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Company Announcements Office
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CAMBAY-76H WELL OPERATIONS UPDATE

Further to its release of 3 January 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.

Previously:

- 246 metres of coiled tubing had been recovered leaving an estimated 123 metres of coiled tubing and the milling assembly (12 metres) remaining to be recovered.
- Before these retrieval operations could be completed, 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.
- Additional equipment and chemicals were mobilized to counter the abnormal pressure in the well bore

While a reduction in pressure has been recorded, the well is continuing to flow thus preventing a resumption of the retrieval operations.

Subsequently, a re-interpretation of the post fracture pressure data has revealed that the reservoir pressure is higher than previously anticipated. Accordingly, the well control procedures are being reviewed and additional chemicals sourced to ensure that the well can be stabilised and remaining operations completed.

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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