

3 January 2012

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
Sydney NSW 2000

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%

For further information, please contact:

ABN 50 078 652 632

Ground Floor, 26 Colin Street, West Perth WA 6005 Australia, PO Box 588 West Perth WA 6872 Australia

Telephone: (+61 8) 9485 3200 Facsimile: (+61 8) 9485 3290

Email: oilex@oilex.com.au Web: www.oilex.com.au

For personal use only

Oilex Ltd +61 (0)8 9485 3200 (Western Australia)

Bruce McCarthy Managing Director oilex@oilex.com.au

Ben Clube Finance Director oilex@oilex.com.au

Ambrian Partners Limited (Nominated Adviser and AIM Broker)

Matthew Einhorn matt.einhorn@ambrian.com +44 (0) 20 7634 4860 (UK)

Anthony Rowland anthony.rowland@ambrian.com +44 (0) 20 7634 4858 (UK)

Read Corporate

Nicholas Read nicholas@readcorporate.com.au +61 (0)8 9388 1474 (Western Australia)

Tavistock Communications +44 (0)207 920 3150 (UK)

Ed Portman eportman@tavistock.co.uk +44 (0)7733 363 501 (UK)

Paul Youens pyouens@tavistock.co.uk +44 (0)7843 260 623 (UK)

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Oilex Ltd's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Oilex Ltd believes that its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.