

ASX-RNS Announcement

21 April 2021

ASX: OEX
AIM: OEX

Acquisition Funding Arranged

The Board of Oilex Limited (Oilex the Company) is very pleased to announce that it has arranged the funding required to complete the acquisition of GSPC's 55% participating interest (PI) in the Cambay PSC (Cambay). This follows the announcement on 6 April 2021, in which, the Company announced that GSPC had provided notification that it had approved the sale of its 55% PI in Cambay to Oilex for the purchase price of US\$2.2 million (Purchase Price) (Transaction).

Following completion of the Transaction, Oilex will hold a 100% participating interest in Cambay, and as previously announced, this will provide Oilex with the ability, subject to sourcing the necessary additional funding, to restart field work including a work programme, consisting of the drilling of two vertical wells to appraise the Eocene gas accumulation. Completion of the Transaction will require the finalisation of a binding sales and purchase agreement with GSPC, and the Government of India's approval for the transfer of GSPC's PI to Oilex. The Company is considering various funding options for the drilling program including potential farm-in partners. To this end, several parties have expressed interest to the Company to farm into Cambay and the Company will consider its options in the ordinary course with due regard to the best interests of its shareholders.

In order to satisfy the acquisition consideration, the Company has arranged an equity capital raising, with existing sophisticated shareholders and clients of Novum Securities Limited, of £2.4 million (A\$4.3 million) through the issue of 1,008,403,361 new ordinary shares at GBP 0.238 pence (0.425 AUD cents) per share (Subscription). The Subscription will be completed in two tranches with each subscriber participating in Tranche 1 and 2 on a pro-rata basis:

Tranche 1: 405,000,000 ordinary shares issued at GBP 0.238 pence for £0.964 million under the Company's existing ASX LR7.1 capacity. Completion of this equity issue is anticipated in early May 2021.

Tranche 2: 603,403,361 ordinary shares issued at GBP 0.238 pence for £1.436 million subject to shareholder approval being obtained. Completion of this equity issue is anticipated in late May 2021.

In addition, each ordinary share issued as part of Tranche 2 will also be issued with one share option, resulting in the issue of an aggregate of 603,403,361 options (Options). The Options are exercisable at GBP 0.476 pence per share on or before 30 June 2022. The issue of the options is also subject to shareholder approval anticipated in late May 2021.

Funds raised from the Subscription are intended to be applied to the acquisition cost of GSPC's PI, development of the Company's plans to undertake a drilling and testing appraisal program and the Company's working capital base.

The shares, the subject of the Subscription, will rank *pari passu* in all respects with the existing shares. Application will be made in due course to the London Stock Exchange for the shares (Subscription Shares) to be admitted to trading on AIM with a further announcement at that time. The applicable Appendix 3B to be submitted shortly.

Managing Director of Oilex, Joe Salomon, said;

"Oilex is very pleased to have received strong financial support from its long-term shareholders to complete the acquisition of GSPC's interest in Cambay. The proceeds will be applied firstly for the purchase of GSPC's 55% PI and

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secondly to support the development of Oilex's plans to undertake a drilling and testing appraisal program aimed directly at establishing gas flow rates from the known gas resource in the EP-IV formation in the Cambay PSC.

The ultimate aim of the Cambay project is to confirm high gas rate production which can be aggregated through an ongoing drilling program and where the gas can be sold into India's high-pressure pipeline system. While this project has been delayed through unavoidable circumstances including the COVID situation in India, the Company is now at a very positive point, with a strong team to oversee the re-start of activities."

Total Voting Rights

Assuming shareholder approval is granted, following the issue of all of the Subscription shares, the Company's share capital and total voting rights will comprise 5,664,170,329 shares. The Company does not hold any shares in treasury. Consequently, 5,664,170,329 is the figure which may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

Related Party Transaction

Republic Investment Management Pte Ltd (Republic) has arranged to subscribe for £900,000 (A\$1,614,639) of the Subscription. As a result of Republic being categorised as a Substantial Shareholder of the Company within the past 12 months, it is deemed a related party of the Company pursuant to the AIM Rules for Companies (AIM Rules). Accordingly, Republic's participation in the Subscription is classified as a related party transaction pursuant to the AIM Rules.

The Directors of the Company, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, consider that the terms of Republic's participation in the Subscription are fair and reasonable insofar as the Company's shareholders are concerned.

For and on behalf of Oilex Ltd



Joe Salomon
Managing Director

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