

ASX-RNS Announcement

16 March 2022

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Cambay India Update

Oilex Limited (**Oilex** or the **Company**) is providing the following update to its operations in India and in particular, with respect to the Cambay field development.

Following the Government of India Ministry of Petroleum and Natural Gas approval of the transfer of assignment of the 55% Participating Interest in the Cambay Field PSC held by Gujarat State Petroleum Corporation Ltd (GSPC) to Oilex (taking the Company's interest to 100%), the Company is finalising the completion accounts in conjunction with GSPC personnel with a view to completing the transaction at the end of March 2022.

The Gujarat Pollution Control Board (GPCB) is expected to approve the re-commencement of production on the Cambay field imminently. All necessary operational preparation, including system integrity checks and safety system validations, has been undertaken to allow for an immediate re-start of gas production from two wells (C-73 and C-77H) upon receipt of GPCB approval.

The Company continues to prepare for the C-77H re-frac operation. Tenders for all the required equipment and services have been received and evaluated during the last week. The global oil and gas services sector is facing an acute shortage of capacity following several years of reduced activity and India is suffering from these constraints. Specifically, there is a shortage of hydraulic fracturing pumping equipment as well as several other key services required for the C-77H re-frac. Oilex is in the process of finalising contracts with a current timeline of July 2022 for the re-frac operation. Following the re-frac, the C-77H well will need to be flowed to clean up the well bore and it will be 30-60 days before a stabilised gas flow level can be established to assess the level of success of the re-frac. Gas production will be processed on location and sold via the existing grid connection under a new gas sales agreement. Similarly, associated condensate production will be sold under a separate sales agreement.

The targeted new initial production rate from the two new re-frac zones is 2 mmsfd. A successful re-frac operation will enable the initiation of the full Cambay field development with two new horizontal and fraced wells planned for end of 2022 / Q1 2023, subject to funding. Oilex's project studies and experience from other stimulation projects result in an expectation of initial production rates of 4-5 mmscf for new horizontal wells which will provide robust economics.

India is the third largest energy market in the world. Indian gas demand growth is outpacing domestic supply with circa 50% of gas requirements from LNG imports. Robust gas prices are underpinned by the high marginal cost of LNG imports.

Oilex's Chief Executive Officer, Roland Wessel, said:

"After a protracted hiatus, we are very pleased that gas and condensate production on the Cambay field is due to resume in the near future, thanks mainly due to the efforts of Oilex's India team. In addition, the Bedrock / Manan project management team are working assiduously to execute the C-77H re-frac as early as possible without compromising the technical approach to this key field development operation. My recent visit to the Oilex Baroda office and to the Cambay

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field demonstrated that Oilex has a professional and motivated team in India fully capable of developing and operating the Company's key Cambay asset. I look forward to updating investors as we make further progress."

For and on behalf of Oilex Ltd



Roland Wessel
Managing Director

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