OILEX NL
ABN 50 078 652 632

12 October 2004

Centralised Company Announcement Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney, NSW 2000

Dear Sir,

RE: FARM-IN – AGREEMENT, CANNING BASIN WESTERN AUSTRALIA – EP 390

Oilex NL ('Oilex") is pleased to announce that it has entered into a Farm-in Agreement with Kimberley Oil NL ("Kimberley") covering EP 390 in the Canning Basin, Western Australia.

The agreement entitles Oilex to earn an 80% interest in the Permit by undertaking reprocessing and re-interpretation of seismic data covering approximately 35 kilometres, and the drilling of an exploration well on EP 390.

Subject to the re-interpretation of the seismic, the planned well is designed to test the Grant Formation at the Chingal prospect, which is of a size to contain over 40 million barrels of oil-in-place, of which 10 million barrels may be recoverable. Total depth of the well will be approximately 1100 metres. There are several similar targets in the vicinity of Chingal and final assessment of the seismic may result in this initial well being drilled on one of these structures. The Chingal group of structures show good closure at the Grant level and are sited in the immediate vicinity of a strong fault/fracture system which is inferred to provide a good migration pathway from older source rocks to the Grant reservoir.

EP 390 is located on the south western edge of Kimberley Oil's acreage in Canning Basin and approximately 100 kilometres to the south of Broome (see Figure 1).

For and on behalf of the Board

Max Cozijn
Director/Company Secretary

cc: Directors: DCA/GIJ

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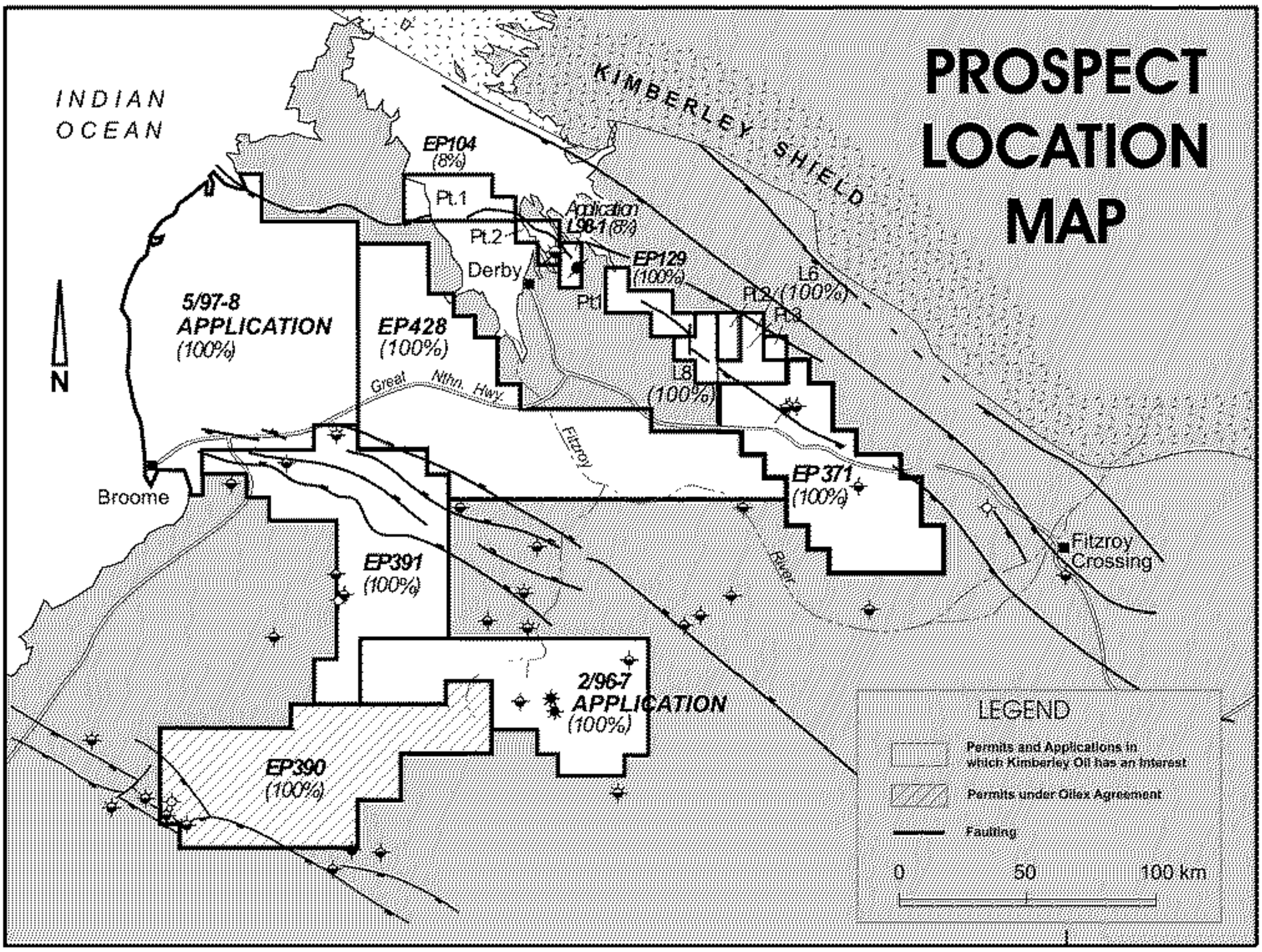
PROSPECT
LOCATION
MAP
INDIAN
OCEAN
KIMBERLEY SHIELD
EP104
(8%)
Pt.1
Pt.2
Application
L98-1 (8%)
Derby
EP129
(100%)
Pt1
L6
(100%)
Pt.2
Pt.3
L8
(100%)
5/97-8
APPLICATION
(100%)
EP428
(100%)
Great Nthn. Hwy.
Fitzroy
River
EP 371
(100%)
Broome
Fitzroy
Crossing
EP391
(100%)
2/96-7
APPLICATION
(100%)
EP390
(100%)
N
LEGEND
Permits and Applications in which Kimberley Oil has an Interest
Permits under Oilex Agreement
Faulting
0
50
100 km