



15 June 2010

Company Announcements Office
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RELINQUISHMENT OF OMAN BLOCK 56

Oilex Ltd (ASX/AIM: OEX) advises that the Joint Venture covering onshore Block 56 in Oman (Oilex 25% interest and operator) has given notice of its intention to relinquish the entire Block 56 Contract Area following discussions with the Oman Ministry of Oil and Gas (MOG).

The decision to relinquish Block 56, which has been made in accordance with the Exploration and Production Sharing Agreement (EPSA), follows a detailed review of the prospectivity of the Block following exploration activities conducted over the past four years.

On behalf of the Block 56 Joint Venture, Oilex Oman Limited (as Operator) will proceed to close down Joint Venture activities to the mutual satisfaction of the MOG and the Joint Venture at the earliest reasonable date. The Joint Venture appreciates the cooperation of the MOG that has been extended in this regard.

The amount the Joint Venture has incurred on exploration and appraisal activities to date is in excess of the amount required to be expended under the EPSA.

The decision to relinquish Block 56 is consistent with Oilex's increasing focus on its onshore assets in India, its offshore exploration acreage in the North West Shelf of Western Australia and new ventures opportunities in India and South East Asia.

Background

Block 56 is located onshore in South Oman. The Government of the Sultanate of Oman awarded the block to the Joint Venture in 2006 with the EPSA signed on 28 June of that year.

Three small discoveries were made in Block 56 arising out of the subsequent work program that was completed (Sarha-1, Ghadaq-1, Al Jumd-1). The Joint Venture has determined that those discoveries are not commercial to develop under the terms of the EPSA due to their small field size or heavy oil characteristics.

In recent months the Joint Venture has closely reviewed the remaining prospectivity of Block 56. The Joint Venture has determined that the exploration plays have been adequately tested and that further exploration activities are not commercially justified on the basis of prospect size and likely oil type. As a result the Joint Venture has determined to notify the MOG of their intention to voluntarily relinquish Block 56.

The participating interests in Block 56 are as follows:

Joint Venture Party	Participating Interest
Oilex Oman Ltd (Operator)	25%
Videocon Industries Limited	25%
GAIL (India) Limited	25%
Bharat Petroleum Corporation Limited	12.5%
Hindustan Petroleum Corporation Limited	12.5%

B. H. McCarthy
Managing Director

For further information, please contact:

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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 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.

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