

HIGHLIGHTS

DECEMBER
QUARTERLY
REPORT

2019

CAMBAY FIELD, ONSHORE GUJARAT, INDIA

- » The Company's plans for the 2019-20 work programme and budget to drill two vertical wells are well advanced. Amongst other conditions, these wells are pending finalisation of the settlement with Gujarat State Petroleum Corporation (GSPC) and securing the necessary funding.
- » Pursuant to the settlement announced in the previous quarter, GSPC commenced a sale process for its 55% participating interest (PI) in Cambay.
- » Subsequent to the end of the Quarter, GSPC advised that it had opened the bids received for its Cambay PI and a preferred bidder has been identified.
- » The Singapore International Arbitration Commission (SIAC) refunded S\$179,731 (E A\$196,000) in arbitration fees paid by Oilex in relation to the dispute with GSPC over Cambay.
- » During the quarter, GSPC paid INR 10,782,244 (E A\$224,000) towards outstanding cash calls.
- » The WP&B 2020-21 was submitted to Director General of Hydrocarbons for approval.
- » Gas production from the Cambay Field is currently shut-in. The Company hopes to reinstate production shortly.

COOPER-EROMANGA BASINS, AUSTRALIA

- » During the quarter the Company announced that the satisfaction of the condition precedent (including government approvals) for the completion of the Senex acquisition was extended by two months to 29 February 2019.
- » Subsequent to the end of the quarter, the Company announced that it had entered into a binding conditional Heads of Agreement for the sale of its interests in Cooper-Eromanga Basins to Doriemus plc.

BHANDUT FIELD, ONSHORE GUJARAT, INDIA

- » The Bhandut Field remains on care and maintenance.
- » The WP&B 2020-21 was submitted to the Director General of Hydrocarbons for approval.
- » During the quarter, GSPC continued with its sale process for their participating interest in Bhandut. The Company has a right of first refusal in regard to sale of GSPC's participating interest.
- » Subsequent to the end of the quarter, the Company accepted a conditional cash offer for the sale of Bhandut for US\$0.14 million.
- » During the quarter, GSPC paid INR 1,444,962 (E A\$30,000) towards outstanding cash calls.

CORPORATE

- » All resolutions were passed on a show of hands at the Annual General Meeting on 27 November 2019.
- » Cash resources at 31 December 2019 were A\$0.4 million.
- » Subsequent to the end of the quarter, the Company received proceeds of A\$330,00 in regard to the conversion of unlisted options.
- » Subsequent to the end of the quarter the Company announced the acceptance of a conditional cash offer of US\$0.14 million (E A\$208,000) for the sale of its 40% participating interest in Bhandut.
- » The Company is in advanced negotiations to secure a new unsecured loan facility for £350,000 (E A\$680,000) which is expected to be finalised in early February 2020.

OVERVIEW

The Company's primary objective is to maximise shareholder value from its principal asset in the Cambay Basin, located onshore Gujarat State in India, whilst also continuing to review other opportunities to create value and diversify risk by adding new assets to the Company's project portfolio focussed on the Cooper-Eromanga Basins in Australia and the United Kingdom Continental Shelf (UKCS).

To that end, Oilex continues to evaluate and implement a range of technical programme options to progress its main objective of accessing the significant gas resource present in siltstones in the EP-IV reservoir at the Company's Cambay PSC. North American unconventional drilling, completion and stimulation technologies have been applied by the Cambay JV over the last six years with positive but commercially modest results and work is underway to optimise results for future work programmes. The current work programmes are focused on:

- Implementing the settlement agreement reached with GSPC to resolve the dispute over the Cambay PSC, and further develop the asset with a new partner potentially;
- Preparing detailed work programmes, including new wells for implementation under the approved Field Development Plan (FDP),
- Arranging the necessary funding to implement the planned work programme; and
- Progressing the Company's new ventures in the Cooper-Eromanga Basins and the UKCS.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

No lost time incidents recorded during the quarter.

CAMBAY FIELD, GUJARAT, INDIA

(Oilex: Operator and 45% interest)

Oilex holds a 45% PI in the Cambay Field, with GSPC holding the remaining 55% PI.

The Company's plans for the 2020-21 work programme and budget (2021 WP&B) at Cambay are well advanced and include the drilling of up to two vertical wells, subject to, *inter alia*, securing the necessary funding. During the quarter, the 2021 WP&B was submitted to the regulator for approval.

The priority will be to test the drilling and stimulation recommendations from the Baker Hughes-GE study in the EP-IV zone. Any early production will utilise the existing processing and storage facilities which will be upgraded as required to provide a low-cost path to commercialisation. Given success, a larger drilling programme will follow, with the aim of aggregating sufficient production volumes to connect to the high-pressure pipelines which would offer greater offtake stability and improved gas prices.

The re-commencement of field operations is, amongst other matters, dependent on finalisation of the settlement agreed with GSPC and necessary financing.

Settlement of Joint Venture Dispute

On 9 September 2019, the Company announced that it had reached a settlement with GSPC to resolve the ongoing Cambay PSC dispute whereby GSPC undertook to use its best endeavours to complete the sale of its 55% PI in Cambay. Pursuant to the settlement, the Event of Default and Event of Withdrawal declared by Oilex with regard to the Cambay Field Joint Operating Agreement were withdrawn and the arbitration proceedings, which had been lodged by GSPC with Singapore International Arbitration Commission, were terminated. Furthermore, the stay order granted in the High Court of Gujarat was also removed.

During the December 2019 quarter, GSPC commenced a formal process for the sale of its 55% PI in the Cambay PSC. The date for submission of the offers by potential bidders closed on 23 December 2019. Oilex understands that a preferred bidder has been identified by GSPC, which has now been invited by GSPC to finalise negotiations before seeking applicable regulatory approvals in India.

Oilex holds a first right of refusal where GSPC disposes of its 55% interest in the Cambay PSC. The Company notes that the settlement agreement with GSPC has not waived its rights to the unpaid cash calls and accordingly, the Company maintains its rights under the JOA. The Company continues to engage with all parties, including potential new Cambay joint venture partners, for payment of the outstanding cash calls.

During the December 2019 quarter, the Company was pleased to announce Singapore International Arbitration Commission (SIAC) has refunded S\$179,731 (E A\$196,000) in arbitration fees paid by Oilex in relation to the Cambay dispute.

Joint Venture Management

During the December 2019 quarter, Oilex was paid INR10,782,244 (E A\$224,000) towards outstanding cash calls from its Joint Venture partner. Total outstanding cash calls from GSPC - Est. USD\$5.6 MM (inclusive of the Est. USD\$3.054 MM pursuant to the Event of Default (EoD)).

BHANDUT FIELD, GUJARAT, INDIA

(Oilex: Operator and 40% interest)

Oilex holds a 40% equity interest in the Bhandut Field, with GSPC holding the remaining PI. Previous drilling in the Bhandut Field intersected a number of hydrocarbon zones, some of which produced historically and are now shut-in.

The field is currently on care and maintenance and has existing production facilities. The WP&B 2020-21 has submitted to the Director General of Hydrocarbons for approval.

During the quarter, GSPC continued its formal process to dispose of its PI in Bhandut. Oilex has a right of first refusal in the event that GSPC disposes of its PI.

Subsequent to the end of the quarter, the Company announced that it had accepted an offer from Kiri and Company Logistics Private Limited (Kiri) to dispose of its 40% participating interest (PI) in the Bhandut PSC (Bhandut). Pursuant to the Agreement entered with Kiri, the Company will receive US\$0.14 million in cash proceeds for the sale of its PI to Kiri.

GSPC had also invited parties to make submissions to acquire its 60% PI in Bhandut with Kiri successfully selected by GSPC as the preferred bidder. Kiri will acquire Oilex's PI in Bhandut on the same proportional cost basis as GSPC with a small premium for Oilex's operatorship in the PSC. Furthermore, Kiri has expressed an interest in engaging the services of Oilex's office to review field production, stabilise operations and initiate field re-development of the Bhandut PSC in accordance with the FDP. Bhandut is presently shut-in and has been fully provided for in the Oilex financial statements.

During the quarter, GSPC paid INR 1,444,962 (E USD \$20,000) in cash call payments for Bhandut. At the end of the quarter unpaid cash calls by GSPC was E USD\$0.07 million gross.

COOPER-EROMANGA BASINS

PEL 112 and PEL 444

During the September 2019 quarter the Company announced that it had entered into agreements to acquire up to a 100% beneficial interest in the PEL 112 and 444 licences (the Licences) in the Cooper-Eromanga Basins in South Australia.

Currently, the Company owns a 79.3333% interest in Licences with an option to acquire the remaining 20.6667%.

The Licences are in the South Australia section of the Cooper-Eromanga Basins. Both blocks are located on extensions of the Western Flank oil fairway, the most important recent contributor to oil production in the Cooper Basin. This fairway hosts over 30% of the Cooper Basin oil reserves and has been a major industry focus for new drilling and field development over the last 10 to 15 years. PEL 112 covers 1,086 square kilometres and PEL 444 covers 1,166 square kilometres. Each PEL is currently in temporary suspension at the request of the previous License holders (a provision with the South Australian government where work obligations may be suspended for a fixed period as the request of the licence holder). The PEL's carry an obligation to drill one well each before January 2022 (PEL 112) and January 2023 (PEL 444) respectively.

Both blocks have modern 3D seismic surveys acquired by Holloman and its partners; 127 square kilometres in PEL 112 and 80 square kilometres in PEL 444. Subsequent to the 3D surveys, one exploration well was drilled in each 3D area; however, neither well was successful with the structural integrity of the prospects drilled in question.

Holloman Petroleum Pty Ltd, a wholly owned subsidiary of Oilex, has been appointed as the current operator of the Licences.

Northern Fairway

On 27 September 2019, the Company announced that it entered into a legally binding term sheet with Senex Energy Limited (Senex) in 27 PRLs located within the Northern Oil and West Gas Fairway in the world class Cooper-Eromanga Basins in South Australia (the "Northern Fairway PRLs"), subject to the satisfaction of conditions including government approvals by 31 December 2019, subsequently extended to 29 February 2019.

The Northern Fairway PRLs, cover 2,445 square kilometres (~604,000 acres) and include permits covered by the 792 square kilometre Cordillo 3D seismic survey acquired by Senex in 2012. Senex is the operator of each of the Northern PRLs and has agreed to transfer 100% of its interest in the permits subject to satisfaction of conditions (including government approvals). The PRLs are part of the 15-year tenure retention agreement between the South Australian Government and Senex announced in August 2013.

The PRLs include a 100% interest in the Paning Tight Gas Discovery made by the Paning-2 exploration well. The Paning Tight Discovery was made in February 2013 intersecting 117 metres of net gas pay comprised of 47 metres of net pay in Permian tight sands and 70 metres of net gas pay in the deep coals in the Patchawarra Trough. The Paning-2 exploration well was spudded in December 2012 with a side-track reaching a total depth of 3,144 metres and was drilled following up on the Paning-1 exploration well drilled by Delhi Petroleum in 1980 which encountered significant gas in the Permian section. Paning-2 was the first exploration well drilled by Senex designed specifically to test the potential of the Permian tight sands sequence that exists across the entire Patchawarra Trough.

Heads of Agreement with Doriemus Plc

On 29 January 2020, the Company announced that it had signed a binding conditional Heads of Agreement (HOA) with Doriemus Plc (Doriemus), an ASX-listed company, for the proposed sale of all of its interests in the Cooper-Eromanga Basins to Doriemus.

Subject to the terms of the HOA, it is intended that Doriemus will acquire 100% of the issued capital of CoEra Limited (CoEra), a wholly owned subsidiary of Oilex (Proposed Transaction). At completion, CoEra will own all of Oilex's direct and indirect interests in the Cooper-Eromanga Basins including:

- 79.33% direct interest in two Petroleum Exploration Licences (PEL 112 and PEL 444) (with an option, as previously announced, to acquire the remaining 20.66%); and
- the right to acquire 27 Petroleum Retention Licences from Senex Limited (Northern Fairway PRLs).

As consideration for the Proposed Transaction, Doriemus will issue 28,301,887 CHESS Depositary Interests (CDIs) (representing 28,301,887 shares in Doriemus) to Oilex (or its nominee(s)) upon completion of the Proposed Transaction. The Company will nominate 2,830,188 CDI's of the abovementioned consideration to Orthogonal Enterprises Pty Ltd (Orthogonal) for past and future services rendered in building the Cooper-Eromanga portfolio.

The Doriemus' closing share price of A\$0.03 on 28 January 2019 values the net consideration payable to Oilex at A\$764,000. Alternatively, based on Doriemus HY2019 financial statements, the Net Asset Value is over A\$0.09 per Doriemus share valuing the net consideration payable at A\$2.4 million. In addition, Doriemus will also irrevocably and finally assume the obligations of Oilex under the Senex Agreement to acquire the Northern Fairway PRLs, namely the assumption of existing abandonment liabilities, estimated at \$1.1 million, payment of future PRL annual fees and work programme obligations including exploration well commitments in PEL 112 and PEL 444.

The CDIs to be issued as consideration for the Proposed Transaction are subject to voluntary escrow conditions and will only be able to be disposed of by Oilex and Orthogonal in certain limited circumstances for a 2-year period following their issue.

The Proposed Transaction is subject to the satisfaction of various conditions precedent including, in particular, Doriemus obtaining shareholder approvals for the issue of various securities, the completion of a minimum \$3.5 million capital raising by Doriemus, completion of due diligence by each party on the other party, and the execution of definitive transaction documentation between Doriemus and Oilex in respect of the Proposed Transaction. The HOA sets out that these conditions precedent need to be satisfied by 30 June 2020 or discussions will be discontinued. Accordingly, whilst both the Board of Directors of Oilex and Doriemus are confident that the conditions precedent will be satisfied, there can be no guarantee that they will be, and therefore there is no guarantee that the Proposed Transaction will complete.

The ASX has confirmed that Listing Rule 11.1.3 does not apply to Doriemus in regard to the proposed acquisition and associated transactions by Doriemus.

CoEra and its subsidiaries were acquired by Oilex after 30 June 2019, and accordingly there was no revenue or earnings attributable to Oilex for the year ended 30 June 2019. As at 31 December 2019, the Cooper-Eromanga Basins assets being disposed of by Oilex had an unaudited carrying value of A\$331,000.

Assuming completion of the Proposed Transaction, Oilex will no longer have any oil and gas asset interests in Australia, and instead will be focused on further developing its asset base in India and the UK Continental Shelf (UKCS).

Proposed Doriemus Capital Raising

As part of the Proposed Transaction, Doriemus intends to undertake a capital raising at a price expected to be \$0.035 per CDI to raise a minimum of \$3.5 million and a current proposed maximum of \$5 million (Capital Raising).

It is proposed, subject to agreeing legalities and structuring mechanics, to include a priority offer to eligible existing Doriemus and Oilex shareholders (being those Doriemus CDI holders or Oilex shareholders (whether through Common Shares or depository interests) with a registered address in the United Kingdom, Singapore, Australia and New Zealand on the record date, which date is yet to be determined) for up to \$1.5 million ("Priority Offer"). At this stage, the Priority Offer is expected to be made under a disclosure document prepared by Doriemus in accordance with Chapter 6D of the Corporations Act 2001 (Cth).

It is proposed that participants in the Capital Raising will also receive one (1) free option for every three (3) CDIs / shares subscribed for in the Capital Raising. It is further proposed that the options will be exercisable at A\$0.08 on or before four years from the date of completion of the Proposed Transaction (Attaching Options). It is currently intended that the Attaching Options will be listed on the ASX by Doriemus, subject to meeting certain ASX listing requirements.

UNITED KINGDOM CONTINENTAL SHELF

Knox-Lowry-Whitbeck

During the previous quarter, the Company announced that it had entered into an exclusivity agreement with Koru Energy (KLW) Ltd ("Koru"), a subsidiary of Koru Energy Limited, for a potential acquisition of up to a 50% relevant interest in the Knox and Lowry, and Whitbeck gas discoveries (the "KLW Gas Discoveries") in the East Irish Sea (EIS), offshore the United Kingdom ("Exclusivity Agreement").

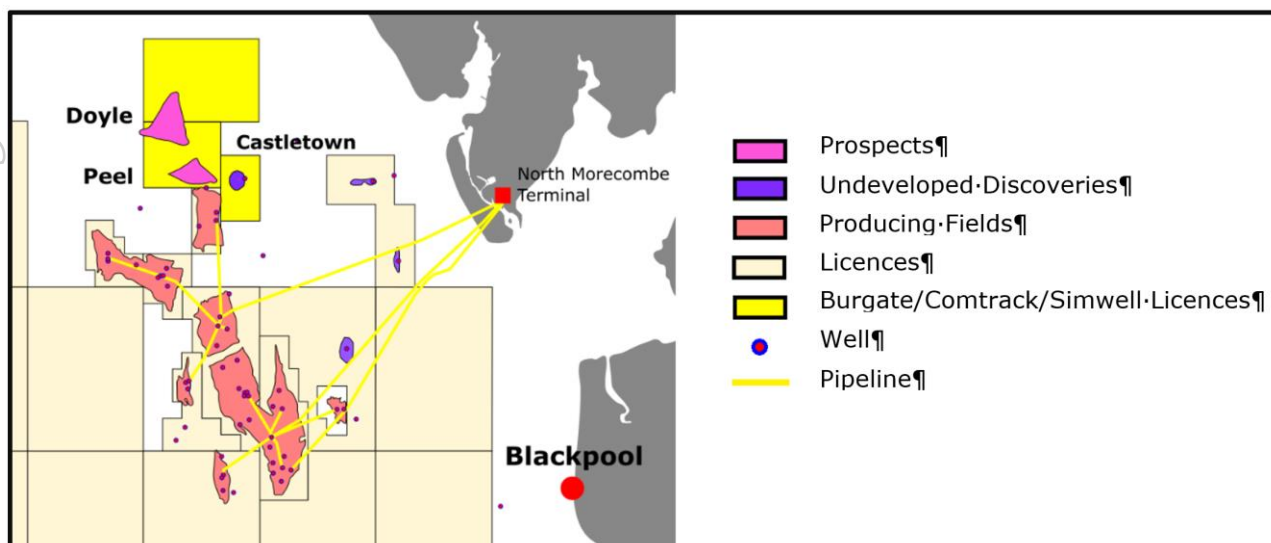
Oilex entered into the Exclusivity Agreement which was subsequently extended until 31 October 2019 with Koru to secure a right to negotiate with Koru to acquire a 50% interest in the KLW Licences. The Company has elected to allow the Exclusivity Agreement to lapse while it engages with several parties in the basin with a view to expanding the potential portfolio of assets in the EIS, inclusive of KLW should it continue to be available.

Peel-Doyle (P2447) and Castletown (P2076)

On 23 December 2019, the Company announce that it has entered into a binding term sheet with Burgate Exploration and Production Ltd ("Burgate"), to acquire a 100% participating interest in the Doyle-Peel licence (P2447) in the (EIS), offshore the United Kingdom ("Term Sheet"). In addition, the Company has entered into an exclusivity agreement with Burgate, Comtrack (UK) Ltd, and Simwell Resources Ltd (collectively "BCS") for the potential acquisition of a 100% participating interest in the Castletown licence (P2076).

Project Overview

The EIS licences are in a proven gas fairway in the centre of the East Irish Sea Basin in shallow water near existing infrastructure reducing the complexity, risk and cost of development. The EIS is a prolific basin which has produced around 8 TCF of gas to date with considerable existing gas production, gathering, processing and transportation infrastructure. The depth to the target reservoirs is less than 2,000 metres thus providing modest drilling costs.

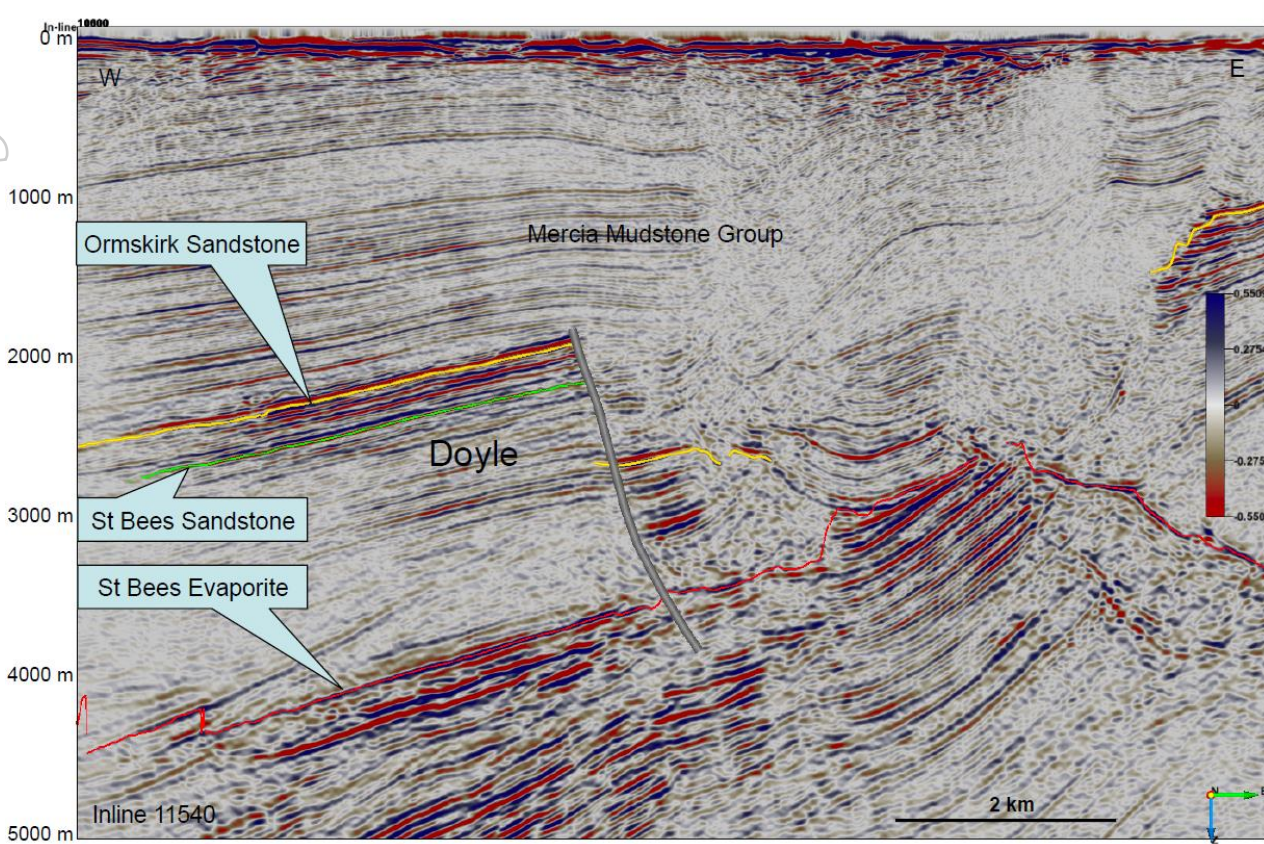


The licenses lie on the west dipping graben edge of the Tynwald Fault Zone on the structural trend with the Rhyl and North Morecambe producing gas fields. Historical production from the primary Triassic Ormskirk reservoirs on this trend show excellent deliverability characteristics.

The Ormskirk sandstones were deposited in a continental fluvial regime which became drier and more aeolian (with a higher proportion of dune sands) towards the top. The regional seal is provided by the evaporites and mudstones of the Mercia Mudstone group which attains a thickness in excess of 1,000 metres across the basin resulting in low seal risk. Gas charge comes from the Carboniferous Coal Measures which underlie much of the basin. A secondary reservoir-seal pair is provided by the Permian Collyhurst sandstone and overlying evaporites.

Doyle-Peel Prospects

The Doyle prospect consists of a tilted fault block closed on the up dip east side by the north-south trending boundary fault of the Tynwald Fault Zone. This fault down throws to the east and the footwall of Ormskirk sandstone juxtaposes Mercia Mudstone salts and shales forming a very effective cross fault seal. There is a clearly defined east-west fault bounding the southern extent. The fault block is distinguished by the strong reflection response shown on the amplitude display.



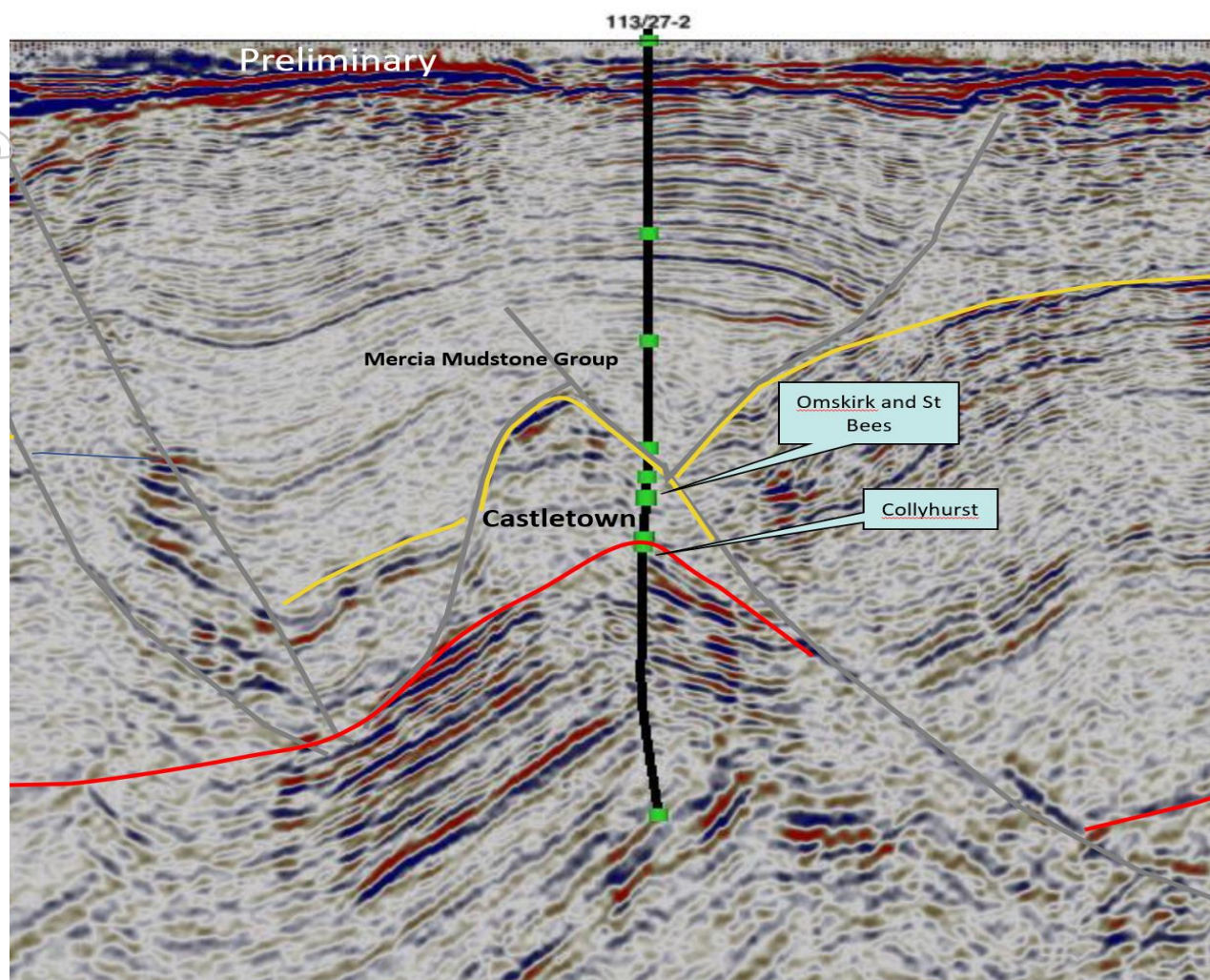
The Peel prospect is a fault block occupying a structurally similar setting to Doyle and the producing Rhyl gas field. It is fault bounded to the east by the Tynwald Fault Zone, with effective cross fault and top seal provided by the Mercia Mudstone. To the south and southwest dykes have been emplaced which would provide near vertical seals. The amplitude of the Ormskirk reflector is similar in reflection strength to the Rhyl productive area providing the possibility that this indicates a gas charge.

Blocks 113/22a (Doyle) and 113/27e (Doyle and Peel) have been merged into a single licence being P2446 ("P2446 Licence"). Block 113/22a was awarded in the UK Offshore 31st licensing round whereas block 113/27e was awarded in the 30th round.

Pursuant to the award of the P2446 licence, the committed work programme comprises a firm commitment by October 2021 to obtain and reprocess 50 square kilometres 3D seismic data, obtain 2,500 kms Aeromagnetic data and complete a Rock Physics study. Following which the Licence has a three-year drill or drop election.

Castletown Structure

The Castletown structure is also situated within the Tynwald Fault zone, just east of the Peel prospect. Well 113/27-2 was drilled in 1988 and discovered the Castletown gas accumulation in both Ormskirk and St Bees Triassic sandstones and the Permian Collyhurst Sandstone. The Ormskirk and St Bees provide the producing reservoirs in the adjacent Morecambe complex. The more recent depth migrated 3D seismic data indicates that the well was drilled significantly down flank of the crest and through a major fault and that a large gas accumulation may be proven up-dip.



The Castletown discovery is in Block 113/27d under Licence P2076. An additional fault closed prospect (Prospect A) is present in the Licence to the southwest of the Castletown structure. The prospect has similarities to the producing Rhyl gas field.

Transaction Overview

Burgate holds a 100% participating interest in Peel-Doyle, in the United Kingdom Seaward Production Licence (P2446, Blocks 113/22a and 113/27e).

Oilex has entered into a binding Term Sheet with Burgate to acquire a 100% participating interest in the P2446 Licence for consideration of:

- a) payment of £60,000;
- b) issue of 42,500,000 fully paid ordinary shares in Oilex Ltd with a deemed value of £85,000; and
- c) overriding royalty to be paid on the following basis:
 - i. 0.5% of actual gross revenue from commercial production up to the point when gross capital expenditures related to the development of the licence have been fully recovered from net cash flows ("Payback"); and
 - ii. following Payback, the royalty to be paid shall be 2.25% of actual gross revenues.

The completion of the acquisition of the Licence is subject to the following conditions precedent by 30 June 2020:

- a) the UK Oil and Gas Authority ("OGA") approving the assignment and transfer of the Licence from Burgate to Oilex;

- b) the execution of applicable documents necessary to transfer the Licence to Oilex; and
- c) execution of a royalty agreement in a form acceptable to the parties.

The shares to be issued as consideration for the acquisition of Doyle-Peel are under Listing Rule 7.1.

Oilex has also entered into an Exclusivity Agreement with BCS to secure an exclusive right to negotiate with BCS in respect of the proposed acquisition of Castletown. In this regard, Oilex has paid £68,000 to BCS in January 2020 regarding the applicable licence fees payable to the OGA for the 2020 year.

BCS has granted Oilex exclusivity until 31 March 2020, during which time it is intended that the terms of the definitive documentation, relevant approvals and funding for the Proposed Transaction will be finalised.

JPDA 06-103, TIMOR SEA (Oilex: PSC Terminated 15 July 2015 - Operator and 10% interest)

In October 2018, the Company announced the Autoridade Nacional Do Petroleo E Minerais (ANPM) had commenced arbitration proceedings against Oilex and its joint venture partners (Respondents), in regard to the JPDA production sharing contract (PSC).

During the Quarter the Company announced it had submitted the Respondents First Memorial to the International Chamber of Commerce (ICC) in Singapore. In this regard, following a substantive legal and independent expert review, the joint venture has lodged a counterclaim against the ANPM for the amount US\$23.3 million (plus interest) as damages arising from the wrongful termination of the PSC. Oilex holds a 10% participating interest in the JPDA joint venture.

Subsequent to the end of the quarter, the arbitration panel dismissed ANPM's application to increase their claim against the joint venture from A\$17.0 million to US\$22.6 million (plus interest). The arbitration hearing is scheduled to commence on 10 February 2020, unless suspended prior to commencement.

The obligations and liabilities of the Joint Venture participants under the PSC are joint and several and all participants have provided parent company guarantees. 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 Company understands that the parent company Videocon Industries Ltd is subject to corporate insolvency proceedings and continues to trade under the supervision of an insolvency professional.

A notice of default has been issued against both Videocon JPDA 06-103 Limited, GSPC (JPDA) Limited and Bharat PetroResources JPDA Ltd for their failure to pay the joint venture cash calls.

WEST KAMPAR PSC, CENTRAL SUMATRA, INDONESIA **(Oilex: 45% interest and further 22.5% secured)**

During the June 2019 quarter, the Company was advised by the Indonesian Government regulator, SKK Migas, that the West Kampar PSC had been terminated following SPE's failure to meet its obligations under the PSC.

The Company continues to engage with the Indonesia regulators with a view to returning its interest in West Kampar.

CORPORATE

Issue of Securities (October 2019 Equity Capital Raising)

On 30 September 2019 and 30 October 2019, the Company announced a £750,000 equity capital raising at £0.0019. The proceeds for the capital raising was for debt reduction, acquisitions and working capital.

Issue of Securities (Cooper- Eromanga Basins Acquisitions)

On 14 October 2019, the Company announced that it had issued 29,457,413 fully paid ordinary shares as part consideration for the acquisition of the PEL 112 and 444 in the Cooper- Eromanga Basins.

Series A Loan (A\$330,000)

During the quarter the Series A loan repayment date was extended from 1 October to 15 October and subsequently fully repaid.

Series B Loan (A\$250,000)

On 1 October 2019, the Company announced that it had entered into an amendment agreement with Republic Investment Management Pte Ltd to vary the terms of its Series B Loans (A\$250,000). Pursuant to the amendment agreement, the loan repayment date was extended from 1 October 2019 to 1 April 2020. Furthermore, the Company agreed to issue the 60,664,887 options exercisable at A\$0.004121 on or before 1 April 2020 Options. The issue of the Options was approved by shareholders at the annual general meeting on 27 November 2019 with the options subsequently issued on 29 November 2019.

Proposed Series C Loan Facility

The Company is in advanced negotiations to secure a new unsecured loan facility for £350,000 with sophisticated existing shareholders in the Company. The proposed terms of the loan facility, which are subject to formal documentation, are expected to be finalised in early February 2020 as follows:

Term:	1 August 2020
Interest Rate:	5%
Repayments	100% payable at maturity
Options Issued:	166,666,667 options over ordinary shares
Option Exercise Price:	£0.0021 per option
Option Expiry Date:	On 1 August 2020

For the provision of the loan facility, the Company expects to issue 166,666,667 options exercisable at £0.0021 on or before 1 August 2020. The issue of the new options will be under ASX Listing Rule 7.1.

Results of Annual General Meeting

On 27 November 2019, the Company announced that all resolutions put to Shareholders at the Annual General Meeting on 27 November 2019 were passed by a show of hands.

Issue of Securities (Option Conversion)

Subsequent to the quarter, the Company advised that it has issued 124,060,150 shares at A\$0.00266 (total A\$330,000) pursuant to the exercise and underwriting of 124,060,150 options that were to expire on 31 December 2019.

The issue of the 31 December 2019 options was approved by shareholders on 19 September 2019.

Cash Balance

At the end of the quarter Oilex retained cash resources of \$0.4 million. Subsequent to the end of the quarter the Company announced that:

- advised that it had received proceeds of A\$330,000 pursuant to the exercise and underwriting of options as announced on 31 December 2019;
- it had accepted a conditional offer of US\$0.14 million for the sale of its 40% participating interest in Bhandut; and
- the Company is in advanced negotiations to secure a new unsecured loan facility for £350,000 and which is expected to be finalised in early February 2020.

Proposed Board Changes

Subject to completion of the Proposed Transaction with Doriemus, Doriemus proposes to appoint Oilex's Chairman, Mr Brad Lingo, as the new Managing Director of Doriemus. In this event, Mr Lingo would also step down as the Chairman of Oilex following the appointment of a new Oilex Chairman. It is also proposed that Oilex's Managing Director, Joe Salomon, will be appointed as a Director of Doriemus. The independent directors of Oilex are currently conducting a formal process to appoint a new Oilex Chairman.

Capital Structure

The shares and options on issue as at 31 December 2019 were as follows:

Ordinary Shares	3,426,318,888
Unlisted Options (Exercise Price, Expiry):	
£0.0019, 1/04/2020)	60,664,887
£0.00225, 22/05/2020)	2,222,222
(£0.0036, 24/12/2020)	6,666,667
(£0.0019, 20/10/2021)	14,802,631
	<hr/> 84,356,407

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 32 years' experience in petroleum geology and is a member of the Society of Petroleum Engineers and AAPG. 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.

Board of Directors

Brad Lingo	Non-Executive Chairman
Paul Haywood	Non-Executive Director
Joe Salomon	Managing Director
Peter Schwarz	Non-Executive Director

Company Secretary

Mark Bolton	CFO & Company Secretary
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Stock Exchange Listing

Australian Securities Exchange	Code: OEX
AIM London Stock Exchange	Code: OEX

AIM Nominated Adviser

Strand Hanson Limited

AIM Broker

Novum Securities Limited

Share Registry

Australia

Link Market Services Limited
Level 12
250 St. Georges Terrace
Perth WA 6000 Australia
Telephone: 1300 554 474
Website:
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United Kingdom

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Bridgwater Road
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Telephone: +44 (0) 870 703 6149
Website:
www.computershare.com

PERMIT SCHEDULE – 31 DECEMBER 2019

ASSET	LOCATION	ENTITY	EQUITY %	OPERATOR
Cambay Field PSC ⁽¹⁾	Gujarat, India	Oilex Ltd	30.0	Oilex Ltd
		Oilex N.L. Holdings (India) Limited	15.0	
Bhandut Field PSC	Gujarat, India	Oilex N.L. Holdings (India) Limited	40.0	Oilex N.L. Holdings (India) Limited
JPDA 06-103 PSC ⁽²⁾	Joint Petroleum Development Area Timor Leste and Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd
PEL 112	South Australia, Australia	Holloman Petroleum Pty Ltd	79.6667	Holloman Petroleum Pty Ltd
PEL 444	South Australia, Australia	Holloman Petroleum Pty Ltd	79.6667	Holloman Petroleum Pty Ltd

⁽¹⁾ During the September 2019 quarter, the Company reached a settlement with GSPC which, upon completion, will resolve the ongoing Cambay Production Sharing Contract (PSC) dispute. Pursuant to the settlement, GSPC has commenced a sale process of its interest in Cambay. The Company has a right of first refusal in regard to sale of GSPC's participating interest. Submission of bids for GSPC's PI closed on 23 November 2019.

⁽²⁾ PSC terminated 15 July 2015.

LIST OF ABBREVIATIONS AND DEFINITIONS

Barrel/bbl	Standard unit of measurement for all oil and condensate production. One barrel is equal to 159 litres or 35 imperial gallons.
BOEPD	Barrels of oil equivalent per day
BOPD	Barrels of oil per day
MMBO	Million standard barrels of oil or condensate
SCFD	Standard cubic feet (of gas) per day
MSCFD	Thousand standard cubic feet (of gas) per day
MMSCFD	Million standard cubic feet (of gas) per day
BBO	Billion standard barrels of oil or condensate
BCF	Billion Cubic Feet of gas at standard temperature and pressure conditions
TCF	Trillion Cubic Feet of gas at standard temperature and pressure conditions
Discovered in place volume	Is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production
Undiscovered in place volume	Is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered
PSC	Production Sharing Contract
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
Contingent Resources	<p>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.</p> <p>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 categorized 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.</p>
Reserves	<p>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.</p> <p>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.</p> <p>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.</p> <p>Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.</p> <p>Reserves are designated as 1P (Proved), 2P (Proved plus Probable) and 3P (Proved plus Probable plus Possible).</p> <p>Probabilistic methods</p> <p>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.</p>

Rule 5.5

APPENDIX 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

OILEX LTD

ABN

50 078 652 632

Quarter ended (current quarter)

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(325)	(434)
(b) development	-	-
(c) production	(42)	(107)
(d) staff costs	(227)	(415)
(e) administration and corporate costs	(163)	(378)
1.3 Dividends received (see note 3)	1	1
1.4 Interest received	(21)	(21)
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(777)	(1,354)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2)	(2)
	(b) tenements (see item 10)	(13)	(122)
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(15)	(124)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,387	1,985
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(122)	(141)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(330)	(330)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	935	1,514

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	254	358
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(777)	(1,354)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(124)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	935	1,514
4.5	Effect of movement in exchange rates on cash held	5	8
4.6	Cash and cash equivalents at end of period	402	402

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	402	254
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	402	254

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director's fees, consulting fees and superannuation.

Current quarter
\$A'000

189

-

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at
quarter end
\$A'000

Amount drawn at
quarter end
\$A'000

250

250

-

-

-

-

Loan facility details:

\$250,000: Lender- Republic Investment Management Pte Ltd, drawn 26 September 2018, interest rate 5%, unsecured, repayment date extended to 1 April 2020.

The Company is in advanced negotiations to secure a new unsecured loan facility for £350,000 and which is expected to be finalised in early February 2020.

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

9.2 Development

9.3 Production (C&M)

9.4 Staff costs

9.5 Administration and corporate costs

9.6 Other (provide details if material):
– Acquisition Costs

9.7 Total estimated cash outflows

95

-

142

243

168

131

778

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Permit Schedule in Quarterly Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Permit Schedule in Quarterly Report		

COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Print name: Mark Bolton - CFO & Company Secretary

Date: 31 January 2020