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Company Announcements Office
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CAMBAY-76H WELL OPERATIONS UPDATE

Further to its release of 6 December 2011, Oilex Ltd (“Oilex” ASX: OEX, AIM: OEX) provides the following update on operations to recover the stuck milling assembly from the Cambay-76H horizontal well in the Cambay Field, onshore Gujarat, India.

The retrieval operations had been proceeding satisfactorily with 246 metres of coiled tubing recovered in four sections over five days, indicating that the specialised tools were working as anticipated. An estimated 123 metres of coiled tubing and the milling assembly (12 metres) remain to be recovered.

Retrieval (or fishing) operations were interrupted after the fourth section of coiled tubing was recovered, when high bottom hole pressure conditions and an influx of gas and fracture stimulation fluids made it necessary to undertake well control operations to stabilise the well.

Well control operations were initiated on 17 December 2011, which involved the mobilization of additional equipment and chemicals to counter the abnormal pressure in the well bore. Gas and condensate, nitrogen (that had been injected in the early stages of attempting to free the milling assembly) and fracture stimulation fluids have been circulated to surface and the hydrocarbons have been flared.

Since 22 December 2011 the well bore pressure has steadily been reduced and it is currently estimated that by further increasing brine density to ~14.6 ppg (pounds per gallon) the well could be controlled within the next few days enabling retrieval operations to resume.

Further releases will be made upon completion of significant events.

The participating interests in the Cambay PSC are:

JOINT VENTURE PARTY	PARTICIPATING INTEREST
Oilex Ltd (Operator)	30%
Oilex NL Holdings (India) Limited	15%
Gujarat State Petroleum Corporation Ltd	55%

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