

22 April 2014

Company Announcements Office
ASX Limited
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CAMBAY-77H WELL – 4 ½ inch casing set and cemented

- Cambay-77H 4 ½ inch casing set and cemented on 19 April 2014
- Comprehensive set of logs obtained and initial interpretation completed
- Cambay-77H logs confirm a hydrocarbon bearing reservoir comparable to Cambay-76H and Cambay-73, which has produced from the Y zone.
- Essar Land Rig #4 preparing to demobilise from site

Oilex Ltd (ASX: OEX, AIM: OEX,) is pleased to announce that the 4 ½ inch production casing has been successfully set and cemented on 19 April 2014. The wellbore is now secured for the fracture stimulation programme. Essar Land Rig #4 is currently preparing to demobilise from the site. This may take up to three weeks, after which a further four weeks may be required to complete mobilisation of the fracture stimulation equipment, material and personnel in addition to the well test equipment and personnel.

As previously reported, the primary reservoir target (Y Zone) has been intersected on prognosis. A comprehensive suite of logs has been acquired and preliminary interpretation confirms the wellbore intersected a significant sequence of hydrocarbon-bearing reservoir similar to Cambay-76H. The Cambay-77H logs also compare favourably to Cambay-73 vertical well, which produced from the Y zone at ~1MMscfd plus condensate and is located approximately 1 km from Cambay-77H.

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.

The drilling operations are complete and Oilex will continue to inform the market about progress during the fracture stimulation work on a milestone basis as indicated below.

- ✓ 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
- Any announcements in relation to flow back and production testing will be dictated by the well response to the stimulation programme

Managing Director of Oilex, Ron Miller, said;

“Drilling operations are now complete after approximately 23 operational days, (excluding rig downtime) compared to 30 days as previously announced. We are encouraged by the amount of hydrocarbon-bearing reservoir penetrated as well as its apparent quality from the logs. We look forward to conducting the fracture stimulation programme and subsequent flow test to realise the full potential of this reservoir.”

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.

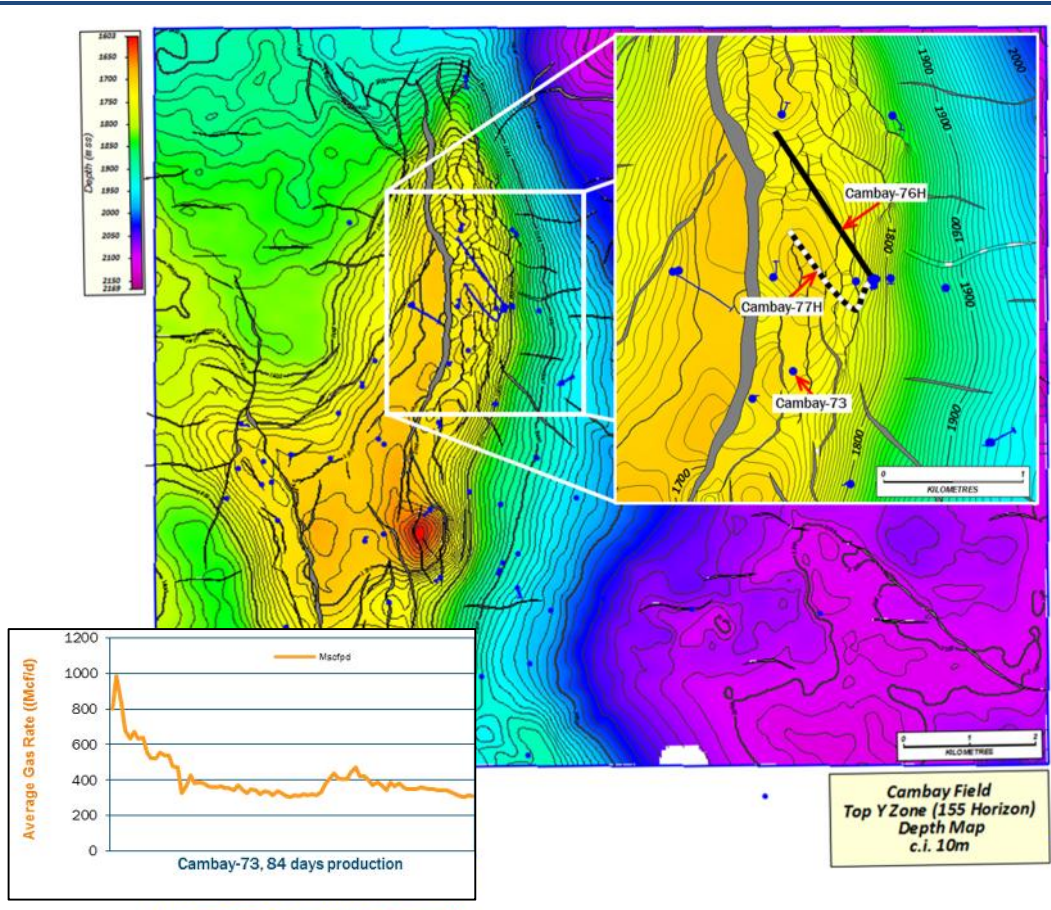


Figure 1: Cambay-77H well position relative to Cambay-76H and Cambay-73

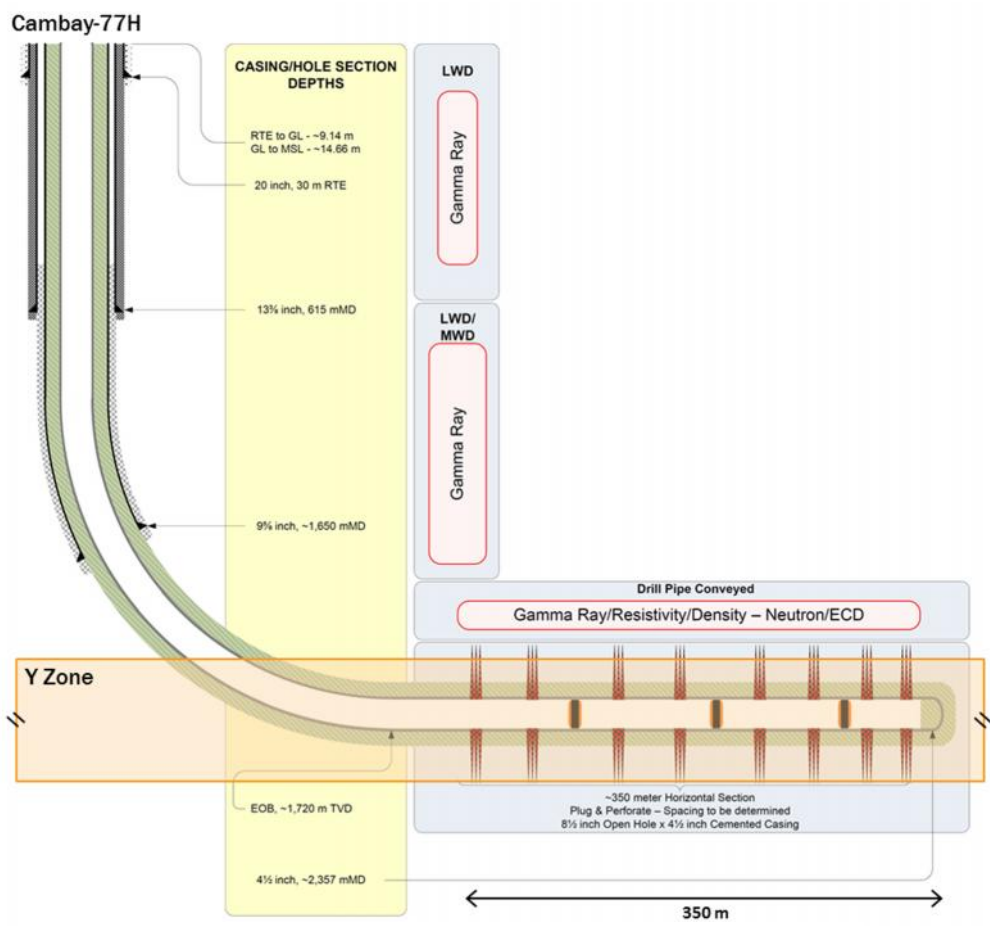


Figure 2: Cambay-77H well configuration