

## Senex commences drilling at the Skipton-1 unconventional gas exploration well in PEL 516

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**Senex Energy Limited (Senex) advises that the Skipton-1 unconventional gas exploration well in PEL 516 (Senex 100%) in the southern South Australian Cooper Basin commenced drilling today.**

This is the first of two unconventional gas exploration wells operated by Senex to be drilled using the 1500 HP Weatherford Rig 826.

The second well, Kingston Rule-1 in PEL 115 (Senex 55% and Operator, Orca Energy Limited (ASX: OGY) 20%), is scheduled to spud in October 2012.

Both wells 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 be extensively cored, and is projected to be drilled and cased in approximately 60 days.

Following completion of these two wells, Senex plans to undertake a large scale fracture stimulation campaign 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 12 well gas exploration program across Senex's Cooper Basin permits.

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Figure 1: Locations of the Skipton-1 and Kingston Rule-1 unconventional gas wells

