

08 April 2014

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
Sydney NSW 2000

CAMBAY-77H WELL – 9 5/8 inch casing set and cemented

- 9 5/8 inch casing set and cemented on 08 April 2014
 - Currently preparing to drill ahead in 8 1/2 inch hole
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Oilex Ltd (ASX: OEX, AIM: OEX, Oilex) is pleased to announce that Cambay-77H well drilling operations successfully completed setting and cementing the 9 5/8 inch casing at approximately 1,653m Measured Depth (MD). The casing was set in a suitable formation to ensure well integrity whilst drilling the anticipated over-pressured target reservoir section. An integrated stress test of the rig systems was successfully completed to ensure operational integrity prior to drilling the final ~ 26m of the intermediate hole section and setting casing. The condition of the wellbore subsequent to the rig repair period was found to be very good.

The rig is currently preparing to drill ahead in 8 1/2 inch hole into the target reservoir section (see attached figures). Elevated gas readings are anticipated through the target formation to Total Depth (TD).

Cambay-77H is located adjacent to the Cambay-76H horizontal well that underwent a successful multiple staged fracture stimulation programme along its 633m lateral section in 2012. However, it was suspended prior to testing due to downhole mechanical problems. Prior to suspending the well, gas and condensate flowed to surface during well control operations.

The Cambay-77H well design incorporates all of the key operational and technical learnings that have arisen from a forensic engineering analysis of Cambay-76H by multiple expert parties. A shorter horizontal lateral section (350m) coupled with a conventional “plug and perf” method for fracture stimulation is expected to facilitate the primary goal of the well – recording hydrocarbon flow information at surface during a production test.

As previously disclosed, Oilex intends to inform the market about progress during drilling operations on a milestone basis as indicated below.

- ✓ Setting and cementing of the 13 3/8 inch casing at approximately 590mMD
- ✓ Setting and cementing of the 9 5/8 inch casing at approximately 1,650mMD
- Completion of drilling operations at well TD, approximately 2,357mMD
- Setting and cementing of the 4 1/2 inch production casing

- Completion of mobilisation of the fracture stimulation spread to site
- Completion of the fracture stimulation programme
- An announcement in relation to flow back and production testing will be dictated by the well response to the stimulation programme

A time gap between setting and cementing the 4 1/2 inch production casing and completion of mobilisation of the fracture stimulation spread is anticipated in order to minimise potential standby charges associated with demobilisation of the drill rig from site.

Managing Director of Oilex, Ron Miller, said;

“Although drilling operations have been delayed due to a substantial system failure on Essar Land Rig #4, the 12 1/4 inch hole above the reservoir is now complete and secure behind casing. The successful integrated stress test of the rig systems is reassuring and we now look forward to entering the target reservoir as part of the final hole section including the 350m horizontal length which will be fracture stimulated.”

For and on behalf of Oilex Ltd



Ron Miller
Managing Director

For further information, please contact:

Oilex Ltd

Ron Miller, Managing Director
Email: oilex@oilex.com.au
Tel: +61 8 9485 3200
Australia

RFC Ambrian Limited

Nominated Adviser and AIM Broker
Samantha Harrison
Email: samatha.harrison@rfcambrian.com
Tel: +44 203 440 6800
UK

Tavistock Communications

Conrad Harrington
Email: charrington@tavistock.co.uk
Tel: +44 207 920 3150
UK

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 15 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.

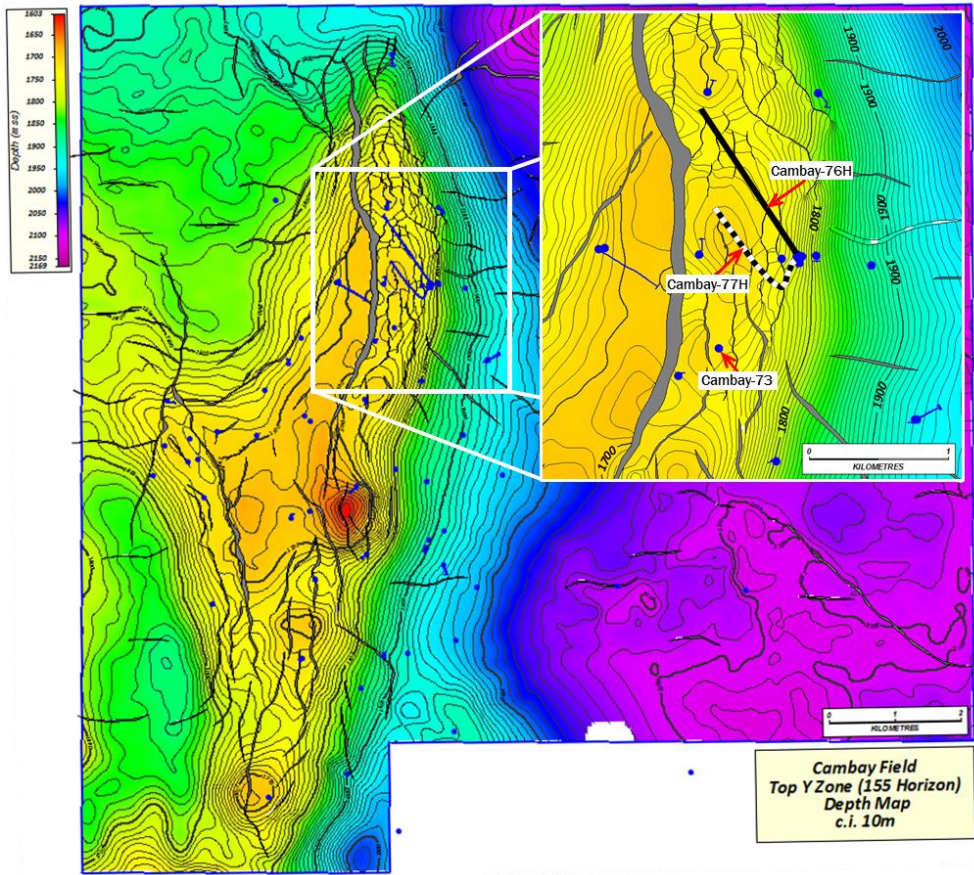


Figure 1: Cambay-77H well path trajectory and position relative to Cambay-76H

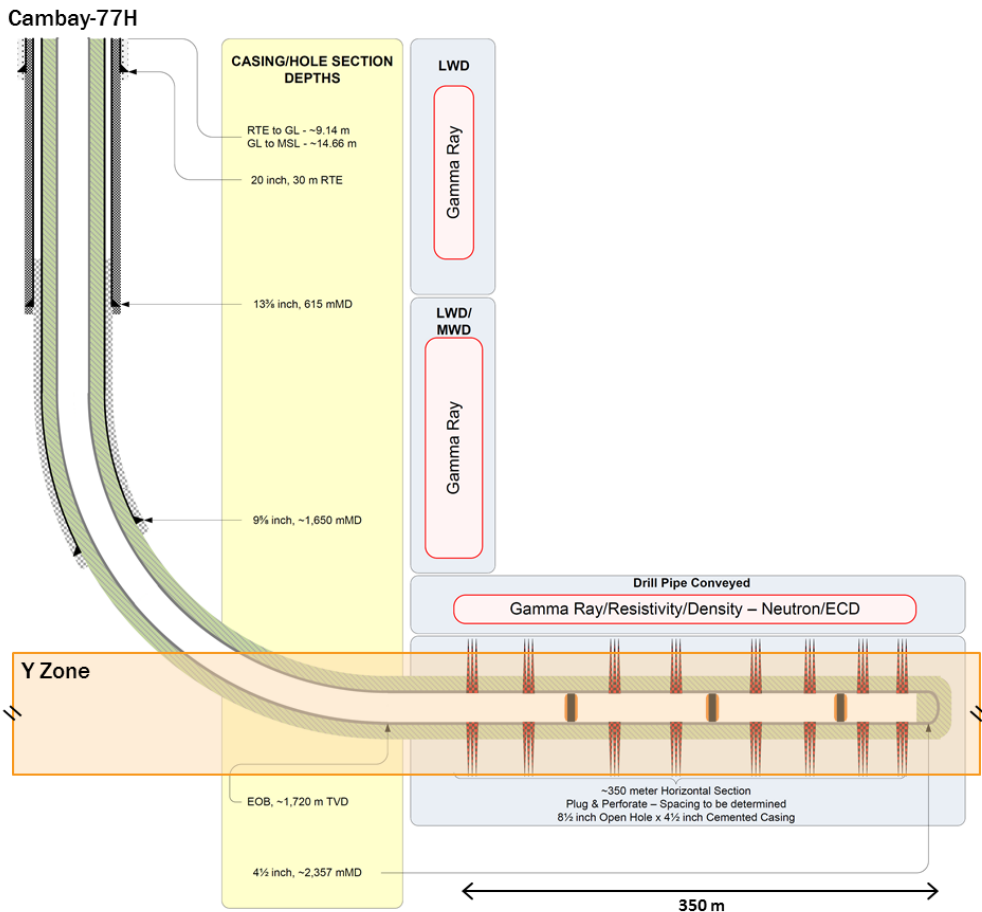


Figure 2: Cambay-77H well configuration