

June 2017

## Monthly Drilling Report

**Release Date:** 5 July 2017

During June Senex commenced a 30-well drilling program for its flagship Western Surat Gas Project, with two appraisal wells completed, and continued its drilling program in the South Australian Cooper Basin.

### ***Surat Basin - Western Surat Gas Project***

The Phase 2 drilling program for the Western Surat Gas Project focuses on the south-east area of Senex's permits, within the drill-ready blocks Eos (ATP 795) and Glenora (ATP 889). The area is approximately 30 kilometres from Roma and directly north of GLNG's producing Roma field. The campaign is appraising the coal seam gas (CSG) production potential of the Walloon coal measures with an average well depth of 428 metres.

**Eos-5** and **Eos-3** (ATP 795: Senex 100% and operator) were drilled in June and cased and suspended as future CSG producers. Drilling will continue on the Eos block during July. The Phase 2 drilling program is being delivered under a lump sum fixed price contract. The completed wells will be connected into the gathering systems in pods, in parallel with the ongoing drilling and completions program.

Senex sanctioned the \$50 million Phase 2 work program in early 2017, involving the 30-well drilling program as well as construction of water and gas handling infrastructure. These construction activities progressed during June, including upgrading of an existing dam on the Eos block to current standards; installation of underground pipelines and gas and water custody transfer metering skids; and installation of an underground gas and water gathering network approximately 36 kilometres long.

Senex holds 100% operating interest in the Western Surat Gas Project. Refer to the map in Figure 1 showing well locations in Phase 2.

### ***Cooper Basin***

#### **Silver Star-1 DW1 gas exploration 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 a horizontal section of 1,180 metres within the Patchawarra Formation. Gas shows in the horizontal section were in line with expectations. During casing of the well, unstable coals through the horizontal section collapsed and damaged the casing, and the well has been suspended while a forward plan is finalised.

As there is no precedent for the drilling of a horizontal well through the Patchawarra in the Cooper Basin, the outcomes are considered within the bounds of possibilities for such pioneering deep gas exploration. The joint venture remains committed to evaluating material gas resources in the permit area including further drilling and fracture stimulation and testing in FY18.

Senex's joint venture project with Origin Energy and Planet Gas is a staged program targeting material volumes of basin centred and stratigraphically trapped gas in the Patchawarra and Allunga Troughs. Senex is free carried by Origin under the Senex-Origin farm-in arrangement.

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## **Immortals-1 oil exploration well** (PEL 182: Senex 57% and operator)

Immortals-1, the third oil exploration target in the PEL 182 drilling campaign, was drilled to a total depth of 2,205 metres in June. The well was identified from the Jasmine 3D seismic survey and evaluates the potential of the Namur Sandstone, Birkhead and Murta Formations. While Immortals-1 encountered oil shows in the Birkhead, the reservoir qualities were non-commercial and the well was plugged and abandoned. The PEL 182 drilling campaign improved definition of the Namur and Birkhead play fairway boundaries within the western flank area and supports potential future exploration in the region.

In early July, Senex will drill the **Marauder-1** oil exploration well (ex-PEL 104: Senex 60% and operator). Marauder-1 was identified from the Mollichuta 3D seismic survey and designed to evaluate the production potential of the Birkhead Formation. The well is in close proximity to existing infrastructure, approximately 2 kilometres from Senex's Spitfire and Growler oil fields.

Refer to the map in Figure 2 showing the above drilling locations.

## **Obelix-1 oil exploration well** (ATP 794: Senex 12% and non-operator)

Obelix-1 is an oil exploration well in south west Queensland's Cooper Basin. Senex holds 12% non-operated interest in the joint venture for ATP 794 with Bridgeport Energy, a wholly owned subsidiary of ASX-listed New Hope Corporation Limited (ASX:NHC). The well primarily targeted the Hutton Sandstone and Poolowanna Formation and reached total depth of 2,580 metres in mid-June, encountering oil or gas shows across multiple intervals which Senex considered to be uneconomic. The well has been cased and suspended and the operator plans to further evaluate the well on a sole-risk basis.

## FURTHER INFORMATION

### Investor Enquiries:

Ian Davies  
**Managing Director**  
Senex Energy Limited  
Phone: (07) 3335 9000

Tess Palmer  
**Investor Relations Manager**  
Senex Energy Limited  
Phone: (07) 3335 9719

### Media Enquiries:

Rhianne Bell  
**Corporate Communications Manager**  
Senex Energy Limited  
Phone: (07) 3335 9859

## 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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## DRILLING FOR THE MONTH ENDED 30 JUNE 2017

### Surat Basin

	Well details	Working interest *Operator	Status of operations	Horizon targets
<b>Western Surat Gas Project</b> Phase 2 Gas appraisal Queensland Surat Basin	<b>Eos-5</b> ATP 795	SXY* 100%	<b>Report time:</b> 0600 (AEST) 01/07/2017 <b>Total depth:</b> 419 m <b>Activity:</b> Cased and suspended as future CSG producer	Walloon Coal Measures
	<b>Eos-3</b> ATP 795	SXY* 100%	<b>Report time:</b> 0600 (AEST) 01/07/2017 <b>Total depth:</b> 476 m <b>Activity:</b> Cased and suspended as future CSG producer	Walloon Coal Measures

### Cooper Basin

Well details	Working interest *Operator	Status of operations	Horizon targets
<b>Silver Star-1 &amp; Silver Star-1 DW1</b> PEL 638 <b>Gas</b> exploration well South Australia	SXY* 53.75% ORG 33.75% PGS 12.5%	<b>Report time:</b> 0600 (CST) 01/07/2017 <b>Total depth:</b> 4,969 m (including horizontal section of 1,180 m) <b>Activity:</b> Plugged and suspended; forward plan in progress	Patchawarra Formation
<b>Immortals-1</b> PEL 182 <b>Oil</b> exploration well South Australia	SXY* 57% BPT 43%	<b>Report time:</b> 0600 (CST) 01/07/2017 <b>Total depth:</b> 2,205 m <b>Activity:</b> Plugged and abandoned	Namur Sandstone, Murta Formation, Birkhead Formation
<b>Obelix-1</b> ATP 794 <b>Oil</b> exploration well Queensland	SXY 12% Bridgeport Energy* 88%	<b>Report time:</b> 0600 (AEST) 01/07/2017 <b>Total depth:</b> 2,580 m <b>Activity:</b> Cased and suspended; operator to further evaluate well on sole risk basis	Hutton Sandstone, Poolowanna Formation, Murta Formation, Birkhead Formation, Toolebuc Shale

SXY – Senex Energy Limited (ASX:SXY)

ORG – Origin Energy (ASX:ORG)

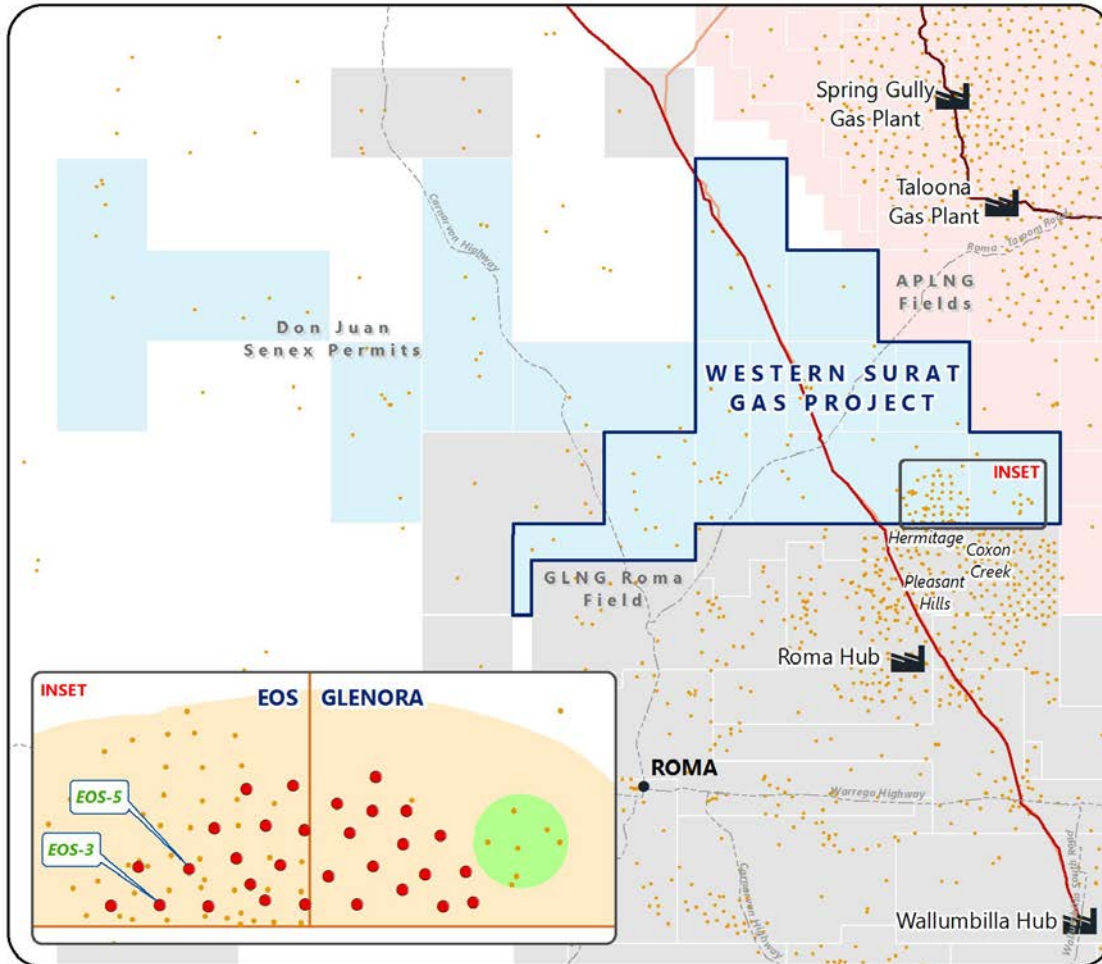
PGS – Planet Gas Limited (ASX:PGS)

BPT – Beach Energy Limited (ASX:BPT)

PEL – Petroleum Exploration License

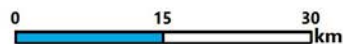
ATP – Authority to Prospect

Figure 1: Surat Basin Senex drilling activity for June 2017; Eos-5 and Eos-3



- Existing wells
- Phase 2 work program
- Comet Ridge to Wallumbilla pipeline
- Wallumbilla to Gladstone pipeline
- Senex Energy
- Santos GLNG
- Australia Pacific LNG
- Drill ready acreage
- Production

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**Figure 2:** Cooper Basin Senex-operated drilling activity for June 2017: Immortals-1; Silver Star-DW1

