

## ASX Announcement

29 July 2018

ASX: OEX  
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### Event of Default Notice Update

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Oilex Ltd (the Company) advises that it has issued a notice to exercise its option (Option) to require that GSPC completely withdraw its participating interest from the Cambay Joint Operating Agreement (JOA) and Cambay Production Sharing Contract (Cambay PSC).

On 29 May 2018, the Company advised that it had issued an Event of Default Notice (EoD Notice) to GSPC regarding the Cambay project for the amount of equivalent US\$3,054,832. The EoD Notice, issued pursuant to the terms of the JOA, is a consequence of GSPC's ongoing failure to pay its participating interest share of the expenses of the Cambay PSC.

In accordance with the JOA, GSPC has not remedied its default by settling the outstanding default amount within 60 days. Accordingly, upon exercise of the Option effective today, GSPC shall be deemed to have transferred all of its right, title and beneficial interest in the Cambay project. Furthermore, the Company has formally requested the Directorate General of Hydrocarbons and the Ministry of Petroleum and Natural Gas, India to affect the transfer of GSPC's participating interest (PI) in the Cambay PSC to Oilex. While the Company is confident in its position, should transfer of PI fail to be reasonably achieved, it may be necessary for Oilex to consider other remedial strategies.

The principal objective of the EoD was to ensure alignment of joint venture parties going forward with an increase in Oilex's participating interest in Cambay from 45% to 100% greatly assisting the Company in future strategic farm-in discussions with third parties. The Company has received several informal expressions of interest from parties to participate in the ongoing work programme and looks forward to updating the market on this and its funding requirements when appropriate.

Oilex remains committed to unlocking the significant resource potential at Cambay by achieving commercial gas flow rates in the EP-IV formation. The development of new oil and gas fields such as Cambay is essential to meeting the Government of India's policy to reduce reliance on imports.

Managing Director, Joe Salomon said: "Oilex is disappointed this course of action had to be initiated, however, it is necessary for the successful development that the Cambay partners are aligned and committed to unlocking Cambay's significant potential. Upon the transfer of PI the Company can move to accelerate its planned activities at Cambay."

**For and on behalf of Oilex Ltd**



**Mark Bolton**  
**Chief Financial Officer Company Secretary**



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