

ASX-RNS Announcement

23 April 2020

ASX: OEX
AIM: OEX

Variation to Financing Terms

The Board of Oilex Limited (the Company) announces that, following discussions with its advisors over recent weeks, it has decided to amend the terms of the debt and equity financing arrangements as announced on 15 March 2020.

These changes are at the Company's instigation and are focussed on ensuring that the Company continues to maintain support of key lenders and investors as all parties contend with the uncertain and volatile equity markets with limited price discovery.

Variation to Series B Loan Funding Agreement (A\$250,000)

On 15 March 2020, the Company advised that it had entered into an amendment agreement to vary the terms of its loan funding facility of A\$250,000 (Amendment) entered into on 11 September 2018 and further extended on 30 September 2019 (Series B Loan). Pursuant to the Amendment announced on 15 March, the loan repayment date has been extended from 1 April 2020 to 31 July 2020. Furthermore, the Company also agreed to the issue of 96,903,846 new options exercisable at £0.0013 per option on or before 31 July 2020.

The Company announces today that terms for the issue of the options have been varied where the Company has agreed to the issue of 115,727,273 new options (in place of the 96,903,846 options) exercisable at £0.0011 per option on or before 31 July 2020 (Second Amendment). In the event that the new options are exercised in their entirety, Oilex will receive cash proceeds of c. £127,300.

The issue of the new options is subject to shareholder approval under ASX Listing Rule 7.1 on or before 30 June 2020. Failure to secure shareholder approval will require immediate repayment of the loan principal and accrued interest.

Republic Investment Management Pte Ltd (Republic) makes up all of the Series B Loan balance of \$250,000. Republic has a shareholding in the Company of 12.66% and is therefore categorised as a Substantial Shareholder of the Company pursuant to the AIM Rules for Companies (AIM Rules). Accordingly, the entering into the Second Amendment with Republic is classified as a related party transaction pursuant to the AIM Rules.

The Directors of the Company, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, consider that the terms of the Second Amendment with Republic are fair and reasonable insofar as the Company's shareholders are concerned.

Variation to Series C Loan Funding Agreement (GBP £350,000)

On 15 March 2020, the Company also advised that it had entered into an amendment agreement to vary the terms of its loan funding facility of £350,000 announced on 4 February 2020 (Series C Loan). Pursuant to the amendment, £225,000 of existing Series C Loan facility was to be rolled into a new £225,000 loan facility (Series D Loan). The terms and conditions of the remaining £125,000 under the Series C facility remain unchanged. The Company also agreed to the issue of 173,076,923 new options exercisable at £0.0013 per option on or before 30 June 2021 (Series D Options).

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The Company announces today that it has agreed to vary the terms for the issue of the Series D Options where the Company will now issue of 204,545,455 new options (in place of the 173,076,923 options) exercisable at £0.0011 per option on or before 30 June 2020. In the event that the new options are exercised in their entirety, Oilex will receive cash proceeds of c. £225,000.

The issue of the new Series D Options is subject to shareholder approval under ASX Listing Rule 7.1 on or before 30 June 2020. Failure to secure shareholder approval will require immediate repayment of the loan principal and accrued interest. The Series D Loan is with non-related parties of the Company.

Equity Capital Raising

On 15 March 2020, the Company announced it had arranged an equity capital raising with Republic to secure further funding of £0.25 million (A\$0.5 million) through the subscription of 227,272,727 new shares at GBP 0.11 pence (0.2190 AUD cents) per share (Subscription).

The Company announces today that it has agreed to vary the terms for the £0.25 million equity issue where the Company will now issue 277,777,778 new shares (Subscription Shares) at GBP 0.09 pence (0.1792 AUD cents) per share (Subscription). The Company now anticipates to complete the issue, and receive the associated cash proceeds, of 222,222,222 shares under LR 7.1 on or about 30 April 2020 with the issue of the remaining 55,555,556 shares subject to shareholder approval under ASX Listing Rule 7.1 on or before 30 June 2020. Further updates will be made as and when appropriate.

Following admission of all of the Subscription Shares, the Company's share capital and total voting rights will comprise 3,704,096,666 shares. The Company does not hold any shares in treasury. Consequently, 3,704,096,666 is the figure which may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

As noted, Republic has arranged to subscribe for £250,000 (A\$ 490,966) of the Subscription. As a result of Republic's 12.66% interest in the Company, it is categorised as a Substantial Shareholder of the Company pursuant to the AIM Rules for Companies (AIM Rules). Accordingly, the amendment to the terms of the Subscription is classified as related party transaction pursuant to the AIM Rules.

The Directors of the Company, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, consider that the amendment to the terms of the Subscription by Republic are fair and reasonable insofar as the Company's shareholders are concerned.

Managing Director of Oilex, Joe Salomon, said;

"Given the current uncertainties and slow-downs facing not only the energy sector, but almost every industry, the Company's management is taking all steps to maintain focus and reduce expenditure. The continued support of our major investors is important and much appreciated as we work through this challenging period."

For and on behalf of Oilex Ltd



Joe Salomon
Managing Director

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