



5 June 2009

Company Announcements Office  
ASX Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
Sydney NSW 2000

Dear Sir,

## **TERMINATION OF RIG CONTRACT FOR JPDA WELLS, TIMOR SEA**

Oilex Ltd (ASX: OEX) advises that drilling contractor Sedco Forex International Inc (Sedco) has notified Oilex's wholly owned subsidiary Oilex (JPDA 06-103) Limited that it has elected to terminate the agreements between them for the drilling of exploration wells using the Transocean Legend semisubmersible drilling rig in contract area JPDA 06-103 in the Joint Petroleum Development Area (JPDA) between Australia and Timor Leste.

Oilex and the JPDA 06-103 Joint Venture parties have no further financial obligations to Sedco arising out of the termination.

Oilex is well positioned to conclude its farmout negotiations to assist in funding the drilling of the required wells under the PSC, subject to the availability of a suitable replacement drilling rig.

Oilex is actively seeking an alternate rig and is working with the regulatory authorities in Dili, Timor Leste to obtain an extension of time to the exploration period under the Production Sharing Contract to drill the required wells.

The termination of the drilling contract with the Oilex Joint Venture by Sedco follows Sedco's earlier termination of the drilling agreement with Nexus Energy WA Proprietary Limited. Nexus, Sedco and Oilex had entered into a Cooperation Agreement in September 2008 which provided for Nexus and Oilex to use the Transocean Legend on back-to-back drilling programs. Under the Cooperation Agreement Sedco had the right to terminate the Oilex drilling agreements if the Nexus drilling agreement had been terminated.

Participants in the JPDA 06-103 Production Sharing Contract are:

<b>Joint Venture Party</b>	<b>Participating Interest</b>
Oilex (JPDA 06-103) Ltd (Operator)	25%
Global Energy Limited (Videocon)	25%
GSPC (JPDA) Ltd	25%
Bharat PetroResources JPDA Limited	25%

Yours sincerely,

B. H. McCarthy  
Managing Director

For further information, please contact:

Ray Barnes                      Technical Director, Oilex Ltd                      Tel. +61 8 9485 3200                      (Western Australia)  
Archie Berens                      Director Pelham Public Relations                      Tel. +44 (0) 20 7337 1509                      (United Kingdom)

*RFC Corporate Finance Ltd acts as Oilex's Nominated Adviser, contact Stuart Laing +618 9480 2506.  
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. A glossary of terms used in the oil and gas industry is available at [www.spe.org](http://www.spe.org).*

ABN 50 078 652 632

Level 2, 50 Kings Park Road West Perth WA 6005 Australia, PO Box 588 West Perth WA 6872 Australia  
Telephone: (+61 8) 9485 3200 Facsimile: (+61 8) 9485 3290  
Email: [oilex@oilex.com.au](mailto:oilex@oilex.com.au) Web: [www.oilex.com.au](http://www.oilex.com.au)