OILEX LTD

ABN 50 078 652 632

INTERIM REPORT

31 December 2019

INTERIM REPORT 31 DECEMBER 2019

CONTENTS

The directors present their report together with the condensed interim financial report of the Group comprising of Oilex Ltd (the Company) and its subsidiaries for the half year ended 31 December 2019 and the auditor's review report thereon.

Directors

The directors of the Company at any time during the interim period and until the date of this report are detailed below. All directors were in office for this entire period unless otherwise stated.

Mr Bradley Lingo	Non-Executive Chairman
Mr Paul Haywood	Non-Executive Director
Mr Peter Schwarz	Non-Executive Director (appointed 4 September 2019)
Mr Jonathan Salomon	Managing Director

Financial

The Group incurred a consolidated loss after income tax of $2,023,782 for the half year (31 December 2018: loss of $1,512,582).

Following the voluntary shut in of the Cambay Field in Q1 2019 resulting in the cessation of production, no revenue has been recognised for the half year.

In the absence of a repayment schedule for outstanding cash calls from Gujarat State Petroleum Corporation (GSPC), the Company has continued to provide in full the amounts owing from its Joint Venture partner as well as amounts owing from the Cambay and Bhandut Joint Ventures. At the reporting date, outstanding Cambay and Bhandut cash calls and recharges, which were fully provided for at 30 June 2019, have since decreased by $178,936. Consequently, this has resulted in a reversal in the provision for doubtful debts related to Cambay and Bhandut cash calls and recharges of $178,936. This reversal has been partially offset by a provision for doubtful debts expense of $92,966 required for the Group's share of JPDA JV cash call receivables, and other receivables of $1,758. As a result, operating results include a credit to the provision for doubtful debts expense of $84,212 (31 December 2018: $134,359 expense). Furthermore, the Group has accrued an additional $78,566 (31 December 2018: $57,159) to cover GSPC's share of Cambay, Bhandut and Sabarmati Joint Venture third party liabilities.

The Group has increased the termination penalty provision (non-cash) in relation to JPDA 06-103 PSC (refer Note 14) to USD$800,000 resulting in a termination penalty provision expense of A$292,141 (USD$200,000) in the half year.

Cash and cash equivalents held by the Group as at 31 December 2019 was $402,261 (30 June 2019: $357,970).

Review of Operations

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 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 Production Sharing Agreement (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 United Kingdom Continental Shelf (UKCS).

Cambay Field

Oilex holds a 45% equity in the Cambay Field, with GSPC holding the remaining 55% Participating Interest (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 December 2019 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.

There was no production from the Cambay Field during the six-month period to 31 December 2019.

Cambay Joint Venture Management

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 (SOA) 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 in the settlement agreement with GSPC it 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 totalling US$5.6m (inclusive of the US$3.054m pursuant to the Event of Default).

During the December 2019 quarter, the Company was pleased to announce that the Singapore International Arbitration Commission (SIAC) has refunded S$179,731 (A$191,443) in arbitration fees paid by Oilex in relation to the Cambay dispute.

As at 31 December 2019, the Joint Venture partner owed ~US$5.598 million to the Cambay Joint Venture. Oilex as Operator continues to bear the ongoing costs of the Joint Venture and has managed payment of the Cambay Joint Venture creditors.

Bhandut Field

Oilex holds a 40% equity interest in the Bhandut Field, with GSPC holding the remaining Participating Interest (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 2021 WP&B has been submitted to the Director General of Hydrocarbons for approval.

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 31 December 2019, the Company announced that it had accepted an offer from Kiri and Company Logistics Private Limited (Kiri) to dispose of its 40% 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. 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 Field Development Plan. Bhandut is presently shut-in and has been fully provided for in the Oilex financial statements. The sale of Oilex's PI in Bhandut is conditional on the sale of GSPC's PI to Kiri on or before 31 March 2020.

Cooper-Eromanga Basins

a) 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 Licenses 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 at 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.

b) Northern Fairway

On 27 September 2019, the Company announced that it entered into a legally binding term sheet with Senex Energy Limited (Senex) with regard to 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 31 March 2020.

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, comprising 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.

c) Heads of Agreement with Doriemus Plc (Proposed Transaction)

Reference is made to Significant Events After Balance Date, paragraph d) below for further commentary on this Proposed Transaction.

United Kingdom Continental Shelf

a) Knox-Lowry-Whitbeck

During the September 2019 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).

The Exclusivity Agreement was subsequently extended until 31 October 2019 and was 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.

b) Peel-Doyle (P2447) and Castletown (P2076)

On 23 December 2019, the Company announced that it had 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 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.

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 basin 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 and thus expected to provide 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.

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:

- payment of £60,000;
- issue of 42,500,000 fully paid ordinary shares in Oilex Ltd with a deemed value of £85,000; and
- overriding royalty to be paid on the following basis:
  - 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
  - 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, which has subsequently been extended out to 31 December 2020:

- the UK Oil and Gas Authority (OGA) approving the assignment and transfer of the Licence from Burgate to Oilex;
- the execution of applicable documents necessary to transfer the Licence to Oilex; and
- execution of a royalty agreement in a form acceptable to the parties.

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 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; however, subsequent to reporting date the Company has elected to allow the Exclusivity Agreement to lapse.

JPDA 06-103, Timor Sea

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), the body responsible for managing and regulating petroleum and mining activities in the Timor-Leste area, a request to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim. The request was issued as a result of ongoing uncertainty as to the security of PSC tenure which arose as a result of a maritime dispute between the governments of Timor Leste and Australia. This request required the consent of the Timor Sea Designated Authority.

On 15 May 2015, the ANPM issued a Notice of Intention to Terminate the PSC and subsequently, on 15 July 2015, issued a Notice of Termination and Demand for Payment. The demand for payment (100%) of the penalty claim of US$17.0 million (plus interest) reflected 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. More recently, ANPM has sought to amend its claim to US$22.26 million.

On 17 October 2018, the Company announced that it had received correspondence from ANPM advising that it had submitted a Request for Arbitration (RFA) to the International Chamber of Commerce (ICC) in Singapore. The RFA relates to matters associated with the termination of the PSC by the ANPM.

In addition to other matters, the Joint Venture considers it has made significant over expenditure in executing the PSC work programme and further, the ANPM failed to properly assess and award credit for such additional expenditure when terminating the PSC. Notwithstanding the Joint Venture considers no penalty payment is applicable, the parties made a number of unsuccessful attempts to settle the matter in dispute prior to the arbitration proceedings issuing.

On 16 August 2019, the Company announced that it had submitted the Respondents First Memorial to the 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 31 December 2019, 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 scheduled to commence on 10 February 2020 has been suspended; however, the parties have agreed to mediation with a view to achieving a commercial settlement agreement. During the period, the Group has increased the provision by US$200,000 to USD$800,000 in relation to this matter (30 June 2019: USD$600,000).

The obligations and liabilities of the Joint Venture participants under the PSC are joint and several and all participants have provided parent company guarantees.

West Kampar

The Company remains in dispute with the operating company, PT Sumatera Persada Energi (SPE), which has been declared bankrupt. The Company has been advised by the Indonesian Government regulator, SKK Migas, that the West Kampar PSC has been terminated on 15 August 2018 following SPE's failure to meet its obligations under the PSC.

Materiality uncertainty related to going concern

The auditor's review report contains a materiality uncertainty related to going concern in relation to the potential 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 Field drilling programme.

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 equity raisings, joint venture contributions 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.

Further information is provided in Note 2 (b) of the consolidated financial statements.

Corporate

a) Cash Balance

At 31 December 2019, Oilex retained cash resources of A$0.4 million. Subsequent to the end of the quarter the Company announced 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 negotiated a new unsecured loan drawdown facility for £350,000, as announced on 3 February 2020. At the date of this report, the facility has been drawn down by £110,000.

b) Proposed Board Changes

Subject to completion of the Proposed Transaction with Doriemus, as outlined, 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.

Reference is made to Significant Events After Balance Date, paragraph d) below for further commentary on this Proposed Transaction.

Significant Events After Balance Date

a) The Company had 124,060,150 unlisted options on issue convertible at $0.00266 each (A$330,000) on or before 31 December 2019. On 31 December 2019, the Company announced that it had 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 does not anticipate receiving any further notices for the conversion of the remaining 63,909,775 options by option holders.

Furthermore, the Company advised 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.

On 3 January 2020, the Company announced that it had issued the 124,060,150 shares at A$0.00266 (total A$330,000) pursuant to the exercise and underwriting of options as announced on 31 December 2019.

Other receivables include an amount of $330,000 receivable in connection to the above-mentioned 124,060,150 shares which have been recognised at the balance date given that a contractual right to receive settlement exists (refer Notes 7 & 13).

b) On 17 January 2020, the Company advised that Gujarat State Petroleum Corporation (GSPC) had opened the bids received for the sale of its 55% PI in the Cambay PSC. The sale process being conducted by GSPC, which is internal and confidential, is pursuant to the settlement agreed between Oilex and GSPC as announced on 9 September 2019. Oilex understands that a preferred bidder has been identified by GSPC, which will be invited by GSPC to finalise negotiations before seeking applicable regulatory approvals in India.

On 3 March 2020, the Company advised that it had declined the first right of refusal (ROFR) where Gujarat State Petroleum Corporation (GSPC) disposes of its 55% interest in the Cambay PSC. The right of first refusal is regarding the settlement agreement with GSPC, as announced on 9 September 2019, whereby GSPC undertook to use its best endeavours to complete the sale process of its Participating Interest (PI).

With the ROFR now declined by Oilex, the Company understands that GSPC can now move forward to execute the final sale agreement with the preferred bidder and make the applicable submissions to Government of India.

c) On 28 January 2020, the Company advised 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 and Company Logistics Private Limited (Kiri), the Company will receive US$0.14 million in cash proceeds for the sale of its PI to Kiri, subject to the sale of GSPC's PI interest to Kiri on or before 31 March 2020.

d) On 29 January 2020, the Company announced that it had signed a binding 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 Basin 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 the Company (Proposed Transaction). At completion, CoEra will own all of the Company's direct and indirect interests in the Cooper-Eromanga Basin including:

- a 79.33% direct interest in two Petroleum Exploration Licences (PEL 112 and PEL 444) (with an option 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 the Company (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.

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 and 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 no guarantee that the Proposed Transaction will complete.

On 21 February 2020, the Company announced that Doriemus had successfully completed a conditional bookbuild to raise A$4.5 million via a placement of Doriemus shares and options (Placement).

The Placement by Doriemus will, upon completion, satisfy a key condition precedent to the proposed acquisition by Doriemus of the Company's portfolio of Cooper-Eromanga Basin assets.

On 6 March 2020, the Company announced that in satisfaction of a further condition precedent to the Proposed Transaction, Doriemus is making available to Eligible Participants (which includes Oilex shareholders who as of 3 March 2020 were holders of Depository Interests or shares in Oilex with a registered address in Australia, New Zealand or the United Kingdom) the opportunity to participate in a priority offer to subscribe for new fully paid CHESS Depositary Interests in Doriemus (**CDIs**) at an issue price of 3.5 cents per CDI in order to raise a maximum of A$1.5 million. Doriemus is also offering Eligible Participants one attaching option for every three CDI's purchased as part of the Priority Offer.

On 12 March 2020, the Company announced that Doriemus plc (Doriemus) shareholders had approved all resolutions put to a meeting of Doriemus shareholders, satisfying a key condition precedent of the Proposed Transaction. The Proposed Transaction remains subject to several other conditions precedent as set out in the Company's announcement of 29 January 2020.

e) On 3 February 2020, the Company announced that it has entered into an agreement, with existing shareholders who are exempt professional investors, to secure a new loan funding drawdown facility of £350,000. A summary of the key terms of the facility is disclosed in Note 11.

On 15 March 2020, the Company entered into an amendment agreement to vary the terms of £225,000 of the above £350,000 loan funding facility entered into on 3 February 2020. Pursuant to the amendment, the loan repayment date for the £225,000 has been extended from 1 August 2020 to 31 March 2021. Furthermore, in the event GSPC has not transferred their 55% participating interest in the Cambay PSC by 6 November 2020 to a new joint venture partner, Lombard may elect that the loan is repayable within 14 days. All other terms remain the same and are extended to 31 March 2021 except for the issue of new options. Pursuant to the extension, the Company will issue 173,076,923 options at £0.0013 on or before 30 June 2021.

f) On 15 March 2020, the Company announced that it has arranged an equity capital raising to secure funding of £0.25m (A$0.5m) through the placing of 227,272,727 new shares at 0.11 pence (A$0.00219) per share. The shares will be issued to an existing shareholder, Republic Investment Management Pte Ltd.

g) On 15 March 2020, the Company entered into an amendment agreement to vary the terms of its loan funding facility of $250,000 entered into on 11 September 2018 and further extended on 30 September 2019. Pursuant to the amendment, the loan repayment date has been extended from 1 April 2020 to 31 July 2020. All other terms remain the same and are extended to 31 July 2020 except for the issue of new options. Pursuant to the extension, the Company will issue 96,596,154 options at £0.0013 on or before 31 July 2020.

h) On 15 March 2020, the Company announced that it has restructured its proposed acquisitions in the East Irish Sea (EIS), offshore the United Kingdom in response to the challenging trading conditions in the upstream oil and gas sector together with the volatile capital markets.

On 23 December 2019, the Company announced that it had entered into a binding term sheet to acquire a 100% participating interest in the Doyle-Peel licence (P2447) in the EIS. In addition, the Company has entered into an exclusivity agreement for the potential acquisition of a 100% participating interest in the Castletown licence (P2076).

The Company will not be exercising its rights to acquire the Castletown licence (P2076) under the exclusivity agreement that will automatically lapse on 31 March 2020. Furthermore, the Company has agreed to the following amendments to the agreement with Burgate Exploration and Production Ltd ("Burgate") regarding the acquisition of the Doyle-Peel licence (P2447):

- the completion of the acquisition of the Licence, subject to the applicable conditions precedent, has been extended from 30 June 2020 to 31 December 2020; and
- the issue of the share consideration for the acquisition of Doyle-Peel is subject to shareholder approval under Listing Rule 7.1.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the half year ended 31 December 2019.

Signed in accordance with a resolution of the Board of Directors.

Mr Brad Lingo Chairman	Mr Jonathan Salomon Managing Director

West Perth, Western Australia
15 March 2020

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 review of Oilex Ltd for the half-year ended 31 December 2019 there have been:

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

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

KPMG

KPMG

Derek Meates
Partner

Perth

15 March 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $	31 December 2018 $
Revenue	6(a)	-	171,567
Cost of sales		-	(199,651)
Gross profit/(loss)		-	(28,084)
Exploration expenditure		(545,111)	(309,037)
Care and maintenance expenditure	6(b)	(111,075)	-
Administration expense	6(c)	(1,061,087)	(935,384)
Reversal of/(Provision for) doubtful debts expense		84,212	(134,359)
Share-based payments expense		-	(70,145)
Other expenses	6(d)	(305,435)	(16,393)
Results from operating activities		(1,938,496)	(1,493,402)
Finance income		1,171	1,136
Finance costs		(51,654)	(31,835)
Net foreign exchange (loss)/gain	6(e)	(34,803)	11,519
Net finance loss		(85,286)	(19,180)
Loss before income tax		(2,023,782)	(1,512,582)
Tax expense		-	-
Loss for the period		(2,023,782)	(1,512,582)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(50,892)	98,101
Other comprehensive (loss)/income for the period, net of income tax		(50,892)	98,101
Total comprehensive loss for the period		(2,074,674)	(1,414,481)
Earnings per share			
Basic loss per share (cents per share)		(0.06)	(0.14)
Diluted loss per share (cents per share)		(0.06)	(0.14)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 $	30 June 2019 $
Assets			
Cash and cash equivalents		**402,261**	357,970
Trade and other receivables	7	**702,399**	497,974
Prepayments		**51,545**	156,464
Inventories		**975,144**	1,141,309
		2,131,349	2,153,717
Assets held for sale	17	**492,390**	-
Total current assets		**2,623,739**	2,153,717
Exploration and evaluation	8	**569,456**	568,888
Development assets	9	**6,502,067**	6,495,590
Property, plant and equipment		**126,662**	145,927
Total non-current assets		**7,198,185**	7,210,405
Total assets		**9,821,924**	9,364,122
Liabilities			
Trade and other payables	10	**837,267**	697,184
Employee benefits		**168,185**	148,731
Borrowings	11	**244,958**	563,955
Provisions	12	**1,141,878**	855,554
		2,392,288	2,265,424
Liabilities directly associated with the assets held for sale	17	**438,163**	-
Total current liabilities		**2,830,451**	2,265,424
Provisions	12	**3,305,310**	3,733,837
Total non-current liabilities		**3,305,310**	3,733,837
Total liabilities		**6,135,761**	5,999,261
Net assets		**3,686,163**	3,364,861
Equity			
Issued capital	13	**178,829,363**	176,502,200
Reserves		**7,481,056**	7,501,388
Accumulated losses		**(182,624,256)**	(180,638,727)
Total equity		**3,686,163**	3,364,861

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

	Attributable to Owners of the Company					
	Issued Capital	Option Reserve	Loans Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$
Note	13					
Balance at 1 July 2018	174,046,036	331,889	-	7,296,212	(177,665,927)	4,008,210
Total Comprehensive (loss)/income for the period						
Loss for the period	-	-	-	-	(1,512,582)	(1,512,582)
Other comprehensive income						
Foreign currency translation differences	-	-	-	98,101	-	98,101
Total other comprehensive income	-	-	-	98,101	-	98,101
Total comprehensive (loss)/income for the period	-	-	-	98,101	(1,512,582)	(1,414,481)
Transactions with owners of the Company						
Contributions and distributions						
Shares issued	1,316,531	-	-	-	-	1,316,531
Shares issued on exercise of options	395,367	(293,217)	-	-	293,217	395,367
Capital raising costs	(134,034)	27,790	-	-	-	(106,244)
Transfers on forfeited options	-	(29,978)	-	-	29,978	-
Recognition of equity component of loans (Note 11)	-	-	88,740	-	-	88,740
Share-based payment transactions	65,084	-	-	-	-	65,084
Total transactions with owners of the Company	1,642,948	(295,405)	88,740	-	323,195	1,759,478
Balance at 31 December 2018	175,688,984	36,485	88,740	7,394,313	(178,855,314)	4,353,207
Balance at 1 July 2019	**176,502,200**	**36,485**	**88,740**	**7,376,163**	**(180,638,727)**	**3,364,861**
Total Comprehensive (loss)/income for the period						
Loss for the period	-	-	-	-	(2,023,782)	(2,023,782)
Other comprehensive loss						
Foreign currency translation differences	-	-	-	(50,892)	-	(50,892)
Total other comprehensive loss	-	-	-	(50,892)	-	(50,892)
Total comprehensive loss for the period	-	-	-	(50,892)	(2,023,782)	(2,074,674)
Transactions with owners of the Company						
Contributions and distributions						
Shares issued	2,179,607	-	-	-	-	2,179,607
Shares to be issued	330,000	-	-	-	-	330,000
Capital raising costs	(182,444)	41,419	-	-	-	(141,025)
Transfers on forfeited options	-	-	(38,253)	-	38,253	-
Recognition of equity component of loans (Note 11)	-	-	27,394	-	-	27,394
Share-based payment transactions						
Total transactions with owners of the Company	2,327,163	41,419	(10,859)	-	38,253	2,395,976
Balance at 31 December 2019	**178,829,363**	**77,904**	**77,881**	**7,325,271**	**(182,624,256)**	**3,686,163**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019 $	31 December 2018 $
Cash flows from operating activities		
Cash receipts from customers	-	240,584
Payments to suppliers and employees	(900,183)	(1,272,035)
Cash outflows from operations	(900,183)	(1,031,451)
Payments for exploration and evaluation expenses	(434,106)	(244,307)
Interest received	1,171	1,946
Interest paid	(20,888)	(10,409)
Net cash used in operating activities	(1,354,006)	(1,284,221)
Cash flows from investing activities		
Proceeds from sale of assets and scrap materials	-	25
Acquisition of assets (Note 16)	(72,750)	-
Acquisition of exploration licence interests	(49,583)	-
Acquisition of property, plant and equipment	(1,453)	-
Net cash used in investing activities	(123,786)	25
Cash flows from financing activities		
Proceeds from issue of share capital	1,984,608	1,316,531
Proceeds from exercise of share options	-	395,367
Payment for share issue costs	(141,025)	(106,244)
Proceeds from borrowings	-	645,000
Repayment of borrowings	(330,000)	(65,000)
Net cash from financing activities	1,513,583	2,185,654
Net increase/(decrease) in cash held	35,791	901,458
Cash and cash equivalents at 1 July	357,970	375,507
Effect of exchange rate fluctuations	8,500	5,727
Cash and cash equivalents at 31 December	402,261	1,282,692

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

1. REPORTING ENTITY

Oilex Ltd (the Company) is a for-profit entity domiciled in Australia. The condensed consolidated interim financial report of the Group as at and for the half year ended 31 December 2019 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 AIM market of the London Stock Exchange. The Group is primarily involved in the exploration, evaluation, development and production of hydrocarbons.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2019 is available upon request from the Company's registered office at Level 2, 11 Lucknow Place, West Perth, Western Australia 6005 or at www.oilex.com.au.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The condensed consolidated interim financial report is a general purpose condensed financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001,* and IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial report does not include all of the notes and information included in an annual financial report and accordingly this report should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2019.

This condensed consolidated interim financial report was authorised for issue by the Board of Directors on 15 March 2020.

(b) 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 $2,023,782 and had cash outflows from operating activities of $1,345,006. As at 31 December 2019, the Group's current liabilities exceeded current assets by $206,712 and the Group has cash and cash equivalents of $402,261.

On 3 January 2020, the Company announced that it had issued 124,060,150 shares at A$0.00266 (total A$330,000) pursuant to the exercise and underwriting of options as announced on 31 December 2019.

On 15 March 2020, the Company announced that it had arranged an equity capital raising to secure funding of GBP0.250 million (AUD$0.5 million) through the placing 227,272,727 new shares at 0.11 pence (AUD$0.00219 per share). The shares will be issued to an existing shareholder, Republic Investment Management Pte Ltd upon settlement which is expected mid- March 2020 which is necessary for the Group in the short-term.

On 15 March 2020, the Company entered into an amendment agreement to vary the term of its loan funding facility of AUD$250,000 entered into on 11 September 2018. Pursuant to the amendment, the loan agreement date has been extended from 1 April 2020 to 31 July 2020.

On 3 February 2020, the Group entered into loan drawdown agreements with certain existing investors to secure funding of £350,000. As part of the loan funding, options were issued to the subscribers, which if exercised management expects to apply the proceeds to the outstanding loan balance which is due on 1 August 2020 of £350,000. Otherwise, repayment of the loan will be required to be funded from working capital.

On 15 March 2020, the Company entered into an amendment agreement to vary the terms of £225,000 of the above £350,000 loan funding facility entered into on 3 February 2020. Pursuant to the amendment, the loan repayment date for the £225,000 has been extended from 1 August 2020 to 31 March 2021. Furthermore, in the event GSPC has not transferred their 55% participating interest in the Cambay PSC by 6 November 2020 to a new joint venture partner, Lombard may elect that the loan is repayable within 14 days.

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.

The Group will require further funding within the next twelve months in order to meet planned expenditures to progress the Cambay drilling programme and for on-going administration expenses. The Group will also require funding for the new business opportunities in the United Kingdom Continental shelf, and for any new business opportunities that the Group may pursue. The Group may also require additional funds should amounts become due and payable in the next 12 months in relation to the matter set out in note 14.

The Directors believe that the Group will be able to secure sufficient funding to meet the requirements to continue as a going concern, due to its history of 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 forecast cash flows of the Group for the next twelve months also include the proceeds from the sale of the Group's interest in the Bhandut PSC. In addition, the Group is expected to be working with a new joint venture partner for the Cambay Production Sharing Contract (PSC) once the GSPC sales process is completed.

If further funds are not able to be raised, 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 Group to achieve its forecast cash flows, particularly the raising of additional funds, represents a material uncertainty that may cast significant doubt about whether the Group 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2019, other than the following new policies:

a) Leases

The Group has initially adopted AASB 16 Leases from 1 July 2019. A number of other new standards are effective from 1 July 2019 but they do not have a material effect on the Group's financial statements.

AASB 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee, is required to recognise use-of-right assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2018 has not been restated. – i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below.

<u>Definition of a lease</u>

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

<u>As a lessee</u>

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on the balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases (lease term of 12 months or less). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term lease.

<u>Accounting policy (applied from 1 July 2019)</u>

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses; and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is certainly reasonable certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group shall apply judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Transition

The Group has applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term when applying AASB 16 to leases previously classified as operating leases under AASB 117.

As a result of initially applying AASB 16 as at 1 July 2019, there has been $nil impact to the balance sheet including retained earnings, and the current loss for the six month period ending 31 December 2019.

4. ESTIMATES AND JUDGEMENTS

The preparation of a condensed consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2019.

5. OPERATING SEGMENTS

The Group has identified its operating segments based upon the internal reports that are reviewed and used by the executive management team in assessing performance and that are used to allocate the Group's resources. There has been no change in the basis of segmentation from the Group's 30 June 2019 annual consolidated financial report.

	India		Australia		JPDA [1]		Indonesia		Corporate [2]		Consolidated	
Six months ended 31 December	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Revenue												
External Revenue	**-**	171,567	**-**	-	**-**	-	**-**	-	**-**	-	**-**	171,567
Reportable segment loss before income tax	**(408,782)**	(429,832)	**(39,375)**	-	**(394,855)**	(26,907)	**(19,739)**	(43,993)	**(1,075,745)**	(992,672)	**(1,938,496)**	(1,493,402)
Net finance income											**(50,483)**	(30,699)
Foreign exchange loss											**(34,803)**	11,519
Loss for the period											**(2,023,782)**	(1,512,582)

	India		Australia		JPDA [1]		Indonesia		Corporate [2]		Consolidated	
	31 Dec 2019	30 June 2019	**31 Dec 2019**	30 June 2019	**31 Dec 2019**	30 June 2019	**31 Dec 2019**	30 June 2019	**31 Dec 2019**	30 June 2019	**31 Dec 2019**	30 June 2019
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Segment assets	**8,571,434**	8,721,862	**317,341**	7	**36,854**	14,238	**-**	-	**896,295**	628,015	**9,821,924**	9,364,122
Segment liabilities	**4,105,986**	4,104,158	**-**	-	**1,164,396**	861,776	**83,050**	78,454	**782,329**	954,873	**6,135,761**	5,999,261

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

[1] Joint Petroleum Development Area.

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

6. REVENUE AND EXPENSES

	31 December 2019 $	31 December 2018 $
(a) Revenue		
Oil sales	**-**	114,221
Gas sales	**-**	57,346
	-	171,567
(b) Other costs (31 December 2018: Cost of Sales)		
Care and maintenance expenditure (31 December 2018: Production costs)	**(111,060)**	(131,324)
Amortisation of development assets	**(15)**	(1,532)
Movement in oil stocks inventory	**-**	(66,795)
	(111,075)	(199,651)
(c) Administration Expenses		
Employee benefits expense	**(432,302)**	(388,699)
Redundancy benefits	**-**	(31,928)
Administration expense	**(628,785)**	(514,757)
	(1,061,087)	(935,384)
(d) Other Expenses		
Depreciation expense	**(13,294)**	(16,393)
Termination penalty provision JPDA 06-103 PSC	**(292,141)**	-
	(305,435)	(16,393)
(e) Foreign Exchange loss - net		
Foreign exchange loss - realised	**10,508**	107
Foreign exchange loss - unrealised	**(45,311)**	11,412
	(34,803)	11,519

7. TRADE AND OTHER RECEIVABLES

	31 December 2019 $	Year Ended 30 June 2019 $
Current		
Allocation of receivables		
Joint venture receivables	**289,199**	353,492
Shares to be issued	**330,000**	-
Other receivables	**83,200**	144,482
	702,399	497,974
Joint venture receivables		
Joint venture receivables	**6,131,671**	6,272,808
Provision for doubtful debts	**(5,842,472)**	(5,919,316)
	289,199	353,492
Other receivables		
Corporate receivables	**226,970**	288,040
Provision for doubtful debts	**(143,770)**	(143,558)
	83,200	144,482

Shares to be issued comprises a $330,000 receivable in connection to 124,060,150 shares which have been recognised at balance date given that a contractual right to receive settlement exists. For further commentary on this matter, refer to Note 13.

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

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 the amounts owing and default or delinquency in payment (more than one year old).

Whilst the Group has been in continuing discussions with its joint venture partner Gujarat State Petroleum Corporation, for repayment of disputed and other amounts owing, in the absence of a payment schedule and in line with identified above impairment indicators, the balance of outstanding Cambay, Bhandut and Sabarmati cash calls receivable have been fully provided for in the current period.

The impairment by the Company of the outstanding cash calls, also impacts the recoverability of recharges owing from the joint ventures, and consequently the provision has been increased to cover these receivables.

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

	31 December 2019 $	Year Ended 30 June 2019 $
Movement in the provision for doubtful debts		
Opening balance	**(6,062,874)**	(5,497,703)
Provisions reversed/(made) during the period	**84,212**	(108,206)
Provision adjustment, as at 1 July 2018, on adoption of AASB 9	**-**	(177,874)
Effect of movements in exchange rates	**(7,580)**	(279,091)
Closing balance	**(5,986,242)**	(6,062,874)
Allocation of provision		
Joint venture receivables	**(5,842,472)**	(5,919,316)
Other receivables	**(143,770)**	(143,558)
	(5,986,242)	(6,062,874)

8. EXPLORATION AND EVALUATION

	31 December 2019 $	Year Ended 30 June 2019 $
Opening balance	**568,888**	539,793
Acquisition of exploration licence interests	**238,000**	-
Reclassification to assets held for sale (Note 17)	**(238,000)**	-
Effect of movements in foreign exchange rates	**568**	29,095
Closing balance	**569,456**	568,888

Exploration and evaluation assets are reviewed at each reporting date to determine whether there is any indication of impairment or reversal of impairment. When a well does not result in the successful discovery of potentially economically recoverable reserves, or if sufficient data exists to indicate the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, either by development or sale, it is impaired.

As at 31 December 2019, the balance of exploration and evaluation assets relates to the Cambay Field, for which no impairment has been provided. The Cambay Field has minimal production that is sold to a third party.

Further development of the Cambay field is presently on hold pending the completion of the sale process being conducted by GSPC for its 55% PI in the Cambay PSC. Reference is made to Note 19 Subsequent Events paragraph b) for further commentary on this matter.

9. DEVELOPMENT ASSETS

	31 December 2019 $	Year Ended 30 June 2019 $
Cost		
Opening balance	**17,066,528**	16,235,257
Effect of movements in foreign exchange rates	**16,239**	831,271
Closing balance	**17,082,767**	17,066,528
Amortisation and Impairment Losses		
Opening balance	**10,570,938**	10,070,002
Amortisation charge for the period	**16**	1,931
Effect of movements in foreign exchange rates	**9,746**	499,005
Closing balance	**10,580,700**	10,570,938
Carrying Amounts		
Opening balance	**6,495,590**	6,165,255
Closing balance	**6,502,067**	6,495,590

Cambay Field Development Assets

There was no impairment of the Cambay Field development assets during the period (June 2019: Nil)

Development assets are reviewed 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. Development assets are assessed for impairment on a cash generating unit (CGU) basis. The CGU is the Cambay Field, India.

No indicators of impairment were identified as at 31 December 2019 based on a review of key assumptions.

10. TRADE AND OTHER PAYABLES

	31 December 2019 $	Year Ended 30 June 2019 $
Trade creditors	**380,809**	302,338
Accruals	**456,458**	394,846
	837,267	697,184

The Company's assessment of the recoverability of outstanding cash call amounts owing from its joint venture partner GSPC has resulted in a reversal of impairment (30 June 2019: additional impairment) (refer note 7) and consequently the Company is of the opinion that the 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 $78,566 as at 31 December 2019 (June 2019: $76,116, December 2018: $57,159) to cover Cambay, Bhandut and Sabarmati Joint Venture third party liabilities.

11. BORROWINGS

	31 December 2019 $	Year Ended 30 June 2019 $
Unsecured loans	**244,958**	563,955

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				31 December 2019 $		30 June 2019 $	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	Face value	Carrying amount
Unsecured loans – from shareholders and financiers	AUD	5.0%	2020	**250,000**	**244,958**	580,000	563,955

Options have been issued to the lenders in connection to the above loans, as follows:

a) 60,664,887 share options @ $0.004121 exercisable on or before the applicable loan maturity date of 1 April 2020.

If exercised, the proceeds will be applied to the outstanding loan balance due on 1 April 2020 of $250,000. In determining the fair value of the liability component of these borrowing arrangements, it has been estimated that the effective interest rate of similar borrowings without a share option component is 18%. The fair value of the share options equity component of these borrowing arrangements has been recognised in the Loan Options Reserve as the loan has been treated as a convertible note.

Subsequent Events

a) On 3 February 2020, the Company announced that it has entered into an agreement, with existing shareholders who are exempt professional investors, to secure a new loan funding drawdown facility of £350,000. At the date of this report, the facility has been drawn down by £110,000.

Summary of Key Terms

Loan Term:	1 August 2020
Interest Rate:	5%
Drawdown:	To be made on or before 31 March 2020
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
Security:	Unsecured
Key Undertakings:	Not to dispose of assets having an aggregate value more than A$1 million Not to incur any financial indebtedness more than A$50,000 Not to incur any aggregate payment or outgoing exceeding A$1 million (except for wages)

Customary additional provisions regarding events of default, undertakings, covenants and representations and warranties remain unchanged.

The options, which if exercised in their entirety, will result in a cash inflow to the Company of £350,000. The proceeds from the conversion of options will be applied to the outstanding loan balance.

On 15 March 2020, the Company entered into an amendment agreement to vary the terms of £225,000 of the above £350,000 loan funding facility entered into on 3 February 2020. Pursuant to the amendment, the loan repayment date for the £225,000 has been extended from 1 August 2020 to 31 March 2021. All other terms remain the same and are extended to 31 March 2021 except for the issue of new options. Pursuant to the extension, the Company will issue 173,076,923 options at £0.0013 on or before 31 March 2021.

b) On 15 March 2020, the Company entered into an amendment agreement to vary the terms of its loan funding facility of $250,000 entered into on 11 September 2018 and further extended on 30 September 2019. Pursuant to the amendment, the loan repayment date has been extended from 1 April 2020 to 31 July 2020. All other terms remain the same and are extended to 31 July 2020 except for the issue of new options. Pursuant to the extension, the Company will issue 96,596,154 options at £0.0013 on or before 31 July 2020.

12. PROVISIONS

	31 December 2019 $	Year Ended 30 June 2019 $
Site restoration, well abandonment and other provisions		
Opening balance	**4,589,391**	4,354,675
Provision adjustments during the year – Termination (Note 14)	**292,141**	-
Reclassification to liabilities directly associated with the assets held for sale – Restoration (Note 17)	**(432,258)**	-
Effect of movements in foreign exchange rates	**(2,086)**	234,716
Closing balance	**4,447,188**	4,589,391
Current - Restoration and Termination	**1,141,878**	855,554
Non-current - Restoration	**3,305,310**	3,733,837
	4,447,188	4,589,391

13. ISSUED CAPITAL

	31 December 2019 Number of Shares	**31 December 2019 $ Issued Capital**	30 June 2019 Number of Shares	30 June 2019 $ Issued Capital
Shares				
On issue 1 July - fully paid	**2,587,318,001**	**176,502,200**	2,001,968,379	174,046,036
Issue of share capital				
Shares issued for cash (2) (4) (5)	**652,066,841**	**1,984,608**	458,793,303	2,126,049
Shares issued for non-cash (1) (3)	**62,873,896**	**194,999**	26,365,320	110,936
Shares to be issued (6)	**124,060,150**	**330,000**	-	-
Exercise of unlisted options	**-**	**-**	100,190,999	395,367
Capital raising costs	**-**	**(182,444)**	-	(176,188)
On issue at the end of the period - fully paid	**3,426,318,888**		2,587,318,001	
Issued Capital as at the end of the period		**178,829,363**		176,502,200

1) Pursuant to an announcement on 7 August 2019 relating to an agreement with Holloman Energy Corporation to acquire an interest in petroleum exploration licences (PEL's 112 & 114) in the Cooper-Eromanga Basins in South Australia, the Company issued, in accordance with the agreement:

- 24,250,150 new ordinary shares on 7 August 2019 at a deemed price of $0.003; and
- 16,166,767 new ordinary shares on 14 October 2019 at the above-mentioned deemed price.

2) Pursuant to an equity raise announcement on 31 July 2019, relating to the placement of 257,329,999 new ordinary shares at an issue price of £0.0013 (A$0.002330), the Company issued the shares on 13 August 2019.

3) Pursuant to an announcement on 14 August 2019 relating to an agreement with Perseville Investing Inc and Terra Nova Energy (Australia) Pty Ltd to acquire additional interests in petroleum exploration licenses (PEL's 112 & 114), the Company issued, in accordance with the agreement:

- 9,166,333 new ordinary shares on 14 August 2019 at a deemed price of $0.003; and
- 13,290,646 new ordinary shares on 14 October 2019 at the above-mentioned deemed price.

4) Pursuant to an equity raise announcement on 30 September 2019, relating to the placement of 315,789,474 new ordinary shares at an issue price of £0.0019 (A$0.003480):

- 118,421,053 shares were issued on 14 October 2019; and
- 197,368,421 shares were issued on 21 October 2019.

5) Pursuant to an equity raise announcement on 30 October 2019, relating to the placement of 78,947,368 new ordinary shares at a price of £0.0019 (A$0.00356), all 78,947,368 shares were issued on 5 November 2019.

6) On 31 December 2019, the Company announced that it had 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 had 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 advised 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.

Other receivables (refer Note 7) include an amount of $330,000 receivable in connection to the above-mentioned 124,060,150 shares which have been recognised at balance date given that a contractual right to receive settlement exists.

Subsequent Event

On 3 January 2020, the Company announced that it had issued the 124,060,150 shares at A$0.00266 (total A$330,000) pursuant to the exercise and underwriting of options as announced on 31 December 2019.

14. PROVISIONS AND CONTINGENT LIABILITIES

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 guarantee amounts to $50,000.

Contingent Liabilities at Reporting Date

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), the body responsible for managing and regulating petroleum and mining activities in the Timor-Leste area, a request to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim. The request was issued as a result of ongoing uncertainty as to the security of PSC tenure which arose as a result of a maritime dispute between the governments of Timor Leste and Australia. This request required the consent of the Timor Sea Designated Authority.

On 15 May 2015, the ANPM issued a Notice of Intention to Terminate the PSC and subsequently, on 15 July 2015, issued a Notice of Termination and Demand for Payment. The demand for payment (100%) of the penalty claim of US$17.0 million (plus interest) reflected 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. More recently, ANPM has sought to amend its claim to US$22.26 million.

On 17 October 2018, the Company announced that it had received correspondence from ANPM advising that it had submitted a Request for Arbitration (RFA) to the International Chamber of Commerce (ICC) in Singapore. The RFA relates to matters associated with the termination of the PSC by the ANPM.

In addition to other matters, the Joint Venture considers it has made significant over expenditure in executing the PSC work programme and further, the ANPM failed to properly assess and award credit for such additional expenditure when terminating the PSC. Notwithstanding the Joint Venture considers no penalty payment is applicable, the parties made a number of unsuccessful attempts to settle the matter in dispute prior to the arbitration proceedings issuing.

On 16 August 2019, the Company announced that 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 31 December 2019, 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 scheduled to commence on 10 February 2020 has been suspended; however, the parties have agreed to mediation with a view to achieving a commercial settlement agreement. During the period, the Group has increased the provision by USD$200,000 to USD$800,000 in relation to this matter (30 June 2019: USD$600,000).

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	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 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 Videocon JPDA 06-103 Limited, GSPC (JPDA) Limited and Bharat PetroResources JPDA Ltd for their failure to pay the joint venture cash calls.

Videocon has not paid cash calls of USD$0.367m. GSPC has not paid cash calls of USD$0.367m. Bharat has not paid cash calls of USD$0.286m.

15. RELATED PARTIES

Arrangements with related parties continue to be in place. For details of these arrangements, refer to the consolidated annual financial report of the Group as at and for the year ended 30 June 2019.

During the reporting period shareholders at the AGM held on 27 November 2019 approved the issue of remuneration shares in lieu of cash payments of Directors fees for the period 1 November 2019 to 31 October 2020. These shares are to be issued on a quarterly basis in respect of the Directors fees payable for the preceding quarter.

16. CHANGE IN THE COMPOSITION OF THE GROUP

Since the last annual reporting date, changes in the composition of the Group, are included in the following table:

	Country of Incorporation	Ownership Interest % 31 December 2019	Ownership Interest % 30 June 2019
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 (JPDA 06-103) Ltd	Australia	**100**	100
Merlion Energy Resources Private Limited	India	**100**	100
Oilex N.L. Holdings (India) Limited	Cyprus	**100**	100
Oilex (West Kampar) Limited	Cyprus	**100**	100
CoEra Limited (incorporated 7 October 2019)	Australia	**100**	-
Holloman Petroleum Pty Ltd	Australia	**100**	-
Cordillo Energy Pty Ltd (incorporated 18 October 2019)	Australia	**100**	-
Oilex EIS Limited (incorporated 12 December 2019)	United Kingdom	**100**	-

Acquisition of Subsidiary

On 16 October 2019, the Group completed the acquisition of 100% of the shares in Holloman Petroleum Pty Ltd pursuant to the share purchase agreement entered into with Holloman Energy Corporation.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

Cash	**72,750**
Equity instruments (40,416,917 ordinary shares)	**121,251**
Total consideration transferred	**194,001**

The fair value of the ordinary shares issued was based on the listed share price of the Company at 7 August 2019 of $0.003 per share.

Acquisition related costs

The Group incurred acquisition-related costs of $17,000 relating to external legal fees. These costs have been included in 'administration expense' in the condensed consolidated statement of profit or loss and OCI.

Identifiable assets acquired

The following table summarises the recognised amounts of assets acquired at the date of acquisition. Nil liabilities were assumed.

Trade and other receivables	**48,500**
Exploration and evaluation	**145,501**
Total identifiable assets acquired	**194,001**

Trade and other receivables comprised Petroleum Exploration Licence bonds of $48,500, of which $nil was expected to be uncollectable at the date of acquisition.

Subsequent Events

On 29 January 2020, the Company announced that it had signed a binding 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 Basin 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 the Company (Proposed Transaction). At completion, CoEra will own all of the Company's direct and indirect interests in the Cooper-Eromanga Basin, which includes Holloman Petroleum Pty Ltd.

Reference is made to Note 19 Subsequent Events, paragraph d), for further commentary on the Proposed Transaction.

17. DISPOSAL GROUPS HELD FOR SALE

Reference is made to Notes 19 Subsequent Events c) and d) whereby the Group has advised that it intends to dispose of its 40% PI in the Bhandut PSC; and signed a binding Heads of Agreement for the proposed sale of all its interests in the Cooper-Eromanga Basins, subject to the satisfaction of various conditions precedent which are expected to be satisfied.

Accordingly, these operations are presented as a disposal group held for sale.

As at 31 December 2019, the disposal group comprised assets of $492,390 less liabilities of $438,163, detailed as follows:

	$
Trade and other receivables	**79,333**
Inventories	**167,306**
Exploration and evaluation	**238,000**
Property, plant and equipment	**7,751**
Trade and other payables	**(5,905)**
Provisions (non-current)	**(432,258)**
	54,227

18. EXPENDITURE COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration permits, the Group is required to perform minimum 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:

	31 December 2019 $	Year Ended 30 June 2018 $
Within one year	**-**	-
One year or later and no later than five years	**-**	-
	-	-

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

There are no minimum exploration work commitments in the Cooper-Eromanga Basins as the two Petroleum Exploration Licences and the 27 Petroleum Retention Licences in the Basins are currently in suspension status with the Department for Energy and Mining, South Australia.

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 exploration leases.

Capital Expenditure Commitments

The Group had no capital expenditure commitments as at 31 December 2019 (30 June 2019: Nil).

19. SUBSEQUENT EVENTS

a) The Company had 124,060,150 unlisted options on issue convertible at $0.00266 each (A$330,000) on or before 31 December 2019. On 31 December 2019, the Company announced that it had 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 did not anticipate receiving any further notices for the conversion of the remaining 63,909,775 options by option holders.

   Furthermore, the Company advised 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.

   On 3 January 2020, the Company announced that it had issued the 124,060,150 shares at A$0.00266 (total A$330,000) pursuant to the exercise and underwriting of options as announced on 31 December 2019.

   Other receivables include an amount of $330,000 receivable in connection to the above-mentioned 124,060,150 shares which have been recognised at balance date given that a contractual right to receive settlement exists. (refer Notes 7 & 13)

b) On 17 January 2020, the Company advised that GSPC had opened the bids received for the sale of its 55% PI in the Cambay PSC. The sale process being conducted by GSPC, which is internal and confidential, is pursuant to the settlement agreed between Oilex and GSPC as announced on 9 September 2019. Oilex understands that a preferred bidder has been identified by GSPC, which will be invited by GSPC to finalise negotiations before seeking applicable regulatory approvals in India.

   On 3 March 2020, the Company advised that it had declined the first right of refusal (ROFR) where Gujarat State Petroleum Corporation (GSPC) disposes of its 55% interest in the Cambay PSC. The right of first refusal is regarding the settlement agreement with GSPC, as announced on 9 September 2019, whereby GSPC undertook to use its best endeavours to complete the sale process of its Participating Interest (PI).

   With the ROFR now declined by Oilex, the Company understands that GSPC can now move forward to execute the final sale agreement with the preferred bidder and make the applicable submissions to Government of India.

c) On 28 January 2020, the Company advised that it has 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 and Company Logistics Private Limited (Kiri), the Company will receive US$0.14 million in cash proceeds for the sale of its PI to Kiri. The sale of Oilex's PI in Bhandut is conditional on the sale of GSPC's PI to Kiri on or before 31 March 2020.

d) On 29 January 2020, the Company announced that it had signed a binding 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 Basin 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 the Company (Proposed Transaction). At completion, CoEra will own all of the Company's direct and indirect interests in the Cooper-Eromanga Basin including:

   - a 79.33% direct interest in two Petroleum Exploration Licences (PEL 112 and PEL 444) (with an option 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 the Company (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.

   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 and 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 no guarantee that the Proposed Transaction will complete.

On 21 February 2020, the Company announced that Doriemus had successfully completed a conditional bookbuild to raise A$4.5 million via a placement of Doriemus shares and options (Placement).

The Placement by Doriemus will, upon completion, satisfy a key condition precedent to the proposed acquisition by Doriemus of the Company's portfolio of Cooper-Eromanga Basin assets.

On 6 March 2020, the Company announced that in satisfaction of a further condition precedent to the Proposed Transaction, Doriemus is making available to Eligible Participants (which includes Oilex shareholders who as of 3 March 2020 were holders of Depository Interests or shares in Oilex with a registered address in Australia, New Zealand or the United Kingdom) the opportunity to participate in a priority offer to subscribe for new fully paid CHESS Depositary Interests in Doriemus (**CDIs**) at an issue price of 3.5 cents per CDI in order to raise a maximum of A$1.5 million. Doriemus is also offering Eligible Participants one attaching option for every three CDI's purchased as part of the Priority Offer.

On 12 March 2020, the Company announced that Doriemus plc (Doriemus) shareholders had approved all resolutions put to a meeting of Doriemus shareholders, satisfying a key condition precedent of the Proposed Transaction. The Proposed Transaction remains subject to several other conditions precedent as set out in the Company's announcement of 29 January 2020.

e) On 3 February 2020, the Company announced that it has entered into an agreement, with existing shareholders who are exempt professional investors, to secure a new loan drawdown funding facility of £350,000. A summary of the key terms of the facility is disclosed in Note 11.

On 15 March 2020, the Company entered into an amendment agreement to vary the terms of £225,000 of the above £350,000 loan funding facility entered into on 3 February 2020. Pursuant to the amendment, the loan repayment date for the £225,000 has been extended from 1 August 2020 to 31 March 2021. Furthermore, in the event GSPC has not transferred their 55% participating interest in the Cambay PSC by 6 November 2020 to a new joint venture partner, Lombard may elect that the loan is repayable within 14 days. All other terms remain the same and are extended to 31 March 2021 except for the issue of new options. Pursuant to the extension, the Company will issue 173,076,923 options at £0.0013 on or before 30 June 2021.

f) On 15 March 2020, the Company announced that it has arranged an equity capital raising to secure funding of £0.25m (A$0.5m) through the placing of 227,272,727 new shares at 0.11 pence (A$0.00219) per share. The shares will be issued to an existing shareholder, Republic Investment Management Pte Ltd.

g) On 15 March 2020, the Company entered into an amendment agreement to vary the terms of its loan funding facility of $250,000 entered into on 11 September 2018 and further extended on 30 September 2019. Pursuant to the amendment, the loan repayment date has been extended from 1 April 2020 to 31 July 2020. All other terms remain the same and are extended to 31 July 2020 except for the issue of new options. Pursuant to the extension, the Company will issue 96,596,154 options at £0.0013 on or before 31 July 2020.

i) On 15 March 2020, the Company announced that it has restructured its proposed acquisitions in the East Irish Sea (EIS), offshore the United Kingdom in response to the challenging trading conditions in the upstream oil and gas sector together with the volatile capital markets.

On 23 December 2019, the Company announced that it had entered into a binding term sheet to acquire a 100% participating interest in the Doyle-Peel licence (P2447) in the EIS. In addition, the Company has entered into an exclusivity agreement for the potential acquisition of a 100% participating interest in the Castletown licence (P2076).

The Company will not be exercising its rights to acquire the Castletown licence (P2076) under the exclusivity agreement that will automatically lapse on 31 March 2020. Furthermore, the Company has agreed to the following amendments to the agreement with Burgate Exploration and Production Ltd ("Burgate") regarding the acquisition of the Doyle-Peel licence (P2447):

- the completion of the acquisition of the Licence, subject to the applicable conditions precedent, has been extended from 30 June 2020 to 31 December 2020; and
- the issue of the share consideration for the acquisition of Doyle-Peel is subject to shareholder approval under Listing Rule 7.1

Other than the above disclosures, 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.

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

1. the condensed consolidated financial statements and notes set out on pages 9 to 27, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

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

Signed in accordance with a resolution of the Directors.

Mr Brad Lingo
Chairman

Mr Jonathan Salomon
Managing Director

West Perth
Western Australia
15 March 2020

KPMG

Independent Auditor's Review Report

To the shareholders of Oilex Ltd

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Oilex Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Oilex Ltd is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group's*** financial position as at 31 December and of its performance for the ***Half-year*** ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 31 December 2019.
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Half-year ended on that date.
- Notes 1 to 19 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The ***Group*** comprises Oilex Ltd (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

Material uncertainty related to going concern – emphasis of matter

We draw attention to Note 2(b), "Going Concern" in the Interim Financial Report. The conditions disclosed in Note 2(b), indicate a material uncertainty exists that may cast significant 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 Interim Financial Report. Our conclusion is not modified in respect of this matter.

KPMG

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001.*
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Oilex Ltd, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Derek Meates
Partner

Perth

15 March 2020