



11 January 2012

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

*By E-Lodgement*

### **PROJECT UPDATE – SEABISCUIT PROJECT, TEXAS**

The Board of Orca Energy Limited (ASX: OGY) (“Orca” the “Company”) is pleased to provide the following update with respect to the Seabiscuit Oil & Gas project in Matagorda County, Texas.

The Company has been advised by the Operator that drilling preparations have commenced and that the well is scheduled to spud in mid-February. Final budgets have been submitted to the joint venture partners and Orca will be committed to a budgeted figure of US\$1.9m to earn its 20% interest in the project. The Arnold-Kain #1 Well will be drilled to 17,500 ft. and will test the Seabiscuit trap that is estimated to contain prospective resources of more than 300 billion cubic feet of natural gas (Bcf) and 3 million barrels of oil (MMbo) or condensate (mid case). Depending on reservoir thickness and column, Seabiscuit could contain prospective resources more than 1 trillion cubic feet of natural gas (Tcf) and 10 million barrels of oil (MMbo) or condensate (high case).

The targeted objectives at Seabiscuit are the same age as those found productive in *Old Ocean Field* (4.9 Tcf) approximately 53km northeast of the prospect, and *East Bay City Field* (500 Bcf) approximately 43km to the northeast. The latest discovery along trend at the *Silverspoon Field*, located approximately 24km northeast of Seabiscuit, came on line at over 18 MMcfd and has produced 9.9 Bcf and 100,000 barrels of oil in just over 2 years. *Silverspoon* is still producing at roughly 6.5 MMcfd and has approximately 100 additional feet of pay section behind pipe, which will potentially deliver more gas and condensate.

Orca’s major partner and operator of the Seabiscuit Project is Dan A. Hughes Co., a prominent, independent petroleum exploration and production company with a 43-year record of success in discovering and producing hydrocarbons. Under the direction of Mr. Dan Hughes, with his 56 years of geological experience, and Dan Hughes Jr., with 27 years of experience, the company develops, drills, and operates oil and gas properties throughout Texas, Louisiana, Mississippi, Arkansas and the Rocky Mountains of the United States. Hughes has also made significant discoveries and is currently operating numerous international properties in Colombia, South America. Hughes holds a 50% working interest in the Seabiscuit Project. Other US companies and their management hold the remaining 30% working interest.

#### **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**

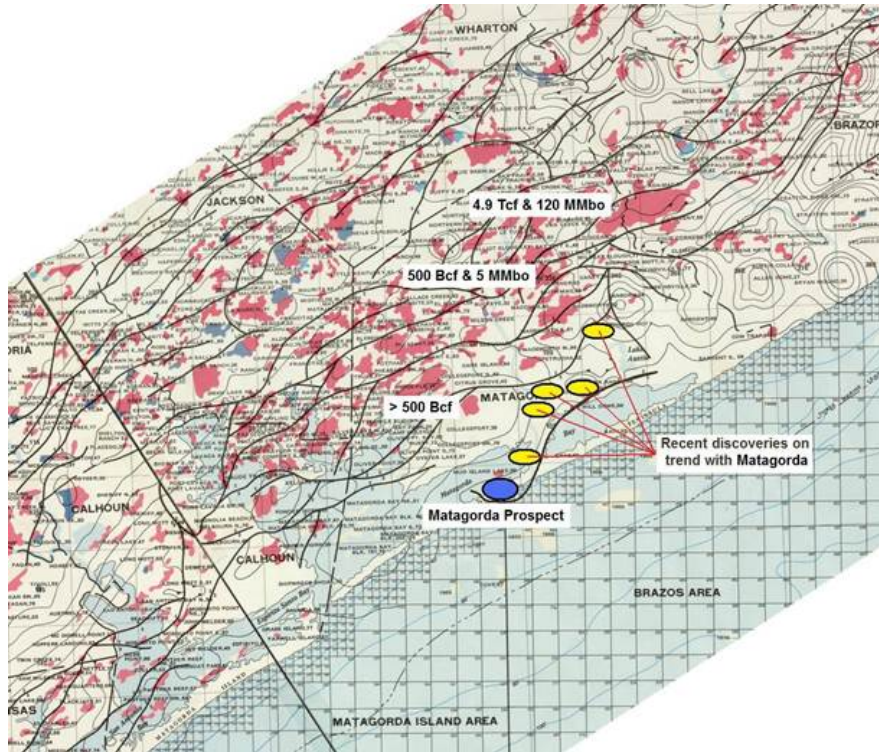
[www.orcaenergy.com.au](http://www.orcaenergy.com.au)

#### **SHARE REGISTRY**

Advanced Share Registry  
150 Stirling Highway  
Nedlands WA 6009

#### **ASX CODE**

OGY



Texas Gulf Coast Regional Geologic Map with Oil & Gas Fields

For and on behalf of the Board

**Greg Bandy**  
Executive Director

### Competent Person Statement

This report was prepared by Mr. Mark A. Patterson. Mr. Patterson is a member of the American Association of Petroleum Geologists, the Society of Exploration Geophysicists, and the Council of Energy Advisors. With over 30 years of oil and gas experience, Mr. Patterson and his exploration teams are credited with the discovery of more than 500 Bcf of natural gas and over 100 million barrels of oil. Estimates as to recoverable hydrocarbon volumes contained in this report are based upon certain assumptions. Accordingly, actual results will differ, and may differ significantly and materially, from those presented.