

31 January 2012

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

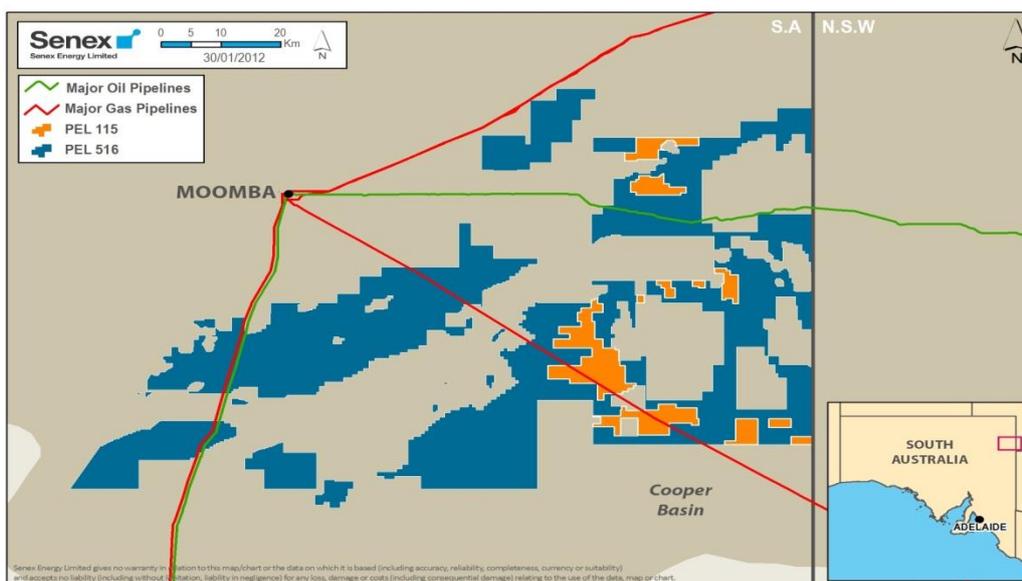
- **Orca to farm-out 22% of PEL 115 to JV partner Senex Energy to expedite unconventional gas exploration program in Cooper Basin**
- **\$4m cornerstone placement to Senex Energy**

### PEL 115 Project – Cooper Basin

Orca Energy Limited (ASX: OGY) is pleased to advise that it has entered into an agreement to farm-out 22% of its Cooper Basin block, PEL 115, to joint venture partner and operator, Senex Energy Limited (ASX: SXY).

Pursuant to the farm-out agreement, Orca will be free carried in respect of its remaining 20% for a dedicated unconventional gas exploration well to be drilled later this year. The drilling of the well is scheduled to follow Senex's three planned wells in its 100% owned block, PEL 516, where drilling is currently underway. The free carry will include extensive coring and completion and at least two fracture stimulations.

The location of PEL 115 is significantly strategic as it is adjacent to the Cooper Basin "unconventional gas fairway" and surrounded by PEL 516, where Senex estimates a net gas-in-place resource of over 100 Tcf.



PEL 115 has already had two wells drilled (Fury-1 and Airacobra-1) which both had oil shows. The commerciality of these oil shows is still yet to be defined.

### BOARD & MANAGEMENT

Mr Greg Bandy  
 EXECUTIVE DIRECTOR

Mr Jason Bontempo  
 NON-EXECUTIVE DIRECTOR

Mr Jeremy King  
 NON-EXECUTIVE DIRECTOR

Ms Rebecca Sandford  
 Ms Shannon Robinson  
 JOINT COMPANY SECRETARY

### REGISTERED OFFICE

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### CONTACT DETAILS

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### WEBSITE

[www.orcaenergy.com.au](http://www.orcaenergy.com.au)

### SHARE REGISTRY

Advanced Share Registry  
 150 Stirling Highway  
 Nedlands WA 6009

### ASX CODE

OGY



## Placement

In addition to the farm-out agreement, Orca has entered into a subscription agreement with Senex Energy Limited to raise approximately \$4 million. Pursuant to the agreement, Senex will subscribe for 115,000,000 shares at \$0.035 per share to acquire a 19.99% interest in Orca. The funds raised will be used for existing projects commitments and the development of opportunities. An Appendix 3B is attached.

Senex will be entitled to elect one board member to Orca's existing board of directors as a result of this transaction. It is also Orca's intention to seek a waiver from ASX Listing Rule 6.18 to grant Senex a "top up" right to maintain their percentage interest in Orca should the company undertake any future capital raisings. The rights attaching to a director appointment and "top up" fall away should Senex's shareholding in Orca drop below 15% for 30 consecutive days.

Commenting on the farm-in and capital raising, Managing Director Greg Bandy said: *"We are delighted to enter into these two agreements with Senex at this exciting time. There is an enormous amount of interest in the Cooper Basin at present and specifically in unconventional (shale) gas. With Senex's significant acreage and experience in the Cooper, it makes sense for us to form a closer relationship at this time. We look forward to keeping the market informed as we get closer to drilling again in the Cooper Basin."*

## About Senex Energy

Senex Energy Limited) is a diversified energy company engaged in exploration and production of oil and gas in the Cooper Basin and coal seam gas in the Surat Basin. With a market capitalisation of nearly \$750m, Senex's revenue for the December quarter was in excess of \$14m with over \$90 million cash in the bank. Commenting on the transactions with Orca, Senex's Managing Director, Ian Davies said: *"We look forward to working with Orca to explore PEL 115, as well as growing the valuable position Orca holds in PEL 110 on the western flank of the South Australia Cooper Basin."*

## Texas Project Update

Orca has been advised by its JV partner and operator, Dan A. Hughes Company, that the drilling of the Seabiscuit Prospect in East Texas, scheduled for next month, has been postponed until later in the year due to poor weather conditions. While this is obviously disappointing, it is prudent given the unnecessary operational risk that any drilling now could encounter. As a result of this delay, the AFE and subsequent cash call has been withdrawn.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Greg Bandy', written over a light blue background.

**Greg Bandy**  
Executive Director