

HIGHLIGHTS

SEPTEMBER
QUARTERLY
REPORT

2019

CAMBAY FIELD, ONSHORE GUJARAT, INDIA

- » The Company's plans for the 2019-20 work programme and budget to drill two vertical wells are well advanced. Amongst other conditions, these wells are pending finalisation of the settlement with Gujarat State Petroleum Corporation (GSPC) and the necessary funding.
- » During the quarter, the Company reached a settlement with GSPC which, upon completion, will resolve the ongoing dispute.
- » Pursuant to the settlement, GSPC has commenced a sale process of its interest in Cambay. The Company has a right of first refusal in regard to sale of GSPC's participating interest. Submission of bids for GSPC's PI is required to be made by 11 November 2019, unless extended.
- » Subsequent to the end of the quarter, the Company announced that the High Court of Gujarat lifted the stay order obtained by GSPC. This was the final step in the cessation of the legal proceedings between the Cambay JV partners.
- » During the quarter, GSPC made no payments towards outstanding cash calls.
- » Gas production from the Cambay Field is currently shut-in. The Company hopes to reinstate production in the December quarter.

BHANDUT FIELD, ONSHORE GUJARAT, INDIA

- » The Bhandut Field remains on care and maintenance.
- » During the quarter, GSPC continued with its sale process for their participating interest in Bhandut. The Company has a right of first refusal in regard to sale of GSPC's participating interest. The Company is also in discussion with potential buyers for the potential sale of its participating interest.
- » In the September 2019 quarter, GSPC made no payments towards outstanding cash calls.

COOPER BASIN, AUSTRALIA

- » During the quarter, the Company announced it had acquired PEL 112 and 444 in the Cooper-Eromanga Basins. The acquisition was completed in October.
- » During the quarter, the Company entered into a binding term sheet with Senex Energy Limited (Senex) to acquire all of Senex's interest in 27 Petroleum Retention Licenses in the Northern Oil and West Gas Fairway in the Cooper-Eromanga Basins in South Australia.
- » Subject to the satisfaction of the condition precedent (including government approvals), the completion of the Senex acquisition is anticipated in November 2019.
- » Hartleys Limited has been appointed to lead the arrangement of funding for the Senex acquisition.

CORPORATE

- » The Company entered into an exclusivity agreement for a potential asset acquisition in the East Irish Sea offshore the United Kingdom. The Company elected for the agreement to lapse but remains interested in the asset package as part of larger EIS portfolio.
- » Appointment of Peter Schwarz as an Independent Non-Executive director.
- » Amended its Series A loan of A\$0.3 million extending the loan repayment date from July 2019 to October 2019.
- » Amended its Series B loan of A\$0.25 million extending the loan repayment date from October 2019 to April 2020.
- » In July 2019, the Company arranged and closed an equity capital raising to secure funding of £0.34 million (A\$0.6 million).
- » Subsequent to the end of the quarter, the Company arranged an equity capital raising to secure funding of £0.75 million (A\$1.4 million).
- » Cash resources at 30 September 2019 were approximately \$0.254 million.

OVERVIEW

The Company's primary objective is to maximise shareholder value from its principal asset in the Cambay Basin, located onshore Gujarat State in India, whilst also continuing to review other opportunities to create value and diversify risk by adding new assets to the Company's project portfolio focussed on the Cooper Eromanga Basins in Australia and the United Kingdom Continental Shelf (UKCS).

To that end, Oilex continues to evaluate and implement a range of technical programme options to progress its main objective of accessing the significant gas resource present in siltstones in the EP-IV reservoir at the Company's Cambay PSC. North American unconventional drilling, completion and stimulation technologies have been applied by the Cambay JV over the last six years with positive but commercially modest results and work is underway to optimise results for future work programmes. The current work programmes are focused on:

- Implementing the settlement agreement reached with GSPC to resolve the ongoing dispute over the Cambay PSC, and further develop the asset with a new partner potentially;
- Preparing detailed work programmes, including new wells for implementation under the approved Field Development Plan (FDP), securing the PSC extension amendments for both Cambay PSC and Bhandut PSC.
- Arranging the necessary funding to implement the planned work programme; and
- Progressing the Company's new ventures in the Cooper Eromanga Basins and the UKCS.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

No lost time incidents recorded during the quarter.

CAMBAY FIELD, GUJARAT, INDIA

(Oilex: Operator and 45% interest)

Oilex holds a 45% participating interest (PI) in the Cambay Field, with GSPC holding the remaining 55% PI.

The Company's plans for the 2019-20 work programme and budget (2020 WP&B) at Cambay are well advanced and include the drilling of up to two vertical wells, subject to, *inter alia*, securing the necessary funding. The priority will be to test the drilling and stimulation recommendations from the Baker Hughes-GE study in the EP-IV zone. Any early production will utilise the existing processing and storage facilities which will be upgraded as required to provide a low-cost path to commercialisation. Given success, a larger drilling programme will follow, with the aim of aggregating sufficient production volumes to connect to the high-pressure pipelines which would offer greater offtake stability and improved gas prices.

Settlement of Dispute

During the September 2019 quarter, the Company continued to pursue resolution of its dispute with GSPC. The resolution of the dispute is essential to the further development of Cambay and the recovery of the funds owed by GSPC to Oilex for the joint venture activity at Cambay.

On 9 September 2019, the Company announced that it had reached a settlement with GSPC which, upon completion, will resolve the ongoing Cambay PSC dispute. Significantly, the Indian Directorate General of Hydrocarbons (DGH) is a signatory to the settlement.

As previously announced, the State Government of Gujarat and the GSPC Board of Directors' have approved a sales process for many of GSPC's Indian E&P assets. Oilex and GSPC have now agreed that GSPC's 55% PI in Cambay PSC will be included in this sale process. GSPC has also undertaken to use its best endeavours to complete the sale process within 90 days from the commencement being 26 September 2019. The closing date for submission of bids for GSPC's PI is 11 November 2019, unless extended. Pursuant to the JOA, Oilex holds a first right of refusal where GSPC disposes of its 55% interest in the Cambay PSC.

Pursuant to the settlement, the Event of Default (EoD) declared by Oilex pursuant to the Cambay Field Joint Operating Agreement (JOA) was withdrawn. GSPC also terminated arbitration proceedings lodged with the Singapore International Arbitration Centre (SIAC) and removed the stay order granted in the High Court of Gujarat.

The Company notes that the settlement agreement with GSPC has not waived the unpaid cash calls and accordingly, the Company maintains its rights under the JOA. The Company continues to engage with all parties, including potential new Cambay joint venture partners, for payment of the outstanding cash calls.

Joint Venture Management

During the September 2019 quarter, Oilex received no payments towards outstanding cash calls from its Joint Venture partner. Total outstanding cash calls from GSPC - Est. USD\$5.690 MM (inclusive of the Est. USD\$2.636 MM pursuant to the EoD).

BHANDUT FIELD, GUJARAT, INDIA

(Oilex: Operator and 40% interest)

Oilex holds a 40% equity interest in the Bhandut Field, with GSPC holding the remaining PI. Previous drilling in the Bhandut Field intersected a number of hydrocarbon zones, some of which produced historically and are now shut-in.

The field is currently on care and maintenance, however, the field has ongoing nominal production and exploration potential, coupled with existing production facilities.

During the previous quarter, GSPC commenced a formal process to dispose of its PI in Bhandut. Oilex has a right of first refusal in the event that GSPC disposes of its PI. Oilex is also in discussions with potential buyers in respect of its interest in Bhandut. The cut-off date for bid submissions in GSPC's sale process for its Bhandut PI was 31 August 2019. The Company is in discussions with the preferred bidder with a view to disposing its 40% participating interest with GSPC.

During the quarter, GSPC paid E USD \$nil million in cash calls. At the end of the quarter unpaid cash calls by GSPC was E USD\$0.081 million gross.

COOPER-EROMANGA BASINS

PEL 112 and PEL 444

During the quarter the Company announced that it had entered into agreements to acquire up to a 100% beneficial interest in the PEL 112 and 444 licences (the Licences) in the world class Cooper-Eromanga Basins in South Australia.

On 7 August 2019, the Company announced it had entered into an agreement with Holloman Energy Corporation ("HEC") to acquire a beneficial interest of 48.5003% in the Licenses. Pursuant to the share purchase agreement entered with HEC, the Company is to acquire 100% of its wholly owned subsidiary, Holloman Petroleum Pty Ltd ("HPPL") for gross consideration of 40,416,917 ordinary shares in the Company at a deemed price of 0.3 cents and A\$24,250 for a total consideration of A\$145,500. HPPL holds a 48.5003% interest in the Licenses. The Company issued 24,250,150 ordinary shares on 7 August 2019 as the initial consideration. The acquisition of HPPL was completed on 14 October 2019 with the Company settling the balance of the consideration comprising 16,166,767 shares and a cash payment of A\$24,250.

On 14 August, the Company announced that it had entered into an agreement with Perseville Investing Inc and Terra Nova Energy (Australia) Pty Ltd (TNA) (collectively, TNP) to acquire up to a further 51.4997% interest in the Licenses. Pursuant to the agreement with TNP, the Company will initially acquire a further participating interest of 30.833% in the Licenses for consideration of 22,456,979 ordinary shares in the Company at a deemed price of 0.3 cents and A\$18,750 in cash for a total consideration of A\$92,499. The Company issued 9,166,333 ordinary shares and paid A\$18,750 in cash as the initial consideration on 14 August 2019. The acquisition of the 30.833% interest in the Licenses was completed on 14 October 2019 with the Company settling the balance of the consideration comprising 13,290,646 shares.

In addition, the Company has been granted an Option by TNP for up to 15 months to acquire a further 20.6667% participating interest in the Licenses (Option). The Option can be exercised for consideration of 20,666,700 ordinary shares in the Company at a deemed price of 0.3 cents for a total consideration of A\$62,000 (Option Exercise Shares).

The Licenses are 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 previous License holders (a provision with the South Australian government where work obligations may be suspended for a fixed period as the request of the licence holder). 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.

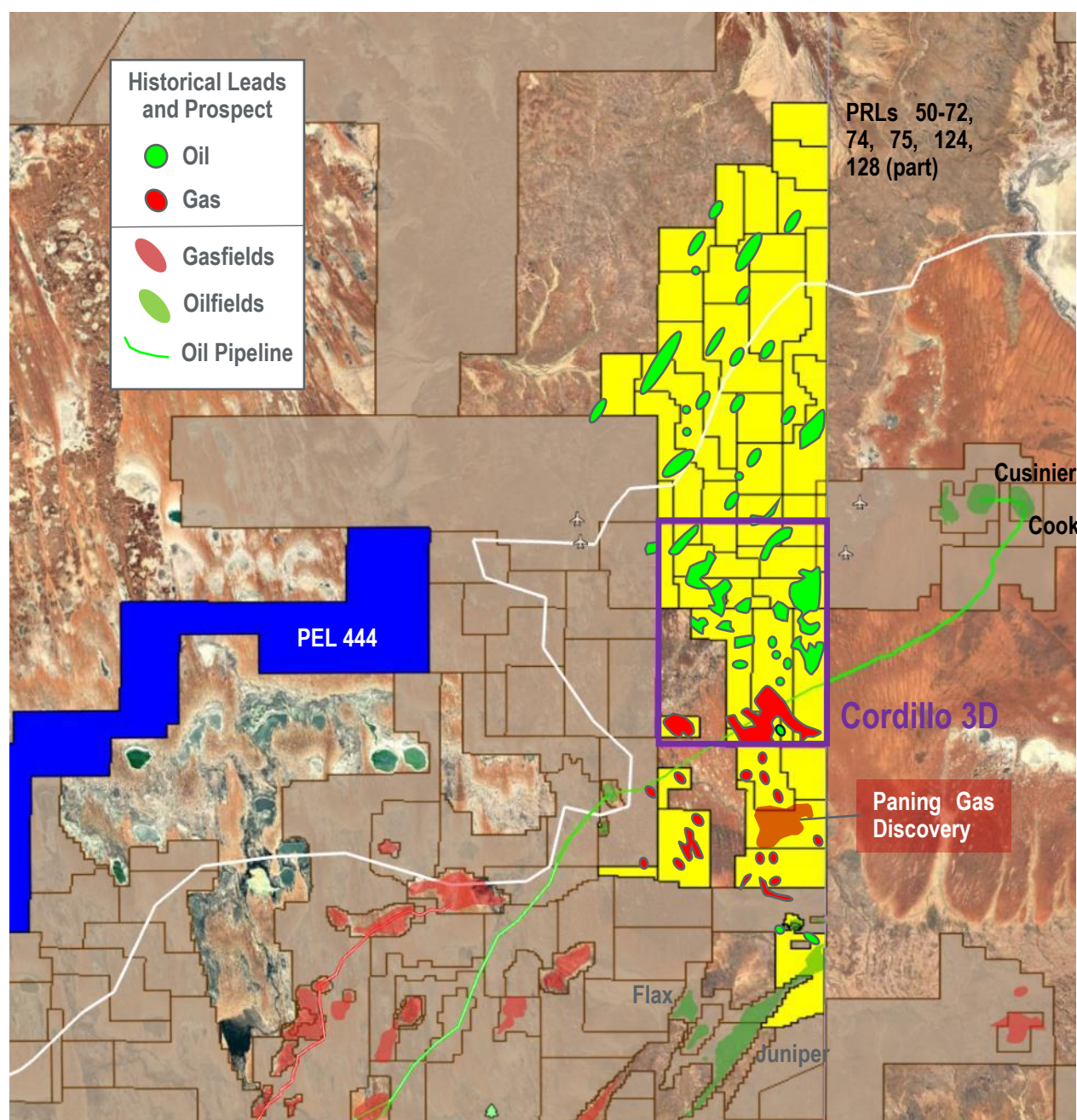
The PEL's are favourably situated given the proven westward migration of oil from the Patchawarra Trough to the Western Flank fields and particularly the presence of oil in a well just to the east of PEL 444. Oilex believes that the existing high-quality 3D data coupled with advanced evaluation tools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

Terra Nova Energy (Australia) Pty Ltd is the current operator of the Licences. Subsequent to the end of the quarter, the Company has made applications to the South Australia Department of Energy and Mining to appoint HPPL as the operator of the Licences.

COOPER-EROMANGA BASINS

Northern Fairway

On 27 September 2019, the Company announced an acquisition of major Cooper-Eromanga acreage position and that it had entered into a binding term sheet with Senex Energy Limited (ASX:SXY) and ("Senex") to acquire all of Senex's interest as operator in 27 Petroleum Retention Licences in the Northern Oil and West Gas Fairway in the world class Cooper-Eromanga Basins in South Australia (the "Northern Fairway PRLs"), subject to satisfaction of conditions (including government approvals).



The Company has been actively reviewing the basin for more than two years. The Cooper-Eromanga basin is recognised as a global super-basin and as number one for above ground development by IHS Markit. The basin has a high exploration success rate, low cost development pathways, and remains under-explored and under-developed. The introduction of proven technologies is expanding known play fairways. The Company sees this transaction as a major step forward; it provides a material position in an established play fairway. The Company's access to advanced IP will form a major part of future activity throughout this area. The basin is well endowed with infrastructure providing for attractive low-cost discovery and development pathway. Importantly, robust gas pricing in Eastern Australia provide a strong basis for commercialisation of any discoveries.

The Northern Fairway PRLs cover 2,445 km² (~604,000 acres) and include permits covered by the 792 km² Cordillo 3D seismic survey acquired by Senex in 2012. Senex is the operator of each of the Northern PRLs and has agreed to transfer 100% of its interest and operatorship in the permits subject to satisfaction of conditions (including government approvals). The PRLs are part of the 15-year tenure retention agreement between the South Australian Government and Senex announced in August 2013.

Historically, technical data available from the South Australian Department for Energy & Mining reflects that the Northern Fairway PRLs contain a portfolio of shallow Jurassic oil and deeper Triassic and Permian oil and wet gas leads and prospects as well as undeveloped tight gas discovery. The Company considers the Northern Fairway PRLs as highly prospective for both structural and stratigraphic conventional oil and wet gas potential with significant potential for oil prospectivity in Namur and Birkhead channel systems and stratigraphic traps which have been preliminarily identified through use of Advanced IP technologies. A number of undrilled structural prospects and leads in the Northern Fairway PRLs have been identified by previous joint ventures.

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 and Northern Flank oil 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 Northern Fairway PRLs are favourably situated given the proven northward migration of oil from the Patchawarra Trough to multiple oil fields including Acrasia, Cuisinier, and Inland and particularly the presence of oil shows in multiple wells across the area. 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.

The PRLs also include a 100% interest in the Paning Tight Gas Discovery. The Paning-2 well drilled in February 2013 intersected 117 meters of net gas pay comprised of 47 meters of net pay in Permian tight sands and 70 meters of net pay in the deep coals in the Patchawarra Trough. It reached a total depth of 3,144 meters and was drilled following up on the Paning-1 exploration well drilled by Delhi Petroleum in 1980 which encountered significant gas in the Permian section. Paning-2 was the first exploration well drilled by Senex designed specifically to test the potential of the Permian tight sands sequence that exists across the entire Patchawarra Trough. (see 21 February 2013 ASX announcement by Senex)

Terms of the Transaction - The Company will acquire 100% of Senex's interest in the Northern Fairway PRLs for nominal consideration and assumption of existing abandonment liabilities, PRL fees and PRL expenditure targets. The material terms and conditions of the term sheet with Senex are further summarised in the Oilex announcement dated 27 September 2019. The existing abandonment liabilities relate to previous exploration seismic and drilling activities (including the cased and suspended Paning-2 tight gas discovery well). The

existing rehabilitation liabilities are estimated at approximately \$1.1m. However, the rehabilitation does not require immediate rectification.

The total annual amount of the Northern Fairway PRL renewal fees is approximately \$1 million. The Company notes that the Northern Fairway PRLs are currently suspended by the South Australian Government, suspending the annual license fees and work obligations. Oilex intends to continue this suspension for a period. Failure to achieve the government agreed expenditure targets will result in pro-rata relinquishment of the permits.

The agreement with Senex is subject to various conditions, including the approval of Oilex as operator of the Northern Fairway PRLs by the South Australian Government.

Hartleys Limited, a leading Australian corporate advisory and stockbroking financial services firm, has been appointed to lead the arrangement of funding the costs associated with the acquisition. Subject to the receipt of regulatory approvals, Oilex anticipates completion of the acquisition by the end of Calendar Year 2019.

UNITED KINGDOM CONTINENTAL SHELF

East Irish Sea

During the quarter the Company announced that it had entered into an exclusivity agreement with Koru Energy (KLW) Ltd (“Koru”), a subsidiary of Koru Energy Limited, for a potential acquisition of up to a 50% relevant interest in the Knox and Lowry, and Whitbeck gas discoveries (the “KLW Gas Discoveries”) in the East Irish Sea (EIS), offshore the United Kingdom (“Exclusivity Agreement”).

The KLW Gas Discoveries are a series of shallow water gas accumulations that were discovered between 1992 and 2009 by the then operators and successfully drill-stem tested confirming discovered volumes that the Company and Koru would seek to bring into production, should the acquisition complete.

Koru holds the exclusive right to acquire a 100% interest in the United Kingdom Seaward Production Licence P2459, Block 113/28a (Knox) and 113/29a (Lowry) and P2444 Block 110/3b (‘Whitbeck’) licences (the “KLW Licences”) in the EIS from Reach Coal Seam Gas Ltd (“Reach”) which cover the KLW Gas Discoveries.

Oilex entered into the Exclusivity Agreement until 31 October 2019 with Koru to secure its exclusive right to negotiate with Koru to acquire a 50% interest in the KLW Licences.

The Company has elected to allow the Exclusivity Agreement to lapse while it engages with several parties in the basin with a view to expanding the potential portfolio of assets in the EIS, inclusive of KLW should it continue to be available.

JPDA 06-103, TIMOR SEA

(Oilex: PSC Terminated 15 July 2015 - Operator and 10% interest)

In October 2018, the Company announced the Autoridade Nacional Do Petroleo E Minerais (ANPM) had commenced arbitration proceedings against Oilex and its joint venture partners (Respondents), in regard to the JPDA production sharing contract (PSC).

During the Quarter the Company announced it had submitted the Respondents First Memorial to the International Chamber of Commerce (ICC) in Singapore. In this regard, following a substantive legal and independent expert review, the joint venture has lodged a counterclaim against the ANPM for the amount US\$23.3 million (plus interest) as damages arising from the wrongful termination of the PSC. Oilex holds a 10% participating interest in the JPDA joint venture.

The arbitration hearing is scheduled to commence on 10 February 2020.

The obligations and liabilities of the Joint Venture participants under the PSC are joint and several and all participants have provided parent company guarantees. The equity interest of the Joint Venture participants are:

Oilex (JPDA 06-103) Ltd (Operator)	10%
Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15%
Japan Energy E&P JPDA Pty Ltd	15%
GSPC (JPDA) Limited #	20%
Videocon JPDA 06-103 Limited *#	20%
Bharat PetroResources JPDA Ltd	20%
Total	100%

* The Company understands that the parent company Videocon Industries Ltd is subject to corporate insolvency proceedings and continues to trade under the supervision of an insolvency professional.

A notice of default has been issued against both Videocon JPDA 06-103 Limited and GSPC (JPDA) Limited for their failure to pay the joint venture cash calls.

WEST KAMPAR PSC, CENTRAL SUMATRA, INDONESIA **(Oilex: 45% interest and further 22.5% secured)**

During the June 2019 quarter, the Company was advised by the Indonesian Government regulator, SKK Migas, that the West Kampar PSC had been terminated following SPE's failure to meet its obligations under the PSC.

The Company is currently engaging with the Indonesia regulators with a view to returning its interest in West Kampar.

CORPORATE

Equity Capital Raising of £0.34 Million – 31 July 2019

On 31 July 2019, the Company announced that it had arranged an equity capital raising to secure funding of £0.34 million (A\$0.6 million) for working capital and corporate requirements of the Company including the resolution of outstanding issues with GSPC.

The equity capital raising was completed in August with the issue of 257,329,999 new shares at 0.13 pence (A\$0.2330) per share to existing shareholders.

Equity Capital Raising of £0.75 Million – 30 September 2019

On 30 September 2019, the Company announced that it has arranged an equity capital raising to secure funding of £0.6 million (A\$1.14 million).

The equity capital raising was completed in October by way of a placing of 315,789,474 shares at 0.19 pence (A\$0.3480) per share to new and existing shareholders. Pursuant to advisory agreements with Novum, the Company also issued 11,842,105 unlisted options exercisable at 0.19 pence on or before 20 October 2021.

On 30 October 2019, the Company announced that it has expanded the above-mentioned equity capital raising by £150,000 (A\$0.281 million) at a price of 0.19 pence (A\$0.00356) per new ordinary share issued.

The placing of 78,947,368 new ordinary shares is to clients of Novum and existing shareholders of the Company. The placing being to the same subscribers and on the same terms as completed and first announced on 30 September 2019. Pursuant to advisory agreements with Novum, the Company will issue 2,960,526 unlisted options exercisable at 0.19 pence on or before 20 October 2021.

Issue of Consideration Securities for Cooper-Eromanga Basins Acquisition

On 7 and 14 August 2019, the Company announced that it had entered into agreements to acquire up to 100% beneficial interest in PEL 112 and 444 in the Cooper-Eromanga Basins from Terra Nova (Australia) Pty Ltd, Perseville Investing Inc and Holloman Energy Corporation.

On 7 August and 14 August 2019, the Company issued 33,416,483 shares as part consideration for the acquisition of 79.3333% beneficial interest in PEL 112 and 444. On 15 October 2019, the Company issued a further 29,457,413 shares as part consideration in order to complete the acquisition of the 79.3333% beneficial interest in PEL 112 and 444.

Issue of Series A Loan Options – 27 September 2019

The Company advised that it had issued 124,060,150 options exercisable at A\$0.00266 on or before 31 December 2019 pursuant to the amendment to Series A Loan agreement as announced on 26 July 2019 and approved by shareholders on 19 September 2019 under ASX Listing Rule 7.1.

Amendment to Series A Loan Funding Agreement – 23 July 2019

On 23 July 2019 the Company advised that it has entered into an amendment agreement to vary the terms of its loan funding facility of A\$330,000 as entered on 26 July 2018 (Series A Loan).

Pursuant to the amendment, the loan repayment date has been extended from 26 July 2019 to 1 October 2019. In addition, the Company agreed to issue 124,060,150 options exercisable at A\$0.00266 on or before 31 December 2019. All other terms remained the same and were extended to 1 October 2019. The issue of the new options was approved by shareholders on 18 September 2019 and issued on 27 September 2019.

Subsequent to the end of the quarter, the Series A loan was fully repaid.

Amendment to Series B Loan Funding Agreement – 30 September 2019

On 30 September 2019 the Company advised that it has entered into an amendment agreement to vary the terms of its loan funding facility of A\$250,000 (Amendment) as entered on 11 September 2018 (Series B Loan).

Pursuant to the Amendment, the loan repayment date has been extended from 1 October 2019 to 1 April 2020. All other terms remained the same and were extended to 1 April 2020. This included the issue of new options on commensurate terms with the existing options that will expire on 1 October 2019. The issue of the new options is subject to shareholder approval anticipated to be on 27 November 2019.

A summary of key terms after the amendment are as follows:

Term:	1 April 2020
Interest Rate:	5%
Repayments	100% payable at maturity
Options Issued:	60,664,887 options over ordinary shares
Option Exercise Price:	A\$0.004121 per option
Option Expiry Date:	On 1 April 2020
Security:	Unsecured
Key Undertakings:	Not to dispose of assets having an aggregate value more than A\$1 million Not to incur any financial indebtedness more than A\$50,000 Not to incur any aggregate payment or outgoing exceeding A\$1 million (except for wages)

Customary additional provisions regarding events of default, undertakings, covenants and representations and warranties remain unchanged.

The options, which if exercised in their entirety, will result in a cash inflow to the Company of A\$250,000. The proceeds from the conversion of options will be applied to the outstanding Series B Loan balance, which is fully drawn down.

The issue of the new options is subject to shareholder approval under ASX Listing Rule 7.1 on or before 30 November 2019. Failure to secure shareholder approval will require immediate repayment of the loan principal and accrued interest.

Board of Directors

During the September quarter the Company announced the appointment of Mr Peter Schwarz as an Independent Non-Executive

Peter is a former director of BG Exploration and Production Limited and CEO of independent exploration company Virgo Energy Ltd, Peter is a certified petroleum geologist and business development professional with over 35 years' experience in the oil and gas industry. Peter 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 10 years ago, specializing in strategy and business development advice in the UK and Europe. Mr Schwarz holds a B.Sc. in Geology and a M.Sc. in Petroleum Geology from the University of London.

In addition, during the quarter the Company announced the expanded operational role for Mr Bradley Lingo, the Chairman of Oilex Ltd.

The expanded role, which is interim in nature, will focus on the development and implementation of the Company's Cooper-Eromanga Basin strategy. Mr Lingo has significant experience in the basin being instrumental in the successful development of Drillsearch Energy Ltd (Drillsearch). As CEO, he oversaw Drillsearch's growth into a S&P/ASX200 company that was subsequently acquired by Beach Energy in 2016 for approximately A\$400 million.

The agreement with Mr Lingo has an initial term of 6 months unless terminated early and provides for a monthly consultancy fee payable to Mr Lingo of A\$16,000, inclusive of superannuation (the Agreement). The Agreement is in addition to Mr Lingo's role as Chairman and should the Agreement terminate, his directorship of the Company and corresponding fees will remain in place.

The Company has also announced that Mr Jonathan Salomon's term as the Managing Director was extended to 18 March 2020.

Cash Balance

At the end of the quarter Oilex retained cash resources of \$0.254 million. Subsequent to the end of the quarter the Company announced that it had arranged an equity capital raising to secure additional funding of £0.75 million (A\$1.4 million).

Capital Structure

The shares and options on issue as at 30 September 2019 were as follows:

Ordinary Shares	2,878,064,483
Unlisted Options:	
\$0.004121, 1/10/2019	60,664,887
\$0.00266, 31/12/2019	124,060,150
£0.00225, 22/05/2020	2,222,222
£0.0036, 24/12/2020	6,666,667

During the quarter 91,666,666 options (\$0.0034, 26/07/2019) expired and 290,746,482 shares and 124,060,150 options (\$0.00266, 31/12/2019) were issued. Subsequent to the end of the quarter, 345,246,887 shares and 11,842,105 options (£0.0036, 20/10/2021) were issued.

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 Joe Salomon, Managing Director employed by Oilex Ltd. Mr Salomon has over 32 years' experience in petroleum geology and is a member of the Society of Petroleum Engineers and AAPG. 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.

Board of Directors

Brad Lingo	Non-Executive Chairman
Paul Haywood	Non-Executive Director
Joe Salomon	Managing Director
Peter Schwarz	Non-Executive Director

Company Secretary

Mark Bolton	CFO & Company Secretary
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Stock Exchange Listing

Australian Securities Exchange	Code: OEX
AIM London Stock Exchange	Code: OEX

AIM Nominated Adviser

Strand Hanson Limited

AIM Broker

Novum Securities Limited

Share Registry

Australia

Link Market Services Limited
Level 12
250 St. Georges Terrace
Perth WA 6000 Australia
Telephone: 1300 554 474
Website:
<http://investorcentre.linkmarketservices.com.au>

United Kingdom

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE United Kingdom
Telephone: +44 (0) 870 703 6149
Website:
www.computershare.com

PERMIT SCHEDULE – 30 SEPTEMBER 2019				
ASSET	LOCATION	ENTITY	EQUITY %	OPERATOR
Cambay Field PSC ⁽¹⁾	Gujarat, India	Oilex Ltd	30.0	Oilex Ltd
		Oilex N.L. Holdings (India) Limited	15.0	
Bhandut Field PSC	Gujarat, India	Oilex N.L. Holdings (India) Limited	40.0	Oilex N.L. Holdings (India) Limited
JPDA 06-103 PSC ⁽²⁾	Joint Petroleum Development Area Timor Leste and Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd

⁽¹⁾ During the September 2019 quarter, the Company reached a settlement with GSPC which, upon completion, will resolve the ongoing Cambay Production Sharing Contract (PSC) dispute. Pursuant to the settlement, GSPC has commenced a sale process of its interest in Cambay. The Company has a right of first refusal in regard to sale of GSPC's participating interest. Submission of bids for GSPC's PI is required to be made by 11 November 2019, unless extended.

⁽²⁾ PSC terminated 15 July 2015.

LIST OF ABBREVIATIONS AND DEFINITIONS

Barrel/bbl	Standard unit of measurement for all oil and condensate production. One barrel is equal to 159 litres or 35 imperial gallons.
BOEPD	Barrels of oil equivalent per day
BOPD	Barrels of oil per day
MMBO	Million standard barrels of oil or condensate
SCFD	Standard cubic feet (of gas) per day
MSCFD	Thousand standard cubic feet (of gas) per day
MMSCFD	Million standard cubic feet (of gas) per day
BBO	Billion standard barrels of oil or condensate
BCF	Billion Cubic Feet of gas at standard temperature and pressure conditions
TCF	Trillion Cubic Feet of gas at standard temperature and pressure conditions
Discovered in place volume	Is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production
Undiscovered in place volume	Is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered
PSC	Production Sharing Contract
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.
Contingent Resources	<p>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.</p> <p>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 categorized 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.</p>
Reserves	<p>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.</p> <p>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.</p> <p>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.</p> <p>Possible Reserves are those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than Probable Reserves.</p> <p>Reserves are designated as 1P (Proved), 2P (Proved plus Probable) and 3P (Proved plus Probable plus Possible).</p> <p>Probabilistic methods</p> <p>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.</p>

Rule 5.5

APPENDIX 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

OILEX LTD

ABN

50 078 652 632

Quarter ended (current quarter)

30 SEPTEMBER 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(109)	(109)
	(b) development	-	-
	(c) production	(65)	(65)
	(d) staff costs	(188)	(188)
	(e) administration and corporate costs	(215)	(215)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(577)	(577)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(109)	(109)
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(109)	(109)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	598	598
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(19)	(19)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	579	579

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	358	358
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(577)	(577)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(109)	(109)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	579	579
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	Cash and cash equivalents at end of period	254	254

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	254	254
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	254	254

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director's fees, consulting fees and superannuation.

Current quarter
\$A'000

122

-

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	580	580
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

1. Loan facility details

- a) \$300,000: Lender- Republic Investment Management Pte Ltd, drawn 27 July 2018, interest rate 5%, unsecured, term- repayment date has been extended, fully repaid in October 2019;
- b) \$30,000: Lender- Lombard Bank Malta p.l.c., drawn 4 September 2018, interest rate 5%, unsecured, term- repayment date has been extended, fully repaid in October 2019;
- c) \$250,000: Lender- Republic Investment Management Pte Ltd, drawn 26 September 2018, interest rate 5%, unsecured, repayment date extended to 1 April 2020.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	96
9.2 Development	-
9.3 Production (C&M)	99
9.4 Staff costs	348
9.5 Administration and corporate costs	208
9.6 Other (provide details if material):	
– SIAC Arbitration Fee Cost Refund	(167)
– Acquisition Costs	205
9.7 Total estimated cash outflows	789

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to Permit Schedule in Quarterly Report		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer to Permit Schedule in Quarterly Report		

COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Print name: Mark Bolton - CFO & Company Secretary

Date: 31 October 2019