

18 January 2006

Centralised Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir,

**RE: OILEX TO DUAL LIST ON AIM - LONDON**

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Oilex NL (ASX Code: "OEX") is pleased to advise that the Company has today lodged its "Pre-admission Announcement" for the application for admission of the ordinary shares in the Company for trading on the AIM market of the London Stock Exchange. The application is being made under the fast track route for AIM admission, which is available to Oilex due to its existing ASX listing. It is anticipated that the AIM listing will take place towards the end of February 2006.

The proposed AIM listing is intended to broaden Oilex's shareholder base and offer investors in the UK and European markets easier access to the Company's securities. The dual listing is expected to improve the Company's flexibility and access to the UK Capital Markets for any capital raisings that may be required to develop its future Oil & Gas exploration and production activities in India and Australia.

RFC Corporate Finance Ltd has been appointed as Oilex's Nominated Adviser and respected London broker KBC Peel Hunt Ltd has been engaged as the Company's AIM Broker in the UK.

The company's ordinary shares will continue to be listed on the Australia Stock Exchange ("ASX").

As part of the dual listing process, and pursuant to the AIM Rules, all of the Directors and their associates have also agreed not to dispose of any of their securities in Oilex for one year from date of Admission to AIM.

Further information is contained in the AIM pre-admission announcement and Appendix that has been submitted to the London Stock Exchange, a copy of which is attached hereto.

For and on behalf of the Board



**Bruce McCarthy**  
**Managing Director**

cc: Directors MC/RB/GIJ

**AIM SCHEDULE 1 – PRE-ADMISSION ANNOUNCEMENT**

Please forward this form to [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com)

In the case of queries please contact AIM on +44 (0) 20 7797 4154

<b>ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH AIM RULE 2</b>
<b>ALL APPLICANTS MUST COMPLETE THE FOLLOWING:</b>
COMPANY NAME:
Oilex NL (the "Company")
COMPANY ADDRESS:
Level 3 50 Kings Park Road West Perth Western Australia
COMPANY POSTCODE:
6005
COUNTRY OF INCORPORATION:
Australia (Australian Business Number 50 078 652 632)
COMPANY BUSINESS OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTMENT STRATEGY TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (J) OF THE AIM RULES:
Oil and gas exploration, development and production in Australia, India, Timor Leste and the Indian Ocean rim.
DETAILS OF SECURITIES TO BE ADMITTED (i.e. where known, number of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):
50,014,319 fully paid ordinary shares (no par value)
CAPITAL TO BE RAISED ON ADMISSION:
Nil
FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS:
Mr Max Dirk Jan Cozijjn ( <i>Non-Executive Chairman</i> ) Dr Bruce Henry McCarthy ( <i>Managing Director</i> ) Mr Raymond George Barnes ( <i>Technical Director</i> ) Dr Geoffrey Ian Johnson ( <i>Non-Executive Director</i> )
PERSON(S) INTERESTED IN 3% OR MORE OF THE ISSUER'S CAPITAL, EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL BEFORE AND AFTER ADMISSION:
The Company is aware of the following shareholdings which represent 3% or more of the Company's issued shares, as at 17 January 2006, being the latest practicable date prior to the issue of this Announcement:  Central Exchange Ltd – 7.97% ANZ Nominees Ltd – 4.41%
Assuming the number of shares held by the above parties does not change between 17 January and Admission, then the above percentages will also be correct as at Admission.
NAMES AND ADDRESSES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:
Nil

<b>ANTICIPATED ACCOUNTING REFERENCE DATE:</b>
30 June
<b>EXPECTED ADMISSION DATE:</b>
16 February 2006
<b>NAME AND ADDRESS OF NOMINATED ADVISER:</b>
RFC Corporate Finance Ltd Level 8, QV1 Building 250 St George's Terrace Perth, WA 6000 Australia
<b>NAME AND ADDRESS OF BROKER:</b>
KBC Peel Hunt Ltd 111 Old Broad Street London EC2N 1PH United Kingdom
<b>DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:</b>
www.oilex.com.au – the pre admission announcement together with information previously released by Oilex NL to the Australian Stock Exchange Limited (which is also available at the same web site and <a href="http://www.asx.com.au">www.asx.com.au</a> ) will contain full details about the applicant and the admission of its securities to AIM.
<b>DATE OF NOTIFICATION:</b>
18 January 2006
<b>NEW/ UPDATE (see note):</b>
New
<b>QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:</b>
<b>THE NAME OF THE AIM DESIGNATED MARKET UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:</b>
Australian Stock Exchange Limited
<b>THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:</b>
24 October 2003
<b>CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET:</b>
The Directors of Oilex NL confirm that following due and careful enquiry, Oilex NL has adhered to all legal and regulatory requirements involved in having its securities traded on the Australian Stock Exchange.
<b>AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:</b>
<a href="http://www.oilex.com.au">www.oilex.com.au</a> and <a href="http://www.asx.com.au">www.asx.com.au</a>
<b>DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTMENT STRATEGY:</b>
Oilex NL's objective is to establish a substantial oil and gas business in India, Australia and the Indian Ocean rim that will provide early production and rapid growth, sustainable cash flow for exploration and development opportunities, and superior returns to shareholders.
Its strategy to achieve this objective is to:
- continue exploration activities, including participation in the drilling of wells, on its existing permit interests in Australia;

<ul style="list-style-type: none"> <li>- continue to pursue methods to maximise production returns from the Rookwood Block in Australia;</li> <li>- determine and pursue a work program for in-field exploration and re-development of the Cambay Field in India; and</li> <li>- pursue opportunities to acquire high equity proportions and operatorship in permits in proven basins in India, Australia and the Indian Ocean rim by establishing and leveraging off relationships and alliances with key industry parties.</li> </ul>
<p>A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:</p>
<p>Nil</p>
<p>A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS ADMISSION:</p>
<p>The Directors have no reason to believe that the working capital available to the Company will be insufficient for at least 12 months from the date of Admission.</p>
<p>DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM RULES:</p>
<p>All of the Directors of Oilex NL have undertaken not to dispose of any Oilex NL securities that they or any of their "related parties" (as defined in the AIM Rules) own for a period of 12 months from the date of its admission to AIM.</p>
<p>Details of the security holdings covered by these arrangements are provided in the Appendix.</p>
<p>A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE APPLICANT'S SECURITIES:</p>
<p>To settle the securities listed on AIM, the Directors of Oilex NL will apply for Depository Interests, representing the Shares of Oilex NL, to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Depository Interests following Admission will take place within the CREST system. Settlement on the Australian Stock Exchange will continue to be conducted under the Australian Stock Exchange's electronic CHES system.</p>
<p>A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:</p>
<p>Refer Appendix (available at <a href="http://www.oilex.com.au">www.oilex.com.au</a>)</p>
<p>INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT WHICH IS NOT CURRENTLY PUBLIC:</p>
<p>Refer Appendix</p>
<p>A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND FULLY AUDITED INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED ACCORDING TO UK OR US GAAP OR INTERNATIONAL ACCOUNTING STANDARDS:</p>
<p><a href="http://www.oilex.com.au">www.oilex.com.au</a>. The financial statements of Oilex NL have been prepared in accordance with Australian GAAP and reconciled to International Accounting Standards (namely the Australian equivalent of the International Financial Reporting Standards).</p>
<p>THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY:</p>
<p>Nil</p>

Note: THIS FIELD SHOULD INDICATE THAT THE ANNOUNCEMENT IS 'NEW' AND ALL RELEVANT FIELDS SHOULD BE COMPLETED. OTHERWISE WHERE THE FORM IS REQUIRED TO BE COMPLETED IN RESPECT OF AN 'UPDATE' ANNOUNCEMENT, THIS SHOULD BE INDICATED. IN SUCH CASES, ALL THE ORIGINAL INFORMATION SHOULD BE INCLUDED WITH ANY AMENDED FIELDS **EMBOLDENED**.

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

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**APPENDIX  
FURTHER INFORMATION ON OILEX N.L.  
IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM**

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Nominated Adviser  
**RFC Corporate Finance Ltd**

Broker  
**KBC Peel Hunt Ltd**

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AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

London Stock Exchange plc has not itself examined or approved the contents of this document.

It is expected that Admission will become effective and dealings in the ordinary shares of Oilex NL will commence on AIM on 16 February 2006.

***Directors Declaration***

The Directors of Oilex NL (the "Company"), whose names appear on page 7 of this document, accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, to the best of the knowledge of the Directors the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

***Appendix***

This Appendix has been prepared in accordance with Schedule One (and its supplement for quoted applicants) of the AIM Rules for a quoted applicant. It includes, inter alia, all information that is equivalent to that required for an Admission Document and which is not currently public. Information which is public includes, without limitation, all information filed with the Australian Stock Exchange Limited (available at [www.asx.com.au](http://www.asx.com.au)) and all information available on the Company's website at [www.oilex.com.au](http://www.oilex.com.au) (together comprising the "Company's Public Record"). This document, which is dated 18 January 2006, will be available on the Company's website for at least one month from the date of Admission. This Appendix should be read in conjunction with the Announcement Form made by the Company today, 18 January 2006 (the "20 Day Announcement Form") and the Company's Public Record. This Appendix and the 20 Day Announcement Form together constitute "the Announcement".

***Notice from Nominated Adviser and Broker***

RFC Corporate Finance Limited ("RFC") is the Company's nominated adviser for the purpose of the AIM Rules. RFC's responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director or any other person. RFC will not be responsible to such persons for providing protections afforded to customers of RFC nor for advising them in relation to the arrangements described in the Announcement.

KBC Peel Hunt Ltd ("KBC Peel Hunt") is the Company's broker and is regulated by the Financial Services Authority. KBC Peel Hunt is acting for the Company and no one else in connection with the proposed arrangements described in the Announcement. It will not regard any other person as its customer nor be responsible to any other person for providing protections afforded to the clients of KBC Peel Hunt nor for providing advice to any other person in connection with the arrangements described in the Announcement.

No representation or warranty, express or implied, is made by KBC Peel Hunt or RFC as to the contents of this Announcement and no liability is accepted by RFC or KBC Peel Hunt for the accuracy or opinions contained in, or for the omission of any material information from the Announcement, for which the Company and the Directors are solely responsible.

## DEFINITIONS

"A\$"	Australian Dollars
"Admission"	Admission of the Shares to trading on AIM in accordance with the AIM Rules
"AIM"	The AIM market of London Stock Exchange plc
"AIM Rules"	The rules of AIM as published by London Stock Exchange plc
"ASIC"	Australian Securities and Investments Commission
"Associates"	Persons and entities closely associated with an entity, as defined in Sections 10 to 17 of the Australian Corporations Act
"ASX"	Australian Stock Exchange Ltd
"Australian Corporations Act"	The Corporations Act 2001 of the Commonwealth of Australia
"Australian Registrar"	Security Transfer Registrars Pty Ltd
"Board" or "Directors"	The directors of the Company whose names are set out on page 7 of this Appendix
"CHESS"	The Clearing House Electronic Sub register System, the system used to settle securities traded on the ASX
"Constitution"	The constitution of the Company at the date of this document
"CREST"	The system for paperless settlement of trades and holdings of uncertificated securities administered by CRESTCo Limited in the UK
"IOGL"	Independence Oil & Gas Limited, an unlisted company incorporated in Australia which is 98.04% owned by Oilex and was established as a special purpose company for oil exploration in onshore Timor Leste
"KBC Peel Hunt"	KBC Peel Hunt Ltd, the broker to the Company
"Listing Rules"	The Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX
"Nomad"	Nominated Adviser as defined in the AIM Rules (being RFC)
"Oilex" or "the Company"	Oilex N.L. (ABN 50 078 652 632)
"Options"	Options to subscribe for Shares
"RFC"	RFC Corporate Finance Ltd, incorporated in Australia, the Nomad of the Company
"Shareholders"	Holders of Shares
"Shares"	Fully paid ordinary shares of the Company
"UK"	The United Kingdom of Great Britain and Northern Ireland
"UK Registrar"	Computershare Investor Services plc

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Mr Max Dirk Jan Cozijn Dr Bruce Henry McCarthy Mr Raymond George Barnes Dr Geoffrey Ian Johnson	<i>Non-Executive Chairman</i> <i>Managing Director</i> <i>Technical Director</i> <i>Non-Executive Director</i>
<b>Company Secretary</b>	Mr Max Dirk Jan Cozijn	
	<i>All of whose business address is at the Company's registered office</i>	
<b>Registered Office</b>	Level 3 50 Kings Park Road West Perth WA 6005 Australia	
<b>Nominated Adviser</b>	RFC Corporate Finance Ltd Level 14 19-31 Pitt Street Sydney NSW 2000 Australia	
<b>Broker</b>	KBC Peel Hunt Ltd 111 Old Broad Street London EC2N 1PH United Kingdom	
<b>Australian Solicitors to the Company</b>	Deacons Level 31, BankWest Tower 108 St Georges Terrace Perth WA 6000 Australia	
<b>UK Solicitors to the Company</b>	Watson Farley & Williams LLP 15 Appold Street London EC2A 2HB United Kingdom	
<b>Australian Auditors and Reporting Accountants</b>	Grant Thornton Level 6 256 St George's Terrace Perth WA 6000 Australia	
<b>Australian Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Australia	
<b>UK Registry</b>	Computershare Investor Services plc PO Box 82 The Pavillions Bridgwater Road Bristol BS99 7NH United Kingdom	
<b>ASX Code</b>	OEX	

## 1. OILEX NL

Oilex is an oil and gas exploration, development and production company that listed on the ASX on 24 October 2003. Oilex currently has interests in oil and gas permits in the Surat, Eromanga and Otway Basins in Australia and, pending approval of the Government of India, in the Cambay Field in Gujarat State, India. Oilex has joint venture partners in all of the permits in which it currently has an interest and is operator on over half of the permits.

Whilst a small amount of oil is produced from its Rookwood Block permit in the Surat Basin (Oilex share currently averages around 9 barrels of oil per day) and from the Cambay Field (intermittent minor production), the majority of Oilex's permit interests are still at the exploration stage.

Oilex has also entered into alliance agreements with three large Indian public sector oil and gas companies or their subsidiaries to participate jointly in oil and gas exploration and production projects primarily in Australia and India and in the broader area of the Indian Ocean rim. The companies are Gujarat State Petroleum Corporation Ltd ("GSPC"), Gas Authority of India Ltd ("GAIL") and Hindustan Petroleum Corporation Ltd and its affiliate Prize Petroleum Company Ltd ("HPC/Prize"). Under the alliance, Oilex has already lodged applications in the Offshore Acreage Release in Australia in October 2005 with GSPC, GAIL and HPC/Prize. Oilex has also entered into a Memorandum of Understanding with Videocon International Ltd ("VIL"), a subsidiary of a large, private Indian conglomerate, for oil and gas exploration in India, Australia and the Indian Ocean rim.

In December 2005, Oilex acquired 98.04% of the unlisted company, Independence Oil & Gas ("IOGL"). IOGL is an oil exploration company focused on onshore Timor Leste (formerly East Timor). IOGL intends to use the detailed technical database and contacts it has developed as the basis for the application for and/or acquisition of interests in hydrocarbon permits in onshore Timor Leste.

The Company's activities are more fully described on the Company's website and in the Company's 2005 Annual Report and other announcements made to the ASX.

## 2. INCORPORATION

The Company was registered in Victoria, Australia as an Australian public no liability company on 2 June 1997. The Company's Australian Business Number is 50 078 652 632. The Company was formed and operates under the Australian Corporations Act.

The Company has five subsidiaries, namely:

Subsidiary	Country of Registration	Oilex's Ownership Interest	Oilex's Voting Interest
Seqoil Pty Ltd	Australia	100%	100%
Admiral Oil NL	Australia	100%	100%
Oilex NL Holdings (India) Ltd	Cyprus	100%	100%
- Oilex India Private Limited *	India	90%	90%
Independence Oil & Gas Ltd	Australia	98.04%	98.04%

\* Oilex's interest in Oilex India Private Limited is held by Oilex NL Holdings (India) Ltd

## 3. AUSTRALIAN CORPORATIONS ACT

Below is a general description of relevant corporate laws and policy in Australia and should not be relied upon by Shareholders or any other person. The law, policies and practice are subject to change from time to time. It does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing of Shares and interests in Shares. If you are in any doubt as to your own legal position, you should seek independent advice without delay.

The Company is obliged to comply with the Australian Corporations Act and also with specific obligations arising from other laws that relate to its activities.

The ASIC is responsible for administering and enforcing the Australian Corporations Act.

*Takeovers*

As an Australian public listed company, a takeover of the Company is governed by the Australian Corporations Act. The Australian Corporations Act contains a general rule that a person must not acquire a 'relevant interest' in issued voting shares of a company as a result of a transaction in relation to securities entered into by or behalf of the person if, because of the transaction, a person's voting power in the company:

- increases from 20 per cent or below to more than 20 per cent; or
- increases from a starting point which is above 20 per cent but less than 90 per cent,

A person's voting power is deemed to be that of that person and his/her 'associates'.

Certain acquisitions of relevant interests are exempt from the above rule including among others, acquisitions under takeover bids, acquisitions approved by shareholders, acquisitions of less than 3 per cent in any 6 month period, rights issues, dividend reinvestment schemes and underwritings.

If a person wishes to acquire more than 20 per cent of a company, or increase a holding which is already beyond 20 per cent, but not under one of the exemptions (including those noted above), the person must undertake a takeover bid in accordance with the Australian Corporations Act.

A person who holds more than 90 per cent of the shares in a company may conduct a compulsory acquisition of all remaining shares under the Australian Corporations Act.

#### *Substantial Shareholdings*

A person who:

- begins to or ceases to have a substantial holding in a company (representing 5% or more of the company); or
- has a substantial holding in a company and there is movement by at least 1 per cent in their holding,

must give notice to the Company and to the ASX. The contents of the notice are prescribed in the Australian Corporations Act, section 671B(3)/(4).

A person has a substantial holding if that person and that person's Associates have a relevant interest in 5 per cent or more of voting shares in a company.

#### *Foreign Investment*

In Australia, foreign investment in, and ownership of, companies and property is regulated by the *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("FATA"), which is administered by the Foreign Investment Review Board ("FIRB"), a division of the Treasury department of the Australian federal government. FIRB's functions are advisory only, and responsibility for making decisions on proposals rests with the Treasurer of the Australian federal government ("Treasurer").

FATA provides a notification and approval process for proposed investments in Australia by "foreign persons" (individuals, corporations or trusts), which may result in foreign control or ownership of Australian businesses or companies. Small proposals are generally exempt from notification, and larger proposals are approved unless judged contrary to the national interest.

FATA provides where:

- the Treasurer is satisfied a person proposes to acquire shares in a corporation which carries on an Australian business;
- the acquisition would result in the corporation being controlled by a foreign person; and
- the result would be contrary to the national interest,

the Treasurer may make an order prohibiting the acquisition. This does not apply to existing Australian businesses whose total assets do not exceed A\$50 million.

A proposed acquisition of shares (unless an exempt dealing under FATA) will have the effect of a foreign person acquiring a controlling interest in an Australian corporation if one of the following applies:

- that person alone, or together with his/her Associates, directly or indirectly acquires 15 per cent of the shares or voting power in a corporation; or
- that person, together with other foreign persons and each of their Associates, directly or indirectly acquire 40 per cent of the shares or voting power in a corporation.

If a foreign person must give notice to FIRB under FATA it must await the decision of the Treasurer before entering into a binding agreement to acquire shares which will result in a foreign person acquiring a controlling interest in a corporation.

#### *Listing Rules*

As a company admitted to the official list of the ASX, the Company is bound to comply with the Listing Rules, as exist from time to time. The Listing Rules address such matters as admission to listing, quotation of securities, continuous disclosure, periodic disclosure, certain requirements for terms of securities, issues of new capital, transfers of securities, escrow (lock-in) arrangements, transactions with related/controlling parties, significant transactions, shareholder meetings, trading halts and suspensions and fees payable. The ASX also publishes guidance notes regarding the interpretation of parts of the Listing Rules.

The Listing Rules and guidance notes can be found at [www.asx.com.au](http://www.asx.com.au).

#### **4. THE CITY CODE**

The Company is incorporated in Australia, has its head office and place of central management in Australia and is resident in Australia. Accordingly, transactions in Shares will not be subject to the provisions of the UK City Code on Takeovers and Mergers (the "City Code"). There are, however, provisions under Australian law and regulation applicable to the Company, particularly Chapter 6 of the Australian Corporations Act that are, in part, similar or analogous to certain provisions of the City Code. These are described briefly in Section 3 of this Appendix above.

#### **5. SHARE CAPITAL**

All Shares of Oilex are currently admitted to dealing on the ASX (although as set out in Section 9 below, 980,534 are subject to voluntary escrow until 6 December 2006). The Shares have been traded on the ASX since 24 October 2003.

The Company, as at the date of this document, has on issue 50,014,319 Shares. The Shares have no nominal or par value and are recorded in the accounts of the Company at their issue price less expenses associated with their issue. Shareholders have no further liability in respect of their Shares, i.e. the Company has no statutory right to recover any unpaid calls on any Shares (of which there are currently none) and Shareholders may elect to forfeit their Shares rather than pay any such calls.

The ISIN Code for the Shares is AU000000OEX8.

The Company intends to make an application for all of its Shares to be admitted to trading on AIM.

The Company does not have an authorised share capital. This concept was abolished by the Australian Company Law Review Act 1998. There is generally no limit in the Australian Corporations Act or the Constitution on the power of the Directors to issue shares. In particular, the concept under English law that existing shareholders have a statutory right to be offered newly issued shares in a company for cash only before such shares can be offered to new investors does not apply to Australian companies unless it is specifically included in their constitution, which is not the case in respect of the Company. However, subject to certain exceptions (including those in respect of pro rata issues and issues under employee schemes):

- (a) Rule 7.1 of the Listing Rules prohibits a company which is listed on the ASX from issuing or agreeing to issue shares or options representing more than 15 per cent of its issued capital in any twelve month period without shareholder approval. Such shareholder approval requires an

- ordinary resolution passed by a simple majority;
- (b) Chapter 6 of the Australian Corporations Act forbids the acquisition of a “relevant interest” in voting shares in a company (whether by transfer or issue) if, as a result, the “voting power” of the acquirer (or any other person) would increase:
- (i) from 20 per cent or below to more than 20 per cent; or
  - (ii) at all from a starting point which is above 20 per cent but less than 90 per cent; and
- (c) the Australian Corporations Act contains provisions governing the disclosure obligations of a company making an offer/issue of securities. The general rule is that an offer of securities must be accompanied by disclosure to potential investors in a prescribed document (either a prospectus, a short form prospectus, a profile statement or an offer information statement) unless the type of offer falls within an exemption. Types of offer which do not require disclosure include offers to sophisticated investors and professional investors, offers to people associated with the company, certain offers to existing holders of securities and issues for no consideration.

The Company has on issue unlisted Options to subscribe for Shares as detailed in the table below. Not included in the table are Options which are expected to be issued to RFC ( as disclosed in Section 0).

Number of Options	Terms
2,200,000	Exercisable at A\$0.20 each on or before 28 February 2008
500,000	Exercisable at A\$1.00 each on or before 31 December 2009
3,000,000	Exercisable at A\$1.50 each on or before 31 December 2009
980,534	Exercisable at A\$0.50 each on or before 7 December 2008 conditional upon the acquisition by IOGL of an onshore petroleum permit in Timor Leste within the option period and subject to voluntary escrow until 6 December 2006
2,250,000	Exercisable at A\$0.40 each on or before 14 December 2008 – issued to executives and vesting after 1 year of continuous service by each relevant executive
3,250,000	Exercisable at A\$0.50 each on or before 14 December 2008 - issued to executives and vesting after 2 years of continuous service by each relevant executive
4,250,000	Exercisable at A\$0.80 each on or before 14 December 2009 - issued to executives and vesting after 3 years of continuous service by each relevant executive
16,430,534	Total

Save as disclosed in this document:

- (a) no Share of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- (b) no Share of the Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no commission, discount, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share capital of the Company;
- (d) no founder, management or deferred shares have been issued by the Company; and
- (e) no amount or benefit has been paid or is to be paid or given to any promoter of the Company.

## **6. DISCLOSURE**

The Company has adhered to all legal and regulatory requirements involved in having its securities traded on the ASX. There is no material information concerning Oilex which has not been announced to the ASX as at the date of this document.

The Company has complied with all the continuous disclosure requirements of the ASX and the Australian Corporations Act.

## **7. SIGNIFICANT CHANGES IN FINANCIAL POSITION SINCE 30 JUNE 2005**

All significant changes in financial or trading position since the end of the financial year ended 30 June 2005 have been the subject of ASX announcements available on the websites set out on page 1 (i.e. [www.asx.com.au](http://www.asx.com.au) and [www.oilex.com.au](http://www.oilex.com.au)). Such announcements include the quarterly consolidated cash flow statements for the three month periods ended 30 September 2005 (released on 28 October 2005) and 31 December 2005, (which is due to be released by 31 January 2006).

## **8. ADMISSION, SETTLEMENT (CREST) AND DEALINGS**

To be traded on AIM, securities must be able to be transferred and settled through the "CREST" system, a UK computerised paperless share transfer and settlement system, which allows shares and other securities, including depository interests, to be held in electronic form rather than in paper form. For foreign securities to be transferred and settled through CREST they need to be in the form of "Depository Interests".

The Company, through its UK Registrar, intends to establish a facility whereby (pursuant to a depository deed poll to be executed by the UK Registrar) Depository Interests, representing Shares, will be issued by the UK Registrar, acting as depository, to persons who wish to hold the Shares in electronic form within the CREST system. It is intended that the Company will apply for the depository interests, representing Shares, to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in depository interests representing the Shares following Admission may take place within the CREST system if the relevant Shareholders so wish.

The Shares will remain listed and traded on the ASX, with trades settled electronically on the Australian Register through CHES.

Shares held on the Australian registry cannot be traded on AIM and similarly, Shares (or depository interests representing Shares) held on the UK registry cannot be traded on the ASX. However, Shares held through CHES on the Australian registry may be transferred into depository interests held through CREST on the UK registry and vice versa.

An outline of the process for undertaking such transfers, together with a downloadable transmission form for such transfers, is contained in the "Transmission Forms" section of the website of Oilex's Australian Registrar at [www.securitytransfer.com.au](http://www.securitytransfer.com.au). Shareholders wishing to undertake such a transfer will generally need to contact their broker and allow a reasonable time for the transfer to be effected. Furthermore, Shareholders will need to establish an account with a broker in the market to which they are transferring their Shares in order to trade their Shares on that market.

It is emphasised that, although the Shares will trade on AIM, the Company will not be subject to takeover regulation in the UK. Being an Australian incorporated company, Oilex is subject to the takeover and other provisions of the Australian Corporations Act (see sections 3 and 4 above).

## **9. LOCK IN ARRANGEMENTS**

Pursuant to the AIM Rules, all of the Directors, whose interests in Shares and Options as detailed in Section 0, have undertaken not to dispose of any Shares or Options in the Company that they or any of their "related parties" (as defined in the AIM Rules) own for a period of 12 months from Admission.

The Company has no other "related parties" or "applicable employees", as defined in the AIM Rules, who would also have had to enter into a lock-in agreement.

## 10. DIVIDEND POLICY

The Company anticipates that significant expenditure will be incurred in the exploration of its oil and gas interests during the 12 month period following Admission. Accordingly, the Company does not expect to declare any dividends during that period. Thereafter it is the Directors' intention to pay dividends when profit, available cash flow and capital requirements allow and in accordance with the company's strategy for growth. However, the Directors can give no assurance as to the payment of future dividends.

## 11. RISK FACTORS

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of Oilex and the value of Oilex Shares. These include risks that are widespread risks associated with any form of business and specific risks associated with Oilex's business and its involvement in the oil and gas exploration, development and production industry. While most risk factors are largely beyond the control of Oilex and its Directors, the Company will seek to mitigate the risks where possible.

The following summary, which is not exhaustive, represents some of the major risk factors which affect Oilex.

### ***Oil and Gas Exploration, Development and Production Risks***

The future viability and profitability of Oilex as an oil and gas exploration, development and production company will be dependent on a number of risk factors, including, but not limited to, the following:

- commodity prices and exchange rates and in particular the prices of oil and gas;
- the discovery and delineation of hydrocarbon reserves that can be economically exploited on any of the permits in which Oilex has an interest can not be guaranteed. The presence of hydrocarbon resources will not be known until the target reservoir has been drilled and the ability to commercially extract the hydrocarbons will not be known until appropriate well tests and feasibility studies have been completed. There is always a risk that any potential hydrocarbon hosting structures identified by geophysical and other techniques will not contain hydrocarbons due to inappropriately placed or timed hydrocarbon migration, ineffective seal on the structure, later disruption of the structure or various other critical factors. A potential reservoir structure may also contain non-commercial volumes due to adverse reservoir conditions, inadequate hydrocarbon charge and the cost and availability of extraction and delivery infrastructure;
- the cost and timing of exploration activities – which can be adversely affected by the availability of and competition for drilling rigs, remote sensing equipment and appropriately skilled and experienced consultants. In particular, the failure to secure a drilling rig within permit work programme timetables may result in the need to renegotiate permit terms with the relevant authority or relinquishment of the permit;
- poor weather conditions over a prolonged period which might adversely affect exploration, development and production activities with associated increase in costs and the timing of earning revenues;
- unforeseen equipment failures, breakdowns or repairs may result in significant delays to exploration, development or production activities, notwithstanding regular programs of repair, maintenance and upkeep;
- risks associated with the current strong natural resources environment, which has been observed to cause significant increases in the capital costs of a number of resource projects around the world;
- the granting and renewal of relevant permits and approvals for exploration, development and production activities from relevant government authorities;
- native title and community issues can delay or prevent access to permit areas for the purpose of exploration, development or production activities and result in additional costs from compensation arrangements and risks of potential claims;

- access to funding for ongoing exploration and development activities will be essential until the Company has established a profitable production base. The availability and terms of such funding can not be guaranteed, and may result in the curtailment of activities, the possible relinquishment or disposal of permit interests and the possible substantial dilution of current Shareholders interest in the Company's assets;
- the Company is heavily reliant on the expertise and relationships of its relatively small executive team, and it may be adversely affected if it was unable to retain the services of these personnel or other suitable senior personnel;
- the risk of material adverse changes in the government policies or legislation of India, Australia and Timor Leste affecting oil and gas exploration and production activities;
- environmental management issues which the Company may be required to comply with from time to time and the potential risk that regulatory environmental requirements or circumstances could impact on the economic performance of the Company's operations;
- the final agreement of farm-in and joint venture terms for the Otway permit EPP27 with the current permit holder, Great Artesian Oil and Gas, can not be guaranteed, and this may result in the Company losing its farmin rights in this permit or otherwise being adversely affected; and
- the successful application for or acquisition of any new prospective permits pursuant to its alliance with GAIL, GSPC and HPC/PRIZE or in Timor Leste through IOGL can not be guaranteed.

#### ***Sovereign and Regional Risk***

Oilex's current projects are located in Australia and India, with potential exploration projects in Timor Leste being investigated. Timor Leste as a developing nation still faces many challenges typical of developing nations, including in relation to personal security and security of title to assets and permits.. The manner in which Timor Leste and other similar nations in which Oilex may seek to develop its interests, meet those challenges over the coming years may affect Oilex's ability to finance, develop and operate oil and gas assets.

#### ***Other Risks***

The future viability and profitability of Oilex is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas exploration, development and production industries, including, but not limited to, the following:

- the strength of the equity and share markets in Australia and throughout the world;
- general economic conditions in Australia, India, Timor Leste and their major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruptions;
- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which Oilex is, or may become, a party; and
- insolvency or other managerial failure by any of the contractors used by Oilex in its activities.

## **12. RIGHTS ATTACHING TO SHARES AND POWERS OF THE COMPANY**

A shareholding in the Company is held subject to the Company's Constitution that is similar to those of other publicly listed no-liability companies listed on the ASX. The Company's Constitution can be accessed on the ASX's website, [www.asx.com.au](http://www.asx.com.au) and on the Company's website: [www.oilex.com.au](http://www.oilex.com.au).

## **13. DIRECTORS' INTERESTS IN SHARE CAPITAL**

At Admission, Directors and entities in which the Directors have a substantial interest will hold a total of 1,823,871 Shares and a total of 11,023,871 Options in the capital of the Company.

The interests of the Directors (within the meaning of section 346 of the UK Companies Act 1985 (as amended)) in Shares and Options at Admission are provided in the table below.

Director	Number of Shares Held	Number of Options Held
Dr Bruce McCarthy	<sup>(1)</sup> 800,000	<sup>(2)</sup> 6,000,000
Mr Raymond Barnes	<sup>(3)</sup> 523,871	<sup>(4)</sup> 3,023,871
Mr Max Cozijn	<sup>(5)</sup> 500,000	<sup>(6)</sup> 1,500,000
Dr Geoffrey Johnson	-	<sup>(7)</sup> 500,000
Total (all Directors)	1,823,871	11,023,871

1. These Shares are held by Mr McCarthy as trustee for the McCarthy Family Superannuation Fund of which Mr McCarthy is also a beneficiary.
2. These Options are held directly by Mr McCarthy with 1,000,000 exercisable at A\$0.40 and expiring on 14 December 2008, 2,000,000 exercisable at A\$0.50 and expiring on 14 December 2008 and 3,000,000 exercisable at A\$0.80 and expiring on 14 December 2009. The three series of Options vest after 1 year, 2 years and 3 years respectively of continuous service by Mr McCarthy, whose effective date of commencing service was 23 February 2005.
3. 23,871 of these Shares are held directly by Mr Barnes with the other 500,000 Shares held by Ad Valorem Resource Consulting Pty Ltd, a private company controlled by Mr Barnes.
4. These Options are held directly by Mr Barnes with 23,871 exercisable at A\$0.50 and expiring on 7 December 2008, 1,000,000 exercisable at A\$0.40 and expiring on 14 December 2008, 1,000,000 exercisable at A\$0.50 and expiring on 14 December 2008 and 1,000,000 exercisable at A\$0.80 and expiring on 14 December 2009. The first series of Options is conditional upon the acquisition by IOGL of an onshore petroleum permit in Timor Leste within the option period and subject to voluntary escrow until 6 December 2006. The last three series of Options vest after 1 year, 2 years and 3 years respectively of continuous service by Mr Barnes, whose effective date of commencing service was 16 September 2005.
5. These Shares are held by Diplomat Holdings Pty Ltd, a private company controlled by Mr Cozijn.
6. These Options are held directly by Mr Cozijn with 1,000,000 exercisable at A\$0.20 and expiring on 28 February 2008 and 500,000 exercisable at A\$1.50 and expiring on 31 December 2009.
7. These Options are all held in the name of Mr Johnson's wife, Melissa Taylor, with 200,000 exercisable at A\$0.20 and expiring on 28 February 2008 and 300,000 exercisable at A\$1.50 and expiring on 31 December 2009.

All of the above interests are directly and/or beneficially held by the relevant Director except as noted.

The Directors have entered into lock-in arrangements as set out in Section 9 of this Appendix.

#### 14. ADDITIONAL INFORMATION ON THE DIRECTORS

Details of the Directors and their backgrounds can be found at [www.oilex.com.au](http://www.oilex.com.au) and in the Company's 2005 Annual Report.

The directorships and partnerships of the Directors, other than of the Company but including of the Company's subsidiaries, held at present and within the five years preceding the date of this Announcement are provided in the table below.

Name	Current Directorships/Partnerships	Past Directorships/Partnerships (within past 5 years)
Dr Bruce McCarthy (Aged 55)	Matrix India Pty Ltd Karuah Pastoral Company Pty Ltd Seqoil Pty Ltd Admiral Oil NL Oilex NL Holdings (India) Ltd Oilex India Private Limited	Cairn Energy India Pty Ltd ( a wholly owned subsidiary of Cairn Energy Plc)

Name	Current Directorships/Partnerships	Past Directorships/Partnerships (within past 5 years)
Mr Raymond Barnes (Aged 54)	Ad Valorem Resource Consulting Pty Ltd Seqoil Pty Ltd Admiral Oil NL Independence Oil & Gas Ltd	Voyager Energy Ltd
Mr Max Cozijn (Aged 55)	Metex Resources Ltd Elkedra Diamonds NL Diplomat Holdings Pty Ltd Edea Pty Ltd Magma Metals Ltd Windarra Minerals NL Nicklelex Pty Ltd Seqoil Pty Ltd Admiral Oil NL Oilex NL Holdings (India) Ltd Oilex India Private Limited Independence Oil & Gas Ltd	Kagara Zinc Ltd
Dr Geoffrey Johnson (Aged 46)	Zambezi Resources Ltd Zambezi Nickel Ltd Mwembeshi Resources (Bermuda) Limited (a wholly owned subsidiary of Zambezi Resources Ltd) MR Nickel (Bermuda) Limited ( a wholly owned subsidiary of Zambezi Nickel Ltd) Windarra Minerals NL Seqoil Pty Ltd Admiral Oil NL	Anketell Resources Ltd Elkedra Diamonds NL

None of the Directors:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to the assets of such director; or
- (c) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (d) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 15. DIRECTORS' SERVICE AGREEMENTS AND REMUNERATION

Details of the current remuneration arrangements of the Directors and their remuneration for the financial year ending 30 June 2005 are disclosed in the Directors' Report included in the Company's annual report for the year ending 30 June 2005 with further details in relation to Mr Barnes' remuneration arrangements disclosed in the Company's Notice Annual General Meeting dated 13 October 2005.

The Directors are indemnified by the Company in accordance with the Constitution.

## 16. PRINCIPAL HOLDERS OF SECURITIES

The Company is aware of the following shareholdings which represent three (3) per cent or more of the Company's issued Shares, as at 12 January 2006, being the latest practicable date prior to the issue of the Announcement:

Shareholder	No. of Ordinary Shares Owned	Percentage of Ordinary Shares
Central Exchange Ltd	3,984,668	7.97%
ANZ Nominees Ltd	2,207,960	4.41%

## 17. WORKING CAPITAL

The Directors have no reason to believe, after due and careful enquiry, that its working capital will be insufficient for at least 12 months from the date of Admission.

## 18. TAXATION IMPLICATIONS FOR UK RESIDENTS INVESTING IN OILEX

The following summary is intended as a general guide to UK resident (and, in the case of individuals, ordinarily resident) Shareholders (who, in the case of individuals, are domiciled in the UK), who hold their Shares in the Company as investments (rather than as dealing stock). The summary is based upon existing legislation and current HM Revenue & Customs practice. Any prospective Shareholder who is in any doubt as to his tax position, whether in the UK or in any other jurisdiction in which he may be liable to tax, should consult, and rely upon, the advice of his own professional advisor.

### Tax residence of the Company

The Company is both incorporated in, and managed and controlled in, Australia. It does not have any form of permanent establishment in the UK. Accordingly, the Company should be treated as being resident in Australia, for UK tax purposes.

### Taxation of Dividends

#### *Individuals*

Although dividends paid by the Company will constitute income in the hands of UK resident Shareholders under Section 402 of the Income Tax (Trading and Other Income) Act 2004, any such Shareholders who are individuals will be liable to income tax (if at all) on their dividends at, in the case of starting and basic rate taxpayers, the dividend ordinary rate (10 per cent for the year 2005-2006) or, in the case of higher rate taxpayers, the dividend upper rate (32.5 per cent for the year 2005-2006) in accordance with Sections 1A and 1B of the Income and Corporation Taxes Act 1988. Dividend income from the Company will be treated as forming the highest part of the Shareholder's income.

#### *Companies*

A UK resident corporate Shareholder will generally be subject to UK corporation tax under Schedule D Case V in respect of dividends received from the Company at the usual rate of corporation tax applicable to it (30 per cent for the year 2005-2006 for companies paying the full rate of corporation tax).

#### *Tax Credits*

Individuals and corporate Shareholders (in the case of corporate Shareholders owning less than 10 per cent of the Company) are not normally able to obtain credit for any underlying tax paid by the Company in respect of its own profits.

Although it is expected that no withholding tax will be payable on dividends paid by the Company (on the basis that such dividends are paid out of earnings which have been subject to Australian

corporate tax), in the event that dividends are paid under deduction of Australian withholding tax, UK Shareholders should be able to obtain credit for all or part of any Australian tax so withheld, in computing their respective liabilities to UK income tax or corporation tax on such dividend income. The maximum credit available would be restricted to the amount of UK income and corporation tax payable on the dividends received.

## **Taxation on disposals**

### *Individuals*

A UK resident or ordinarily resident Shareholder who disposes of (or who is deemed to dispose of) his Shares may be liable to capital gains tax in relation thereto at rates up to 40 per cent. (for the year 2005-2006) of any chargeable gain thereby realised. In computing the chargeable gain the Shareholder should be entitled to deduct from disposal proceeds the cost to him of the Shares (together with incidental costs of acquisition and disposal).

In addition to the foregoing, in computing his liability to capital gains tax, a Shareholder may be able to deduct from the disposal proceeds of his Shares other amounts including all or part of his annual exemption (£8,500 for the year 2005-2006) and any capital losses available to him. In certain circumstances, the liability to capital gains tax may be reduced by taper relief.

### *Companies*

A UK resident corporate Shareholder who disposes of its Shares may be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (30 per cent for the year 2005-2006 for companies paying the full rate of corporation tax). In computing the chargeable gain liable to corporation tax, the Shareholder should be able to deduct from disposal proceeds the cost to it of the Shares, together with incidental costs of acquisition and disposal, as increased by indexation allowance. In some circumstances, a Shareholder may be exempt from corporation tax in relation to its disposal of Shares under the substantial shareholding exemption.

Chargeable gains arising on the disposal of Shares may be relieved by capital and/or income losses arising to the corporate holder.

There may be Australian capital gains tax implications for certain UK investors, in particular those who acquire a holding of above 5 per cent of the Shares. Such investors should consult with a tax adviser experienced in Australian taxation matters for further information on the applicability of the Australian capital gains tax to their shareholding.

## **Stamp duty and stamp duty reserve tax ("SDRT")**

### *Issue*

No stamp duty, or SDRT, will be payable on the allotment or issue of the Shares, provided that they are not issued to a nominee or agent whose business includes the provision of clearance services or the issuance of depository receipts.

### *Transfer*

Transfers of Shares outside the CREST system will generally be liable to stamp duty on the instrument of transfer at a rate of (currently) 0.5 per cent of the amount or value of the consideration given for Shares (rounded up to the nearest £5), but only to the extent that the instrument of transfer is executed in the UK or, if executed outside the UK, it is brought into the UK for registration upon a register maintained by the Company in the UK. Stamp duty is normally the liability of the transferee of the relevant shares or securities. An agreement to transfer Shares maintained on a UK register will generally be subject to SDRT at a rate of (currently) 0.5 per cent of the agreed consideration. If, however, the agreement is subsequently perfected by an instrument of transfer which is duly stamped before the expiry of six years from the date of the agreement (or, if later, the date upon which it becomes unconditional) any SDRT will be cancelled or, to the extent already paid, will, upon a claim being made, be repaid. SDRT is normally paid by the person to whom the shares will be transferred under the agreement.

### *Entry into CREST*

No stamp duty or SDRT should arise on the transfer of the Shares to a group company of the UK Registrar, to hold in its capacity as depository, nor on the subsequent issue by the depository to that transferor of depository interests representing the underlying Shares in uncertificated form (which are eligible for settlement through CREST).

### *Transfers within CREST*

Depository interests representing Shares may be transferred in a paperless form within CREST. Special rules apply to these uncertificated depository arrangements. The depository arrangements to be put in place by the Company should satisfy the criteria for SDRT exempt depository interests. Any such transfer of the depository interests should therefore not be subject to SDRT.

Persons who are not resident or ordinarily resident (or, if resident or ordinarily resident are not domiciled,) in the UK, including those individuals and companies which trade in the UK through a branch, agency or permanent establishment, and who subscribe for the Shares in the course of that trade, are recommended to seek the advice of professional advisors in relation to their taxation obligations in both the UK and any other jurisdiction in which they may be liable to tax.

**It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in Shares. Taxation consequences will depend on particular circumstances.**

**Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of taxation consequences connected with an investment in Shares in the Company.**

## **19. MATERIAL CONTRACTS**

In addition to the agreements summarised in the Company's Public Record (which can be found at [www.asx.com.au](http://www.asx.com.au)), the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries during the two years immediately preceding the date of this Announcement and are, or may be, material as of the date of this Announcement:

- An engagement letter dated 2 August 2005 between the Company and RFC under which RFC has agreed to act for the Company in relation to the application for Admission and as the Company's nominated adviser until terminated by either party by providing two months notice. The engagement letter contains an indemnity from the Company in respect of the services provided by RFC. RFC has been paid A\$50,000 in respect of these services, and upon the Company's Admission, RFC will be paid an additional A\$75,000 and will be issued with 1 million Options. These Options will have an exercise price of A\$0.50, with a 3 year term and can be exercised at any time within the 3 year term. Under the terms of the agreement, the Company has agreed to pay RFC an annual fee of A\$60,000 for acting as the Company's nominated adviser, payable quarterly in advance upon Admission.

- An engagement letter dated 8 December 2005 between the Company and KBC Peel Hunt under which KBC Peel Hunt has agreed to act as the Company's broker in relation to the application for Admission and as the Company's broker until terminated by either party by providing 30 days notice. Under the terms of the agreement, the Company has agreed to pay KBC Peel Hunt an annual fee upon the Company being admitted to AIM together with commissions on any funds raised for the Company by KBC Peel Hunt.

## **20. LITIGATION**

The Company is not engaged in any legal or arbitration proceedings, nor so far as the Directors are aware, are there any legal or arbitration proceedings active, pending or threatened by or against the Company which are having, may have or have had a significant effect on the financial position of the Company.

## 21. GENERAL

Other than as disclosed in the 20 Day Announcement Form, this Appendix or as otherwise disclosed in the Company's Public Record:

- there have been no interruptions in the Company's business which may have or have had in the last twelve months a significant effect on the Company's financial position;
- there are no significant investments by the Company under active consideration; and
- the Directors are not aware of any exceptional factors which have influenced the Company's activities.

There are no other persons (excluding professional advisers otherwise disclosed in the Announcement or in the Company's Public Record and trade suppliers) who have received, directly or indirectly, from the Company within the 12 months preceding the date of the Announcement or with whom the Company has entered into contractual arrangements (not otherwise disclosed in this Announcement) to receive, directly or indirectly from the Company on or after Admission fees or securities in the Company or any other benefit, with a value of £10,000 or more at the time of Admission.

The Company's accounting reference date is 30 June.

The Company's position on corporate governance is set out in the Company's 2005 Annual Report.

The Company, together with its subsidiaries, had a total of 54 employees as at 31 December 2005. It had a total of 3 employees as at 30 June 2004 and 1 employee as at 30 June 2003.

The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal fees and expenses are estimated to amount to A\$225,000 excluding GST and VAT (excluding the Options to be granted to RFC).

Information equivalent to that required for an admission document which has not previously been made public (in consequence of the Company having its Shares traded on the ASX) is included in this document or is available at [www.oilex.com.au](http://www.oilex.com.au) or [www.asx.com.au](http://www.asx.com.au).

Copies of this document are available to the public free of charge at the Company's website [www.oilex.com.au](http://www.oilex.com.au).

## 22. CONSENTS

RFC has given and has not withdrawn its written consent to the inclusion in this Announcement of references to its name in the form and context in which it appears.

KBC Peel Hunt has given and has not withdrawn its written consent to the inclusion in this Announcement of references to its name in the form and context in which it appears.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of the Announcement other than the references to their name.

Dated 18 January 2006