

## ASX-RNS Announcement

31 July 2020

ASX: OEX  
AIM: OEX

### Loan Restructure and Equity Issue

The Board of Oilex Limited (the Company) is pleased to announce that it has taken further steps to strengthen its balance sheet as the Company continues to navigate the impact of Covid-19 on its business and global equity markets. In particular, the Company has entered into an amendment agreement to vary the repayment obligations for its Series C (GBP£125,000) loan. Furthermore, the Company has secured additional equity investment of £0.25 million to increase its working capital flexibility and reduce its financial debt obligations.

#### Amendment to Series C Loan Funding Agreement (GBP £125,000)

Pursuant to the amendment agreement, the loan repayment date has been extended from 1 August 2020 to 31 October 2020. All other terms remain the same and are extended to 31 October 2020, except for the issue of new options with an expiry date of 29 January 2021. A summary of key terms after the amendment are outlined below:

|                        |  |
|------------------------|--|
| Term:                  | 31 October 2020  |
| Interest Rate:         | 5%   |
| Repayments             | 100% payable at maturity   |
| Options Issued:        | 113,636,364 options over ordinary shares   |
| Option Exercise Price: | £0.0011 per option   |
| Option Expiry Date:    | On 29 January 2021   |
| Security:              | Unsecured  |
| Key Undertakings:      | Not to dispose of assets having an aggregate value more than A\$1 million<br>Not to incur any financial indebtedness more than A\$50,000<br>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 £125,000 (A\$224,901). The proceeds from such conversion of options will be applied to the outstanding Series C 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 2020. Failure to secure shareholder approval will require immediate repayment of the loan principal and accrued interest.

#### *Related Party Transaction under AIM*

Republic Investment Management Pte Ltd (Republic) makes up all of the Series C Loan balance of £125,000. Republic has a shareholding in the Company of 11.88% and is therefore categorised as a Substantial Shareholder of the Company pursuant to the AIM Rules for Companies (AIM Rules). Accordingly, the entering into the amendment agreement with Republic is classified as a related party transaction pursuant to the AIM Rules.

The Directors of the Company, having consulted with Strand Hanson Limited, the Company's Nominated Adviser, consider that the terms of the amendment agreement with Republic are fair and reasonable insofar as the Company's shareholders are concerned.

### **Equity Capital Raising**

The Company has arranged an equity capital raising, through Novum Securities Limited and to 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 GBP 0.08 pence (0.144 AUD cents) per share (Subscription).

Funds raised from the Subscription are intended to be applied towards increasing the Company's working capital base and debt reduction. The additional funding will support the Company's initiative to implement the settlement with GSPC, which has been delayed by the impact from Covid-19. Completion of the Subscription is anticipated on or about 14 August 2020 and is conditional, inter alia, upon admission of the shares the subject of the Subscription to trading on AIM.

Pursuant to advisory agreements with Novum, the Company will issue 15,000,000 unlisted options exercisable at 0.08 pence on or before two years following the completion with the capital raising.

The shares, the subject of the Subscription, will rank *pari passu* in all respects with the existing shares. Application will be made in due course to the London Stock Exchange for the shares (Subscription Shares) to be admitted to trading on AIM with a further announcement at that time. The issue of the Subscription Shares is under Listing Rule 7.1 with the applicable Appendix 3B to be submitted shortly.

Following admission of the Subscription shares, the Company's share capital and total voting rights will comprise 4,119,629,999 shares. The Company does not hold any shares in treasury. Consequently, 4,119,629,999 is the figure which may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

### **Managing Director of Oilex, Joe Salomon, said;**

*"The Company continues to see advances in its flagship Cambay gas project in India, the sale of Bhandut together with the spin out of the Cooper Basin albeit the impact of COVID has increased response times in both India and Australia.*

*Reflecting the extended time frames, the Company has taken every step to reduce its costs including a very significant reduction in staff costs and overheads, both in Australia and India. These efforts ensure that the Company's funding requirements are minimised while it implements the settlement with GSPC, sale of Bhandut and the Armour transaction.*

*We remain confident of successful outcome and we thank our shareholders for their ongoing support and patience."*

**For and on behalf of Oilex Ltd**



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

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