

2012 coal seam gas appraisal program underway in Surat Basin permits PL 171 and ATP 574P

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Senex Energy Limited (Senex) and joint venture partner and Operator QGC – a BG Group business (QGC) have commenced an 11 well coal seam gas appraisal program in the eastern Surat Basin in Queensland in permits PL 171 (Senex 20%) and ATP 574P (Senex 30%).

The 2012 program, comprising 10 appraisal wells and one core well, aims to materially increase Proved and Probable (2P) reserves and to provide geographic distribution of subsurface information of the Walloon Subgroup, enabling greater accuracy in geological modelling and reservoir simulation predictions in PL 171 and ATP 574P.

Lawton-9M core well

The Lawton-9M core well, in PL 171, reached a total depth of 677 metres on 12 April 2012. The well intersected over 36 metres of coal and over 20 metres of carbonaceous shale. The well has since been geophysically logged with four drill stem tests conducted over the Taroom Coal Measures and Juandah Coal Measures. The well has been completed as a monitor well.

Lawton-5 appraisal well

The second well in the program, Lawton-5, also in PL 171, spudded on 28 July 2012 and reached a total depth of 663 metres on 28 July 2012. The well intersected over 41 metres of coal and over 22 metres of carbonaceous shale. After being geophysically logged, four drill stem tests were conducted over the Taroom Coal Measures and Juandah Coal Measures. The well has been cased and suspended.

Lawton-8 appraisal well

The third well in the program, Lawton-8, also in PL 171, spudded on 5 August 2012 and reached a total depth of 648 metres on 6 August 2012. Drill stem tests are currently being conducted over the Taroom Coal Measures and Juandah Coal Measures.

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The Operator has advised that the next three appraisal wells (Alex-10, Peebs-9 and Peebs-11) are scheduled for drilling over the next month, with the Alex-10 well expected to spud next week.

Senex Managing Director Ian Davies said it was very pleasing to see the PL 171 and ATP 574P joint ventures moving ahead with this exciting appraisal program.

"This 2012 program is aimed at materially increasing 2P reserves coverage across PL 171 and ATP 574P. The initial results from this program are extremely encouraging, with the thickness of net coal and carbonaceous shale exceeding expectations," he said.

Senex holds a 20% interest in PL 171 and a 30% interest in ATP 574P.

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Figure 1: PL 171 and ATP 574P 2012 coal seam gas appraisal well locations

