10 April 2013

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
Sydney NSW 2000

# CAMBAY WORK PROGRAMME & BUDGET APPROVED

**Highlights:**

- Work programme and budget for activities to end March 2014 approved by the Regulatory Authorities in India
- Programme includes one firm horizontal well and four wells in a contingent drilling campaign
- Formal tendering of drilling rig and other long lead equipment commencing
- Three well workovers have been completed using a rig assigned from GSPC

Oilex, as Operator and 45% equity holder, with its Cambay Joint Venture Partner, Gujarat State Petroleum Corporation (GSPC) holding the remaining 55% equity, has received approval from the regulatory authorities for the work programme and budget covering activities to end March 2014.

Acting Managing Director Ron Miller said, “The Cambay Joint Venture is expediting work on the field. We are confident that this high impact work programme will realise the value of the Cambay asset, and deliver near-term production and reserves to the Company.”

The drilling activity in the work programme consists of the following wells:

| ***Firm Drilling Programme*** |
|---|
| 1 - horizontal well – Cambay 77H (Location D1)<br>• Drill and complete<br>• Multi-stage fracture stimulation<br>• Micro-seismic survey<br>• Extended production test |
| ***Contingent Drilling Programmes*** |
| 1 vertical pilot well + horizontal (Location G)<br>• Drill pilot, plug back drill and complete<br>• Comprehensive coring, logging and evaluation<br>• Multi-stage fracture stimulation<br>• Micro-seismic survey<br>• Extended production test |
| 1 deep vertical pilot well (Location A)<br>• Drill and complete – designed for future side-track<br>• Comprehensive coring, logging and evaluation |
| 2 horizontal wells (Location D2 and D3)<br>• Drill and complete<br>• Multi-stage fracture stimulation<br>• Micro-seismic survey<br>• Extended production tests |

*Please refer to Figures 1 and 2 showing the well locations within the Contract Area.*

The firm horizontal well at Location D1 (Cambay-77H) will address the remaining Proof of Concept issues subsequent to the suspension of Cambay-76H; specifically the drill out, flow-back and production test from a modern horizontal well with multi-stage fracture stimulations.

The well is designed for a simple 350 metre horizontal completion in order to minimise risks and incorporate lessons learned from the previous campaign.

The contingent drilling programme is predicated upon the successful flow-back and production test results of Cambay-77H, the firm horizontal offset well. The vertical pilot contingent well and horizontal well at Location G is designed to test the fluid type distribution across the Contract Area, and will be targeting an area that has tested oil from the X and Y zones in the past. If successful, the well will be side-tracked to a 1200 metre horizontal and stimulated by hydro-fracturing.

The deep vertical contingent pilot well at Location A is designed to test the fluid type distribution to the east of the Cambay-76H location. This is down-dip and proximal to a vintage well which previously intersected the X, Y and Z zones and which are interpreted to be hydrocarbon-bearing on the wireline logs.

An additional two contingent production wells at Locations D2 and D3 may be drilled from the Cambay-76H drilling pad, which will be extended to accommodate this activity. These wells will be designed with extended horizontals based on the success of Cambay-77H.

In the event of a successful extended production test for each well, the wells are likely to be put into production via selling off-spec gas as well as associated oil and condensate. All the production data will be used in updating an independent reserve assessment.

The work programme also consists of at least three workovers of existing wells. This work has commenced using a rig of convenience under a contract to GSPC that was temporarily assigned to Oilex in order to minimise costs. The field work has generally been executed within budget and schedule, and each well is currently undergoing clean-up. The impact to liquids production from the field is yet to be assessed.

In anticipation of the formal approval of the work programme and budget, Oilex, as Operator for the Cambay Joint Venture, has contacted a number of rig owners regarding availability of suitable rigs for drilling the firm horizontal well. To date, six responses have been received nominating rigs with suitable horsepower ratings and varying states of readiness. Oilex and GSPC are also working closely together to assess the suitability and availability of any rigs currently under contract to GSPC in its other operations.

The formal tendering process for the rig and other long lead equipment will commence forthwith. The rig availability, well planning, and procurement process will determine the schedule for Cambay-77H. Upon gathering sufficient information, Oilex anticipates being able to provide an estimated spud date in due course.

For further information, please contact:


| | | | |
|---|---|---|---|
| Oilex Ltd | | +61 (0)8 9485 3200 | (Australia) |
| Ron Miller, Acting Managing Director | oilex@oilex.com.au | | |
| RFC Ambrian Limited (Nominated Adviser and Joint AIM Broker) | | | |
| Samantha Harrison | samantha.harrison@rfcambrian.com | +44 (0) 20 3440 6800 | (UK) |
| N+1 Singer (Joint AIM Broker) | | | |
| Jonny Franklin-Adams | jonny.franklin-adams@N1Singer.com | +44 (0) 20 7496 3000 | (UK) |
| Tavistock Communications | | +44 (0)207 920 3150 | (UK) |
| Conrad Harrington / Ed Portman | charrington@tavistock.co.uk | +44 (0)7912 647 473 | (UK) |
| Mercury Consulting | | | |
| David Greer | david.greer@mercuryconsulting.com.au | +61 (0)2 8256 3333 | (Australia) |


**Competent Person's Statement**

Information in this report relating to hydrocarbon reserves or resources has been reviewed and checked by Mr Peter Bekkers B.Sc. (Hons), the Chief Geoscientist of Oilex Ltd who has over 15 years of experience in petroleum geology and is a member of the Society of Petroleum Engineers and AAPG. Mr Bekkers consents to the inclusion of the information in this report relating to hydrocarbon reserves and resources in the form and context in which it appears. Resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resources Management System, 2007.

OILEX LTD

Figure 1  Cambay work programme well locations

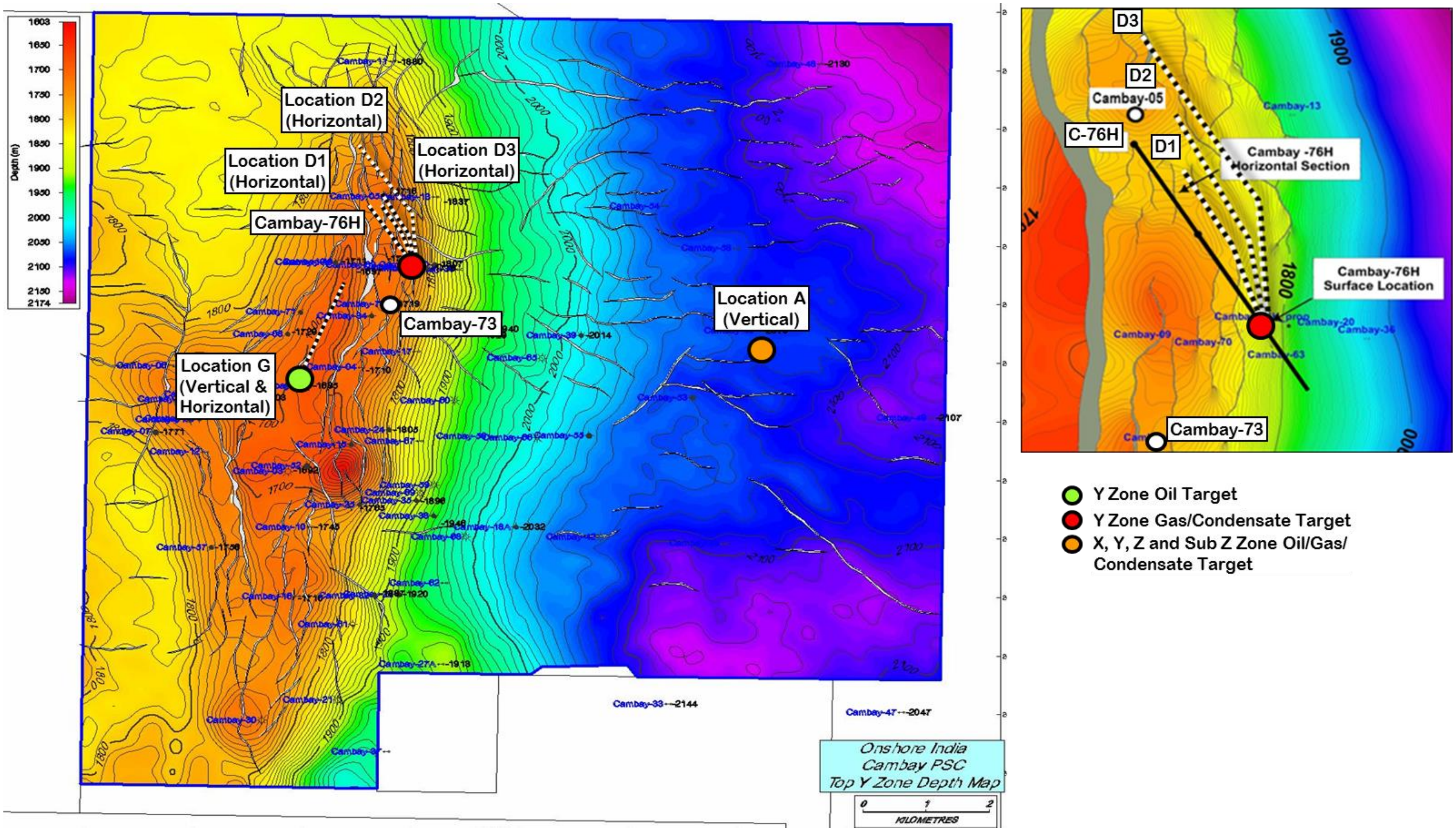

Figure 2  Seismic cross section showing well locations