

14 July 2014

Company Announcements Office
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CAMBAY-77H WELL – Milling Operations Complete

- All isolation plugs have been successfully milled
 - Gas detected at surface during plug milling operations
 - Flowback and clean-up has commenced
 - Preparing for production testing after flowback and clean-up
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Oilex Ltd (ASX: OEX, AIM: OEX) is pleased to announce that plug milling operations have been completed. Cambay-77H started unaided controlled flowback with gas observed at surface while successfully milling out 4 isolation plugs, including 1 that failed to seal properly.

Since the previous update on 7 July 2014:

- ✓ The isolation plugs were successfully milled
- ✓ 8 fractures into the reservoir were connected to the well bore
- ✓ The well started to flowback unaided under controlled conditions during milling
- ✓ Gas flowed to surface during milling operations
- ✓ Production testing equipment was positioned and commissioned

During milling operations Cambay-77H exhibited strong flowback and clean-up characteristics that were controlled at surface. Flowback and clean-up will continue under controlled conditions to minimise the risk of damage to the fractures. The coiled tubing unit will remain on location for several days as a precautionary measure during the initial flowback and clean-up.

Hydrocarbons produced with the returning frac fluids will be monitored and all water based frac fluids are being stored in a purpose built pit at site. Monitoring these fluids will provide valuable information regarding the quality of the 8 fracture stimulations. As soon as sufficient well stability is achieved, the production test will start and the deliverability of the reservoir will be quantified.

As previously announced the Cambay-77H logs compare favourably to the Cambay-73 vertical well, which produced from the Y zone at ~1MMscfd (plus condensate) and is located approximately 1 km from Cambay-77H. Cambay-73 also commenced flowback unaided, strengthening the correlation between the wells for the purposes of an independent reserve assessment.

Announcements regarding production testing will be dictated by the well response.

Managing Director of Oilex, Ron Miller, said;

“We are very pleased that the milling operations were successful and all the fractures are now connected to the wellbore. Importantly, the elevated over-pressure of 5,000psi and the strong flow back characteristics are very positive results. Oilex is looking forward to commencing of the production testing after sufficient frac fluids have been recovered from the well. Further analysis of the fracture stimulation programme and production data will be needed to quantify the reservoir deliverability. It has been a long journey back from Cambay-76H and Oilex looks forward to a bright future, focused on value for its shareholders and methodical in its delivery.”

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.