



10 October 2014

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
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Via E-Lodgement

Orca Announces 2014 Drilling Program for PEL 110

Orca Energy Limited (“Orca” or the “Company”) is pleased to announce the commencement of the 2014 drilling program for PEL 110, located in the South Australian Cooper Basin (OGY 20%).

The program commences with the drilling of Akela-1 (refer Figure 1) and then (subject to JV approval) Bandarlog-1, with the possibility of a third well, Baloo-1. The drilling of Baloo-1 is contingent on the results of Akela-1 with the JV hopeful of geological justification for the drilling of this well. The spudding of Akela-1 is expected to occur during the last week of October followed sequentially by the other wells in PEL 110.

The PEL 110 license is located approximately 25km north of the Keleary oil field and west of the James oil field. The Akela and Baloo prospects are located in the south-east portion of PEL 110 with the Bandarlog prospect located some 13km to the north-west. Akela-1 is located 2.9km north and up dip of the Crumpa-1 well, which was drilled based on 2D seismic in the 1990’s and although it was not a discovery, exhibited good reservoir quality and oil shows in each of the target horizons.

The PEL 110 prospects were identified during interpretation of the Dundinna 3D seismic survey, which was acquired in late 2013 and processed and interpreted in 2014. 3D seismic has been very successful in identifying valid closures and has enhanced the success rate to over 50% in the western margin of the Cooper Basin. Similar to the western margin, the PEL 110 prospects are proximal to the Permian edge that significantly influences the oil migration in the basin. The full Dundinna 3D survey covered an area in excess of 1,000km² and was recorded over 7 licences, including a portion of PEL 110 by Operator, Senex Energy Limited (ASX: SXY). 177km² of seismic was acquired in PEL 110 and Orca was fully carried through the seismic acquisition and processing costs of the survey.

Akela-1

The Akela-1 Prospect is a four-way dip closure defined by the Dundinna 3D seismic survey. There are multiple horizons being targeted with the primary target being the Poolowanna Formation with secondary targets in the Tinchoo, Birkhead and Hutton Formations. At Keleary, the Poolowanna produced 1.6MMbbls from a field total of 1.75MMbbls. Notably, Crumpa-1 appears to have been drilled off structure and Akela-1, with the benefit of 3D data, is in a better position structurally. The well will be drilled to a total depth of approximately 2,640m.

BOARD & MANAGEMENT

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ASX CODE

OGY



Bandarlog-1

Bandarlog-1 will be drilled to test a mapped four-way dip closed anticline on the Dundinna 3D Seismic Survey. The well is approximately 1.3km north of the Semaphore-1 exploration well and has the potential for stacked pay in multiple formations. The primary target is the Tinchoo Formation, which is calculated as having the largest risked reserves of the four zones assessed. Semaphore-1 had fluorescence in the Tinchoo Formation and in the Wimma Member indicating oil has migrated into the area. The source of the oil is considered to be from the Patchawarra Formation, within the Patchawarra Trough located southeast of the prospect area, with subsequent migration into the Bandarlog prospect area. Secondary targets at the Bandarlog-1 location include the Poolowanna Formation, the Hutton Sandstone and the Birkhead Formation. The well is expected to be drilled to a total depth of approximately 2,525m.

For and on behalf of the Board

Greg Bandy
Executive Director

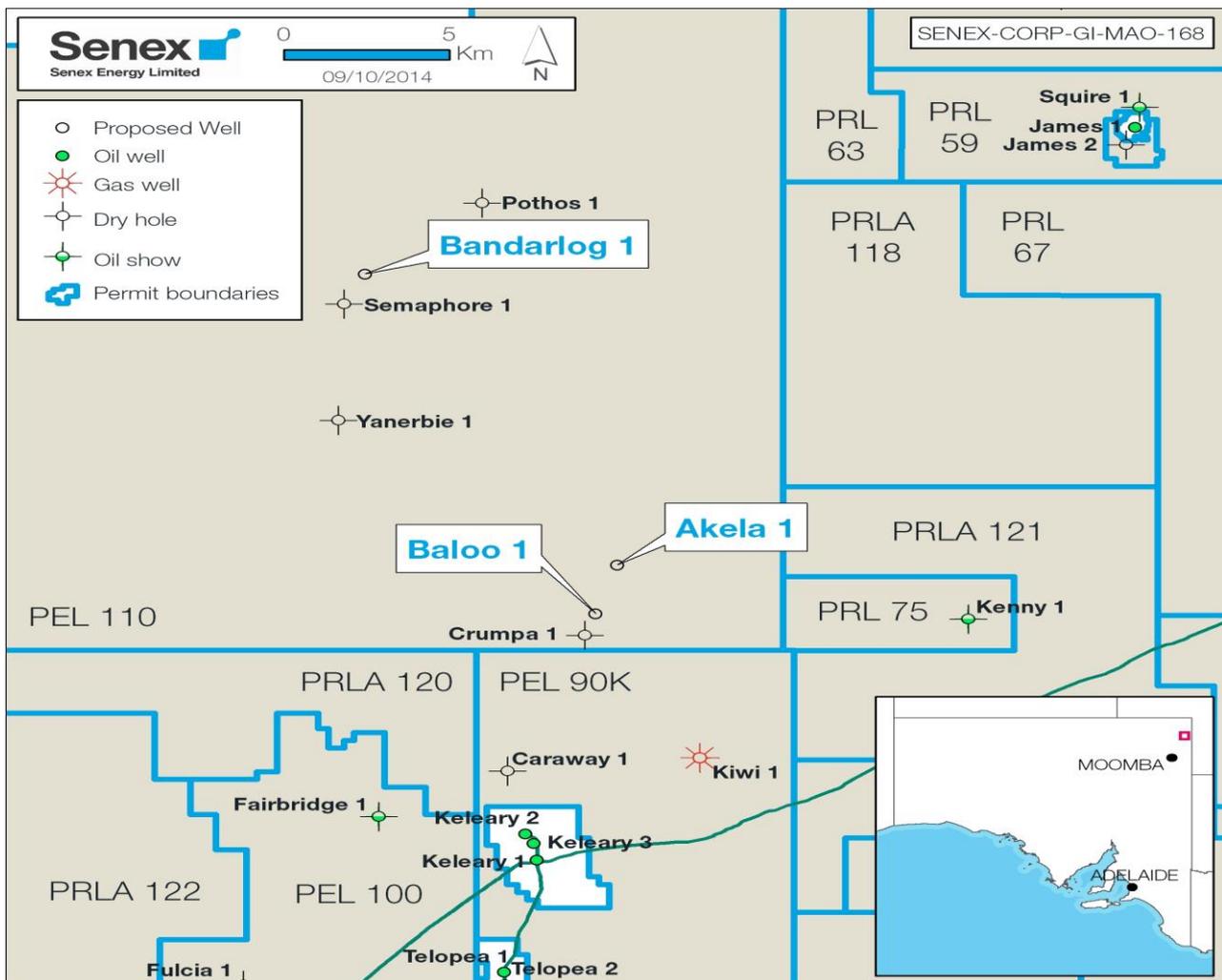


Figure 1 - PEL 110 Well Locations (Source Senex Energy)