OILEX LTD

ASX Announcement

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Cambay India Update and UK Exploration Licence P2446

Cambay India Update

Following the execution of the sale and purchase agreement to purchase the Gujarat State Petroleum Company's 55% participating interest in the Cambay Production Sharing Contract (the Acquisition), Oilex Ltd (the Company) is pleased to provide an update on the progress towards a full field development of the Cambay field.

In anticipation of the Government of India's (GoI) ratification of the Acquisition, the Company is advancing the various steps needed to recommence production from two wells (C-73 and C-77H); a further update will follow soon. The Company is also planning to workover and re-complete C-77H to boost production in early 2022.

The development of well programs for two new horizontal wells (C-78 and C-79) is at an advanced stage and the Company has issued a Request for Quotation for well management services for the execution of the two new wells which is planned, subject to securing the necessary funding, for H2 2022.

UK Licence P2446

The Company announces that it plans to relinquish its UK P2446 exploration licence, which incorporates the Doyle and Peel structures in the UK East Irish Sea.

Following an unsuccessful request to the UK Oil and Gas Authority to extend the initial term of the P2446 exploration licence, the Company has decided to relinquish the licence. The extension was requested due to Covid-19 related delays in completing the initial phase work programme. Remaining technical uncertainties and the Company's new strategy to focus on mature gas field acquisitions and carbon capture and storage (CCS) opportunities were the main drivers behind the Company's decision.

Oilex's Chief Executive Officer, Roland Wessel said:

"Regarding the Cambay field, and following the extended hiatus in production, the Company is focussed on the resumption of both production and field development activities to exploit the 926 BCF of contingent gas resources in a market of strengthening gas prices and demand. Subject to GoI ratification, the Company now has a 100% working interest in the Cambay field following the Acquisition with a commensurate increase in net contingent resources.

The decision to relinquish UK exploration licence P2446 is in line with Oilex's new strategy to focus on mature gas field acquisitions and CCS opportunities. The Company is committed to achieving carbon-neutral gas production in the UK via the implementation of CCS projects, which will be leveraged by the management team's experience and expertise with respect to gas storage in depleted reservoirs."

For and on behalf of Oilex Ltd

Roland Wessel
CEO

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