

11 March 2013

Manager of Company Announcements ASX Limited Level 8 Exchange Plaza 2 The Esplanade PERTH WA 6000

By E-Lodgement

Kingston Rule-1 flows at 1.2 million cubic feet per day

Orca Energy Limited (ASX: OGY, Orca) is pleased to announce that gas is flowing to surface at the Kingston Rule-1 unconventional gas exploration well at a constrained rate of 1.2 million cubic feet per day (MMscf/d) during clean up and flow back activities.

Kingston Rule-1 is located in the southern Cooper Basin permit PEL 115 (OGY 20%; Senex Energy Ltd (ASX: SXY) - 80%) on the western flank of the Mettika Embayment (Figure 1).

In the last week, The Joint Venture successfully fracture stimulated four zones in the Patchawarra Formation tight gas sands and one zone in the Epsilon Formation. Gas flow from the well has been constrained by a 32/64-inch choke and wellhead pressure continues to increase. Flow rates increased steadily during flow back and reached 1.2 MMscf/d on Sunday.

Clean up and flow back activities will continue over the next week, with gas being flared from Kingston Rule-1, as shown in the picture below. Samples from the gas flow have also been taken to measure condensate and heavy gas yields.



BOARD & MANAGEMENT

Mr Greg Bandy EXECUTIVE DIRECTOR

Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Jeremy King
NON-EXECUTIVE DIRECTOR

Mr Denis Patten
NON-EXECUTIVE DIRECTOR

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OGY



JV partner and operator Senex Energy's Managing Director Ian Davies said, "The result is a clear endorsement of the potential for commercial production of unconventional gas from the southern Cooper Basin."

Orca's Managing Director Greg Bandy commented, "Orca is extremely pleased with the results from Kingston Rule-1 and look forward to the upcoming Hornet-1 program to further evaluate the potential of PEL 115 for commercial development."

Kingston Rule-1 was drilled in late 2012 to a total depth of 2,872 metres and intersected 53 metres of net gas pay, with 9 metres of pay in the Epsilon Formation and 44 metres of pay in the Patchawarra Formation tight gas sands. The well also intersected 150 metres of shale and close to 20 metres of gas charged coal in the Patchawarra Formation, with mud logs confirming the presence of liquids rich hydrocarbons in the Permian section.

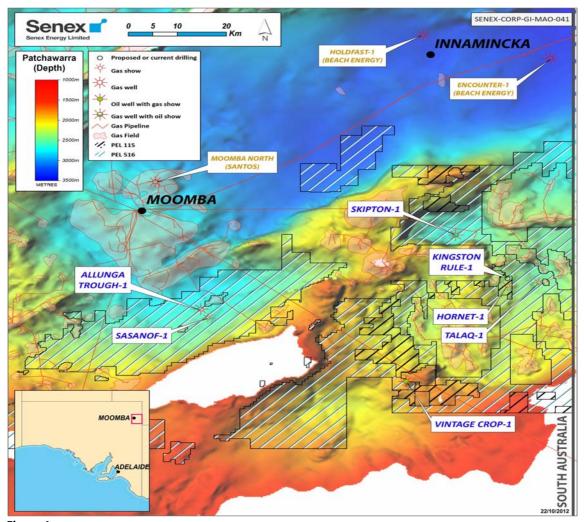


Figure 1.

For and on behalf of the Board

Greg Bandy Executive Director