

Unconventional gas exploration program on track in the South Australian Cooper Basin

Release Date: 28 March 2012

Senex Energy Limited (Senex) advises that work on its unconventional gas exploration program is on track with a comprehensive coring program completed at Sasanof-1 in South Australian permit PEL 516 (100% Senex).

The dedicated unconventional gas exploration well, Sasanof-1, was drilled to a depth of 3,102 metres and 13 cores were taken from the target Toolachee, Roseneath, Murteree and Patchawarra Formations (refer Figure 1).

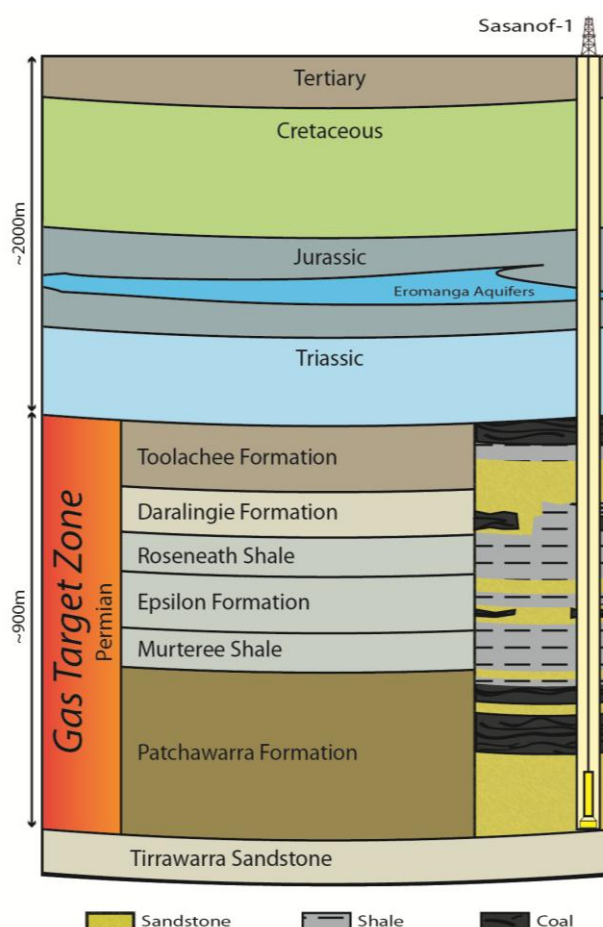
The cores are currently undergoing desorption and testing, and the well will undergo electric logging before being cased and cemented for fracture stimulation early in the next quarter.

Senex Managing Director Ian Davies said the company's unconventional gas exploration program remained on schedule despite several challenges.

"A three day rain event cut access to the site for three weeks in March and required the construction of a new access road. In addition, a mechanical problem during drilling saw us pull up just short of our original depth target of 3,200 metres, with no impact to the drilling program as the revised total depth was 125 metres below the last core point.

"Notwithstanding these challenges, I'm pleased to report that more than 200 metres of core samples were successfully collected," he said.

Figure 1: Stratigraphic column showing target formations for unconventional gas



Mr Davies said PEL 516 (refer Figure 2) displayed many favourable attributes for unconventional gas production.

“The preliminary results from Vintage Crop-1 in PEL 516 indicated a potential gas resource in the wet gas window, containing liquids and heavy gases with a low carbon dioxide content. These characteristics are also evident at successful unconventional gas fields in the United States,” he said.

Electric logging of the Sasanof-1 well is expected to be completed before the weekend. After logging, the well will be cased and cemented in preparation for a large scale fracture stimulation program to assess the potential for commercial gas production.

After casing and cementing, the drilling rig will move to the second dedicated unconventional gas exploration well in the east of PEL 516, Talaq-1.

Senex holds a 100% interest in PEL 516.

For further information contact:

Ian Davies
Managing Director
Senex Energy Limited
Phone: (07) 3837 9900

Figure 2: PEL 516 unconventional gas exploration wells

