

Senex to test unconventional gas potential of shales and coals in the South Australian Cooper Basin

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Senex Energy Limited (Senex) will investigate the potential for a new large-scale unconventional gas resource in South Australia's Cooper Basin with the drilling of Vintage Crop-1 in Stuart Petroleum permit PEL 516.

Located approximately 65 kilometres south east of Moomba (refer attached map), Vintage Crop-1 will first target potentially oil-bearing zones before being deepened to assess unconventional gas targets.

As shown in the attached stratigraphic cross-section, the well will initially evaluate five zones in the Cretaceous and Jurassic Eromanga sequence which produce oil at the nearby Narcoonowie and Caroo Winnie fields, operated by Santos.

Once logging and possible drill stem testing of the oil targets have been completed, the well will be deepened into the Permian sequence to provide a preliminary evaluation of unconventional gas targets in the coals and shales underlying the oil targets.

A 9 metre core will be cut in the coal sequences of the Toolachee Formation and four 9 metre cores will be cut in the shale sequences of the Roseneath and Murteree Shales. The Toolachee Formation is over 100 metres thick and the Roseneath and Murteree Shales are expected to be at least 100 metres thick.

Senex will run a specialised logging suite to help determine the minerals present in the shales. Subsequently, the cores will be used for desorption tests to determine gas and hydrocarbon liquids contents, and to evaluate porosity, permeability and mechanical properties.

Commenting on the planned coring program, Senex Managing Director Ian Davies said Vintage Crop-1 was the first step in an exciting journey to unlock a potentially world-class unconventional gas resource.

"I am firmly of the view that the South Australian Cooper Basin will play a very important role in delivering a cost-competitive, large scale unconventional gas resource to domestic and international markets.

"With Stuart Petroleum's extensive Cooper Basin acreage position now part of our portfolio, Senex is in an excellent position to benefit from the commercialisation of gas-rich coals and shales. Coupled with our profitable oil assets in the western flank of the Cooper Basin and our valuable coal seam gas resources in Queensland, Senex has the necessary ingredients to build a strong and enduring Australian energy business," he said.

Mr Davies said this preliminary coal and shale evaluation program aimed to provide sufficient data to enable planning for dedicated unconventional gas wells in other parts of PEL 516 during 2011-12.

"Vintage Crop-1 is the start of a long process of evaluation across our vast acreage in the Cooper Basin. It will yield valuable geological data that will guide our unconventional gas exploration program in coming years," he said.

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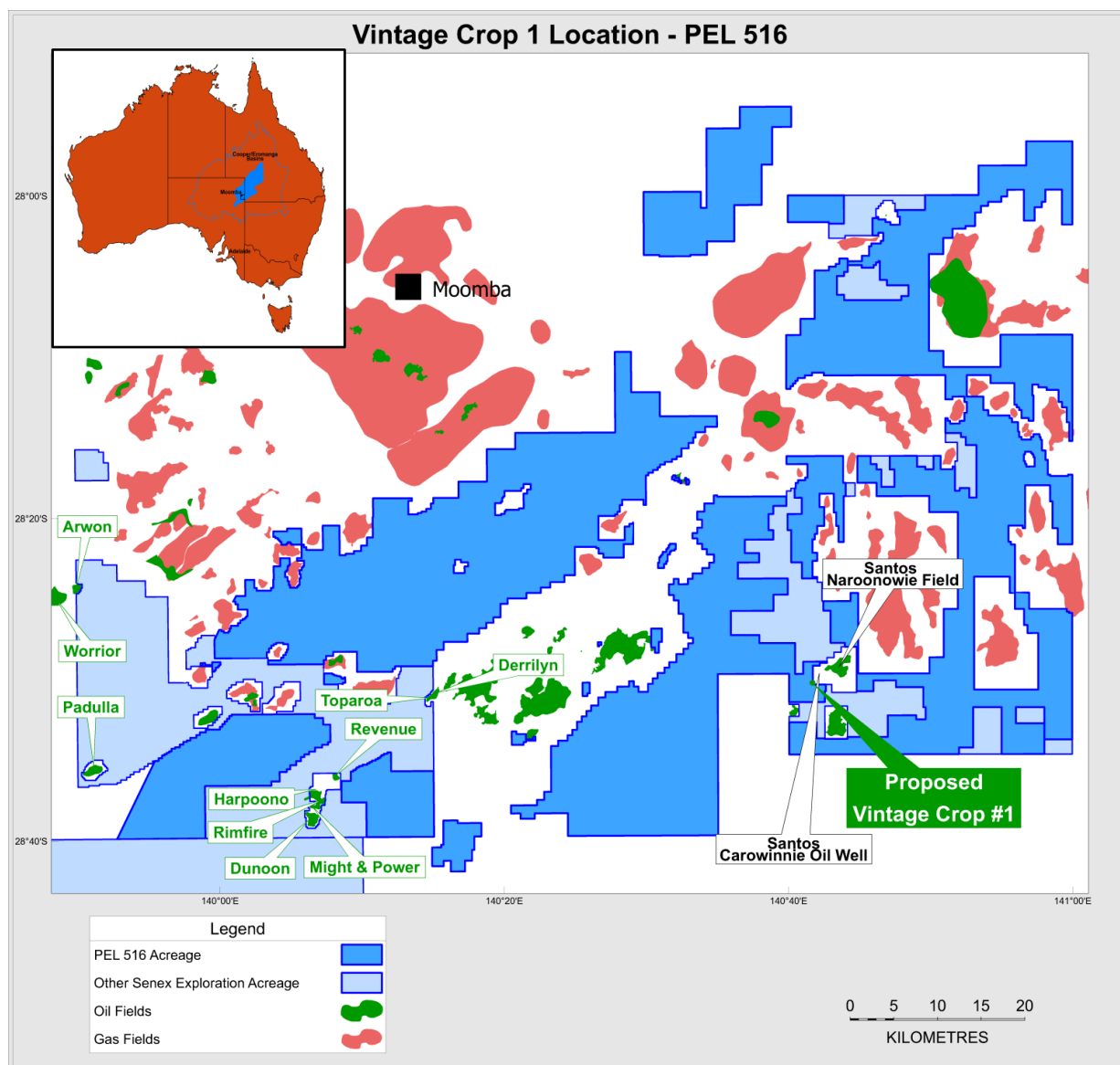
Attachments:

- A – Map showing location of Vintage Crop-1 in PEL 516
- B – Oil and gas targets for Vintage Crop-1

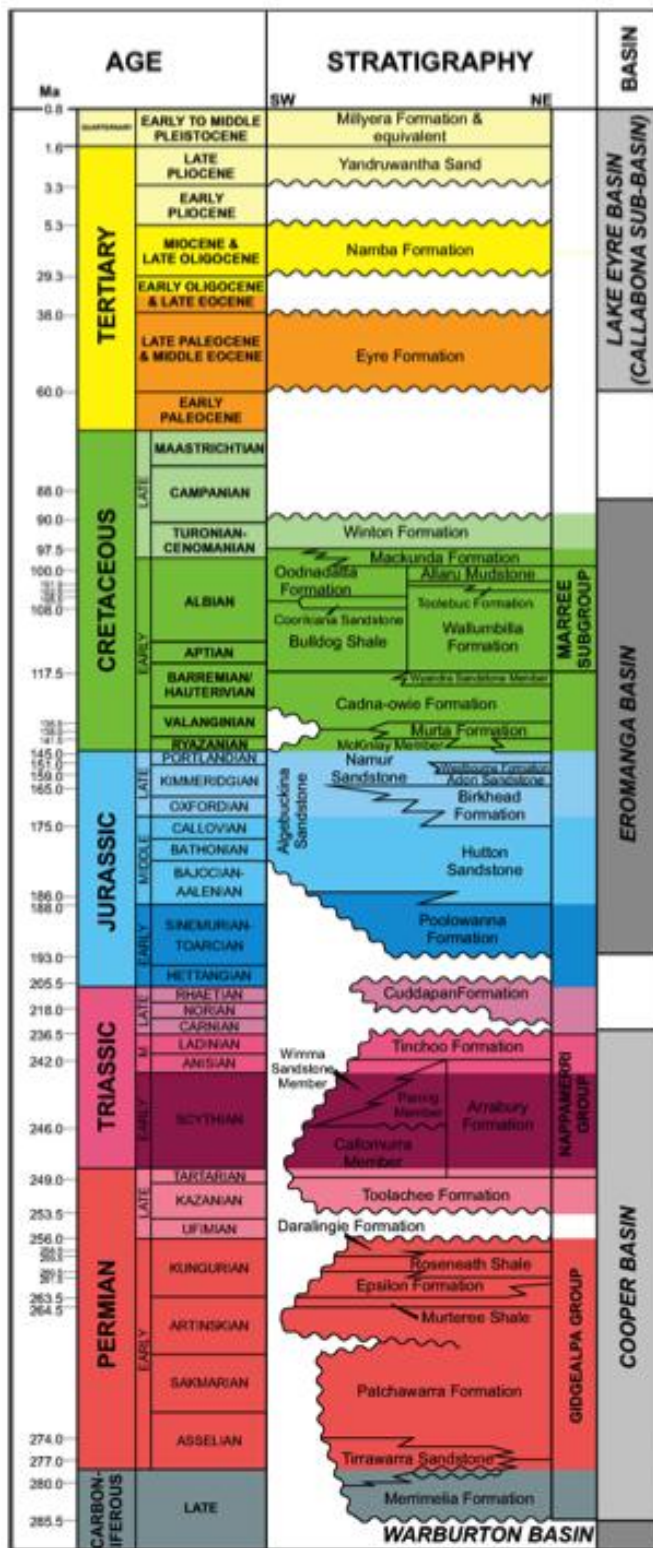
About Senex Energy

Senex Energy Limited is the new name for Victoria Petroleum NL - a respected energy business with more than a quarter of a century of experience in Australia's oil and gas industry. In July 2010 the company was rejuvenated with the appointment of a new management team, the relocation of its head office from Perth to Brisbane, and the decision to focus the business on its valuable acreage on Australia's east coast. The dynamic energy business is pursuing rapid growth in its oil production business in the Cooper Basin, and is working to build a valuable and highly profitable east coast gas business. Find out more by visiting www.senexenergy.com.au

ATTACHMENT A – Map showing location of Vintage Crop-1 in PEL 516



ATTACHMENT B - Oil and gas targets for Vintage Crop-1



This diagram shows a cross section of the geology underlying PEL-516 and indicates the zones Senex is targeting with Vintage Crop-1.

1. Oil targets:
- Murta
 - McKinlay
 - Namur
 - Mid-Namur
 - Birkhead

2. Toolachee Coals

3. Shale targets:
- Roseneath
 - Murteree