

ASX Announcement

14 November 2018

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High Court Extension Application

Oilex Ltd (Oilex or the Company) advises that Gujarat State Petroleum Corporation (GSPC) has made an application to the High Court of Gujarat, India (the Court) seeking an extension of time regarding the Court order as announced by the Company on 5 November 2018 (the Application). The Application seeks a further 15-day extension to 30 November 2018 to clarify the amount GSPC is required to submit to the Court.

The matter is scheduled to be heard by the 'vacation' judge of the Court on Thursday, 15 November 2018. We note that the High Court of Gujarat will resume normal operations on Monday, 19 November 2018 following Diwali.

Background


By way of background, on 30 July 2018 Oilex announced that it issued Notice of Withdrawal of Participating Interest (NoW) and had formally requested the Government of India (GoI) to transfer GSPC's participating interest (PI) in the Cambay PSC to the Company. The request was made strictly in accordance with the Joint Operating Agreement and follows GSPC's failure to remedy the Event of Default (EoD Notice) within the required 60-day period. The EoD Notice was a result of GSPC's ongoing failure to pay its PI share of Cambay PSC expenses.


GSPC subsequently served an Order from the Court directing the Company not to take any coercive steps against GSPC. The GSPC Order was awarded on an interim basis to delay the Company transferring GSPC's PI in the Cambay PSC. As announced by the Company on 5 November 2018, the Court issued and passed judgement on 1 November 2018 further delaying the implementation of the EoD and NoW subject to the fulfilment of all of the following conditions:

- a) GSPC is directed to deposit a sum of Rs.8.25 crores rupees (US\$1.1 million approx) before the Court in the name Registrar of the High Court on or before by 15 November 2015#;
- b) GSPC is directed to submit a bank guarantee for Rs.21.75 crores rupees (US\$3.0 million approx) in the name of Registrar of High Court of Gujarat latest by 15 November 2015#; and
- c) GSPC shall commence arbitration proceedings on or before 1 December 2018.

We are advised by our Indian legal counsel that the applicable date should read 2018

In the event GSPC does not adhere to all of the abovementioned conditions, the stay order will no longer prevent the Company from seeking to implement all of its rights under the JOA.

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Managing Director, Joe Salomon, said: "We are disappointed that GSPC continues to use every effort to delay meeting its obligations to the Joint Venture and the Gol. Importantly, the Judge has recognised that Cambay is in the national interest, and Oilex remains steadfast in its commitment to develop the Cambay project and contribute to India's energy security. In this regard, Oilex will fully enforce its rights to progress the development of the Cambay Project."

For and on behalf of Oilex Ltd



Joe Salomon
Managing Director

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