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QUARTERLY REPORT TO SHAREHOLDERS

30 SEPTEMBER 2008

HIGHLIGHTS

- **First continuous oil production from the Cambay Field, India** and from was established from the Miocene MBS reservoir in Cambay-64 at a constrained rate in excess of 310 barrels per day ("bopd").
- **Cambay-74 tested oil at an initial constrained rate of 500 bopd** from a 7 metre test interval in the MBS sandstone of apparent excellent reservoir quality and will be completed as an oil production well.
- **Cambay-19Z flowed oil to surface** from a 6 metre interval in the Eocene Basal EP IV unit under natural pressure with no formation water at an initial rate of 800 bopd, later stabilising at a rate of 120 bopd .
- The Plan of Development for Pandalian Field is being submitted to the Government of Indonesia with production expected in Q1 2009.
- Sarha-2 oil appraisal and development well in Oman has been drilled as a 500m horizontal well into the reservoir and being made ready for an extended well test.
- Zero lost time incidents throughout operations centres.

CORPORATE DETAILS

Board of Directors

Max D.J. Cozijn	Non-Executive Chairman
Bruce McCarthy	Managing Director
Ray Barnes	Technical Director
L. L. Bhandari	Independent Director

Principal & Registered Office

Level 2, 50 Kings Park Road
West Perth WA 6005, Australia
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Capital Structure

Ordinary Shares	132,083,885
Unlisted Options	39,925,100
Unlisted Performance Rights	1,351,000

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153, Australia
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233
Email: registrar@securitytransfer.com.au

Stock Exchange Listing

Australian Stock Exchange	Code: OEX
AIM Market of London Stock Exchange	Code: OEX

OPERATIONS REVIEW

INDIA

CAMBAY FIELD, GUJARAT

(OILEX OPERATOR - 45%)

The Cambay Field work program to date has yielded excellent overall results including:

- the establishment of oil production from Cambay-64 at a constrained rate over 300 barrels of oil per day ("bopd") from a 2 metre interval of high quality Miocene MBS sandstone previously not recognised as an oil zone in old wells;
- Cambay-74 tested a 7 metre interval of oil bearing, high quality MBS sandstone at a constrained rate of more than 500 bopd with the intention to bring into immediate production;
- Balance of current Cambay drilling program to be re-designed to fast-track the development of oil production from the MBS reservoir and deeper EP III-IV and Basal EP IV oil zones
- In addition to further development wells, a number of historic wells are being assessed for re-entry and completion at the MBS to fast-track daily oil production rates in the short term
- Cambay-19Z successfully tested oil from the Basal EP IV previously not recognised as an oil zone in old wells; and
- confirmation from three wells of the potential for commercial production of oil and gas from the deeper known EP III-IV and shallower Oligocene OS II.

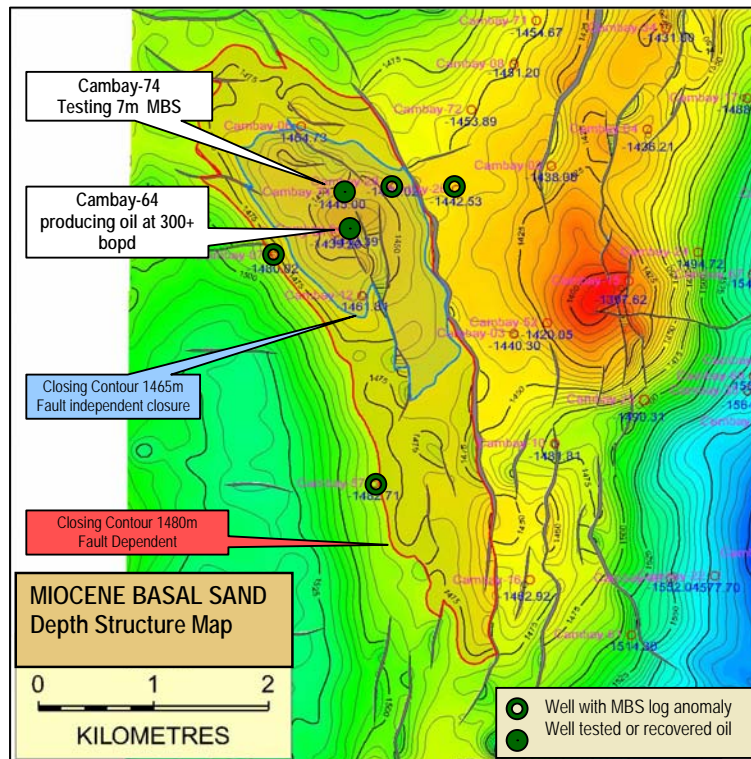
MIOCENE MBS SANDSTONE

Shallow zone workover and production testing operations of the Miocene MBS and younger excellent quality sandstones that are highly productive in fields further to the south of Cambay are being undertaken in old wells identified from original log and drilling anomalies as candidates for re-entry in the Western High area. The assessment of the data from old wells in relation to potential zones of oil or gas pay that were not recognised has been ongoing in parallel with the new well drilling program.

Recompletion of these old wells in the shallow zones is very cost-efficient means of adding oil production and the wells may be brought onstream immediately. The oil from the MBS at Cambay-64 is

high quality at 38° API gravity and is being sold into a nearby refinery. It is currently producing at a constrained rate of 310 bopd on 5.6mm choke with a flowing tubing head pressure of 660 psi, an improvement on the initial rates of 250 – 280 bopd when testing started on 18 October. The production rate is currently constrained by the storage capacity on site and the need to minimise the chance of sand production into the well bore.

In Cambay-74 a number of high quality sandstone units in the overlying younger Miocene section were intersected and these zones which are individually assessed to



Cambay Field Top Miocene MBS.

be oil or gas bearing can be correlated with a high degree of confidence into old wells across the block. The distribution of oil and gas in these old wells is currently the subject of detailed evaluation. Some of these units have produced gas in the past from wells located in the northern part of the block.

In the near term, there are at least two further candidates for re-entry and completion of the MBS sandstone within 3 km of Cambay-74 and Cambay-64. New well locations will be prepared and proposed to the Joint Venture at the earliest opportunity with the benefit of the production data and new test data from the re-entry of the old wells. Plans for testing of the shallower Miocene zones above the MBS sandstone in certain existing wells are being formulated for consideration by the Joint Venture.

The volume of oil-in-place for the Miocene MBS sandstone ranges from 15-25 million barrels (100% basis) for which a recovery factor in the range of 30%-50% could be reasonably expected. These ranges will be refined with production history from producing wells, testing of by-passed zones in old wells and detailed correlation of those old wells and the 3D seismic data. This estimate is in addition to the previous published estimate of 48 million barrels of oil in place for the deeper objectives in the western sector of the field.

CAMBAY-74 OIL DISCOVERY

The Miocene MBS reservoir has been successfully tested in Cambay-74 at a constrained rate of more than 500 bopd. The well will be completed as an oil producer on conclusion of the test program.

A cased hole drillstem test of well Cambay-74 over a perforated interval of 7 metres in the Miocene Basal Sand (MBS) has yielded a flow of more than **500 bopd** at a flowing tubing pressure of 820 psi on a 8 mm choke. During the initial flow period the flow rate was intentionally constrained to avoid possible sand production from the formation which has been observed in other Miocene reservoirs in the region of similar high quality sands. After the pressure build-up test is complete, the well will be returned to production and gradually opened up to establish the maximum sustainable production rate from the zone.

The oil is of high quality and has a gravity 38° API. It was tested through a 8mm choke with a flowing tubing pressure of 820 psi during the initial flow period at unstabilised rates of over 500 bopd. On conclusion of the initial flow period the well will be shut-in for pressure buildup. The formation pressure measurements indicate that the reservoir is at virgin pressure and has not been depleted by production from older wells in the north of the block, now shut-in, that produced some gas from the MBS in the past. When the pressure build-up test is complete, the well will be returned to production and gradually opened up to establish the maximum sustainable production rate from the zone.

Cambay-74 has confirmed the commercial viability of the high quality basal Miocene reservoir sandstones that are widely distributed in the Cambay block. The reservoir unit labelled the MBS is found at a depth generally of about 1,400 metres and the oil is very mobile having relatively high gravity and a moderate content of dissolved gas.

Cambay-74 spudded on 03 October and reached a TD of 1603m in the 12¼" hole section. The well is located approximately 400 metres to the north-west of Cambay-64 and has intersected a thicker MBS in the same reservoir compartment.

Wireline logs from Cambay-74 indicate the presence of oil in the MBS, as well as additional oil and gas bearing zones in shallower Miocene sands that will be tested in nearby wells.

CAMBAY – 64 PRODUCTION RESULTS

Re-entry of existing well Cambay-64 and testing from a 2 metre interval of perforations in the Miocene Basal Sand (MBS) has yielded an initial flow of approximately 250 bopd with no water on 5.6 mm choke at a flowing tubing pressure of 660 psi. The rate has since stabilised at an average rate of **310 bopd** at a flowing tubing pressure of 660 psi, a progressive improvement on the initial test rate of production that was reported on 20 October. The well has been choked back to prevent sand production as some wells completed in the MBS elsewhere in the area have produced sand. No sand has been produced from Cambay-64 and the choke is gradually being opened as production testing continues.

The rate is also currently constrained by limited storage tank capacity at the well site and by tank trucks required to haul the crude to the nearest available offtake point.

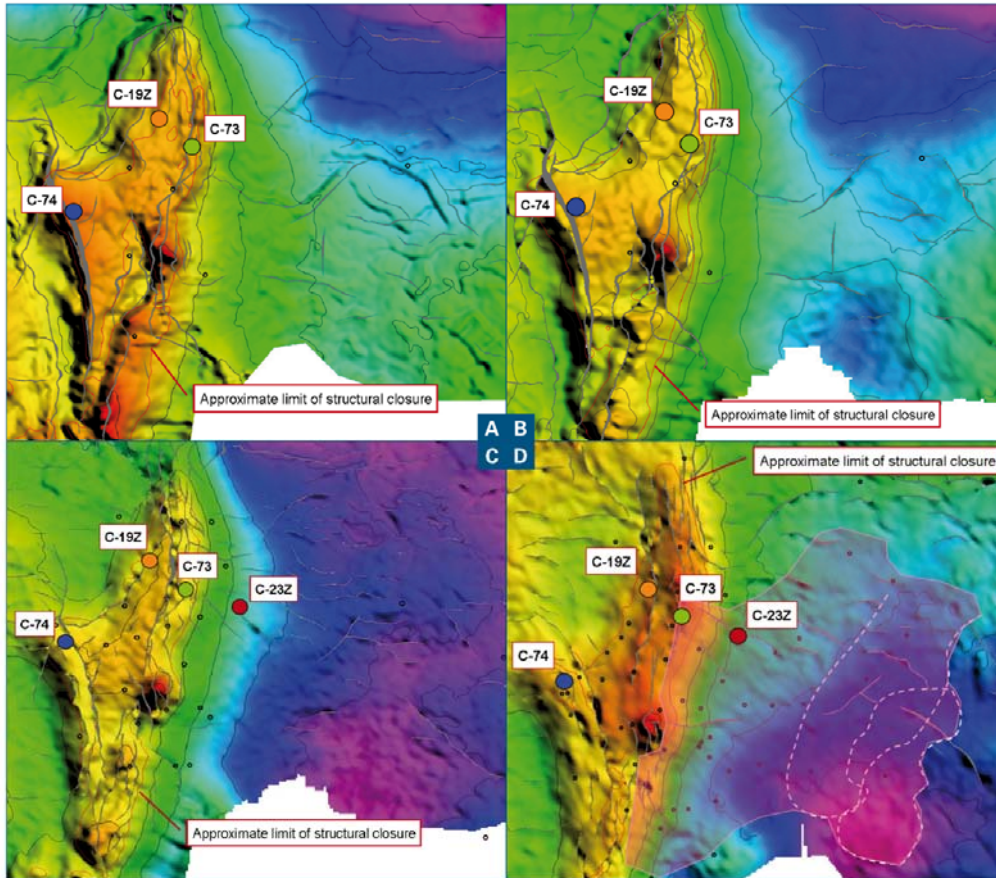
EOCENE BASAL EP IV

The successful flow test of oil from a deeper Eocene zone than had been proven in Cambay Field previously is very encouraging and confirms Oilex's view of the deeper zone prospectivity of the Cambay block generally and the high potential to prove up a development project based on a best

estimate volume of oil-in-place exceeding 60 million barrels of oil. In Cambay-19Z, oil flowed to surface from a 6 metre interval in the Eocene Basal EP IV unit under natural pressure with no formation water at an initial rate of 800 bopd, later stabilising at 120 bopd.

Near-term testing programs involving fracture stimulation are being undertaken in the deeper oil and gas zones in Cambay-19Z, -23Z and -73 which will assist with the design of production wells that are likely to be long reach horizontal wells with multiple fracture stimulation zones. Oil or gas flow rates from wells of such design may increase from these less permeable zones by a factor of 2.5 – 5.

The appraisal campaign of wells completed to date, 3D seismic and extensive analysis undertaken in Cambay Field, Gujarat, India and validates the potential of Cambay's Eocene EP III/IV horizon in the western high area of the block.



Cambay Field Structure Maps with Appraisal Well Locations – A, Top Deccan; B, Basal EP IV; C, Top EP IV; D, Top OS II

EOCENE EP III-IV FIELD APPRAISAL CAMPAIGN

The primary focus of the appraisal drilling campaign has been the Eocene EP III/IV and deeper oil potential in the western part of the block. This appraisal program focussed on assessing the commerciality of hydrocarbon resources allocated to the EP III-IV interval

Analysis of 65 existing wells and newly acquired 3D seismic data had indicated a best estimate initial in-place resource of 62 million barrels of oil (including condensate) and 350 bcf of gas (on a 100% basis) calculated for the main EP IV and OS II reservoirs. Of this total volume, 48 million barrels of oil in place was allocated to the EP III/IV and OS II zones in the area appraised in the campaign of which about 36 million barrels initial oil in place was estimated for EP IV.

The analysis of results from Cambay 19Z, 72 & 73 indicates that target flow rates of 500-1000 bopd per well for the EP III/IV may be achievable in a high angle deviated production well drilled into the EP III/IV that is fracture stimulated at 4-5 intervals.

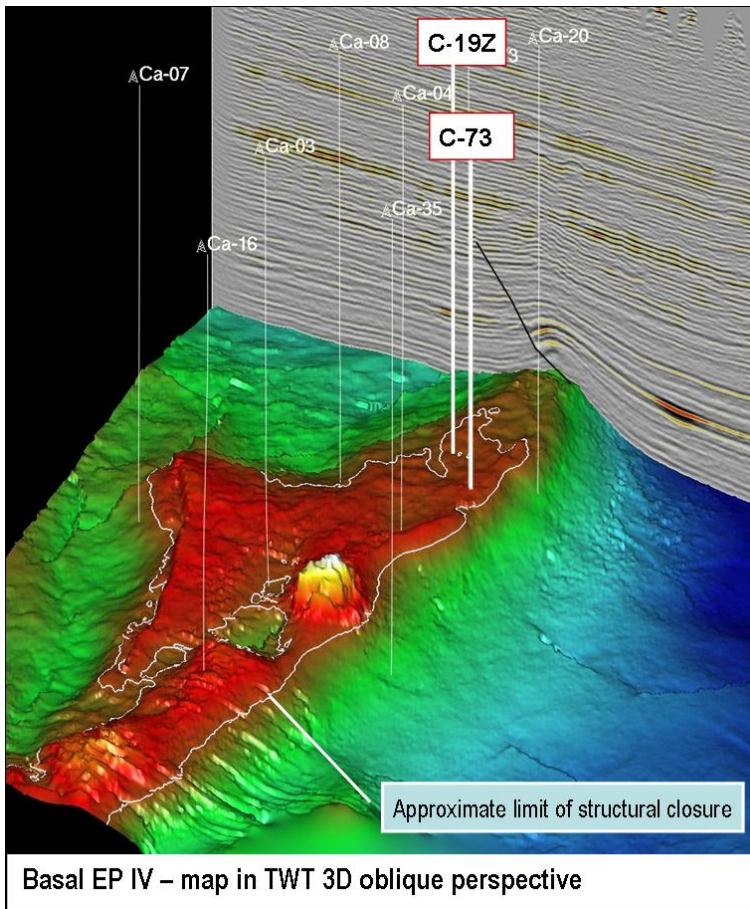
Based on a natural flow rate of 50 bopd from a single zone in the EP III/IV, an improvement by a factor of 2.5 – 5 times applied to 4-5 fracture stimulated intervals in a horizontal or high angle EP III/IV production well is considered to be reasonable.

Next Steps in Cambay EP III-IV Campaign

- With this additional information in hand, planning of high angle oil production wells can be finalised for inclusion in the development proposal for the EP III/IV interval.
- A workover rig is mobilising to fracture stimulate Cambay-73.
- Fracture stimulation and long term testing of Cambay-23Z are awaiting core analysis results. This well was drilled to assess the gas potential of the EP III/IV sands in the main basinal part of the field.
- Data from Oligocene OSII penetrations acquired in the campaign are being analysed to refine the OSII appraisal program.

CAMBAY-19Z OIL DISCOVERY

Cambay-19Z, the second well in the appraisal program is an **oil discovery in the Basal EP IV** reservoir and oil was confirmed also at the level of EP III-IV at a level slightly shallower level in the well. The



Basal EP IV zone flowed oil at an initial rate of about 800 barrels per day before stabilising at 120 bopd. These zones have been prepared for fracture stimulation to improve the permeability of these reservoir units. The information from these single fracture stimulations in a vertical well will assist in designing production wells that are likely to be drilled as long reach horizontal well bores with multiple fracture zones and productivity in such wells is expected to increase by a factor of 4-7 times that achieved in the vertical well tested under natural conditions.

Fourteen wells have penetrated this horizon, mainly in the Western High Area. These old wells were either not tested or were poorly

evaluated and appear to have a similar log response to the zone that was successfully tested in Cambay-19Z. Preliminary indications from seismic and the analogous well logs are that the Basal EP IV may extend across the Western High Block in which case the area of closure is about 26 km² with 150 metres of relief. The reservoir quality in various old wells that have penetrated the basal EP IV is the subject of a current detailed study

CAMBAY-73 APPRAISAL WELL

Cambay-73 is a vertical well that was located to drill the OS II and EP III-IV primary objectives on the eastern side of the fault that separates the Western High Block from the Basin Gas Area. The well spudded on 25 July and reached a total depth of 2,435 metres when it was cased and suspended pending further evaluation of results and likely testing of oil bearing horizons after fracture stimulation. It was anticipated that both zones would be gas bearing in this well and it now appears from the log and

test results that the oil zone at OS II and EP IV of the Western High Block extends further east than previously thought.

One DST was run at the level of the Oligocene OS II sandstone from which shows were recorded while drilling. Data indicate that the OS II zone is at virgin pressure and, with the oil recovery from the DST, suggest that it is part of the Western High geological compartment rather than the Basin Gas Area.

Three open hole drill stem tests were also run over the Basal EPIV and EPIII / EPIV intervals and detailed analysis of the test results is continuing. Small volumes of oil and gas were recorded at surface and one test was a technical failure.

SABARMATI FIELD, GUJARAT

(OILEX OPERATOR - 40%)

No further work has been carried out in the past quarter. Intermittent production of oil continues from Sabarmati-1. The field will benefit greatly from the fracture stimulation work planned for Cambay Field. The main reservoir unit has similar characteristics to the Eocene EP III-IV at Cambay and options for drilling a long reach directional well may be considered after the results of the work at Cambay are better known.

BHANDUT FIELD, GUJARAT

(OILEX OPERATOR - 40%)

No further work has been carried out in the past quarter. Oil continues to be produced intermittently from existing wells. The field remains prospective with drilling of the structural crest to the west of the wells drilled to date and multiple reservoir objectives from Miocene to fractured Deccan to be reviewed after relevant work at Cambay is concluded.

INDONESIA

WEST KAMPAR PSC, CENTRAL SUMATRA

(OILEX – EARNING 60%)

A Plan of Development (POD) including an updated resource assessment for the Pendalian Oil Field (Oilex 60%) located in the West Kampar Production Sharing Contract ("PSC") area in Indonesia is being submitted to the Indonesian Government for approval. The POD is based on a **Best Estimate Contingent Resource of 13.7 million barrels oil in place** (mmstboip) (Table 1).

The objective of the POD is to bring the Pendalian Field into production in 2 phases comprising 2 wells in phase 1 and full field development of 3-4 wells in phase 2. The previous plan was to start production from a single well, Pendalian-3. The first phase has now been expanded to include a second well, Pendalian-4 with a corresponding increase in the likely production rate up to an estimated 1,800 – 2,000 bopd. Production is anticipated to commence in Q1 2009 dependent on timing of Government approvals.

Contingent Resource – Development Pending	Low Estimate mmstboip	Best Estimate mmstboip	High Estimate mmstboip
Sihapas Sandstone Units D-6, C-5	5.8	13.7	29.1

Table 1 Contingent Resource Oil in Place (100% basis) – Pendalian Field

As required in Indonesia, the technical studies are carried out by an independent third party appointed by the regulator (BPMigas) with input and review by personnel from the operator, PT Sumatera Persada Energi (SPE), and BPMigas. Oilex has also been participating in this process.

The development plan is based on results from the Pendalian-1 well drilled in 1993 and the Pendalian-3 appraisal well which was drilled, tested and suspended as a future oil production well in November 2007. Pendalian-3, funded by Oilex as part of the farm-in arrangement with SPE, flowed oil from two

shallow zones in the Sihapas Sandstone. The commingled flow potential with artificial lift was estimated to be up to 1,200 barrels per day.

To date, significant conclusions arising from this independent evaluation are:

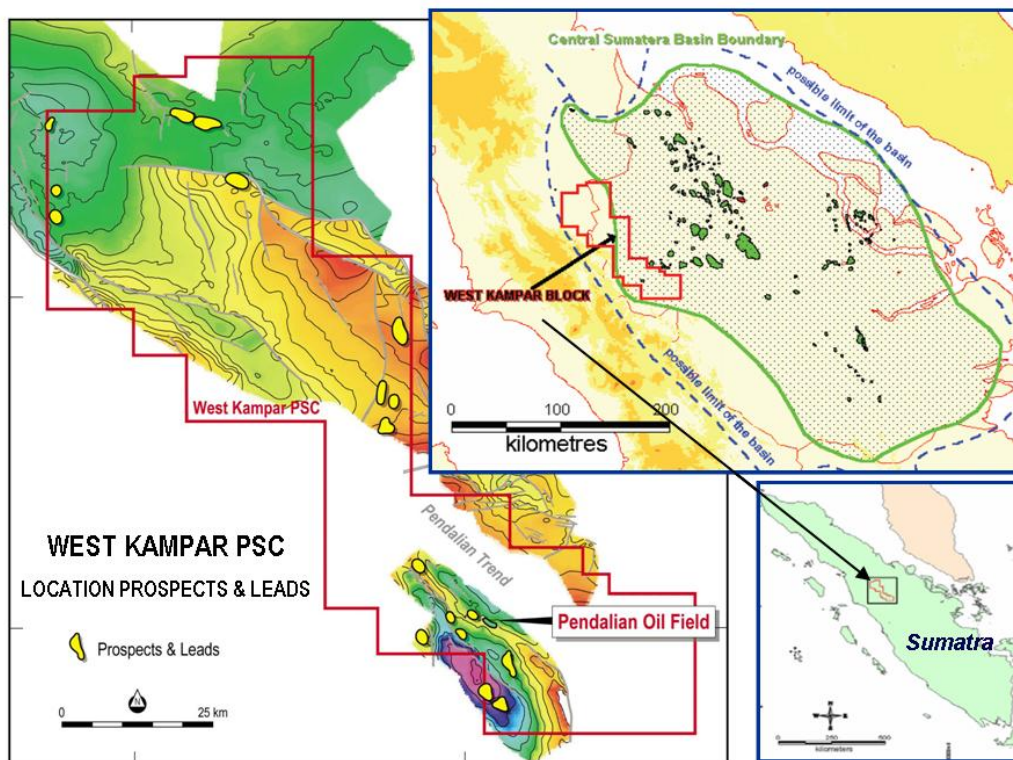
- Inversion studies of the seismic data indicate that the Sihapas sands are continuous reservoirs, supporting the volumetric assumptions for the Pandalian Field.
- The Best Estimate Contingent Resource of oil-in-place determined by the independent third party for the two Sihapas zones is 13.7 mmstboip (gross), with a High Estimate volume of 29 mmstboip (gross). These volumes are similar to those determined by both SPE and Oilex.
- A staged approach to the development, with initial production from the Pandalian-3 well followed by Pandalian-4 production well, 3D seismic and full field development was recommended, subject to approval by the Indonesian Ministry of Petroleum.

An evaluation of further potential in the Pandalian Field in the form of undiscovered prospective resources at other potential reservoirs was also presented.

Undiscovered Prospective Resource	Low Estimate mmstboip	Best Estimate mmstboip	High Estimate mmstboip
Units B-1,2,3; C-1,2,3; E-1	14	22	33

Table 2 – Undiscovered Prospective Resource (100% basis) – Pandalian Field

Remaining POD requirements are being finalised by the third party adviser to BPMigas prior to submission to the Indonesian authorities. The recommended development schedule, subject to regulatory approval, calls for both Pandalian-3 and Pandalian-4 to be onstream at the earliest opportunity, now likely to be in Q1 2009.



West Kampar PSC Area Location Map including Prospects & Leads

Plans are in place for the early drilling of the Pandalian-4 well and survey work for both 2D and 3D seismic programs in the West Kampar block in 2008 has commenced. The latest version of mapping has confirmed the exploration potential of the West Kampar PSC which will be delineated by additional seismic coverage and investigated with the drilling of 3 exploration wells in a campaign scheduled to commence in 2009.

OMAN

BLOCK 56, SOUTH OMAN

(OILEX OPERATOR – 25%)

- ✚ The exploration program in Oman is now into the second phase of drilling with the first appraisal /development well near completion at Sarha-2 as a long reach horizontal well into the Al Khlata primary objective that flowed oil in Sarha-1.
- ✚ Sarha-2 will be tested briefly before being hooked for an extended production test.
- ✚ The Sarha structure is analogous to fields currently producing across the block boundary and the results confirm Oilex's expectation of the prospectivity of Block 56.
- ✚ The second phase of drilling comprises 4 wells, 3 of which including Sarha-2 are will be located in the low risk northwestern part of the block on the flank of the South Oman Salt Basin. The fourth well is an exploration well in the central part of the block on the salt wall trend along which there may be developed very large structures.

Sarha-2 the first appraisal well that is designed as a future oil producer on the Sarha structure spudded on 4 September and was drilled to a depth of 2,123 metres measured depth (MD) as a high angle well. The primary objective in the well is the deeper Al Khlata oil zone which was drilled as a 500 metre horizontal section.

The younger Gharif Formation, which exhibited good oil shows in Sarha-1 appears to water bearing from the evaluation of wireline logs in Sarha-2. In compensation, a good quality potential reservoir unit was intersected in the Rahab Sandstone which was not found in Sarha-1. A test conducted at this level resulted in no oil flow because of the high viscosity of the oil.

Following completion, an extended production test over a period of 120 days will be conducted. Arrangements are being finalised to truck the produced oil to a nearby (25km) pipeline terminal for transport to a crude export terminal on the coast.

The Sarha-1 discovery well confirmed that the productive trend in the adjacent block continues into Block 56. New seismic acquisition and reprocessing of existing data indicates that there is a number of structures similar to Sarha-1 present in the western flank area of Block 56 and the most prospective of these will be the locations for several of the wells in the Phase 2 drilling campaign. It is anticipated that further drilling will be carried out on the Sarha discovery to evaluate the potential of oil zones not able to be tested in Sarha-1 and to provide information required for development of the Al Khlata oil pool discovery.

Preliminary estimates of the discovered petroleum initially in place based on the current data range from 20 to 70 million barrels (on a 100% basis). Given the characteristics of the oil recovered at Sarha-1 there will also be a focus on establishing the recoverable reserves volume and specialists in this type of development are studying the data from Sarha-1 to estimate the recoverable volumes and to provide input to a development plan.

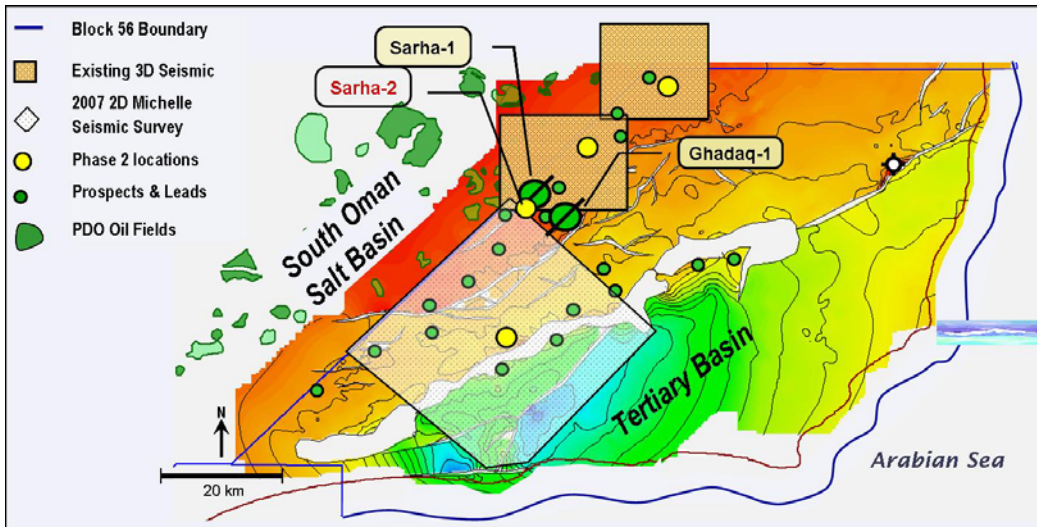
Heavy oil (preliminary oil gravity of 13.3^o API) was recovered during testing of the Al Khlata zone in the Ghadaq-1 well and these results will also be the focus of review given that oil with these characteristics is routinely produced in Oman and in other heavy oil areas.

The results from Alyanbou-1 which was a higher risk test of a large anticlinal structure in a remote area of the block will be incorporated into the overall assessment of the prospective areas of Block 56. Prospectivity in the block remains very high

LEADS & PROSPECTS	MMstboip Range	Mmstboip Cum	Range POS*
Al Khlata + Gharif (9)	20 – 83	419	40-50%
Al Khlata (14)	8 – 395	769	10-25%
Cambrian (9)	27 – 182	810	7-20%

Block 56 - Leads & Prospects by Category and Size

POS – Possibility of Success is the chance of finding hydrocarbons in detectable quantities



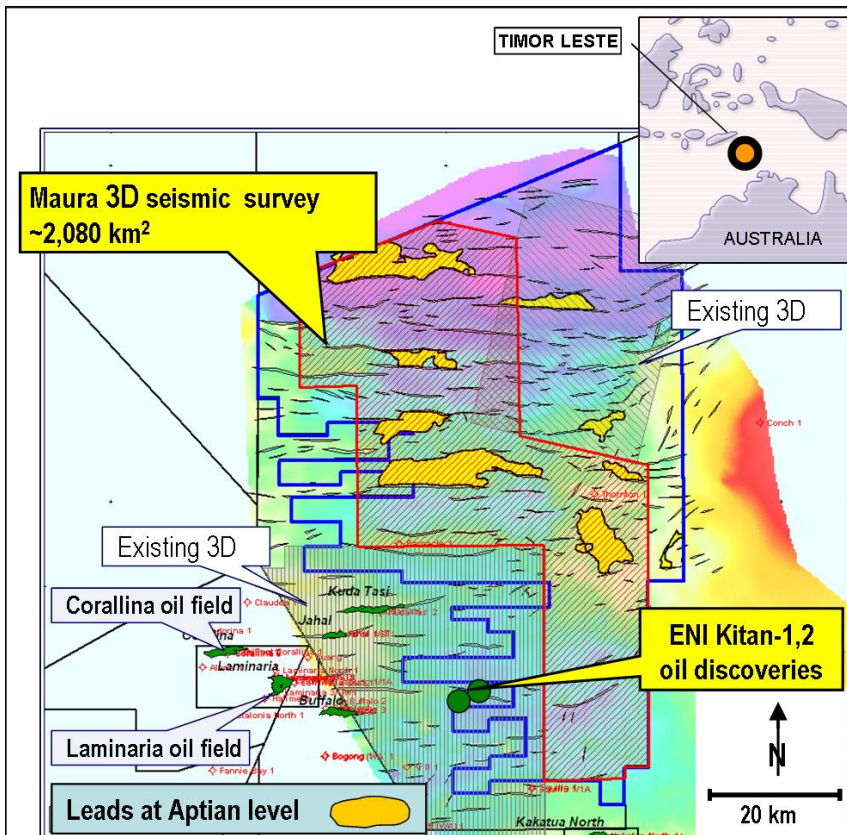
Block 56 - Phase 2 well locations

Seismic Acquisition

Preparations for tender of the 3D seismic acquisition program have been completed. Acquisition is expected to start in Q4.

JOINT PETROLEUM DEVELOPMENT AREA BETWEEN TIMOR LESTE AND AUSTRALIA

JPDA 06-103, FLAMINGO BASIN OFFSHORE JOINT PETROLEUM DEVELOPMENT AREA
(OILEX OPERATOR – 25%)



Location Maura 3D Seismic Survey and ENI Kitan oil discovery Wells

The Maura 3D seismic survey, the first phase of offshore operations in Block JPDA 06-103, was completed successfully by the Geowave Champion seismic vessel in August 2008. The survey covered an area of 2,082 km². Data from this survey will be combined with existing 3D seismic surveys to provide 3D seismic coverage over more than 90% of the area of the Block. Processing of the data is expected to be concluded about the end of 2008 and the interpretation of the data over the entire block is anticipated to be completed by about end of March 2009. Locations for exploration wells will then be selected for drilling starting about mid-year 2009.

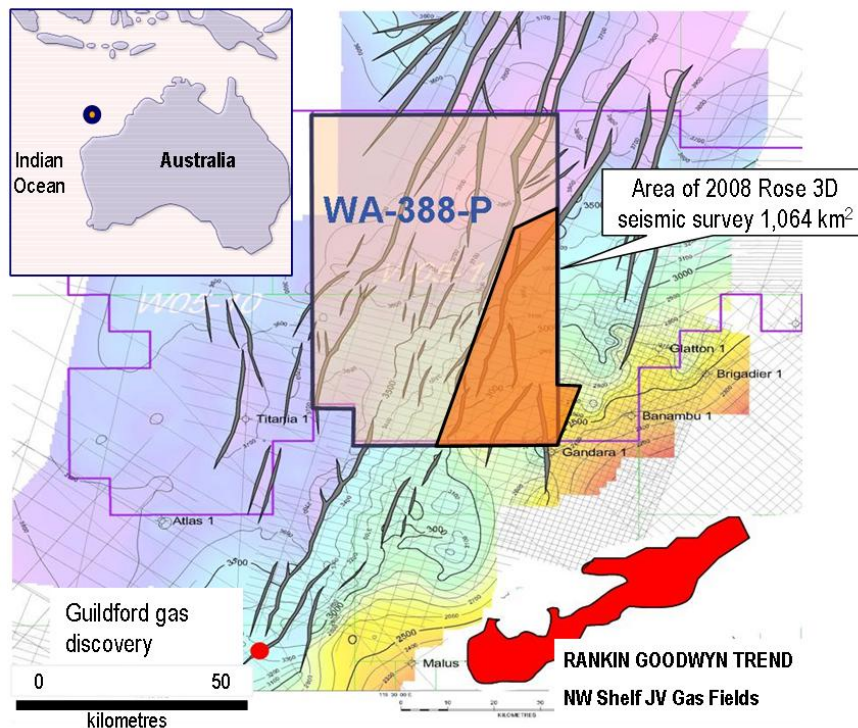
To that end, on 13 June 2008 Oilex issued a conditional Notice of Award jointly with Nexus to Sedco Forex International for the supply of the Transocean Legend semi submersible drilling rig. The rig would drill development wells for Nexus before 2 wells for Oilex, estimated to start in about mid-year 2009. Oilex has accordingly made application, on behalf of the JPDA Block 06-103 Joint Venture, seeking an extension of time under the PSC to enable its 2 wells to be drilled by January 2010 rather than by January 2009. The application is under review by the relevant governmental authorities.

AUSTRALIA

WA-388-P CARNARVON BASIN, OFFSHORE WESTERN AUSTRALIA

(OILEX OPERATOR – 20%)

The Rose 3D seismic survey of 1,180 km² began in August 2008 over the southeastern part of the permit using the vessel “Geowave Champion” and is expected to be completed in September 2008. Interpretation of the reprocessed 2D and existing third party seismic data was completed and provided the basis for Sasol to farm in for 30% equity interest in the permit by funding 60% of certain costs of the Rose 3D seismic survey for 2008. Reprocessing of existing seismic data has been completed and interpretation is in progress.



Location Rose 3D Seismic Survey, WA-388P

EPP 27 – OTWAY BASIN, OFFSHORE SOUTH AUSTRALIA

(OILEX OPERATOR - 20%)

Oilex, on behalf of the EPP 27 Joint Venture, is negotiating with the relevant authorities regarding the status of the exploration permit. The term of the final permit year 6 ended on 24 August 2008 and discussions with the Government authorities are in progress to determine future activity on the permit.

CORPORATE

SAFETY, HEALTH AND ENVIRONMENT

No lost time incidents were recorded in Oilex's operational areas during the quarter.

COMMUNITY DEVELOPMENT – TIMOR-LESTE RURAL HEALTH PROJECT



Objective: Implement health care training and support operations in pre-determined areas of need in cooperation with the Ministry of Health, local health authorities and communities.

AAI is an Australian-based, independent humanitarian aid organisation that is non-profit and non-sectarian. AAI is operating a health program on the island of Artauro that is funded by Oilex and is fully coordinated with the Ministry of Health and World Health Organization and supports their respective objectives.

COMPANY STRUCTURE

The Company presently has 132,083,885 shares on issue. These shares are traded on the ASX in Australia and on the AIM market of the London Stock Exchange under the code: OEX.

Oilex also has 39,925,100 unlisted options on issue, the majority of these being held by executive staff and 1,351,000 Employee Performance Rights.

At 30 September, 2008 the Company retained net cash and receivables of approximately A\$24.3 million.

Oilex regularly updates its website at www.oilex.com.au

For and on behalf of the Board

Dr B. H. McCarthy

Managing Director

31 October 2008

The information in this report has been compiled by the Managing Director of Oilex Ltd, Bruce McCarthy B.Sc. (Hons) PhD (Geology) who has over 29 years experience in petroleum geology. The estimates of hydrocarbons in place were reviewed by Ray Barnes B.Sc. (Hons), the Technical Director of Oilex Ltd who has over 35 years experience in petroleum geology and is a member of the AAPG. Mr Barnes reviewed this announcement and consents to the inclusion of the estimated hydrocarbons in place in the form and context in which they appear. The resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org.

Oilex's nominated advisor in relation to the AIM market is RFC Corporate Finance Ltd, contact: Stuart Laing, stuartl@rfc.com.au

PERMIT SCHEDULE				
PERMIT	BASIN / STATE / COUNTRY	JOINT VENTURE PARTIES	EQUITY %	OPERATOR
Cambay Field PSC	Cambay / Gujarat / India	Oilex Ltd Oilex NL Holdings (India) Limited Gujarat State Petroleum Corp. Ltd	30.00 15.00 55.00	Oilex Ltd
Bhandut Field PSC	Cambay / Gujarat / India	Oilex NL Holdings (India) Limited Gujarat State Petroleum Corp. Ltd	40.00 60.00	Oilex NL Holdings (India)
Sabarmati Field PSC	Cambay / Gujarat / India	Oilex NL Holdings (India) Limited Gujarat State Petroleum Corp. Ltd	40.00 60.00	Oilex NL Holdings (India)
Block 56 EPSA	South Oman / Oman	Oilex Oman Limited GAIL (India) Limited Videocon Industries Ltd Bharat Petroleum Corporation Ltd Hindustan Petroleum Corp Ltd	25.00 25.00 25.00 12.50 12.50	Oilex Oman Limited
West Kampar PSC	Central Sumatra / Sumatra / Indonesia	Oilex (West Kampar) Limited PT Sumatera Persada Energi	60.00(1) 40.00	PT Sumatera Persada
EPP27	Otway / SA / Australia	Oilex Ltd Videocon Industries Ltd Gujarat State Petroleum Corp. Ltd Great Artesian Oil & Gas Limited	20.00 20.00 20.00 40.00	Oilex Ltd
JPDA 06-103 PSC	Flamingo / Joint Petroleum Development Area / Timor-Leste & Australia	Oilex (JPDA 06-103) Ltd GSPC (JPDA) Limited Global Energy Inc. Bharat Petroresources JPDA Ltd	25.00 25.00 25.00 25.00	Oilex (JPDA 06-103) Ltd
WA-388-P	Carnarvon / WA / Australia	Oilex Ltd Gujarat State Petroleum Corp Ltd Videocon Industries Ltd Bharat Petroleum Corporation Ltd Hindustan Petroleum Corp Ltd	20.00 20.00 20.00 20.00 20.00	Oilex Ltd

(1) Oilex earning 60 % equity interest

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

OILEX LTD

ABN

50 078 652 632

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(16,651)	(16,651)
(b) development	-	-
(c) production	(342)	(342)
(d) administration (net)	(1,175)	(1,175)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	358	358
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(17,810)	(17,810)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(200)	(200)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	1,438	1,438
1.12 Other (provide details if material)	-	-
Net investing cash flows	1,238	1,238
1.13 Total operating and investing cash flows (carried forward)	(16,572)	(16,572)

1.13	Total operating and investing cash flows (brought forward)	(16,572)	(16,572)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (net)	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(16,572)	(16,572)
1.20	Cash at beginning of quarter/year to date	33,487	33,487
1.21	Exchange rate adjustments to item 1.20	1,882	1,882
1.22	Cash at end of quarter	18,797	18,797

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	252
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	9,000
4.2 Development	-
Total	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,396	4,138
5.2 Deposits at call	12,401	29,349
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	18,797	33,487

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	Refer to Permit Schedule in Quarterly Report	-	-
6.2 Interests in mining tenements acquired or increased		Refer to Permit Schedule in Quarterly Report		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference *securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	132,083,885	132,083,885	Various	-
7.4 Changes during quarter (a) Increases through issues (options exercised) (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>			Exercise price	Expiry date
	500,000	-	\$1.00	31/12/2009
	3,000,000	-	\$1.50	31/12/2009
	1,000,100	-	\$0.50	07/12/2008
	2,000,000	-	\$0.40	14/12/2008
	3,000,000	-	\$0.50	14/12/2008
	4,250,000	-	\$0.80	14/12/2009
	1,000,000	-	\$0.50	16/02/2009
	4,500,000	-	\$0.50	31/03/2010
	775,000	-	\$0.50	31/07/2009
	775,000	-	\$0.65	31/07/2009
	775,000	-	\$0.90	31/07/2010
	500,000	-	\$1.50	31/10/2009
	500,000	-	\$1.75	31/10/2009
	500,000	-	\$2.00	31/10/2010
	500,000	-	\$1.40	31/01/2010
	450,000	-	\$2.00	31/01/2010
	450,000	-	\$2.50	31/01/2011
	2,500,000	-	\$2.00	31/03/2011
	300,000	-	\$1.75	31/03/2010
	300,000	-	\$2.25	31/03/2011
	300,000	-	\$2.75	31/03/2012
	500,000	-	\$1.57	30/09/2011
	350,000	-	\$1.60	30/04/2010
	350,000	-	\$2.10	30/04/2010
	350,000	-	\$2.70	30/04/2011
	3,900,000	-	\$2.00	01/07/2011
	3,900,000	-	\$2.50	01/07/2011
	900,000	-	\$1.75	30/06/2011
	900,000	-	\$2.25	30/06/2011
	900,000	-	\$2.75	30/06/2011

Issued and quoted securities at end of current quarter (cont'd)

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security	Amount paid up per security
		2006 Performance Rights			
		279,000	Tranche 1 expire 1/07/2011		
		254,000	Tranche 2 expire 1/07/2011		
		249,000	Tranche 3 expire 1/07/2011		
		2007 Performance Rights			
		143,000	Tranche 1 expire 1/07/2012		
		128,000	Tranche 2 expire 1/07/2012		
		128,000	Tranche 3 expire 1/07/2012		
		2008 Performance Rights			
		89,000	Tranche 1 expire 1/07/2013		
		40,000	Tranche 2 expire 1/07/2013		
		41,000	Tranche 3 expire 1/07/2013		
7.8	Issued during quarter			Exercise price	Expiry date
		900,000	-	\$1.75	30/06/2011
		900,000		\$2.25	30/06/2011
		900,000		\$2.75	30/06/2012
		2008 Performance Rights			
		89,000	Tranche 1 expire 1/07/2013		
		40,000	Tranche 2 expire 1/07/2013		
		41,000	Tranche 3 expire 1/07/2013		
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		

COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director/Company Secretary)

Date: **31 October 2008**

Print name: Max D.J. Cozijn

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