

Acrasia-6 intersects 31 metres of net oil pay and discovers new oil horizon

Release Date: 9 December 2013

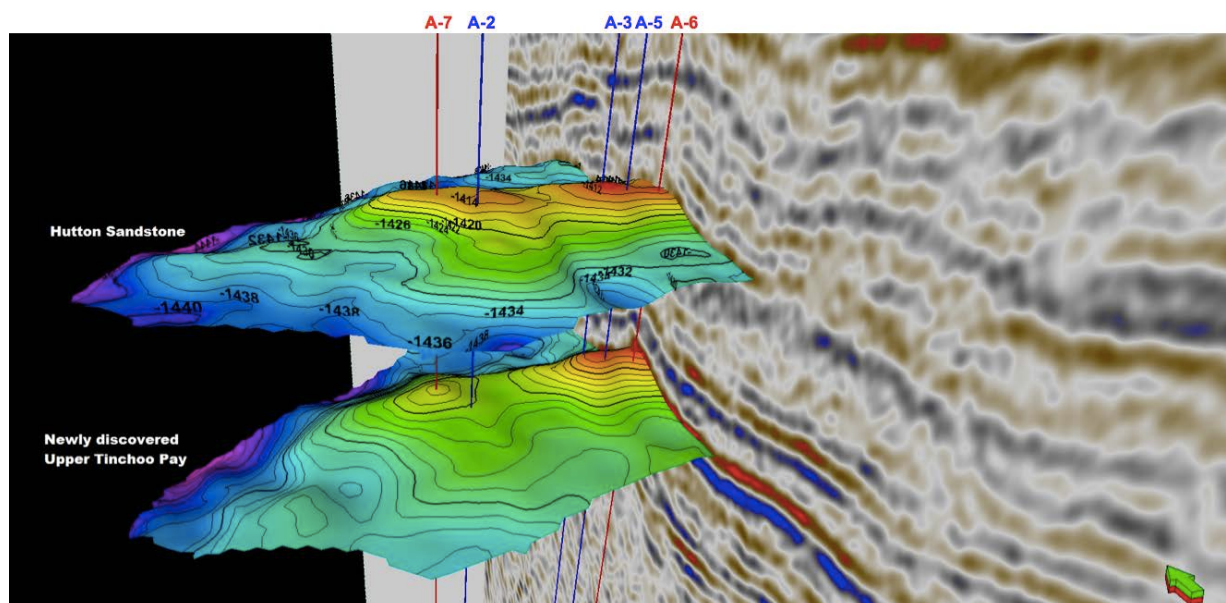
Key points

- 31 metres of net oil pay and 15 metres of possible net oil pay with good oil shows throughout the target zones in Acrasia-6 (PPL 203, Senex 100%)
- New oil accumulation discovered in the upper Tinchoo sandstone (refer Figure 1)
- Stacked oil pay with multiple oil water contacts confirmed
- Coring program confirms hydrocarbon potential in the Arrabury Formation

Senex Energy Limited (Senex, ASX: SXY) has delivered further success as part of its 30+ well drilling program for 2013/14, with Acrasia-6 extending the productive life of Acrasia oil field in the north east of South Australia's Cooper-Eromanga Basin.

Acrasia-6 is a deviated appraisal well located approximately 300 metres south of Acrasia-1, which has produced from the mid Tinchoo Formation since 2002. The appraisal well was designed to assess the extent of the Acrasia Hutton Sandstone oil accumulation, produce unswept oil in the Birkhead, Poolowanna and Tinchoo sandstone reservoirs, and evaluate the potential of the Arrabury Formation.

Figure 1: Upper Tinchoo oil accumulation at Acrasia oil field



Acrasia-6 spudded on 14 November 2013 and reached a total depth of 2,369 metres. During drilling, good oil shows were evident throughout the sandstones of the Hutton, Birkhead, Poolowanna and Tinchoo formations. Interpretation of wireline logs indicate approximately 31 metres of net pay across these four target zones with an additional 15 metres of probable pay calculated for the Birkhead and Tinchoo formations. Net pay in the Arrabury Formation will not be known until the results of the core analysis are available to calibrate the wireline logs.

Results of the well confirms three key opportunities to increase production from Acrasia:

1. Exploitation of partially-swept oil accumulations in the Hutton, Birkhead, Poolowanna and lower Tinchoo formations;
2. Production from a newly discovered oil accumulation in the upper Tinchoo sandstone; and
3. Further evaluation of the oil production potential of the Arrabury Formation sandstones.

ABOUT ACRASIA OIL FIELD

Acrasia oil field is located 125 kilometres north east of Moomba, near the Queensland border. Acrasia-1 was the first well drilled by Stuart Petroleum Limited (Stuart), a South Australian oil production company acquired by Senex in February 2011. The well was drilled in March 2003 and was brought online as an oil producer in July the same year after intersecting oil in the Birkhead, Hutton, Poolowanna and Tinchoo reservoirs. Stuart subsequently drilled four successful development wells at the field, which has produced approximately 840,000 barrels of oil to date.

In 2013, structural remapping and oil-in-place calculations by Senex indicated significant potential for additional oil production from the field. In August, Senex drilled the Acrasia-7 development well to maximise the recovery of unswept oil from the mid Tinchoo Formation and evaluate the potential of the Birkhead, Hutton and Poolowanna formations. The well was cased and suspended as a future oil producer in September after intersecting interpreted net oil pay of 6.3 metres in the Tinchoo and Poolowanna formations, and is expected to commence production in December 2013.

The location of Acrasia oil wells is shown in Figure 2.

ARRABURY FORMATION POTENTIAL

During drilling of Acrasia-6, Senex cut core over an interval of 34 metres from 2,262 metres to 2,296 metres through the interbedded sandstones and shales of the Arrabury Formation. The coring program was designed to enhance understanding of the reservoir and calculate rock properties.

Analysis of the core indicates the presence of oil in the Arrabury Formation at Acrasia-6. In 2002, the Acrasia-2 appraisal well produced at a rate of 430 barrels of oil per day from the Arrabury sandstone, but was not able to be brought onto production. Senex is now evaluating options to exploit this oil pool and assess the potential for similar Arrabury accumulations in the region.

ANOTHER STEP FORWARD

Senex Managing Director and CEO Ian Davies said results from Acrasia-6 provided further evidence of the exploitation potential within the Cooper-Eromanga Basin.

“This is another great example of the value of taking a fresh look at existing oil fields. Applying new technology and new ways of thinking to existing fields presents an excellent opportunity to maximise the value of infrastructure that has already paid its way,” Mr Davies said.

Planning is now under way for an appraisal campaign at Acrasia to investigate the stratigraphic nature of the Birkhead accumulation and confirm the productive potential of oil in the Arrabury Formation. Initially, Senex will drill an additional well, Acrasia-8, adjacent to Acrasia-6 to both accelerate production and to access un-drained reservoirs in the east of the field. An upgrade of existing facilities is also planned to enable rapid field development.

For further information contact:

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

Andrew Barber
Investor Relations Manager
Senex Energy Limited
Phone: (07) 3335 9821 or 0418 783 701

Competent person statement

Unless otherwise indicated, the statements contained in this announcement 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.

Figure 2: Location of Acrasia oil field

