shares being the remaining balance of Tranche One of the Placement at an average issue price of 0.225 pence ($0.0036) per share.

(3) On 10 May 2017, the Company issued 190,535,385 new ordinary shares, being the 190,353,385 tranche two shares approved by shareholders at a General Meeting held 3 May 2017, plus an additional 182,000 new ordinary shares, at an issue price of 0.225 pence ($0.004) per share. The 190,353,385 attached unlisted options were issued on 22 May 2017 at an exercise price of 0.35 pence ($0.0062) expiring 22 November 2017.

(4) On 24 November 2016, the Company issued 12,987,013 new ordinary shares for a non-cash consideration of $100,000 ($0.0077 per share) as part of the remuneration of the Managing Director, Mr Jonathan Salomon as approved by the shareholders at the AGM held on 23 November 2016. This amount was included as remuneration in the prior period.

(5) On 23 November 2016, shareholders at the AGM approved the issue to the Managing Director Mr Jonathan Salomon, of 2,000,000 retention rights to ordinary shares. The retention rights converted into fully paid ordinary shares on 17 March 2017, upon Mr Salomon's employment being extended beyond 18 March 2017.

(6) On 3 May 2017, shareholders at a General Meeting also approved the issue of 88,888,888 unlisted broker options. These were issued by the Company on 22 May 2017 at an exercise price of 0.225 pence ($0.0040) expiring 22 May 2020.

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

NOTE 16 – ISSUED CAPITAL AND RESERVES (CONTINUED)

(b) Reserves

	2017 $	2016 $
Foreign Currency Translation Reserve	**7,510,193**	7,495,119
Option Reserve	**583,571**	930,742
	8,093,764	8,425,861

Foreign Currency Translation Reserve (FCTR)

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currency to Australian dollars.

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated presented in the FCTR. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented within equity in the FCTR.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

Option Reserve

The option reserve recognises the fair value of options issued but not exercised. Upon the exercise, lapsing or expiry of options, the balance of the option reserve relating to those options is transferred to accumulated losses.

NOTE 17 – CONSOLIDATED ENTITIES

	Country of Incorporation	Ownership Interest % 2017	Ownership Interest % 2016
Parent Entity			
Oilex Ltd	Australia		
Subsidiaries			
Independence Oil and Gas Limited	Australia	**100**	100
Admiral Oil and Gas Holdings Pty Ltd	Australia	**100**	100
Admiral Oil and Gas (106) Pty Ltd	Australia	**100**	100
Admiral Oil and Gas (107) Pty Ltd	Australia	**100**	100
Admiral Oil Pty Ltd	Australia	**100**	100
Oilex N.L. Holdings (India) Limited	Cyprus	**100**	100
Oilex Oman Limited (1)	Cyprus	**100**	100
Oilex (JPDA 06-103) Ltd	Australia	**100**	100
Oilex (West Kampar) Limited	Cyprus	**100**	100

(1) Oilex Oman Limited, a dormant company registered in Cyprus, was placed under voluntary liquidation and a liquidator appointed on 19 June 2014. The Cyprus Department of Registrar of Companies and Official Receiver certified that the company was dissolved on 6 July 2017.

Accounting Policy

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

NOTE 18 – JOINT ARRANGEMENTS

The Group's interests in joint arrangements as at 30 June 2017 are detailed below. Principal activities are oil and gas exploration, evaluation, development and production.

(a) Joint Operations Interest

Permit		2017 %	2016 %
OFFSHORE			
JPDA 06-103	Timor Leste and Australia (JPDA)	**10.0** [(1)]	10.0
ONSHORE			
Cambay Field	India (Cambay Basin)	**45.0**	45.0
Bhandut Field	India (Cambay Basin)	**40.0**	40.0
Sabarmati Field	India (Cambay Basin)	**40.0** [(2)]	40.0
West Kampar Block	Indonesia (Central Sumatra)	**67.5** [(3)]	67.5 [(3)]

[(1)] The JPDA 06-103 Production Sharing Contract was terminated 15 July 2015. The Joint Operating Agreement between the Joint Venture participants is still in effect.

[(2)] The Sabarmati Production Sharing Contract was cancelled 10 August 2016. The Joint Operating Agreement between the Joint Venture participants is still in effect.

[(3)] Oilex (West Kampar) Limited is entitled to have assigned an additional 22.5% to its holding of 45% through exercise of its rights under a Power of Attorney granted by PT Sumatera Persada Energi (SPE), following the failure by SPE to repay funds due. The assignment request has been provided to BPMigas (now SKKMigas), the Indonesian Government regulator, and has not been approved or rejected. If Oilex is paid the funds due it will not be entitled to also pursue this assignment.

(b) Joint Operations

The aggregate of the Group's interests in all joint operations is as follows:

	2017 $	2016 $
Current assets		
Cash and cash equivalents	**93,418**	367,131
Trade and other receivables [(1)]	**2,481,886**	2,656,826
Inventory	**1,161,997**	1,230,603
Prepayments	**39,868**	38,705
Total current assets	**3,777,169**	4,293,265
Non-current assets		
Exploration and evaluation	**518,670**	535,812
Development assets	**5,927,288**	6,139,004
Property, plant and equipment	**146,877**	178,063
Total non-current assets	**6,592,835**	6,852,879
Total assets	**10,370,004**	11,146,144
Current liabilities		
Trade and other payables	**(205,508)**	(904,823)
Total liabilities	**(205,508)**	(904,823)
Net assets	**10,164,496**	10,241,321

[(1)] Trade and other receivables of the joint operations is before any impairment and provisions.

NOTE 18 – JOINT ARRANGEMENTS (CONTINUED)

(c) Joint Operations Commitments

In order to maintain rights of tenure to exploration permits, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various state and national governments. These obligations are subject to renegotiation when application for an exploration permit is made and at other times. These obligations are not provided for in the financial report.

The aggregate of the Group's commitments attributable to joint operations is as follows:

	2017 **$**	2016 $
Exploration expenditure commitments	**-**	-

There are no minimum exploration work commitments in the Cambay and Bhandut Production Sharing Contracts.

Accounting Policy

Joint arrangements are arrangements of which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangements which exists only when decisions about the relevant activities required unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

The Group's interest in unincorporated entities are classified as joint operations.

Joint Ventures provides the Group a right to the net assets of the venture and are accounted for using the equity method.

The Group currently has no joint venture arrangements.

NOTE 19 – RELATED PARTIES

Identity of Related Parties

The Group has a related party relationship with its subsidiaries (refer note 17), joint operations (refer note 18) and with its key management personnel.

Key Management Personnel

The following were key management personnel of the Group at any time during the financial year and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors	Position
Brad Lingo	Non-Executive Chairman from 23 February 2017 (Non-Executive Director from 1 July 2016 to 22 February 2017)
Max Cozijn	Non-Executive Director from 23 February 2017 (Non-Executive Chairman from 1 July 2016 to 22 February 2017)
Paul Haywood	Non-Executive Director from 29 May 2017

Executive Director	Position
Joe Salomon	Managing Director

Executives	Position
Mark Bolton	Chief Financial Officer and Company Secretary
Ashish Khare	Head - India Assets (effective 8 November 2016)
Peter Bekkers	Chief Geoscientist (ceased employment 30 September 2016)
Jayant Sethi	Head - India Assets (resigned 11 November 2016)

Key Management Personnel Compensation

Key management personnel compensation comprised the following:

	2017 **$**	2016 $
Short-term employee benefits	**931,703**	1,483,734
Other long-term benefits	**40,464**	48,500
Non-monetary benefits	**15,389**	17,928
Post-employment benefits	**88,632**	102,987
Termination benefits	**174,523**	91,095
Share-based payments	**14,000**	137,604
	1,264,711	1,881,848

Individual Directors' and Executives' Compensation Disclosures

Information regarding individual Directors' and Executives' compensation is provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, or in the Remuneration Report, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Key Management Personnel Transactions with the Company or its Controlled Entities

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with non-key management personnel related entities on an arm's length basis.

NOTE 19 – RELATED PARTIES (CONTINUED)

Key Management Personnel Transactions with the Company or its Controlled Entities (continued)

The aggregate value of these transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

Key Management Personnel	Transaction	Note	Transactions Value 2017 $	Transactions Value 2016 $	Balance Outstanding 2017 $	Balance Outstanding 2016 $
Mr M Cozijn	Management services	1	**25,000**	-	**-**	-
Mr R L Miller	Management services	2	**-**	364,659	**-**	-
Mr S Bhandari	Consultancy services	3	**-**	34,327	**-**	-

(1) Oilex used the services of Diplomat Holdings Pty Ltd, of which Mr Cozijn is an employee. Rates charged were as agreed by the Oilex Board and have been included in the remuneration of key management personnel.

(2) Oilex used the services of La Jolla Enterprises Pty Ltd, of which Mr Miller is an employee. Rates charged were at market rates and have been included in the remuneration of key management personnel disclosure.

(3) Oilex used the services of India Hydrocarbons Limited (IHL) of which Mr Bhandari is a principal director and shareholder. Gross fees have been included in the remuneration of key management personnel disclosures.

NOTE 20 – FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Group has exposure to the following risks arising from financial instruments.

i) Credit Risk

ii) Liquidity Risk

iii) Market Risk

This note presents qualitative and quantitative information in relation to the Group's exposure to each of the above risks and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and the development and monitoring of risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and joint ventures.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The maximum exposure to credit risk at the reporting date was:

	2017 $	2016 $
Cash and cash equivalents	**3,215,565**	5,158,361
Trade and other receivables - current	**1,742,283**	2,235,737
Trade and other receivables - non-current	**-**	102,343
	4,957,848	7,496,441

NOTE 20 – FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit Risk (continued)

The Group's cash and cash equivalents are held with major banks and financial institutions.

The Group's gross share of outstanding cash calls and recharges owing from joint venture partners and joint operations is $5,188,896 (2016: $6,169,854).

The Group's most significant customer is Enertech Fuel Solutions Pvt Limited with gas sales representing 89% of the Group's total revenues (2016: 77%), accounts for $7,130 of trade receivables (2016: $12,090), whilst the Indian Oil Corporation Limited, in its capacity as nominee of the Government of India, accounts for $131,142 of trade receivables as at June 2017 (2016: $150,710).

Impairment Losses

The aging of the trade and other receivables at the reporting date was:

	2017 $	2016 $
Consolidated Gross		
Not past due	**246,543**	524,188
Past due 0-30 days	**77,420**	196,160
Past due 31-120 days	**48,523**	308,645
Past due 121 days to one year	**-**	1,928,749
More than one year	**5,425,124**	4,047,032
	5,797,610	7,004,774
Provision for doubtful debts	**(4,055,327)**	(4,666,694)
Trade and other receivables net of provision	**1,742,283**	2,338,080
Trade and other receivables net of provision		
Current	**1,742,283**	2,235,737
Non-current	**-**	102,343
	1,742,283	2,338,080

Receivable balances are monitored on an ongoing basis. The Group may at times have a high credit risk exposure to its joint venture partners arising from outstanding cash calls.

The Group considers that there is evidence of impairment if any of the following indicators are present: financial difficulties of the debtor, probability that the debtor will dispute amounts owing and default or delinquency in payment (more than one year old). The Group has been in discussions with its joint venture partner for repayment of disputed and other amounts owing. As at 30 June 2017, each receivable has been assessed individually for recovery and those deemed to have a low chance of recovery, have been fully provided for in the current year. The Group is continuing discussions in order to resolve the outstanding issues and recover payment of the outstanding amounts, however due to the age of the receivables amounts, cannot be certain of the timing or of full recovery.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity by monitoring present cash flows and ensuring that adequate cash reserves, financing facilities and equity raisings are undertaken to ensure that the Group can meet its obligations.

The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Contractual Cash Flows			
	Carrying Amount $	Total $	2 months or less $	2 – 12 months $	Greater than 1 year $
2017					
Trade and other payables	**1,253,787**	**1,253,787**	**1,253,787**	**-**	**-**
Total financial liabilities	**1,253,787**	**1,253,787**	**1,253,787**	**-**	**-**
2016					
Trade and other payables	2,914,769	2,914,769	2,914,769	-	-
Total financial liabilities	2,914,769	2,914,769	2,914,769	-	-

NOTE 20 – FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

An entity is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the entity. The currencies giving rise to this risk are the United States dollar, Indian rupee and British pound.

The amounts in the table below represent the Australian dollar equivalent of balances in the Oilex Group Entities that are held in a currency other than the functional currency in which they are measured in that Group Entity. The exposure to currency risk at balance date was as follows:

	2017			2016		
In equivalents of Australian dollar	**USD $**	**INR $**	**GBP $**	USD $	INR $	GBP $
Cash and cash equivalents	**587,568**	**1,754,444**	**691,048**	3,998,289	304,818	156,625
Trade and other receivables						
Current	**16,739**	**2,783,076**	**-**	37,710	3,869,825	-
Non-current	**-**	**-**	**-**	102,343	-	-
Trade and other payables	**(1,170)**	**(328,008)**	**(5,860)**	(470,438)	(505,992)	(33,041)
Net balance sheet exposure	**603,137**	**4,209,512**	**685,188**	3,667,904	3,668,651	123,584

The following significant exchange rates applied during the year:

	Average Rate		**Reporting Date Spot Rate**	
AUD	**2017**	2016	**2017**	2016
USD	**0.7545**	0.7283	**0.7692**	0.7426
INR	**50.149**	48.297	**49.767**	50.162
GBP	**0.5951**	0.4914	**0.5913**	0.5549

Foreign Currency Sensitivity

A 10% strengthening/weakening of the Australian dollar against the following currencies at 30 June would have (increased)/ decreased the loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016.

	2017 $	2016 $
10% Strengthening		
United States dollars (USD)	**67,037**	410,567
Indian rupees (INR)	**467,724**	407,628
British pounds (GBP)	**76,132**	13,732
10% Weakening		
United States dollars (USD)	**(54,848)**	(335,919)
Indian rupees (INR)	**(382,683)**	(333,514)
British pounds (GBP)	**(62,290)**	(11,235)

NOTE 20 – FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market Risk (continued)

ii) Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying Amount	
	2017 **$**	2016 $
Fixed Rate Instruments		
Financial assets (short-term deposits included in trade receivables)	**149,004**	148,585
Variable Rate Instruments		
Financial assets (cash at bank)	**3,215,565**	5,158,361

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Group does not account for any fixed rate financial instruments at fair value through profit or loss so a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash Flow Sensitivity Analysis for Variable Rate Instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased the loss by the amounts shown below. A decrease of 100 basis points in interest rates at the reporting date would have had the opposite impact by the same amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

	2017 **$**	2016 $
Impact on profit or loss	**32,156**	51,584

iii) Other market price risks

The Group had no financial instruments with exposure to other price risks at June 2017 or June 2016.

Equity Price Sensitivity

The Group had no exposure to equity price sensitivity at June 2017 or June 2016.

(e) Capital Risk Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in the consolidated statement of changes in equity.

(f) Fair Values of Financial Assets and Liabilities

The net fair values of financial assets and liabilities of the Group approximate their carrying values. The Group has no off-balance sheet financial instruments and no amounts are offset.

OTHER DISCLOSURES

This section provides information on items which are required to be disclosed to comply with Australian Accounting Standards, other regulatory pronouncements and the *Corporations Act 2001*.

NOTE 21 – SHARE-BASED PAYMENTS

At 30 June 2017, the terms and conditions of unlisted options granted by the Company to directors, employees, financiers and advisors are as follows, whereby all options are settled by physical delivery of shares:

Grant Date	Number of Instruments	Vesting Conditions	Contractual Life of Options
Key Management Personnel			
-	-	-	-
Other Employees			
11 November 2013	2,000,000	Vest immediately	4 years
5 August 2014	275,000	Vest immediately	3 years
5 August 2014	275,000	One year of service	4 years
Financiers and Advisors			
22 December 2014	5,000,000	Vest immediately	3 years
22 May 2017	190,535,385	Vest immediately	6 months
22 May 2017	88,888,888	Vest immediately	3 years
Total Options	**286,974,273**		

The following share-based payments expense in relation to unlisted options and retention rights to shares have been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	2017 **$**	2016 $
Share options and rights - equity settled		
Directors and employees	**8,262**	149,523
Financiers and advisors	**-**	-
Total share-based payments expense	**8,262**	149,523

Accounting Policy

Options allow directors, employees and advisors to acquire shares of the Company. The fair value of options granted to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes Model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Options are also provided as part of consideration for services by financiers and advisors. The 88,888,888 unlisted options issued to the Company's AIM broker have been treated as a capital raising cost.

When the Group grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

NOTE 21 – SHARE-BASED PAYMENTS (CONTINUED)

The number and weighted average exercise prices (WAEP) of unlisted share options are as follows:

	WAEP 2017	**Number 2017**	WAEP 2016	Number 2016
Outstanding at 1 July	**$0.19**	**20,250,000**	$0.19	33,975,000
Forfeited during the year	**$0.30**	**(5,700,000)**	$0.17	(5,150,000)
Lapsed during the year	**$0.15**	**(7,000,000)**	$0.21	(8,575,000)
Exercised during the year	-	-	-	-
Granted during the year				
Granted to Broker	**$0.01**	**88,888,888**	-	-
Attached to Tranche 2 shares	**$0.01**	**190,535,385**	-	-
Outstanding at 30 June	**$0.01**	**286,974,273**	$0.19	20,250,000
Exercisable at 30 June	**$0.01**	**286,974,273**	$0.19	20,250,000

The unlisted options outstanding at 30 June 2017 have an exercise price in the range of $0.004 to $0.35 (2016: $0.10 to $0.35) and a weighted average remaining contractual life of 1.2 years (2016: 1.2 years).

No unlisted options were exercised during the years ended 30 June 2017 and 30 June 2016.

The fair value of unlisted options is calculated at the date of grant using the Black-Scholes Model. Expected volatility is estimated by considering historical volatility of the Company's share price over the period commensurate with the expected term. The following factors and assumptions were used in determining the fair value of options of the 88,888,888 broker options on grant date:

2017 Grant Date	**Vesting Date**	**Expiry Date**	**Fair Value Per Option**	**Exercise Price**	**Price of Shares on Grant Date**	**Expected Volatility**	**Risk Free Interest Rate**	**Dividend Yield**
22 May 2017	22 May 2017	22 May 2020	$0.004	$0.004	$0.005	107.10%	1.50%	-

The fair value of the 190,535,385 options and tranche two shares issued to shareholders in May 2017 was the amount paid and has been included in issued capital.

No unlisted options were issued in 2016.

Retention Rights

In the previous financial year, on 18 March 2016, the Company granted 2,000,000 retention rights to shares to the Managing Director, Mr Salomon, if Mr Salomon and the Company agreed that Mr Salomon enters a subsequent term of employment as Managing Director.

On 17 March 2017, the Company announced that Mr Salomon's term as Managing Director had been extended by one year.

Each retention right issued, converts into one ordinary share on exercise. No amounts are paid or payable by the holder of the retention rights.

2017 Grant Date [1]	**Vesting Date**	**Exercise Price**	**Balance at start of year**	**Granted**	**Exercised** [2]	**Balance at end of year**
23 November 2016	17 March 2017	$0.00	-	2,000,000	(2,000,000)	-

(1) Subject to and with shareholder approval subsequently granted at the AGM held on 23 November 2016.

(2) Conversion price $0.007 per retention right

No retention rights were exercised in 2016.

NOTE 22 – PARENT ENTITY DISCLOSURE

As at, and throughout, the financial year ended 30 June 2017 the parent entity of the Group was Oilex Ltd.

	2017	2016
	$	$
Result of the parent entity		
Loss for the year	**(2,452,635)**	(33,765,212)
Other comprehensive income/(loss)	**(145,399)**	(44,185)
Total comprehensive (loss)/income for the year	**(2,598,034)**	(33,809,397)
Financial position of the parent entity at year end		
Current assets	**5,483,257**	7,856,401
Total assets	**9,960,325**	12,514,242
Current liabilities	**1,192,420**	2,694,250
Total liabilities	**3,023,934**	4,591,369
Net assets	**6,936,391**	7,922,873
Total equity of the parent entity comprising of:		
Issued capital	**172,866,479**	171,513,760
Option reserve	**583,571**	930,742
Foreign currency translation reserve	**5,019,497**	5,164,897
Accumulated losses	**(171,533,156)**	(169,686,526)
Total equity	**6,936,391**	7,922,873

Parent Entity Contingencies

The Directors are of the opinion that provisions are not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Oilex Ltd has issued guarantees in relation to the lease of corporate offices, as well as corporate credit cards. The bank guarantees amount to $149,004. An equal amount is held in cash and cash equivalents as security by the banks.

Parent entity capital commitments for acquisition of property plant and equipment

Oilex Ltd had no capital commitments as at 30 June 2017 (2016: Nil).

Parent entity guarantee (in respect of debts of its subsidiaries)

Oilex Ltd on 7 November 2006 issued a Deed of Parent Company Performance Guarantee in relation to the Production Sharing Contract entered into with the Timor Sea Designated Authority dated 15 November 2006. Refer note 25.

Oilex Ltd has issued no other guarantees in respect of debts of its subsidiaries.

NOTE 23 – AUDITORS' REMUNERATION

	2017	2016
	$	$
Audit and review services		
Auditors of the Company – KPMG		
Audit and review of financial reports (KPMG Australia)	**160,319**	161,988
Audit of Joint Operations operated by Oilex Ltd Operator proportion only (KPMG Australia)	**400**	915
Audit and review of financial reports (KPMG related practices)	**26,699**	19,768
	187,418	182,671
Other Auditors		
Audit and review of financial reports (India Statutory)	**5,801**	5,844
	193,219	188,515
Other services		
Auditors of the Company – KPMG		
Taxation compliance services (KPMG Australia)	**18,300**	24,524
Taxation compliance services (KPMG related practices)	**6,627**	16,293
	24,927	40,817
Other Auditors		
Taxation compliance services (India Statutory)	**7,735**	9,350
	32,662	50,167

NOTE 24 – OPERATING LEASES

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	$	$
Within one year	**124,413**	126,062
One year or later and no later than five years	**19,104**	110,246
	143,517	236,308

The Group leases its head office premises at Ground Floor, 44a Kings Park Road, West Perth under an operating lease. The current lease has a three year term, commencing 1 June 2015, with an option to renew for a further two years.

The Group leases office premises in Gandhinagar (India) under an operating lease. The current lease had a three year term, commencing 16 October 2016.

	2017	2016
	$	$
Operating lease rentals expensed during the financial year	**145,560**	174,458

Accounting Policy

Operating leases payments are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense and are allocated over the lease term.

NOTE 25 – PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

Contingent Liabilities at Reporting Date

The Directors are of the opinion that provisions (except as noted below) are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Guarantees

Oilex Ltd has issued guarantees in relation to the lease of the current corporate office in West Perth, as well as corporate credit cards. The bank guarantees amount to $149,004.

Termination Penalty

In November 2006 Oilex (JPDA 06-103) Ltd (Operator) and the Joint Venture parties entered into a Production Sharing Contract (PSC) with the Designated Authority for JPDA 06-103 and the PSC was signed in January 2007 (effective date 15 January 2007).

On 12 July 2013, the Operator, on behalf of the Joint Venture participants, submitted to the Autoridade Nacional do Petroleo e Minerais (ANPM), a request to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim due to the ongoing uncertainty in relation to security of tenure. This request required the consent of the Timor Sea Designated Authority.

On 15 May 2015, the ANPM issued a Notice of Intention to Terminate and on 15 July 2015 issued a Notice of Termination and Demand for Payment (Notice). The demand for payment (100%) of the penalty claim of US$17,018,790 is the ANPM's estimate of the cost of exploration activities not undertaken in 2013, as well as certain local content obligations set out in the PSC. In addition, the ANPM asserts that the Joint Venture Partners are liable to interest on the monetary claim at a rate of 5.2% compounded monthly.

The Joint Venture has made overpayments in the PSC work programme and considers certain excess expenditure should be included as part of any financial assessment incorporated within the termination process. Notwithstanding the Group's belief that no penalty is applicable, both parties have made a number of offers to settle the matter, none of which have yet resulted in settlement of the matter. In view of ongoing activities to resolve this matter, the Group has recorded a provision of US$600,000 in the current financial year, being the Group's 10% share of a proposed settlement of the JPDA matter, refer note 10. The provision and or settlement is subject to variation dependent upon ongoing negotiations with the ANPM.

In the event the parties are unable to reach an amicable settlement, any party may refer the matter to arbitration. The obligations and liabilities of the Joint Venture participants under the PSC are joint and several.

The equity interest of the Joint Venture participants are:

Oilex (JPDA 06-103) Ltd (Operator)	10%
Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15%
Japan Energy E&P JPDA Pty Ltd	15%
GSPC (JPDA) Limited	20%
Videocon JPDA 06-103 Limited	20%
Bharat PetroResources JPDA Ltd	20%
Total	100%

Contingent Assets at Reporting Date

Contingent assets relate to an insurance claim receivable by the Company for which the amount is not capable of reliable measurement, nor virtually certain. This claim has now been settled, with $693,400 being received as disclosed in note 4(e).

	2017 **$**	2016 $
Contingent assets not otherwise accounted for in this financial report		
Insurance claim made or pending net of excess up to	-	900,000

NOTE 26 – SUBSEQUENT EVENTS

Subsequent to year end, on 4 September 2017, the Company issued 11,722,222 ordinary shares upon the exercise of £0.00225 ($0.004) unlisted options and 2,087,044 ordinary shares as consideration for consulting services.

Other than the above disclosure, there has not arisen in the interval between the end of the financial year and the date of this report an item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

NOTE 27 – OTHER ACCOUNTING POLICES

New Standards and Interpretations Not Yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are not yet effective and have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes revised guidance on the classification and measurement requirements of financial liabilities and assets, including a new expected credit loss model for calculating impairment, and general hedge accounting requirements. AASB 9 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The adoption of AASB 9 is not expected to have a material impact on the Group's financial assets or financial liabilities.
- AASB 15 *Revenue from Contracts with Customers* provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided for determining whether, how much and when revenue is recognised. New disclosures about revenue are also introduced. AASB 15 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The revenue recognition of the sale of oil and gas in India is not expected to be materially affected by the adoption of AASB 15.
- AASB 16 *Leases* provides a new lessee accounting model requiring the recognition of assets and liabilities for all leases with a term greater than 12 months, unless the underlying asset is of low value. It requires the lessee to recognise a right-of-use asset, representing the rights to use the underlying lease asset and a lease liability representing the obligation of lease payments. AASB 16 is effective for annual periods beginning on or after 1 January 2019 with early adoption permitted. The impact on the Group's financial assets and financial liabilities of the adoption of AASB 16 has yet to be determined and will depend upon the leases in place on transition.
- AASB 2016-5 *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions.* The standard makes amendments to AASB 2 *Share-based Payment*. The amendments address the accounting for the effects of vesting and non-vesting conditions and the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled, is effective for annual reporting periods beginning on or after 1 January 2018 and it is not expected that this will have a significant impact on the consolidated financial statements.

(1) In the opinion of the Directors of Oilex Ltd (the Company):

(a) the consolidated financial statements and notes set out on pages 34 to 71 and the Remuneration Report in the Directors' Report, set out on pages 21 to 32, are in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2017.

(3) The Directors draw attention to note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Mr Brad Lingo
Chairman

Mr Jonathan Salomon
Managing Director

West Perth
Western Australia
12 September 2017

KPMG

Independent Auditor's Report

To the shareholders of Oilex Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Oilex Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- consolidated statement of financial position as at 30 June 2017
- consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(c), "Going Concern" in the financial report. The conditions disclosed in Note 2(c) indicate a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- evaluating the feasibility, quantum and timing of the Group's plans to raise additional shareholder
- funds to address going concern;
- assessing the Group's cash flow forecasts based on the Group's planned operations, historical expenditure levels and debtor collections; and
- determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- The valuation of the Cambay Field development asset
- JPDA termination dispute provision

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The valuation of the Cambay Field development asset ($5,927,288)

Refer to Note 8 to the Financial Report

The key audit matter	How the matter was addressed in our audit

The valuation of the Cambay Field development assets is a key audit matter due to:
• The size of the Cambay development asset on the balance sheet (46%).
• The current status of operation of the asset, which temporarily ceased production during the year and restarted in June, increasing the risk of impairment.
• The significant level of judgment and effort applied by us to challenge the Group's key valuation assumptions within their model for the Cambay Field cash generating unit (CGU). These include:
  - Forecast sales price for gas and condensate due to the impact of the
	Our audit procedures included:
	• Assessing the Group's key valuation assumptions by:
	  - Evaluating the reasonableness of the forecast sales prices, against published external analysts' sources, present contracts and our industry experience.
	  - Checking adequate approvals for operation and production have been obtained or are expected to be obtained.
	  - Evaluating the probability factors used by the Group in relation to achieving Cambay Field commercial success and extension of the PSC beyond 2019 by comparing the inputs used in their probability calculations

significant and prolonged decrease in short term and long term price forecasts, increasing the risk of inaccurate forecasting.
- Forecast total quantity of gas and condensate in the Cambay Field model, the estimated rate of production, total gas and condensate reserves available (which the Group use an external expert to determine), and forecast total capital and operating costs due to the inherent uncertainties in estimating these.
- Discount rates specific to the Cambay Field CGU.
- Uncertainty over the Cambay Field commercial success and the cost of development to achieve this.
- Uncertainty over the Production Sharing Contract (PSC) extension subsequent to 2019 when the original PSC ends.
 	
These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.
	to the latest fact patterns from discussions with management and the external studies performed on the field.
	- Testing forecast total quantity of gas and condensate in the model by:
	  - Assessing the total production, using numbers from the reserve information (2P) report prepared by the Group's independent external expert and comparing against the total production as per the Group's model.
	  - Evaluating the competence, objectivity and scope of the external expert used by the Group to determine the total gas and condensate reserves available and comparing the assumptions used by the external expert against the Group's forecast production and capital costs.
	  - Comparing forecast total capital and operating cost per unit of production in the model to previous actual costs and production rates to the Group's latest operational budgets.
	• Utilising our industry knowledge we assessed the reasonableness of the Group's discount rate by comparing to discount rates used by a peer group in the same industry.
	• Assessing the model against industry standards and the requirements of the accounting standards. We tested the construct of the model for mathematical integrity and consistency against input sources.
	• Assessing the Group's disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

JPDA termination dispute provision ($795,229)	
Refer to Note 10 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The JPDA termination dispute provision relates to a specific claim that has been made against the Group by the Autoridade Nacional do Petrloeo e Minerais (ANPM), who terminated the JPDA Production Sharing Contract (PSC) in 2015.	Our audit procedures included: • Making enquiries of directors, management and the Group's internal legal counsel to obtain their view on this significant legal matter. • Issuing requests for confirmation of significant litigation to the Group's lawyers and obtaining relevant correspondence received from the Group's external lawyers. We assessed the relevant correspondence received by the

We focused on this area as a key audit matter due to: • The quantum of amounts involved; • The inherent uncertainty in the application of the measurement aspects of accounting standards to determine the amount, if any, to be provided for when an item is subject to dispute and a legal process between parties is in progress; and • The wide range of outcomes that could result from the settlement of this dispute.	Group and confirmations to us as auditors, from the Group's lawyers by comparing this to our understanding of views expressed by management, the directors, and the Group's internal legal counsel, and the consistency to facts and conditions gathered throughout our audit. • Inspecting correspondence between the parties involved in the dispute in order to assess and challenge the potential amount of the claim, based on the range of possible outcomes to settle the dispute and the status of any negotiations or proposed settlements. • Assessing the Group's disclosures of the quantitative and qualitative considerations in relation to the provision, by comparing these disclosures to our understanding of the matter.

Other Information

Other Information is financial and non-financial information in Oilex Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001.*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Oilex Ltd for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in sections 1 to 5 of the Directors' report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Graham Hogg
Partner

Perth

12 September 2017

Shareholder information as at 1 September 2017

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The address of the principal registered office is Ground Floor, 44a Kings Park Road, West Perth, Western Australia 6005, Australia, Telephone +61 8 9485 3200.

The name of the Company Secretary is Mr M Bolton.

Detailed schedules of exploration and production permits held are included in the Business Review.

Directors' interest in share capital options are disclosed in the Directors' Report.

There is currently no on-market buy-back in place.

Shareholding

(a) Distribution of share and option holdings:

Size of holding	Number of shareholders	Number of unlisted option holders
1 - 1,000	297	-
1,001 - 5,000	504	-
5,001 - 10,000	347	-
10,001 - 100,000	858	4
100,001 and over	562	18
Total	**2,568**	**22**

(b) Of the above total 2,109 ordinary shareholders hold less than a marketable parcel.

(c) Voting Rights:

The voting rights attached to the ordinary shares are governed by the Constitution.

On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options give an entitlement to voting rights.

Register of Securities

The register of securities listed on the Australian Securities Exchange is held by Link Market Services Limited, Level 12, 250 St Georges Terrace, Perth, Western Australia 6000, Australia, Telephone +61 8 9211 6670.

The register of securities listed on the Alternative Investment Market of the London Stock Exchange is held by Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom, Telephone +44 870 702 003.

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange and the Alternative Investment Market of the London Stock Exchange (AIM) and trades under the symbol OEX.

Unquoted Securities - Options

Total unlisted options on issue are 286,699,273.

Mr Salomon (Managing Director) holds 14,987,013 shares as at 1 September 2017 which represents 0.9% of shares.

Twenty Largest Shareholders

Shareholders	Shares Held		% of issued capital
Barclayshare Direct Investing Nominees Limited	96,697,377	#	5.74
Curmi and Partners Ltd	73,604,878		4.37
Magna Energy Limited	73,505,090		4.36
Zeta Resources Limited	71,323,567		4.23
TD Direct Investing Nominees (Europe) Limited <SMKTNOMS>	65,784,613	#	3.91
HSDL Nominees Limited <IWMAXI>	56,328,133	#	3.34
HSDL Nominees Limited	53,401,076	#	3.17
Hargreaves Lansdown (Nominees) Limited <VRA>	51,421,072	#	3.05
Hargreaves Lansdown (Nominees) Limited <HLNOM>	50,412,877	#	2.99
Chase Nominees Limited	50,000,000	#	2.97
Rock (Nominees) Limited <CSHNET>	43,060,710	#	2.58
Hargreaves Lansdown (Nominees) Limited <15942>	40,303,093	#	2.39
Investor Nominees Limited <WRAP>	39,786,712	#	2.36
HSBC Client Holdings Nominee (UK) Limited <731504>	37,248,545	#	2.21
Investor Nominees Limited <NOMINEE>	35,869,895	#	2.13
UBS Private Banking Nominees Ltd <MAINPOOL>	32,266,549	#	1.92
Share Nominees Ltd	30,632,702	#	1.82
TD Direct Investing Nominees (Europe) Limited <SMKTISAS>	27,525,367	#	1.63
HSDL Nominees Limited <IWEB>	24,824,912	#	1.47
HSDL Nominees Limited <MAXI>	24,139,922	#	1.43
Total	**9787,137,090**		**58.07**
Total issued shares as at 1 September 2017	**1,684,302,899**		**100.00**

Substantial shareholders as disclosed in the most recent substantial shareholder notices given to the company are as follows:

Substantial Shareholders	Shares Held	% of issued capital
Zeta Resources Limited	121,232,567	7.20
Magna Energy Limited	114,320,284	6.79

Zeta Resources Limited and Magna Energy Limited hold shares on both ASX and AIM.

(#) Included within the total issued capital are 1,075,940,725 shares held on the AIM register. Included within the top 20 shareholders are certain AIM registered holders as marked.

Associated Gas	Natural gas found in contact with or dissolved in crude oil in the reservoir. It can be further categorised as Gas-Cap Gas or Solution Gas.
Bbls	Barrels of oil or condensate.
BCF	Billion cubic feet of gas at standard temperature and pressure conditions.
BCFE	Billion cubic feet equivalent of gas at standard temperature and pressure conditions.
BOE	Barrels of Oil Equivalent. Converting gas volumes to the oil equivalent is customarily done on the basis of the nominal heating content or calorific value of the fuel. Common industry gas conversion factors usually range between 1 barrel of oil equivalent (BOE) = 5,600 standard cubic feet (scf) of gas to 1 BOE = 6,000 scf. (Many operators use 1 BOE = 5,620 scf derived from the metric unit equivalent 1 m^3 crude oil = 1,000 m^3 natural gas).
BOPD	Barrels of oil per day.
GOR	Gas to oil ratio in an oil field, calculated using measured natural gas and crude oil volumes at stated conditions. The gas/oil ratio may be the solution gas/oil, symbol Rs; produced gas/oil ratio, symbol Rp; or another suitably defined ratio of gas production to oil production. Volumes measured in scf/bbl.
MMscfd	Million standard cubic feet of gas per day.
MMbbls	Million barrels of oil or condensate.
PSC	Production Sharing Contract.
mD	Millidarcy – unit of permeability.
MD	Measured Depth.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations. Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.3P Probabilistic methods P90 refers to the quantity for which it is estimated there is at least a 90% probability the actual quantity recovered will equal or exceed. P50 refers to the quantity for which it is estimated there is at least a 50% probability the actual quantity recovered will equal or exceed. P10 refers to the quantity for which it is estimated there is at least a 10% probability the actual quantity recovered will equal or exceed.
SCF/BBL	Standard cubic feet (of gas) per barrel (of oil).
TCF	Trillion cubic feet.
Tight Gas Reservoir	The reservoir cannot be produced at economic flow rates or recover economic volumes of natural gas unless the well is stimulated by a large hydraulic fracture treatment, a horizontal wellbore, or by using multilateral wellbores.

Directors
Brad Lingo Bachelor of Arts with Honours, Juris Doctorate, MAICD
Non-Executive Chairman

Joe Salomon B APP SC (Geology), GAICD
Managing Director

M D J Cozijn BCom CPA, MAICD
Non-Executive Director

P Haywood
Non-Executive Director

Company Secretary
Mark Bolton B Business
CFO and Company Secretary

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Australia

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3rd Floor Radhe Arcade 'Block C'
Nr. Swagat Rainforest 1, Kudasan
Gandhinagar Koba Road
Gandhinagar 382421
Gujarat, India

Website
www.oilex.com.au

Email
oilex@oilex.com.au

Oilex Ltd
ACN 078 652 632
ABN 50 078 652 632

Stock Exchange Listings
Oilex Ltd's shares are listed under the code OEX on the Australian Securities Exchange and on the Alternative Investment Market of the London Stock Exchange (AIM)

AIM Nominated Adviser
Strand Hanson Limited
26 Mount Row
London W1K 3SQ
United Kingdom

AIM Broker
Cornhill Capital Limited
4th Floor
18 St Swithins Lane
London EC4N 8AD
United Kingdom

Share Registries
Link Market Services Limited (for ASX)
Level 12
250 St Georges Terrace
Perth Western Australia 6000
Australia

Computershare Investor Services PLC (for AIM)
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Auditors
KPMG
235 St Georges Terrace
Perth Western Australia 6000
Australia

OILEX LTD

ABN 50 078 652 632

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