

Senex to continue its unconventional gas exploration program in the South Australian Cooper Basin

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Senex Energy Limited (Senex) advises it has contracted the 1,500 hp Weatherford Rig 826 for the next two wells in its 12 well unconventional gas exploration and appraisal program in southern South Australian Cooper Basin permits PEL 516 (Senex 100%) and PEL 115 (Senex 55% and Operator, Orca Energy Limited 20%).

The dedicated exploration wells, Skipton-1 (PEL 516) and Kingston Rule-1 (PEL 115), will be drilled to a total depth of approximately 3,000 metres, and will target the Roseneath-Epsilon-Murteree (REM) package of shale and tight gas sands, as well as tight gas sand and deep coal seams in the Patchawarra formation. Each well will also be extensively cored.

Drilling is expected to commence in coming weeks, with each well projected to be drilled and cased in under 60 days. Skipton-1 is expected to spud in the second week of August 2012 and Kingston Rule-1 in October 2012, subject to joint venture approval of the location.

Following completion of the Skipton-1 and Kingston Rule-1 wells, Senex plans to undertake a large scale three well fracture stimulation campaign (including the recently completed Talaq-1 unconventional gas exploration well in PEL 516) to test gas deliverability and gas composition across the Permian section of each well.

Senex is currently in the process of sourcing a dedicated unconventional gas drilling rig to use in the remainder of the recently announced program across Senex's Cooper Basin permits.

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Figure 1: Location of Skipton-1 and the proposed Kingston Rule-1

