

15 July 2014

Company Announcements Office  
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## CAMBAY – Gas Sales Agreement Endorsed

Oilex Ltd (ASX: OEX, AIM: OEX) is pleased to announce that it has received endorsement from the relevant Government of India authorities for the sale of gas from Cambay Field, specifically Cambay-73 well. This is a critical milestone for increasing production from the field and supplying gas to the local market. Returning Cambay-73 to production will also facilitate the collection of key data to further assess the reservoir deliverability of the same reservoir intersected by Cambay-77H.

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 to the south of Cambay-77H. Cambay-73 commenced flowback unaided, strengthening the correlation between the wells for the purposes of an independent reserve assessment. Cambay-73 production data was not available at the time Netherland Sewell and Associates Inc. (NSAI) prepared the Independent Resource Assessment highlighted in the Oilex announcement dated 11 October 2011 and Oilex anticipates an improvement in the Resource Assessment after incorporation of the Cambay-73 data.

NSAI independently confirmed Contingent Resources within the Cambay Contract Area of:

Zone	Unrisked Contingent Resource Estimates					
	Low (1C)		Best (2C)		High (3C)	
	Oil MMbbls	Gas BCF	Oil MMbbls	Gas BCF	Oil MMbbls	Gas BCF
X	6.4	42.8	21.6	141.5	49.2	315.5
Y	24.8	136.7	61.6	353.2	130.0	757.5
<b>Total – Gross</b>	<b>31.2</b>	<b>179.5</b>	<b>83.3</b>	<b>494.7</b>	<b>179.1</b>	<b>1,072.9</b>
<b>Total - Net to Oilex</b>	<b>14.0</b>	<b>80.7</b>	<b>37.4</b>	<b>222.6</b>	<b>80.5</b>	<b>482.8</b>

Now that endorsement of the gas sales agreement has been received, the Cambay Joint Venture will proceed to establish the appropriate production facilities for Cambay-73 and initially connect the production to a low pressure pipeline grid servicing the local area. The associated condensate will be stripped out and sold into the established markets that currently receive the Cambay crude oil. Having an endorsed contract removes part of the contingency in the assessment of recoverable quantities of gas as reserves.

## Managing Director of Oilex, Ron Miller, said;

“We are very pleased to receive the endorsement from the Government of India to sell gas from Cambay-73. As soon as the gas composition from Cambay-77H is confirmed to be similar to Cambay-73, Oilex will be in a strong position to add to our production from Cambay Field. Importantly, Cambay-73 and Cambay-77H will also provide significant deliverability data for the Y zone which can be used in upgrading a portion of the independently certified Contingent Resources into Reserves. The contracted price remains Commercial-in-Confidence and was determined by a competitive bidding process. This reassessment will enable Oilex to consider delivery of pipeline quality gas to the high pressure grid located approximately 7 km from this region the field.”

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.

#### LIST OF DEFINITIONS

MMbbls	Millions of barrels
BCF	Billions of standard cubic feet of natural gas
Low Estimate (1C)	There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
Best Estimate (2C)	There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
High Estimate (3C)	There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied.