

ASX Announcement

8 April 2016

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Commencement of Gas Production from Bhandut Field

Oilex Ltd is pleased to announce the commencement of gas production from the Bhandut Field, located onshore Gujarat, India.

The Bhandut-3 well is currently flowing at the expected stabilised rate of 0.70MMscfd (120 boepd) through a 8/64" choke. Gas produced from Bhandut-3 is initially processed at the on-site production facilities and then delivered to a third party operated gas processing plant where it is further treated to the required pipeline specification. It is subsequently compressed for entry into the high pressure gas network for delivery to an end user.

Bhandut Field

Oilex is Operator and holds 40% equity in the Bhandut Field, with Gujarat State Petroleum Corporation (GSPC) holding the remaining equity interest. Previous drilling in the Bhandut wells intersected a number of hydrocarbon zones, some of which have been produced and are now shut in. The Bhandut-3 well is producing from a previously undeveloped sandstone at a depth of 1010m at virgin reservoir pressure. This zone was flow tested by Oilex and the Joint Venture in 2013 confirming good reservoir quality with an average permeability of 124 mD and gas of good quality containing 98.9% hydrocarbons, of which 94% is methane and 1.1% nitrogen and carbon dioxide.

As this is the first production from this individual reservoir, the production will be closely monitored to facilitate a greater understanding of its potential.

Currently the JV has approval to sell hydrocarbons from this project for 3 months pending completion and approval of a field development plan.

For and on behalf of Oilex Ltd



Jonathan Salomon
Managing Director

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Figure 1 Bhandut Facility

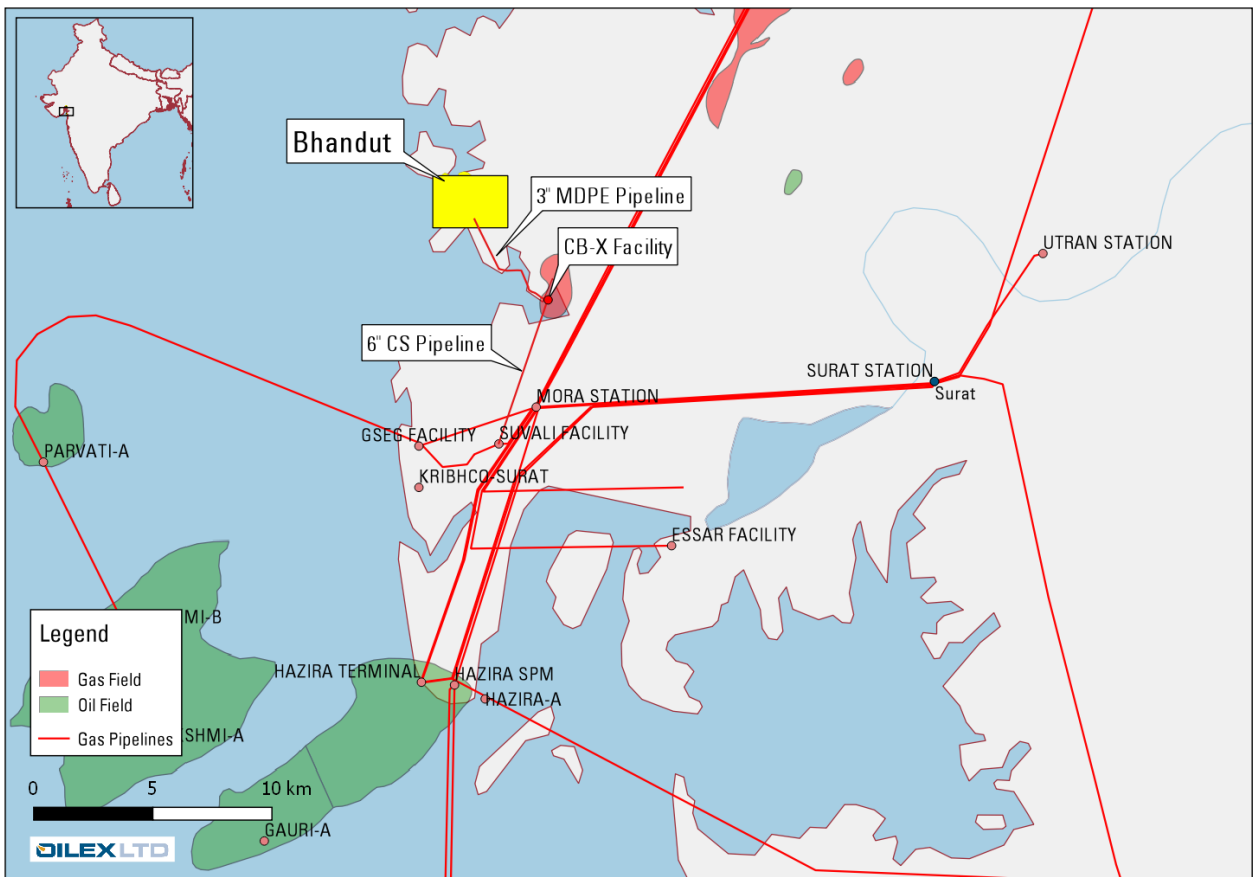


Figure 1 Map showing Bhandut location and surrounding pipelines