

15 April 2014

Company Announcements Office
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CAMBAY-77H WELL – Reaches TD (Total Depth)

- Cambay-77H reaches TD at 2370m MD on 14 April 2014
- Increased gas readings confirm hydrocarbon-bearing reservoir section
- Y Zone reservoir target first intersected on 13th April 2014

Oilex Ltd (ASX: OEX, AIM: OEX,) is pleased to announce that Cambay-77H has reached TD at 2370m MD. The primary reservoir target (Y Zone) has been intersected on prognosis and increased gas readings similar to Cambay-76H indicate the reservoir is hydrocarbon bearing. A full suite of logs will be acquired subsequent to conditioning the wellbore, after which, the 4 ½ inch production casing will be set and cemented in preparation for a fracture stimulation programme.

In addition to drilling to TD, subsequent to the announcement on 8th April 2014, drilling operations have:

- Modified and tested the BOP for the 8 ½ inch hole
- Changed the drilling assembly to suit the 8 ½ inch hole size
- Weighted up the mud system for anticipated over-pressure in the reservoir
- Drilled out excess cement and retrieved some debris
- Drilled out of the 9 5/8 inch casing and conducted a formation integrity test (FIT)
- Directionally drilled into the Y zone reservoir section

Cambay-77H is offset 300m from 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 before testing due to downhole mechanical problems. Prior to suspending the well, gas and condensate flowed to surface during well control operations.

A shorter lateral section (350m) in Cambay-77H 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.

Oilex will continue to inform the market about progress during operations on a milestone basis as indicated below.

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- ✓ Setting and cementing of the 13 ³/₈ inch casing at approximately 590m MD
- ✓ Setting and cementing of the 9 ⁵/₈ inch casing at approximately 1,650m MD
- ✓ Completion of drilling operations at well TD, at approximately 2,360m MD
- 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;

“It is pleasing that drilling operations, following a mechanical disruption on the rig, have progressed relatively smoothly to TD. Based upon the required mud weight and gas readings, the primary reservoir target appears to exhibit the expected over-pressure and is hydrocarbon bearing. We look forward to acquiring logs to facilitate the full interpretation of the reservoir properties and securing the reservoir section behind the 4 ¹/₂ inch production casing.”

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 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.

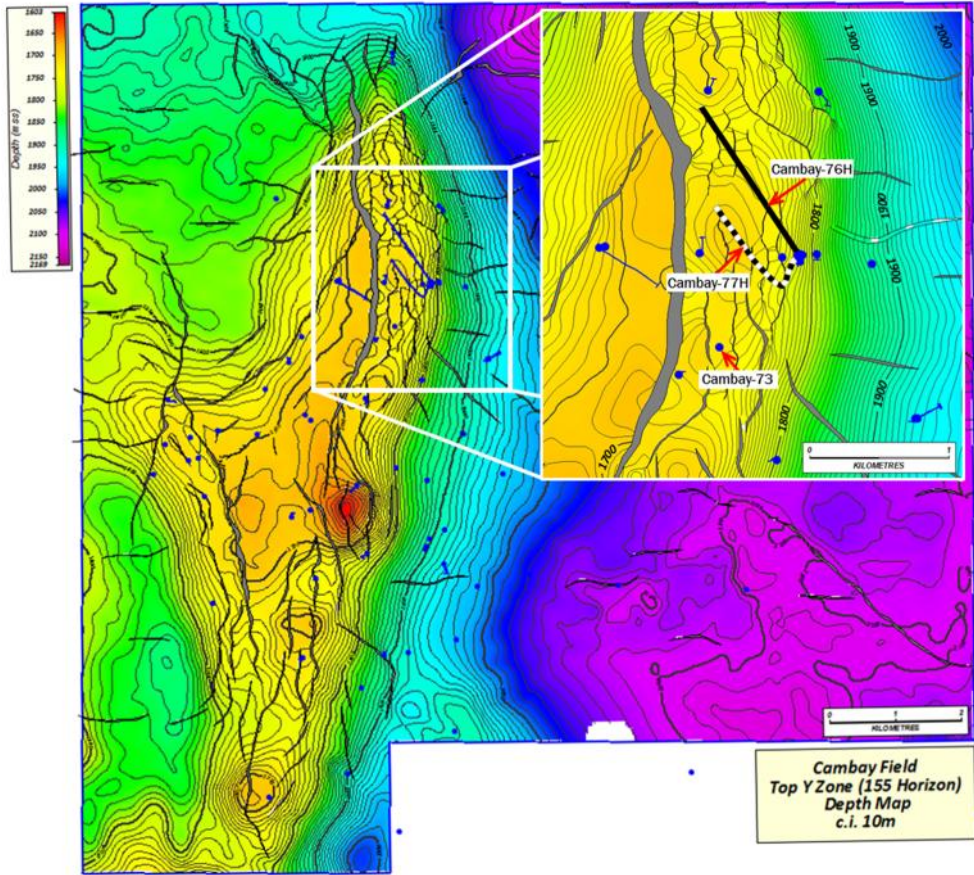


Figure 1: Cambay-77H well path trajectory and position relative to Cambay-76H

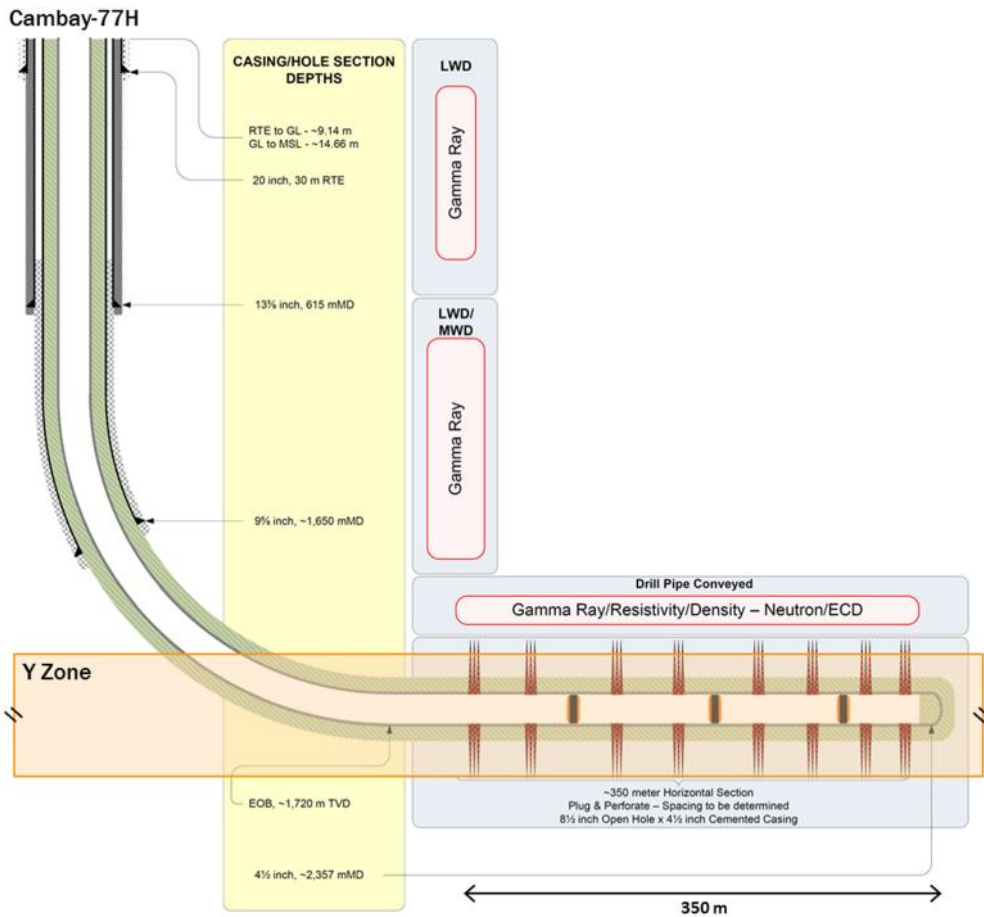


Figure 2: Cambay-77H well configuration