



MULTI-TCF ONSHORE GAS IN INDIA

JAN/FEB 2017

OILEX LTD

www.oilex.com.au
twitter @oilexLtd

IMPORTANT INFORMATION

Nature of the presentation

This presentation has been prepared by Oilex Ltd (Oilex). It is current as at the date of this presentation. It contains information in a summary form and should be read in conjunction with Oilex's other periodic and continuous disclosure announcements to ASX and AIM available at: www.oilex.com.au.

No advice, recommendation, offer or invitation

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial advice or financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation, satisfy themselves as to the accuracy of all information contained herein and, if necessary, seek independent professional advice.

Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the issue or sale or an arrangement to issue or sell securities or other financial products in any jurisdiction.

Neither the information in this presentation nor any other document relating to this presentation has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published. This presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom. Neither this presentation nor the information contained in it should be disclosed by recipients to any other person in the United Kingdom.

Any securities described in this document have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 (as amended) and any applicable securities laws of any state or other jurisdiction of the United States.

IMPORTANT INFORMATION

Risks and forward looking statements

An investment in Oilex shares is subject to known and unknown risks, many of which are beyond the control of Oilex. In considering an investment in Oilex shares, investors should have regard to (amongst other things) the risks outlined in this presentation and in other disclosures and announcements made by Oilex to the ASX and AIM.

This presentation contains statements (including forward-looking statements), opinions, projections, forecasts and other material, based on various assumptions. Those assumptions may or may not prove to be correct. All forward-looking statements involve known and unknown risks, assumptions and uncertainties, many of which are beyond Oilex's control. There can be no assurance that actual outcomes will not differ materially from those stated or implied by these forward-looking statements, and investors are cautioned not to place undue weight on such forward-looking statements.

Disclaimer

To the extent permitted by law, Oilex, its directors, officers, employees, agents, advisers and any person named in this presentation:

- give no warranty, representation or guarantee as to the accuracy or likelihood of fulfilment of any assumptions upon which any part of this presentation is based or the accuracy, completeness or reliability of the information contained in this presentation; and
- accept no responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation.

Resource estimates

The resources assessment follows guidelines set forth by the Society of Petroleum Engineers - Petroleum Resource Management System. The Cambay Field resource estimates within this presentation are based on information and data contained within Oilex's market release dated 24 June 2016. Oilex confirms that it is not aware of new information or data that materially affects the information included in the market release dated 24 June 2016 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

CAMBAY – UNLOCKING VALUE

- 1 Cambay Basin – prolific hydrocarbon occurrences with long history of production
- 2 Large tight gas resource estimate confirmed – requires technology shift to commercialise
- 3 Oilex driving technology shift – two horizontal wells drilled and stimulated
- 4 Declining India domestic gas production and growing LNG imports
- 5 Oilex has ten year operating history in India with infrastructure in place
- 6 Legacy challenges being worked through
- 7 Low cost options to advance the project utilising existing core

SETTING THE SCENE



OILEX

BACKGROUND

Head office in Perth, Western Australia

Project office in Gandhinagar, Gujarat, India

Main project in India, tight gas in prolific Cambay Basin

Operated in India for approximately 10 years; several wells drilled

Dual listed ASX & AIM



COMPANY PROFILE

REVITALISED TEAM

BOARD & MANAGEMENT

Max Cozijn	<i>Non-executive Chairman</i> Over 35 years experience in administration of listed companies.
Brad Lingo	<i>Non-executive Director</i> Over 30 years of oil and gas leadership roles, a recognised oil and gas industry leader.
Joe Salomon	<i>Managing Director</i> Over 30 years experience in the upstream industry in senior management and technical positions in small and large companies. Experience in the Indian oil and gas industry over 20 years.
Mark Bolton	<i>Chief Financial Officer</i> Over 25 years experience the resources sector. Specialist in financing resource projects internationally with extensive experience in debt and equity markets in a number of jurisdictions including ASX, AIM, LSE and TSX.



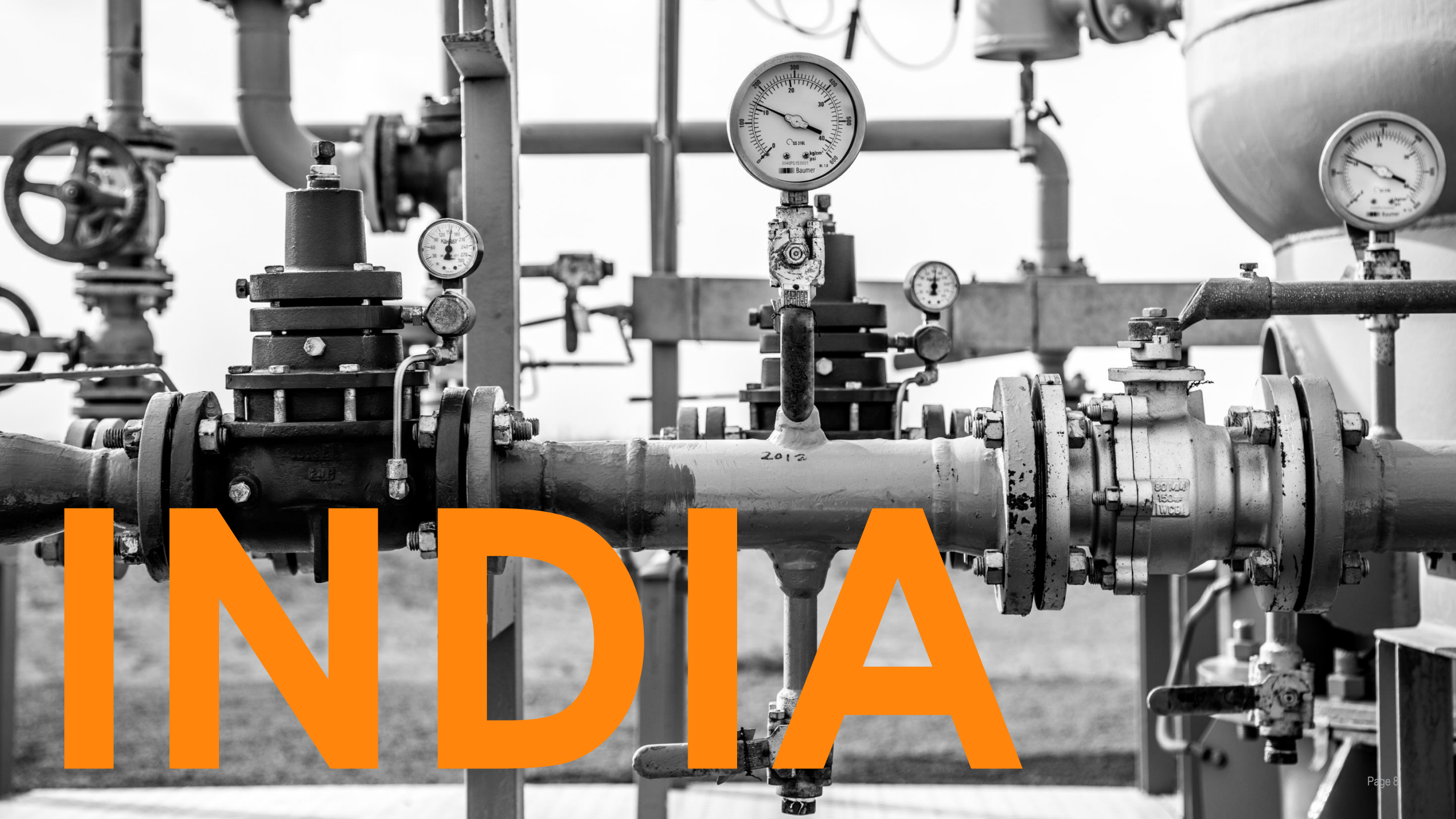
CAPITAL STRUCTURE

OEX	AIM	ASX
Share price (25 January 2017)	£0.0048	\$0.008
Market capitalisation (million)	£5.7	\$9.5
Ordinary shares (million)	1,193	
Unlisted options (million)	10.25	

Substantial Shareholders:

Magna Energy Limited	10.15%
Zeta Resources Limited	10.28%





INDIA

WHY INDIA

STRONG ENERGY FUNDAMENTALS

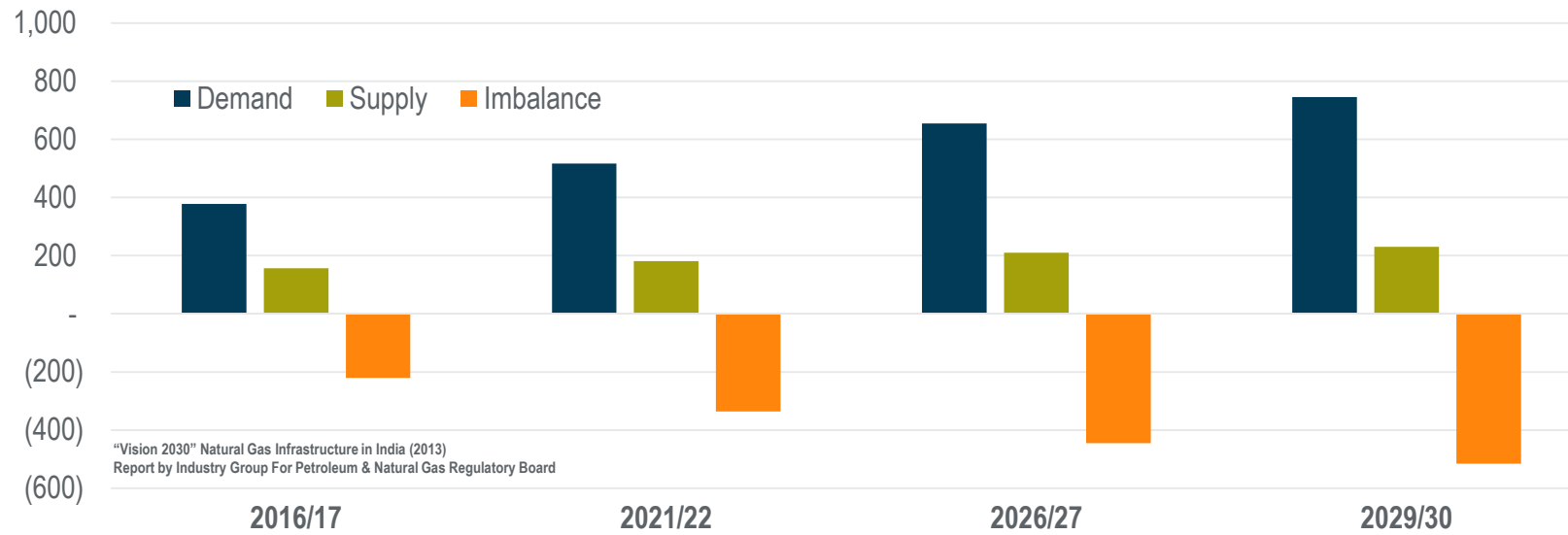
BP Statistical Review
of World Energy June
2015 and 2016 YOY

Primary energy consumption in India grew by 5.2% in 2015

Domestic natural gas production fell 3.8% in 2015

LNG imports increased by 14.8% in 2015

INDIA DOMESTIC NATURAL GAS DEMAND SUPPLY



Gap between production and consumption forecast to grow over next decade



India aims to double LNG import capacity to 50 mn tonnes a year

By PTI | Updated: Oct 13, 2016, 04:31 PM IST

Post a Comment

READ MORE ON » oil | LPG | Dharmendra Pradhan

NEW DELHI: India plans to more than double its annual LNG import capacity to 50 million tonnes in the next few years, Oil Minister Dharmendra Pradhan said today.

Also, as part of strategy to move towards a gas-based economy, the first LNG-driven bus is likely to start plying in Kerala early next month, he said.



The nation currently has capacity to import 21 million tonnes per annum of super-cooled gas (liquefied natural gas or LNG) in ships. This liquid gas is turned back into gaseous state, called regassification, before being supplied to customers like power plants.

Also, as part of strategy to move towards a gas-based economy, the first LNG-driven bus is likely to start plying in Kerala early next month, Dharmendra Pradhan said.

“We currently have LNG import and regassification capacity of 21 million tonnes. This we plan to raise to 50 million tonnes in the next few years,” he said here.

While globally natural gas makes up for 24 per cent of the energy basket, it is just 6.5-7 per cent in India. “We would like to raise the share of natural gas in the energy basket to 15 per cent in the next 3-5 years,” he said.

PROJECT BACKGROUND

A man with dark hair, wearing a white short-sleeved button-down shirt, is shown in profile from the chest up. He is pointing his right hand towards a large sheet of graph paper mounted on a wall. The graph paper contains technical drawings, including a vertical cross-section of a pipe or tube with various annotations and lines. The background is a light-colored wall with a vertical decorative strip of orange and yellow patterns. The overall scene suggests a professional or academic setting, possibly a classroom or a workshop.

SIZE OF THE PRIZE

CAMBAY PSC

LOCATION AND OWNERSHIP

40,000 acres

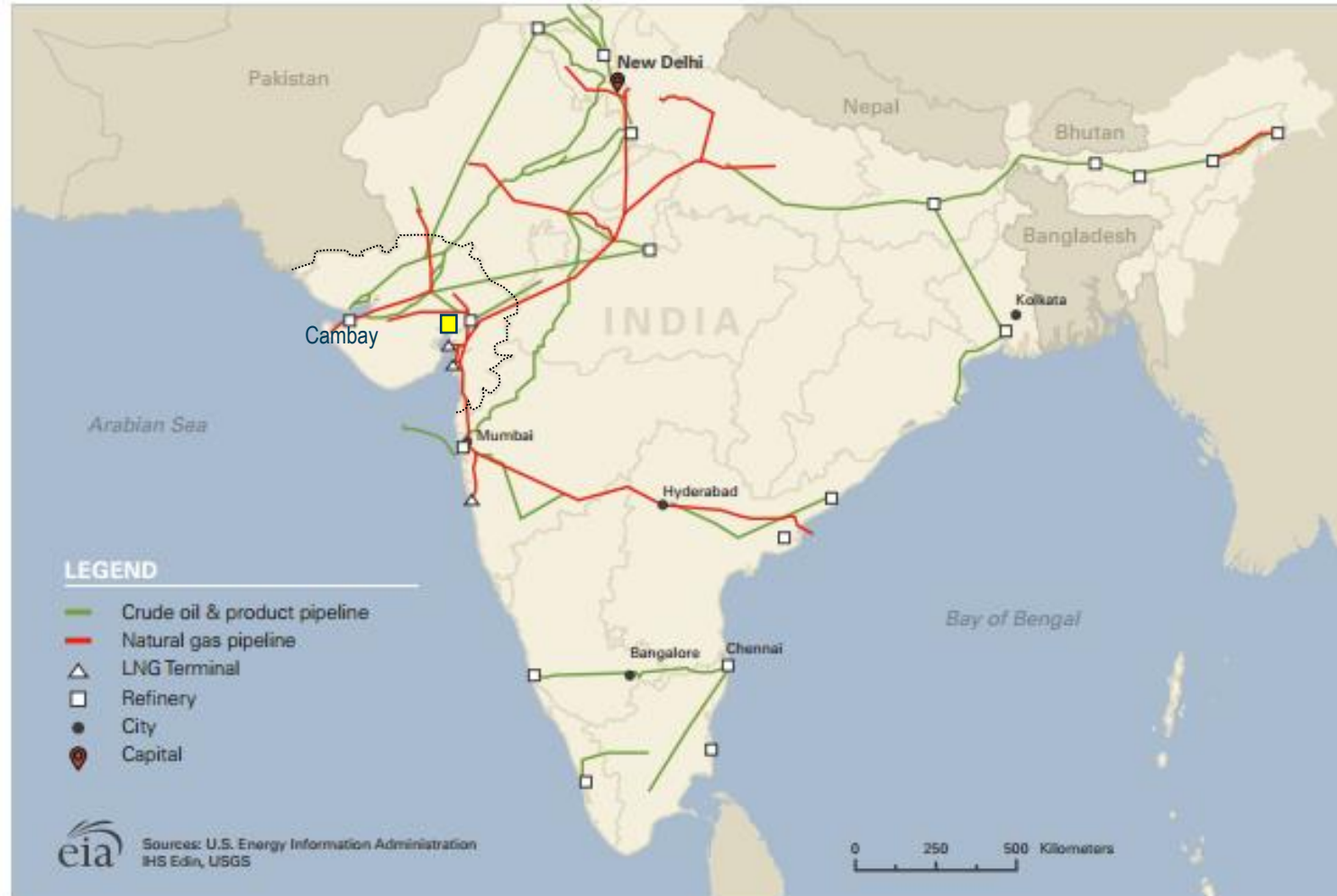
Nearby to national pipeline infrastructure

Gujarat State is one of India's major industrial regions

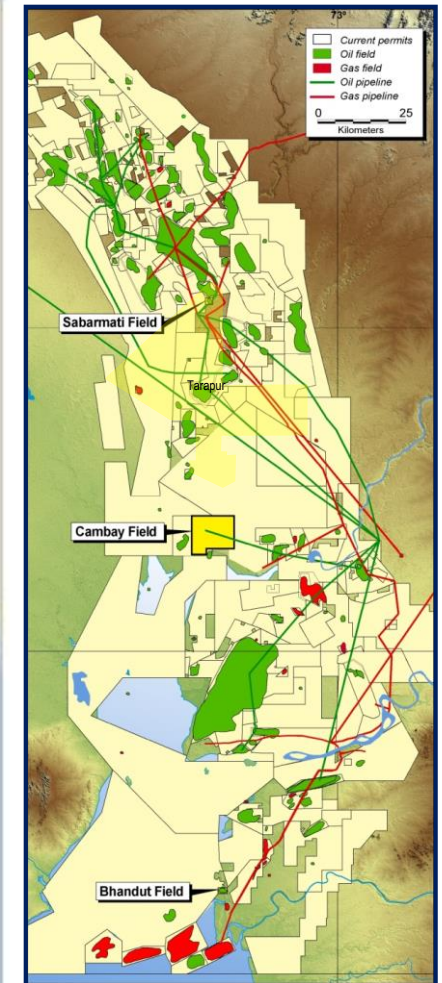
Oilex – 45%

GSPC – 55%

Oilex is Operator



India – Pipeline Map



Cambay Basin Map

CAMBAY PROJECT

MULTI-TCF TIGHT GAS PLAY

Gas in place confirmed in multiple horizons, producing since 1961

Work historically focussed on production from shallower Miocene and Oligocene oil and gas pools (MBS & OS-II); potential for unswept areas remain

Oilex is targeting multi-TCF low permeability, wet gas zones in Eocene section in the EP-IV horizon

Opportunity to apply North American “shale” technology in India



OILEX LTD



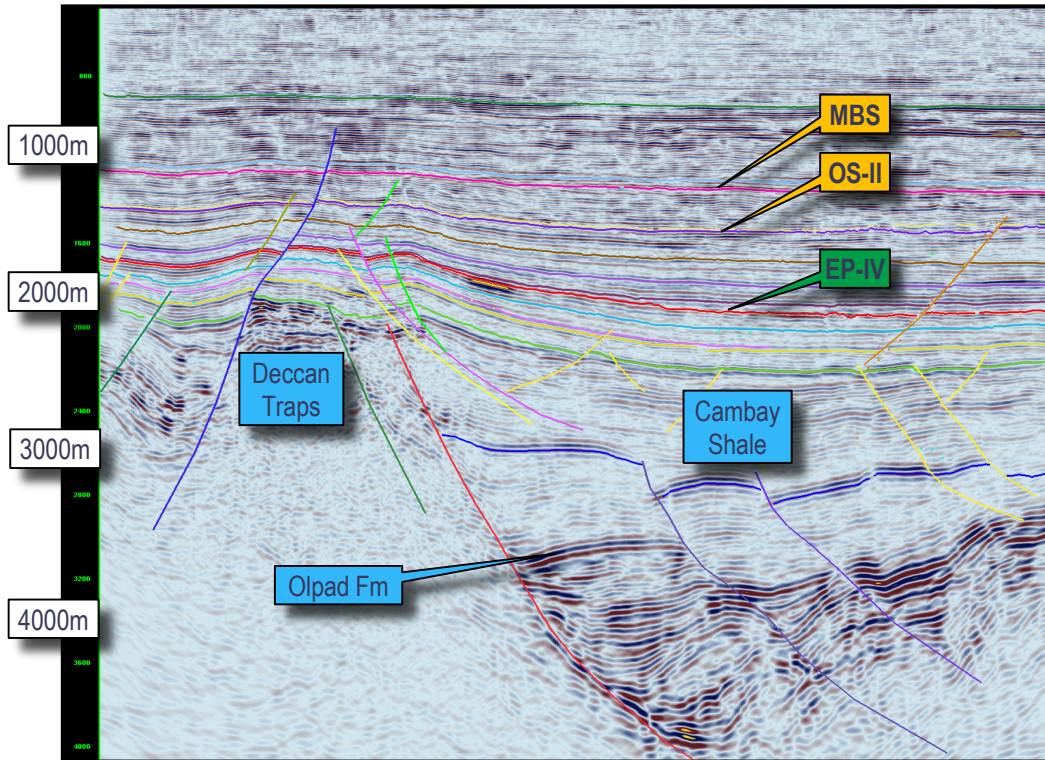
Cambay-73 Production Well Head

CAMBAY FIELD

IDENTIFIED HYDROCARBONS: MULTIPLE HORIZONS

Hydrocarbon saturations and production in multiple zones in many old wells

Entire contract area covered by quality 3D seismic

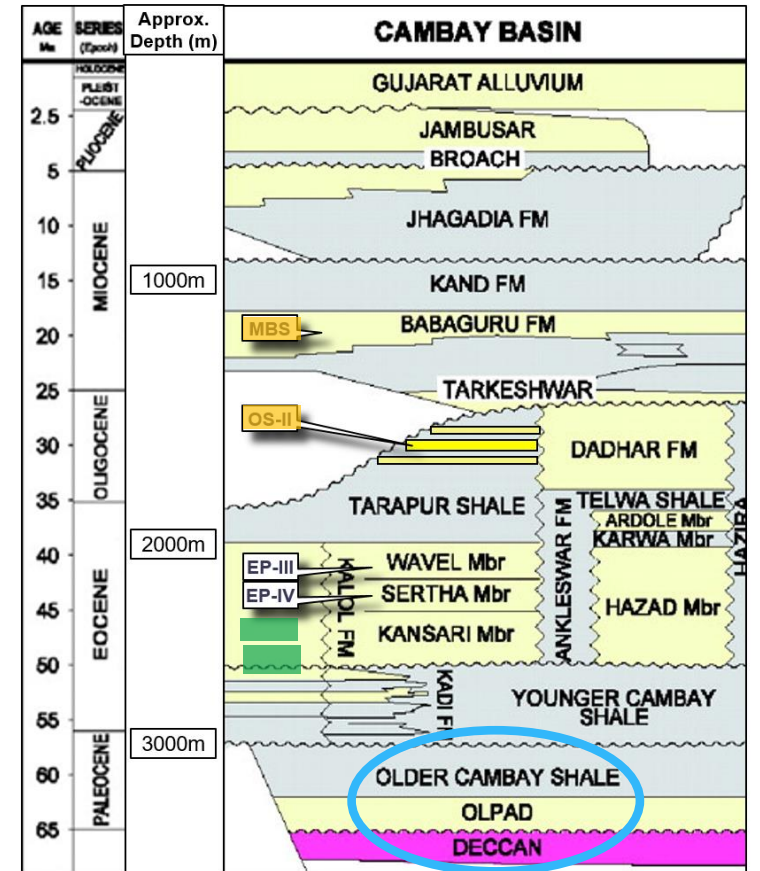


Representative east-west Seismic line over Cambay High

Conventional Production
Potential unswept areas
in OS-II

Tight Gas
Multi-TCF Resource
N American Technology

Exploration Upside
Under-explored



Stratigraphic Column

TIGHT GAS TARGET

EP-III/IV SILTSTONE (X/Y ZONE)

Over 30 historic wells have intersected EP-IV in Cambay PSC

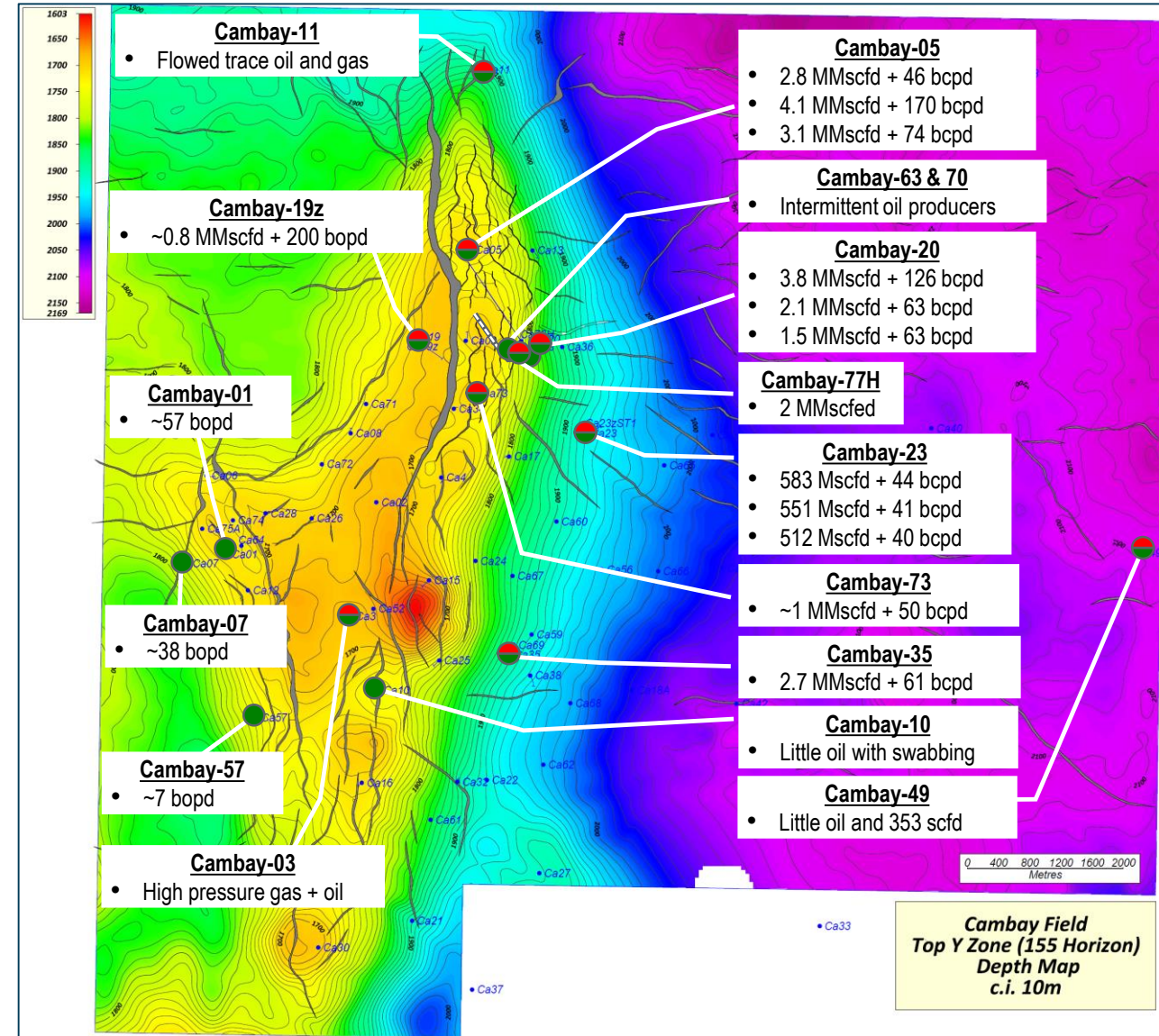
16 wells tested oil and gas to surface

Many of the remaining wells had indications of hydrocarbons

Oilex has drilled 2 horizontal multi-stage stimulated wells

C-76H well failed due to mechanical issues

Low rate production established from C-77H well



RESOURCE STATEMENT

PREPARED BY RISC*

Contingent Resource for EP-III / IV (X / Y Zone) – 100%

Gas volume (bcf)			Condensate Volume (million bbl)		
1C	2C	3C	1C	2C	3C
478	926	1616	27	61	121

Table shows gross 100% recoverable volumes contingent on but not limited to: re-instating plan for drilling of additional wells, partner approvals, funding approvals, securing extension of the PSC post September 2019

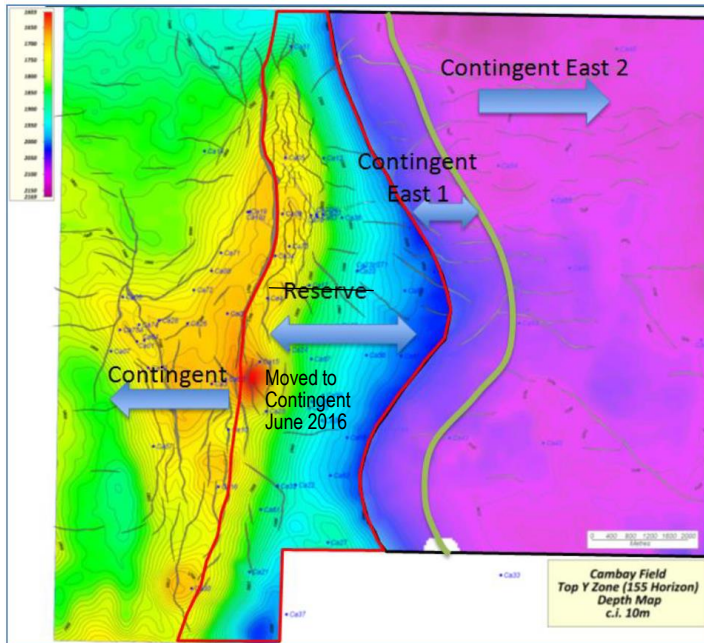
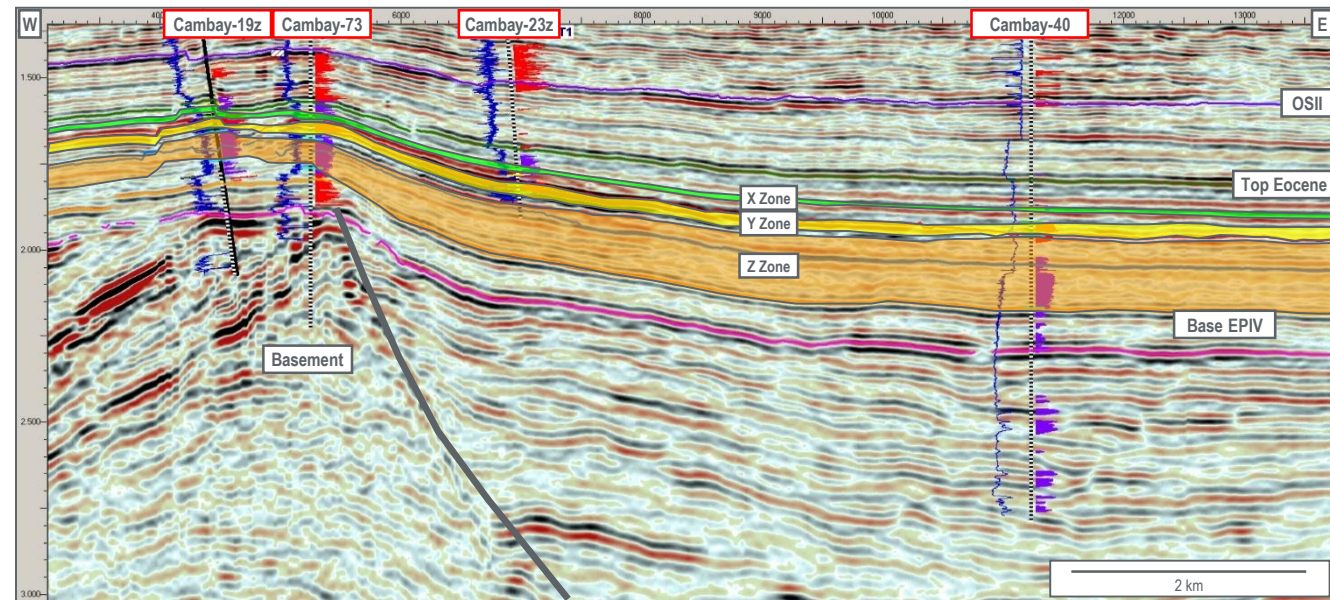


Figure 4-1 Y zone resource classification regions

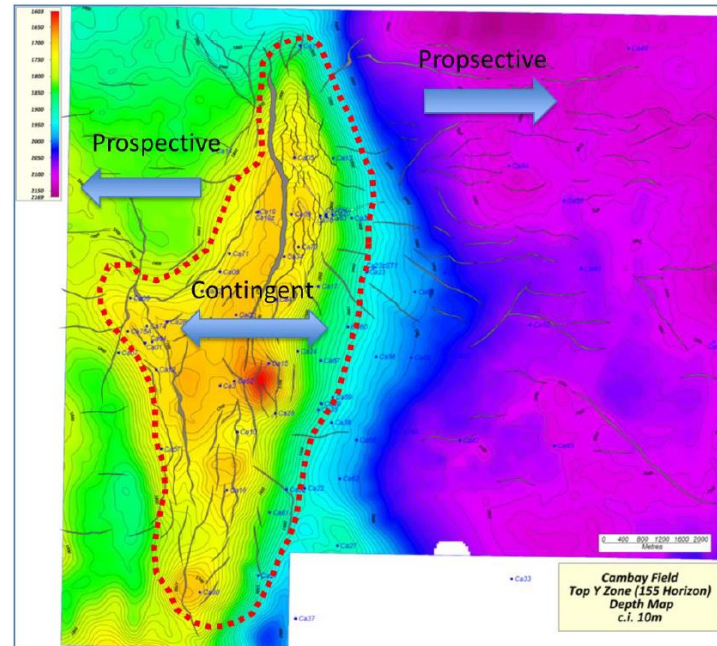


Figure 4-3 X zone resource classification regions

Total Contingent and Prospective In Place Resources

Total resource (gross)	Gas in Place (bcf)			
	P90	P50	P10	Mean
Region				
Y Total	1716	2519	3503	2573
X Total	919	1733	2944	1851
X and Y total	3141	4318	5806	4409

Probabilistically combined

Oilex confirms that it is not aware of new information or data that materially affects the information included in the ASX announcement dated 24 June 2016 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



PATH FORWARD

JOINT VENTURE UPDATE

POSSIBLE RE-ORGANISATION

- Oilex submitted conditional offer for 55% GSPC stake in Cambay PSC in December 2016 under a GSPC sales process
- If successful Oilex could increase its equity interest up to a possible 100%
- Potential change in JV partner lends weight to deferring high cost well and focus on lower cost initiative
- Oilex holds pre-emptive right
- Oilex currently paying the greater part of JV costs
- Oilex will consider various strategic options to realise value for shareholders from its Indian assets

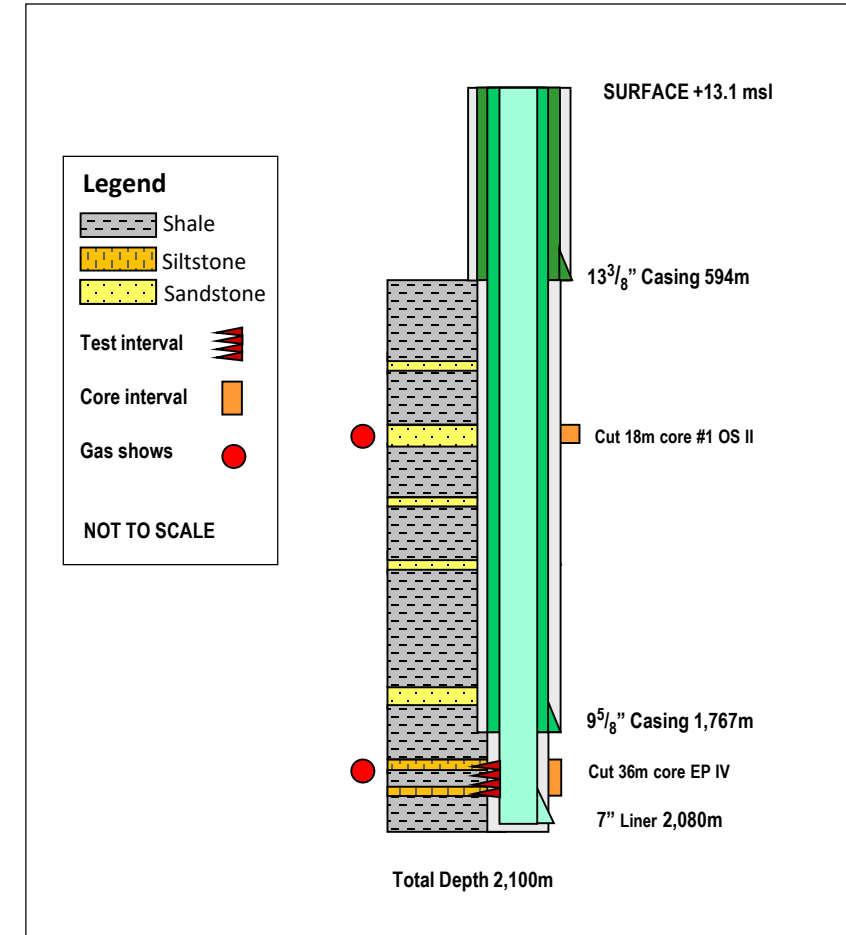


BUILDING VALUE IN 2017

COST MANAGED PROGRAM

- EP-IV tight siltstone requires optimization of drilling and stimulation technologies to achieve commercial flow rates
- Core analysis is an essential tool for geomechanics, fluid chemistry matching and proppant optimisation to potentially improve flow rates
- Existing core has been located from 2008 Oilex well C-23z
- EP-IV core from well C-23z was originally deemed not representative of the PSC area
- Recent expert analysis has confirmed that the core is representative and suitable
- C-23z core analysis provides a lower cost, faster turnaround option before committing to a new well

CAMBAY-23z
Schematic well diagram



UPDATED 2017 ACTIVITY PLAN

LEVERAGING FOR THE FUTURE

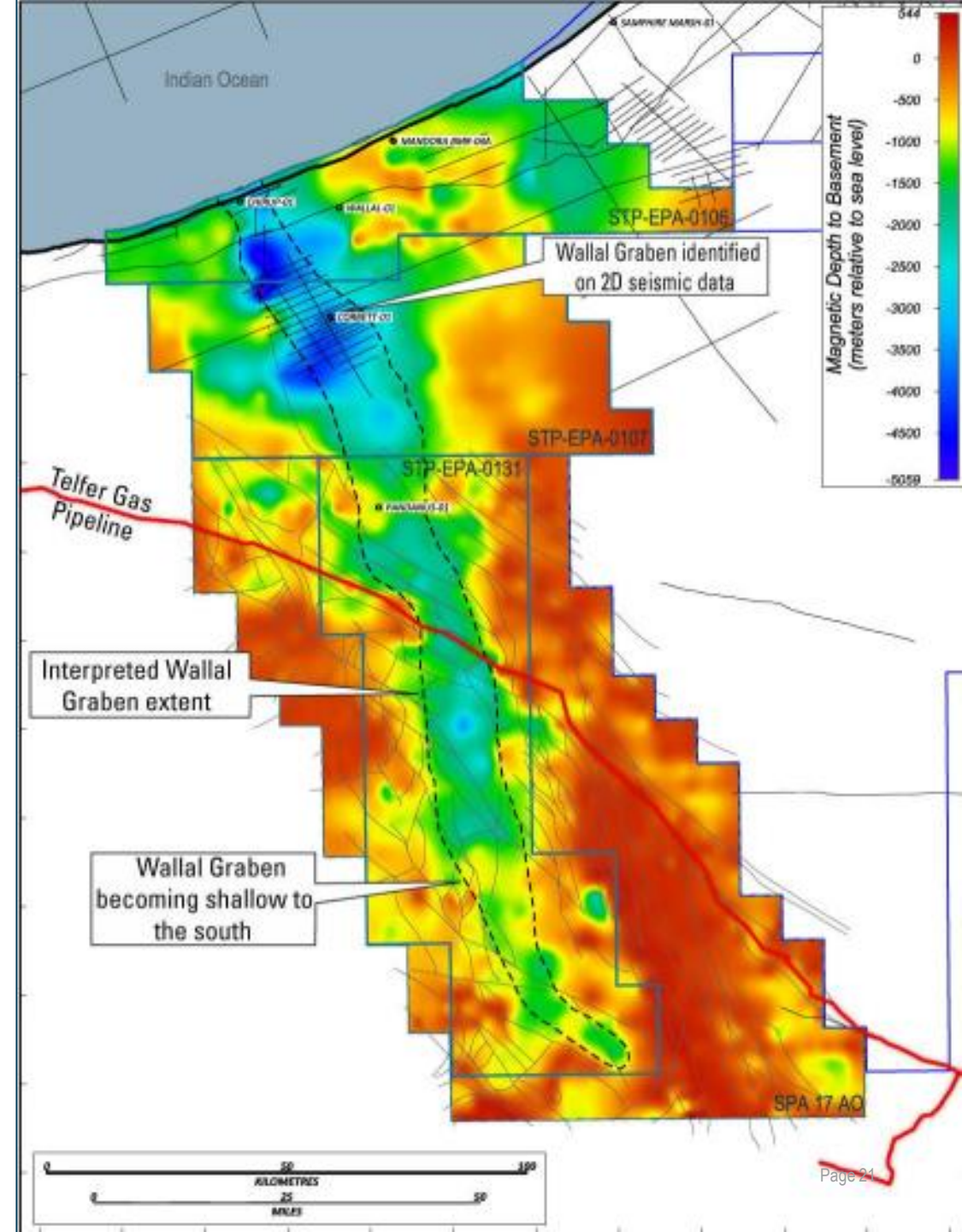
1. Analysis of core to optimise EP-IV tight gas stimulation:
 - Initially through analysis of existing core from Cambay-23z for geomechanical and proppant studies
 - Potential drilling of a new well to assess fluid saturations, geomechanical and proppant
2. OS-II development:
 - Two wells - workover and production testing in the first half of 2017
 - Potential to test OS-II in new well drilled to EP-IV aiming to add reserves from unswept areas
3. Application for PSC extension:
 - PSC expires in September 2019 and requires an application by September 2017 to request an extension
 - OS-II success will provide the basis for an application
 - Ten year extension possible under Government of India policy

Subject to an extension of the PSC, proceed with a potential EP-IV tight gas development



ANNEXURE

AUSTRALIAN EXPLORATION



OILEX IN AUSTRALIA

LARGE EXPLORATION UPSIDE, CANNING BASIN, WA

Access to entire sub-basin

Approximately 3 million acres

Frontier exploration – East African Rift analogue

Multiple play types anticipated

Large structural closures

Extensive fan systems

Potential resource play

Seeking potential farm-in partners

100% participating interest

Applications pending grant of permit by government and final acceptance by Oilex

