

ASX Announcement

7 August 2019

ASX: OEX
AIM: OEX

Acquisition in Cooper-Eromanga Basins

Oilex Ltd ("Oilex" or "the Company") is pleased to announce that it has entered into an agreement with Holloman Energy Corporation ("HEC") to acquire its 48.5003% interest in the PEL 112 and 444 license (the Licenses) in the world class Cooper-Eromanga Basins in South Australia.

Pursuant to the share purchase agreement entered into with HEC, the Company will acquire 100% of its wholly owned subsidiary, Holloman Petroleum Pty Ltd ("HPPL") for gross consideration of 40,416,917 ordinary shares in the Company (Shares) at a deemed price of 0.3 cents and A\$24,250 for a total consideration of A\$145,500. The key terms of the share purchase agreement are set out below. The Company has today issued 24,250,150 ordinary shares as initial consideration (T1) with the final balance of 16,166,767 shares and A\$24,250 payable at completion, which is to occur on or before 30 September 2019 (T2). The issue of the T2 shares by Oilex is subject to shareholder approval under Listing Rule 7.1.

The Company is in discussions with the remaining holders in the License to further increase its participating interest in PEL 112 and 444.

PEL 112 and PEL 444

The Licenses are held in two Petroleum Exploration Licenses (PELs) located in the South Australia section of the Cooper-Eromanga Basins. Both blocks are located on extensions of the Western Flank oil fairway, the most important recent contributor to oil production in the Cooper Basin. This fairway hosts over 30% of the Cooper Basin oil reserves and has been a major industry focus for new drilling and field development over the last 10 to 15 years. PEL 112 covers 1,086 square kilometres and PEL 444 covers 1166 square kilometres. Each PEL is currently in temporary suspension at the request of the current License holders (a provision with the South Australian government where work obligations are suspended for a fixed period) expiring on 31 July 2019 and for which the Company understands that a further extension will be sought. The PEL's carry an obligation to drill one well each before January 2021 (PEL 112) and January 2022 (PEL 444) respectively.

Both blocks have modern 3D seismic surveys acquired by Holloman and its partners; 127 square kilometre in PEL 112 and 80 square kilometres in PEL 444. Subsequent to the 3D surveys one exploration well was drilled in each 3D area however neither well was successful with the structural integrity of the prospects drilled in question.

Undrilled structural prospects and leads have been identified in both blocks. Oilex's intention is to re-evaluate the 3D seismic data using advanced IP which is designed to fast track the identification of stratigraphic features and geobodies. Importantly the Western Flank discoveries include many fluvial channel features and the stratigraphic section lends itself to the development of many more stratigraphically trapped hydrocarbon pools. Additional technologies available to Oilex include rapid, low cost reconnaissance tools aimed at testing the presence of hydrocarbon signatures in the atmosphere and in the soils overlying hydrocarbon accumulations.

The PEL's are favourably situated given the proven westward migration of oil from the Patchawarra Trough to the Western Flank fields and particularly the presence of oil in a well just to the east of PEL 444. Oilex believes that the existing high-quality 3D data coupled with advanced evaluation tools will result in the identification of new targets for stratigraphic oil pools within these licenses.

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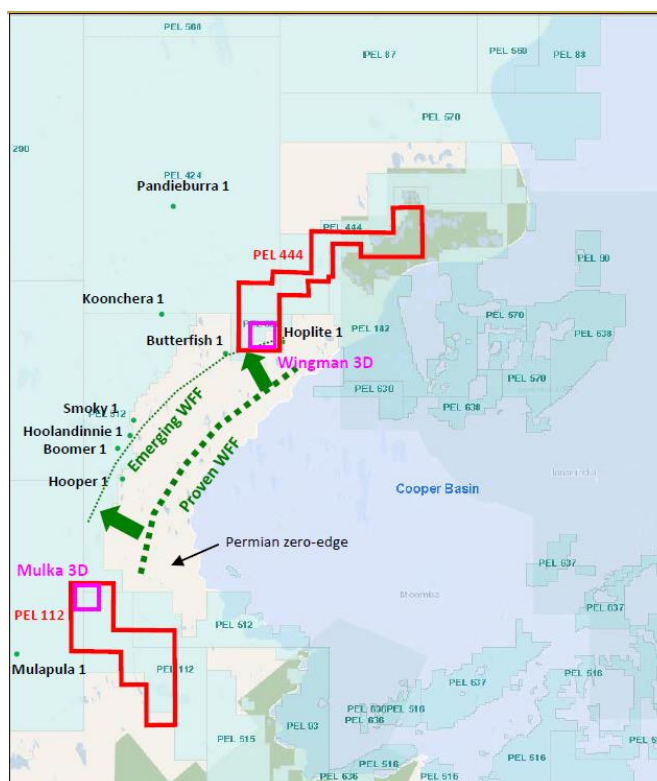
ABN 50 078 652 632

Terra Nova Energy (Australia) Pty Ltd holds a beneficial interest in and is the operator of the Licences.

Key terms

The key terms of the share purchase agreement are as follows:

- *HPPL assets and liabilities:* On completion, HPPL must hold no assets or liabilities other than its interest in the Licences and its portion of the bonds held by the applicable South Australian governmental agencies.
- *Non-refundable deposit:* The issue of the T1 shares is a non-refundable deposit.
- *T2 Consideration:* At completion, the Company will be required to issue the 16,166,767 T2 shares and a cash payment of \$24,250 together with a cash payment of \$48,500 in consideration for its portion of the bonds held by the applicable governmental agencies in respect of the Licences.
- *Conditions precedent:* Completion remains subject to and conditional on the receipt of shareholder approval for the issue of the T2 shares; and the receipt of any consent, approval or signed document that is required to be obtained from any third-party or governmental agency in connection with the transaction. These conditions must be satisfied (or where permitted, waived) by no later than 30 September 2019. The necessary waivers and consents under the Joint Operating Agreement have been obtained.
- *Top-Up Cash Consideration:* If, before completion, the Company undertakes an equity raising in excess of A\$1 million by an issue of shares at an issue price per share of less than the deemed price of A\$0.003, then at completion, the Company must pay the vendor such cash consideration as is equal to the difference in value of the T1 and T2 shares at the deemed price calculated at the average issue price of the equity raising.



Managing Director, Joe Salomon, said: "We are pleased to announce this new acquisition in the world class Cooper-Eromanga Basins. The Company has been actively reviewing the basin for more than two years and we anticipate today's first step will be expanded on in the near future. The basin is well endowed with infrastructure providing for attractive low-cost discovery and development for Oilex."

The Company remains committed to unlocking the potential of its Cambay Project in India and delivering value to its shareholders. The Cooper-Eromanga Basins provides an opportunity for shareholder value accretion while preserving significant exposure to the significant potential at Cambay."

Section 708A(5)(e) Notice and AIM Application

The issue of 24,250,150 shares to Holloman Energy Corporation (the Shares) is made under the Company's Listing Rule 7.1 capacity. Oilex gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (Act) that:

1. Oilex issued the Shares without disclosure to investors under Part 6D.2 of the Act;
2. as at the date of this notice, Oilex has complied with:
 - (a) section 674 of the Act; and
 - (b) the provisions of Chapter 2M of the Act as they apply to Oilex; and
3. as at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708A(7) and 708A(8) of the Act.

Admission of 24,250,150 shares on AIM is expected to become effective and dealings to commence at 8.00 a.m. on 13 August 2019. Following Admission of these shares, the Company will have 2,611,568,151 shares on issue. The Company does not currently hold any shares in treasury. Accordingly, the total number of voting rights will be 2,611,568,151. In addition, please find attached the applicable ASX Appendix 3B.

Further information will be provided as it becomes available.

For and on behalf of Oilex Ltd



Joe Salomon
Managing Director

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

OILEX LTD

ABN

50 078 652 632

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|----------------------------|
| 1 +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | 24,250,150 |
| 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	Deemed issue price of \$0.003 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Acquisition of Holloman Petroleum Pty Ltd
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	24,250,150 shares
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	Not applicable
6g	If +securities issued under rule 7.1A was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable

+ See chapter 19 for defined terms.

6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1: 111,356,096 Listing Rule 7.1A: 237,355,731								
7	+Issue dates Notes: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in appendix 7A. Cross reference: item 33 of Appendix 3B.	7 August 2019								
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>2,611,568,151</td><td>Fully Paid Ordinary Shares</td></tr></table>	Number	+Class	2,611,568,151	Fully Paid Ordinary Shares				
Number	+Class									
2,611,568,151	Fully Paid Ordinary Shares									
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>60,664,887</td><td>Options (\$0.004121, 1/10/2019)</td></tr><tr><td>2,222,222</td><td>Options (£0.00225, 22/05/2020)</td></tr><tr><td>6,666,667</td><td>Options (£0.0036, 24/12/2020)</td></tr></table>	Number	+Class	60,664,887	Options (\$0.004121, 1/10/2019)	2,222,222	Options (£0.00225, 22/05/2020)	6,666,667	Options (£0.0036, 24/12/2020)
Number	+Class									
60,664,887	Options (\$0.004121, 1/10/2019)									
2,222,222	Options (£0.00225, 22/05/2020)									
6,666,667	Options (£0.0036, 24/12/2020)									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable								

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(*tick one*)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought Not applicable
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
-

+ See chapter 19 for defined terms.

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Mark Bolton

Company Secretary

Date: 7 August 2019

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12, Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,001,968,379 shares
Add the following:	
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	90,190,999 shares (Issued 16/11/18) 10,000,000 shares (Issued 5/12/18)
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	157,894,737 shares (Issued 17/09/2018) 10,843,344 shares (Issued 26/09/2018) 91,222,451 shares (Issued 26/09/2018) 3,467,070 shares (Issued 26/09/2018)* 1,724,904 shares (Issued 29/11/2018)* 2,772,864 shares (Issued 01/04/2019)^ 3,472,569 shares (Issued 18/06/2019)^ * approved by shareholders on 29/11/2017 ^ approved by shareholders on 29/11/2018
<ul style="list-style-type: none"> Number of partly paid +ordinary securities that became fully paid in that 12 month period 	Nil
Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	2,373,557,317

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	356,033,597
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>29,120,559 shares (Issued 14/12/2018) 71,527,778 shares (Issued 21/12/2018) 4,291,667 options (Issued 21/12/2018) 39,583,333 shares (Issued 21/12/2018) 2,375,000 options (Issued 21/12/2018) 55,555,556 shares (Issued 21/12/2018) 13,888,889 shares (Issued 18/01/2019) 1,760,000 shares (Issued 01/04/2019) 2,324,569 shares (Issued 18/06/2019) 24,250,150 shares (Issued 07/08/2019)</p>
“C”	244,677,501
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	356,033,597
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	244,677,501
Total [“A” x 0.15] – “C”	111,356,096 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,373,557,317
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	237,355,731
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“E”	Nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	237,355,731
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] - “E”	237,355,731 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.