

Gemba-1 gas exploration well flows at 8 mmscfd on test

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Senex Energy Ltd (Senex, ASX: SXY) has successfully completed the initial flow test of the Gemba-1 gas exploration well in the Cooper Basin, with stabilised flow rates of approximately eight million standard cubic feet per day, plus associated liquids.

Key highlights:

- **Seven-day Gemba-1 flow test recovers 44 million standard cubic feet of gas and 88 barrels of liquids**
- **Stabilised flow rate of approximately eight million standard cubic feet per day**
- **Preliminary interpretation of volumes indicates pre-drill estimate of 15 billion cubic feet of ultimate gas recovery may be exceeded**
- **Validation of potential new gas play in the Dullingari group**
- **Extended production test planned for Q3 FY19, with potential for first gas by the end of 2019**

Senex Managing Director and CEO Ian Davies said: “Senex is delivering on its strategy to become a material supplier of gas to the east coast market, and this Cooper Basin gas discovery adds another potential supply source from our growing portfolio. With potential for further upside through near field exploration and a new gas play in the Dullingari group, the Cooper Basin continues to play an important role in our growth strategy.”

The Gemba-1 gas exploration well (*PEL 516: Senex 100% and operator*) is located on the southwest margin of the Allunga Trough, close to existing infrastructure and approximately 37 kilometres south west of the Moomba processing facility.

Gemba-1 was designed to evaluate gas potential of the Patchawarra sandstones. The well was successfully drilled, cased and suspended in Q4 FY18 and intersected gas in the target zones, including in the deeper Dullingari group which represents a potential new gas play.

In November 2018, Senex successfully completed a seven-stage hydraulic fracturing program across depths of 2,360 – 2,730 metres. A seven-day flow test was subsequently undertaken from which Senex recovered 44 million standard cubic feet of gas and 88 barrels of liquids. A stabilised flow rate of ~8 million standard cubic feet per day was achieved with ~20% CO₂ content.

Preliminary interpretation of volumes indicates pre-drill estimate of 15 billion cubic feet of ultimate gas recovery may be exceeded. In Q3 FY19, Senex will undertake an extended production test across each of the discovered intervals to further assess the reservoir, deliverability and ultimate recovery of each zone. A development plan will be prepared based on test results, with potential for first gas sales by end of 2019.

Results to date have been encouraging for further appraisal of the Allunga Trough, including new play potential of the Dullingari group.

Senex was granted \$5.26 million in funding from the South Australian Government through the second round of the PACE Gas Grant Program to progress the Gemba project.

FURTHER INFORMATION

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Figure 1 – Location of Gemba-1 and surrounding infrastructure

