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PRESS RELEASE

Oilexco Files Amended and Restated Preliminary Prospectus for Offering of up to U.S. \$150,000,000 of Senior Unsecured Convertible Bonds and up to 20,000,000 Common Shares

Calgary, Canada, November 19, 2008 - Oilexco Incorporated (“**Oilexco**” or the “**Corporation**”) (TSX: **OIL**; LSE: **OIL**) today announced that it has filed an amended preliminary prospectus with securities regulators in certain provinces of Canada for an offering of Convertible Senior Unsecured Bonds and Common Shares. The offering is being marketed on a commercially reasonable efforts basis by a syndicate led by Canaccord Adams Inc., and including FirstEnergy Capital Corp. (the “**Agents**”).

The offering being marketed consists of up to U.S. \$150,000,000 aggregate principal amount of Convertible Senior Unsecured Bonds due 2013 (the “**Bonds**”) and up to 20,000,000 common shares (the “**Common Shares**”) at an issue price of C\$2.25. Subject to market conditions, the offering is anticipated to close on or about December 5, 2008.

The Bonds are expected to be senior, unsecured obligations of Oilexco bearing interest at an annual rate of 15% payable quarterly in arrears commencing in March, 2009 and maturing five years and one day following the closing date. Bonds are expected to be convertible at the option of the holder into common shares of Oilexco at a conversion price (using a fixed exchange rate of U.S.\$1.00=C\$1.2239) of C\$2.74 per common share from the 41st day after the closing date to the 6th business day before the maturity date. If a holder converts Bonds before the third anniversary of the closing date, then Oilexco would pay to the holder two-thirds of the nominal value of the remaining interest that would otherwise be payable on the Bonds up to the third anniversary of the closing date (the “**Make-Whole**”). The Make-Whole premium would be payable in cash or (subject to regulatory approval) Oilexco common shares at the option of Oilexco, with the number of common shares determined by the volume weighted average trading price of Oilexco’s common shares on the Toronto Stock Exchange for the ten trading days prior to the date of conversion.

Oilexco would have the right to convert all but not some only of the Bonds into common shares at the same conversion price from the date which is three years and 21 days after the closing date if the value of a common share issuable on conversion exceeds 200% of the conversion price over a certain trading period.

The net proceeds from the offering will be used to repay £30 million of bank indebtedness, which allows the deferral of the remaining £70 million until November 2009, to fund the

Corporation's 2009 capital spending program at its development properties and for general corporate purposes.

An amended and restated preliminary prospectus qualifying the distribution of the Bonds and Common Shares has been filed in the provinces of British Columbia, Alberta, Manitoba and Ontario and the offering is subject to regulatory approval. The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States unless exemptions from the registration requirements of such Act and applicable state securities laws are available.

About Oilexco

Oilexco is an oil and gas exploration and production company active in the United Kingdom. Oilexco's producing properties, exploration and development activities are located in the UK Central North Sea, specifically in the Outer Moray Firth and Central Graben areas. Oilexco operates in the United Kingdom through its wholly owned subsidiary, Oilexco North Sea Limited, a company registered under the laws of England and Wales. Oilexco shares are listed for trading on the London Stock Exchange (LSE) and the Toronto Stock Exchange (TSX) under the symbol "OIL".

Forward Looking Statements

This press release includes forward-looking statements regarding the proposed offering and the anticipated use of proceeds thereof. These forward-looking statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Oilexco's control, including: the terms and conditions of the bonds, the completion of the offering, the impact of general economic conditions in the areas in which Oilexco operates, civil unrest, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities. In addition there are risks and uncertainties associated with oil and gas operations, therefore Oilexco's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amounts of proceeds, which Oilexco will derive therefrom. All statements included in this press release that address activities, events or developments that Oilexco expects, believes or anticipates will or may occur in the future are forward-looking statements.

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