OILEX LTD
ABN 50 078 652 632

INTERIM REPORT

31 December 2020

INTERIM REPORT 31 DECEMBER 2020

CONTENTS

The directors present their report together with the condensed interim financial report of the Group comprising of Oilex Ltd (the Company) and its subsidiaries for the half year ended 31 December 2020 and the auditor's review report thereon.

Directors

The directors of the Company at any time during the interim period and until the date of this report are detailed below. All directors were in office for this entire period unless otherwise stated.

Mr Jonathan Salomon	Managing Director (and Interim Chairman)
Mr Mark Bolton	Executive Director and Company Secretary
Mr Paul Haywood	Non-Executive Director
Mr Peter Schwarz	Non-Executive Director

Financial

The Group incurred a consolidated profit after income tax of $418,881 for the half year (31 December 2019: loss of $2,023,782).

Following the voluntary shut in of the Cambay Field in Q1 2019 resulting in the cessation of production, no revenue has been recognised for the half year.

In the absence of a repayment schedule for outstanding cash calls from Gujarat State Petroleum Corporation (GSPC), the Company has continued to provide in full the amounts owing from its Joint Venture partner as well as amounts owing from the Cambay and Bhandut Joint Ventures, with the exception of a US$543,000 (A$705,000) Cambay cash call payment that the Company expects to be receive subsequent to the release date of these accounts following recent discussion with GSPC.

In addition to the above expected cash call payment, a reduction in Joint Venture cash call and recharges since 30 June 2020 has resulted in a reversal in the expected credit losses related to Cambay and Bhandut cash calls and recharges of $711,005. This reversal has been partially offset by an expected credit loss expense of $176,996 for the Group's share of JPDA cash call receivables, and other receivables. As a result, operating results include a credit to the expected credit loss expense of $534,009 (31 December 2019: $84,212 credit). Furthermore, the Group has accrued an additional $138,849 as at 31 December 2020 (31 December 2019: $78,566) to cover GSPC's share of Cambay, Bhandut and Sabarmati Joint Venture third party liabilities.

Other income $446,668 (31 December 2019: $nil) includes the profit from the sale of the CoEra Group of $344,168; and government assistance arrangements of $102,500 (31 December 2019: $nil).

Reductions in exploration costs to $256,917 (31 December 2019: $545,111); care and maintenance costs to $63,765 (31 December 2019: $111,075); and administration costs to $424,297 (31 December 2019: $1,061,087) reflects a concerted focus on minimising expenditures in both Australian and Indian operations whilst Cambay remains on a care and maintenance programme pending the sale of GSPC's 55% participating interest in the project.

Finance income of $463,321 (31 December 2019: $1,171) includes a gain of $463,050 (31 December 2019: $nil) resulting from the FV revaluation of listed shares held in Armour Energy Limited.

Cash and cash equivalents held by the Group as at 31 December 2020 has decreased to $102,901 (30 June 2020: $173,816).

Review of Operations

The Company's primary objective is to maximise shareholder value from its principal asset in the Cambay Basin, located onshore Gujarat State in India, whilst also continuing to review other opportunities to create value and diversify risk by adding new assets to the Company's project portfolio which have to date focussed on the Cooper-Eromanga Basins in Australia (now sold to Armour Energy Limited) and the United Kingdom Continental Shelf (UKCS).

To that extent, Oilex continues to evaluate and implement a range of technical programme options to progress its main objective of accessing the significant gas resource potential present in siltstones in the EP-IV reservoir at the Company's Cambay PSC. North American unconventional drilling, completion, and stimulation technologies have been applied by the Cambay JV over the last six years with positive but commercially modest results and work is underway to optimise results for future work programmes. The current work programmes are focused on:

- Implementing the settlement agreement reached with Gujarat State Petroleum Corporation (GSPC) to resolve the dispute over the Cambay PSC, and further develop the asset with a new partner;
- Preparing detailed work programmes, including new wells for implementation under the approved Field Development Plan (FDP);
- Arranging the necessary funding to implement the planned work programme; and
- Evaluating the Company's new ventures in the UKCS and Asia.

Cambay Field, Gujarat, India

Oilex holds a 45% equity in the Cambay Field, with GSPC holding the remaining 55% Participating Interest (PI).

The Company's plans at Cambay are well advanced and include the drilling of up to two vertical wells, subject to, *inter alia,* securing the necessary funding.

The priority will be to implement the drilling and stimulation recommendations from the Baker Hughes-GE study in the EP-IV zone. Any early production will utilise the existing processing and storage facilities, which will be upgraded as required to provide a low-cost path to commercialisation. Assuming success, a more extensive drilling programme will follow, with the aim of aggregating sufficient production volumes to connect to the high-pressure pipelines which would offer greater offtake stability and improved gas prices.

The re-commencement of field operations is, amongst other matters, dependent on finalisation of the settlement agreed with GSPC and necessary financing. Furthermore, upon the removal of the applicable Covid-19 restrictions in India, the Company will review the planned work programme and update the market at that time.

There was no production from the Cambay Field during the six-month period to 31 December 2020.

GSPC Divestment Process for Cambay PSC

On 9 September 2019, the Company announced that it had reached a settlement with GSPC which, upon completion, will resolve the ongoing Cambay PSC dispute. Pursuant to the settlement, Oilex and GSPC have agreed that GSPC's 55% PI in Cambay PSC would be subject to a sale process.

During the December 2020 quarter, the Company advised that the sale process being conducted by GSPC for its 55% interest in the Cambay PSC continues. The Company highlights that the sale process of GSPC's PI is internal and confidential to GSPC. The sale has been and continues to be, subject to significant delays reflecting the impact of Covid-19 on all parties, and India generally. Regular dialogue continues with both GSPC and the requisite representatives of the Government of India (GoI) to bring these efforts to a positive conclusion.

In February 2021, the Company advised that it was in advanced discussions with GSPC to acquire its 55% interest in the Cambay PSC.

The Company also notes that the settlement agreement with GSPC has not waived the unpaid cash calls and, accordingly, the Company maintains its rights under the JOA.

Environmental Clearance

The Company is presently in the final stages of obtaining a new environmental clearance from the Ministry of Environment and Forest and Cabinet Committee to supersede the previous clearances already obtained under the previous regulatory requirements. The clearances are necessary to recommence production at Cambay and in support of the planned drilling programme at Cambay. Presently, an Environmental Impact Assessment has been prepared by the Company's independent consultants and is pending submission to the applicable authorities and following public hearings. The public hearings are delayed due to the continued effect of Covid-19.

Following receipt of the necessary environmental clearances, production from well C-73 and C-77H are on standby for re-commencement.

Cambay Joint Venture Management

As at 31 December 2020, the Joint Venture partner owed USD$5.5 million (inclusive of the est. USD$3.054 million pursuant to the Event of Default issued in 2018). Oilex as Operator continues to bear the ongoing costs of the Joint Venture and has managed payment of the Cambay Joint Venture creditors.

Bhandut Field, Gujarat, India

Oilex holds a 40% equity interest in the Bhandut Field, with GSPC holding the remaining Participating Interest (PI). Previous drilling in the Bhandut Field intersected a number of hydrocarbon zones, some of which produced historically and are now shut-in.

The field is currently on care and maintenance; and has existing production facilities. The 2021 WP&B has been submitted to the Director General of Hydrocarbons for approval.

On 28 January 2020, Oilex announced that it had accepted an offer from Kiri and Company Logistics Private Limited (Kiri) to acquire the Company's PI in Bhandut. Pursuant to the agreement entered with Kiri, the Company will receive US$0.29 million in cash proceeds for the sale of its PI and transfer of operatorship rights to Kiri. Furthermore, Kiri has expressed an interest in engaging the services of Oilex's office to review field production, stabilize operations, and initiate field re-development of the Bhandut PSC in accordance with the FDP. Bhandut is presently shut-in and has been fully provided for in the Oilex financial statements.

The sale of the Bhandut PSC is nearing completion with only transfer by the GoI now required. The Company continues to assist Kiri in finalising the transaction and with its future activities in the PSC under a contract arrangement.Cooper-Eromanga Basins

Divestment of Cooper Eromanga Basin Assets

On 15 October 2020, Oilex announced the completion of the sale of all of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour). Pursuant to the Share Purchase Agreement (SPA), Armour has now acquired 100% of the issued capital of CoEra Limited (CoEra), a wholly-owned subsidiary of the Company which holds all of Oilex's interests in the Cooper-Eromanga Basins.

As consideration for the acquisition of Oilex's interests in Cooper-Eromanga Basins, Armour issued 22.05 million Armour shares to Oilex. Armour has also reimbursed Oilex in cash for past costs of A$125,000.

United Kingdom Continental Shelf

Completion of East Irish Sea Transaction P2446

On 14 December 2020, the Company announced that it had completed the agreement with Burgate Exploration and Production Ltd (Burgate), to acquire a 100% participating interest in the Doyle-Peel licence (P2446) in the East Irish Sea (EIS), offshore the United Kingdom.

The EIS licences provide an attractive entry into a proven gas fairway in the centre of the East Irish Sea Basin. The licence is in shallow water near existing infrastructure reducing the complexity, risk and cost of development. The EIS is a prolific basin which has produced around 8 TCF of gas to date with considerable existing gas production, gathering, processing and transportation infrastructure. The depth to the target reservoirs is less than 2,000 metres thus meaning modest drilling costs.

Project Overview

The license lies on the west dipping graben edge of the Tynwald Fault Zone on the structural trend with the Rhyl and North Morecambe producing gas fields. Historical production from the primary Triassic Ormskirk reservoirs on this trend show excellent deliverability characteristics with a very effective seal in the overlying evaporites and mudstones of the Mercia Mudstone group which attains a thickness in excess of 1,000m across the basin. Gas charge comes from the Carboniferous Coal Measures which underlie much of the basin. A secondary reservoir-seal pair is provided by the Permian Collyhurst sandstone and overlying evaporites.

The Doyle and Peel prospects are tilted fault blocks closed on the up dip east side by the north-south trending boundary fault of the Tynwald Fault Zone, which juxtaposes the reservoir against the Mercia Mudstone salts and shales forming a very effective cross fault seal. There is a clearly defined east-west fault bounding the southern extent enhanced by igneous dykes providing the seal mechanism. The prospects both display seismic amplitude responses with similarities to the surrounding fields.

Blocks 113/22a (Doyle) and 113/27e (Doyle and Peel) have been merged into a single licence being P2446 ("P2446 Licence"). Block 113/22a was awarded in the UK Offshore 31st licensing round whereas block 113/27e was awarded in the 30th round.

The remaining committed work programme, which is estimated to cost approximately £25,000, and which Oilex will need to secure funding for, is required to be undertaken by October 2021 and includes reprocessing of 50 sq kms 3D seismic data, and obtaining 2,500 kms Aeromagnetic data. Following this, the Licence has a three-year drill or drop election.

Transaction Overview

The transaction to acquire a 100% participating interest in the licence has a remaining consideration of:

- payment of a total of £60,000 in four equal quarterly instalments. The first of these was made in January 2021;
- an overriding royalty to be paid to Burgate on the following basis:
  - i. 0.5% of actual gross revenue from commercial production up to the point when gross capital expenditures related to the development of the licence have been fully recovered from net cash flows ("Payback"); and
  - ii. following Payback, the royalty to be paid shall be 2.25% of actual gross revenues.

JPDA 06-103, Timor Sea
(Oilex: PSC Terminated 15 July 2015 - Operator and 10% interest)

In October 2018, the Company announced the Autoridade Nacional Do Petroleo E Minerais (ANPM) had commenced arbitration proceedings against Oilex and its joint venture partners, in regard to the JPDA PSC where Oilex and its joint venture partners in the PSC were subject to a penalty claim of US$17 million (plus interest). Oilex is the Operator of the PSC on behalf of the joint venture.

In August 2020, on behalf of the Joint Venture Participants, the Company announced that it had executed a Deed of Settlement and Release (Deed) with the Autoridade Nacional Do Petroleo E Minerais (ANPM) to terminate the ongoing arbitration proceedings arising from the termination of the PSC by the ANPM in 2015 and settle all claims and counterclaims between the parties. The execution of the Deed sees an amicable conclusion to the arbitration proceedings.

Under the terms of the Deed, Oilex has committed to a settlement of US$800,000 payable in the 2021 and 2022 financial years. The settlement was fully provided in the Company's annual financial statements to 30 June 2020. In addition, the Company has entered into an unsecured loan facility agreement with two of its joint venture partners which further provides the Company with the option, at its sole discretion, to further extend the settlement payments substantially into 2022 and 2023.

West Kampar PSC, Central Sumatra, Indonesia

During the quarter, the Company announced substantial progress has been made towards the Company's strategic objective to regain a participating interest in the West Kampar PSC in Indonesia, which is expected to lead, subject to financing, to recommencing production from the Pendalian Oilfield.

The Government of Indonesia (GoI) has advised that our Proposed Direct Bid, through the Joint Study of the West Kampar Region, is declared administratively complete and has recorded it as a proposal for a Direct Offer through a Joint Study as stipulated in ESDM Regulation No. 35 of 2008.

This confirmation from the GoI, which is exclusive to Oilex, provides a pathway to progress the proposed development of West Kampar and provides certain preferential rights in the award of the West Kampar PSC by the GoI. Oilex's interest in the study and ultimate potential award of the PSC will be on a 50-50 joint basis with its local Indonesian partner, PT Ephindo.

Technical work carried out by Oilex and its advisors estimate that the field can be quickly brought back online at 350 to 400 bopd and that significant additional production potential may be possible from infill drilling and also water injection support. The return to production will require careful execution in the field given that it has been shut in since 2016. The oil occurs in five good quality, stacked reservoirs with some stratigraphic complexity, and the application of 3D seismic data which has been acquired but not interpreted should provide a significant improvement in the understanding of the reservoir distribution and future development planning. Access to the data is to be negotiated with the seismic company that acquired it. The oil is of good quality with no or little gas. It is believed that previous production costs can be reduced. A number of exploration opportunities are present both close to the Pendalian field and in the more distant parts of the block, these require further review evaluation.

Materiality uncertainty related to going concern

The auditor's review report contains a materiality uncertainty related to going concern in relation to the potential uncertainty regarding continuation as a going concern. The consolidated financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business. The Group will require funding in order to continue its exploration activities and progress the Cambay Field drilling programme.

The funding requirements of the Group are reviewed on a regular basis by the Group's Executive Director and Company Secretary; and Managing Director and are reported to the Board at each board meeting to ensure the Group is able to meet its financial obligations as and when they fall due. Until sufficient operating cash flows are generated from its operations, the Group remains reliant on equity raisings, joint venture contributions or debt funding, as well as asset divestitures or farmouts to fund its expenditure commitments.

The Company continues to actively develop funding options in order that it can meet its expenditure commitments and its planned future discretionary expenditure, as well as any contingent liabilities that may arise.

Further information is provided in Note 2 (b) of the consolidated financial statements.

Corporate

a) Cash Balance

At 31 December 2020, Oilex retained cash resources of $102,901. Subsequent to the end of the December 2020 quarter the Company announced that:

- the Company sold 5 million shares held in Armour Energy Limited for net proceeds of $250,000. The Company retains a further 17 million shares in Armour Energy Limited. As at 9 March 2021, the closing share price for Armour Energy Limited on the ASX was A$0.04;
- it had conducted an equity capital raising of GBP £350,000; and
- Agreed to defer the repayment date of the Series D GBP £225,000 loan by three months to 30 June 2021.

Significant Events After Balance Date

a) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is dependent on measures imposed by the Australian and Indian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

b) On 15 January 2021, the Company sold 5 million shares held in Armour Energy Limited for net proceeds of $250,000.

c) On 29 January 2021,113,636,364 share options @ £0.0011 issued to lenders exercisable on or before 29 January 2021, were not exercised and have lapsed.

d) On 12 February 2021, the Company announced the issue of 4,646,025 new ordinary shares @A$0.0020 per share as consideration in lieu of non-executive directors' fees.

e) On 12 March 2021, the Company conducted an equity capital raising of GBP £350,000; and

f) On 12 March 2021, the Company agreed to defer the repayment date of the Series D GBP £225,000 loan by three months to 30 June 2021.

There were no other significant subsequent events occurring after the interim reporting date.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2020.

Signed in accordance with a resolution of the Board of Directors.

Mr Joe Salomon
Managing Director and Interim Chairman

Mr Mark Bolton
Executive Director and Company Secretary

West Perth, Western Australia
13 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF OILEX LTD

In relation to our review of the financial report of Oilex Ltd for the half year ended 31 December 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

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SIMON FERMANIS
PARTNER

13 March 2021
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WESTERN AUSTRALIA

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 $	31 December 2019 $
Revenue		**-**	-
Cost of sales		**-**	-
		-	-
Other income	6(a)	**446,668**	-
Exploration expenditure		**(256,917)**	(545,111)
Care and maintenance expenditure	6(b)	**(63,765)**	(111,075)
Administration expense	6(c)	**(424,297)**	(1,061,087)
Reversal of/(Provision for) expected credit losses		**534,009**	84,212
Share-based payments expense		**(174,244)**	-
Other expenses	6(d)	**(14,561)**	(305,435)
Profit/(loss) from operating activities		**46,893**	(1,938,496)
Finance income	6(e)	**463,321**	1,171
Finance costs	6(f)	**(55,037)**	(51,654)
Net foreign exchange (loss)/gain	6(g)	**(36,296)**	(34,803)
Net finance gain/(loss)		**371,988**	(85,286)
Profit/(loss) before income tax		**418,881**	(2,023,782)
Tax expense		**-**	-
Profit/(loss) for the period		**418,881**	(2,023,782)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(316,539)**	(50,892)
Other comprehensive (loss)/income for the period, net of income tax		**(316,539)**	(50,892)
Total comprehensive profit/(loss) for the period		**102,342**	(2,074,674)
Earnings per share			
Basic profit/(loss) per share (cents per share)		**0.01**	(0.06)
Diluted profit/(loss) per share (cents per share)		**0.01**	(0.06)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2020 $	30 June 2020 $
Assets			
Cash and cash equivalents		**102,901**	173,816
Trade and other receivables	7	**866,777**	645,344
Prepayments		**5,522**	24,212
Inventories		**134,844**	146,084
		1,110,044	989,456
Assets held for sale	19	**8,648**	327,791
Total current assets		**1,118,692**	1,317,247
Exploration and evaluation	8	**777,946**	581,322
Development assets	9	**8,753,816**	9,823,965
Property, plant and equipment		**88,425**	104,040
Other investments, including derivatives	10	**1,124,550**	-
Total non-current assets		**10,744,737**	10,509,327
Total assets		**11,863,429**	11,826,574
Liabilities			
Trade and other payables	11	**1,119,729**	1,071,344
Employee benefits		**174,045**	143,110
Borrowings	12	**529,562**	769,555
Provisions	13	**1,038,691**	1,165,671
		2,862,027	3,149,680
Liabilities directly associated with the assets held for sale	19	**404,876**	451,469
Total current liabilities		**3,266,903**	3,601,149
Provisions	13	**4,024,631**	4,505,601
Total non-current liabilities		**4,024,631**	4,505,601
Total liabilities		**7,291,534**	8,106,750
Net assets		**4,571,895**	3,719,824
Equity			
Issued capital	14	**179,983,769**	179,254,814
Reserves		**7,117,219**	7,445,820
Accumulated losses		**(182,529,093)**	(182,980,810)
Total equity		**4,571,895**	3,719,824

The above Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Attributable to Owners of the Company					
	Issued Capital	Option Reserve	Loans Options Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$
Note	14					
Balance at 1 July 2019	**176,502,200**	**36,485**	**88,740**	**7,376,163**	**(180,638,727)**	**3,364,861**
Total Comprehensive (loss)/income for the period						
Loss for the period	-	-	-	-	(2,023,782)	(2,023,782)
Other comprehensive income						
Foreign currency translation differences	-	-	-	(50,892)	-	(50,892)
Total other comprehensive income	-	-	-	(50,892)	-	(50,892)
Total comprehensive (loss)/income for the period	-	-	-	(50,892)	(2,023,782)	(2,074,674)
Transactions with owners of the Company						
Contributions and distributions						
Shares issued	2,179,607	-	-	-	-	2,179,607
Shares issued on exercise of options	330,000	-	-	-	-	330,000
Capital raising costs	(182,444)	41,419	-	-	-	(141,025)
Transfers on forfeited options	-	-	(38,253)	-	38,253	-
Recognition of equity component of loans (Note 12)	-	-	27,394	-	-	27,394
Share-based payment transactions						
Total transactions with owners of the Company	2,327,163	41,419	(10,859)	-	38,253	2,395,976
Balance at 31 December 2019	**178,829,363**	**77,904**	**77,881**	**7,325,271**	**(182,624,256)**	**3,686,163**
Balance at 1 July 2020	**179,254,814**	**69,202**	**35,404**	**7,341,214**	**(182,980,810)**	**3,719,824**
Total Comprehensive (loss)/income for the period						
Profit for the period	-	-	-	-	418,881	418,881
Other comprehensive loss						
Foreign currency translation differences	-	-	-	(316,539)	-	(316,539)
Total other comprehensive loss	-	-	-	(316,539)	-	(316,539)
Total comprehensive loss for the period	-	-	-	(316,539)	-	102,342
Transactions with owners of the Company						
Contributions and distributions						
Shares issued	607,050	-	-	-	-	607,050
Capital raising costs	(52,339)	-	-	-	-	(52,339)
Transfers on forfeited options	-	(27,791)	(5,045)	-	32,836	-
Recognition of equity component of loans (Note 12)	-	-	9,284	-	-	9,284
Share-based payment transactions	174,244	11,490	-	-	-	185,734
Total transactions with owners of the Company	728,955	(16,301)	4,239	-	32,836	749,729
Balance at 31 December 2020	**179,983,769**	**52,901**	**39,643**	**7,024,675**	**(182,529,093**	**4,571,895**

The above Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020 $	31 December 2019 $
Cash flows from operating activities		
Cash receipts from customers	-	-
Recovery of prior period operating costs	511,375	-
Payments to suppliers and employees	(719,182)	(900,183)
Cash outflows from operations	(207,807)	(900,183)
Payments for exploration and evaluation expenses	(182,815)	(434,106)
Proceeds from government assistance arrangements	119,200	-
Interest received	271	1,171
Interest paid	(25,120)	(20,888)
Net cash used in operating activities	(296,271)	(1,354,006)
Cash flows from investing activities		
Acquisition of assets	-	(72,750)
Acquisition of exploration licence interests	-	(49,583)
Acquisition of property, plant and equipment	(7,345)	(1,453)
Net cash used in investing activities	(7,345)	(123,786)
Cash flows from financing activities		
Proceeds from issue of share capital	545,795	1,984,608
Payment for share issue costs	(38,266)	(141,025)
Repayment of borrowings	(250,000)	(330,000)
Net cash from financing activities	257,529	1,513,583
Net increase/(decrease) in cash held	(46,088)	35,791
Cash and cash equivalents at 1 July	173,816	357,970
Effect of exchange rate fluctuations	(24,828)	8,500
Cash and cash equivalents at 31 December	102,901	402,261

The above Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Oilex Ltd (the Company) is a for-profit entity domiciled in Australia. The condensed consolidated interim financial report of the Group as at and for the half year ended 31 December 2020 comprise the Company and its subsidiaries (collectively the Group and individually Group Entities). Oilex Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX) and on the AIM market of the London Stock Exchange. The Group is primarily involved in the exploration, evaluation, development and production of hydrocarbons.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2020 is available upon request from the Company's registered office at Level 1, 11 Lucknow Place, West Perth, Western Australia 6005 or at www.oilex.com.au.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The condensed consolidated interim financial report is a general purpose condensed financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001,* and IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial report does not include all of the notes and information included in an annual financial report and accordingly this report should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2020.

This condensed consolidated interim financial report was authorised for issue by the Board of Directors on 11 March 2021.

(b) Going Concern Basis

The Directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group made a profit of $418,881 and had cash outflows from operating activities of $296,271. As at 31 December 2020, the Group's current liabilities exceeded current assets by $2,148,211 and the Group has cash and cash equivalents of $102,901.

On 15 January 2021, the Company sold 5 million shares held in Armour Energy Limited for net proceeds of $250,000. The Company retains a further 17 million shares in Armour Energy Limited. As at 9 March 2021, the closing share price for Armour Energy Limited on the ASX was A$0.04 per share;

In the first half of the 2021 calendar year, the Group anticipates receiving cash proceeds of USD$0.29 million from the sale of Bhandut; and further USD$0.543m proceeds from cash calls in regard to the Cambay Project.

On 12 March 2021, the Company conducted an equity capital raising of GBP £350,000 and Company agreed to defer the repayment date of the Series D GBP £225,000 loan by three months to 30 June 2021.

The Group also requires further funding within the next twelve months in order to repay the Series C & D loans (amount drawn at 31 December 2020: £310,000), meet planned expenditures for its projects and ongoing administrative expenses and to progress the Cambay drilling programme, and for any new business opportunities that the Group may pursue.

The Directors believe that the Group will be able to secure sufficient funding to meet the requirements to continue as a going concern, due to its history of previous capital raisings, acknowledging that the structure and timing of any capital raising is dependent upon investor support, prevailing capital markets, shareholder participation, oil and gas prices and the outcome of planned exploration and evaluation activities, which creates uncertainty.

In addition, the Group and GSPC are in advanced discussions where it is proposed for the Group to acquire GSPS's 55% participating interest in Cambay for US$2.2 million. The Group is in advanced discussions with third parties to provide finance, including working capital, to the Group should this acquisition occur.

The Directors consider the going concern basis of preparation to be appropriate based on its forecast cash flows for the next twelve months and that the Group will be in a position to continue to meet its minimum administrative, evaluation and development expenditures and commitments for at least twelve months from the date of this report.

If further funds are not able to be raised or realised, then it may be necessary for the Group to sell or farmout its exploration and development assets and to reduce discretionary administrative expenditure.

The ability of the Group to achieve its forecast cash flows, particularly the raising of additional funds, represents a material uncertainty that may cast significant doubt about whether the Group can continue as a going concern, in which case it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the stated amounts in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2020.

All new accounting standards for this financial reporting period have been adopted.

There have been no new accounting standards that are mandatory for this financial reporting period that have had a material impact on the financial reporting of the Group.

4. ESTIMATES AND JUDGEMENTS

The preparation of a condensed consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2020.

5. OPERATING SEGMENTS

The Group has identified its operating segments based upon the internal reports that are reviewed and used by the executive management team in assessing performance and that are used to allocate the Group's resources. There has been no change in the basis of segmentation from the Group's 30 June 2020 annual consolidated financial report.

	India		Australia		JPDA [(1)]		Indonesia		United Kingdom		Corporate [(2)]		Consolidated	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Six months ended 31 December	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Revenue														
External revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Reportable segment profit/(loss) before income tax	**(328,082)**	(408,782)	**-**	(39,375)	**(52,026)**	(394,855)	**(91,047)**	(19,739)	**(17,585)**	-	**535,633**	(1,075,745)	**46,893**	(1,938,496)
Net finance income													**408,284**	(50,483)
Foreign exchange (loss)/gain													**(36,296)**	(34,803)
Income tax expense													**-**	-
Net profit/(loss) for the year													**418,881**	(2,023,782)

	India		Australia		JPDA [(1)]		Indonesia		United Kingdom		Corporate [(2)]		Consolidated	
	31 Dec 2020	30 June 2020	**31 Dec 2020**	30 June 2020	**31 Dec 2020**	30 June 2020	**31 Dec 2020**	30 June 2020	**31 Dec 2020**	30 June 2020	**31 Dec 2020**	30 June 2020	**31 Dec 2020**	30 June 2020
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
Segment assets	**10,469,556**	11,025,333	**8**	317,341	**3,459**	17,340	**-**	-	**259,949**	-	**1,130,457**	466,560	**11,863,429**	11,826,574
Segment liabilities	**4,898,145**	5,449,819	**-**	-	**1,043,995**	1,227,090	**134,662**	84,950	**108,245**	121,673	**1,106,487**	1,223,218	**7,291,534**	8,106,750

There were no significant inter-segment transactions during the half year.

(1) Joint Petroleum Development Area.

(2) Corporate represents a reconciliation of reportable segment revenues, profit or loss and assets to the consolidated figure.

6. REVENUE AND EXPENSES

	31 December 2020 $	31 December 2019 $
(a) Other income		
Profit from disposed operations (Note 18)	**344,168**	-
Government assistance arrangements [(1)]	**102,500**	-
	446,668	-
(b) Other costs		
Care and maintenance expenditure	**(68,745)**	(111,060)
Amortisation of development assets	**-**	(15)
Movement in oil stocks inventory	**4,980**	-
	(63,765)	(111,075)
(c) Administration expenses		
Employee benefits expense	**(236,927)**	(432,302)
Administration expense	**(187,370)**	(628,785)
	(424,297)	(1,061,087)
(d) Other expenses		
Depreciation expense	**(14,561)**	(13,294)
Termination penalty provision JPDA 06-103 PSC	**-**	(292,141)
	(14,561)	(305,435)
(e) Finance income		
Interest income	**271**	1,171
Other financial assets at FVTPL – net change in fair value	**463,050**	-
	463,321	1,171
(f) Finance costs		
Interest expense- borrowings	**(44,554)**	(51,654)
Unwinding of discount on site restoration provision	**(10,483)**	-
	(55,037)	(51,654)
(g) Foreign Exchange loss - net		
Foreign exchange loss - realised	**(19,844)**	10,508
Foreign exchange loss - unrealised	**(16,452)**	(45,311)
	(36,296)	(34,803)

(1) Assistance arrangements provided by the Federal and State governments to provide assistance to businesses and employers in response to the negative impacts of Covid-19 upon the Australian and Western Australian economies.

7. TRADE AND OTHER RECEIVABLES

	31 December 2020 $	Year Ended 30 June 2020 $
Current		
Allocation of receivables		
Joint venture receivables	**788,924**	458,829
Other receivables	**77,853**	96,066
Shares to be issued	**-**	90,449
	866,777	645,344
Joint venture receivables		
Joint venture receivables	**5,614,963**	6,394,990
Expected credit losses	**(4,826,039)**	(5,936,161)
	788,924	458,829
Other receivables		
Corporate receivables	**100,233**	240,793
Expected credit losses	**(22,380)**	(144,727)
	77,853	96,066

Joint venture receivables include the Group's share of outstanding cash calls and recharges owing from the joint venture partners.

The Group considers that there is evidence of impairment if any of the following indicators are present; financial difficulties of the debtor, probability that the debtor will dispute the amounts owing and default or delinquency in payment (more than one year old).

Whilst the Group has been in continuing discussions with its joint venture partner Gujarat State Petroleum Corporation, for repayment of disputed and other amounts owing, in the absence of a payment schedule and in line with identified above impairment indicators, the balance of outstanding Cambay, Bhandut and Sabarmati cash calls receivable have been fully provided for in the current period.

The impairment by the Company of the outstanding cash calls, also impacts the recoverability of recharges owing from the joint ventures, and consequently the provision has been increased to cover these receivables.

The Group is continuing discussions in order to resolve the outstanding issues and recover payment of the outstanding amounts.

	31 December 2020 $	Year Ended 30 June 2020 $
Movement in expected credit losses		
Opening balance	**(6,080,888)**	(6,062,874)
Expected credit losses reversed during the period	**534,009**	107,313
Bad debt written off against expected credit losses	**117,887**	-
Effect of movements in exchange rates	**580,123**	(125,327)
Closing balance	**(4,848,869)**	(6,080,888)
Allocation of expected credit losses		
Joint venture receivables	**(4,826,039)**	(5,936,161)
Other receivables	**(22,830)**	(144,727)
	(4,848,869)	(6,080,888)

8. EXPLORATION AND EVALUATION

	31 December 2020 $	Year Ended 30 June 2020 $
Opening balance	**581,322**	568,888
Acquisition of exploration licence interests	**259,949**	238,000
Reclassification to assets held for sale (Note 18)	**-**	(238,000)
Effect of movements in foreign exchange rates	**(63,325)**	12,434
Closing balance	**777,946**	581,322

Exploration and evaluation assets are reviewed at each reporting date to determine whether there is any indication of impairment or reversal of impairment. When a well does not result in the successful discovery of potentially economically recoverable reserves, or if sufficient data exists to indicate the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, either by development or sale, it is impaired.

As at 31 December 2020, the balance of exploration and evaluation assets relates to the Cambay Field, for which no impairment has been provided. The Cambay Field has minimal production that is sold to a third party.

Further development of the Cambay field is presently on hold pending the completion of the sale process being conducted by GSPC for its 55% PI in the Cambay PSC.

9. DEVELOPMENT ASSETS

	31 December 2020 $	Year Ended 30 June 2020 $
Cost – Cambay Development Assets		
Opening balance	**17,421,776**	17,066,528
Effect of movements in foreign exchange rates	**(1,809,267)**	355,248
Closing balance	**15,612,509**	17,421,776
Amortisation and Impairment Losses – Cambay Development Assets		
Opening balance	**12,103,412**	10,570,938
Impairment of development assets	**-**	1,348,458
Amortisation charge for the period	**-**	17
Effect of movements in foreign exchange rates	**(1,229,925)**	183,999
Closing balance	**10,873,487**	12,103,412
Carrying Amount – Cambay Development Assets	**4,739,022**	5,318,364
Cost – Cambay Restoration Asset		
Opening balance	**4,505,601**	3,374,181
Additions during the period	**-**	1,131,420
Effect of movements in foreign exchange rates	**(490,807)**	-
Closing balance	**4,014,794**	4,505,601
Amortisation and Impairment Losses – Cambay Restoration Asset		
Closing balance	**-**	-
Carrying Amount – Cambay Restoration Asset	**4,014,794**	4,505,601
Carrying Amounts - Total		
Opening balance	**9,823,965**	9,869,770
Closing balance	**8,753,816**	9,823,965

Cambay Field Development Assets

There was no impairment of the Cambay Field development assets during the period (June 2020: $1,348,458)

Development assets are reviewed at each reporting date to determine whether there is any indication of impairment or reversal of impairment. Indicators of impairment can include changes in market conditions, future oil and gas prices and future costs. Where an indicator of impairment exists, the assets recoverable amount is estimated. Development assets are assessed for impairment on a cash generating unit (CGU) basis. The CGU is the Cambay Field, India.

No indicators of impairment were identified as at 31 December 2020 based on a review of key assumptions.

10. OTHER INVESTMENTS, INCLUDING DERIVATIVES

	31 December 2020 $	Year Ended 30 June 2020 $
Non-current investments		
Equity securities – designated as at FVTPL	**1,124,550**	-
	1,124,550	-

On 15 October 2020, the Group announced the completion of the sale of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour). Pursuant to a Share Purchase Agreement, Armour acquired 100% of the issued capital of CoEra Limited, including its interest in its two subsidiaries Holloman Petroleum Pty Ltd and Cordillo Energy Pty Ltd, (the CoEra Group) which held all the Group's interests in the Cooper-Eromanga Basins.

As consideration for the acquisition of the Group's interests in Cooper-Eromanga Basins, Armour issued 22,050,000 Armour shares to Oilex Ltd.

The shares issued as consideration by Armour are subject to 12-month voluntary escrow from 15 October 2020.

Reference is made to Note 18 for further financial information regarding the CoEra Group.

Fair value measurement

The fair value measurement of the equity securities has been determined using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the Group can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly

Level 3: Unobservable inputs for the asset

Equity securities – designated as at FVTPL have been valued using quoted market rates (Level 1). This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Dividends

Dividends received are recognised as other income by the Company when the right to receive payment is established.

Subsequent event

On 15 January 2021, the Company, with the approval of Armour, sold 5 million shares held in Armour for net proceeds of $250,000.

11. TRADE AND OTHER PAYABLES

	31 December 2020 $	Year Ended 30 June 2020 $
Trade creditors	**357,595**	507,204
Accruals	**762,134**	564,140
	1,119,729	1,071,344

The Company's assessment of the recoverability of outstanding cash call amounts owing from its joint venture partner GSPC has resulted in a reversal of impairment (30 June 2020: additional impairment) (refer note 7) and consequently the Company is of the opinion that the Joint Venture will be unable to meet its third party liabilities without financial support from the Company as Operator, due to non-payment of outstanding cash calls by the joint venture partner. As a result, the Group has accrued $138,849 as at 31 December 2020 (June 2020: $156,946 December 2019: $78,566) to cover Cambay, Bhandut and Sabarmati Joint Venture third party liabilities.

12. BORROWINGS

	31 December 2020 $	Year Ended 30 June 2020 $
Unsecured loans	**529,562**	769,555

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Date of maturity	31 December 2020 $ Face value	31 December 2020 $ Carrying amount	30 June 2020 $ Face value	30 June 2020 $ Carrying amount
Unsecured loans – from shareholders and financiers							
Series B loan – AUD$250,000 (repaid 24 August 2020)	AUD	5.0%	-	-	-	250,000	247,357
Series C loan - GBP£125,000 (fully drawn)	GBP	5.0%	31 Mar 21	**220,965**	**212,216**	223,774	221,409
Series D loan - GBP£225,000 (drawn £185,000)	GBP	5.0%	31 Mar 21	**327,028**	**317,346**	331,185	300,789
				547,993	**529,562**	804,959	769,555

Options have been issued to the lenders in connection to the above loans, as follows:

a) 113,636,364 share options @ £0.0011 exercisable on or before 29 January 2021; and

b) 204,545,455 share options @ £0.0011 exercisable on or before 30 June 2021.

The loans are subject to the following key undertakings without prior approval by the lenders:

- Not to dispose of assets having an aggregate value of more than $1 million;
- Not to incur any financial indebtedness more than $50,000; and
- Not to incur any aggregate payment or outgoing exceeding $1 million (except for employee benefit expenses).

In determining the fair value of the liability component of these borrowing arrangements, it has been estimated that the effective interest rate of similar borrowings without a share option component is 18%. The fair value of the share options equity component of these borrowing arrangements has been recognised in the Loan Options Reserve as the loan has been treated as a convertible note.

13. PROVISIONS

	31 December 2020 $	Year Ended 30 June 2020 $
Site restoration, well abandonment and other provisions		
Opening balance	**5,671,272**	4,589,391
Provision adjustments during the year – Termination	**-**	297,885
Provision adjustments during the year - Restoration	**-**	1,131,420
Unwind of discount on provision - Restoration	**10,483**	-
Reclassification to liabilities directly associated with the assets held for sale – Restoration (Note 19)	**(393,197)**	(441,264)
Effect of movements in foreign exchange rates	**(225,236)**	93,840
Closing balance	**5,063,322**	5,671,272
Current - Termination	**1,038,691**	1,165,671
Non-current - Restoration	**4,024,631**	4,505,601
	5,063,322	5,671,272

14. ISSUED CAPITAL

	31 December 2020 Number of Shares	31 December 2020 $ Issued Capital	30 June 2020 Number of Shares	30 June 2020 $ Issued Capital
Shares				
On issue 1 July - fully paid	**3,704,096,666**	**179,254,814**	2,587,318,001	176,502,200
Issue of share capital				
Shares issued for cash (2)	**312,500,000**	**455,346**	874,289,063	2,365,288
Shares issued for non-cash (1) (3)	**145,533,333**	**325,948**	62,873,896	194,999
Shares to be issued	**-**	**-**	55,555,556	90,449
Exercise of unlisted options	**-**	**-**	124,060,150	330,000
Capital raising costs	**-**	**(52,339)**	-	(228,122)
Balance at 31 December – fully paid	**4,162,129,999**	**179,983,769**	3,704,096,666	179,254,814

1) On 17 July 2020, the Company announced the issue of 103,033,333 shares, at an issue price of £0.009, to advisors and consultants in lieu of cash fees payable:

2) On 31 July 2020, the Company announced that it had arranged an equity capital raising, through Novum Securities Limited and existing institutional shareholders, to secure further funding of £0.25 million (A$0.5 million) through the subscription of 312,500,000 new shares at GBP 0.08 pence (0.144 AUD cents) per share. On 10 August 2020, the Company announced the issue of the shares.

3) On 17 December 2020, the Company announced that it had issued 42,500,000 ordinary shares at £0.002, as part consideration, to Burgate Exploration and Production Ltd following completion of the East Irish Sea Transaction P2446 as announced by the Company on 14 December 2020.

15. ISSUE OF UNLISTED OPTIONS

The number and exercise prices of unlisted share options issued during the financial period are:

Granted during the period	**Number**	**Exercise Price**
Granted to Brokers and Financial Advisors [1)]	**15,000,000**	**$0.0015**
Series C Loan Options [2)]	**113,656,364**	**$0.0015**
	128,656,364	**$0.0015**

1) The following factors and assumptions were used to determine the fair value of 15,000,000 options issued to brokers and financial advisors during the financial period.

Grant Date	Vesting Date	Expiry Date	Fair Value Per Option	Exercise Price	Price of Shares on Grant Date	Expected Volatility	Risk Free Interest Rate	Dividend Yield
7 August 2020	7 August 2020	12 August 2022	$0.0008	$0.0015	$0.0015	90.45%	0.25%	-

2) The fair value equity component of the 113,656,364 Series C Loans Options has been determined using an implied effective interest rate of 18% pa (effective interest rate on a similar borrowing without an equity component). This amount is recognised in the Loan Option Reserve as the loans have been recognised as convertible notes.

16. PROVISIONS AND CONTINGENT LIABILITIES

Contingent Liabilities

The Group had no contingent liabilities as at 31 December 2020 (30 June 2020: Nil).

Guarantees

Oilex Ltd has issued guarantees in relation to the lease of the current corporate office in West Perth, as well as corporate credit cards. The bank guarantee amounts to $50,000 (30 June 2020: $50,000).

17. RELATED PARTIES

Arrangements with related parties continue to be in place. For details of these arrangements, refer to the consolidated annual financial report of the Group as at and for the year ended 30 June 2020.

During the reporting period shareholders at the AGM held on 16 December 2020 approved the issue of remuneration shares in lieu of cash payments of Directors fees for the period 1 November 2019 to 31 October 2020. These shares are to be issued on a quarterly basis in respect of the Directors fees payable for the preceding quarter.

18. CHANGE IN THE COMPOSITION OF THE GROUP

Since the last annual reporting date, changes in the composition of the Group, are included in the following table:

	Country of Incorporation	Ownership Interest % 31 December 2020	Ownership Interest % 30 June 2020
Parent Entity			
Oilex Ltd	Australia		
Subsidiaries			
Independence Oil and Gas Limited	Australia	**100**	100
Admiral Oil and Gas Holdings Pty Ltd	Australia	**100**	100
Admiral Oil and Gas (106) Pty Ltd	Australia	**100**	100
Admiral Oil and Gas (107) Pty Ltd	Australia	**100**	100
Admiral Oil Pty Ltd	Australia	**100**	100
Oilex (JPDA 06-103) Ltd	Australia	**100**	100
Merlion Energy Resources Private Limited	India	**100**	100
Oilex N.L. Holdings (India) Limited	Cyprus	**100**	100
Oilex (West Kampar) Limited	Cyprus	**100**	100
CoEra Limited (disposed 15 October 2020)	Australia	**-**	100
Holloman Petroleum Pty Ltd (disposed 2020)	Australia	**-**	100
Cordillo Energy Pty Ltd (disposed 2020)	Australia	**-**	100
Oilex EIS Limited	United Kingdom	**100**	100

Disposal of operations

On 15 October 2020, the Group announced the completion of the sale of its interests in the Cooper-Eromanga Basins to Armour Energy Limited (Armour). Pursuant to a Share Purchase Agreement, Armour acquired 100% of the issued capital of CoEra Limited (including its interest in its two subsidiaries Holloman Petroleum Pty Ltd and Cordillo Energy Pty Ltd) which held all the Group's interests in the Cooper-Eromanga Basins.

As consideration for the acquisition of the Group's interests in Cooper-Eromanga Basins, Armour issued 22,050,000 Armour shares to Oilex Ltd.

	31 December 2020 $	Year Ended 30 June 2020 $
Financial performance information		
Loss before income tax expense	**-**	(128,847)
Income tax expense	**-**	-
Loss after income tax expense	**-**	(128,847)
Profit on disposal before income tax	**344,168**	-
Income tax expense	**-**	-
Profit on disposal after income tax	**344,168**	-
Profit/(loss) after income tax from disposed operations	**344,168**	(128,847)
Cash flow information		
Net increase in cash and cash equivalents from disposed operations	**-**	-
Carrying amounts of assets and liabilities disposed		
Trade and other receivables	**79,333**	-
Exploration and evaluation	**238,000**	-
Total assets	**317,332**	-
Total liabilities	**-**	-
Net assets	**317,332**	-

	31 December 2020 $	Year Ended 30 June 2020 $
Details of the disposal		
Total sale consideration (non-cash)	**661,500**	-
Carrying amount of net assets disposed	**(317,332)**	-
Profit on disposal before income tax	**344,168**	-
Profit on disposal after income tax	**344,168**	-

19. DISPOSAL GROUPS HELD FOR SALE

The Group has previously advised that it intends to dispose of its 40% PI. Whilst delays have continued with the impact of Covid-19 in India, the sale of the Bhandut PSC is nearing completion. The Company continues to assist Kiri in finalising the transaction and with its future activities in the PSC under a contract arrangement.

Accordingly, these operations are presented as a disposal group held for sale.

As at 31 December 2020, the disposal group comprised assets of $8,648 less liabilities of $404,876, detailed as follows:

	$
Inventories	**2,931**
Property, plant and equipment	**5,717**
Trade and other payables	**(11,679)**
Provisions (non-current)	**(393,197)**
	(396,228)

The fair value of the disposal group is A$0.38m (US$0.29m) which comprises the agreed sale price with Kiri for the sale of the Group's participating interest in the Bhandut PSC and transfer of operatorship rights to Kiri.

20. EXPENDITURE COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration permits, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various state and national governments. These obligations are subject to renegotiation when application for an exploration permit is made and at other times. These obligations are not provided for in the financial report.

The expenditure commitments are currently estimated to be payable as follows:

	31 December 2020 $	Year Ended 30 June 2020 $
Within one year	**-**	-
One year or later and no later than five years	**-**	-
	-	-

There are no minimum exploration work commitments in the Cambay and Bhandut Production Sharing Contracts.

When obligations expire, are re-negotiated or cease to be contractually or practically enforceable, they are no longer considered to be a commitment.

Further expenditure commitments for subsequent permit periods are contingent upon future exploration results. These cannot be estimated and are subject to renegotiation upon expiry of the exploration leases.

Capital Expenditure Commitments

The Group had no capital expenditure commitments as at 31 December 2020 (30 June 2020: Nil).

21. SUBSEQUENT EVENTS

a) The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the Group up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is dependent on measures imposed by the Australian and Indian Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

b) On 15 January 2021, the Company sold 5 million shares held in Armour Energy Limited for net proceeds of $250,000.

c) On 29 January 2021,113,636,364 share options @ £0.0011 issued to lenders exercisable on or before 29 January 2021, were not exercised and have lapsed.

d) On 12 February 2021, the Company announced the issue of 4,646,025 new ordinary shares @A$0.0020 per share as consideration in lieu of non-executive directors' fees.

e) On 12 March 2021, the Company conducted an equity capital raising of GBP £350,000; and

f) On 12 March 2021, the Company agreed to defer the repayment date of the Series D GBP £225,000 loan by three months to 30 June 2021.

Other than the above disclosures, there has not arisen in the interval between the end of the financial year and the date of this report an item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

In the opinion of the Directors of Oilex Ltd (the Company):

1. the condensed consolidated financial statements and notes set out on pages 7 to 23, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Mr Jonathan Salomon
Managing Director and Interim Chairman

Mr Mark Bolton
Executive Director and Company Secretary

West Perth
Western Australia
13 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF OILEX LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Oilex Ltd (the company) and controlled entities (consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2020, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Oilex Ltd is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Material Uncertainty related to Going Concern

Without qualifying our conclusion, we draw attention to Note 2(b) in the financial report in which indicates that although the consolidated entity incurred a net profit of $418,881 during the half year ended 31 December 2020 it incurred negative operating cashflow of $(296,271) (2019: ($1,354,006)). These conditions, along with other matters as set forth in Note 2(b) indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

13 MARCH 2021
WEST PERTH,
WESTERN AUSTRALIA