

## ASX Announcement

11 September 2018

ASX: OEX  
AIM: OEX

### Capital Raising and Loan Funding

Oilex Ltd (the Company) is pleased to announce that it has arranged a debt and equity capital raising to secure funding of £0.63 million (A\$1.14 million), underpinning the Company's near term financial requirements into the new year.

#### Equity Placement

The equity capital raising of 259,816,694 shares at 0.19 pence (A\$0.003434) per share for gross proceeds of £493,652 has been undertaken by Novum Securities Limited (**Novum**) and is also supported by existing shareholders (the **Placement**). In this regard, the Company has received firm written confirmation from Novum for the placing of 157,894,737 shares for £300,000 at 0.19 pence per share. In addition, the Company has entered into a subscription agreement with Republic Investment Management Pte Ltd (**Republic**) and nominees for 101,921,957 shares to raise £193,652 at 0.19 pence.

Pursuant to the advisory agreement with Novum, the Company will issue 9,473,684 unlisted options exercisable at 0.19 pence on or before three years following the completion with the capital raising (**Novum Options**).

The issue of shares to clients of Novum is pursuant to Listing 7.1A with the remaining shares together with the Novum Options to be issued under Listing Rule 7.1 (subject to shareholder approval if required). The completion of the share issue to clients of Novum is anticipated next week with the remainder to be settled later in September.

Funds raised from the placement are intended to be applied towards the working capital requirements of the Company.

#### Loan Funding

The Company has also entered into a binding loan agreement with Republic to secure funding of A\$250,000 (£138,325) (**Loan Funding**). The key terms are listed below:

Term:	1 October 2019
Interest Rate:	5%
Repayments	100% payable at maturity
Options Issued:	60,664,887 options over ordinary shares
Option Exercise Price:	A\$0.004121 – 20% premium to equity issue price
Option Expiry Date:	On or about 1 October 2019
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)

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Customary additional provisions regarding events of default, undertakings, covenants and representations and warranties have also been agreed.

As part of the Loan Funding, 60,664,887 Options will be issued to Republic with an exercise price of A\$0.004121 being a 20% premium to the share issue price, at a which, if exercised in their entirety, will result in a further cash inflow to the Company of A\$250,000, the proceeds of which will be applied to the outstanding loan balance.

The issue of the Options is subject to shareholder approval, if required, under ASX Listing Rule 7.1 within 75 days after drawdown. Failure to secure shareholder approval will require immediate repayment of the loan principal and accrued interest. The Company is currently preparing the necessary notice of general meeting, which will be sent to shareholders shortly.

The loan proceeds will be to be applied to meet the expected working capital requirements of the Company.

### Related Party Transactions

Republic and its nominees have participated in A\$250,000 of the Loan Funding amount and £193,652 of the Placement.

Prior to the above mentioned share placement, Republic has a shareholding in the Company of 12.19% 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 Loan Funding with Republic and the participation of Republic in the Placement are classified as related party transactions 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 Loan Funding with Republic, and the terms of the participation of Republic in the Placement, are fair and reasonable insofar as the Company's shareholders are concerned.

Joe Salomon, Managing Director, commented: 'We are pleased to announce these funding initiatives today, which both demonstrate investor confidence in Oilex's strategy and prospects, as well as underpinning the Company's financial strength. It follows that recent approval to extend the Cambay PSC by 10 years and provides valuable support as the Company remove the final impediments to the future development of Cambay.'

For and on behalf of Oilex Ltd



Mark Bolton  
Chief Financial Officer Company Secretary

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