



NATURAL GAS IN THE WORLD'S FASTEST GROWING ECONOMY

OILEXLTD

**RIU GOOD OIL CONFERENCE
SEPTEMBER 2017**



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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.

OIL AND GAS FOCUS IN INDIA

- 1) World's third largest petroleum consumer
- 2) India fastest growing large country by GDP at ~7%
- 3) Government recognises criticality of energy supply: Oil and gas a key contributor to MAKE IN INDIA initiative
- 4) Government proactively promoting oil and gas opportunities and foreign investment
- 5) Domestic production declining and LNG imports increasing
- 6) India has proven oil reserves of 5 Bn BBL & proven gas 54 TCF

Oilex operates Multi-TCF gas resource at Cambay PSC



A MAJOR NATIONAL INITIATIVE. DESIGNED TO FACILITATE INVESTMENT. FOSTER INNOVATION. ENHANCE SKILL DEVELOPMENT. PROTECT INTELLECTUAL PROPERTY. AND BUILD BEST-IN-CLASS MANUFACTURING INFRASTRUCTURE. THERE HAS NEVER BEEN A BETTER TIME TO MAKE IN INDIA.

<http://www.makeinindia.com/home>

SETTING THE SCENE



OILEX

BACKGROUND

Perth Head Office

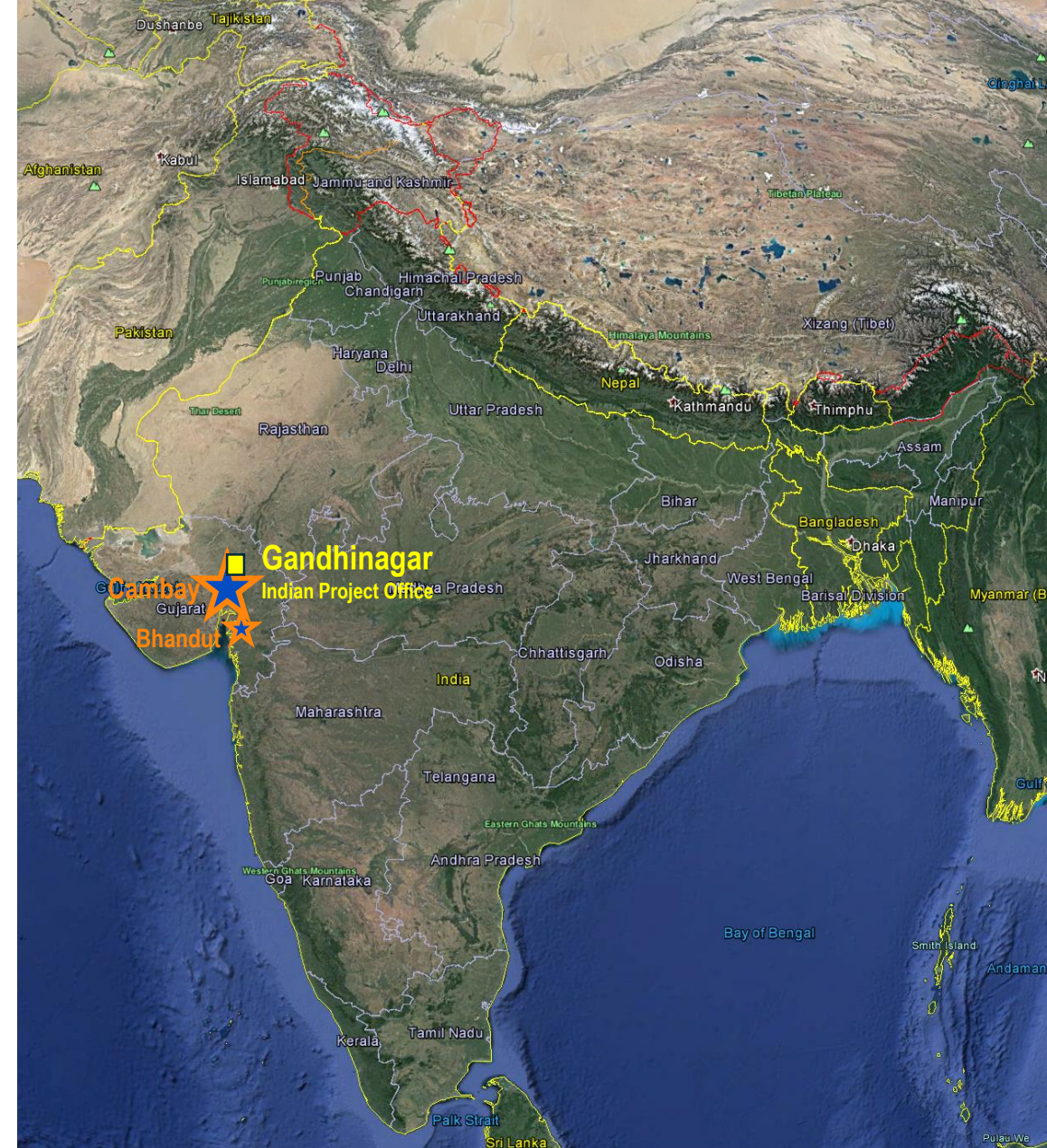
Project office in Gandhinagar, Gujarat, India

Operating in India for over 10 years; nine wells drilled

One of very few foreign companies in the sector

Dual listed ASX & AIM

CAPITAL STRUCTURE		
OEX	AIM	ASX
Share price (8 September 2017)	£0.002	\$0.003
Market capitalisation (million)	£3.1	\$5.1
Ordinary shares (million)	1,698	
Unlisted options (million)	275	
Substantial Shareholders:		
Zeta Resources Limited	7.14%	
Magna Energy Limited	6.73%	



COMPANY PROFILE

REVITALISED TEAM

Revitalised board and senior management in 2016

2016/17 saw resolution of many legacy issues

Appointed UK NED in May 2017

Recent capital raising in UK

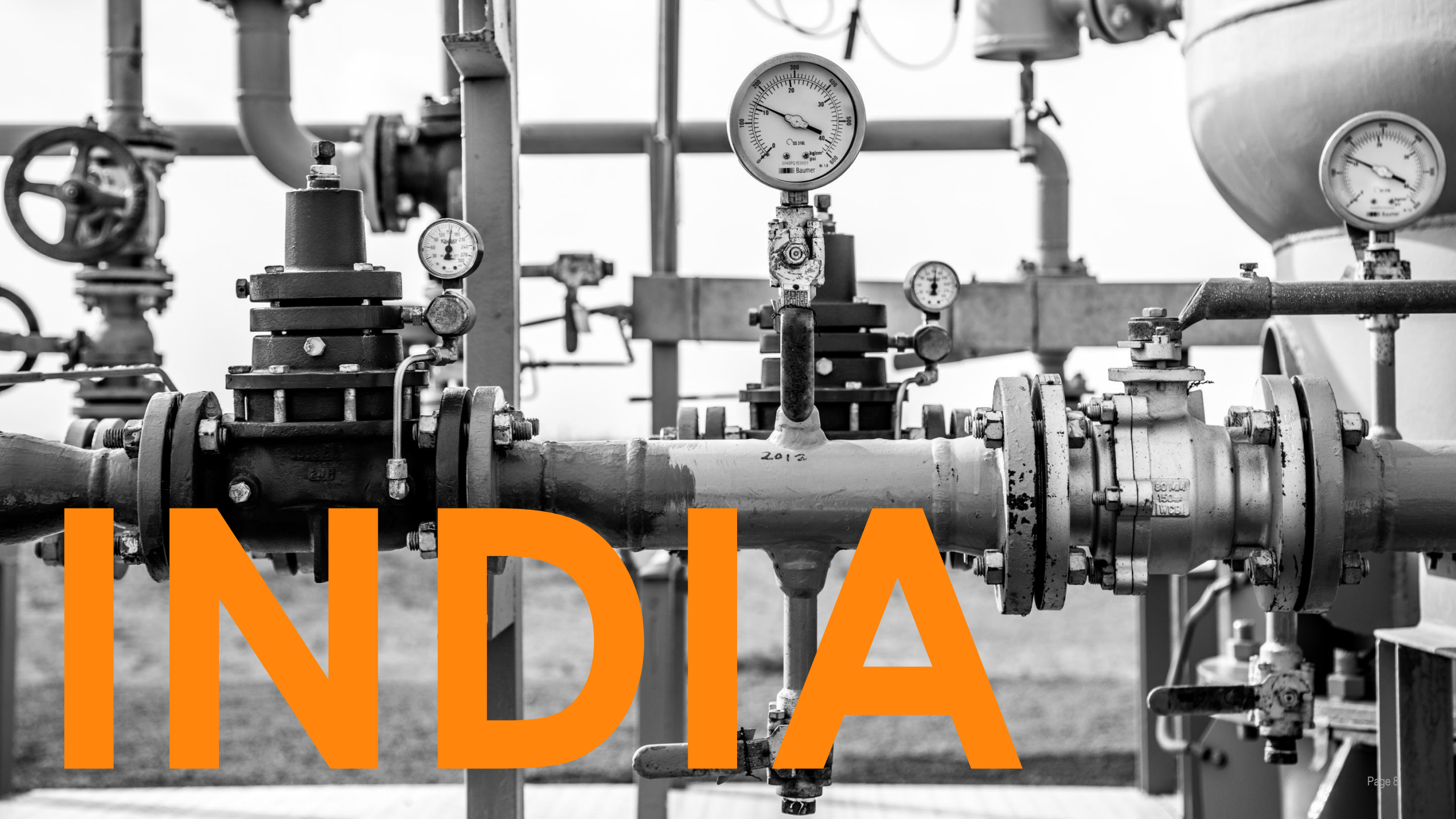
Focus on realising the value in Indian projects

Actively seeking out new opportunities to broaden portfolio



BOARD & MANAGEMENT

Brad Lingo	<i>Non-executive Chairman</i> Over 30 years of oil and gas leadership roles, a recognised oil and gas industry leader. SMH/East Coles S&P/ASX 200 Energy Best CEO of the Year 2014.
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.
Max Cozijn	<i>Non-executive Director</i> Over 35 years experience in administration of listed companies.
Paul Haywood	<i>Non-executive Director</i> Over 14 years international experience in delivering value for his investment network through a blended skill-set of corporate and operational experience, including six years in the Middle East. Domiciled in the UK.
Mark Bolton	<i>Chief Financial Officer</i> Over 25 years experience in 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.
Ashish Khare	<i>Head of India Assets</i> Over 20 years experience in the petroleum Industry in upstream, midstream and downstream project implementation and operation. Experience working for Indian companies including Reliance Petroleum, Enron and Cairn India.



INDIA

WHY INDIA

STRONG ENERGY FUNDAMENTALS

World's
Fastest
Growing
Economy

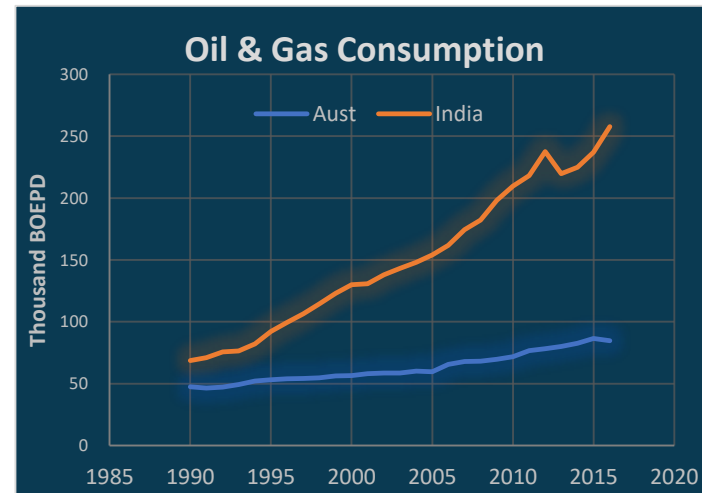
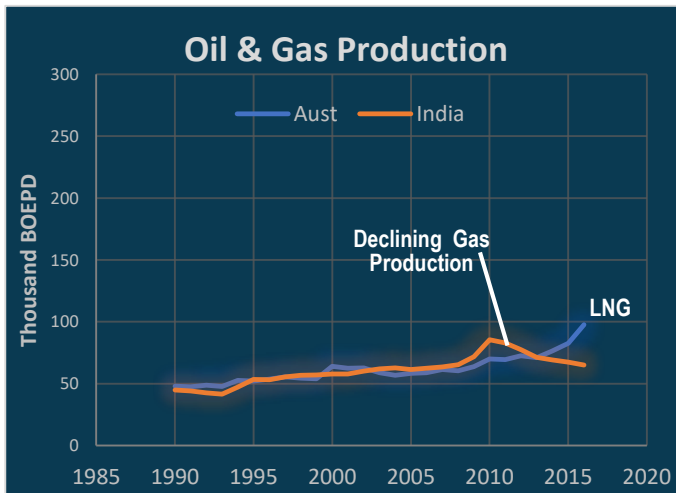
Under-
explored
Prolific
Basins

Oil & Gas
Demand
Increasing

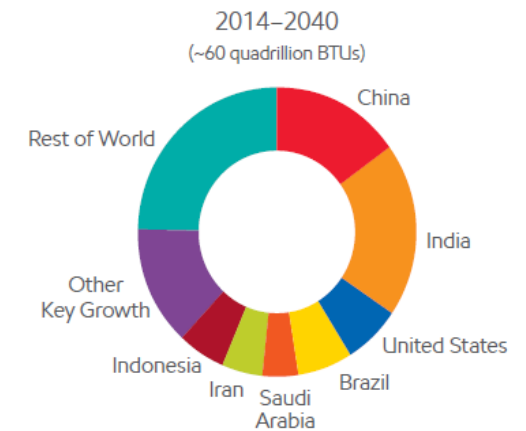
80% of oil
imported

Doubling
of LNG
Imports

Forecast
Largest
Energy
Market



Source: BP Energy Outlook for India to 2035



ExxonMobil the Outlook for Energy: A View to 2040

CAMBAY PROJECT



OILEX MAIN PROJECT

CAMBAY PRODUCTION SHARING CONTRACT

40,000 acres

Discovered Gas and Oil

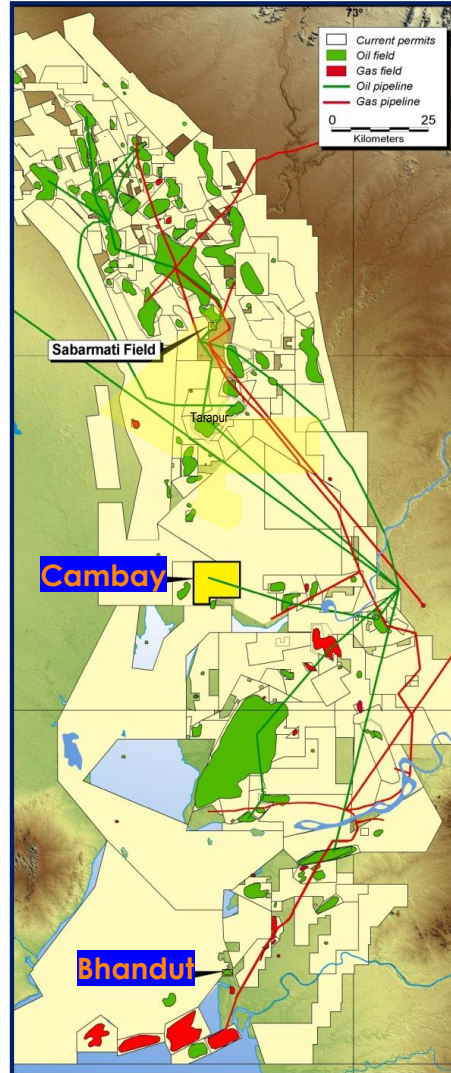
Close to national pipeline infrastructure

In Gujarat State: one of India's major industrial regions

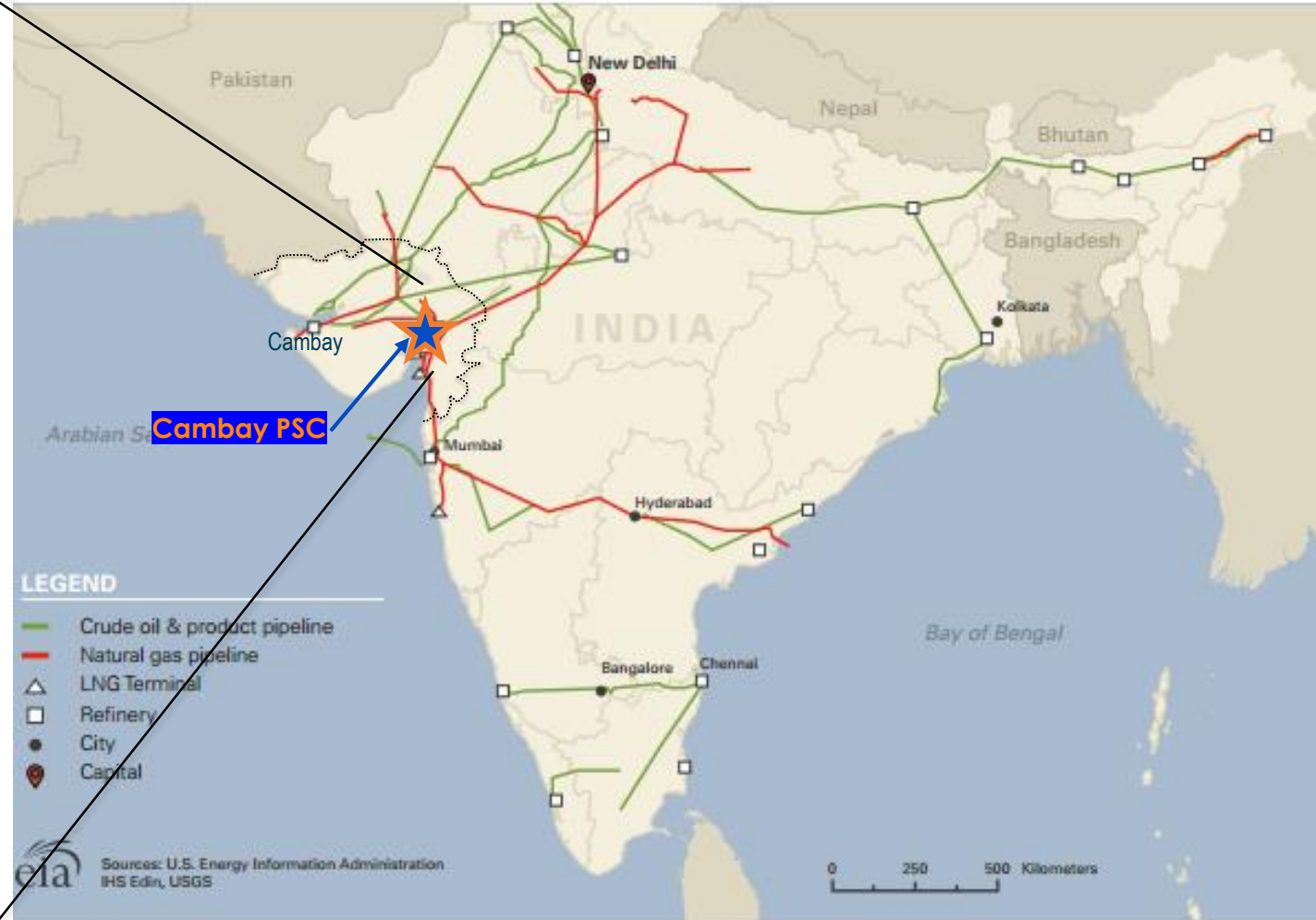
In heart of prolific Cambay Basin

Oilex – 45% Interest & Operator

GSPC – 55% Interest



Cambay Basin Map



India – Pipeline Map

CAMBAY PROJECT

MULTI-TCF TIGHT GAS PLAY FOCUS

Cambay Basin contains proven hydrocarbons in multiple horizons

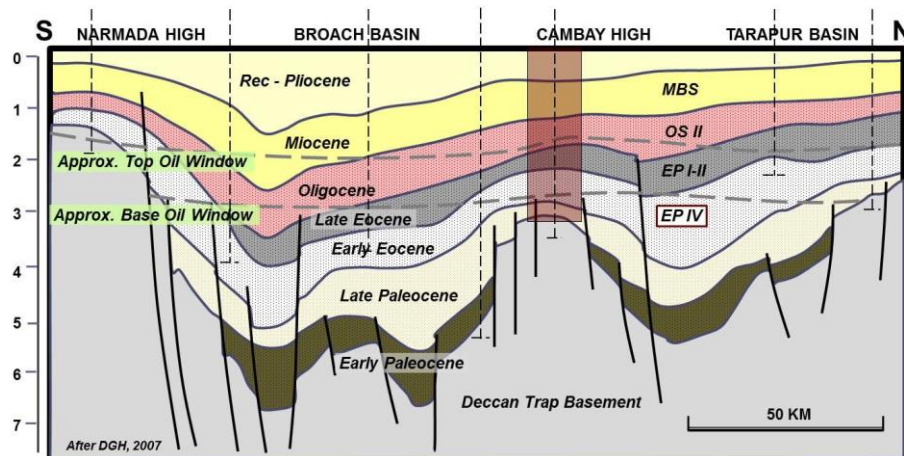
Oilex focus on low permeability, Multi-TCF Eocene wet gas reservoir (EP-IV)

EP-IV production on block from 5 wells since 1997 at low rates

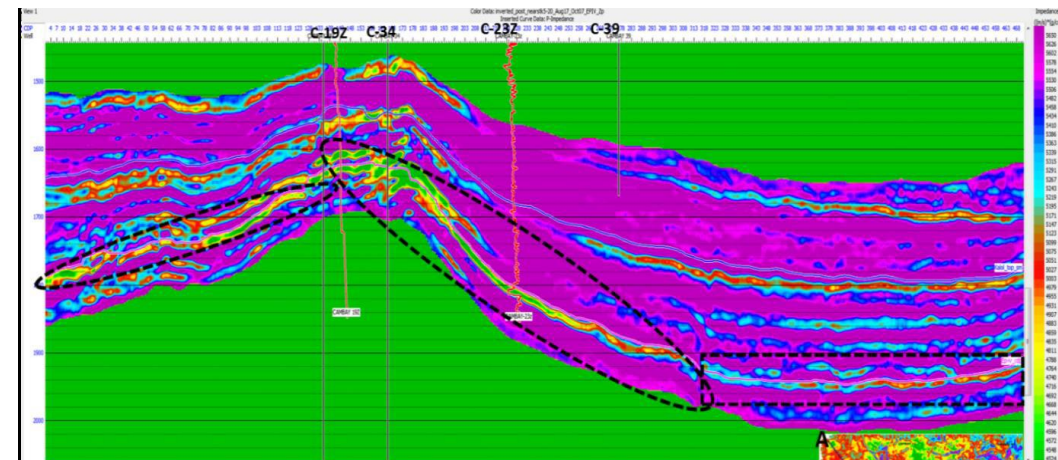
Oilex's first application of Hz drilling and stimulation technology in India did not flow gas at predicted rates

New evaluations provide reasons for poor results and identify remedies for future programs

Some lower value potential remains in unswept shallower OS-II sands



Cross section showing EP-IV and OS-II reservoir zones



Seismic impedance section showing EP-IV response

RESOURCE STATEMENT

PREPARED BY RISC*

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

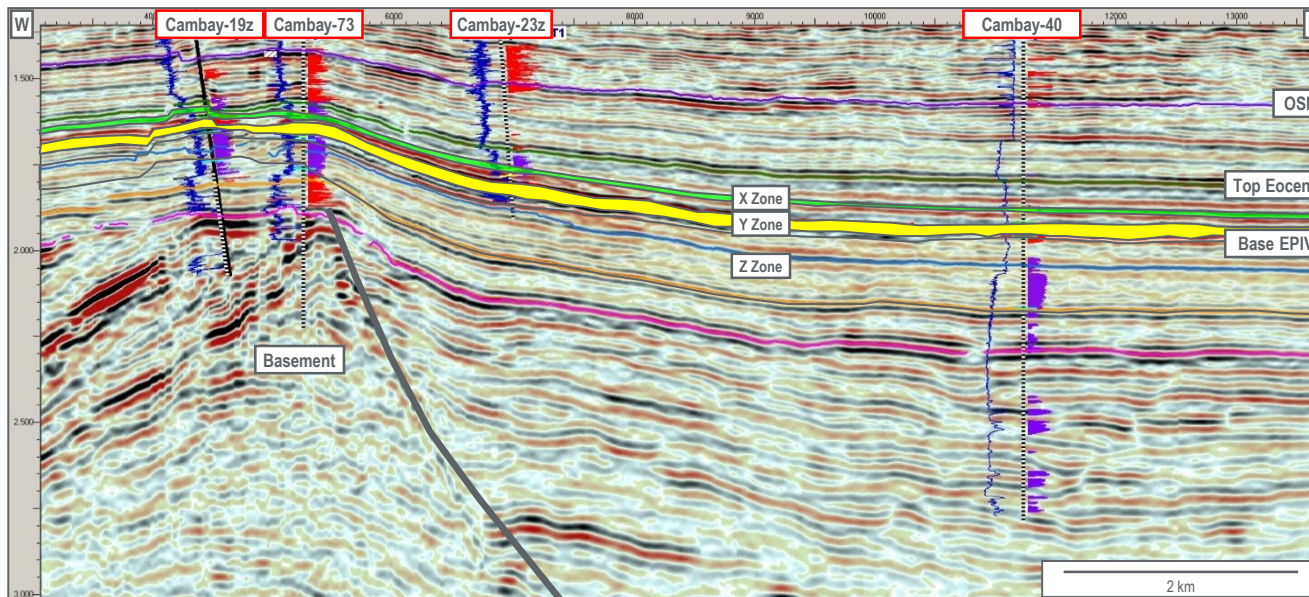
Gas volume (bcf)			Condensate Volume (million bbl)		
1C	2C	3C	1C	2C	3C
478	926	1616	27	61	121

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

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



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*RISC is an independent oil and gas consultancy firm working in partnership with companies for over 20 years.

INDIAN AFFAIRS

CAMBAY & BHANDUT PROJECTS

Non-payment of cash calls by JV partner, GSPC placed additional burden on Oilex.

- Further payments of both old and new cash calls expected

Potential sale by GSPC of its 55% interest. Oilex holds pre-emptive right.

Cambay PSC expiry in September 2019. Field development plan completed and lodged as extension application in September 2017. Gol approval anticipated in early to mid-2018.

Potential sale of Bhandut project



EP-IV PROJECT SUMMARY

FUNDAMENTALS CONFIRMED, FAILURES EXPLAINED

Over 40 wells have intersected EP-IV within PSC

Many flowed gas and/or oil unstimulated on test

Five wells have produced, two wells currently on cyclic low rate production

Two stimulated horizontal wells

- C-76H failed operationally after very positive indications
- C-77H producing gas at low rates.

Revised geomechanics study from core recently completed

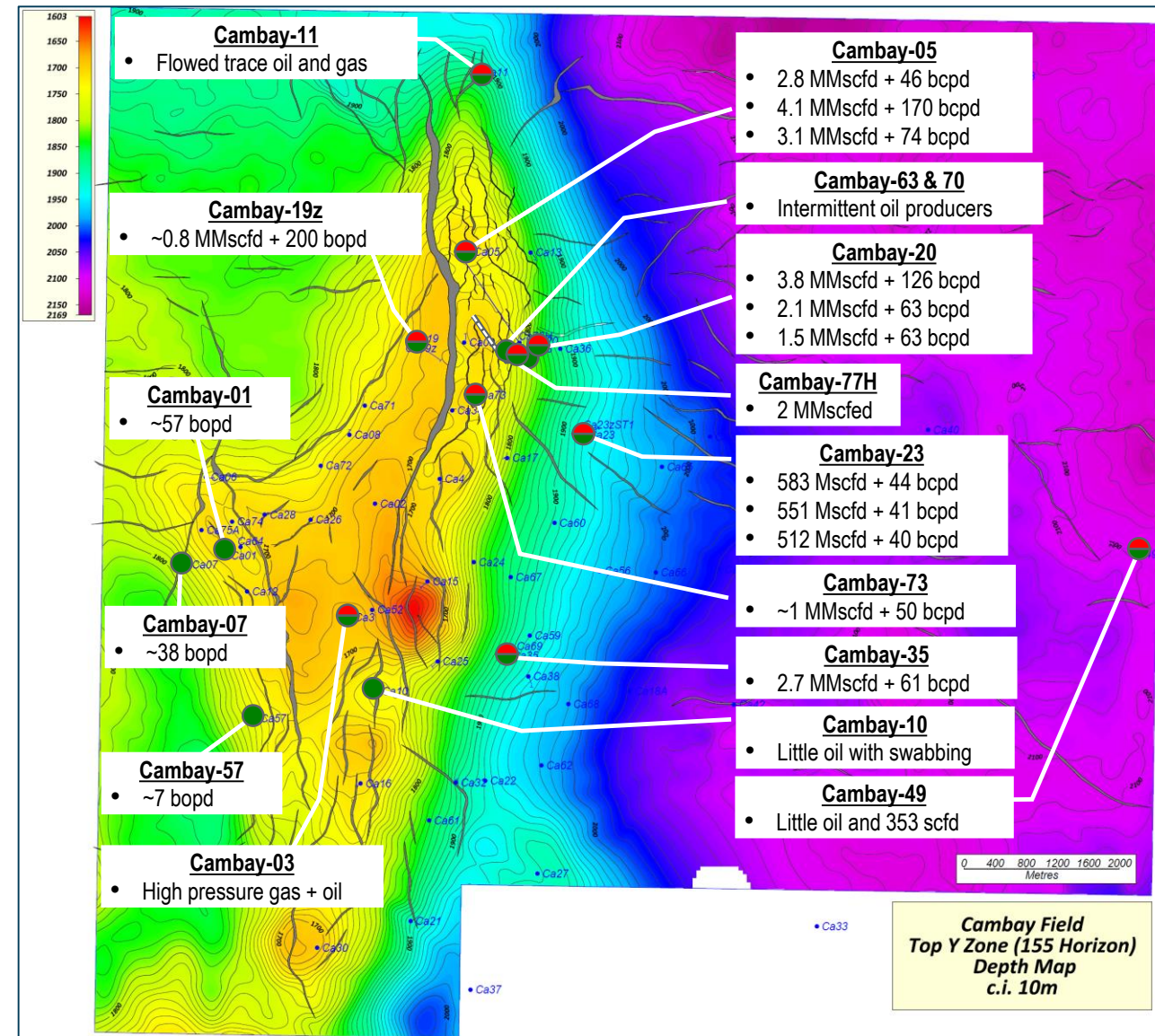
Look back study on prior wells recently completed

Very positive affirmative results provide confidence to restart field program

Recent cost review has significantly lower estimates:

- vertical well ~US\$2.5-3.0 million
- horizontal well ~US\$6.0-7.0 million

Awaiting PSC extension approval before major expenditure



EP-IV EVALUATION FROM CORE

POSITIVE OUTCOMES TO ALL ELEMENTS OF STUDIES

Schlumberger and Baker Hughes reported on:

- specific reasons for under-performance of historical wells
- optimal well and stimulation design for future development (all available off the shelf)

CONCLUSIONS

No impediment to reservoir stimulation with fractures to increase gas flow rates

Corrected geomechanical model provides overall direction

Placement of focussed stimulation zone within gross section is critical for optimum fracture length constrained within the reservoir

Proppant selection is important to avoid crushing and maintain fracture conductivity

Critical to avoid over-flushing of proppant which in past wells caused loss of communication between fractures and wellbore

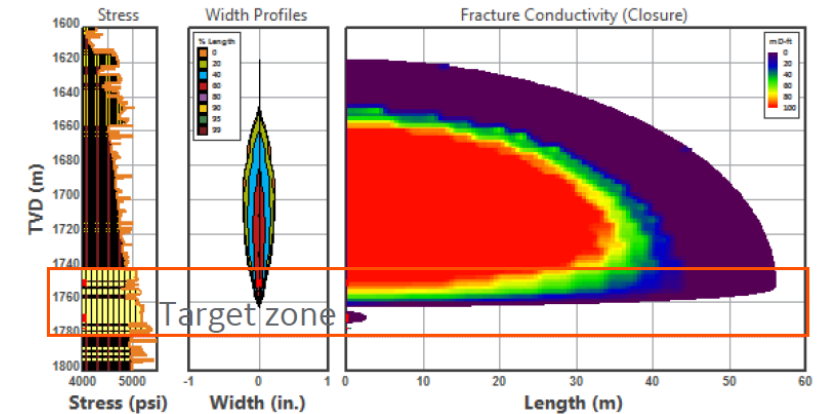
Specific stimulation fluids required to ensure initial fracture propagation and subsequent proppant placement

Reservoir temperature and pressure offer no specific challenges

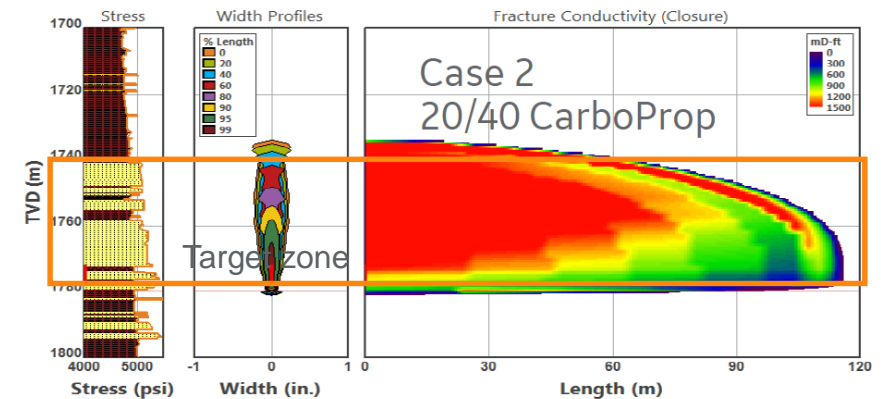
Clay swelling can be effectively ameliorated with readily available fluid additives

FRACTURE MODELLING EXAMPLES

Historical Vertical Well – fracture escaped vertically outside of reservoir target zone.



Optimised Model – longer lateral fracture within reservoir target zone





PATH FORWARD

BUILDING VALUE IN 2017/2018

LOW COST RISK MANAGED APPROACH

FDP required for extension application for Cambay completed and lodged

Recent evaluations confirm:

- Phased development plan for EP-IV to access multi-TCF gas
- Potential re-entry of old wells followed by new vertical well to confirm optimal recipe
- Initial lower rate production into low pressure pipelines
- Followed up by horizontal production drilling
- Aggregated higher rates delivered into high pressure national grid
- Additional phased plan for smaller volume OS-II conventional reservoir

Economics of phased development positive at all stages

- Single well developments expected to be positive – leverages existing infrastructure
- Initial delivery through small gas processing plant
- Horizontal wells require larger gas plant later

Potential sale of non-core smaller asset - Bhandut

Active new business opportunities being considered

- Focus areas include Australia, Europe and UK
- Focus on discovered volumes or technology plays rather than exploration





An OIL and GAS Focused Company

Large Gas Resource – Multi-TCF

**Accessing Booming
Indian Energy Market**



सत्यमेव जयते

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