

CSG appraisal delivers positive results in Surat Basin

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Good progress has been made with the drilling and appraisal of coal seam gas (CSG) wells in Senex Energy Limited's eastern Surat Basin permits in Queensland, with gas flowing to the surface during drill stem testing on Alex-7.

The Operator, QGC – a BG Group business, has advised that three exploration wells were drilled, cased and suspended in PL 171 (Senex 20%). The three wells, Carla-4, Carla-7 and Alex-7 continue the evaluation of the CSG bearing potential and deliverability of the Walloon Coal Measures.

Details of the wells are provided below:

	Alex-7	Carla-4	Carla-7
Spud date	12/09/2011	29/08/2011	06/09/2011
Total depth	572m	689m	641m
Net coal	28.65m	32.43m	21.35m

The aim of this appraisal program is to assess gas deliverability and build on the certified CSG reserves for PL 171, which is considered to be situated in the prime Walloon Coal Seam Gas fairway on the eastern side of the Surat Basin.

Senex Managing Director Ian Davies said the drill stem test results were positive and in line with expectations.

“Gas flowed to the surface from the Upper Juandah coal sequence during drill stem testing on Alex-7 and net coal thicknesses averaged close to 30 metres.

“Clearly, this is another excellent result and indicates the highly productive nature of this permit,” he said.

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Senex expects to begin its planned drilling program in the Don Juan CSG project in ATP 771P during November 2011. As the Operator for the project, Senex will drill two exploration wells (Kato-1 and Kato-2) to assess coal thickness and gas content, and to increase certified CSG reserves.

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Map – Location of Senex interests in the Queensland Surat Basin

