

ASX-RNS Announcement

15 October 2020

ASX: OEX

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Armour Completion and Update on Projects

Oilex Limited (Oilex or the Company) is pleased to announce the completion of the sale of all of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour) (ASX:AJQ). Pursuant to the Share Purchase Agreement (SPA), Armour has now acquired 100% of the issued capital of CoEra Limited (CoEra), a wholly owned Company subsidiary which holds all of Oilex's interests in the Cooper-Eromanga Basins.

The Company previously announced that it had entered into a conditional binding SPA with Armour to sell all of its interests in the Cooper-Eromanga Basin including a:

- 79.33% direct interest in two Petroleum Exploration Licences (PEL 112 and PEL 444) with an option to acquire the remaining 20.67%;
- right to acquire 27 Petroleum Retention Licences from Senex Limited (Northern Fairway PRLs); and
- successful bid Block CO2019-C (PELA 677).

As consideration for the acquisition of Oilex's interests in Cooper-Eromanga Basins, Armour has today issued 22.05 million Armour shares to Oilex, being Oilex's share of the Tranche 1 consideration. Armour has also reimbursed Oilex in cash for past costs of A\$125,000.

Furthermore, if after 60 days from completion the closing Volume Weighted Price Average of Armour shares trading on the ASX falls below \$0.037 then Armour shall be required to issue such additional shares in itself (Adjustment Shares) to Oilex, or its nominee to ensure Oilex receives a consideration value of A\$906,500, subject to the maximum in Adjustment Shares of ten (10) million Armour shares. Oilex's is entitled to receive 90% of this Tranche 2 consideration.


The Tranche 1 and Tranche 2 shares issued as consideration by Armour are subject to a 12-month voluntary escrow from the date of completion.

Project Updates

India

The Company advises that the sale process being conducted by GSPC for its 55% interest in the Cambay PSC remains ongoing, though progress continues to be delayed due to the impact of COVID-19 in India. Regular dialogue continues with both GSPC and the requisite representatives of the Government of India (GoI) to bring these efforts to a positive conclusion.

The sale of the Bhandut PSC is nearing completion with only transfer by the GoI now required. The Company continues to assist the new buyer, Kiri and Company Logistics Private Limited, in finalising the transaction and with its future activities in the PSC under a contract arrangement.

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The Company is pleased to advise that it has received US\$238,000 from GSPC during the September quarter in respect of recent Cambay and Bhandut cash calls.

Indonesia

The Company advises that the Company's strategic efforts to regain a participating interest in the West Kampar PSC in Indonesia are continuing with recent presentations and discussions with the Indonesian government task force charged with implementing the management of upstream oil and gas business activities. These presentations outline Oilex's plan to rejuvenate the Pandalian oilfield, drill new in-field wells, and conduct exploration activities.

New Ventures

The Company continues to evaluate new venture opportunities in the search for robust projects which will progress the Company's main objective of returning value to shareholders.

Managing Director, Joe Salomon said "Like most companies, our business is experiencing the impact of the COVID-19 pandemic, however, we remain confident of seeing our projects through to fruition. The Company's running costs continue to be minimized with the ongoing support of our employees and suppliers and shareholders.

We look forward to providing further updates on our projects as we continue to make progress."

For and on behalf of Oilex Ltd



Joe Salomon
Managing Director

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