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QUARTERLY REPORT TO SHAREHOLDERS

31 MARCH 2010

SUMMARY

India

- Increased focus on India with Managing Director relocated in country
- Cambay Joint Venture approves further exploration and appraisal drilling activity
- Detailed technical studies progressing to evaluate Cambay tight gas reservoirs
- Operations continue to be cash flow positive

WA-388P (North West Shelf, Australia)

- Seismic processing studies substantially completed
- Potential drilling decision anticipated by July
- Woodside farm in announced on adjacent Cue Energy block (WA-389P)

New Ventures

- Opportunities being pursued. Focus areas are South East Asia and India

JPDA 06-103 (Timor Sea)

- Technical studies continuing to assess Loré-1 and Lolotoe-1 well results
- Drilling campaign completed within budget

West Kampar (Indonesia)

- Resolution to Joint Venture dispute being pursued
- Awaiting decision from ICC Tribunal on Arbitration to recover monies from Operator's parent company

Corporate

- Oilex retained A\$18.2 million cash at the end of the Quarter with no corporate debt
- Management team and costs restructured

OVERVIEW

During the Quarter Oilex increased its focus on India. Independent technical studies were initiated to evaluate the Cambay low permeability Eocene reservoirs that tested oil and gas in previously drilled wells. The Cambay Joint Venture has agreed to further drilling to evaluate the gas and oil potential of the Eocene and other reservoirs.

During the Quarter Oilex increased its New Ventures efforts as part of its strategy to strengthen its asset portfolio.

In Australia, 3D seismic processing studies were substantially completed on its WA-388P block, offshore Western Australia. A potential drilling decision is anticipated by July.

Oilex continues to pursue a resolution to the West Kampar PSC Joint Venture dispute. Oilex is awaiting a decision from the ICC Tribunal following the completion of the Arbitration hearing in February 2010 in which Oilex is seeking to recover monies from the Operator's parent company.

Oilex completed drilling the second of the exploration wells in the Timor Sea JPDA 06-103 contract area. Studies are now being carried out to assess the results from the two wells and the implications for prospectivity and selection of future drilling targets. There remain several undrilled structures with potential to host significant oil reserves.

The company's cash position remains strong and India production continues to generate positive cash flows. During the quarter, the Perth based organisation was restructured with an increased focus on India and South East Asia.

OPERATIONS REVIEW

CAMBAY FIELD, GUJARAT, INDIA

(Oilex Operator – 45%)

- Oilex increased its focus and presence in India. Bruce McCarthy, Oilex's Managing Director, who has over 15 years experience working in India has relocated in country to manage Oilex's assets and growth in India.
- A USA based consulting firm specialising in tight gas was commissioned to perform technical studies to evaluate Cambay's low permeability Eocene reservoirs. The consultant is analysing existing Cambay well data by applying tight gas interpretation techniques.
- Reprocessing of Cambay 3D seismic data was initiated. The 3D data covers the whole Cambay block and the results are expected to provide further information on the Eocene tight gas reservoirs and the OSII interval in the eastern part of the Cambay block which has untapped gas potential.
- During the Quarter, the Joint Venture agreed to undertake further gas exploration and appraisal drilling in the Cambay field.
- Total net production from the Cambay, Bhandut and Sabarmati Fields was 2,707 barrels of oil for the Quarter (Oilex share).
- Oil production from the Miocene Basal Sand (MBS) in the Cambay Field continues to decline from the Cambay-74 and Cambay-64 wells.

WA-388P, AUSTRALIA

(Oilex Operator – 14%)

- Initial results of seismic interpretation are encouraging with possible direct hydrocarbon indicators evident.
- Seismic processing studies of 3D seismic data is substantially complete and final interpretation is ongoing.
- Finalising preparation of a portfolio of prospects and leads with a decision by the Joint Venture as to whether to enter the next phase and commit to drilling a well being anticipated by July.
- After Quarter end, Cue Energy announced on 27 April that Woodside Energy Ltd has farmed into its 100% interest WA-389P permit with Woodside acquiring a 65% permit interest and operatorship. WA-389P is located immediately to the east of Oilex's WA-388P block.

NEW VENTURES

- Oilex is seeking to strengthen its asset portfolio and is largely focussing its new ventures effort in South East Asia and India.
- A number of potential opportunities are currently being evaluated.

JPDA 06-103, TIMOR SEA

(Oilex Operator – 10%)

- The JPDA 06-103 Joint Venture drilled the Loré-1 and Lolotoe-1 wells, which were the first 2 wells of the PSC's work program commitment. Neither well encountered commercial hydrocarbon zones. The wells were completed within budget and with no HS&E incidents.
- Under the farm-out agreement entered into between Oilex and Japan Energy E&P JPDA Pty Ltd, a subsidiary of Japan Energy Corporation, Oilex was carried for most of its 10% share of costs associated with the Loré-1 and Lolotoe-1 wells. Oilex was also reimbursed for some of its past expenditures.
- The Loré-1 and Lolotoe-1 well data are now being integrated with existing data and studies are underway to understand the absence of oil in the wells, the implications for prospectivity and the selection of future drilling targets.
- There remain several undrilled structures in the JPDA 06-103 contract area with potential to host significant oil reserves. The contract area is located near to a number of existing producing oil fields further to the west, as well as Eni's Kitan oil discovery.

WEST KAMPAR PSC, CENTRAL SUMATRA

(Oilex – 45% + further 22.5% secured*)

- Oilex's investment in this Production Sharing Contract (PSC) is currently on hold due to the failure of the Operator (PT Sumatera Persada Energi - SPE) to pursue the approved work program, as well as non-compliance with other obligations.
- Oilex's priorities for this asset remain to:
 1. Recover over US\$4.6 million owed to Oilex by SPE by enforcement of the security held (refer below for status of the Arbitration against the operator's parent company guarantor, PT Asiabumi Petroleo).
 2. Ensure the transfer of operatorship to Oilex or an acceptable third party.
 3. Resume the seismic and drilling work program.
 4. Obtain approval of BPMigas, the Indonesian regulator, for development of the Pendalian oil field.
- The ICC Arbitration hearing initiated by Oilex against the operator's parent company guarantor - PT Asiabumi Petroleo, commenced in Singapore on 25 January 2010 and was completed on 19 February 2010. Following closing submissions filed in March 2010, Oilex is now awaiting the decision from the ICC Tribunal on Oilex's claim seeking the recovery of over US\$4.6 million.
- In the course of the Arbitration proceedings, Oilex was notified of a claim filed on 25 January 2010 by SPE in an Indonesian court. Oilex has not been served with the claim. Oilex understands that SPE is seeking damages from Oilex for alleged defamation arising out of correspondence in November 2008 that provided BPMigas with information relating to SPE's performance as operator. Oilex rejects the allegations in the claim and, if served, will vigorously oppose them.
- SPE has informally advised Oilex that it may attempt to drill the Pendalian-4 well. Such an activity would be a unilateral decision by SPE and has not been presented to or approved by the Joint Venture.

*Under Oilex's security it is entitled to have assigned an additional 22.5% to its holding through exercise of its rights under a Power of Attorney granted by SPE, following the failure of SPE to repay funds due.

BLOCK 56, OMAN

(Oilex Operator – 25%)

- Oilex continued to review the options for Block 56 with the Joint Venture including relinquishment.
- Oilex's attempts to renegotiate commercial terms for Block 56 with the Omani Ministry of Oil and Gas on behalf of the Joint Venture were not successful.

CORPORATE

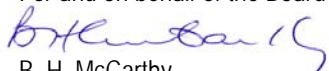
- Oilex retained A\$18.2 million cash at the end of the Quarter with no corporate debt
- Net operating and investing cash outflows for the Quarter were \$0.7 million
- 5,650,000 unlisted options lapsed during the Quarter
- Management team and costs restructured for future focus in India, South East Asia and Australia

SAFETY, HEALTH AND ENVIRONMENT

No lost time incidents were recorded in Oilex's operational areas including the JPDA offshore drilling program and India operations during the Quarter. Cumulative total man hours worked in India since the last LTI (April 2008) is 768,367.

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

For and on behalf of the Board



B. H. McCarthy
Managing Director
29 April 2010

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 30 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 37 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

CORPORATE DETAILS
Board of Directors

Max D.J. Cozijn	Non-Executive Chairman
Bruce McCarthy	Managing Director
Ray Barnes	Technical Director
Ben Clube	Finance Director
Laxmi Bhandari	Non-Executive Director
Ron Miller	Non-Executive Director

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

Capital Structure

Ordinary Shares	220,074,885
Unlisted Options	24,325,000
Unlisted Performance Rights	555,000

Stock Exchange Listing

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

LIST OF ABBREVIATIONS AND DEFINITIONS USED HEREIN

Associated Gas	Natural gas found in contact with or dissolved in crude oil in the reservoir. It can be further categorized as Gas-Cap Gas or Solution Gas.
BOPD	Barrels of oil per day
HS&E	Health, Safety & Environment referring to all of the issues that relate to operational performance in a manner that is safe for personnel and the local environment
MCF/DAY	thousand standard cubic feet (of gas) per day
MMCF/DAY	million standard cubic feet (of gas) per day
MMSTBO	million stock tank barrels of oil (recoverable)
MMSTBOIP	million stock tank barrels of oil in place
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations
SCF/BBL	standard cubic feet (of gas) per barrel (of oil)

PERMIT SCHEDULE				
PERMIT	BASIN / STATE / COUNTRY	JOINT VENTURE PARTIES	EQUITY %	OPERATOR
Cambay Field PSC	Cambay / Gujarat / India	Oilex Ltd	30.0	Oilex Ltd
		Oilex NL Holdings (India) Limited	15.0	
		Gujarat State Petroleum Corp. Ltd	55.0	
Bhandut Field PSC	Cambay / Gujarat / India	Oilex NL Holdings (India) Limited	40.0	Oilex NL Holdings (India) Limited
		Gujarat State Petroleum Corp. Ltd	60.0	
Sabarmati Field PSC	Cambay / Gujarat / India	Oilex NL Holdings (India) Limited	40.0	Oilex NL Holdings (India) Limited
		Gujarat State Petroleum Corp. Ltd	60.0	
Block 56 EPSA	South Oman / Oman	Oilex Oman Limited	25.0	Oilex Oman Limited
		GAIL (India) Limited	25.0	
		Videocon Oman 56 Limited	25.0	
		Bharat Petroresources Ltd	12.5	
		Hindustan Petroleum Corp Ltd	12.5	
West Kampar PSC	Central Sumatra / Sumatra/	Oilex (West Kampar) Limited	67.5 (1)	PT Sumatera Persada Energi
		PT Sumatera Persada Energi	32.5	
JPDA 06-103 PSC	Flamingo / Joint Petroleum Development Area / Timor-Leste & Australia	Oilex (JPDA 06-103) Ltd	10.0	Oilex (JPDA 06-103) Ltd
		Japan Energy E&P JPDA Pty Ltd	15.0	
		GSPC (JPDA) Limited	20.0 (2)	
		Videocon JPDA 06-103 Limited	20.0 (2)	
		Bharat Petroresources JPDA Ltd	20.0 (2)	
Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15.0 (2)			
WA-388-P	Carnarvon / WA / Australia	Oilex Ltd	14.0	Oilex Ltd
		Gujarat State Petroleum Corp Ltd	14.0	
		Videocon Industries Ltd	14.0	
		Bharat Petroresources Ltd	14.0	
		Hindustan Petroleum Corp Ltd	14.0	
		Sasol Petroleum Australia Ltd	30.0	

(1) Oilex is entitled to the assignment of the additional 22.5% to its 45% holding, through exercise of its rights under a Power of Attorney granted by SPE following the failure by SPE to repay funds due to Oilex.

(2) Pan Pacific Petroleum (JPDA 06-103) on 19th February 2010 acquired a 15% participating interest via a farm-in arrangement with Videocon JPDA 06-103 Limited, Bharat PetroResources JPDA Ltd and GSPC (JPDA) Ltd.

1.13	Total operating and investing cash flows (brought forward)	(737)	(848)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc	-	9,430
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	-	9,430
	Net increase (decrease) in cash held	(737)	8,582
1.20	Cash at beginning of quarter/year to date	19,154	10,506
1.21	Exchange rate adjustments to item 1.20	(195)	(866)
1.22	Cash at end of quarter	18,222	18,222

Payments to directors of the entity and associates of the directors		Current quarter
Payments to related entities of the entity and associates of the related entities		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	306
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

2 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

3	Financing facilities available <i>Add notes as necessary for an understanding of the position.</i>	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

4	Estimated cash outflows for next quarter	\$A'000
4.1	Exploration and evaluation	900
4.2	Development	-
	Total	900

5	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	10,986	11,944
5.2	Deposits at call	7,236	7,210
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	18,222	19,154

6	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		

7 Issued and quoted securities at end of current quarter <i>Description includes rate of interest and any redemption or conversion rights together with prices and dates.</i>				
	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference +securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	220,074,885	220,074,885	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 (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options			Exercise price	Expiry date
	350,000	-	\$1.60	30/04/2010
	350,000	-	\$2.10	30/04/2010
	775,000	-	\$0.90	31/07/2010
	500,000	-	\$2.00	31/10/2010
	400,000	-	\$2.50	31/01/2011
	2,500,000	-	\$2.00	31/03/2011
	300,000	-	\$2.25	31/03/2011
	350,000	-	\$2.70	30/04/2011
	900,000	-	\$1.75	30/06/2011
	900,000	-	\$2.25	30/06/2011
	2,000,000	-	\$0.30	30/06/2011
	3,900,000	-	\$2.00	1/07/2011
	3,900,000	-	\$2.50	1/07/2011
	500,000	-	\$1.57	30/09/2011
	300,000	-	\$2.75	31/03/2012
	900,000	-	\$2.75	30/06/2012
	3,250,000	-	\$0.30	01/07/2014
	2,250,000	-	\$0.30	01/07/2014
Total	24,325,000			

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			
	40,000		Tranche 1 expire 1/07/2011	
	2007 Performance Rights			
	120,000		Tranche 1 expire 1/07/2012	
	120,000		Tranche 2 expire 1/07/2012	
	120,000		Tranche 3 expire 1/07/2012	
	2008 Performance Rights			
	84,000		Tranche 1 expire 1/07/2013	
	35,000		Tranche 2 expire 1/07/2013	
	36,000		Tranche 3 expire 1/07/2013	
			Exercise Price	Expiry Date
7.8	Issued during quarter	-	-	
7.9	Exercised during quarter			
7.10	Expired during quarter		Exercise Price	Expiry Date
	450,000	-	\$1.40	31/01/2010
	400,000	-	\$2.00	31/01/2010
	4,500,000	-	\$0.50	31/03/2010
	300,000	-	\$1.75	31/03/2010
	Total	5,650,000		
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)

Date: 29 April 2010

Print name: Ben Clube