Senex Energy Limited

ASX Announcement

Monthly drilling report – January 2013

Release Date: 6 February 2013

Senex Energy Limited (Senex) will now distribute monthly drilling reports to provide shareholders with regular updates on its oil, unconventional gas and coal seam gas exploration, appraisal and development activities.

Each report will summarise activities undertaken during the preceding month and provide an indication of activities planned for operated and non-operated permits.

Key points

- Drilling completed on the unconventional gas exploration well Paning-2 on 2 February.
- Five well fracture stimulation program underway to assess unconventional gas assets in the Cooper Basin.
- Successful development drilling increases production at Snatcher oil field.
- The next drilling report will be released on 6 March 2013.

UNCONVENTIONAL GAS EXPLORATION

Paning-2 – Targeting unconventional gas in the northern Cooper Basin

On 2 February, Senex completed drilling Paning-2 in the northern Cooper Basin permit PEL 90 (100% Senex) using Weatherford Rig 826. The well reached a total depth of 3144 metres and is now being logged, cased and suspended prior to hydraulic fracture stimulation and flow testing late in the March quarter.

Paning-2 is located 1.2 kilometres southwest of Paning-1, which was drilled in 1980 by Delhi Petroleum as a conventional gas exploration well. The Paning-2 well is the first unconventional gas exploration well to be drilled in the region and will provided valuable information about the potential for gas production from the tight sands and deep coals of the Patchawarra Trough.

Five well fracture stimulation program underway at Skipton-1

Crew and equipment mobilised to the Skipton-1 unconventional gas exploration well in southern Cooper Basin permit PEL 516 this week (Senex 100%). The work over rig, Wild Desert 10 has now completed water sampling and a Halliburton fracture stimulation crew has mobilised to site. Fracture stimulation operations will commence shortly.

Skipton-1 is the first of five wells to be fracture stimulated as part of a program to delineate unconventional gas resources in Senex permits in the southern and northern Cooper Basin. Senex expects the program to be completed in early April 2013.

OIL EXPLORATION, APPRAISAL AND DEVELOPMENT

Completion and commissioning program continues

Oil production from the Snatcher oil field in PPL 240 (Senex 60% and Operator; Beach Energy Limited (Beach) 40%) continues to increase with the Snatcher-6 and Snatcher-7 wells now placed on production. Snatcher-9 will be completed and production will commence in the June quarter.

Wild Desert Rig 10 completed the successful Spitfire-2 exploration well in PEL 104 (Senex 60% and Operator; Beach 40%) for production in January this year. The well is undergoing initial production testing and pressure build up to collect data on reservoir characteristics.

The Mustang-1 oil exploration well in PEL 111 (Senex 60% and Operator; Beach 40%), has continued production testing at a restricted rate of over 800 bopd through a $^{19}/_{64}$" choke. Pressure depletion to date continues to be less than originally expected.

COAL SEAM GAS BUSINESS

Planning is underway to drill two core holes in each of Senex's western Surat Basin permits ATP 593 and ATP 771 during the June half of 2013. The core holes will further test the extent of the resource and build additional proved and probable (2P) reserves.

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Exploration, appraisal and development drilling during 2012/13

Well	Location	Spud date	Type	Result	Net pay
Cuisinier North-1*	ATP 752P	2 July 2012	Exploration	Successful	2.0 metres
Mustang-1	PEL 111	4 July 2012	Exploration	Successful	4.0 metres
Kruger-1**	PEL 516	23 July 2012	Exploration	Unsuccessful	N/A
Indy-1	ATP 771	24 July 2012	CSG	Appraisal	7.26m (coal) 5.25m (carb shale)
Lawton-5***	PL 171	25 July 2012	CSG	Appraisal	41.86m (Coal) 22.35m (carb shale)
Snatcher-6	PPL 240	30 July 2012	Development	Successful	5.2 metres
Lawton-8***	PL 171	5 August 2012	CSG	Appraisal	36.19m (coal) 16.93m (carb shale)
Indy-2	ATP 771	7 August 2012	CSG	Appraisal	12.60m (coal) 7.30m (carb shale)
Skipton-1	PEL 516	15 August 2012	Unconventional Gas Exploration	Cased, awaiting fracture stimulation	75 metres + 164 metres of gas in shale
Alex-10***	PL 171	15 August 2012	CSG	Appraisal	37.16m (coal) 18.18m (carb shale)
Tomcat-1	PEL 111	16 August 2012	Exploration	Unsuccessful	N/A
Snatcher-7	PPL 240	28 August 2012	Development	Successful	7.5 metres
Peebs-9***	ATP 574P	15 September 2012	CSG	Appraisal	24.93m (coal) 15.53m (carb shale)
Snatcher-10	PPL 240	18 September 2012	Appraisal	Successful	10.0 metres
Peebs-11***	ATP 574P	21 September 2012	Appraisal	Appraisal	32.33m (coal) 16.78m (carb shale)
Snatcher-8	PPL 240	30 September 2012	Development	Successful	14.1 metres
Kingston Rule-1	PEL 115	21 October 2012	Unconventional Gas Exploration	Cased, awaiting fracture stimulation	53 metres
Snatcher-9	PEL 111	2 November 2012	Appraisal	Successful	11.2 metres
Spitfire-2	PEL 104	17 November 2012	Exploration	Successful	6.5 metres
Paning-2	PEL 90	15 December 2012	Unconventional Gas Exploration	Underway	

*Operated by Santos
**Funded 100% by Ambassador Oil & Gas
***Operated by QGC

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For further information contact:

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

Andrew Barber
Corporate Affairs Manager
Senex Energy Limited
Phone: (07) 3335 9821
0418 783 701

Figure 1: Senex unconventional gas exploration activities

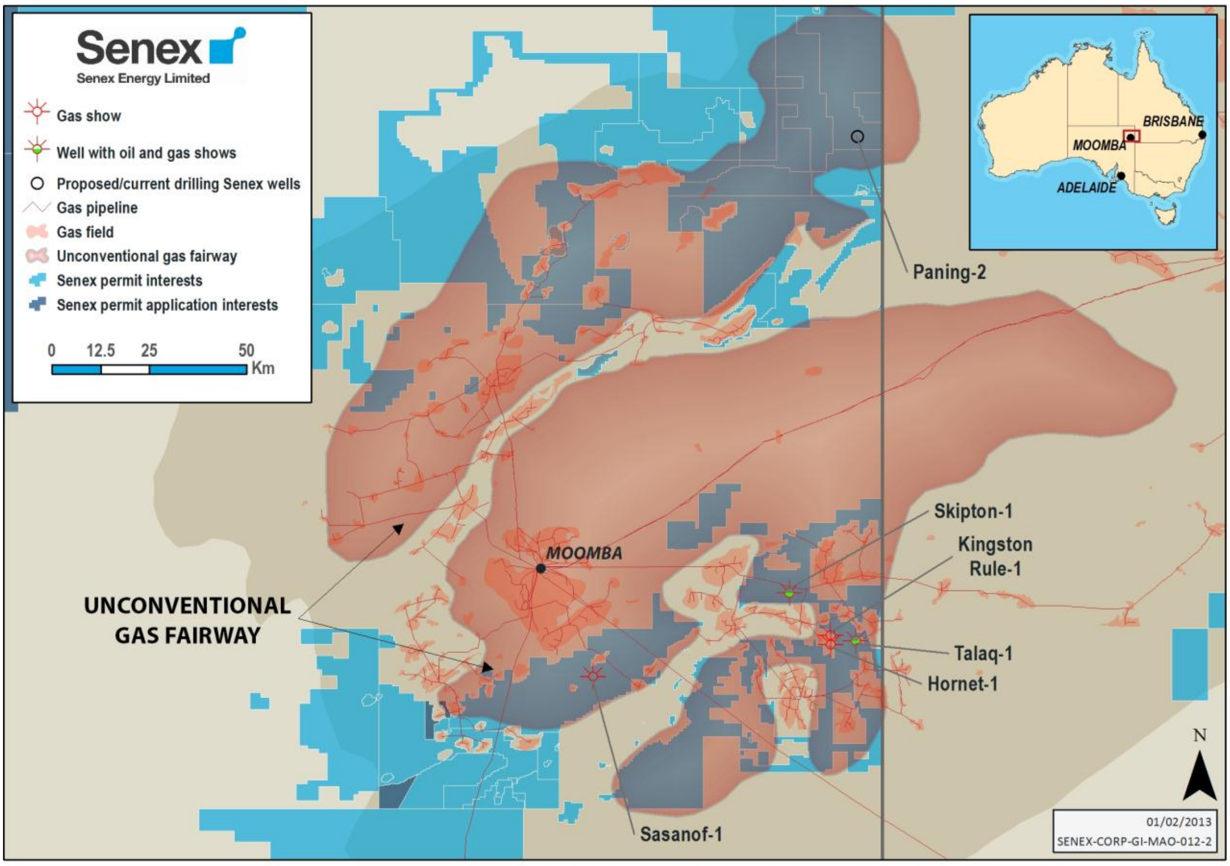


Figure 2: Senex conventional oil exploration, appraisal and development activities

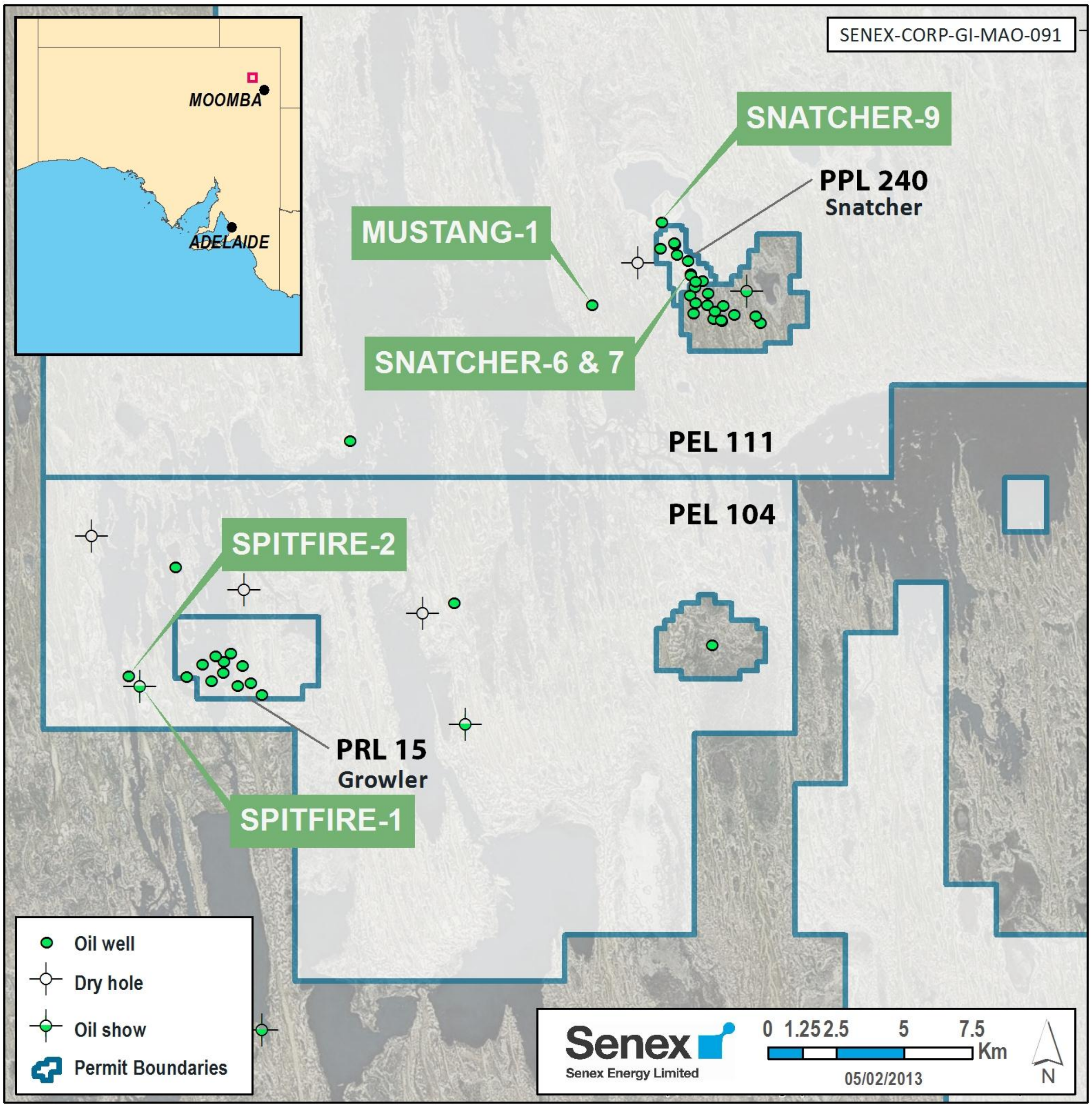
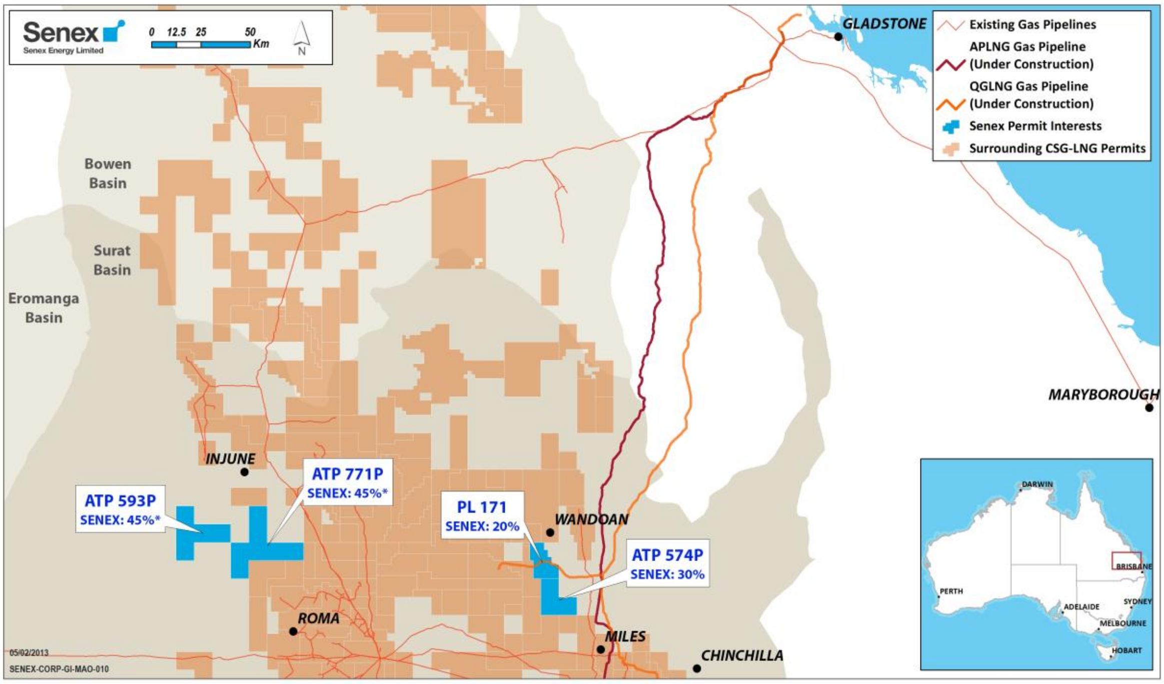


Figure 3: Location of western Surat Basin permits



*Senex is the Operator

Competent person's statement

Unless otherwise indicated, the statements contained in this drilling report about Senex's reserves estimates have been compiled by Mr James Crowley BSc (Hons), who is General Manager – Exploration and Development, a full time employee of Senex, in accordance with the definitions and guidelines in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers (SPE PRMS). Mr Crowley consents to the inclusion of the estimates in the form and context in which they appear. Senex's reserves and resources are consistent with the SPE PRMS.