



26 May 2009

Company Announcements Office  
ASX Limited  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir,

### **WEST KAMPAR PSC – INDONESIAN PRESS ARTICLES**

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Oilex (West Kampar) Limited (Oilex), a wholly owned subsidiary of Oilex Ltd, advises that reports in the Indonesian press stating or implying that Oilex no longer has an interest in the West Kampar Production Sharing Contract (PSC) onshore Sumatra, Indonesia are incorrect. **Oilex retains its 45% interest in the PSC and is currently increasing its interest by an additional 22.5% interest** pursuant to its legal entitlements as previously reported.

Oilex continues to pursue the early development of the Pendalian field and the ongoing work program including the acquisition of seismic surveys to maximise the value of the West Kampar asset.

#### ***Background on West Kampar reimbursement and interest transfer.***

*As summarised in the April Quarterly Report, following Oilex's termination of a farmout arrangement in January 2009, Joint Venture participant PT Sumatera Persada Energi (Operator) is required to reimburse monies advanced by Oilex under the terms of that agreement and Oilex holds security for that reimbursement. The amount due to be repaid is approximately US\$3.5 million plus interest and costs. While SPE has acknowledged its obligation to repay monies advanced, no repayment has yet been made. Oilex is vigorously pursuing its rights to recover the monies advanced (plus interest and costs) under the relevant agreements including enforcing security which is held by Oilex.*

*To that end, Oilex has transferred a 22.5% participating interest in the PSC from SPE to Oilex pursuant to Oilex's rights under a Power of Attorney granted by SPE to Oilex in August 2008 at the time of entering into the second farmout agreement. The transfer is currently before BPMigas, the Indonesian Government regulator. Oilex will pursue the sale of this 22.5% interest to recover monies owed to Oilex.*

*To ensure that recovery of all monies owed to Oilex is met in full, SPE's parent company PT Asiabumi Petroleo granted to Oilex a Parent Company Guarantee that would be enforced in the event that the sale of the 22.5% transferred to Oilex under the Power of Attorney was insufficient to cover the payments due to Oilex. In accordance with the provisions of the Parent Company Guarantee, Oilex has commenced an arbitration proceeding against PT Asiabumi Petroleo in the International Chamber of Commerce Court of Arbitration in Singapore.*

The participating interests in the West Kampar PSC are:

Joint Venture Party	Participating Interest
Oilex (West Kampar) Limited	67.5%*
PT Sumatera Persada Energi (Operator)	32.5%

\* Includes 22.5% assignment from SPE to Oilex under Power of Attorney currently before BPMigas.

Yours sincerely,



B. H. McCarthy  
Managing Director

For further information, please contact:

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*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 and 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 & EAGE.*