

21st July 2014

Company Announcements Office
ASX Limited
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CAMBAY-77H –Flaring Gas and Light Oil Recovered in Clean-up

- Strong clean-up hydrocarbon flow encountered following mill-out operations
 - Gas flaring operations have commenced to ensure well-site safety
 - Light oil/condensate flows to surface during flow-back and recovered for sale
 - Higher than expected light oil/condensate flows particularly encouraging
 - ~40% of the frac water has been recovered
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Oilex Ltd (ASX: OEX, AIM: OEX) is pleased to announce that following successful mill-out operations the Cambay-77H well has commenced controlled flow-back of frac fluids with light oil/condensate being recovered to surface and separated for sale along with associated reservoir gas. Gas associated with the well flow-back is currently being flared to ensure safety of all well-site personnel.



Figure 1 – Cambay 77H Flare

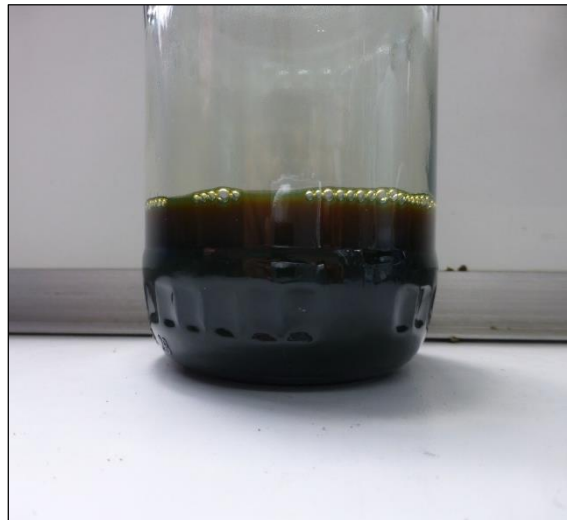


Figure 2 – Cambay-77H recovered light oil

After carefully monitoring well flow-back operations under controlled conditions Cambay-77H continues to exhibit characteristics of a high performance multistage frac'd horizontal well.

The well is currently cleaning up and Oilex will advise the market of a stabilized flow rate via a production test once frac fluid return and clean-up operations have been completed. The recovery of ~API 50 light crude during flow-back operations has been particularly encouraging indicating higher than expected liquid hydrocarbon production. Measuring these liquids will provide valuable information regarding the quality of the 8 fracture stimulations and the deliverability of the reservoir.

Managing Director of Oilex, Ron Miller, said;

“We are very pleased that Cambay-77H is exhibiting all of the signs of a high performance well for Oilex. Flowback started very strongly and remains on track to take 2 to 3 weeks. The recovery of light oil/condensate with the gas under clean-up flow this early in the flow-back phase is considered positive and the hydrocarbon liquid volume exceeded our expectations. Oilex looks forward to commencing the production testing after sufficient frac fluids have been recovered from the well and the flow has stabilised.”

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.

MMbbls	Millions of barrels
BCF	Billions of standard cubic feet of natural gas
Bpd	Barrels per day
Bopd	Barrels of oil per day
SCF	A cubic foot of natural gas measured at standard conditions
MSCF	One thousand cubic feet of natural gas measured at standard conditions
scf/bbl	Cubic feet of natural gas (measured at standard conditions) per barrel
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.