

## Senex confirms basin centred gas play at Skipton-1

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**Senex Energy Limited (Senex) is pleased to announce a material gas discovery at its Skipton-1 unconventional gas exploration well in South Australian Cooper Basin permit PEL 516 (Senex 100%).**

### KEY POINTS

- Senex has intersected a well-developed sandstone reservoir at its Skipton-1 unconventional gas exploration well.
- Oil and gas shows present throughout the Permian section, demonstrating the liquids rich nature of the gas discovery.
- Wireline logs and mud logs confirm material quantities of hydrocarbons outside of structural closure.
- The well intersected more than 75 metres of net gas pay in the Patchawarra Formation and 164 metres of gas charged Roseneath and Murteree shales.
- More than 380 metres of core was collected.
- Skipton-1 will be fracture stimulated in mid-December 2012 to test gas deliverability.

Senex drilled the Skipton-1 exploration well to test the unconventional gas potential of the shale and tight gas sands of the Roseneath-Epsilon-Murteree package, as well as the tight gas sands and deep coal seams of the Patchawarra Formation.

Weatherford Rig 826 commenced drilling on 15 August 2012 and reached total depth of 3,124 metres on 3 October 2012. During drilling, Senex conducted a comprehensive coring program and successfully gathered over 380 metres of core from the target intervals. The well has been cased and suspended ahead of fracture stimulation.

Regional mapping indicates the trough surrounding Skipton-1 covers an area greater than 200 square kilometres or more than 49,000 acres. This is equivalent to a gas field development of over 600 wells, spaced at 80 acres.

Senex Managing Director Ian Davies said the results were overwhelmingly positive and augured well for the Company's objective of booking a material contingent gas resource from its unconventional gas acreage in the southern Cooper Basin.

“Senex has made a material gas discovery in a previously unexplored trough of the southern Cooper Basin. Skipton-1 reinforces our view that the Cooper Basin hosts massive quantities of liquids rich gas. Senex’s aggressive drilling program is focused on proving this resource to meet rapidly growing energy demand on Australia’s east coast,” he said.

Senex is currently planning an extensive hydraulic fracture stimulation campaign across three of its unconventional gas exploration wells: Talaq-1, Skipton-1 and Kingston Rule-1. The program will test gas quality and deliverability, with work scheduled to begin in December 2012.

Skipton-1 is the third dedicated unconventional gas exploration well that Senex has drilled in 2012. The Company plans to commence drilling its fourth operated unconventional gas well, Kingston Rule-1, in the coming week.

The Kingston Rule-1 unconventional gas exploration well is located in PEL 115 (Senex 55% and Operator, Orca energy Limited (ASX: OGY) 20%), approximately 15 kilometres south east of Skipton-1. The well will target the Roseneath-Epsilon-Murteree package of shale and tight gas sands, and the tight gas sands and coal seams of the Patchawarra Formation.

Mr Davies said results from these first four wells would further inform planning for a large scale unconventional gas exploration program in the Cooper Basin over 18 months.

“Senex has committed to drill 10 unconventional gas wells in the south and another two wells in the north of the South Australian Cooper Basin. I firmly believe our methodical approach and experienced team will deliver a world class unconventional gas resource,” he said.

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**Competent persons statement**

Unless otherwise indicated, the statements contained in this drilling report about Senex’s reserves estimates have been compiled by Dr Steven Scott BSc (Hons), PhD, who is General Manager – Exploration, a full time employee of Senex, in accordance with the definitions and guidelines in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers (SPE PRMS). Dr Scott consents to the inclusion of the estimates in the form and context in which they appear. Senex’s reserves and resources are consistent with the SPE PRMS.

Figure 1: Location of Senex's operated unconventional gas exploration wells

