

09 June 2014

Company Announcements Office
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CAMBAY-77H WELL – Fracture Stimulation Operations Update

- Equipment arriving at Cambay-77H Well Site (“Site”) and set up has commenced
 - Initial preparatory operations are progressing
 - Stage 1 fracture stimulation anticipated to commence next week
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Oilex Ltd (ASX: OEX, AIM: OEX) is pleased to announce that Schlumberger equipment for the fracture stimulation programme has started to arrive at Site from its previous contract, following an inspection and maintenance period. Other preparatory activities for the Cambay-77H Well have also commenced to ensure readiness for the Stage 1 fracture stimulation next week.

These activities include:

- Acquisition of a cement bond log to ascertain the condition of the cement surrounding the 4½ inch production casing.
- Inspection, testing and installation of the 10,000psi fracture stimulation tree
- Filling frac water storage pit with ~21,000 bbls of water
- Coiled Tubing mobilisation, with initial operations to:
 - Clean and gauge the inside of the 4½ inch production casing
 - Calibrate the locations of the perforation clusters for each stage
 - Cambay-77H “toe prep” including Stage 1 perforations

Oilex has been working closely with Schlumberger to monitor the progress of their prior contract in SE India and Oilex inspected the equipment at this location. A further inspection, testing and maintenance cycle is planned at the Site, subsequent to transporting the equipment ~1500km by road. This seeks to minimise the risk of equipment downtime during operations but requires some additional time as equipment and material are positioned on the Site well pad (Figure 3).

Cleaning and gauging the 4½ inch production casing is another risk mitigation measure arising from Cambay-76H lessons learned. Cleaning operations are imperative prior to any perforations to ensure a high quality operational result is achieved. Finally, Schlumberger worldwide centres of excellence have reviewed the planned coil tubing operations and fracture stimulation programme to ensure these maximize the chance of a trouble free result.

As previously reported, Cambay-77H intersected the primary reservoir target (Y Zone) on prognosis. A comprehensive suite of logs has been acquired and preliminary interpretation confirms the wellbore encountered a significant sequence of hydrocarbon-bearing reservoir similar to Cambay-76H. The Cambay-77H logs also 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-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, this well was suspended before testing due to downhole mechanical problems.

Cambay-77H has a modified completion with cemented 4 ½" production casing to minimise risk associated with post-frac milling operations. A shorter lateral section (350m) in Cambay-77H coupled with a conventional "plug and perf" method is expected to facilitate the primary goal of the well – recording hydrocarbon flow information at surface during a production test.

During the fracture stimulation operations, Oilex will inform the market using the following update milestones.

- Commencement of the Stage 1 fracture stimulation
- Completion of the fracture stimulation programme (consisting of 4 Stages)
- Completion of the plug mill-out operations

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;

"The drilling rig moved off site within the forecast 3 week period and is currently stored immediately adjacent to the Cambay-77H well pad. The fracture stimulation mobilisation is taking slightly longer than forecast due to the duration of Schlumberger's prior commitment, which was out of Oilex's control. The close working relationship between Schlumberger and Oilex has enabled activities to now progress as planned. This should culminate with the production testing of Cambay-77H commencing in August 2014, after a flowback and well clean up period. We look forward to the next few weeks of fracture stimulation and well testing activities."

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.

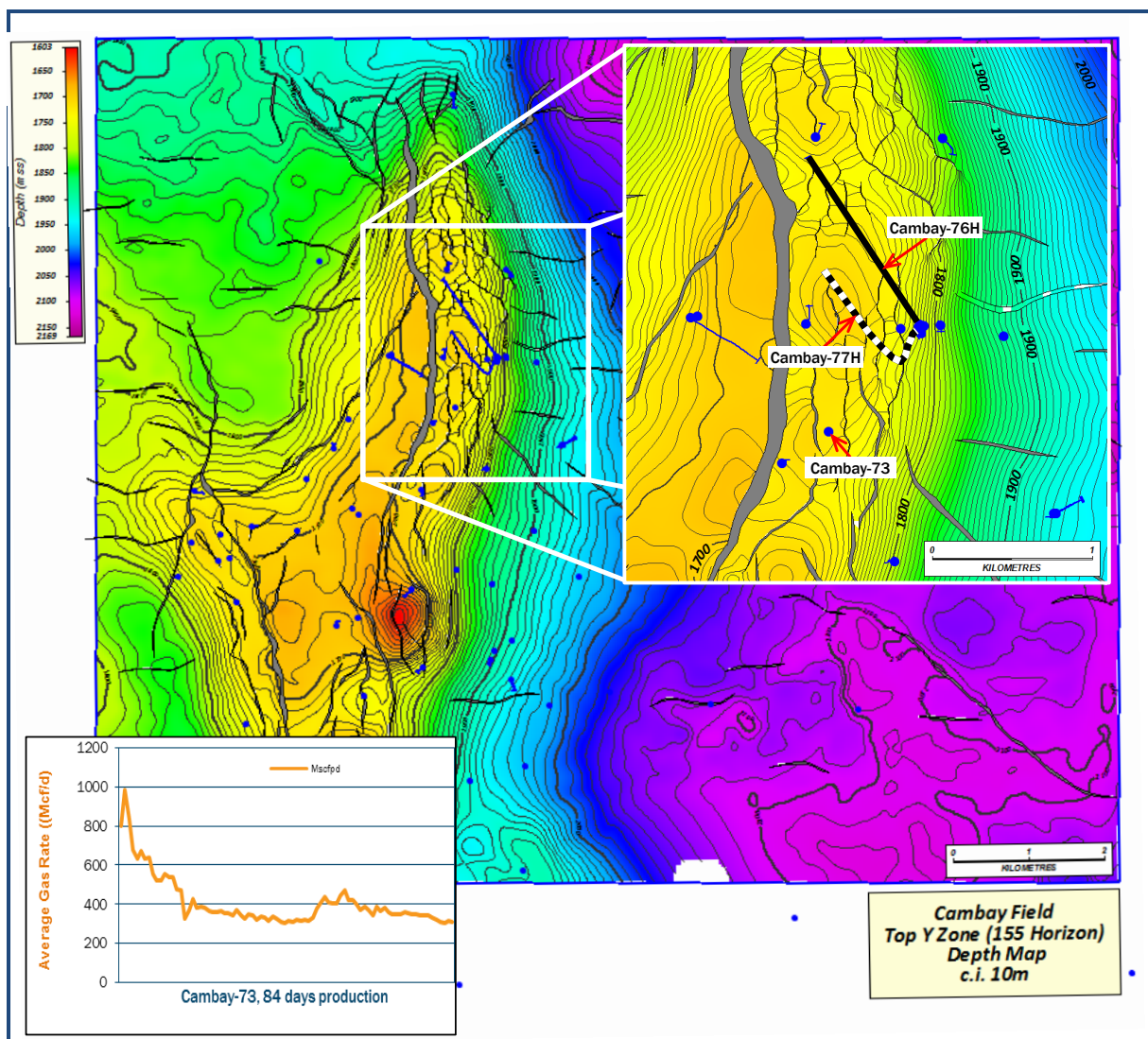


Figure 1: Cambay-77H well position relative to Cambay-76H and Cambay-73

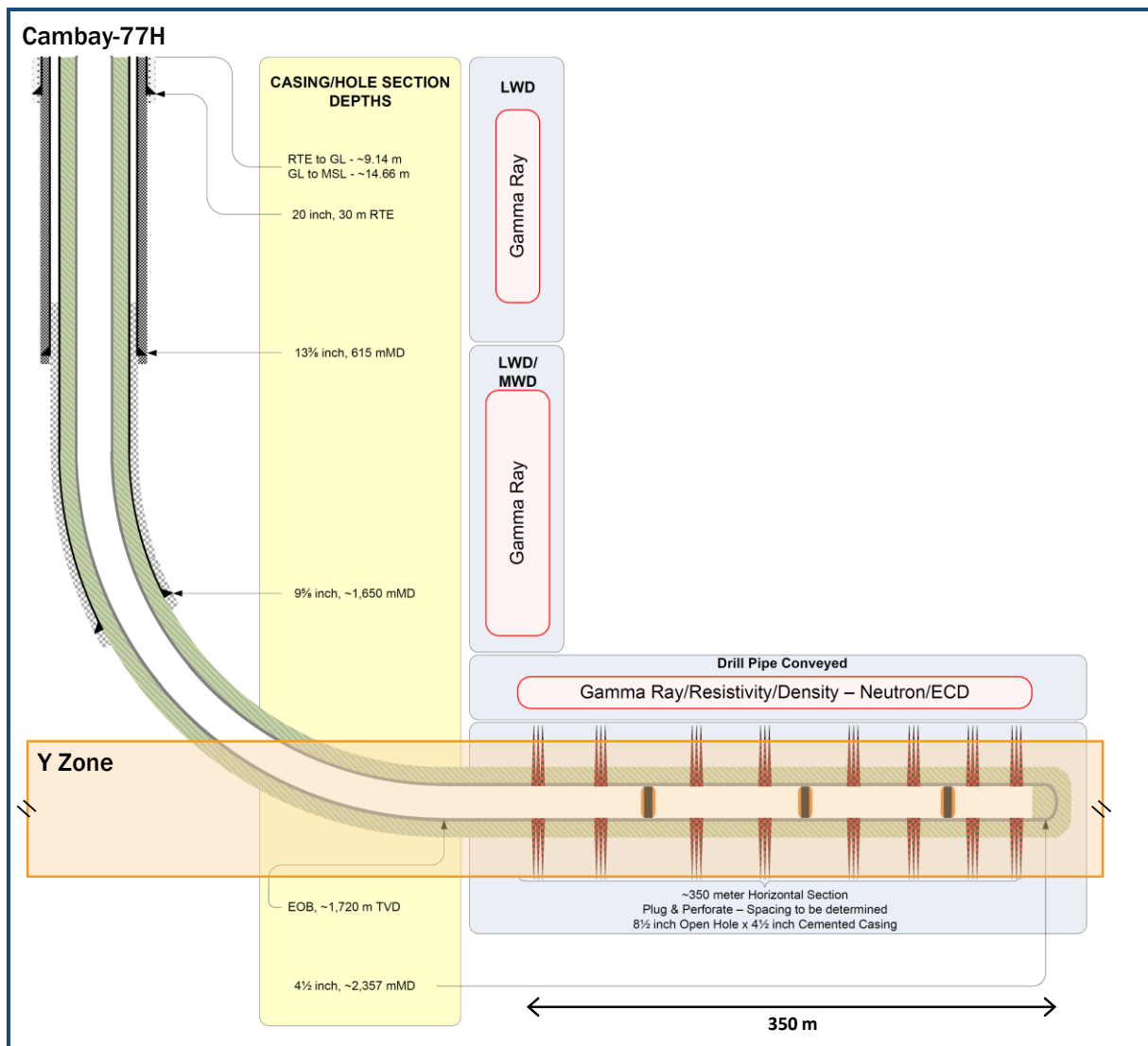


Figure 2: Cambay-77H well configuration

Cambay-77H Fracture Stimulation Site Layout

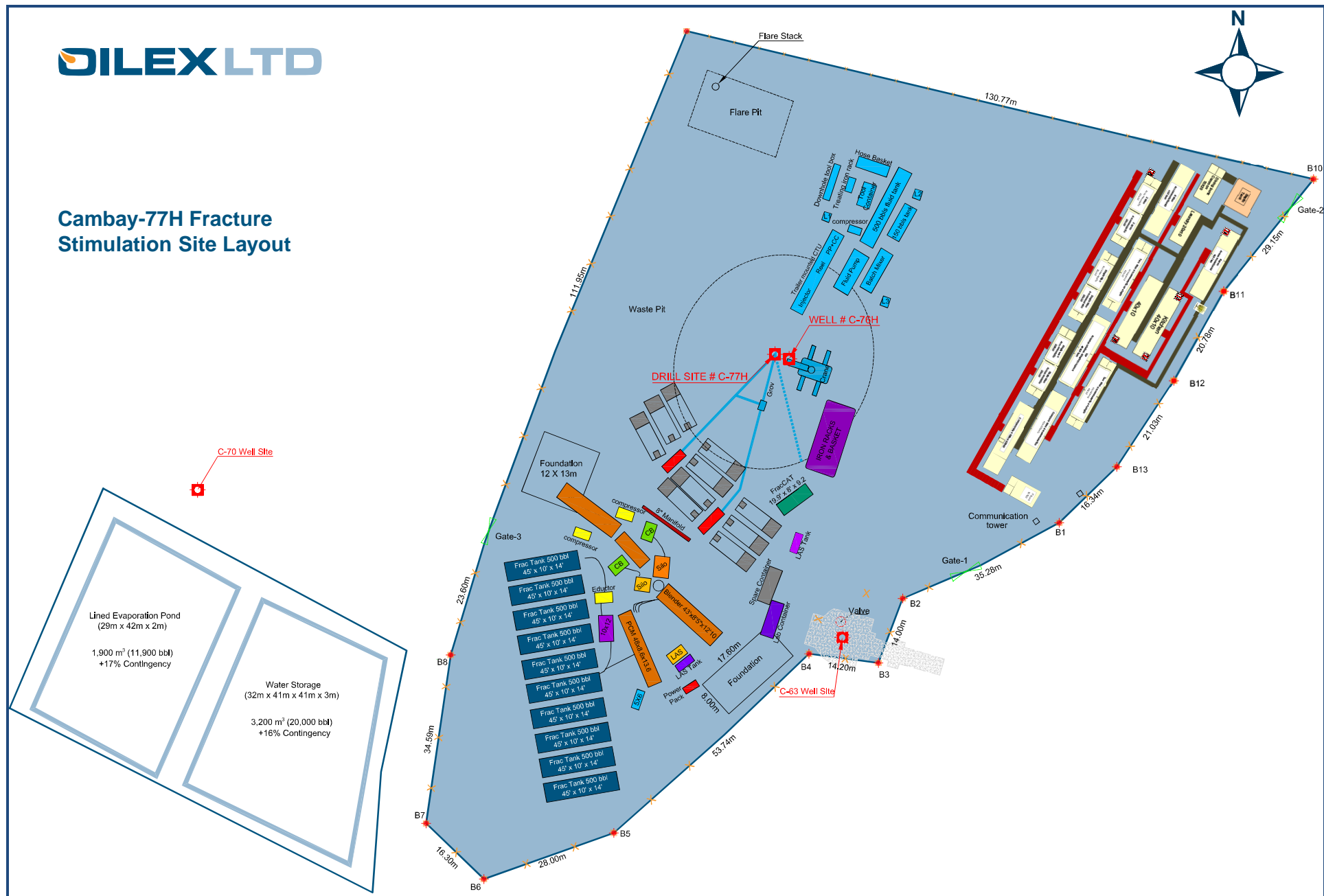


Figure 3: Cambay-77H Fracture Stimulation Site Layout