

ASX Announcement

12 December 2017

ASX: OEX
AIM: OEX

Agreement Secures Funding of up to A\$2.35 million

Oilex Ltd (the Company) is pleased to announce that it has entered into subscription agreements for a conditional capital raising to secure funding of up to A\$2.35 million (£1.33 million).

The funding is an important step for the Company following the submission of its application for the PSC licence renewal extension for Cambay and provides funding certainty to fast track commencement of the 2018 work programme upon the licence renewal.

Key Placement Terms

The placement, part of which is subject to certain conditions set out below, will secure up to A\$2.35 million before expenses through the issue of up to 507,134,736 fully paid ordinary shares. The placement will occur in two tranches structured as follows:

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| Tranche 1 | The Company will issue 157,894,736 Shares at an average issue price of A\$0.0038 (0.215 pence) to raise up to A\$0.6 million (£0.34 million) in accordance with its 15% placement capacity under ASX Listing Rule 7.1; and |
| Tranche 2 | The Company will issue approximately 349,240,000 shares at a price of A\$0.005 (0.283 pence) to raise a further A\$1.75 million (£0.99 million) |

Tranche 1 is due to settle in January, but no later than 31 January 2018. The issue of the Tranche 2 shares is subject to shareholder approval, as well as the successful extension of the Cambay PSC by the Government of India for a further ten years on or before 31 March 2018. The Company anticipates holding its general meeting to approve Tranche 2 in the first quarter of 2018.

The placees include new institutional investor, Republic Investment Management Pte Ltd (Republic). Following the completion of Tranche 1 Republic is anticipated to hold an approximate 7% interest in Oilex, and will increase its holding to approximately 19.9% following the completion of Tranche 2.

Use of Funds

Funds raised from the placement are intended to primarily be applied to initiate the delivery of a targeted 2018 work programme within the Cambay PSC and for ongoing working capital requirements. The 2018 work programme includes up to nine workover candidates and two vertical wells at Cambay.

Commenting on the placing, Managing Director Mr Joe Salomon said. *'We are very pleased to secure the support of a new cornerstone shareholder. The funds raised will kick off our targeted 2018 work programme to unlock potential value at Cambay. We enter the new year with renewed momentum, a clear strategic focus, and increasing financial strength – we are confident that our work programme, with funding arriving in due course to support it, will see the company start to deliver Cambay's potential value for investors.'*

For and on behalf of the Board



Jonathan Salomon
Managing Director

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