

## ASX-RNS Announcement

11 June 2021

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### Execution of Cambay SPA

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Oilex Ltd (the Company) is pleased to announce that, further to recent announcements, the conditional binding sale and purchase agreement to acquire GSPC's 55% participating interest (PI) in the Cambay Production Sharing Contract (Cambay) (the Acquisition) has now been executed by both parties.

The ratification of the Acquisition by the Government of India is expected to occur in the coming months, which is the last outstanding condition to completion of the Acquisition. Following completion of the previously announced equity raise, and shareholder approval provided on 8 June 2021, Oilex is currently securing a bank guarantee for the US\$2.2 million consideration payable for the Acquisition.

The Acquisition will provide Oilex with 100% PI in the Cambay PSC. The primary interest in the PSC is the proven gas accumulation in the EP-IV tight siltstone reservoir, which has been produced historically by the Company at low rates from a number of wells within the PSC. Oilex has undertaken extensive technical studies on the asset and the Company's drilling plans in relation to a pilot program are well advanced, subject to finalisation of funding alternatives, with the aim of establishing flow rates after hydraulic stimulation of the Eocene siltstone reservoir.

The pilot program will implement the recommendations from a 2017/18 Baker Hughes-GE study focussed on drilling and stimulation using world-wide best practice. Any initial hydrocarbon production from these wells will utilise the existing Cambay processing and storage facilities and the connection to a local low pressure gas pipeline. Given success, the production facilities will be upgraded on an as required basis to provide a low-cost path to commercialise increased gas flows resulting from additional production wells.

The ultimate project aim is to aggregate sufficient production volumes from multiple wells to connect to the high-pressure pipeline system which will offer greater offtake stability and improved gas prices. It is anticipated that the results of the pilot program will provide the necessary data to determine whether horizontal wells can deliver an estimated 3 to 5 fold increase on well productivity, thereby offering the highest commercial returns for the project in order to exploit the third party gross contingent resource estimate of 926 BCF of gas and 61 million barrels of condensate (RISC 2015).

Oilex's Managing Director, Mr Joe Salomon, said:

"Finalisation of this transaction marks an important milestone in re-establishing access to high potential gas production at the Cambay gas field and positions the Oilex, once more, as an active Indian energy company. Oilex remains one of the few international companies active in the sector in India where we see enormous potential both for gas projects as well as renewable energy and carbon abatement projects. During the next few months, we will determine the Company's optimal participation level in the project and re-commence operational activities. Over the past few years, we have continued to review additional projects while also continuing to progress our UK assets. As a result, from this stronger platform we see opportunities to build on Oilex's current project inventory. I would like to take this opportunity to thank our staff and stakeholders who have maintained support for the Company as it has navigated these challenges."

For and on behalf of Oilex Ltd



**Joe Salomon**  
**Managing Director**

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