

Drilling commences on Western Surat Gas Project

Release Date: 14 June 2017

Senex Energy Limited (ASX:SYX) today announces it has commenced its Phase 2 drilling campaign in the Surat Basin on its flagship Western Surat Gas Project.

The campaign involves the drilling of 30 wells on the Glenora and Eos blocks, located in the south-east of the Western Surat Gas Project, and directly north of GLNG's producing Roma field. Drilling will be undertaken over the remainder of the calendar year with the first wells expected online in Q1 FY18.

Senex has locked in pricing with suppliers for a significant proportion of the \$50 million Phase 2 work program, which includes the construction of gas and water handling infrastructure. A number of contractors local to the Roma region are involved in delivering the work program.

Senex Managing Director and CEO Ian Davies said the company was focused on executing the work program on schedule and on budget.

"We are delighted to have kicked off our first material work program on the Western Surat Gas Project and are working hard alongside our suppliers to set Phase 2 up for success. Senex will take the opportunity to fully embed its design, contracting and execution methodology on the Phase 2 work program ahead of its transition to full field development.

"In addition, we believe that demonstrating best in class safety, efficiency and cost performance will be a valuable lever to expanding our equity position in the region," Mr Davies said.

Senex holds 100% interest in and operatorship of the Western Surat Gas Project, involving the delivery of coal seam gas from approximately 915 square kilometres of acreage in Queensland's Surat Basin. The project is expected to support up to 425 wells and Senex has executed a gas sales agreement with GLNG for the supply of up to 50 terajoules per day of gas from the project area over 20 years.

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.

Figure 1 – Phase 2 work program

