

May 2017

Monthly Drilling Report

Release Date: 7 June 2017

Senex continued its drilling campaign in the South Australian Cooper Basin during May, with drilling of the horizontal section of the Silver Star-1 gas exploration well completed and two new oil exploration wells to be drilled in June. Senex commences its 30 well drilling campaign for phase two of the Western Surat Gas Project in Queensland's Surat Basin in June.

Silver Star-1 gas exploration well (*PEL 638: Senex 53.75% and operator*)

Silver Star-1 is a high impact gas exploration well located in the northern Cooper Basin, targeting basin centred gas in the Patchawarra Trough. The well was spudded on 17 March and reached a total depth of 3,770 metres in late April. Gas shows were observed in the primary target zone, the Patchawarra Formation, and also in the Toolachee and Epsilon Formations. Subsurface modelling for Silver Star-1 demonstrated greater potential productivity with a horizontal section drilled through the optimal target zone, and the reservoir successfully met the joint venture's pre-defined criteria for horizontal drilling. This horizontal section, designated Silver Star-1 DW1, was drilled during May.

Silver Star-1 DW1 horizontal well (*PEL 638: Senex 53.75% and operator*)

The Silver Star-1 DW1 well reached total depth of 4,969 metres on 1 June including the horizontal section of 1,180 metres within the Patchawarra Formation. Gas saturation levels in the horizontal section were in line with expectations. The well is being cased and suspended in preparation for fracture stimulation and testing, expected to be undertaken in early FY18.

Silver Star-1 is the first drilling location in the northern area of Senex's joint venture with Origin Energy and Planet Gas, a staged program targeting material volumes of basin centred and stratigraphic gas in the Patchawarra and Allunga Troughs. Senex is free carried by Origin under the Senex-Origin farm-in arrangement.

Drilling – June 2017

Surat Basin

In Queensland's Surat Basin, Senex has completed preparations for the **Western Surat Gas Project** phase two work program and commences drilling of 30 coal seam gas (CSG) wells in June. The drilling program is focused on the eastern area of the permits within the Eos and Glenora blocks, and forms part of the company's \$50 million investment in the project sanctioned in February 2017, which also involves construction of water and gas handling facilities in parallel with appraisal activities west of the Eos block. Drilling of the CSG wells will be reported in the company's monthly drilling reports, with the next report released in early July.

Cooper Basin

In the South Australian Cooper Basin, Senex will drill the **Immortals-1** oil exploration well, the third exploration target in the PEL 182 drilling campaign (*PEL 182: Senex 57% and operator*). Following this, subject to joint venture approval, Senex expects to move the rig to **Marauder-1**, an oil exploration well on the western flank (*PRL 136: Senex 60% and operator*). Senex also has a non-operated interest in **Obelix-1**, an oil exploration well will be drilled by joint venture operator Bridgeport Energy in south west Queensland's Cooper Basin (*ATP 794: Senex 12% and non-operator*).

Drilling Report

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DRILLING FOR THE MONTH ENDED 31 MAY 2017

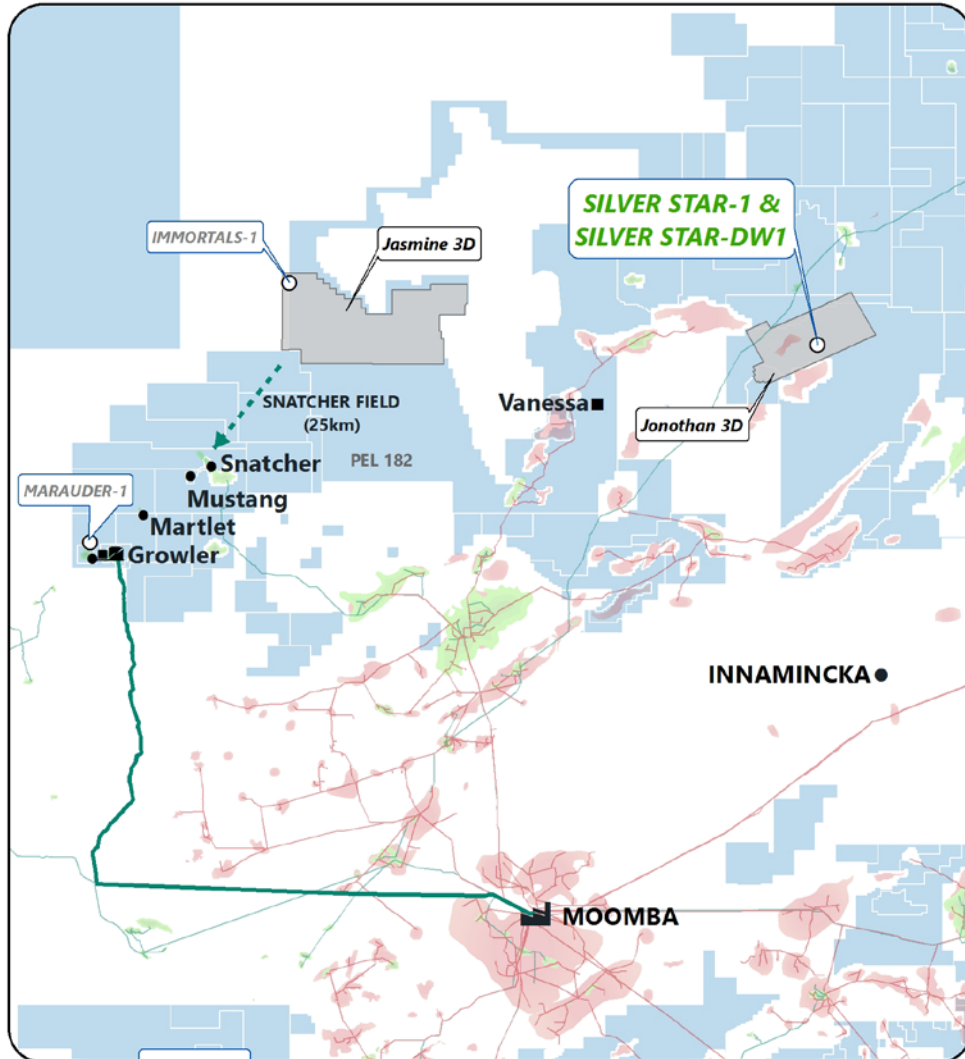
Well details	Working interest *Operator	Status of operations	Horizon targets
Silver Star-1 PEL 638 Gas exploration well South Australian Cooper Basin	SXY* 53.75% ORG 33.75% PGS 12.5%	Report time: 0600 (CST) 06/06/2017 Total depth: 3,770 m Activity: Plugged back for horizontal section	Patchawarra Formation, Tirrawarra Formation, Toolachee Formation, Epsilon Formation, Permian Coals
Silver Star-1 DW1 PEL 638 Gas exploration well South Australian Cooper Basin	SXY* 53.75% ORG 33.75% PGS 12.5%	Report time: 0600 (CST) 06/06/2017 Total depth: 4,969 m (including horizontal section of 1,180 m) Activity: Preparing for fracture stimulation and testing	Patchawarra Formation











SXY – Senex Energy Limited (ASX:SXY) ORG – Origin Energy (ASX:ORG) PGS – Planet Gas Limited (ASX:PGS)

PEL – Petroleum Exploration License PRL – Petroleum Retention License ATP – Authority to Prospect

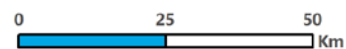
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Figure 1: Senex drilling activity for May 2017; Silver Star-1 and Silver Star-1 DW1



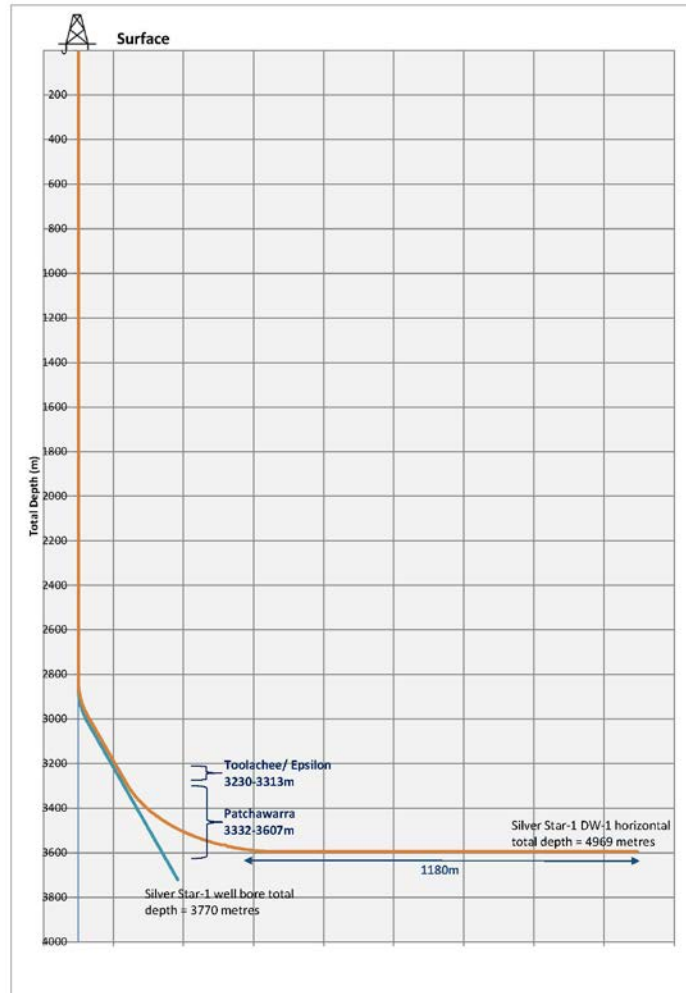
-  Senex operational bases
-  Proposed Senex wells
-  Moomba processing facility
-  Senex gas field
-  Senex oil field
-  Gas pipeline
-  Oil pipeline
-  Gas field
-  Oil field
-  Senex permit interests

05/06/2017
SENEX-CORP-GI-MAO-170



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Figure 2: Cross section schematic of Silver Star-1 and Silver Star-1 DW1 drilling



FURTHER INFORMATION

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ABOUT SENEX ENERGY

Senex is an ASX listed oil and gas exploration and production company focused on generating shareholder value by growing reserves and production. It holds extensive onshore oil and gas acreage in the Cooper and Surat Basins, two of Australia's most prolific onshore energy regions. Senex is well capitalised and has built strong operating credentials over its 30 year history. Senex operates the majority of its low cost oil producing assets, and is successfully developing a gas business including the 100% owned and operated Western Surat Gas Project in Queensland.

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