



21 January 2010

Company Announcements Office
ASX Limited
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Sydney NSW 2000

TIMOR SEA DRILLING UPDATE – LOLOTOE-1 WELL

Oilex Ltd (ASX/AIM: OEX) advises that the Lolotoe-1 well is drilling ahead through the primary objective Plover Formation towards a revised Total Depth (TD) of about 3,950 metres which is expected to be reached within the next 24-48 hours. The Elang/Plover Formation sandstones were intersected close to prognosis.

Logging While Drilling (LWD) measurements are being acquired over the Elang/Plover Formations in real time and those LWD logs are currently being interpreted. The interpretation is expected to be finalised after additional evaluation logs are run at TD. Minor oil and gas shows have been observed while drilling.

The Lolotoe-1 well is the second well of a 2 well program in the Timor Sea contract area JPDA 06-103.

Time of report:	20.00 (WST) on 20 January 2010
Status:	Drilling ahead at 3,886 metres to TD
Operations:	<ul style="list-style-type: none">Well spudded 02:30 on 17 December 2009 (WST)13³/₈" casing run to 2,491 metres12¹/₄" hole drilled and logged to 3,785 metresPlug back and sidetrack 12¹/₄" hole section to 3,770 metres9⁵/₈" intermediate casing run to 3,765.6 metres.Drilling 8¹/₂" hole
Objectives	Elang/Plover Formation sandstone (primary) Flamingo Formation sandstone (secondary)
Total Depth:	3,950 metres approximately

All depths refer to depth below rig rotary table

The Joint Venture participating interests in JPDA 06-103 are:

Joint Venture Party	Participating Interest
Oilex (JPDA 06-103) Ltd (Operator)	10%
Videocon JPDA 06-103 Limited	25% ⁽¹⁾
GSPC (JPDA) Limited	25% ⁽¹⁾
Bharat PetroResources JPDA Limited	25% ⁽¹⁾
Japan Energy E&P JPDA Pty Ltd	15%

(1) Pan Pacific Petroleum (JPDA 06-103) Pty Ltd has recently signed conditional farm-in deals with Videocon JPDA 06-103 Limited, Bharat PetroResources JPDA Ltd and GSPC (JPDA) Limited to acquire a 15% participating interest in JPDA 06-103.

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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, Petroleum Resources Management System, 2007. Further information 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