OILEX LTD

ANNUAL REPORT | 2021

CONTENTS

Chairman's Review 2

Business Review 3

Permit Schedule 8

Directors' Report 9

Remuneration Report - Audited 17

Lead Auditor's Independence Declaration 25

Annual Financial Report 26

- Consolidated Statement of Profit or Loss and Other Comprehensive Income 27
- Consolidated Statement of Financial Position 28
- Consolidated Statement of Changes in Equity 29
- Consolidated Statement of Cash Flows 30
- Notes to the Consolidated Financial Statements 31
- Directors' Declaration 72
- Independent Auditor’s Report 73

Additional Shareholder Information 78

Definitions 80

Corporate Information 81

Dear Shareholder,

The recovery of the oil price from a low of around $20 in April 2020 to a current price of over $70 and a bullish demand outlook reflects the ongoing recovery of a global economy dramatically affected by both the COVID-19 pandemic and the changing energy environment driven by the need to attain net-zero carbon emissions. Your company has adopted a strategy focused on gas, the cleanest hydrocarbon, rather than oil and aimed particularly at gas production, gas storage and sequestration of carbon dioxide. All three have commonalities in that they involve sub-surface reservoirs and engineering processes well understood and developed within the hydrocarbon industry and well within the capabilities of the Oilex team, which has been further strengthened by senior management appointments this year.

Our revised strategy, announced in June this year, will focus on making long-awaited progress in our existing Cambay asset in India and further developing an asset base in the UK. Both project areas will focus on gas production.

The joint venture impasse in the Cambay project is finally being resolved through the Company's purchase of GSPC's 55% equity in the project. The transfer of the equity to Oilex only requires the final approval of the Government of India, which is expected within the coming months. This resolution has occurred because of the dedication of the Oilex staff through challenging times.

Following an unsuccessful request to the UK Oil and Gas Authority to extend the initial term of the P2446 exploration licence, the Company has decided to relinquish the licence. The extension was requested due to COVID-19 related delays in completing the initial phase work programme. The remaining technical uncertainties and the Company's new strategy to focus on mature gas field acquisitions and carbon capture and storage (CCS) opportunities were the main drivers behind the Company's decision.

Oilex is now poised to enter a new phase of growth involving the search for and addition of attractive new projects. To that end, the Oilex Board has made significant changes to the management team through the addition of Roland Wessel and Colin Judd who have worked together over many years and overseen the growth and success of a number of projects and companies. This is a very positive event for the Company and the new team is now leading the revised strategy. The initial elements of the execution of the strategy include a restart of field activities in the Cambay PSC, and a focus on mature gas field acquisitions and CCS opportunities in the UK. The Company is committed to achieving carbon-neutral gas production in the UK via the implementation of CCS projects, which will be leveraged by the management team's experience and expertise with respect to gas storage in depleted reservoirs.

At the same time, the historic projects inside of the Company have been largely rationalised with the Indian Bhandut project and the Australian asset base sold, the JPDA dispute resolved, and Indonesian efforts making progress.

Throughout this process, we have enjoyed continued support from our major shareholders who have provided the funding for the GSPC acquisition and maintain a strong interest in the Company's activities.

We seek your continued support in our efforts given the resolution of the major historic challenges and the appointment of a new team to lead the Company through its next development phase. On behalf of the Board, I wish to thank you, our staff, contractors, local communities, shareholders, and stakeholders for your ongoing support.

Mr J Salomon
Executive Chairman
22 September 2021

External Impact on the Petroleum Industry

A number of factors have challenged our industry over the last year as the world deals with the continued effects of the COVID-19 crisis which has produced a marked shift in working styles and technology used for communications, the move towards net zero carbon and increased activism related to global climate change. These factors, along with low commodity prices for oil and gas in the first half of the financial year, have produced investment caution in our industry while the need for gas as a transition fuel into the future remains very robust. India has been particularly impacted by sequential waves of the COVID-19 pandemic, affecting progress on the Cambay project.

While the cost base of both our Australian and Indian operations continued to see reductions through the reporting period, the Company remained committed to resolving the long-standing impasse of the Cambay PSC and has continued with work on its other projects.

Oilex Strategy

During 2020-2021, Oilex's focus shifted further towards gas, considered by many to be the transition fuel for decades to come. In particular, we have focussed on our core gas project in India and on gas in the UK. Our exposure to oil has been reduced through the sale of our Cooper-Eromanga projects in Australia. Our prime interest continues to lie within proven super-basins which contain world-class source rocks, well-defined fairways, undeveloped discoveries, progressive regulators, open access to data, existing infrastructure, and demonstrable upside potential for junior companies. In addition, the Company is focussing on areas where we believe gas has an important role to play in the energy mix of the surrounding region, and also where carbon sequestration can be added to our project base given the commonalities of gas production, gas storage and carbon storage.

To address this strategy, the Company has recently seen major additions to the executive team which strengthen the Company's operational capabilities in drilling and production projects, along with providing the credentials to access new opportunities, particularly in the UK. The immediate new opportunity focus will be on projects which provide near-term cash flow to the Company.

This revised strategy will see an increased focus on UK activities with an emphasis on carbon-neutral gas production in conjunction with CCS. The Company believes that natural gas will continue to provide an important part of the UK's energy mix for the foreseeable future and will seek to invest in UKCS gas production. Oilex believes it can make a positive contribution to the UK's energy supply and CO2 reduction goals.

Cambay Field, Onshore Gujarat, India

Oilex - 100% (subject to final Government of India approval)

Oilex is the Operator of the Cambay Field and as a result of the recent acquisition of GSPC's 55% participating interest, the Company will hold 100% equity in the project once the Government of India approves the transfer of interest. The buy-out of GSPC has been a focus for some time, facilitated by agreements reached with GSPC in early April 2021 and a capital raising exercise later in the same month, which resulted in an injection of A$4.3 million from sophisticated shareholders into Oilex. The purchase price of GSPC's share of equity was US$2.2 million.

The Cambay PSC has been explored since the late 1950s and saw one of the first exploration successes in India's history. Hydrocarbon production was established from several conventional vertically stacked reservoir sections over the succeeding decades. Oilex entered the project in 2006 and drilled a number of successful early wells establishing production, however, the focus then turned to a potentially large gas resource in the Eocene-aged tight siltstone, which was known to contain and flow gas on test, starting with some of the earliest exploration wells in the region. The potential exists for a TCF-scale gas resource within the licence area and the purchase of GSPC's share of equity now provides the pathway for a pilot project to be undertaken to confirm both flow rate potential and resource size.

The PSC area is located onshore in the state of Gujarat in the heart of one of India's most prolific hydrocarbon provinces. It is ideally located within a major industrial corridor and approximately 20 km from the existing national gas trunk pipeline grid. India's large energy market is currently dependent on gas imports. The Cambay PSC is well-positioned to displace imported gas with indigenous gas supplies.

Oilex's plan centres around recommencement of production from 2 wells (C-73 and C-77H) and the further evaluation of the Cambay EP-IV tight gas accumulation. In this respect, both workovers/recompletion of existing wells and the drilling of new wells are being considered. A significant body of work has been completed to understand the reasons for under-delivery in past drilling programs and to provide a reliable approach to achieve commercial gas flow rates. Field execution is expected to be in the first half of 2022. This ties in with a government approved Field Development Plan (FDP) which provides a staged approach, initially focussing on the drilling of a small number of new wells to gather key information on reservoir performance. The plan is based on the results from a series of technical studies with the application of the most appropriate drilling, stimulation and completion technologies available.

Upon success, the upcoming programme will provide the basis for a larger drilling programme to follow, aimed at aggregating sufficient production volumes to connect to the trunk pipelines. Such a success will link Oilex's gas production to the high-pressure gas network with higher (LNG replacement) gas prices and greater offtake stability.

Oilex also remains in discussion with a number of companies who have expressed interest in the Cambay PSC and its potential, with the possibility of a farmout exercise to reduce the Company's exposure to financing and project risk.

Oilex expects to obtain a new environmental clearance from the Ministry of Environment and Forest and Cabinet Committee to supersede the clearances already obtained under the previous regulatory requirements, which will allow the small scale gas production to re-commence from the existing C-73 and C-77H wells. While production rates are small, the proceeds pay for field costs.

Resource volumes for the Eocene are unchanged since June 2016 and are summarised in the following table which shows 100% working interest. The development plan submitted as part of the application for extension of the PSC term addresses a sub-set of these resources in a staged approach.

Unrisked Cambay Field Contingent Resource Estimates (100%)

	Gas Volume Bcf			Condensate Volume million bbl		
	1C	2C	3C	1C	2C	3C
X & Y Zones	478	926	1616	26.6	60.8	121.3

Source: RISC Resource Report April 2015 and Letter 23 June 2016

During the financial year, the Joint Venture received US$0.364 million gross from GSPC against outstanding cash calls for Cambay. An additional payment of US$0.543 million has been paid by GSPC to Oilex on 4 September 2021 as settlement for all remaining unpaid cash calls.

Bhandut Field, Onshore Gujarat, India

During the year, Oilex N.L. Holdings (India) Limited divested its 40% holding in the Bhandut Field Production Sharing Contract (PSC) in the Cambay Basin onshore Gujarat, to Kiri and Company Logistics (Kiri) for US$0.29 million in cash.

During the financial year, the Joint Venture received US$0.052 million gross from GSPC against outstanding cash calls for Bhandut. In addition, US$0.028 million was paid by Kiri to Oilex for GSPC's share of outstanding cash calls.

JPDA 06-103, Timor Sea

(Oilex - 10%, Operator)

In August 2020, on behalf of its Joint Venture Participants, Oilex announced a Deed of Settlement and Release (Deed) with the Autoridade Nacional Do Petroleo E Minerais (ANPM). Under the terms of the Deed, Oilex has committed to a settlement of US$800,000 payable up to the financial year 2024. A total of US$211,843 has been paid to date. Under an unsecured loan facility agreement that the Company has entered into with two of its joint venture partners, the balance of US$588,157 is due for settlement prior to 17 August 2023.

West Kampar PSC, Central Sumatra, Indonesia

The Company continued to work on its objective to regain a participating interest in the West Kampar PSC in Indonesia, which is expected to lead, subject to financing, to recommencing production from the Pendalian Oilfield.

The West Kampar Block is located in central Sumatra adjacent to the most prolific oil producing basin in Indonesia and covers some 900 square kilometres. It contains the Pendalian Oilfield which has remaining production potential.

Following various meetings and correspondence with the Government of Indonesia and with the support of our local Indonesian partner, the government has advised that our Proposed Direct Bid, through the Joint Study of the West Kampar Region, is declared administratively complete and has recorded it as a proposal for a Direct Offer through a Joint Study as stipulated in ESDM Regulation No. 35 of 2008. The Company continues to engage with the regulator with a view to restoring its interest in West Kampar. Oilex will share in any award of the PSC on a 50-50 joint basis with its local Indonesian partner, PT Ephindo. Upon success, the longer-term position of the asset will be determined in line with the Company's broader strategic objectives.

Cooper Eromanga Basins

In September 2020, Oilex completed the sale of its Cooper Eromanga Basin asset package to Armour Energy. Under the agreement, Armour acquired 100% of the issued capital of CoEra Limited, a wholly-owned subsidiary of Oilex holding the Cooper-Eromanga assets, in exchange for Armour issuing 22,050,000 fully paid ordinary shares to Oilex as the purchase price. Subsequently, in January 2021, 5,000,000 Armour shares were sold to raise maintenance capital for the Company. A further 19,153 Armour shares were sold in February 2021. The remaining 17,030,847 shares are being held by the Company.

East Irish Sea (P2446 Licence)

Following an unsuccessful request to the UK Oil and Gas Authority to extend the initial term of the P2446 exploration licence, the Company plans to relinquish the licence. The extension was requested due to COVID-19 related delays in completing the initial phase work programme. The remaining technical uncertainties and the Company's new strategy to focus on mature gas field acquisitions and CCS opportunities were the main drivers behind the Company's decision.

Financial

Treasury policy

The funding requirements of the Group are reviewed on a regular basis by the Group's Chief Financial Officer and reported to the Board to ensure the Group can meet its financial obligations as and when they fall due. Internal cash flow models are used to review and test investment decisions. Until sufficient operating cash flows are generated from its operations, the Group remains reliant on equity or debt funding, as well as assets divestiture or farmouts to fund its expenditure commitments.

Formal control over the Group's activities is maintained through a budget and cash flow monitoring process with annual budgets considered in detail and monitored monthly by the Board and forming the basis of the Company's financial management strategy.

Cash flows are tested under various scenarios to ensure that expenditure commitments can be met under all reasonably likely scenarios. Expenditures are also carefully monitored against the budget. The Company continues to actively develop funding options in order to meet its expenditure commitments and its planned future discretionary expenditure. During the year several capital raisings were completed to provide for working capital for the Company.

A number of debt and equity capital raisings were undertaken during the year to provide working capital for the Company's activities:

September 2020 quarter

- Placement of 312,500,000 ordinary shares at an issue price of £0.0008 per share (A$0.00144 per share) for gross proceeds of £0.25 million (A$0.5 million).
- Repayment in full of the Series B loan funding facility.

December 2020 quarter

- Amendment of Series C loan funding facility repayment date extended initially from 31 October 2020 to 31 December 2020 and then to 31 March 2021.

March 2021 quarter

- Amendment of Series D loan funding facility to 30 June 2021.
- Repayment in full of the Series C loan funding facility.
- Placement of 250,000,000 ordinary shares at an issue price of £0.0014 per share (A$0.00252 per share) for gross proceeds of £0.35 million (A$0.63 million).

June 2021 quarter

- Repayment in full of the Series D (19/04/2021) loan funding facility.
- Placement of 1,008,403,361 ordinary shares at an issue price of £0.00238 per share (A$0.00425 per share) for gross proceeds of £2.4 million (A$4.3 million) in two tranches. The funds raised are to be applied to the acquisition cost of GSPC's PI, and the development of the Company's plans to undertake a drilling and testing appraisal program and the Company's working capital base.

Corporate

The Company has dual listing on the ASX and the Alternative Investment Market (AIM) of the London Stock Exchange with approximately 81.20% of the Company's shares held on the Company's UK register.

During the year 204,545,455 loan options were exercised at an exercise price of £0.11 pence per option, and 29,802,631 broker options were exercised at a weighted-average exercise price of £0.00135 per option.

As at 30 June 2021 the Company had:

- Available cash resources of $4,310,767,
- Nil borrowings
- Issued capital of 5,685,971,571 fully paid ordinary shares and unlisted options of 603,403,361.

Executive and Board Changes

During the financial year, the following board changes were made:

- The appointment of Mr Roland Wessel as Chief Executive Officer and Director, effective 16 June 2021. Roland's appointment was a significant addition to the Oilex senior management team. Roland continues to play an instrumental role in leading the Company through a new and ambitious growth phase.
- Concurrent to Roland Wessel's appointment, Joe Salomon, who was the Company's Managing Director and Interim Chairman, assumed the position of Executive Chairman.

Risk Management

The full Board undertakes the function of the Audit and Risk Committee and is responsible for the Group's internal financial control system and the Company's risk management framework. Management of business risk, particularly exploration, development and operational risk is essential for success in the oil and gas business. The Group manages risk through a formal risk identification and risk management system.

Health, Safety, Security and Environment

Oilex is committed to protecting the health and safety of everybody who plays a part in our operations or lives in the communities where we operate. Wherever we operate, we will conduct our business with respect and care for both the local and global, natural and social environment and systematically manage risks to drive sustainable business growth. We will strive to eliminate all injuries, occupational illness, unsafe practices and incidents of environmental harm from our activities. The safety and health of our workforce and our environmental stewardship are just as important to our success as operational and financial performance and the reputation of the Company.

Oilex respects the diversity of cultures and customs that it encounters and endeavours to incorporate business practices that accommodate such diversity and that have a beneficial impact through our working involvement with local communities. We strive to make our facilities safer and better places in which to work and our attention to detail and focus on safety, environmental, health and security issues will help to ensure high standards of performance. We are committed to a process of continuous improvement in all we do and to the adoption of international industry standards and codes wherever practicable. Through implementation of these principles, Oilex seeks to earn the public's trust and to be recognised as a responsible corporate citizen.

Qualified Petroleum Reserves and Resources Evaluator Statement

Pursuant to the requirements of Chapter 5 of the ASX Listing Rules, the information in this report relating to petroleum reserves and resources is based on and fairly represents information and supporting documentation prepared by or under the supervision of Mr Jonathan Salomon, Executive Chairman employed by Oilex Ltd. Mr Salomon has over 35 years' experience in petroleum geology and is a member of the American Association of Petroleum Geologists, and the Society of Petroleum Engineers. Mr Salomon meets the requirements of a qualified petroleum reserve and resource evaluator under Chapter 5 of the ASX Listing Rules and consents to the inclusion of this information in this report in the form and context in which it appears. Mr Salomon also meets the requirements of a qualified person under the AIM Note for Mining, Oil and Gas Companies and consents to the inclusion of this information in this report in the form and context in which it appears.

PETROLEUM PERMIT SCHEDULE – 30 JUNE 2021				
ASSET	**LOCATION**	**ENTITY**	**EQUITY %**	**OPERATOR**
Cambay Field PSC [(1)]	Gujarat, India	Oilex Ltd Oilex N.L. Holdings (India) Limited	30.0 15.0	Oilex Ltd
Bhandut Field PSC [(2)]	Gujarat, India	Oilex N.L. Holdings (India) Limited	0.0	
JPDA 06-103 PSC [(3)]	Joint Petroleum Development Area Timor Leste and Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd
P2446 [(4)]	United Kingdom (East Irish Sea)	Oilex EIS Limited	100%	Oilex EIS Limited

(1) *Oilex has signed a binding agreement to acquire GSPC's 55% share of equity and the purchase price has been paid under a bank guarantee. Following GoI approval Oilex will hold 100% equity.*

(2) *Bhandut PSC has been sold to Kiri and Company Logistics Private Limited.*

(3) *PSC terminated 15 July 2015.*

(4) *The P2446 licence was relinquished in September 2021.*

For the year ended 30 June 2021

The directors of Oilex Ltd present their report (including the Remuneration Report) together with the consolidated financial statements of the Group comprising of Oilex Ltd (the Company) and its subsidiaries for the financial year ended 30 June 2021 and the auditors' report thereon.

DIRECTORS

The directors of Oilex Ltd in office at any time during or since the end of the financial year are:

Mr Roland Wessel
(Chief Executive Officer and Director, appointed 16 June 2021)

Mr Wessel is a geologist with 45 years' experience in all of the world's major oil and gas regions. Further details of Mr Wessel's qualifications and experience can be found in the Executive Management section of the Directors' Report.

During the last three financial years and up to the date of this report, Mr Wessel has not been a director of any other ASX listed companies.

Mr Jonathan Salomon (B App Sc (Geology), GAICD)
(Executive Chairman, appointed 16 June 2021)
(Interim Chairman and Managing Director until 15 June 2021)

Mr Salomon was appointed as a Non-Executive Director in November 2015, Managing Director on 18 March 2016, and Interim Chairman on 5 May 2020 following the resignation of Mr Lingo. Mr Salomon continued as Managing Director and Interim Chairman until he was appointed as Executive Chairman on 16 June 2021. Mr Salomon has over 35 years of experience working for upstream energy companies. Further details of Mr Salomon's qualifications and experience can be found in the Executive Management section of the Directors' Report.

During the last three financial years, Mr Salomon has not been a director of any other ASX listed companies.

Mr Mark Bolton (B Business)
(Non-Executive Director, appointed 1 July 2021)
(Executive Director and Chief Financial Officer until 1 July 2021, Company Secretary until 25 August 2021)

Mr Bolton was appointed Chief Financial Officer and Company Secretary on 3 June 2016, and as Executive Director on 26 March 2020. Mr Bolton continued as Executive Director and Chief Financial Officer until 1 July 2021, when he was appointed as Non-Executive Director. Mr Bolton resigned as Company Secretary on 25 August 2021. Mr Bolton has significant experience in the development and financing of new resources projects, particularly in emerging economies. Further details of Mr Bolton's qualifications and experience can be found in the Executive Management section of the Directors' Report.

During the last three financial years and up to the date of this report, Mr Bolton has not been a director of any other ASX listed company.

Mr Paul Haywood
(Non-Executive Director)

Mr Haywood was appointed as a Non-Executive Director in May 2017. Mr Haywood has over 17 years of international experience in delivering value for his investment network through a blended skill set of corporate and operational experience, including more than six years in the Middle East, building early stage and growth projects. More recently, Mr Haywood has held senior management positions with UK and Australian public companies in the natural resource and energy sectors including oil and gas exploration and development in UK, EU and Central Asia. Mr Haywood's expertise stretches across UK and Australian public markets, with a cross-functional skill set encompassing research, strategy, implementation, capital and transactional management. Mr Haywood is currently Chief Executive Officer of Block Energy Plc.

During the last three financial years and up to the date of this report, Mr Haywood has not been a director of any other ASX listed companies.

Mr Peter Schwarz (B Sc (Geology), M Sc (Petroleum Geology))
(Non-Executive Director)

Mr Schwarz was appointed as a Non-Executive Director in September 2019. A former director of BG Exploration and Production Limited and CEO of independent exploration company Virgo Energy Ltd, Mr Schwarz is an AAPG Certified Petroleum Geologist and business development professional with over 40 years' experience in the oil and gas industry. Mr Schwarz has previously held various senior management roles with Amerada Hess, BG, and Marubeni and is currently a director of Finite Energy Limited, an oil and gas consultancy business he founded over 15 years ago, specialising in strategy and business development advice in the UK and Europe.

During the last three financial years and up to the date of this report, Mr Schwarz has not been a director of any other ASX listed companies.

COMPANY SECRETARY

The Executive Director, Mr Mark Bolton (B Business) was appointed Company Secretary on 3 June 2016. He resigned as Company Secretary on 25 August 2021. Mrs Suzie Foreman (FGIA, CA, BComm) was appointed as Company Secretary in Mr Bolton's place on 25 August 2021.

Mrs Foreman is a Chartered Accountant and Governance Institute Fellow member, specialising in the provision of corporate governance, financial reporting and company secretarial advice to entities for over 20 years. Mrs Foreman has held senior management roles and has demonstrated experience across a range of businesses from start-up enterprises to large corporates, Mrs Foreman has acted in the capacity of Non-Executive Director, Chief Financial Officer and Company Secretary and is currently the Company Secretary of ASX-listed entity Spectur Limited.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement, which reports on Oilex's key governance principles and practices is available on the Oilex website.

In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition.

The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The Corporate Governance Statement provides detailed information on the Board and committee structure, diversity and risk management.

DIRECTORS' MEETINGS

Directors in office and directors' attendance at meetings during the 2020/21 financial year are as follows:

	Board Meetings (1)	
	Held (2)	**Attended**
Non-Executive Directors		
P Haywood	12	12
P Schwarz	12	12
Executive Directors		
R Wessel (3)	1	1
J Salomon (4)	12	12
M Bolton (5)	12	12

(1) Following the changes to the Board at the Annual General Meeting on 25 November 2015, the Board resolved that the full Board would perform the role of the Audit and Risk Committee and the Remuneration and Nomination Committee.

(2) Held indicates the number of meetings available for attendance by the director during the tenure of each director.

(3) Appointed Chief Executive Officer and Director on 16 June 2021.

(4) Managing Director and Interim Chairman until 15 June 2021, appointed Executive Chairman 16 June 2021

(5) Executive Director until 30 June 2021, appointed Non-Executive Director 1 July 2021.

EXECUTIVE MANAGEMENT

Mr Roland Wessel

(Chief Executive Officer and Director, appointed 16 June 2021)

Mr Wessel is a geologist with 45 years' experience in all of the world's major oil and gas regions. Mr Wessel founded and built Star Energy, the UK onshore operator of 25 oil and gas fields, through to its listing on AIM in 2004 and its sale to Petronas in 2008. During its evolution, Star Energy grew rapidly through acquisitions and diversification, culminating in it becoming a major gas storage developer and operator. During his career, Mr Wessel has founded and managed a drilling services company and has developed and patented several key oilfield technologies. He has extensive experience in both project and corporate management.

Mr Jonathan Salomon (B App Sc (Geology), GAICD)

(Executive Chairman, appointed 16 June 2021)
(Interim Chairman and Managing Director until 15 June 2021)

Mr Salomon was appointed as a Non-Executive Director in November 2015, Managing Director on 18 March 2016, and Interim Chairman on 5 May 2020 following the resignation of Mr Lingo. Mr Salomon continued as Managing Director and Interim Chairman until he was appointed as Executive Chairman on 16 June 2021. Mr Salomon has a Bachelor Degree in Applied Science and is a member of the American Association of Petroleum Geologists and the Society of Petroleum Engineers, and has over 35 years of experience working for upstream energy companies. Mr Salomon has worked for a number of oil and gas companies in various senior positions including General Manager Exploration and New Ventures at Murphy Oil Corporation and Global Head of Geoscience at RISC PL, in addition to a number of Executive Director roles including Strategic Energy Resources, Norwest Energy and Nido Petroleum. At several times in his career, Mr Salomon has acted as an independent consultant for various oil and gas companies, including New Standard Energy and Pacrim Energy. Mr Salomon first worked on Indian projects in 1994 while at Ampolex and since that time has maintained a connection with the Indian industry, at various times bidding in India's exploration and field development rounds and working with Indian companies as joint venture partners, both in India and internationally.

Mr Colin Judd

(Chief Financial Officer, appointed 1 July 2021)

Mr Judd qualified as a chartered accountant with Price Waterhouse in 1979, where he fulfilled various professional accounting positions in the UK, Europe and the Far East. Mr Judd joined Christian Salvesen plc in 1987, undertaking senior financial management roles culminating in the position of European Financial Controller. In 1994, Mr Judd moved to Aberdeen where he undertook Chief Financial Officer roles for two private-equity-backed oil service businesses. In 1999, Mr Judd joined Star Energy Limited as a founder member and Chief Financial Officer and was instrumental in the company's successful listing on AIM in 2004, various subsequent share placings and the company's ultimate sale to Petronas. Mr Judd cofounded Trans European Oil & Gas Limited, a company backed by KKR, with the strategy to develop a pan-European oil and gas business.

Mr Mark Bolton (B Business)

(Non-Executive Director, appointed 1 July 2021)
(Executive Director and Chief Financial Officer until 1 July 2021, Company Secretary until 25 August 2021)

Mr Bolton was appointed Chief Financial Officer and Company Secretary on 3 June 2016, and as Executive Director on 26 March 2020. Mr Bolton continued as Executive Director and Chief Financial Officer until 1 July 2021, when he was appointed as Non-Executive Director. Mr Bolton resigned as Company Secretary on 25 August 2021. He has significant experience in the resource sector in Australia, having worked as Chief Financial Officer and Company Secretary for a number of resource companies since 2003. Prior to this, Mr Bolton worked with Ernst & Young as an Executive Director in Corporate Finance. Mr Bolton has experience in the areas of commercial management and the financing of resource projects internationally. He also has extensive experience in capital and equity markets in a number of jurisdictions including ASX, AIM and the TSX.

Mr Ashish Khare (Bachelor of Engineering (BE in Chemical Engineering, including petroleum management))

(Head of India Assets)

Mr Khare was appointed Head of India Assets on 8 November 2016 and is based in Gandhinagar India. Mr Khare has over 20 years of experience in the petroleum industry. Mr Khare's area of expertise include upstream oil and gas, as well as midstream and downstream project implementation and operations management. Mr Khare originally worked for Oilex as GM Operations & Business Development, and has experience working for various Indian companies including Cairn India Ltd and Reliance Petroleum.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year included:

- exploration for oil and gas;
- appraisal and development of oil and gas prospects; and
- production and sale of oil and gas.

There were no significant changes in the nature of the activities during the year.

OPERATING RESULTS

The loss after income tax of the consolidated entity for the year ended 30 June 2021, from continuing operations, amounted to $1,710,917 (2020: $5,652,540). This loss was reduced to $614,345 after taking into account the profit after income tax from discontinued operations of $1,096,572 (2020: loss was increased to $5,841,096 after taking into account the loss after income tax from discontinued operations of $188,556).

The results from discontinued operations related to the Group's operating results from its interests in the Bhandut PSC joint venture and the CoEra Limited group for the prior and current financial periods up to the date of sale of those assets. The profit after income tax from discontinued operations includes a gain on sale of the Bhandut Joint Venture interest after tax of $788,236 (2020: $nil) and a gain on sale of CoEra Limited group of subsidiaries after tax of $344,167 (2020: $nil).

Following the voluntary shut-in of the Cambay Field in Q1 2019 resulting in the cessation of production, no revenue was recognised during the current and previous financial years. Other income during the year included COVID-19 related government assistance arrangements of $130,400 (2020: $98,000) and a gain on sale of equity securities (related to Armour shares which were sold during the year) of $100,402 (2020: $nil).

In the absence of a repayment schedule for outstanding cash calls from Gujarat State Petroleum Corporation (GSPC), the Company has continued to provide in full the amounts owing from its Joint Venture partner as well as amounts owing from the Cambay and Bhandut Joint Ventures, with the exception of a US$543,114 (A$722,267) Cambay cash call payment which was received on 4 September 2021, subsequent to the reporting date.

In addition to the above cash call payment received, the reduction in joint venture cash call and recharges since 30 June 2021 has resulted in a reversal in the provision for doubtful debts related to Cambay cash calls and recharges of $622,216 and a reversal in the provision for doubtful debts related to other receivables of $25,719. These reversals have been partially offset by a provision for doubtful debts expense of $121,551 required for the Group's share of JPDA JV cash call receivables. As a result, results from continuing operations include a credit to the provision for doubtful debts expense of $526,385 (2020: $23,336).

Exploration costs related to continuing operations have decreased to $513,122 (2020: $994,779) reflecting the Group's efforts to contain costs and due to the general impact of the ongoing COVID-19 pandemic, especially in India. In addition to these exploration costs, the Group has also written off $309,703 (2020: $nil), due to the Company's plans to relinquish its P2446 exploration licence, as announced on 17 September 2021 following an unsuccessful request to the UK Oil and Gas Authority (OGA) to extend the initial term of the licence. The $309,703 which was written off consists of $260,331 which was spent on the acquisition of the licence and $49,372 capitalised expenditure which was incurred post the acquisition of the licence.

Care and maintenance costs related to continuing operations decreased to $140,259 (2020: $1,061,121) also reflecting the Group's efforts to contain costs. The care and maintenance costs from continuing operations included a write-down of inventory of $29,922 (2020: $859,440).

No further impairment charge has been applied to the Cambay Field development assets during the current financial year (2020: $1,348,458)

The prior year results from continuing operations included a reduction in variable operating expenses as part of Group's effort to reduce costs. In the current year, efforts to contain costs have continued with further reductions in administration employee expenses $503,643 (2020: $718,210). Total administration expenses from continuing operations of $1,075,711 (2020: $1,967,442) include the above-mentioned reduction in employee expenses and other administration expenses.

Other expenses have decreased to $24,888 (2020: $335,393), as other expenses during the prior financial year included an increase of the termination penalty provision related to the JPDA 06-103 Production Sharing Contract by $297,885.

The impact of the ongoing COVID-19 pandemic up to 30 June 2021 has been financially negative for the consolidated entity. This is largely due to its general impact in India where significant delays have been experienced with the completion of the sale of GSPC's 55% interest in the Cambay Production Sharing Contract (PSC). As a result, Indian operations have continued to be maintained on a 'care and maintenance' basis for a longer period than originally anticipated.

Cash and cash equivalents held by the Group as at 30 June 2021 has increased to $4,310,767 (2020: $173,816).

FINANCIAL POSITION

The net assets of the consolidated entity totalled $8,982,903 as at 30 June 2021 (2020: $3,719,824).

DIVIDENDS

No dividend was paid or declared during the year and the directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS

A review of the operations of the Group during the financial year and the results of those operations are set out in the Review of Operations on pages 3 to 7 of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Review of Operations details those changes that have had a significant effect on the Group.

Other than those matters, there have been no other significant changes in the state of affairs of the Group that occurred during the financial year.

LIKELY DEVELOPMENTS

Additional comments on expected results on operations of the Group are included in the Review of Operations on pages 3 to 7.

Further disclosure as to likely developments in the operations of the Group and expected results of those operations have not been included in this report as, in the opinion of the Board, these would be speculative and as such, disclosure would not be in the best interests of the Group.

ENVIRONMENTAL ISSUES

The Group's oil and gas exploration and production activities are subject to environmental regulation under the legislation of the respective states and countries in which they operate. The majority of the Group's activities involve low level disturbance associated with its drilling programmes and production from existing wells. The Board actively monitors compliance with these regulations and as at the date of this report is not aware of any material breaches in respect of these regulations.

SIGNIFICANT EVENTS AFTER BALANCE DATE

The impact of the COVID-19 pandemic is ongoing and while it has been financially negative for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and Indian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Following the Company's announcement on 11 June 2021 on the execution of the SPA and the Acquisition of Cambay, the Company secured a bank guarantee on 31 July 2021 for the US$2.2 million consideration payable for the Acquisition. The ratification of the SPA and Acquisition by the Government of India is expected to occur in the coming months and is the last outstanding condition to completing the Acquisition. Refer to Note 12 for further details of the Acquisition.

On 12 August 2021, the Company also announced the issue of 2,458,785 shares in lieu of non-executive director remuneration for the period from 1 May 2021 through to 31 July 2021 at an issue price of $0.004 per ordinary share.

On 4 September 2021, the Company received cash proceeds of US$543,114 with regards to outstanding GSPC cash calls for the Cambay PSC.

On 17 September 2021, the Company announced its plans to relinquish the P2446 licence, following an unsuccessful request to the UK Oil and Gas Authority (OGA) to extend the initial term of the licence. This has been recognised in the 30 June 2021 results with a write-off of $309,703 in respect of licence acquisition costs ($260,331) and post-acquisition capitalised expenditure ($49,372).

There were no other significant subsequent events occurring after the year-end.

FINANCIAL POSITION

Capital Structure and Treasury Policy

As at 30 June 2021 the Group had unsecured loans at face value $nil (2020: $804,959). Refer note 17 of the Consolidated Financial Statements for details of the carrying amount, terms and conditions, repayment schedule, and options attached to the loans.

Details of transactions involving ordinary shares during the financial year are as follows:

	Number of Shares Issued	Value of Shares $	Gross Amount Raised $
July 2020			
- Share Placements (in lieu of consulting fees)	71,922,222	128,885	-
August 2020 - Share Placements	312,500,000	-	455,346
August 2020 - Share Placements (in lieu of consulting fees)	31,111,111	45,360	-
December 2020 - Acquisition of Petroleum Exploration Licences	42,500,000	151,704	-
February 2021 - Non-executive Director Remuneration	4,646,025	9,292	-
March 2021 - Share Placements	250,000,000	-	628,479
March 2021 - Share Placements (in lieu of consulting fees)	4,642,858	11,607	-
April 2021 - Share Placements (exercise of options)	234,348,086	-	475,867
April 2021 - Share Placements	84,375,000	-	359,944
May 2021 - Share Placements	320,625,000	-	1,370,056
May 2021 - Non-executive Director Remuneration	1,882,398	9,412	-
June 2021 - Non-executive Director Remuneration	19,918,844	49,415	-
June 2021 - Share Placements	603,403,361	-	2,637,217
Total	1,981,874,905	405,675	5,926,909

In accordance with the ASX Waiver granted 2 November 2020 the Company advises that the number of remuneration shares that were issued to non-executive directors totalled 26,447,267. This represents 0.47% of the Company's issued capital as at 30 June 2021.

As at the date of this report the Company had a total issued capital of 5,688,430,356 ordinary shares and 603,403,361 unlisted options exercisable at weighted average price of £0.00476 (A$0.009) per share.

DIRECTORS' INTERESTS

The relevant interest of each director in shares and unlisted options issued by the Company, as notified by the directors to the ASX in accordance with Section 205G (1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Number of Ordinary Shares	
	Direct	Indirect
R Wessel	-	-
J Salomon	-	14,987,013
M Bolton	-	-
P Haywood	12,381,837	-
P Schwarz	19,843,316	-

SHARE OPTIONS

Unissued shares under option

All options were granted in the current and previous financial years.

At the date of this report, unissued ordinary shares of the Company under option (with an exercise price) are:

Expiry Date	Number of Shares	Exercise Price
Unlisted Options		
Issued in 2021:		
30 June 2022	603,403,361	£0.00476 (A$0.009)
Issued in previous financial years:		
Nil	-	-
Total	603,403,361	

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Unissued shares under option that expired during the year

During the financial year, the following unlisted options expired or were cancelled upon cessation of employment:

Date Lapsed	Number	Exercise Price
31 July 2020	115,727,273	£0.0011 (A$0.002)
1 August 2020	166,666,667	£0.0021 (A$0.004)
24 December 2020	6,666,667	£0.0036 (A$0.006)
29 January 2021	113,636,364	£0.0011 (A$0.002)
Total	402,696,971	

Shares issued on exercise of unlisted options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of unlisted options as follows (there were no amounts unpaid on the shares issued):

	Number of Shares	Amount Paid on Each Share
During the financial year	204,545,455	£0.0011 (A$0.002)
	14,802,631	£0.0019 (A$0.003)
	15,000,000	£0.0008 (A$0.001)
Total	234,348,086	
Since the end of the financial year	-	

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group paid a premium in respect of insurance cover for the directors and officers of the Group. The Group has not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' liability and legal expense insurance contracts, as such disclosure is prohibited under the terms of the insurance contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company, nor has any application been made in respect of the Company under Section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Group is important.

The Board has considered the non-audit services provided during the year and is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and these have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Refer note 28 of the Consolidated Financial Statements for details of the amounts paid to the auditors of the Group, PKF Perth and their network firms for audit and non-audit services provided during the year.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, unless otherwise stated.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration for the year ended 30 June 2021 has been received and can be found on page 25.

REMUNERATION REPORT - AUDITED

The Board has performed the function of the Nomination and Remuneration Committee since June 2016 when the Board considered that, given the size and composition of the existing Board, that there are no efficiencies to be gained by having a separate committee. The Board has adopted a *Nomination and Remuneration Committee Charter*, which describes the role, composition, functions and responsibilities of the committee. The Nomination and Remuneration Committee is responsible for the review and recommendation to the Board, of the Company's Remuneration Policy, senior executives' remuneration and incentives, the remuneration framework for directors, superannuation arrangements, incentive plans and remuneration reporting.

1. PRINCIPLES OF COMPENSATION

Remuneration is referred to as compensation throughout this report. The Remuneration Report explains the remuneration arrangements for directors and senior executives of Oilex Ltd who have authority and responsibility for planning, directing and controlling the activities of the Group (key management personnel).

The compensation structures explained below are designed to attract, retain and motivate suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of the creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel;
- the ability of key management personnel to control the performance of the relevant segments;
- the current downturn and uncertainty within the resources industry;
- the Company's performance including:
  - the Group's earnings; and
  - the growth in share price and delivering constant returns on shareholder wealth;
- exploration success; and
- development of projects.

Compensation packages include a mix of fixed compensation and long-term performance-based incentives. In specific circumstances, the Group may also provide short-term cash incentives based upon the achievement of Company performance hurdles or in recognition of specific achievements.

1.1 Fixed Compensation

Fixed compensation consists of base compensation and employer contributions to superannuation funds. Compensation levels are reviewed annually through a process that considers individual, sector and overall performance of the Group. In addition, reviews of available data on oil and gas industry companies provide comparison figures to ensure the directors' and senior executives' compensation is competitive in the market.

Reductions in remunerations were introduced in 2016 and 2017 for the Executive and Non-Executive Directors in office at the time, and all staff have remained in place, with further reductions for some staff which commenced in April/May 2020.

Compensation for senior executives is separately reviewed at the time of promotion or initial appointment.

1.2 Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives designed to reward key management personnel for growth in shareholder wealth. The short-term incentive (STI) is an "at risk" bonus provided in the form of cash or shares, while the long-term incentive plan (LTI) is used to reward performance by granting options over ordinary shares of the Company.

Short-term incentive bonus

The Group does not utilise short-term incentives on an annual or regular basis, as these are not considered part of the standard compensation package for key management personnel.

In certain circumstances, the Board may, for reasons of retention, motivation or recognition, consider the use of short-term incentives.

Short-term incentives, if granted, are at the discretion of the Board having regard to the business plans set before the commencement of the financial year as well as the achievement of performance targets as determined by the Board. These targets include a combination of key strategic, financial and personal performance measures which may have a major influence over company performance in the short term.

There were no short-term incentives, performance bonuses or shares granted to senior executives or staff during the year ended 30 June 2021.

REMUNERATION REPORT - AUDITED (CONTINUED)

1. PRINCIPLES OF COMPENSATION (CONTINUED)

1.2 Performance Linked Compensation (Continued)

Long-term incentive bonus

Shareholders approved the 2017 Employee Incentive Plan (the Plan) at the AGM held 29 November 2017, which has yet to be implemented.

The Plan is a long-term incentive plan designed to allow the Group to attract and retain talented employees. The Plan aims to closely align the interests of directors, senior executives, employees and eligible contractors with those of shareholders and create a link between increasing shareholder value and employee reward.

The Plan permits the Board to grant shares and rights to acquire shares in the Company. Rights granted under the Plan may be in the form of options with a market-based exercise price, or performance rights, or a combination of these depending upon the Company's objectives in making the grant.

Vesting conditions may include one or more objectives and/or time-based milestones set at the discretion of the Board.

Whilst the Company moved certain assets to development in previous financial years, these were impaired during the previous financial year, and the Company does not generate profits or net operating cash inflows and as such does not pay any dividends, and consequently remuneration packages are not linked to profit performance. It is the performance of the overall exploration and appraisal programme and ultimately the share price that largely determines Oilex's performance. The Board therefore considered that fixed compensation combined with short-term and long-term incentive components is the best remuneration structure for achieving the Company's objectives to the benefit of shareholders. The table below sets out the closing share price at the end of the current and four previous financial years.

	2021	2020	2019	2018	2017
Share Price (cents)	0.4	0.2	0.2	0.3	0.3

The remuneration of directors may consist of a cash component as well as an equity component; and is designed to retain directors of a high calibre, whilst rewarding them for their ongoing commitment and contribution to the Company on a cost-effective basis. The issue of shares, rights or options to directors, subject to shareholder approval, is judged by the Company, to further align the directors' interests with that of shareholders, whilst maintaining the cash position of the Company. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing shares, rights or options to directors.

The Company did not issue any long-term incentives to directors, senior executives or staff during the year ended 30 June 2021.

1.3 Non-Executive Directors

Total compensation for all Non-Executive Directors is based on a comparison with external data with reference to fees paid to Non-Executive Directors of comparable companies. Directors' fees cover all main Board activities and membership of committees, if applicable.

The Board resolved to further reduce the remuneration of Non-Executive Directors by 10% effective from 1 October 2016 and these reductions remained in place during the year ended 30 June 2021.

The annual fee for Mr Bolton was set at $55,381 plus statutory superannuation per annum effective from 1 July 2021 when he resigned as Executive Director and was appointed as Non-Executive Director.

The annual fee for Mr Haywood, the Company's UK based Non-Executive Director was set at £30,000 per annum on commencement in May 2017 and remains unchanged.

The annual fee for Mr Schwarz, the Company's UK based Non-Executive Director was set at £30,000 per annum on commencement in September 2019 and remains unchanged.

At the Annual General Meeting held 27 November 2019 shareholders approved the issue of remuneration shares, whereby two Non-Executive Directors agreed to receive part of their Directors fees paid through the issue of shares in lieu of cash payments, for the period of 1 November 2019 through to 31 October 2020, in order to conserve the cash reserves of the Company. Similar shareholder approval was also received at the Annual General Meeting held on 16 December 2020 for the period 1 November 2020 through to 31 October 2021. Shareholder approval was separately obtained at the General Meeting held on 8 June 2021 for the remuneration shares issued for the period from 1 May 2019 through to 31 October 2020.

REMUNERATION REPORT - AUDITED (CONTINUED)

1. PRINCIPLES OF COMPENSATION (CONTINUED)

1.3 Non-Executive Directors (Continued)

The aggregate maximum fixed annual amount of remuneration available for Non-Executive Directors of $500,000 per annum was approved by Shareholders on 9 November 2011.

In addition to the fixed component, the Company can remunerate any director called upon to perform extra services or undertake any work for the Company beyond their general duties. This remuneration may either be in addition to, or in substitution for, the director's share of remuneration approved by Shareholders.

1.4 Clawback Policy

The Board has adopted the following Clawback Policy applicable from August 2015.

In relation to circumstances where an employee acts fraudulently or dishonestly, or wilfully breaches his or her duties to the Company or any of its subsidiaries, the Board has adopted a clawback policy in relation to any cash performance bonuses (including deferred share awards) or LTIs. The Board reserves the right to take action to reduce, recoup or otherwise adjust an employee's performance based remuneration in circumstances where in the opinion of the Board, an employee has acted fraudulently or dishonestly or wilfully breached his or her duties to the Company or any of its subsidiaries. The Board may:

- deem any bonus payable, but not yet paid, to be forfeited;
- require the repayment by the employee of all or part of any cash bonus received;
- determine that any unvested and/or unexercised LTIs will lapse;
- require the repayment of all or part of the cash amount received by the employee following vesting and subsequent sale of a LTI;
- reduce future discretionary remuneration to the extent considered necessary or appropriate to take account of the event that has triggered the clawback;
- initiate legal action against the employee; and/or
- take any other action the Board considers appropriate.

1.5 Remuneration Consultants

There were no remuneration recommendations made in relation to key management personnel by remuneration consultants in the financial year ended 30 June 2021.

1.6 Adoption of year ended 30 June 2020 Remuneration Report

At the Annual General Meeting held 16 December 2020 shareholders adopted the 30 June 2020 Remuneration Report with a clear majority of 486,660,940 votes in favour, being 99.70% of the votes cast.

REMUNERATION REPORT - AUDITED (CONTINUED)

2. EMPLOYMENT CONTRACTS

The following table summarises the terms and conditions of contracts between key executives and the Company:

Executive	Position	Contract Start Date	Contract Termination Date	Resignation Notice Required	Unvested Options on Resignation	Termination Notice Required from the Company (1)	Termination Payment
R Wessel (2)	Chief Executive Officer and Director	15 June 2021	n/a	3 months	Forfeited	3 months	For termination by the Company, 1 month's salary plus any accrued leave entitlement.
J Salomon (3)	Executive Chairman	18 March 2016	n/a (3)	3 months	Forfeited	3 months	For termination by the Company, three months' salary plus any accrued leave entitlement. If a Material Change Event occurs, employee may give notice to the Company within one month of the Material Change Event, terminating the Contract of Employment and following that effective date, the Company will pay a Termination Payment equal to six months' fixed annual remuneration. Subject to the *Corporations Act 2001* and any necessary approvals required thereunder.
C Judd (4)	Chief Financial Officer	1 July 2021	n/a	3 months	Forfeited	3 months	For termination by the Company, 1 month's salary plus any accrued leave entitlement.
M Bolton (5)	Non-Executive Director (Previously Executive Director, Chief Financial Officer and Company Secretary)	3 June 2016	n/a (5)	*Applicable until 30 June 2021:* 3 months *Applicable from 1 July 2021:* n/a	Forfeited	*Applicable until 30 June 2021:* 3 months *Applicable from 1 July 2021:* n/a	*Applicable until 30 June 2021:* For termination by the Company, three months' salary plus any accrued leave entitlement. *Applicable from 1 July 2021:* n/a
A Khare	Head of India Assets	1 May 2015	n/a	30 days	Forfeited	30 days	For termination by the Company, one months' salary plus any accrued leave entitlement.

(1) The Company may terminate the contract immediately if serious misconduct has occurred. In this case the termination payment is only the fixed remuneration earned until the date of termination and any unvested options will immediately be forfeited.

(2) Appointed Chief Executive Officer and Director on 16 June 2021.

(3) Managing Director and Interim Chairman until 15 June 2021, appointed as Executive Chairman on 16 June 2021. Mr Salomon's contract has been extended past 30 June 2021 by mutual agreement between the Company and Mr Salomon on an ongoing basis as at the date of this report.

(4) Appointed Chief Financial Officer on 1 July 2021.

(5) Executive Director and Chief Financial Officer until 1 July 2021, Company Secretary until 25 August 2021, appointed as Non-Executive Director on 1 July 2021. Mr Bolton's contract has been extended by mutual agreement between the Company and Mr Bolton on an ongoing basis as at the date of this report.

3. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel of the consolidated entity are:

		Short-Term				Post-Employment			Share-based Payments		
	Year	Salary & Fees $	STI Cash Bonus $	Benefits (including Non-Monetary) (1) $	Total $	Super-annuation Benefits $	Other Long-Term Benefits (2) $	Termination Benefits $	Shares, Options and Rights (3) $	Total $	Proportion of Remuneration Performance Related (4) %
Non-Executive Directors (4)											
M Bolton (5)	**2021**	**47,501**	**-**	**1,286**	**48,787**	**4,513**	**4,000**	**-**	**-**	**57,300**	**-**
Non-Executive Director	2020	154,375	-	1,687	156,062	14,666	11,849	-	-	182,577	-
P Haywood (6)	**2021**	**43,332**	**-**	**-**	**43,332**	**-**	**-**	**-**	**11,327**	**54,659**	**-**
Non-Executive Director	2020	44,348	-	-	44,348	-	-	-	10,725	55,073	-
P Schwarz (7)	**2021**	**27,083**	**-**	**-**	**27,083**	**-**	**-**	**-**	**28,247**	**55,330**	-
Non-Executive Director	2020	23,354	-	-	23,354	-	-	-	22,378	45,732	-
B Lingo (8)	**2021**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Chairman (resigned 5 May 2020)	2020	188,772	-	-	188,772	17,613	-	-	-	206,385	-
Executive Directors											
R Wessel (9)	**2021**	**12,955**	**-**	**-**	**12,955**	**-**	**-**	**-**	**-**	**12,955**	**-**
Chief Executive Officer and Director	2020	-	-	-	-	-	-	-	-	-	-
J Salomon (10)	**2021**	**124,178**	**-**	**3,216**	**127,394**	**11,797**	**13,897**	**-**	**-**	**153,088**	**-**
Executive Chairman	2020	199,637	-	3,765	203,402	18,966	18,792	-	-	241,160	-
Executives											
C Judd (11)	**2021**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Chief Financial Officer	2020	-	-	-	-	-	-	-	-	-	-
A Khare (12)	**2021**	**67,171**	**-**	**287**	**67,458**	**-**	**-**	**-**	**-**	**67,458**	**-**
Head of India Assets	2020	147,362	-	325	147,687	16,127	3,905	-	-	167,719	-
Total	**2021**	**322,220**	**-**	**4,789**	**327,009**	**16,310**	**17,897**	**-**	**39,574**	**400,790**	**-**
Total	2020	757,848	-	5,777	763,625	67,732	34,546	-	33,103	898,646	-

The Directors and Executives of the Company may be Directors or Executives of the Company's subsidiaries. No remuneration is received for directorships of subsidiaries. All key management personnel other than Mr Judd and Mr Khare are employed by the parent entity.

Refer to the following explanatory notes for additional information.

3. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONTINUED)

Notes in Relation to Directors' and Executive Officers' Remuneration

(1) Benefits, including non-monetary include relocation costs and related expenses, as well as minor benefits, such as payments on behalf of employees considered personal, insurance premiums, car parking and any associated fringe benefits tax.

(2) Includes, where applicable, accrued employee leave entitlement movements.

(3) The 2021 share-based payment disclosures relate to the issue of remuneration shares (refer point 4 below). No unlisted options were issued to key management personnel or executives as remuneration during the year ended 30 June 2020 or 30 June 2021. In accordance with the ASX waiver granted 2 November 2020, the Company advises that the number of remuneration shares that were issued to directors in the year ended 30 June 2021 totalled 26,447,267 and the percentage of the Company's issued capital represented by these remuneration shares was 0.47%.

(4) Fees for Non-Executive Directors are not linked to the performance of the Group. At the Annual General Meeting (AGM) held on 27 November 2019 shareholders approved the issue of remuneration shares, whereby two Non-Executive Directors agreed to receive part of their directors' fees paid through the issue of shares in lieu of cash payments, for the period of 1 November 2019 through to 31 October 2020, in order to conserve the cash reserves of the Company. Similar shareholder approval was also received at the AGM held on 16 December 2020 for the period from 1 November 2020 through to 31 October 2021. Shareholder approval was separately obtained at the General Meeting held on 8 June 2021 for the remuneration shares issued for the period from 1 May 2019 through to 31 October 2020.

(5) Mr Bolton was appointed Chief Financial Officer and Company Secretary on 3 June 2016 and Executive Director on 26 March 2020, with an initial fixed annual remuneration of $273,750 inclusive of statutory superannuation, which was reduced to $260,063 effective 1 October 2016. The amounts paid during the years ended 30 June 2020 and 30 June 2021 reflects the reduced working hours implemented 1 October 2017 to facilitate a 20% reduction in salaries together with a further reduction in Mr Bolton's working hours to reduce costs which were implemented on 1 April 2020. Subsequent to year end, Mr Bolton resigned as Executive Director and Chief Financial Officer and was appointed as Non-Executive Director on 1 July 2021, with his annual remuneration negotiated to $55,381 plus statutory superannuation per annum effective from this date. Mr Bolton resigned as Company Secretary on 25 August 2021.

(6) Mr Haywood was appointed a Non-Executive Director on 29 May 2017. Mr Haywood is based in the United Kingdom and is paid £30,000 per annum. The amount disclosed is converted into Australian dollars at the applicable exchange rate at the date of payment. During the 2021 financial year Mr Haywood received 8,360,226 remuneration shares (refer point 3 above) at a value of $22,040 (which included remuneration shares at a value of $12,531 which was previously accrued at 30 June 2020). As at 30 June 2021 remuneration shares not yet issued to Mr Haywood had a value of $1,818. These shares shall be issued in the next financial year.

(7) Mr Schwarz was appointed a Non-Executive Director on 4 September 2019. Mr Schwarz is based in the United Kingdom and is paid £30,000 per annum. The amount disclosed is converted into Australian dollars at the applicable exchange rate at the date of payment. During the 2021 financial year Mr Schwarz received 18,087,041 remuneration shares (refer point 3 above) at a value of $46,079 (which included remuneration shares at a value of $22,377 which was previously accrued at 30 June 2020). As at 30 June 2021 remuneration shares not yet issued to Mr Schwarz had a value of $4,545. These remuneration shares will be issued in the next financial year.

(8) Mr Lingo was appointed a Non-Executive Director on 11 February 2016 and interim Chairman on 23 February 2017 at an annual salary of $70,956 inclusive of statutory superannuation. On 6 September 2019, the Company announced an expanded operational role for Mr Lingo to drive the Cooper Basin Strategy. A new agreement for Mr Lingo, effective from 1 August 2019, had an initial term of 6 months and provided for a monthly consultancy fee of $20,000 per month, plus superannuation; and is also inclusive of the Chairman's fees. The agreement was subsequently extended until 30 March 2020 with a further one-month extension to 30 April 2020. Mr Lingo resigned on 5 May 2020.

During 2020 Mr Lingo elected to receive no remuneration shares.

(9) Mr Wessel was appointed as Chief Executive Officer and Director on 16 June 2021 at a fixed annual remuneration of £150,000 per annum, plus 14% UK National Insurance.

(10) Mr Salomon was appointed Managing Director in March 2016 with an initial fixed annual remuneration of $350,000 per annum, inclusive of statutory superannuation, which was reduced to $271,950 inclusive of statutory superannuation effective from 1 October 2016, following the implementation of cost reductions by the Company. A reduction in Mr Solomon's working hours to further reduce costs was implemented on 1 April 2020. Mr Salomon was appointed as Interim Chairman on 5 May 2020 and continued as Managing Director and Interim Chairman until he was appointed as Executive Chairman on 16 June 2021. His annual remuneration was renegotiated to $170,100 effective from 1 September 2021.

3. DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (CONTINUED)

Notes in Relation to Directors' and Executive Officers' Remuneration (Continued)

(11) Mr Judd was appointed as Chief Financial Officer on 1 July 2021 at fixed annual remuneration of £110,000 per annum, plus 14% UK National Insurance.

(12) Mr Khare became key management personnel on 8 November 2016 and is based in India. The amount paid during the years ended 30 June 2020 and 30 June 2021 reflects the reduced working hours implemented 1 October 2017 to facilitate a 20% reduction in salaries together with a further reduction in working hours which was implemented on 1 May 2020. Mr Khare's remuneration has been converted from Indian Rupees at the average exchange rate for the year.

Analysis of Bonuses included in Remuneration

There were no short-term incentive cash bonuses awarded as remuneration to key management personnel during the financial year.

4. EQUITY INSTRUMENTS

All rights and options refer to rights and unlisted options over ordinary shares of the Company, which are exercisable on a one-for-one basis.

4.1 Rights and Options Over Equity Instruments Granted as Compensation

There were no rights or options over ordinary shares granted as compensation to key management personnel during the financial year (2020: nil).

4.2 Rights and Options Over Equity Instruments Granted as Compensation Granted Since Year End

No rights and options over ordinary shares in the Company were granted as compensation to key management personnel and executives since the end of the financial year.

4.3 Modification of Terms of Equity-Settled Share-based Payment Transactions

No terms of equity-settled share-based payment transactions (including options granted as compensation to key management personnel) have been altered or modified by the issuing entity during the financial year.

4.4 Exercise of Options Granted as Compensation

During the financial year no shares were issued on the exercise of options previously granted as compensation.

4.5 Details of Equity Incentives Affecting Current and Future Remuneration

There are no rights or options currently held by key management personnel, (2020: nil).

4.6 Analysis of Movements in Equity Instruments

There were no shares, rights or options over ordinary shares in the Company granted to or exercised by key management personnel in the current year.

4.7 Options or Rights over Equity Instruments Granted as Compensation

There are no rights or options held by key management personnel, or their related parties as at 1 July 2020 through to 30 June 2021.

5. KEY MANANGEMENT PERSONNEL TRANSACTIONS

5.1 Other Transactions with Key Management Personnel

There were no other transactions with entities associated with key management personnel in the year ended 30 June 2021 (2020: nil).

5.2 Movements in Shares

The movement during the financial year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2020	Received on Exercise of Options	Remuneration Shares Issued (1)	Other Changes (2)	Held at 30 June 2021
R Wessel (3)	-	-	-	-	-
J Salomon	14,987,013	-	-	-	14,987,013
M Bolton	-	-	-	-	-
P Haywood	3,319,101	-	8,360,226	-	11,679,327
P Schwarz	-	-	18,087,041	-	18,087,041
C Judd (4)	-	-	-	-	-
A Khare	-	-	-	-	-

(1) At the AGM held 27 November 2019 shareholders approved the issue of remuneration shares, whereby two Non-Executive Directors agreed to receive part of their directors' fees paid through the issue of shares in lieu of cash payments, for the period of 1 November 2019 through to 31 October 2020, in order to conserve the cash reserves of the Company. Similar shareholder approval was also received at the AGM held on 16 December 2020 for the period 1 November 2020 to 31 October 2021. Shareholder approval was separately obtained at the General Meeting held on 8 June 2021 for the remuneration shares issued for the period from 1 May 2019 through to 31 October 2020.

(2) Other changes represent shares that were granted, purchased or sold during the year.

(3) Appointed Chief Executive Officer and Director on 16 June 2021.

(4) Appointed Chief Financial Officer on 1 July 2021.

END OF REMUNERATION REPORT - AUDITED

Mr Roland Wessel
Chief Executive Officer

Mr Joe Salomon
Executive Chairman

Signed in accordance with a resolution of the Directors.

West Perth
Western Australia
22 September 2021

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF OILEX LTD

In relation to our audit of the financial report of Oilex Ltd for the year ended 30 June 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

22 September 2021
WEST PERTH,
WESTERN AUSTRALIA

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2021 FINANCIAL REPORT

CONTENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income 27

Consolidated Statement of Financial Position 28

Consolidated Statement of Changes in Equity 29

Consolidated Statement of Cash Flows 30

Notes to the Consolidated Financial Statements………………………………….. 31

Directors' Declaration 72

Independent Auditor’s Report 73

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue		**-**	-
Cost of sales		**-**	-
Gross loss		**-**	**-**
Other income	4(a)	**230,802**	98,000
Exploration expenditure and write-off	4(b)	**(822,825)**	(994,779)
Care and maintenance expenditure	4(c)	**(140,259)**	(1,061,121)
Administration expense	4(d)	**(1,075,711)**	(1,967,442)
Reversal of expected credit losses	9	**526,385**	23,336
Share-based payments expense	22	**(253,971)**	-
Impairment of development assets	13	**-**	(1,348,458)
Other expenses	4(e)	**(24,888)**	(335,393)
Results from operating activities		**(1,560,467)**	(5,585,857)
Finance income	4(f)	**310**	1,659
Finance costs	4(g)	**(139,488)**	(70,977)
Foreign exchange (loss)/gain	4(h)	**(11,272)**	2,635
Net finance costs		**(150,450)**	(66,683)
Loss before tax from continuing operations		**(1,710,917)**	(5,652,540)
Tax expense	5	**-**	-
Loss after tax from continuing operations		**(1,710,917)**	(5,652,540)
Profit/(Loss) after tax from discontinued operations	6(a)	**1,096,572**	(188,556)
Loss after tax for the year		**(614,345)**	(5,841,096)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences		**(244,462)**	(34,949)
Other comprehensive income, net of tax		**(244,462)**	(34,949)
Total comprehensive loss		**(858,807)**	(5,876,045)
Loss per share from continuing operations			
Basic loss per share (cents per share)	7	**(0.04)**	(0.18)
Diluted loss per share (cents per share)	7	**(0.04)**	(0.18)
Loss per share from continuing and discontinued operations			
Basic loss per share (cents per share)	7	**(0.01)**	(0.18)
Diluted loss per share (cents per share)	7	**(0.01)**	(0.18)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
Assets			
Cash and cash equivalents	8	**4,310,767**	173,816
Trade and other receivables	9	**931,721**	645,344
Prepayments		**16,386**	24,212
Inventories	10	**102,917**	146,084
Investments, including derivatives	11	**442,802**	-
		5,804,593	989,456
Assets held for sale	6	**-**	327,791
Total current assets		**5,804,593**	1,317,247
Exploration and evaluation	12	**549,778**	581,322
Development assets	13	**8,710,490**	9,823,965
Property, plant and equipment	14	**78,905**	104,040
Total non-current assets		**9,339,173**	10,509,327
Total assets		**15,143,766**	11,826,574
Liabilities			
Trade and other payables	15	**2,095,992**	1,071,344
Employee benefits	16	**209,388**	143,110
Provisions	16	**-**	1,165,671
Borrowings	17	**-**	769,555
		2,305,380	3,149,680
Liabilities directly associated with the assets held for sale	6	**-**	451,469
Total current liabilities		**2,305,380**	3,601,149
Provisions	16	**3,855,483**	4,505,601
Total non-current liabilities		**3,855,483**	4,505,601
Total liabilities		**6,160,863**	8,106,750
Net assets		**8,982,903**	3,719,824
Equity			
Issued capital	21(a)	**185,355,925**	179,254,814
Reserves	21(b)	**7,096,752**	7,445,820
Accumulated losses		**(183,469,774)**	(182,980,810)
Total equity		**8,982,903**	3,719,824

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

		Attributable to Owners of the Company					
		Issued Capital	Options Reserve	Loan Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		$	$	$	$	$	$
	Note	18(a)	18(b)	18(b)	18(b)		
Balance at 30 June 2019		**176,502,200**	**36,485**	**88,740**	**7,376,163**	**(177,264,547)**	**6,739,041**
Total comprehensive loss							
Loss after tax for the year		-	-	-	-	(5,841,096)	(5,841,096)
Other comprehensive loss							
Foreign currency translation differences		-	-	-	(34,949)	-	(34,949)
Total other comprehensive loss		-	-	-	(34,949)	-	(34,949)
Total comprehensive loss		-	-	-	(34,949)	(5,841,096)	(5,876,045)
Transactions with owners of the Company							
Contributions and distributions							
Shares issued	**21(a)**	2,560,287	-	-	-	-	2,560,287
Shares to be issued		90,449	-	-	-	-	90,449
Capital raising costs (1)		(228,122)	-	-	-	-	(228,122)
Shares issued on exercise of options		330,000	-	-	-	-	330,000
Transfers on forfeited options		-	(8,698)	(65,644)	-	74,342	-
Recognition of equity component of loans	**17**	-	-	62,798	-	-	62,798
Derecognition of equity component of loan upon repayment		-	-	(50,490)	-	50,490	-
Share-based payment transactions		-	41,415	-	-	-	41,415
Total transactions with owners of the Company		2,752,614	32,717	(53,336)	-	124,832	2,856,827
Balance at 30 June 2020		**179,254,814**	**69,202**	**35,404**	**7,341,214**	**(182,980,810)**	**3,719,824**
Total comprehensive (loss)/income							
Loss after tax for the year		-	-	-	-	(614,345)	(614,345)
Other comprehensive income							
Foreign currency translation differences		-	-	-	(244,462)	-	(244,462)
Total comprehensive (loss)/income		-	-	-	(244,462)	-	(244,462)
Total comprehensive loss		-	-	-	(244,462)	(614,345)	(858,807)
Transactions with owners of the Company							
Contributions and distributions							
Shares issued	**21(a)**	5,602,746	-	-	-	-	5,602,746
Capital raising costs (1)		(231,473)	-	-	-	-	(231,473)
Shares issued on exercise of options		475,867	-	-	-	-	475,867
Transfer on exercise of options		-	(52,903)	(30,890)	-	83,793	-
Transfers on forfeited options		-	(27,790)	(13,798)	-	41,588	-
Recognition of equity component of loans	**17**	-	-	9,284	-	-	9,284
Share-based payment transactions		253,971	11,491	-	-	-	265,462
Total transactions with owners of the Company		6,101,111	(69,202)	(35,404)	-	125,381	6,121,886
Balance at 30 June 2021		**185,355,925**	**-**	**-**	**7,096,752**	**(183,469,774)**	**8,982,903**

(1) Capital raising costs include cash payments and the fair value of options granted to the underwriter.

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Cash receipts from customers		**-**	-
Recovery of prior period operating cost		**816,435**	-
Payments to suppliers and employees		**(1,548,027)**	(2,018,352)
Partial repayment of JPDA 06-103 PSC termination penalty	15	**(283,668)**	-
Cash outflow from operations		**(1,015,260)**	(2,018,352)
Payments for exploration and evaluation expenses		**(466,175)**	(897,455)
Proceeds from government assistance arrangements		**147,096**	98,000
Interest received		**310**	1,659
Interest paid		**(60,011)**	(21,513)
Net cash used in operating activities	8	**(1,394,040)**	(2,837,661)
Cash flows from investing activities			
Payments for capitalised exploration and evaluation		**(49,372)**	-
Acquisition of exploration assets	23	**-**	(72,750)
Acquisition of exploration licence interests	12	**(80,997)**	(49,583)
Acquisition of property, plant and equipment	14	**(7,345)**	(1,453)
Proceeds from sale of Bhandut Joint Venture	6	**387,937**	-
Proceeds from sale of other investments	11	**250,977**	-
Net cash from/(used in) investing activities		**501,200**	(123,786)
Cash flows from financing activities			
Proceeds from issue of share capital	21(a)	**5,451,042**	2,365,288
Proceeds from 55,555,556 shares to be issued at 30 June 2020 (issued during July 2021)		**90,449**	-
Proceeds from exercise of share options		**475,867**	330,000
Payment for share issue costs		**(219,981)**	(186,708)
Proceeds from borrowings		**-**	597,781
Repayment of borrowings		**(806,958)**	(330,000)
Net cash from financing activities		**4,990,419**	2,776,361
Net increase/(decrease) in cash and cash equivalents		**4,097,579**	(185,086)
Cash and cash equivalents at 1 July		**173,816**	357,970
Effect of exchange rate fluctuations on cash held		**39,372**	932
Cash and cash equivalents at 30 June	8	**4,310,767**	173,816

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

ABOUT THIS REPORT - OVERVIEW

NOTE 1 – REPORTING ENTITY

Oilex Ltd (the Company) is a for-profit entity domiciled in Australia. These consolidated financial statements comprise the Company and its subsidiaries (collectively the Group and individually Group Entities). Oilex Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX) and on the Alternative Investment Market (AIM) of the London Stock Exchange. The Group is primarily involved in the exploration, evaluation, development and production of hydrocarbons.

Parent Entity Information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

NOTE 2 – BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 22 September 2021.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for share-based payment arrangements measured at fair value and the foreign currency translation reserve.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for some measurement and/or disclosure purposes and where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(c) Going Concern Basis

The Directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred a loss of $614,345 (2020: $5,841,096), had cash outflows from operating activities of $1,394,040 (2020: $2,837,661), concluded the year with cash and cash equivalents of $4,310,767 (2020: $173,816) and had no loans outstanding at year-end (2020: loans outstanding of $769,555).

The Group will require further funding within the next twelve months in order to progress the Cambay development and drilling programme, to meet its ongoing administrative expenses, and for any new business opportunities that the Group may pursue.

The Directors believe that the Group will be able to secure sufficient funding to meet the requirements to continue as a going concern, due to its history of previous capital raisings, acknowledging that the structure and timing of any capital raising is dependent upon investor support, prevailing capital markets, shareholder participation, oil and gas prices and the outcome of planned exploration and evaluation activities, which creates uncertainty.

The Directors consider the going concern basis of preparation to be appropriate based on its forecast cash flows for the next twelve months and that the Group will be in a position to continue to meet its minimum administrative, evaluation and development expenditures and commitments for at least twelve months from the date of this report.

If further funds are not able to be raised or realised, then it may be necessary for the Group to sell or farmout its exploration and development assets and to reduce discretionary administrative expenditure.

NOTE 2 – BASIS OF PREPARATION (CONTINUED)

(d) Currency and Foreign Currency Transactions

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The functional currency of the Company's subsidiaries is United States dollars, Australian dollars or Pounds Sterling.

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(e) Basis of Consideration

These consolidated financial statements comprise the Company and its subsidiaries (collectively the Group and individually Group Entities).

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The list of controlled entities is contained in note 23. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii) Joint Arrangements - Joint Operations

The interests of the Group in unincorporated joint operations and jointly controlled assets are recorded in note 25.

iii) Transactions Eliminated on Consolidation

Intragroup balances and transactions, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(f) Key Estimates, Judgements and Assumptions

In preparing these consolidated financial statements, management continually evaluate judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances. Actual results may differ from these judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A key assumption underlying the preparation of the financial statements is that the entity will continue as a going concern. An entity is a going concern when it is considered to be able to pay its debts as and when they fall due, and to continue in operation, without any intention or necessity to liquidate or otherwise wind up its operations.

Judgement has been required in assessing whether the entity is a going concern as set out in note 2(c).

In the process of applying the Group's accounting policies, management have made judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year as follows:

- Income tax - refer note 5
- Trade and other receivables - refer note 9
- Exploration and evaluation assets - refer note 12
- Development assets - refer note 13
- Property, plant and equipment – refer note 14
- Provisions - refer note 16
- Share-based payments – refer note 22

NOTE 2 – BASIS OF PREPARATION (CONTINUED)

(f) Key Estimates, Judgements and Assumptions (Continued)

COVID-19 pandemic

Judgement has been exercised in considering the impacts that the ongoing COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates.

The impact of the COVID-19 pandemic up to 30 June 2021 has been financially negative for the consolidated entity. This is largely due to its general impact in India where significant delays were experienced with the sale process being conducted by GSPC for its 55% interest in the Cambay Production Sharing Contract (PSC). As a result, Indian operations have continued to be maintained on a 'care and maintenance' basis for a longer period than originally anticipated.

Other than this matter and those addressed in specific notes, there does not currently appear to be either any other significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

(g) Rounding of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar, unless otherwise stated.

(h) Accounting Policies

Significant accounting policies that are relevant to the understanding of the consolidated financial statements have been provided throughout the notes to the financial statements. Accounting policies that are determined to be non-significant have not been included in the consolidated financial statements.

The accounting policies disclosed have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities, except for any changes in accounting policies.

Changes in significant accounting policies

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Accounting Standards and Interpretations issued but not yet effective

A number of new or amended Accounting Standards and Interpretations are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended Accounting Standards and Interpretations in preparing these consolidated financial statements. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations, however, none of these new or amended Accounting Standards and Interpretations are expected to have a significant impact on the Group's consolidated financial statements.

OILEX LTD'S RESULTS FOR THE YEAR

This section focuses on the results and performance of the Group.

NOTE 3 – OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has identified its operating segments based upon the internal management reports that are reviewed and used by the executive management team in assessing performance and that are used to allocate the Group's resources. The operating segments identified by management are based on the geographical location of the business. Each segment has responsible officers that are accountable to the Chief Executive Officer (CEO) (the Group's chief operating decision maker). The operating results of all operating segments are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's executive management team evaluates the financial performance of the Group and its segments principally with reference to revenues, production costs, expenditure on exploration evaluation and development costs.

The Group undertakes the exploration, development and production of hydrocarbons and its revenue is from the sale of oil and gas. Information reported to the Group's CEO is on a geographical basis.

Financing requirements, finance income and expenses are managed at a Group level.

Corporate items include administration costs comprising personnel costs, head office occupancy costs and investor and registry costs. It may also include expenses incurred by non-operating segments, such as new ventures and those undergoing relinquishment. Assets and liabilities not allocated to operating segments and disclosed are corporate, and mostly comprise cash, plant and equipment, receivables as well as accruals for head office liabilities.

Major Customer

No revenues were recognised during the current and prior financial periods as oil and gas operations were maintained on a 'care and maintenance' basis.

Revenue

The Group recognises revenue as follows:

a) Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

b) Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

c) Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Expenses

Impairment – refer notes 12 and 13
Doubtful debts – refer note 9
Depreciation – refer note 14
Amortisation – refer note 13
Employee benefits – refer note 16
Leases – refer note 18

NOTE 3 – OPERATING SEGMENTS (CONTINUED)

Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTE 3 – OPERATING SEGMENTS (CONTINUED)

	India		India (Discontinued)		Australia (Discontinued)		JPDA [1]		Indonesia		United Kingdom		Corporate [2]		Consolidated	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Revenue																
External revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	-	-	**-**	-	**-**	-
Gross profit	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	-	-	**-**	-	**-**	-
Care and maintenance expenditure																
Care and maintenance costs	**(129,515)**	(192,274)	**(31,735)**	(38,410)	**-**	-	**-**	-	**-**	-	-	-	**-**	-	**(161,250)**	(230,684)
Amortisation of development assets	**-**	(18)	**-**	-	**-**	-	**-**	-	**-**	-	-	-	**-**	-	**-**	(18)
Movement in oil stocks inventory	**19,178**	(9,389)	**(1,845)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**17,333**	(9,389)
Write-down of inventories to net realisable values	**(29,922)**	(859,440)	**-**	(170,620)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(29,922)**	(1,030,060)
Total care and maintenance expenditure	**(140,259)**	(1,061,121)	**(33,580)**	(209,030)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(173,839)**	(1,270,151)
Exploration expenditure	**(519,700)**	(573,607)	**(9,209)**	(13,939)	**-**	-	**-**	-	**-**	-	**-**	(128,846)	**6,578**	(292,326)	**(522,331)**	(1,008,718)
Write-off of exploration and evaluation asset	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(309,703)**	-	**-**	-	**(309,703)**	-
Impairment of development assets	**-**	(1,348,458)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(1,348,458)
Depreciation	**(15,907)**	(17,702)	**(1,371)**	(1,529)	**-**	-	**-**	-	**-**	-	**-**	-	**(8,981)**	(7,635)	**(26,259)**	(26,866)
Share-based payments	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(253,971)**	-	**(253,971)**	-
Gain on sale of Bhandut joint venture interest after tax	**-**	-	**788,236**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**788,236**	-
Gain on sale of the CoEra Limited group after tax	**-**	-	**-**	-	**344,167**	-	**-**	-	**-**	-	**-**	-	**-**	-	**344,167**	-
Other income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**230,803**	98,000	**230,803**	98,000
Reversal of expected credit losses	**-**	-	**8,329**	83,977	**-**	-	**-**	-	**-**	-	**-**	-	**526,385**	23,336	**534,714**	107,313
Other expenses	**(122,030)**	(7,663)	**-**	-	**-**	(48,035)	**152,395**	(476,017)	**(102,085)**	(49,028)	**-**	-	**(1,003,992)**	(1,744,789)	**(1,075,712)**	(2,325,532)
Reportable segment profit/(loss) before income tax	**(797,896)**	(3,008,551)	**752,405**	(140,521)	**344,167**	(48,035)	**152,395**	(476,017)	**(102,085)**	(49,028)	**(309,703)**	(128,846)	**(503,178)**	(1,923,414)	**(463,895)**	(5,774,412)
Net finance income															**(139,178)**	(69,317)
Foreign exchange (loss)/gain															**(11,272)**	2,633
Income tax expense															**-**	-
Net loss for the year															**(614,345)**	(5,841,096)
Segment assets	**10,669,093**	11,014,876	**-**	10,458	**-**	317,333	**18,901**	17,340	**-**	-	**-**	-	**4,455,772**	466,567	**15,143,766**	11,826,574
Segment liabilities	**4,649,701**	4,998,350	**-**	451,470	**-**	-	**785,979**	1,227,090	**90,524**	84,950	**27,629**	121,673	**607,030**	1,223,217	**6,160,863**	8,106,750

There were no significant inter-segment transactions during the year.

[1] Joint Petroleum Development Area.
[2] Corporate represents a reconciliation of reportable segment revenues, profit or loss, assets and liabilities to the consolidated figure.

NOTE 4 – REVENUE AND EXPENSES

Loss from ordinary activities before tax has been determined after the following revenues and expenses:

		Note	2021 $	2020 $
(a)	Other income			
	Government assistance arrangements [1]		**130,400**	98,000
	Gain on sale of equity securities designated as fair value through profit and loss (FVTPL)		**100,402**	-
			230,802	98,000
(b)	Exploration expenditure and write-off			
	Exploration expenditure		**(513,122)**	(994,779)
	Write-off of exploration and evaluation asset	12	**(309,703)**	-
			(822,825)	(994,779)
(c)	Care and maintenance expenditure			
	Care and maintenance expenditure		**(129,515)**	(192,274)
	Amortisation of development assets		**-**	(18)
	Movement in oil stocks inventory		**19,178**	(9,389)
	Write-down of inventory to net realisable values	10	**(29,922)**	(859,440)
			(140,259)	(1,061,121)
(d)	Administration expenses			
	Employee benefits expense		**(503,643)**	(718,210)
	Administration expense		**(572,068)**	(1,249,232)
			(1,075,711)	(1,967,442)
(e)	Other expenses			
	Depreciation expense	14	**(24,888)**	(25,339)
	Termination penalty provision (JPDA 06-103 PSC)	16	**-**	(297,885)
	Loss on disposal of plant and equipment		**-**	(12,169)
			(24,888)	(335,393)
(f)	Finance income			
	Interest income		**310**	1,659
(g)	Finance costs			
	Interest expense – borrowings		**(71,365)**	(70,977)
	Equity securities designated at FVTPL – net change in fair value		**(68,123)**	-
			(139,488)	(70,977)
(h)	Foreign exchange (loss)/gain – net			
	Foreign exchange (loss)/gain – realised		**(22,873)**	10,912
	Foreign exchange (loss)/gain – unrealised		**11,601**	(8,277)
			(11,272)	2,635

(1) Assistance packages provided by the Federal and State government to businesses and employers in response to the impact of the COVID-19 pandemic upon the Australian and West Australian economies.

Accounting Policy - Revenue

The Group's Revenue policy is outlined in note 3.

NOTE 5 – INCOME TAX EXPENSE

Numerical reconciliation between tax expense and pre-tax accounting loss:

	2021 $	2020 $
Loss from continuing operations before tax	**(1,710,917)**	(5,652,540)
Profit/(Loss) from discontinued operations before tax	**1,096,572**	(188,556)
Total loss before tax	**(614,345)**	(5,841,096)
Tax using the domestic corporation tax rate of 26.0% (2020: 27.5%)	**(159,730)**	(1,606,301)
Effect of tax rate in foreign jurisdictions	**(367,625)**	(265,604)
Non-deductible expenses		
Share-based payments	**66,032**	-
Foreign expenditure non-deductible	**1,839,559**	1,939,864
Other non-deductible expenses	**71,770**	149,560
Non assessable income		
Government assistance arrangements	**(16,900)**	(13,750)
	1,433,106	203,769
Unrecognised deferred tax assets (DTA) generated during the year and not brought to account at reporting date as realisation is not regarded as probable	**-**	-
Tax expense	**1,433,106**	203,769
Tax losses utilised not previously brought to account	**(1,433,106)**	(203,769)
Impact of reduction in future tax rates	**47,017**	448,166
Unrecognised DTA not brought to account	**(47,017)**	(448,166)
Tax expense for the year	**-**	-

Tax Assets and Liabilities

During the year ended 30 June 2021, $1,433,106 of previously unrecognised DTA on tax losses (2020: $203,769) were recognised and offset against the current tax liability resulting in nil income tax expense.

	2021 $	2020 $
Unrecognised deferred tax assets not brought to account at reporting date as realisation is not regarded as probable – temporary differences		
Other	**23,144,686**	28,520,335
Losses available for offset against future taxable income	**18,437,920**	16,819,556
Deferred tax asset not brought to account	**41,582,606**	45,339,891

The deductible temporary differences and tax losses do not expire under current tax legislation.

The deferred tax asset not brought to account for the 2021 financial year will only be realised if:

- It is probable that future assessable income will be derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by the tax legislation continue to be complied with; and
- The companies are able to meet the continuity of ownership and/or continuity of business tests.

The foreign component of the deferred tax asset not brought to account for the 2021 financial year will only be realised if the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised and the Group continues to comply with the deductibility conditions imposed by the *Income Tax Act 1961* (India) and there is no change in income tax legislation adversely affecting the utilisation of the benefits.

Change in Corporate Tax Rate

There has been a legislated change in the corporate tax rate that will apply to future income tax years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised tax positions and the prima facie income tax reconciliation above.

NOTE 5 – INCOME TAX EXPENSE (CONTINUED)

Tax Consolidation

In accordance with tax consolidation legislation the Company, as the head entity of the Australian tax-consolidated group, has assumed the deferred tax assets initially recognised by wholly-owned members of the tax-consolidated group with effect from 1 July 2004. Total tax losses of the Australian tax-consolidated group, available for offset against future taxable income are $3,677,761 (2020: $4,701,661).

Accounting Policy

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Uncertainty over income tax treatments

When there is uncertainty over income tax treatments, the Group will determine if the uncertain tax position needs to be assessed on an entity-by-entity-basis or as a group. Furthermore, an assessment will be done on the probability that the ATO (or relevant tax authority) will accept the treatment of the uncertain tax event and determine its accounting tax position.

In the event that it is not probable that the relevant tax authority will accept the treatment, the Group will determine the effect of the uncertain tax event and the accounting tax position using either the expected value method or the most likely amount.

Key estimates and assumptions

The application of the Group's accounting policy for recognition of tax losses requires management to make certain estimates and assumptions as to future events and circumstances, including the assessment of whether economic quantities of resources have been found, or that the sale of the respective areas of interest will be achieved. Any such estimates and assumptions may change as new information becomes available. A deferred tax asset is only recognised for unused losses if it is probable that future taxable profits will be available to utilise those losses.

In determining the amount of current and deferred tax the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTE 6 – DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE

On 15 October 2020, the Group announced the completion of the sale of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour). Pursuant to a Share Purchase Agreement, Armour acquired 100% of the issued capital of CoEra Limited (including its interest in its two subsidiaries Holloman Petroleum Pty Ltd and Cordillo Energy Pty Ltd) which held all the Group's interests in the Cooper-Eromanga Basins.

As consideration for the acquisition of the Group's interests in Cooper-Eromanga Basins, Armour issued 22,050,000 Armour shares to Oilex Ltd.

In addition, on 28 May 2021, the Group announced the completion of the sale of its 40% participating interest (PI) in the Bhandut Production Sharing Contract (Bhandut PSC) following the receipt of US$290,000 from the buyer, Kiri and Company Logistics Private Limited (Kiri).

The Group's interest in the Cooper-Eromanga Basins up to 15 October 2020, and the Group's 40% participating interest in the Bhandut PSC joint venture up to 22 March 2021 has been reported in the current period as discontinued operations. Financial information relating to the discontinued operations for the period to their dates of disposal are set out below:

(a) Financial Performance Information

	Bhandut Joint Venture		CoEra Limited Group		Total Discontinued Operations	
	2021	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$
Care and maintenance expenditure						
Care and maintenance costs	**(31,735)**	(38,409)	**-**	-	**(31,735)**	(38,409)
Movement in oil stocks inventory	**(1,845)**	-	**-**	-	**(1,845)**	-
Write-down of inventories to net realisable values	**-**	(170,620)	**-**	-	**-**	(170,620)
Total care and maintenance expenditure	**(33,580)**	(209,029)	**-**	-	**(33,580)**	(209,029)
Exploration expenditure	**(9,209)**	(13,940)	**-**	-	**(9,209)**	(13,940)
Reversal of expected credit losses	**8,329**	83,977	**-**	-	**8,329**	83,977
Depreciation expense	**(1,371)**	(1,529)	**-**	-	**(1,371)**	(1,529)
Administration expense	**-**	-	**-**	(48,035)	**-**	(48,035)
Loss before sale of discontinued operations	**(35,831)**	(140,521)	**-**	(48,035)	**(35,831)**	(188,556)
Gain on sale of Bhandut Joint Venture interest after tax	**788,236**	-	**-**	-	**788,236**	-
Gain on sale of the CoEra Limited group after tax	**-**	-	**344,167**	-	**344,167**	-
Profit/(Loss) after tax from discontinued operations	**752,405**	(140,521)	**344,167**	(48,035)	**1,096,572**	(188,556)

(b) Financial Position Information

	Bhandut Joint Venture		CoEra Limited Group		Total Discontinued Operations	
	2021	2020	**2021**	2020	**2021**	2020
	$	$	$	$	$	$
Assets held for sale						
Trade and other receivables	**-**	-	**-**	79,333	**-**	79,333
Inventories	**-**	3,290	**-**	-	**-**	3,290
Exploration and evaluation	**-**	-	**-**	238,000	**-**	238,000
Property, plant and equipment	**-**	7,168	**-**	-	**-**	7,168
Total assets held for sale	**-**	10,458	**-**	317,333	**-**	327,791
Liabilities directly associated with the assets held for sale						
Trade and other payables	**-**	10,205	**-**	-	**-**	10,205
Provisions	**-**	441,264	**-**	-	**-**	441,264
Total liabilities directly associated with the assets held for sale	**-**	451,469	**-**	-	**-**	451,469
Net assets held for sale / (Net liabilities directly associated with the assets held for sale)	**-**	(441,011)	**-**	317,333	**-**	(123,678)

(c) Cash Flow Information

	Bhandut Joint Venture		CoEra Limited Group		Total Discontinued Operations	
	2021	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$
Cash flows from operating activities						
Cash receipts from customers						
Payments to suppliers and employees	**(31,735)**	(38,409)	**-**	(48,035)	**(31,735)**	(86,444)
Cash outflow from operations	**(31,735)**	(38,409)	**-**	(48,035)	**(31,735)**	(86,444)
Payments for exploration and evaluation expenses	**(9,209)**	(13,940)	**-**	-	**(9,209)**	(13,940)
Net cash used in operating activities	**(40,944)**	(52,349)	**-**	(48,035)	**(40,944)**	(100,384)
Cash flows from investing activities						
Proceeds from sale of Bhandut Joint Venture	**387,937**	-	**-**	-	**387,937**	-
Net cash from investing activities	**387,937**	-	**-**	-	**387,937**	-
Net increase/(decrease) in cash and cash equivalents from discontinued operations	**346,993**	(52,349)	**-**	(48,035)	**346,993**	(100,384)

NOTE 6 – DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE (CONTINUED)

(c) Cash Flow Information (Continued)

Reconciliation of Profit/(Loss) After Tax from Discontinued Operations to Net Cash Used in Operating Activities of Discontinued Operations

	Bhandut Joint Venture		CoEra Limited Group		Total Discontinued Operations	
	2021	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$
Profit/(Loss) after tax from discontinued operations	**752,405**	(140,521)	**344,167**	(48,035)	**1,096,572**	(188,556)
Adjusted for:						
Non-cash movement in oil stocks inventory	**1,845**	-	**-**	-	**1,845**	-
Non-cash write-down of inventories to net realisable values	**-**	170,620	**-**	-	**-**	170,620
Reversal of expected credit losses	**(8,329)**	(83,977)	**-**	-	**(8,329)**	(83,977)
Depreciation expense	**1,371**	1,529	**-**	-	**1,371**	1,529
Gain on sale of Bhandut Joint Venture interest after tax	**(788,236)**	-	**-**	-	**(788,236)**	-
Gain on sale of the CoEra Limited group after tax	**-**	-	**(344,167)**	-	**(344,167)**	-
	(40,944)	(52,349)	**-**	(48,035)	**(40,944)**	(100,384)

(d) Carrying Amounts of Assets and Liabilities Disposed

	Bhandut Joint Venture		CoEra Limited Group		Total Discontinued Operations	
	2021	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$
Assets disposed						
Trade and other receivables	**-**	-	**79,333**	-	**79,333**	-
Inventories	**-**	-	**-**	-	**-**	-
Exploration and evaluation	**-**	-	**238,000**	-	**238,000**	-
Property, plant and equipment	**5,182**	-	**-**	-	**5,182**	-
Total assets disposed	**5,182**	-	**317,333**	-	**322,515**	-
Liabilities disposed						
Trade and other payables	**-**	-	**-**	-	**-**	-
Provisions	**402,820**	-	**-**	-	**402,820**	-
Total liabilities disposed	**402,820**	-	**-**	-	**402,820**	-
Carrying amount of investments and net assets/(liabilities) disposed	**(397,638)**	-	**317,333**	-	**(80,305)**	-

(e) Details of the Disposal of Discontinued Operations

	Bhandut Joint Venture		CoEra Limited Group		Total Discontinued Operations	
	2021	2020	**2021**	2020	**2021**	2020
	$	$	**$**	$	**$**	$
Total cash consideration received	**387,937**	-	**-**	-	**387,937**	-
Fair value of consideration received (22,050,000 Armour shares)	**-**	-	**661,500**	-	**661,500**	-
Add/(Less): Carrying amount of net liabilities/(assets) disposed	**397,638**	-	**(317,333)**	-	**80,305**	-
Derecognition of foreign currency reserve	**2,661**	-	**-**	-	**2,661**	-
Disposal costs	**-**	-	**-**	-	**-**	-
Gain on sale of discontinued operations before income tax	**788,236**	-	**344,167**	-	**1,132,403**	-
Less: Income tax expense on gain on sale	**-**	-	**-**	-	**-**	-
Gain on sale of discontinued operations after income tax	**788,236**	-	**344,167**	-	**1,132,403**	-

Accounting Policy

Discontinued Operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTE 6 – DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE (CONTINUED)

Accounting Policy (Continued)

Non-Current or Disposal Groups Classified as Held for Sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

NOTE 7 – LOSS PER SHARE

(a) Basic Loss Per Share

	2021 cents	2020 cents
Basic and diluted loss per share		
From continuing operations	**(0.04)**	(0.18)
From discontinued operations	**0.03**	-
Total basic and diluted loss per share	**(0.01)**	(0.18)

	2021 $	2020 $
Profit/(Loss) used in calculating loss per share		
Profit/(Loss) for the period attributable to ordinary shareholders:		
From continuing operations	**(1,710,917)**	(5,652,540)
From discontinued operations	**1,096,572**	(188,556)
Total loss for the period attributable to ordinary shareholders	**(614,345)**	(5,841,096)

	Note	**2021 Number**	2020 Number
Weighted average number of ordinary shares			
Issued ordinary shares at 1 July	**18**	**3,704,096,666**	2,587,318,001
Effect of shares issued		**529,240,402**	575,564,712
Effect of share options exercised		**49,671,610**	57,280,753
Weighted average number of ordinary shares at 30 June		**4,283,008,678**	3,220,163,466

(b) Diluted Loss Per Share

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these instruments would result in a decrease in the net loss per share.

Accounting Policy

Basic earnings per share is calculated by dividing net profit or loss attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element.

Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders and weighted average number of shares outstanding for the dilutive effect of potential ordinary shares, which may comprise outstanding options, warrants and their equivalents.

ASSETS AND LIABILITIES

This section provides information on the assets employed to develop value for shareholders and the liabilities incurred as a result.

NOTE 8 – CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and on hand	**4,310,767**	173,816

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 27(d)(ii).

Accounting Policy

Cash and cash equivalents comprise bank balances, call deposits, cash in transit and short-term deposits with an original maturity of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Reconciliation of Cash Flows from Operating Activities

	2021 $	2020 $
Loss after tax for the year	**(614,345)**	(5,841,096)
Amortisation of development assets	**-**	18
Depreciation	**26,259**	26,867
Interest expense	**41,342**	43,439
Reversal of expected credit losses	**(534,714)**	(107,313)
Write-off of exploration and evaluation asset	**309,703**	-
Gain on sale of Bhandut Joint Venture interest after tax	**(788,236)**	-
Gain on sale of the CoEra Limited group after tax	**(344,167)**	-
Gain on sale of equity securities designated as FVTPL	**(100,402)**	-
Equity securities designated at FVTPL – net change in fair value	**68,123**	-
Impairment of development assets	**-**	1,348,458
Loss on disposal of assets	**-**	12,169
Equity settled share-based payments	**253,971**	-
Unrealised foreign exchange (gain)/loss	**-**	(6,083)
Operating Loss Before Changes in Working Capital and Provisions	**(1,682,466)**	(4,523,541)
Movement in trade and other payables	**986,820**	384,355
Movement in prepayments	**7,826**	132,253
Movement in trade and other receivables	**260,288**	(114,927)
Movement in provisions	**(1,065,999)**	277,744
Movement in inventories	**33,213**	991,935
Movement in employee benefits	**66,278**	14,520
Net Cash Used in Operating Activities	**(1,394,040)**	(2,837,661)

NOTE 9 – TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Current		
Allocation of receivables		
Joint venture receivables	**845,187**	458,829
Other receivables	**86,534**	96,066
Shares to be issued	**-**	90,449
	931,721	645,344
Joint venture receivables		
Joint venture receivables	**5,763,268**	6,394,990
Provision for doubtful debts	**(4,918,081)**	(5,936,161)
	845,187	458,829
Other receivables		
Corporate receivables	**109,464**	240,793
Provision for doubtful debts	**(22,930)**	(144,727)
	86,534	96,066

Joint venture receivables include the Group's share of outstanding cash calls and recharges owing from the joint venture partners, as well as other minor receivables.

The Group considers that there is evidence of impairment if any of the following indicators are present: financial difficulties of the debtor, probability that the debtor will dispute amounts owing and default or delinquency in payment (more than one year old).

Whilst the Group has been in ongoing discussions with its joint venture partner Gujarat State Petroleum Corporation (GSPC), for repayment of disputed and other amounts owing, in line with identified impairment indicators, an assessment has been made of the recoverable balance as at 30 June 2021. Each receivable has been assessed individually for recovery, and those deemed to have a low chance of recovery have been fully provided for in the current year. Accordingly, the Indian cash calls receivable have been fully provided for.

The Group is in continuing discussions with GSPC in order to resolve the outstanding issues and recover the outstanding amounts.

The carrying value of trade and other receivables approximates its fair value due to the assessment of recoverability.

Details of the Group's credit risk are disclosed in note 27(b).

	2021 $	2020 $
Movement in provision for doubtful debts		
Balance at 1 July	**(6,080,888)**	(6,062,874)
Expected credit losses reversed during the year	**534,714**	107,313
Bad debt written off against expected credit losses	**117,887**	-
Effect of movements in exchange rates	**487,276**	(125,327)
Balance at 30 June	**(4,941,011)**	(6,080,888)
Allocation of impairment loss		
Joint venture receivables	**(4,918,081)**	(5,936,161)
Other receivables	**(22,930)**	(144,727)
	(4,941,011)	(6,080,888)

Subsequent Event

On 4 September 2021, the Company received cash proceeds of US$543,114 (A$722,267) with regards to outstanding GSPC cash calls for the Cambay PSC.

NOTE 9 – TRADE AND OTHER RECEIVABLES (CONTINUED)

Accounting Policy

Trade and other receivables, which includes receivables, loans and deposits, are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All trade and other receivables do not include a significant financing component and are therefore initially measured at the transaction price.

On initial recognition, trade and other receivables are classified as measured as at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular amount of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs).

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of receivables

The Group recognises loss allowances for 'expected credit losses' (ECL's) on financial assets measured at amortised cost. Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECL's.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL's, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days due past.

Lifetime ECL's are the ECL's that result from all possible default events over the expected life of a financial instrument.

Measurement of ECL's

ECL's are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive. ECL's are discounted at the effective interest rate of the financial asset.

ECL assessment

The Group uses its allowance schedule to measure the ECL's of trade and other receivables. The allowance schedule is based on actual credit loss experience over the past years. The ECL's computed are purely derived from historical data; management is of the view that historical conditions are representative of the conditions prevailing at the reporting date.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

NOTE 10 – INVENTORIES

	2021	2020
	$	$
Oil on hand - net realisable value	38,340	21,857
Drilling inventory - net realisable value	64,577	124,227
	102,917	146,084

Inventories have been reduced by $29,922 (2020: $859,440) as a result of write-down to net realisable value. This does not include a $nil (2020: $170,620) write-down to Bhandut JV inventories which were reclassified as assets held for sale during the prior financial year and disclosed as part of discontinued operations (refer note 6).

Accounting Policy

Inventories comprising materials and consumables and petroleum products are measured at the lower of cost and net realisable value, on a 'weighted average' basis. Costs comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate portion of variable and fixed overhead expenditure based on normal operating capacity. Given that oil activities have not achieved commercial levels of production, oil on hand is recognised at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NOTE 11 – INVESTMENTS, INCLUDING DERIVATIVES

	2021	2020
	$	$
Current Investments		
Equity securities – designated as at FVTPL	442,802	-
	442,802	-

On 15 October 2020, the Group announced the completion of the sale of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour). Pursuant to a Share Purchase Agreement, Armour acquired 100% of the issued capital of CoEra Limited, including its interest in its two subsidiaries Holloman Petroleum Pty Ltd and Cordillo Energy Pty Ltd, (the CoEra Group) which held all the Group's interests in the Cooper-Eromanga Basins.

As consideration for the acquisition of the Group's interests in Cooper-Eromanga Basins, Armour issued 22,050,000 Armour shares to Oilex Ltd.

The shares issued as consideration by Armour are subject to 12-month voluntary escrow from 15 October 2020. On 15 January 2021, the Company, with the approval of Armour, sold 5 million shares held in Armour for net proceeds of $250,000. A further 19,153 shares held in Armour was sold on 3 February 2021 for net proceeds of $977.

Reference is made to Note 6 for further financial information regarding the CoEra Group.

Fair Value Measurement

The fair value measurement of the equity securities has been determined using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the Group can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly

Level 3: Unobservable inputs for the asset

Equity securities – designated as at FVTPL have been valued using quoted market rates (Level 1). This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Dividends

Dividends received are recognised as other income by the Company when the right to receive payment is established.

NOTE 11 – OTHER INVESTMENTS, INCLUDING DERIVATIVES (CONTINUED)

Accounting Policy

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

NOTE 12 – EXPLORATION AND EVALUATION

	2021 $	2020 $
Balance at 1 July	**581,322**	568,888
Acquisition of exploration licence interests	**260,331**	238,000
Reclassification to assets held for sale (Note 6)	**-**	(238,000)
Capitalised exploration and evaluation expenditure, net of recovery	**68,264**	-
Write-off of exploration and evaluation asset	**(309,703)**	-
Effect of movements in foreign exchange rates	**(50,436)**	12,434
Balance at 30 June	**549,778**	581,322

Doyle-Peel Licence (P2446) in the East Irish Sea (EIS)

As at 30 June 2021, $309,703 (after capitalisation of exploration and evaluation expenditure) of the balance of exploration and evaluation assets relates to the 100% participating interest in the Doyle-Peel licence (P2446) in the East Irish Sea (EIS), offshore the United Kingdom. The licence was acquired on 14 December 2020 with the consideration for acquisition of $260,331 to be settled via a cash payment of £60,000 (in four equal instalments) and the issue of 42,500,000 ordinary shares at £0.002 each (amounting to a total share consideration of £85,000). The share issue was approved by shareholders at the Company's Annual General Meeting on 16 December 2020.

During the year, £45,000 of the £60,000 cash consideration was paid, with the remaining £15,000 accrued and to be settled by 30 September 2021.

P2446 Licence Expenditure Commitments

At the date of acquisition of the P2446 licence, the Group had a remaining committed work programme, which included the reprocessing of 50 sq kms 3D seismic data, and obtaining 2,500 kms Aeromagnetic data. This committed work programme was estimated to cost £25,000 (A$44,154). The work programme was completed in April and May 2021 at a lower than estimated total cost of A$31,787. As such, there are no minimum exploration work commitments for the P2446 licence at 30 June 2021.

P2446 Licence Subsequent Event and Write-Off

On 17 September 2021, the Company announced its plans to relinquish the P2446 licence, following an unsuccessful request to the UK Oil and Gas Authority (OGA) to extend the initial term of the licence. The total amount invested in the licence (being $309,703, consisting of $260,331 for the acquisition of the licence and $49,372 for post-acquisition capitalised expenditure) has been written off at 30 June 2021.

Cambay Field

The balance of the exploration and evaluation assets, being $549,778 (2020: $581,322), relates to the Cambay Field, which is currently at evaluation stage, and there was no impairment of this asset during the year (2020: $nil).

The Cambay Field has minimal production that is sold to a third party.

Further development of the Cambay field was on previously on hold pending the completion of the sale process being conducted by GSPC for its 55% PI in the Cambay PSC. This sale process however was subject to significant delays due to the impact of the COVID-19 pandemic in India. On 16 February 2021, the Company announced its advanced discussions with GSPC where it was proposed for Oilex to acquire GSPC's 55% PI in Cambay. On 11 June 2021, the Company announced the execution of the conditional binding sale and purchase agreement (SPA) to acquire GSPC's 55% PI in the Cambay PSC (Acquisition).

Following completion of the Company's equity raising in June 2021, and shareholder approval provided on 8 June 2021, the Company subsequently secured a bank guarantee on 31 July 2021 for the US$2.2 million consideration payable for the Acquisition. The ratification of the SPA and Acquisition by the Government of India is expected to occur in the coming months, and is the last outstanding condition to completing the Acquisition.

There are no minimum exploration work commitments in the Cambay PSC.

Cambay Field Subsequent Event

As noted above, the Company secured a bank guarantee on 31 July 2021 for the US$2.2 million consideration payable for the Acquisition.

NOTE 12 – EXPLORATION AND EVALUATION (CONTINUED)

Accounting Policy

Accounting for exploration and evaluation expenditure is assessed separately for each area of interest. Exploration and evaluation expenditure in respect of each area of interest is accounted for under the successful efforts method. An area of interest is an individual geological area that is considered to constitute a favourable environment for the presence of hydrocarbon resources or has been proven to contain such resources.

Expenditure incurred prior to securing legal rights to explore an area is expensed. Exploration licence acquisition costs relating to established oil and gas exploration areas are capitalised.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in a successful discovery.

All other exploration and evaluation expenditure, including general administration costs, geological and geophysical costs and new venture expenditure is expensed as incurred, except where:

- The expenditure relates to an exploration discovery for which, at the reporting date, an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or
- The expenditure relates to an area of interest under which it is expected that the expenditure will be recouped through successful development and exploitation, or by sale.

When an oil or gas field has been approved for commercial development, the accumulated exploration and evaluation costs are first tested for impairment and then reclassified as development assets.

Impairment of Exploration and Evaluation Expenditure

The carrying value of exploration and evaluation assets are assessed at each reporting date if any of the following indicators of impairment exist:

- The exploration licence term in the specific area of interest has expired during the reporting period or will expire in the near future and it is not anticipated that this will be renewed;
- Expenditure on further exploration and evaluation of specific areas is not budgeted or planned;
- Exploration for and evaluation of oil and gas assets in the specific area has not lead to the discovery of potentially commercial reserves; or
- Sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full, either by development or sale.

Key Estimates and Assumptions

The application of the Group's accounting policy for exploration and evaluation expenditure necessarily requires management to make certain estimates and assumptions as to future events and circumstances, particularly the assessment of whether economic quantities of resources have been found, or that the sale of the respective areas of interest will be achieved. Critical to this assessment are estimates and assumptions as to contingent and prospective resources, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy, it is determined that the expenditure is unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the consolidated statement of profit or loss and other comprehensive income.

NOTE 13 – DEVELOPMENT ASSETS

	2021 $	2020 $
Non-Current		
Allocation of development assets		
Cambay development asset	**4,855,007**	5,318,364
Cambay restoration asset	**3,855,483**	4,505,601
	8,710,490	9,823,965
Cost – Cambay development asset		
Balance at 1 July	**17,421,776**	17,066,528
Effect of movements in foreign exchange rates	**(1,447,049)**	355,248
Balance at 30 June	**15,974,727**	17,421,776
Amortisation and impairment losses – Cambay development asset		
Balance at 1 July	**12,103,412**	10,570,938
Impairment of development assets	**-**	1,348,458
Amortisation charge for the year	**-**	17
Effect of movements in foreign exchange rates	**(983,692)**	183,999
Balance at 30 June	**11,119,720**	12,103,412
Carrying amount – Cambay development assets	**4,855,007**	5,318,364
Cost – Cambay restoration asset		
Balance at 1 July	**4,505,601**	3,374,181
Additions during the period	**-**	1,131,420
Reduction due to reassessment of restoration asset and provision	**(259,296)**	
Effect of movements in foreign exchange rates	**(390,822)**	-
Balance at 30 June	**3,855,483**	4,505,601
Amortisation and impairment losses – Cambay restoration asset		
Balance at 30 June	**-**	-
Carrying amount – Cambay restoration asset	**3,855,483**	4,505,601
Carrying Amounts - Total		
At 1 July	**9,823,965**	9,869,770
At 30 June	**8,710,490**	9,823,965

Cambay Field Development Assets

Development assets are reviewed at each reporting date to determine whether there is any indication of impairment or reversal of impairment. Indicators of impairment can include changes in market conditions, future oil and gas prices and future costs, an extension of the Cambay Production Sharing Contract and the status of the dispute resolution with GSPC. An indicator of impairment identified in the 2020 financial year is the ongoing COVID-19 pandemic, which has seen reduced global demand for energy products and caused delays to the implementation of the dispute resolution with GSPC. An impairment charge of $1,348,458 was applied to the Cambay Field development assets for the financial year ended 30 June 2020.

Other than the ongoing COVID-19 pandemic, no other impairment indicators were identified during 2021 and no further impairment charges were applied to the Cambay Field development assets for the financial year ended 30 June 2021.

During the year, a reassessment was made of the restoration asset and provision, resulting in the reduction of the restoration asset and provision by $259,296 (2020: $nil).

NOTE 13 – DEVELOPMENT ASSETS (CONTINUED)

Accounting Policy

Development expenditure includes past exploration and evaluation costs, pre-production development costs, development drilling, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

The definition of an area of interest for development expenditure is narrowed from the exploration permit for exploration and evaluation expenditure to the individual geological area where the presence of an oil or natural gas field exists, and in most cases will comprise an individual oil or gas field.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of economically recoverable reserves.

Restoration costs expected to be incurred are provided for as part of development mine assets that give rise to the need for restoration.

Impairment of Development Assets

The carrying value of development assets are assessed on a cash generating unit (CGU) basis at each reporting date to determine whether there is any indication of impairment or reversal of impairment. Indicators of impairment can include changes in market conditions, future oil and gas prices and future costs. Where an indicator of impairment exists, the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. The CGU is the Cambay Field, India. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell (FVLCS). As a market price is not available, FVLCS is determined by using a discounted cash flow approach. In assessing FVLCS, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Valuation principles that apply when determining FVLCS are that future events that would affect expected cash flows are included in the calculation of FVLCS.

Impairment losses are reversed when there is an indication that the loss has decreased or no longer exists and there has been a change in the estimate used to determine the recoverable amount. Such estimates include beneficial changes in reserves and future costs, or material increases in selling prices. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

Key Estimates and Assumptions

Significant judgements and assumptions are required by management in estimating the present value of future cash flows particularly in the assessment of long life development assets. It should be noted that discounted cash flow calculations are subject to variability in key assumptions including, but not limited to, the expected life of the relevant area of interest, long-term oil and gas prices, currency exchange rates, pre-tax discount rates, number of future wells, production profiles and operating costs.

An adverse change in one or more of the assumptions used to estimate FVLCS could result in an adjustment to the development asset's recoverable amount.

Development costs are amortised on a units of production basis over the life of economically recoverable reserves, so as to write off costs in proportion to the depletion of the estimated reserves. The estimation of reserves requires the interpretation of geological and geophysical data. The geological and economic factors which form the basis of reserve estimates may change over reporting periods. There are a number of uncertainties in estimating resources and reserves, and these estimates and assumptions may change as new information becomes available.

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Plant and Equipment $	Office Furniture $	Total $
Cost				
Balance at 1 July 2019	10,308	912,438	136,830	1,059,576
Additions	-	1,453	-	1,453
Disposals	-	(21,221)	(43,673)	(64,894)
Currency translation differences	225	10,684	1,772	12,681
Reclassification to assets held for sale (Note 6)	-	(36,354)	-	(36,354)
Balance at 30 June 2020	10,533	867,000	94,929	972,462
Additions	-	7,345	-	7,345
Disposals	-	-	-	-
Currency translation differences	(2,176)	(29,144)	(17,164)	(48,484)
Balance at 30 June 2021	**8,357**	**845,201**	**77,765**	**931,323**
Depreciation and Impairment Losses				
Balance at 1 July 2019	10,013	790,901	112,735	913,649
Depreciation charge for the year	94	23,275	3,498	26,867
Disposals	-	(17,728)	(35,049)	(52,777)
Currency translation differences	217	8,100	1,552	9,869
Reclassification to assets held for sale (Note 6)	-	(29,186)	-	(29,186)
Balance at 30 June 2020	10,324	775,362	82,736	868,422
Depreciation charge for the year	68	22,714	2,106	24,888
Disposals	-	-	-	-
Currency translation differences	(2,127)	(22,965)	(15,800)	(40,892)
Balance at 30 June 2021	**8,265**	**775,111**	**69,042**	**852,418**
Carrying amounts				
At 1 July 2020	209	91,638	12,193	104,040
At 30 June 2021	**92**	**70,090**	**8,723**	**78,905**

Accounting Policy

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located and an appropriate proportion of overheads.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in the consolidated statement of profit or loss and other comprehensive income.

Depreciation is calculated using the reducing balance or straight-line method over the estimated useful life of the assets, with the exception of software which is depreciated at prime cost. The estimated useful lives in the current and comparative periods are as follows:

- Motor vehicles 4 to 7 years
- Plant and equipment 2 to 7 years
- Office furniture 2 to 10 years

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate, at each financial year end.

Impairment of Property, Plant and Equipment

The carrying value of assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

Key Estimates and Assumptions - Estimation of Useful Lives of Assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

NOTE 15 – TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade creditors	**629,369**	507,204
Accruals	**684,292**	564,140
Termination penalty payable (JPDA 06-103 PSC)	**782,331**	-
	2,095,992	1,071,344

Trade and Other Payables

Due to the Company's assessment of the recoverability of outstanding cash call amounts owing from its joint venture partner (GSPC) in note 9, the Company is of the opinion that the Cambay Joint Venture (2020: Cambay and Bhandut Joint Ventures) will be unable to meet its third party liabilities, without financial support from the Company as Operator, due to non-payment of outstanding cash calls by the Joint Venture partner. As a result, the Group has accrued an additional $241,433 at 30 June 2021 to cover the Cambay PSC (2020: $156,946 for the Cambay and Bhandut PSC) third party liabilities.

The carrying value of trade and other payables is considered to approximate its fair value due to the short-term nature of these financial liabilities.

Termination Penalty Payable (JPDA 06-103 PSC)

	2021 $	2020 $
Movement in termination penalty balance		
Balance at 1 July	**-**	-
Realisation of termination penalty (US$800,000)	**1,165,671**	-
Partial repayment of termination penalty (US$211,843)	**(283,668)**	-
Effect of movements in exchange rates	**(99,672)**	-
Balance at 30 June	**782,331**	-

The termination penalty payable relates to a settlement of US$800,000, which was previously included as a provision of the Company (refer Note 16). This provision was realised during the year when Oilex committed to the termination penalty under the terms of a Deed of Settlement and Release (Deed), which was executed on 7 August 2020 to terminate the ongoing arbitration proceedings arising from the termination of the JPDA Production Sharing Contract (PSC) by the Autoridade Nacional Do Petroleo E Minerais (ANPM) in 2015, and settle all claims and counterclaims between the parties which occurred from October 2018 to August 2020. Further details of the history surrounding the arbitration proceedings, claims and counterclaims are detailed in note 28 of the Notes to the Consolidated Financial Statements for the year ended 30 June 2020 (refer to the Annual Report for the year ended 30 June 2020).

During the year, the Group settled US$211,843 (A$283,668) of the US$800,000 termination penalty, resulting in the remaining balance payable being US$588,157 (A$782,331) at 30 June 2021. The remaining balance is payable by 30 June 2022. The Deed further provided the Company with the option, at its sole discretion, to extend the settlement payments into the 2023-24 financial year.

In addition, during the year, the Company entered into an unsecured loan facility agreement for US$800,000 with two of its joint venture partners to fund the settlement. The facility was unused at year-end. Refer to Note 17 for further details on the US$800,000 loan facility, including its nominal interest rate and year of maturity.

Accounting Policy

Trade and other payables are recorded at the value of the invoices received and subsequently measured at amortised cost and are non-interest bearing. The liabilities are for goods and services provided before year end, that are unpaid and arise when the Group has an obligation to make future payments in respect of these goods and services. The amounts are unsecured. Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTE 16 – PROVISIONS

	2021 $	2020 $
Current – Employee Benefits	**209,388**	143,110
Site Restoration, Well Abandonment and Other Provisions		
Balance at 1 July	**5,671,272**	4,589,391
Provision adjustments during the year – JPDA 06-103 PSC termination penalty (2020: US$200,000)	**-**	297,885
Realisation of JPDA 06-103 PSC termination penalty (US$800,000)	**(1,165,671)**	-
Provision adjustments during the year – Restoration (refer note 13)	**-**	1,131,420
Reduction of provision due to reassessment of restoration asset and provision (refer note 13)	**(259,296)**	-
Reclassification to liabilities directly associated with the assets held for sale (refer note 6)	**-**	(441,264)
Effect of movements in exchange rates	**(390,822)**	93,840
Balance at 30 June	**3,855,483**	5,671,272
Current – JPDA 06-103 PSC provision for termination penalty	**-**	1,165,671
Non-current - Restoration	**3,855,483**	4,505,601
	3,855,483	5,671,272

Provision for JPDA 06-103 PSC Termination Penalty

The provision for the JPDA 06-103 PSC termination penalty relates to a settlement of US$800,000, which was realised during the year when Oilex committed to the termination penalty under the terms of a Deed of Settlement and Release (Deed), which was executed on 7 August 2020 (refer Note 15).

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are made for site rehabilitation of an oil and gas field on an incremental basis during the life of the field (which includes the field plant closure phase). Provisions include reclamation, plant closure, waste site closure and monitoring activities. These costs have been determined on the basis of current costs, current legal requirements and current technology. At each reporting date, the rehabilitation provision is re-measured to reflect any changes in the timing or amounts of the costs to be incurred. Any such changes are dealt with on a prospective basis.

Short-term employee benefits for wages, salaries and fringe benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised based on remuneration wage and salary rates that the Group expects to pay as at the reporting date as a result of past service provided by the employee if the obligation can be measured reliably.

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service up to the reporting date. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates; and is discounted using the high quality corporate bond rate at reporting date which have maturity dates approximating to the terms of the Group's obligations.

Key Estimates and Assumptions

In relation to rehabilitation provisions, the Group estimates the future removal costs of onshore oil and gas production facilities, wells and pipelines at the time of installation of the assets. In most instances, the removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating the cost, future removal technologies in determining the removal cost, and discount rates to determine the present value of these cash flows.

NOTE 17 – BORROWINGS

	2021 **$**	2020 $
Unsecured loans	-	769,555
	-	769,555

Terms and repayment schedule of Series B, C and D Loans

At 30 June 2021, the terms and conditions of outstanding loans are as follows:

				2021 $		2020 $	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	Face value	Carrying amount
Unsecured loans – from shareholders and financiers							
Series B loan – A$250,000 (repaid 24 August 2020)	AUD	5.0%	-	-	-	250,000	247,357
Series C loan – £125,000 (repaid 31 March 2021)	GBP	5.0%	-	-	-	223,774	221,409
Series D loan – £225,000 (repaid 19 April 2021)	GBP	5.0%	-	-	-	331,185	300,789
				-	-	804,959	769,555

At balance date, there were no options issued to the lenders that were outstanding; 204,545,455 Series D share options were exercised on 7 April 2021 at £0.0011 (A$0.002) each and the remaining options previously issued to lenders lapsed during the year as follows:

- 115,723,273 Series B share options, which lapsed on 31 July 2020;
- 59,523,810 Series C share options, which lapsed on 1 August 2020;
- 107,142,857 Series D share options, which lapsed on 1 August 2020; and
- 113,636,364 Series C share options, which lapsed on 29 January 2021.

In determining the fair value of the liability component of these borrowing arrangements, it was estimated that the effective interest rate of similar borrowings without a share option component is 18%. The fair value of the share options equity component of these borrowing arrangements were recognised in the Loans Options Reserve as the loans were treated as a convertible note. That is, the borrowing arrangement fell within the definition of a compound financial instrument and as such was classified as both a financial liability and equity.

The Loan Options Reserve amounts related to the expired share options were applied to retained earnings upon their expiry.

The Series B, Series C and Series D loans were fully repaid during the year, together with interest payable:

- The A$250,000 Series B loan was fully repaid on 24 August 2020, together with interest payable;
- The £125,000 Series C loan was fully repaid on 31 March 2021, together with interest payable;
- The £225,000 Series D loan (of which only £185,000 was drawn at 30 June 2020) was fully repaid on 19 April 2021, together with interest payable.

The loans were subject to the following key undertakings without prior approval by the lenders:

- Not to dispose of assets having an aggregate value of more than A$1 million;
- Not to incur any financial indebtedness more than A$50,000; and
- Not to incur any aggregate payment or outgoing exceeding A$1 million (except for employee benefit expenses).

Terms and repayment schedule of US$800,000 Loan Facility

At 30 June 2021, the terms and conditions of the US$800,000 loan facility is as follows:

				2021 $		2020 $	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	Face value	Carrying amount
Unsecured loans – from two of JPDA joint venture partners							
US$800,000 loan facility (refer note 16)	USD	11.0%	2023	-	-	-	-
				-	-	-	-

No amounts were drawn from the US$800,000 loan facility during the year.

NOTE 17 – BORROWINGS (CONTINUED)

Accounting Policy

General

All borrowings are initially recognised when the Group becomes a party to the contractual provisions of the lending instrument. All borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently carried at amortised cost.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Series A, B, C and D Loans

The liability component of loans is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the loan as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component of the loan is measured at amortised cost using the effective interest method. The equity component of a loan is not remeasured. Interest related to the financial liability is recognised in profit or loss.

NOTE 18 – LEASES

Short-term leases and leases of low value assets

Lease rentals are payable as follows:

	2021	2020
	$	$
Within one year	**3,887**	5,126
One year or later and no later than five years	**-**	-
	3,887	5,126

During the 2021 financial year, the Group leased its head office premises at Level 1, 11 Lucknow Place, West Perth, Australia. The lease commenced on 1 July 2020 on a monthly rolling basis, subject to 30 days' notice to terminate.

The Group leases office premises in Gandhinagar (India). The current lease had a three-year term, which commenced on 16 October 2016 and continued on a monthly rolling basis until it was renegotiated on 1 July 2020 to be extended until 30 June 2021. The lease has since been renegotiated to be extended until 31 December 2021.

	2021	2020
	$	$
Expenses related to short-term leases		
Operating lease rentals expensed during the financial year	**23,759**	76,104

Accounting Policy

Definition of a lease

The Group assesses whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on the reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As a lessee

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on the balance sheet. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets and short-term leases (lease term of 12 months or less). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term lease.

NOTE 18 – LEASES (CONTINUED)

Accounting Policy (Continued)

As a lessee (continued)

For leases of medium to large-value assets and long-term leases, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses; and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is certainly reasonable certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group shall apply judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Leases of low-value assets and short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTE 19 – EXPENDITURE COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration permits, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various state and national governments. These obligations are subject to renegotiation when an application for an exploration permit is made and at other times. These obligations are not provided for in the financial report. The expenditure commitments are currently estimated to be $nil (2020: $nil).

There are no minimum exploration work commitments in the Cambay Production Sharing Contract (refer to note 12).

When obligations expire, are re-negotiated or cease to be contractually or practically enforceable, they are no longer considered to be a commitment.

Further expenditure commitments for subsequent permit periods are contingent upon future exploration results. These cannot be estimated and are subject to renegotiation upon the expiry of the existing exploration leases.

Capital Expenditure Commitments

The Group had no capital commitments as at 30 June 2021 (2020: $nil).

NOTE 20 – CONTINGENT ASSETS, CONTINGENT LIABILITIES AND GUARANTEES

Contingent Assets and Contingent Liabilities at Reporting Date

The Directors are of the opinion that, except as noted in note 16, there were no contingent assets or contingent liabilities as at 30 June 2021 and as at 30 June 2020.

Guarantees

Oilex Ltd has issued guarantees in relation to corporate credit cards. The bank guarantees amount to $50,000 (2020: $50,000).

EQUITY, GROUP STRUCTURE AND RISK MANAGEMENT

This section addresses the Group's capital structure, the Group structure and related party transactions, as well as including information on how the Group manages various financial risks.

NOTE 21 – ISSUED CAPITAL AND RESERVES

The reconciliation of the movement in capital, reserves and accumulated losses for the consolidated entity can be found in the consolidated statement of changes in equity.

(a) Issued Capital

	2021		2020	
Ordinary Shares	**Number of Ordinary Shares**	**Issued Capital $**	Number of Ordinary Shares	Issued Capital $
On issue at 1 July - fully paid	**3,704,096,666**	**179,254,814**	2,587,318,001	176,502,200
Issue of share capital				
Shares issued for cash (2) (5) (7)	**1,570,903,361**	**5,451,042**	874,289,063	2,365,288
Shares issued for non-cash (1) (3) (4) (5) (8) (9)	**176,623,458**	**405,675**	62,873,896	194,999
Shares to be issued (1)	**-**	**-**	55,555,556	90,449
Exercise of unlisted options (6)	**234,348,086**	**475,867**	124,060,150	330,000
Capital raising costs	**-**	**(231,473)**	-	(228,122)
Balance at 30 June - fully paid	**5,685,971,571**	**185,355,925**	3,704,096,666	179,254,814

Refer to the following notes for additional information and Note 22 for details of unlisted options.

The issue of shares in lieu of non-executive director income were approved by shareholders at the Annual General Meeting (AGM) held on 27 November 2019 for the period from 1 November 2019 to 31 October 2020, and at the AGM held on 16 December 2020 for the period from 1 November 2020 to 31 October 2021. Shareholder approval was separately obtained at the General Meeting held on 8 June 2021 for the remuneration shares issued for the period from 1 May 2019 through to 31 October 2020. The shares were issued at a price based upon the 10-Day Volume Weighted Average Price up to the applicable quarter end of each period.

In accordance with the ASX waiver granted on 6 November 2020, the Company advises that the number of remuneration shares that were issued to directors totalled 26,447,267 for the year ended 30 June 2021, which was equivalent to 0.47% of the Company's issued capital as at 30 June 2021.

Additional information of the issue of ordinary shares and unlisted options:

1) On 17 July 2020, the Company announced the issue of:
   - 55,555,555 shares at £0.0009 (A$0.001792) pursuant to the equity raise announcements on 15 March 2020 and 23 April 2020, which was included as other receivables at 30 June 2020;
   - 71,922,222 shares to advisors and consultants in lieu of cash fees payable at an issue price of £0.0009 (A$0.001792) per ordinary share; and
   - 31,111,111 shares to advisors and consultants in lieu of cash fees payable at an issue price of £0.0009 (A$0.001458) per ordinary share.

2) On 31 July 2020, the Company announced that it had arranged an equity capital raising, through Novum Securities Limited and existing institutional shareholders, to secure further funding of £0.25 million (A$0.5 million) through the subscription of 312,500,000 new shares at £0.0008 (A$0.00144) per share. On 10 August 2020, the Company announced the issue of the shares.

3) On 17 December 2020, the Company announced that it had issued 42,500,000 ordinary shares at £0.002 (A$0.00357), as part consideration, to Burgate Exploration and Production Ltd following completion of the East Irish Sea Transaction P2446 as announced by the Company on 14 December 2020.

4) On 12 February 2021, the Company announced the issue of 4,646,025 shares in lieu of non-executive director remuneration for the period from 1 November 2020 through to 31 January 2021 at an issue price of $0.002 per ordinary share.

NOTE 21 – ISSUED CAPITAL AND RESERVES (CONTINUED)

5) On 15 March 2021, the Company announced:
- that it had arranged an equity capital raising, with existing sophisticated shareholders, to secure further funding of £0.35 million (A$0.63 million) through the subscription of 250,000,000 new shares at £0.0014 (A$0.00252) per ordinary share; and
- the issue of 4,642,858 new ordinary shares as consideration in lieu of fees payable to consultants at an issue price of £0.0014 (A$0.00252) per ordinary share.

On 17 March 2021, the Company announced the issue of the shares.

6) On 7 April 2021, the Company announced the issue of 234,348,086 shares upon the exercise of the following unlisted options:
- 204,545,455 options convertible at £0.0011 (A$0.002) each pursuant to the Series D loan;
- 14,802,631 options convertible at £0.0019 (A$0.003) each; and
- 15,000,000 options convertible at £0.0008 (A$0.001) each.

7) On 21 April 2021, the Company announced that it had 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 subscription of 1,008,403,361 new ordinary shares at £0.00238 pence (A$0.00425) per share. The subscription was completed in two tranches:

Tranche 1:
- 84,375,000 shares were issued on 23 April 2021; and
- 320,625,000 shares were issued on 29 April 2021.

Tranche 2:
- 251,418,066 shares were issued on 10 June 2021;
- 125,709,034 shares were issued on 21 June 2021; and
- 226,276,261 shares were issued on 24 June 2021.

8) On 14 May 2021, the Company announced the issue of 1,882,398 shares in lieu of non-executive director remuneration for the period from 1 February 2021 through to 30 April 2021 at an issue price of $0.005 per ordinary share.

9) On 22 June 2021, the Company announced the issue of 19,918,844 shares in lieu of non-executive director remuneration for the period from 1 May 2019 through to 31 October 2020 at an issue price of $0.0025 per ordinary share.

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Subsequent Event

On 12 August 2021, the Company announced the issue of 2,458,785 shares in lieu of non-executive director remuneration for the period from 1 May 2021 through to 31 July 2021 at an issue price of A$0.004 per ordinary share.

Accounting Policy

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(b) Reserves

	2021 **$**	2020 $
Foreign currency translation reserve	**7,096,752**	7,341,214
Options reserve	**-**	69,202
Loan options reserve	**-**	35,404
	7,096,752	7,445,820

Foreign Currency Translation Reserve (FCTR)

The foreign currency translation reserve is comprised of all foreign currency differences arising from the translation of the financial statements of foreign operations from their functional currency to Australian dollars.

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

NOTE 21 – ISSUED CAPITAL AND RESERVES (CONTINUED)

(b) Reserves (Continued)

Foreign Currency Translation Reserve (FCTR) (Continued)

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented within equity in the FCTR.

Option Reserve

The option reserve recognises the fair value of options issued but not exercised. Upon the exercise, lapsing or expiry of options, the balance of the option reserve relating to those options is transferred to accumulated losses.

NOTE 22 – SHARE-BASED PAYMENTS

Share-Based Payments Expense Shares

The following equity settled share-based payment transactions have been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	2021 $	2020 $
Shares and rights - equity settled		
Non-Executive Directors – remuneration shares (1)	**68,119**	-
Technical and administrative contractors	**185,852**	-
Total share-based payments expense	**253,971**	-

1) At the Annual General Meeting (AGM) held on 29 November 2018, the shareholders of the Company approved the issue of shares in lieu of cash for part of the remuneration for two of the Non-Executive Directors (Mr Haywood and Mr Schwarz) for the period from 1 November 2018 to 31 October 2019. Mr Haywood and Mr Schwarz also agreed to receive part of their directors' fees in the form of the Company's shares in lieu of cash payments, in order to conserve the cash reserves of the Company. Similar shareholder approval was also received at the AGM held on 27 November 2019 for the period from 1 November 2019 to 31 October 2020; and at the AGM held on 16 December 2020 for the period from 1 November 2020 to 31 October 2021. Shareholder approval was separately obtained at the General Meeting held on 8 June 2021 for the remuneration shares issued for the period from 1 May 2019 through to 31 October 2020.

In accordance with the ASX waiver granted 6 November 2020, the Company advised that the number of remuneration shares that were issued to directors for the year ended 30 June 2021 totalled 26,447,267 (2020: nil) and the percentage of the Company's issued capital represented by these remuneration shares was 0.47% (2020: nil%).

As at 30 June 2021, the accrued non-executive director fees, being remuneration shares not yet issued totalled $6,447 (2020: $34,908).

Accounting Policy

Options allow directors, employees, financiers and advisors to acquire shares of the Company. The fair value of options granted to employees is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes Model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Options may also be provided as part of the consideration for services by brokers and underwriters. Any unlisted options issued to the Company's AIM broker are treated as a capital raising cost.

When the Group grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

NOTE 22 – SHARE-BASED PAYMENTS (CONTINUED)

Accounting Policy (Continued)

The number and weighted average exercise prices (WAEP) of unlisted share options are as follows:

	WAEP 2021	**Number 2021**	WAEP 2020	Number 2020
Outstanding at 1 July	**$0.003**	**508,408,693**	$0.004	161,220,442
Lapsed during the year	**$0.003**	**(402,696,971)**	$0.004	(215,218,662)
Exercised during the year (1) (4)	**$0.002**	**(234,348,086)**	$0.003	(124,060,150)
Granted during the year				
- Granted to Brokers and Financiers (1)	**$0.009**	**618,403,361**	$0.004	14,802,631
- Series A Loan Options	**-**	**-**	$0.003	124,060,150
- Series B Loan Options (2)	**-**	**-**	$0.003	176,392,160
- Series C Loan Options (3)	**$0.002**	**113,636,364**	$0.004	59,523,810
- Series D Loan Options (4)	**-**	**-**	$0.003	311,688,312
Outstanding at 30 June	**$0.009**	**603,403,361**	$0.003	508,408,693
Exercisable at 30 June	**$0.009**	**603,403,361**	$0.003	508,408,693

The unlisted options outstanding at 30 June 2021 have an exercise price of £0.00476 (A$0.009) (2020: in the range of $0.002 to $0.006) and a weighted average remaining contractual life of 1.06 years (2020: 0.5 years).

The fair value of unlisted options is calculated at the date of grant using the Black-Scholes Model. Expected volatility is estimated by considering the historical volatility of the Company's share price over the period commensurate with the expected term.

1) The following factors and assumptions were used to determine the fair value of 618,403,361 options issued to brokers and financiers during the year (15,000,000 issued on 7 August 2020; and 603,403,361 of which 125,709,034 was issued on 21 June 2021 and 477,694,327 was issued on 24 June 2021):

2021 Grant Date	Vesting Date	Expiry Date	Fair Value Per Option	Exercise Price	Price of Shares on Grant Date	Expected Volatility	Risk Free Interest Rate	Dividend Yield
7 Aug 2020	7 Aug 2020	12 Aug 2022	£0.00042 (A$0.0008)	£0.0008 (A$0.0014)	£0.00085 (A$0.002)	90.45%	0.25%	-
23 June 2021	23 June 2021	30 June 2022	£0.00077 (A$0.0014)	£0.00476 (A$0.009)	£0.0019 (A$0.003)	122.26%	0.10%	-

The 15,000,000 options issued on 7 August 2020 were exercised during the year on 7 April 2021.

14,802,631 which were issued to brokers and financiers in the prior year were also exercised on 7 April 2021.

2) All remaining Series B loan options lapsed during the period on 31 July 2020.

3) The fair value equity component of the 113,636,364 Series C loan options which were issued on 18 December 2020 was determined using an implied effective interest rate of 18% pa (effective interest rate on a similar borrowing without an equity component. At loan drawdown, this amount was recognised in the Loan Option Reserve as the loans have been recognised as convertible notes. These options lapsed during the period on 29 January 2021. Other remaining Series C loan options which were granted in prior periods also lapsed during the period on 1 August 2020.

For further information refer to Note 17: Borrowings.

4) 204,545,455 Series D loan options were exercised during the period on 7 April 2021. All other remaining Series D loan options lapsed during the period on 1 August 2020.

Key Estimates and Assumptions – Share-Based Payment Transactions

The Group measures the cost of equity-settled transactions with directors, employees, financiers and advisors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 23 – CONSOLIDATED ENTITIES

	Country of Incorporation	Ownership Interest % 2021	2020
Parent Entity			
Oilex Ltd	Australia		
Subsidiaries			
Independence Oil and Gas Limited	Australia	**100**	100
Admiral Oil and Gas Holdings Pty Ltd	Australia	**100**	100
Admiral Oil and Gas (106) Pty Ltd	Australia	**100**	100
Admiral Oil and Gas (107) Pty Ltd	Australia	**100**	100
Admiral Oil Pty Ltd	Australia	**100**	100
Oilex (JPDA 06-103) Ltd	Australia	**100**	100
Merlion Energy Resources Private Limited	India	**100**	100
Oilex N.L. Holdings (India) Limited	Cyprus	**100**	100
Oilex (West Kampar) Limited	Cyprus	**100**	100
CoEra Limited (incorporated 7 October 2019, disposed 15 October 2020)	Australia	**-**	100
Holloman Petroleum Pty Ltd (acquired 16 October 2019, disposed 15 October 2020)	Australia	**-**	100
Cordillo Energy Pty Ltd (incorporated 18 October 2019, disposed 15 October 2020)	Australia	**-**	100
Oilex EIS Limited (incorporated 12 December 2019)	United Kingdom	**100**	100

Acquisition of Subsidiary

On 16 October 2019, the Group completed the acquisition of 100% of the shares in Holloman Petroleum Pty Ltd pursuant to the share purchase agreement entered into with Holloman Energy Corporation.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	$
Cash	72,750
Equity instruments (40,416,917 ordinary shares)	121,251
Total consideration transferred	194,001

The fair value of the ordinary shares issued was based on the listed share price of the Company at 7 August 2019 of $0.003 per share.

Acquisition related costs

The Group incurred acquisition-related costs of $17,000 relating to external legal fees. These costs were included in 'administration expense' in the condensed consolidated statement of profit or loss and OCI.

Identifiable assets acquired

The following table summarises the recognised amounts of assets acquired at the date of acquisition. Nil liabilities were assumed.

	$
Trade and other receivables	48,500
Exploration and evaluation	145,501
Total identifiable assets acquired	194,001

Trade and other receivables comprised Petroleum Exploration Licence bonds of $48,500, of which $nil was expected to be uncollectable at the date of acquisition.

Disposal of Operations

On 15 October 2020, the Group announced the completion of the sale of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour). Pursuant to a Share Purchase Agreement, Armour acquired 100% of the issued capital of CoEra Limited (including its interest in its two subsidiaries Holloman Petroleum Pty Ltd and Cordillo Energy Pty Ltd) which held all the Group's interests in the Cooper-Eromanga Basins.

Refer to Note 6 for further details of the sale of CoEra Limited and its two subsidiaries.

Accounting Policy

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

NOTE 24 – PARENT ENTITY DISCLOSURE

As at, and throughout, the financial year ended 30 June 2021 the parent entity of the Group was Oilex Ltd.

	2021 $	2020 $
Result of the parent entity		
Loss for the year	**(1,467,667)**	(3,812,707)
Other comprehensive income/(loss)	**(241,941)**	(275,240)
Total comprehensive loss for the year	**(1,709,608)**	(4,087,947)
Financial position of the parent entity at year end		
Current assets	**4,402,427**	224,271
Total assets	**11,095,506**	5,325,470
Current liabilities	**1,050,148**	1,613,752
Total liabilities	**3,620,469**	3,863,201
Net assets	**7,475,037**	1,462,269
Total equity of the parent entity comprising of:		
Issued capital	**185,355,925**	179,254,814
Option reserve	**-**	35,404
Loans Options Reserve	**-**	69,202
Foreign currency translation reserve	**4,552,133**	4,776,928
Accumulated losses	**(182,433,021)**	(182,674,079)
Total equity	**7,475,037**	1,462,269

Parent entity contingent assets, contingent liabilities and guarantees

The Directors are of the opinion that Oilex Ltd has no contingent assets or contingent liabilities as at 30 June 2021 and as at 30 June 2020.

Oilex Ltd has issued a guarantee in relation to corporate credit cards. The bank guarantee amounts to $50,000. An equal amount is held in cash and cash equivalents as security by the bank. (2020: $50,000).

Parent entity capital commitments for acquisition of property plant and equipment

Oilex Ltd had no capital commitments as at 30 June 2021 (2020: $nil).

Parent entity guarantee (in respect of debts of its subsidiaries)

On 7 November 2006, Oilex Ltd issued a Deed of Parent Company Performance Guarantee in relation to the JPDA 06-103 Production Sharing Contract (PSC) entered into with the Timor Sea Designated Authority dated 15 November 2006. The PSC was terminated on 15 July 2015, however, the Joint Operating Agreement between the Joint Venture participants is still in effect, and as such the Deed of Parent Company Performance Guarantee is also still in effect.

Oilex Ltd has issued no other guarantees in respect of the debts of its subsidiaries.

NOTE 25 – JOINT ARRANGEMENTS

The Group's interests in joint arrangements as at 30 June 2021 are detailed below. Principal activities are oil and gas exploration, evaluation, development and production.

(a) Joint Operations Interest

Permit		2021 %	2020 %
OFFSHORE			
JPDA 06-103 (1)	Timor Leste and Australia (JPDA)	**10.0**	10.0
ONSHORE			
Cambay Field	India (Cambay Basin)	**45.0**	45.0
Bhandut Field (2)	India (Cambay Basin)	**-**	40.0
West Kampar Block (3)	Indonesia (Central Sumatra)	**-**	-

(1) The JPDA 06-103 Production Sharing Contract was terminated on 15 July 2015. The Joint Operating Agreement between the Joint Venture participants is still in effect.

(2) On 28 May 2021, the Group announced the completion of the sale of its 40% participating interest (PI) in the Bhandut Production Sharing Contract (Bhandut PSC) following the receipt of US$290,000 from the buyer, Kiri and Company Logistics Private Limited (Kiri).

Refer to Note 6 for further details of the sale of the Bhandut Joint Venture.

(3) Oilex (West Kampar) Limited held 45% participating interest in the West Kampar Contract Area Production Sharing Contract before it was terminated on 15 August 2018.

On 27 July 2020, the Company announced that substantial progress was made towards the Company's objective to regain a participating interest in the West Kampar PSC in Indonesia.

Following various meetings and correspondence with the Government of Indonesia and with the support of the Company's local Indonesian partner, the Government of Indonesia has advised that our Proposed Direct Bid, through the Joint Study of the West Kampar Region, is declared administratively complete and have recorded it as a proposal for a Direct Offer through a Joint Study as stipulated in ESDM Regulation No. 35 of 2008.

Oilex's interest in the study and ultimate potential award of the PSC will be on a 50-50 joint basis with its local Indonesian partner, PT Ephindo.

NOTE 25 – JOINT ARRANGEMENTS (CONTINUED)

(b) Joint Operations

The aggregate of the Group's interests in all joint operations is as follows:

	2021	2020
	$	$
Current assets		
Cash and cash equivalents	**20,381**	33,360
Trade and other receivables (1)	**1,967,776**	2,109,359
Inventories	**94,301**	1,133,931
Prepayments	**4,643**	5,399
Total current assets	**2,087,101**	3,282,049
Non-current assets		
Exploration and evaluation	**549,777**	581,321
Development assets	**4,855,008**	9,823,965
Property, plant and equipment	**64,842**	95,509
Total non-current assets	**5,469,627**	10,500,797
Total assets	**7,556,728**	13,782,846
Current liabilities		
Trade and other payables	**(445,021)**	(283,038)
Total liabilities	**(445,021)**	(283,038)
Net assets	**7,111,707**	13,499,808

(1) The balance of trade and other receivables of the joint operations is before any impairment and provisions.

(c) Joint Operations Commitments

In order to maintain the rights of tenure to exploration permits, the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various state and national governments. These obligations are subject to renegotiation when an application for an exploration permit is made and at other times. These obligations are not provided for in the financial report.

The Group has no exploration expenditure commitments attributable to joint operations during the year (2020: $nil).

There are no minimum exploration work commitments in the Cambay Production Sharing Contract.

Accounting Policy

Joint arrangements are arrangements in which two or more parties have joint control. Joint control is the contractual agreed sharing of control of the arrangements which exists only when decisions about the relevant activities required unanimous consent of the parties sharing control. Joint arrangements are classified as either a joint operation or joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

The Group's interest in unincorporated entities are classified as joint operations.

Joint ventures provide the Group a right to the net assets of the venture and are accounted for using the equity method.

NOTE 26 – RELATED PARTIES

Identity of Related Parties

The Group has a related party relationship with its subsidiaries (refer note 23), joint operations (refer note 25) and with its key management personnel.

Key Management Personnel

The following were key management personnel of the Group at any time during the current and previous financial years and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors	Position
Mark Bolton [(1)]	Non-Executive Director
Paul Haywood	Non-Executive Director
Peter Schwarz (appointed 4 September 2019)	Non-Executive Director
Brad Lingo (resigned 5 May 2020)	Non-Executive Chairman

Executive Directors	Position
Roland Wessel (appointed 16 June 2021)	Chief Executive Officer and Director
Joe Salomon [(2)]	Executive Chairman

Executives	Position
Colin Judd (appointed 1 July 2021)	Chief Financial Officer
Ashish Khare	Head of India Assets

(1) Executive Director and Chief Financial Officer during the current period until 1 July 2021, Company Secretary during the current period until 25 August 2021, and appointed as Non-Executive Director on 1 July 2021.

(2) Mr Salomon was Managing Director and Interim Chairman during the current period until 16 June 2021 when he was appointed Executive Chairman. Mr Salomon was appointed as Interim Chairman during the previous period on 5 May 2020 following Mr Lingo's resignation.

Key Management Personnel Compensation

Key management personnel compensation comprised the following:

	2021	2020
	$	$
Short-term employee benefits	**322,220**	757,848
Other long-term benefits	**17,897**	34,546
Non-monetary benefits	**4,789**	5,777
Post-employment benefits	**16,310**	67,372
Equity compensation benefits – shares issued in lieu of salary	**39,574**	33,103
	400,790	898,646

Individual Directors' and Executives' Compensation Disclosures

Information regarding individual Directors' and Executives' compensation is provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note or in the Remuneration Report, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Key Management Personnel Transactions with the Company or its Controlled Entities

There were no transactions in the current year between the Group and entities controlled by key management personnel.

NOTE 27 – FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Group has exposure to the following risks arising from financial instruments.

i) Credit risk

ii) Liquidity risk

iii) Market risk

This note presents qualitative and quantitative information in relation to the Group's exposure to each of the above risks and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and the development and monitoring of risk management policies. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations; and arises principally from the Group's receivables from customers and joint ventures.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The maximum exposure to credit risk at the reporting date was:

	2021	2020
	$	$
Cash and cash equivalents	**4,310,767**	173,816
Trade and other receivables - current	**931,721**	645,344
	5,242,488	819,160

The Group's cash and cash equivalents are held with major banks and financial institutions.

The Group's gross share of outstanding cash calls and recharges owing from joint venture partners and joint operations are $5,694,109 (2020: $6,294,032).

Impairment Losses

The aging of the trade and other receivables at the reporting date was:

	2021	2020
	$	$
Consolidated Gross		
Not past due	**120,946**	226,557
Past due 0-30 days	**25,409**	177,421
Past due 31-120 days	**(31,083)**	141,146
Past due 121 days to one year	**418,111**	738,319
More than one year	**5,339,349**	5,442,789
	5,872,732	6,726,232
Provision for doubtful debts	**(4,941,011)**	(6,080,888)
Trade and other receivables net of provision	**931,721**	645,344

Receivable balances are monitored on an ongoing basis. The Group may at times have a high credit risk exposure to its joint venture partners arising from outstanding cash calls.

The Group considers an allowance for expected credit losses (ECL's) for all debt instruments. The Group applies a simplified approach in calculating ECL's. The Group bases its ECL assessment on its historical credit loss experience, adjusted for factors specific to the debtors and the economic environment including, but not limited to, financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and delinquency in payments.

The Group has been in discussions with its joint venture partner for repayment of disputed and other amounts owing. The Group is continuing discussions in order to resolve the outstanding issues and recover payment of the outstanding amounts, however, due to the age of the receivable amounts, is uncertain of the timing or of full recovery.

NOTE 27 – FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity by monitoring present cash flows and ensuring that adequate cash reserves, financing facilities and equity raisings are undertaken to ensure that the Group can meet its obligations.

The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Face Value	Contractual Cash Flows Total	2 months or less	2 – 12 months	Greater than 1 year
	$	$	$	$	$	$
2021						
Trade and other payables	**2,095,992**	**2,095,992**	**2,095,992**	**2,095,992**	**-**	**-**
Borrowings	**-**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	**2,095,992**	**2,095,992**	**2,095,992**	**2,095,992**	**-**	**-**
2020						
Trade and other payables	1,071,341	1,071,341	1,071,341	1,071,341	-	-
Borrowings	769,555	804,959	804,959	250,000	554,959	-
Total financial liabilities	1,840,896	1,876,300	1,876,300	1,321,341	554,959	-

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

An entity is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the entity. The currencies giving rise to this risk are the United States dollar (USD), Indian rupee (INR) and the British pound (GBP).

The amounts in the table below represent the Australian dollar equivalent of balances in the entities within the Oilex Group that are held in a currency other than the functional currency in which they are measured in those entities. The exposure to currency risk at balance date was as follows:

	2021			2020		
In Australian dollar equivalents	**USD $**	**INR $**	**GBP $**	USD $	INR $	GBP $
Cash and cash equivalents	**3,007,650**	**249,093**	**730,290**	1,591	67,746	20,346
Trade and other receivables [(1)]	**91,652**	**2,914,518**	**-**	267,162	3,136,248	-
Trade and other payables	**(816,211)**	**(893,070)**	**(65,918)**	(29,971)	(403,585)	(128,669)
Loans	**-**	**-**	**-**	-	-	(522,198)
Net balance sheet exposure	**2,283,091**	**2,270,541**	**664,372**	238,782	2,800,409	(630,521)

(1) Trade and other receivables of joint operations are before any impairment and provisions.

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date Spot Rate	
AUD	**2021**	2020	**2021**	2020
USD	**0.7468**	0.6714	**0.7518**	0.6863
INR	**55.0235**	48.5957	**55.9200**	51.8000
GBP	**0.5546**	0.5329	**0.5429**	0.5586

NOTE 27 – FINANCIAL INSTRUMENTS (CONTINUED)

(d) Market Risk (Continued)

i) Currency risk (continued)

Foreign currency sensitivity
A 10% strengthening/weakening of the Australian dollar against the following currencies at 30 June would have (increased)/ decreased the loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	2021	2020
	$	$
10% Strengthening		
United States dollars (USD)	**201,817**	23,274
Indian rupees (INR)	**265,221**	290,819
British pounds (GBP)	**(66,437)**	63,052
10% Weakening		
United States dollars (USD)	**(201,817)**	(23,274)
Indian rupees (INR)	**(265,221)**	(290,819)
British pounds (GBP)	**66,437**	(63,052)

ii) Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments were:

	Carrying Amount	
	2021	2020
	$	$
Fixed Rate Instruments		
Financial assets (short-term deposits included in trade receivables)	**50,000**	50,000
Financial liabilities (borrowings)	-	(769,555)
Variable Rate Instruments		
Financial assets (cash and cash equivalents)	**4,310,767**	173,816

Cash flow sensitivity analysis for variable rate instruments
An increase of 100 basis points in interest rates at the reporting date would have decreased the loss by the amounts shown below. A decrease of 100 basis points in interest rates at the reporting date would have had the opposite impact by the same amount. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2020.

	2021	2020
	$	$
Impact on profit or loss	**43,108**	1,738

iii) Equity price risk

Exposure
The Group's exposure to equity securities price risk arises from the Group's equity securities designated as at FVTPL (refer note 11). The Group's equity securities are publicly traded on the Australian Stock Exchange.

Equity price risk sensitivity analysis
The Group's equity securities designated as at FVTPL are listed on the Australian Stock Exchange. For such investments classified as at FVTPL, the impact of a 5% increase in the price of the listed investment would have increased profit or loss by $22,140 after tax. An equal change in the opposite direction would have decreased profit or loss by $22,140 after tax.

Amounts recognised in profit or loss and other comprehensive income
The amounts recognised in profit or loss and other comprehensive income in relation to the Group's equity securities designated as at FVTPL are disclosed in notes 4(a) and 4(g).

NOTE 27 – FINANCIAL INSTRUMENTS (CONTINUED)

(e) Capital Risk Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in the consolidated statement of changes in equity.

(f) Fair Values of Financial Assets and Liabilities

The net fair values of financial assets and liabilities of the Group approximate their carrying values. The Group has no off-balance sheet financial instruments, and no amounts are offset.

OTHER DISCLOSURES

This section provides information (not already disclosed) on items that are required to be disclosed to comply with Australian Accounting Standards, other regulatory pronouncements and the *Corporations Act 2001*.

NOTE 28 – AUDITORS' REMUNERATION

	2021	2020
	$	$
Audit and review services		
Auditors of the Company – PKF Perth		
Audit and review of financial reports	**47,500**	50,000
Audit of Joint Operations operated by Oilex Ltd		
Operator proportion only	**500**	-
	48,000	50,000
Other Auditors		
Audit and review of financial reports (India Statutory)	**5,320**	5,821
Audit and review of financial reports (Cyprus Statutory)	**20,396**	22,687
Audit of Joint Operations operated by Oilex Ltd		
Operator proportion only	**180**	414
	73,896	78,922
Other services		
Auditors of the Company – PKF Perth		
Taxation compliance services	**8,758**	8,389
	8,758	8,389
Other Auditors		
Taxation compliance services (India Statutory)	**6,810**	7,451
	15,567	15,840

NOTE 29 – SUBSEQUENT EVENTS

The impact of the COVID-19 pandemic is ongoing and while it has been financially negative for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian and Indian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Following the Company's announcement on 11 June 2021 on the execution of the SPA and the Acquisition of Cambay, the Company secured a bank guarantee on 31 July 2021 for the US$2.2 million consideration payable for the Acquisition. The ratification of the SPA and Acquisition by the Government of India is expected to occur in the coming months and is the last outstanding condition to completing the Acquisition. Refer to Note 12 for further details of the Acquisition.

On 12 August 2021, the Company also announced the issue of 2,458,785 shares in lieu of non-executive director remuneration for the period from 1 May 2021 through to 31 July 2021 at an issue price of $0.004 per ordinary share.

On 4 September 2021, the Company received cash proceeds of US$543,114 with regards to outstanding GSPC cash calls for the Cambay PSC.

On 17 September 2021, the Company announced its plans to relinquish the P2446 licence, following an unsuccessful request to the UK Oil and Gas Authority (OGA) to extend the initial term of the licence. This has been recognised in the 30 June 2021 results with a write-off of $309,703 in respect of licence acquisition costs ($260,331) and post-acquisition capitalised expenditure ($49,372) (refer note 12).

Other than the above disclosure, there has not arisen in the interval between the end of the financial year and the date of this report an item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

(1) In the opinion of the Directors of Oilex Ltd (the Company):

(a) the consolidated financial statements and notes thereto, as set out on pages 27 to 71, and the Remuneration Report in the Directors' Report, as set out on pages 17 to 24, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable.

(2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2021

(3) The Directors draw attention to note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Mr Jonathan Salomon
Executive Chairman

Mr Roland Wessel
Chief Executive Officer

West Perth
Western Australia
22 September 2021

Advisory • Audit
Business Solutions

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

OILEX LTD

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Oilex Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Oilex Ltd is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed these matters is provided in that context.

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1 - Carrying value of mine development assets

Why significant	How our audit addressed the key audit matter
At 30 June 2021 the carrying value of mine development assets was $8,710,490 (2020: $9,823,965), as disclosed in Note 13. This amount is comprised by Cambay Development Assets of $4,855,008 (2020: $9,823,965) and Restoration Asset of $3,855,482 (2020: $4,505,601). Each year management is required to assess whether there are any indicators that the total project may be impaired in accordance with AASB 136 Impairment of Assets. Management's impairment assessment indicated that no impairment was required. There is a level of judgement applied in determining the treatment of the mine asset in accordance with AASB 116 *Property, Plant and Equipment* and whether the asset is impaired in accordance with AASB 136 *Impairment of Assets*. The evaluation of the recoverable amount of the mine asset requires significant judgement in determining the key assumptions supporting the expected future cash flows of the Cambay Project.	Our work included, but was not limited to, the following procedures: • Reviewing management's impairment model, including consideration of inputs used in net present value calculations; • Reviewing management's assessment of impairment of the cash generating units; • Reviewing competent persons report on the mineable reserves and valuation, it's congruence with management's assessment and the competence/ independence of the author; • Ensuring valid mining licenses held and consider impairment of assets for which no license is now held; • Ensure that disclosures within the financial statements are accurate and that all estimates and judgements made by management are included therein, and • Assessing the appropriateness of the related disclosures in Note 13.

2 - Carrying value of capitalised exploration expenditure

Why significant	How our audit addressed the key audit matter
As at 30 June 2021 the carrying value of exploration and evaluation assets was $549,778 (2020: $581,322), as disclosed in Note 12. The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 12. Estimates and judgments in relation to capitalised exploration and evaluation expenditure is detailed at Note 12.	Our work included, but was not limited to, the following procedures: • Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including: ○ assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed

Why significant	How our audit addressed the key audit matter

Significant judgement is required:
 	
• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  ○ whether the particular areas of interest meet the recognition conditions for an asset; and
  ○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.
	for tenements that will expire in the near future;
	  ○ holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
	  ○ obtaining evidence of the consolidated entity's future intention, reviewing planned expenditure and related work programmes;
	• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
	• testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
	• assessing the appropriateness of the related disclosures in Note 12.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the consolidated entity financial report. We are responsible for the direction, supervision and performance of the consolidated entity audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Advisory • Audit
Business Solutions

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Oilex Ltd for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

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SIMON FERMANIS
PARTNER

22 September 2021
WEST PERTH,
WESTERN AUSTRALIA

Shareholder information as at 1 September 2021

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The address of the principal registered office is Level 1, 11 Lucknow Place, West Perth, Western Australia 6005, Australia, Telephone +61 8 9485 3200.

The name of the Company Secretary is Mrs Suzie Foreman.

Detailed schedules of exploration and production permits held are included in the Business Review.

Directors' interest in share capital options are disclosed in the Directors' Report.

There is currently no on-market buy-back in place.

Shareholding

(a) Distribution of shareholdings:

Size of holding	Number of holders	Number of shares	% of issued capital
1 - 1,000	290	117,905	0.00
1,001 - 5,000	447	1,321,883	0.02
5,001 - 10,000	291	2,348147	0.04
10,001 - 100,000	763	32,185,578	0.57
100,001 and over	815	5,652,456,843	99.37
Total	**2,606**	**5,688,430,356**	**100.00**

(b) Of the above total 1,857 ordinary shareholders hold less than a marketable parcel.

(c) Distribution of option holdings:

Size of holding	Number of holders	Number of options	% of options
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	3	603,403,361	100.00
Total	**3**	**603,403,361**	**100.00**

(d) Voting Rights:

The voting rights attached to the ordinary shares are governed by the Constitution.

On a show of hands every person present who is a Member or representative of a Member shall have one vote and on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options give an entitlement to voting rights.

Register of Securities

The register of securities listed on the Australian Securities Exchange is held by Link Market Services Limited, Level 12, 250 St Georges Terrace, Perth, Western Australia 6000, Australia, Telephone +61 8 9211 6670.

The register of securities listed on the Alternative Investment Market of the London Stock Exchange is held by Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom, Telephone +44 870 702 003.

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange and the Alternative Investment Market of the London Stock Exchange (AIM) and trades under the symbol OEX.

Unquoted Securities - Options

Total unlisted options on issue are 603,403,361.

Class	Number of unquoted equity securities	Number of holders	Number of holders holding 20% or more in the class
Unlisted options exercisable at GBP 0.00476 expiring 30 June 2022	603,403,361	3	3
Total	**603,403,361**	**3**	**3**

Unquoted Equity Security Holdings Greater Than or Equal to 20%

Unlisted options exercisable at GBP 0.00476 expiring 30 June 2022	Number of unlisted options	Percentage
Lombard Bank Malta p.l.c	125,709,034	20.83
Republic Investment Management Ple Ltd	226,276,261	37.50
Novum Securities Limited	251,418,066	41.67
Total	**603,403,361**	**100.00**

Twenty Largest Shareholders

Shareholders	Shares Held		% of issued capital
Vidacos Nominees Limited <151004>	698,972,628	#	12.29
Hargreaves Lansdown (Nominees) Limited <15942>	449,872,439	#	7.91
Interactive Investor Services Nominees Limited <SMKTISAS>	306,499,174	#	5.39
Interactive Investor Services Nominees Limited <SMKTNOMS>	305,340,289	#	5.37
Hargreaves Lansdown (Nominees) Limited <HLNOM>	275,917,644	#	4.85
Hargreaves Lansdown (Nominees) Limited <VRA>	265,016,855	#	4.66
HSDL Nominees Limited	242,396,375	#	4.26
Barclays Direct Investing Nominees Limited <CLIENT1>	236,552,471	#	4.16
Lynchwood Nominees Limited <2006420>	235,272,776	#	4.14
Vidacos Nominees Limited <LGUKCIT>	183,770,506	#	3.23
HSDL Nominees Limited <MAXI>	150,334,462	#	2.64
Vidacos Nominees Limited <FGN>	147,646,149	#	2.60
HSBC Client Holdings Nominee (UK) Limited <731504>	125,419,396	#	2.20
Jim Nominees Limited <JARVIS>	117,506,025	#	2.07
TH Investments Pte Ltd	111,111,111		1.95
HSDL Nominees Limited <LWMAXI>	77,494,453	#	1.36
Zeta Resources Limited	71,323,567		1.25
Rock (Nominees) Limited <CSHNET>	61,987,331	#	1.09
Lawshare Nominees Limited <SIPP>	58,965,804	#	1.04
Lawshare Nominees Limited <ISA>	55,386,357	#	0.97
Total	**4,176,785,812**		**73.43**
Total issued shares as at 1 September 2021	**5,688,430,276**		**100.00**

(#) Included within the total issued capital are 4,618,806,439 shares held on the AIM register. Included within the top 20 shareholders are certain AIM registered holders as marked.

Substantial shareholders as disclosed in the most recent substantial shareholder notices given to the company are as follows:

Substantial Shareholders	Shares Held	% of issued capital	Unlisted Options Held
Republic Investment Management Ple Ltd	698,972,628	12.29	226,276,261 (1)

(1) Republic Investment Management Pte Ltd holds 226,276,261 unlisted options exercisable at GBP 0.00476 expiring on 30 June 2022.

Associated Gas	Natural gas found in contact with or dissolved in crude oil in the reservoir. It can be further categorised as Gas-Cap Gas or Solution Gas.
Bbls	Barrels of oil or condensate.
BCF	Billion cubic feet of gas at standard temperature and pressure conditions.
BCFE	Billion cubic feet equivalent of gas at standard temperature and pressure conditions.
BOE	Barrels of Oil Equivalent. Converting gas volumes to the oil equivalent is customarily done on the basis of the nominal heating content or calorific value of the fuel. Common industry gas conversion factors usually range between 1 barrel of oil equivalent (BOE) = 5,600 standard cubic feet (scf) of gas to 1 BOE = 6,000 scf. (Many operators use 1 BOE = 5,620 scf derived from the metric unit equivalent 1 m^3 crude oil = 1,000 m^3 natural gas).
BOPD	Barrels of oil per day.
GOR	Gas to oil ratio in an oil field, calculated using measured natural gas and crude oil volumes at stated conditions. The gas/oil ratio may be the solution gas/oil, symbol Rs; produced gas/oil ratio, symbol Rp; or another suitably defined ratio of gas production to oil production. Volumes measured in scf/bbl.
MMscfd	Million standard cubic feet of gas per day.
MMbbls	Million barrels of oil or condensate.
PSC	Production Sharing Contract.
mD	Millidarcy – unit of permeability.
MD	Measured Depth.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations. Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.3P Probabilistic methods P90 refers to the quantity for which it is estimated there is at least a 90% probability the actual quantity recovered will equal or exceed. P50 refers to the quantity for which it is estimated there is at least a 50% probability the actual quantity recovered will equal or exceed. P10 refers to the quantity for which it is estimated there is at least a 10% probability the actual quantity recovered will equal or exceed.
SCF/BBL	Standard cubic feet (of gas) per barrel (of oil).
TCF	Trillion cubic feet.
Tight Gas Reservoir	The reservoir cannot be produced at economic flow rates or recover economic volumes of natural gas unless the well is stimulated by a large hydraulic fracture treatment, a horizontal wellbore, or by using multilateral wellbores.

Directors
Roland Wessel
Chief Executive Officer and Director

Joe Salomon (B APP SC (Geology), GAICD)
Executive Chairman

Mark Bolton (B Business)
Non-Executive Director

Paul Haywood
Non-Executive Director

Peter Schwarz
(B Sc (Geology), M Sc (Petroleum Geology))
Non-Executive Director

Company Secretary
Suzie Foreman (FGIA, CA, BComm)

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India Operations - Gandhinagar Project Office
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Gandhinagar Koba Road
Gandhinagar 382421
Gujarat, India

Website
www.oilex.com.au

Email
oilex@oilex.com.au

Oilex Ltd
ACN 078 652 632
ABN 50 078 652 632

Stock Exchange Listings
Oilex Ltd's shares are listed under the code OEX on the Australian Securities Exchange and on the Alternative Investment Market of the London Stock Exchange (AIM)

AIM Nominated Adviser
Strand Hanson Limited
26 Mount Row
London W1K 3SQ
United Kingdom

AIM Broker
Novum Securities Limited
2nd Floor
Lansdowne House
57 Berkeley Square
London W1J 6ER
United Kingdom

Share Registries
Link Market Services Limited (for ASX)
Level 12
250 St Georges Terrace
Perth Western Australia 6000
Australia

Computershare Investor Services PLC (for AIM)
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Auditors
PKF Perth
Level 5, 35 Havelock Street
West Perth Western Australia 6005
Australia

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