

Monthly drilling report – October 2013

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Key points

- New oil discovery at Dunlop-1 flows 1,200 barrels per day during drill stem test from the McKinlay Member in southern Cooper Basin permit PEL 113
- Further exploration success with Sprigg-1 cased and suspended in PEL 514
- Production increased following completion of Burruna-2 and Mustang-1
- Drilling to commence this week on the Burruna-3 appraisal well in PEL 115
- Coal seam gas appraisal drilling underway in ATP 593P

OIL EXPLORATION, APPRAISAL AND DEVELOPMENT

Senex and its joint venture partners have drilled 11 oil wells over the last four months, with nine wells cased and suspended for future testing and production. The location of Senex oil interests are shown in Figure 1.

Dunlop-1 exploration well (PEL 113: Senex 100%)

The Dunlop-1 exploration well flowed at 1,200 barrels of oil per day (**bopd**) during drill stem testing after intersecting approximately three metres of net pay in the McKinlay Member.

Dunlop-1 spudded on 1 October and reached a total depth of 1,469 metres. The well is located 4.7 kilometres southwest of the Harpoono-2 oil well in the southern Cooper-Eromanga Basin. Senex will complete the well for production during November.

Sprigg-1 exploration well (PEL 514: Senex 80% and Operator)

Ensign Rig 754 cased and suspended the Sprigg-1 exploration well after successfully intersecting 6.3 metres interpreted net pay in the Murta Formation with gas shows in the Arrabury and Birkhead Formations. Testing of the potential pay zones will be undertaken subject to rig availability. The well reached a total depth of 2,472 metres and is located 4.5 kilometres west of the Acrasia oil field.

Pirraminta-2 exploration well (*PEL 514: Senex 80% and Operator*)

The Pirraminta-2 exploration well recorded oil shows which were calculated to be residual oil; thus no significant hydrocarbons were intersected and the well has been cased and suspended to provide water for future operations in this area.

Pirie-1 exploration well (*PEL 105: Senex 50%, non-operator¹*)

Operator Tellus Resources (ASX: TLU) spudded the Pirie-1 oil exploration well on 30 September to test the hydrocarbon potential of the Birkhead Formation. The well encountered moderate oil shows in the Birkhead Formation after the original well was sidetracked. Pirie-1 ST-1 reached a total depth of 2,522 metres, approximately 20 metres into the top of the Nappamerri Formation. The operator has decided to case and suspend the well as a potential Birkhead Formation oil producer. Pirie-1 is located approximately five kilometres north of the Santos operated Moorari oil field.

Moothandella-4 appraisal well (*Queensland, ATP 794P: Senex 35%, non-operator*)

Bridgeport Energy (a wholly owned subsidiary of New Hope Coal, ASX: NHC) successfully intersected 6 metres of interpreted net pay in the Murta Formation, 3 metres of interpreted net pay in the Namur Formation, and a metre in the Westbourne Formation with oil shows in each. The well spudded on 5 October and reached a total depth of 2,336 metres. Moothandella-4 has now been cased and suspended ahead of testing.

FORWARD OIL DRILLING PROGRAM

Senex is on track to drill more than 30 wells during 2013/14 to test the oil potential of permits across the Cooper-Eromanga Basin. The first stage of the drilling program focussed on low-risk, high-upside prospects in the southern Cooper-Eromanga Basin.

This part of the program was extended to allow further delineation and development of the oil discovery at Burruna and the successful Vintage Crop oil field. Following completion of the additional wells, the drilling program will move to Senex's highly-prospective acreage on the western flank oil fairway with wells planned for Spitfire, Growler, Mustang and Snatcher oil fields. The drilling campaign will then test exploration and appraisal targets from the Cordillo and Lignum 3D seismic surveys.

The next four prospects are described below and their location is shown in Figure 1.

¹ Subject to regulatory approvals – refer Tellus Resources ASX release dated 11 September 2013.

Burruna-3 appraisal well (*PEL 115: Senex 80% and operator*)

Burruna-3 will aim to increase production from the Burruna field following the success of Burruna-2, which flowed at rates of up to 3,600 bopd. Burruna-3 is located 560 metres southeast of Burruna-2 and is expected to be drilled to a depth of approximately 1,670 metres. Burruna-3 will assess the southern extent of the interpreted structural closure associated with Burruna-2.

Vintage Crop-3 appraisal well (*PPL 241: Senex 100%*)

The Vintage Crop-3 appraisal well will be drilled approximately 430 metres south of the Vintage Crop-1 oil discovery to appraise the extent of the Vintage Crop McKinlay oil accumulation. Vintage Crop-3 will be drilled to a total depth of approximately 1,700 metres and will also test the potential of the Birkhead and Hutton Formations.

Acrasia-6 appraisal well (*PPL 203: Senex 100%*)

The Acrasia-6 appraisal well will be drilled approximately 300 metres south of Acrasia-1 to appraise the extent of the Acrasia Hutton Sandstone oil accumulation. Acrasia-6 will be drilled to a total depth of approximately 2,350 metres and will also test the potential of the Birkhead, Poolowanna and Tinchoo Formations.

Spitfire-4 appraisal well (*PEL 104: Senex 60% and operator*)

Spitfire-4 will appraise the extent the mid-Birkhead reservoir that was encountered in previous Spitfire wells. Spitfire-4 is located 500 metres northwest of Spitfire-2, which intersected an interpreted net oil pay of 6.5 metres in the mid-Birkhead Formation.

The Spitfire-2 well continues to produce at a pump constrained rate of 160 bopd from the mid-Birkhead Formation without significant pressure decline, indicating a materially larger accumulation of oil in this field than initially estimated.

OIL COMPLETIONS PROGRAM

Burruna-2 exploration well (*PEL 115: Senex 80% and Operator*)

The Burruna-2 oil discovery has been completed for production and is now free-flowing oil at a constrained rate of approximately 1,000 bopd. The well intersected 5.3 metres of net oil pay in the Namur Formation and free-flowed oil to surface at a rate of more than 3,600 bopd during testing.

Mustang-1 exploration well (PPL 243: Senex 60% and Operator)

Mustang-1 is online and production is increasing following installation of a high-rate electric submersible pump and associated surface facilities. Mustang-1 was drilled in July 2012 and is located approximately 4 kilometres southwest of Snatcher oil field. The well intersected 4 metres of net pay in the mid Birkhead Formation and free flowed oil during a drill stem test at a rate of 2,500 bopd.

Acrasia-7 development well (PPL 203: Senex 100%)

Senex has completed the successful Acrasia-7 well and expects to bring it on production in early December.

Worrior-8 development well (PPL 207: Senex 70% and Operator)

On 29 October, Senex completed Worrior-8 to allow gas flow testing from the Patchawarra Formation. Previous good gas shows and petrophysical analysis indicate the formation is gas bearing. If sufficient recoverable gas volumes are established, an opportunity exists to convert the fuel usage for the Worrior field from liquid to gas fuel, offering high net back value for gas. Following gas testing, Senex will complete the well as a McKinlay oil producer.

Dunlop-1 exploration well (PEL 113: Senex 100%)

Dunlop-1 will be completed in the McKinlay Member after producing at 1,200 bopd during drill stem testing. An extended production testing facility is being constructed and production is expected to commence in the current quarter.

COAL SEAM GAS EXPLORATION

2013/14 work program

Senex has completed the first of a four core hole program in its western Surat Basin coal seam gas permits ATP 593P and ATP 771P (both Senex 45% and Operator). Kato-3 has been plugged and abandoned after successfully coring the entire coal section. The next well, Kato-4, spudded on 27 October and is drilling ahead. The primary aim of this program is to further delineate reserves and resources. All wells will be plugged and abandoned upon completion of testing. Well locations are shown in Figure 2.

The PL 171 Joint Venture (Senex 20%, non-operator) completed the Paradise Downs-10 appraisal well in August. The well intersected nearly 30 metres of coal in the Walloon Subgroup and three drill stem tests were conducted. The well has been suspended for future production testing.

Senex expects work to commence later in calendar year 2014 on the remaining six planned wells in the QGC operated eastern Surat Basin permits PL 171 and ATP 574P (Senex 20% and 30% respectively).

DRILLING REGISTER

Exploration, appraisal and development drilling undertaken in 2013/14 is shown below:

Oil

Well	Location	Spud date	Type	Result	Status
Worrior-8	PPL 207	22-Jun-2013	Development	Net pay of 18 metres	Completed for gas flow testing. To be recompleted as a future oil producer
Worrior-9	PPL 207	4-Jul-2013	Exploration	Unsuccessful	Plugged and abandoned
Burruna-2	PEL 115	6-Aug-2013	Exploration	Net pay of 5.3 metres, 3,600 bopd during testing	Completed and producing
Acrasia-7	PPL 203	24-Aug-2013	Development	Net pay of 6.3 metres	Completed as an oil producer
Ventura-2	PPL 214	28-Aug-2013	Development	Net pay of 13.4 metres	Cased and suspended as a future oil producer
Kobari-2	PEL 516	14-Sep-2013	Exploration	Oil shows over 22 metres	Cased and suspended as a future oil producer
Pirie-1 ¹	PEL 105	30-Sep-2013	Exploration	Moderate oil shows in the Birkhead Formation	Operator to case and suspend as a potential oil producer
Dunlop-1	PEL 113	1-Oct-2013	Exploration	Net pay of 3 metres, 1,200 bopd during DST	Completion as a future oil producer is underway
Moothandella-4 ²	ATP 794P	5-Oct-2013	Appraisal	Interpreted net pay of 10 metres in total	Cased and suspended pending testing
Sprigg-1	PEL 514	6-Oct-2013	Exploration	Interpreted net pay of 6.3 metres	Cased and suspended pending testing
Pirraminta-2	PEL 514	22-Oct-2013	Exploration	Residual oil only	Cased and suspended as a future water well
Burruna-3	PEL 115		Appraisal		Rigging up

Gas

Well	Location	Spud date	Type	Status
Paradise Downs-10 ³	PL 171	13-Aug-2013	Appraisal	Cased and suspended
Kato-3 ⁴	ATP 593P	13-Oct-2013	Exploration	Plugged and abandoned after testing
Kato-4 ⁴	ATP 593P	27-Oct-2013	Exploration	Drilling ahead

- 1 Operated by Tellus Resources
- 2 Operated by Bridgeport Energy
- 3 Operated by QGC
- 4 Core hole not designed for gas production

Figure 1: Senex conventional oil fields (operated and non-operated)

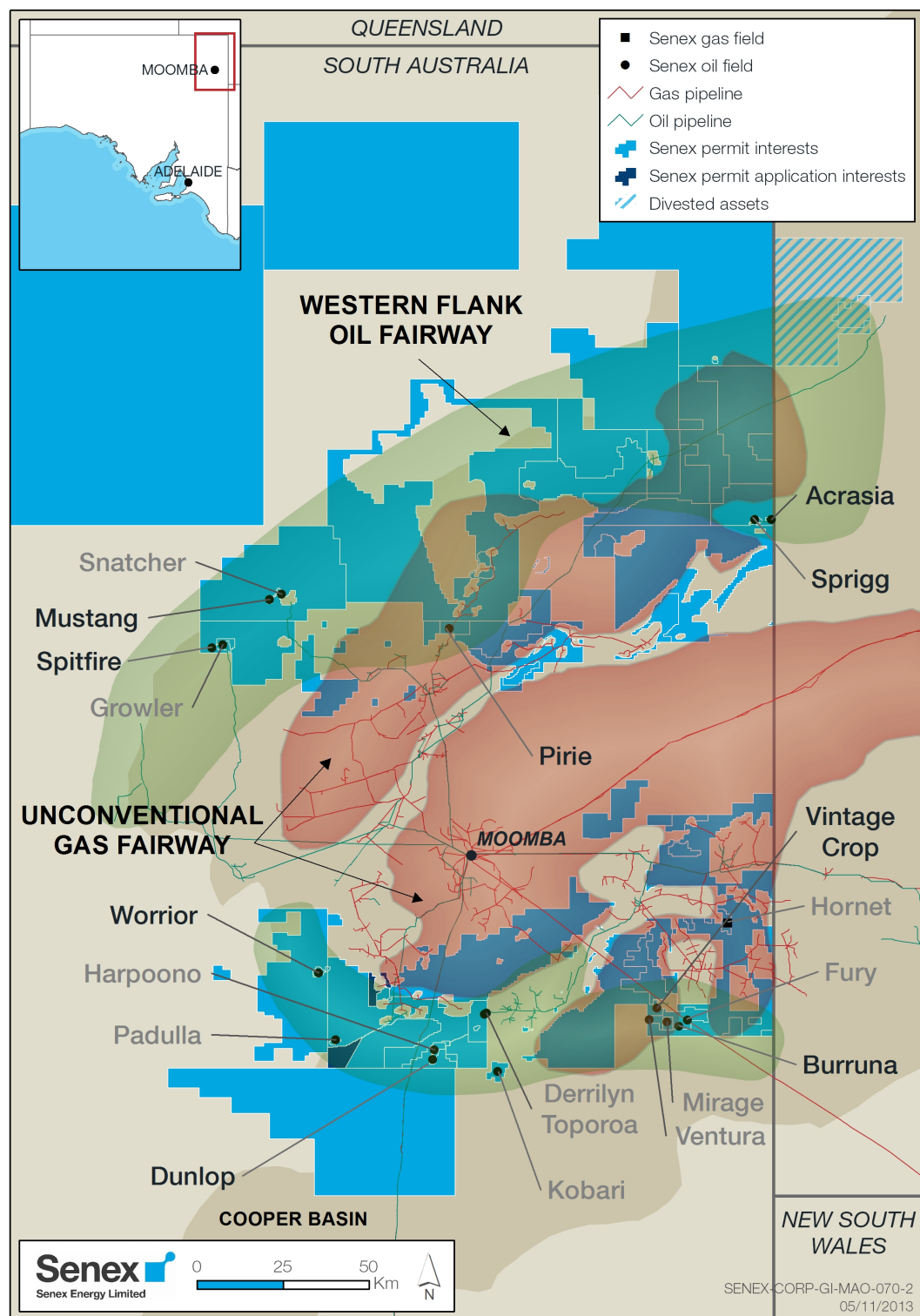
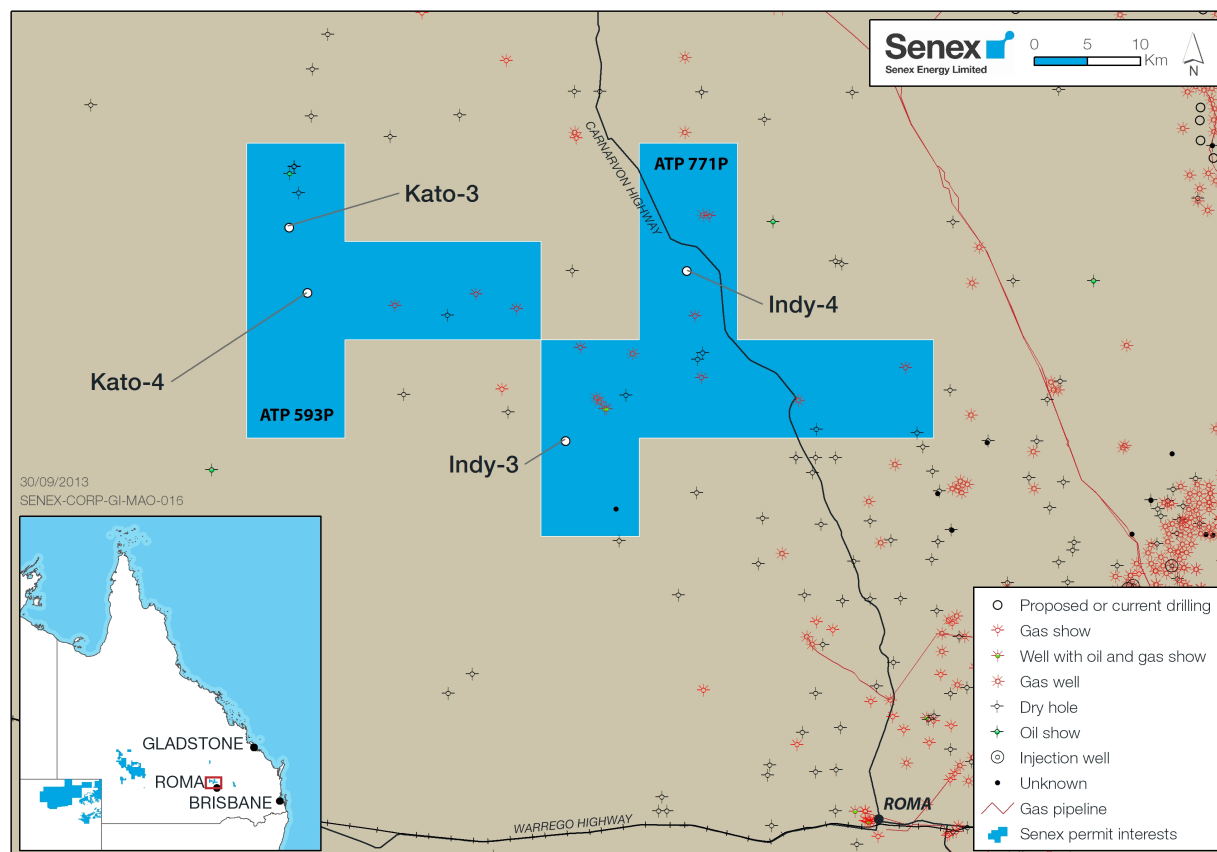


Figure 2: Surat Basin coal seam gas well locations



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Competent person's statement

Unless otherwise indicated, the statements contained in this drilling report about Senex's reserves and resources estimates have been compiled by Mr James Crowley BSc (Hons), who is General Manager – Exploration, 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.