

## ASX Announcement

19 January 2015

ASX: OEX  
AIM: OEX

### Cambay-77H – Gas Sales Agreement Endorsed, Move to Production

Oilex Ltd is pleased to announce it has received endorsement from the relevant authorities of the Government of India (GoI) for the sale of gas from Cambay Field, specifically from the Cambay-77H well. This latest endorsement by GoI follows the announcements made by the Company on 15 July 2014 and 5 December 2014, in which it was reported that Oilex was authorised to sell gas from Cambay-73 and Bhandut-3 respectively. Today's announcement represents another important milestone for increasing production from the field and supplying gas to the local market, where users are currently paying a premium to Brent and WTI on an energy equivalent basis.

The Cambay Joint Venture will now establish the appropriate production facilities for Cambay-77H and initially connect Cambay-77H to a low pressure pipeline grid to service the local area. An approval to sell gas from Cambay-77H and Cambay-73 removes part of the contingency in the assessment of recoverable quantities of gas as Reserves.

Netherland Sewell and Associates Inc. (NSAI) prepared the Independent Resource Assessment contained in the Oilex announcement dated 11 October 2011. NSAI confirmed Contingent Resources within the Cambay Contract Area of:

	Unrisked Contingent Resource Estimates					
	Low (1C)		Best (2C)		High (3C)	
Zone	Oil MMbbls	Gas BCF	Oil MMbbls	Gas BCF	Oil MMbbls	Gas BCF
X	6.4	42.8	21.6	141.5	49.2	315.5
Y	24.8	136.7	61.6	353.2	130.0	757.5
<b>Total – Gross</b>	31.2	179.5	83.3	494.7	179.1	1,072.9
<b>Total - Net to Oilex</b>	<b>14.0</b>	<b>80.7</b>	<b>37.4</b>	<b>222.6</b>	<b>80.5</b>	<b>482.8</b>

Oilex has now engaged NSAI to prepare an updated Independent Resource Assessment based on the additional production and other acquired data. This update may result in some Contingent Resources being classified as Reserves.

Cambay-77H is the first horizontal multistage frac'd well to be successfully production tested in India. The production test results were announced by the Company on 8 December 2014 and are interpreted to demonstrate that commercial development of the Cambay Field is feasible. The test results and data from Cambay-77H have been incorporated into a comprehensive model and the initial modelling results demonstrate strong well economics - as announced on 12 December 2014. These well economics continue to be encouraging despite the sharp drop in oil prices since that date.

Oilex is now working towards putting three wells in two separate fields into production, during H1 2015. Oilex will recommence gas production in the Cambay Field for the first time since the early 1990's. Production from these wells will be a substantial step towards cash positive operations in India for the Company as a result of the strong gas demand and associated robust gas price structure. The outlook for the Indian economy remains positive as the cost of imported energy reduces, stimulating further growth.

## Managing Director of Oilex, Ron Miller, said;

"We are very pleased to receive this endorsement from the Government of India to sell gas from Cambay-77H. The contracted price remains commercial-in-confidence, and revenue from Cambay-77H will significantly move the India assets towards our 2015 goal of cash flow positive operations. Gas demand remains strong in India and prices firm which helps cushion the recent fall in oil prices. Oilex looks forward to the next drilling campaign and having sufficient gas deliverability to consider delivery of pipeline quality gas to the high pressure grid located approximately 7 km from the field."

For and on behalf of Oilex Ltd



**Ron Miller**  
Managing Director

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### Qualified Petroleum Reserves and Resources Evaluator statement

Pursuant to the requirements of Chapter 5 of the ASX Listing Rules, the information in this report relating to petroleum reserves and resources is based on and fairly represents information and supporting documentation prepared by or under the supervision of Mr. Peter Bekkers, Chief Geoscientist employed by Oilex Ltd. Mr. Bekkers has over 17 years' experience in petroleum geology and is a member of the Society of Petroleum Engineers and AAPG. Mr. Bekkers meets the requirements of a qualified petroleum reserve and resource evaluator under Chapter 5 of the ASX Listing Rules and consents to the inclusion of this information in this report in the form and context in which it appears. Mr. Bekkers also meets the requirements of a qualified person under the AIM Note for Mining, Oil and Gas Companies and consents to the inclusion of this information in this report in the form and context in which it appears.

### LIST OF DEFINITIONS

MMbbls	Millions of barrels
BCF	Billions of standard cubic feet of natural gas
Low Estimate (1C)	There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
Best Estimate (2C)	There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
High Estimate (3C)	There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied.