

ASX-RNS Announcement

31 December 2019

ASX: OEX
AIM: OEX

Exercise of Options and Underwriting

The Board of Oilex Limited (the Company) is pleased to announce that it has received option conversion notices for 60,150,375 options convertible at \$0.00266 each (A\$160,000) on or before 31 December 2019.

The Company has 124,060,150 unlisted options on issue convertible at \$0.00266 each (A\$330,000) on or before 31 December 2019. The Company does not anticipate receiving any further notices for the conversion of the remaining 63,909,775 options by optionholders.

Furthermore, the Company advises that it has entered into underwriting agreements with Novum Securities Limited and B.D. Limited of Malta (the Underwriters) for the conversion of up to 63,909,775 unlisted options convertible at \$0.00266 each (A\$170,000) on or before 31 December 2019. Any shortfall shares to be issued to the Underwriters are expected to be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and accordingly shareholder approval will not be sought.

In accordance with ASX Listing Rule 3.11.3, the Company advises that the Underwriters are not a related party of the Company and will be paid a fee of 6% of the underwritten amount. The underwriting agreements contain indemnification and termination provisions and other terms normally found in an agreement of this nature. A summary of the termination provisions is annexed below.

The applicable Appendix 3B for the issue of shares pursuant to the conversion of the options together with the underwriting options will be made in early January 2019.

The proceeds from the conversion of the options are to be applied to acquisitions and working capital.

For and on behalf of Oilex Ltd



Mark Bolton
Chief Financial Officer

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Underwriter Events of Termination

Prior to the date of issue of the Shortfall Shares, estimated to be in early January 2019, the Underwriters may terminate the underwriting where:

- a) the ASX does not give approval for the shortfall shares to be listed for official quotation;
- b) a director of the Company is charged with an indictable offence;
- c) the Company's lenders terminate or issuing any demand or penalty notice or amend the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facilities;
- d) the Company fails to comply with any of the following:
 - a provision of its constitution;
 - any statute;
 - a requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
 - any material agreement entered into by it;
 - the Company alters its capital structure or its constitution;
- e) there is an outbreak of hostilities or a material escalation of hostilities after the date of this agreement involving one or more of Australia, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan;
- f) a force majeure which prevents or delays an obligation under this agreement lasting in excess of 2 weeks occurs;
- g) the Company is in default of any of the terms and conditions or breaches any warranty or covenant in the underwriting agreement;
- h) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- i) the Company suspends payment of its debts generally;
- j) litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against the Company;
- k) there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Shortfall Shares without the prior written consent of the underwriters;
- l) any material contract to which the Company is a party is terminated or substantially modified;
- m) an event of insolvency occurs in respect of the Company; or
- n) a judgment in an amount exceeding \$250,000 is obtained against the Company and is not set aside or satisfied within 7 days.