



27 February 2013

Manager of Company Announcements  
ASX Limited  
Level 8 Exchange Plaza  
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PERTH WA 6000

*By E-Lodgement*

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## Fracture Stimulation Begins in Cooper Basin (Kingston Rule-1)

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Orca Energy Limited (ASX: OGY) is pleased to provide the following update with respect to its exploration for unconventional gas in the Southern Cooper Basin (PEL 115, OGY - 20%).

The Operator of PEL 115, Senex Energy Limited (ASX: SXY) has now commenced fracture stimulation operations at Kingston Rule 1. Work over and zone perforation operations have also commenced at Hornet-1 in preparation for fracture stimulation to begin there next month.

Kingston Rule-1 is the second well in a fracing program that includes other Senex 100% owned wells, with both Kingston Rule-1 and Hornet-1 located in PEL 115 (OGY 20%, SXY 80%). The fracture stimulation program over these wells will be completed over a two-month period, with flow testing to continue into the June quarter 2013.

### Kingston Rule-1 (PEL 115, Senex 80%, Orca 20%)

Kingston Rule-1 was drilled by Senex in late 2012 and intersected a total of 53 metres of net gas pay, with 9 metres in the Epsilon Formation and 44 metres in the Patchawarra Formation tight gas sands. The well also intersected 150 metres of Murteree and Roseneath Shales. Mud logs confirmed the presence of liquids rich hydrocarbons throughout the Permian section. The well is located 15 kilometres southeast of Senex's 100% owned Skipton-1. Orca was free carried through the drilling of Kingston Rule-1 by Senex and is partially carried through the fracing and testing of the well.

#### *Forward Operations program*

The multi-stage fracture stimulation of this well will target tight gas sands within the Patchawarra and Epsilon formations. To date, three of a total of six zones have been fracture stimulated with bridge plugs set between each zone. The forward operation will be to perforate and fracture stimulate the remaining three zones, drill out the bridge plugs and then flow the well to recover the frac fluid and test for gas flow from the well. Orca will continue to report when material data is available.

### Hornet-1 (PEL 115, Senex 80%, Orca 20%)

Hornet-1 was drilled by Victoria Petroleum in 2004 and intersected gas shows in the Epsilon Formation and 28 metres of net gas pay in the Patchawarra Formation. Two drill stem tests were conducted on this well and resulted in gas flowing to surface. The multi-stage fracture stimulation of this well will target additional tight gas sands within the Patchawarra Formation.

#### BOARD & MANAGEMENT

Mr Greg Bandy  
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Mr Jason Bontempo  
NON-EXECUTIVE DIRECTOR

Mr Jeremy King  
NON-EXECUTIVE DIRECTOR

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#### ASX CODE

OGY



Forward Operations program

As Hornet-1 was a pre-existing well, a work over rig was brought to site to prepare the well for fracture stimulation and perforate the zones in advance of the frac equipment arriving onsite. All of the proposed six zones have now been perforated with the frac equipment to move to Hornet-1 after Talaq-1.

Commenting on the news Executive Director of Orca Energy, Greg Bandy said, "We are very pleased stimulation of Kingston Rule-1 has commenced and look forward to evaluating the results, along with those from Hornet-1, over the coming months. There is a lot of interest in the unconventional gas potential which is believed to exist in the Cooper Basin and we are very excited to be part of it."

For and on behalf of the Board

**Greg Bandy**  
Executive Director

