

Senex and Origin Energy agree Cooper Basin gas farm-out

Release Date: 24 February 2014

Senex Energy Limited (Senex, ASX: SXY) and Origin Energy Limited (Origin, ASX: ORG) have agreed to evaluate tight gas sands in key areas of South Australia's southern Cooper-Eromanga Basin involving a work program of up to \$252 million.

KEY POINTS

- Two farm-out agreements signed providing exposure to tight gas sand, shale and deep coal plays:
 - Area A (36% of total areas of PEL 516 and PEL 115 (Senex 100%) and,
 - Area B (47% of total area of PEL 514, Deeps only (Senex 80% and operator, Planet Gas Limited (Planet, ASX: PGS) 20%)
- Up to \$252 million may be invested by the joint venture partners in a two-stage work program involving the drilling of at least 15 wells and substantial 2D and 3D seismic acquisition programs
- Senex is free-carried for its share of the first \$185 million of work program, with Senex, Origin and Planet having the option to contribute a further \$67 million on a participating interest basis
- Senex will retain operatorship of the permits during the two-stage work program, with Origin having the option to become operator following completion of Stage 2

FOCUSED ON COMMERCIALISATION

The parties have agreed a two-stage work program totalling \$185 million with additional work program expenditure of up to \$67 million, which is subject to operating committee approval. The first stage will evaluate the potential of the tight gas sands, provide exposure to shales and deep coal seams, and provide proof of concept. The second stage will evaluate the commerciality of the gas resource by undertaking extended flow testing through separate pilot programs.

Senex Managing Director Ian Davies said Origin is the ideal partner to help commercialise the Cooper-Eromanga Basin's significant unconventional gas potential.

"Origin has built an unrivalled position in the eastern Australian gas market and has access to international markets through its APLNG export facilities in Gladstone. Origin is a natural partner for Senex to accelerate the commercialisation of a potentially massive gas resource, especially given its long-standing position in the South Australian Cooper Basin Joint Venture.

“These agreements cover 40% of the total area of PEL 514 and PEL 516, with Senex retaining its material interests to explore the remainder of these hydrocarbon rich permits,” he said.

TRANSACTION DETAILS

The following table summarises the transaction, which is conditional on certain approvals including registration of interests. Completion is expected by 30 June 2014.

	AREA A	AREA B	TOTAL
Total petroleum exploration licence (PEL) areas	2,876 km ² (PEL 516 and PEL 115)	1,917 km ² (PEL 514)	
Farm-out areas	1,031 km ² (255,000 acres) (36% of total PEL areas)	904 km ² (223,000 acres) (Deeps only, 47% of total PEL area)	
Stage 1 work program¹	\$65 million	\$40 million	\$105 million
Participating interest earned by Origin	40%	30%	
Stage 2 work program¹	\$40 million	\$40 million	\$80 million
Participating interest earned by Origin	10%	10%	
Additional Area B work program	N/A	\$67 million	\$67 million
Stage 1 and 2 work program (equity basis)			
Total work program	\$105 million	\$147 million	\$252 million

1 Senex 100% free carried

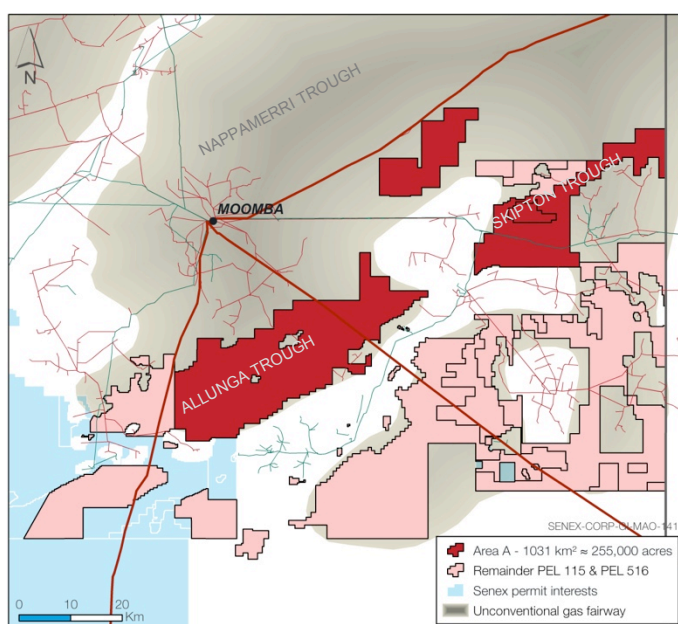


Figure 1: Area A in relation to PEL 516 and PEL 115

AREA A – PEL 516 AND PEL 115

Area A comprises a 1,008 square kilometre portion of PEL 516 and a 23 square kilometre portion of PEL 115 in the southern South Australian Cooper Basin (refer Figure 1 and 3). This will allow operations to focus on the tight gas prospectivity of the Allunga, Skipton and Nappamerri troughs.

The Area A work programs will involve a 300 line kilometre 2D seismic survey, the drilling of up to eight exploration and appraisal wells, fracture stimulation and flow testing. The first well is expected to be drilled within 12 months.

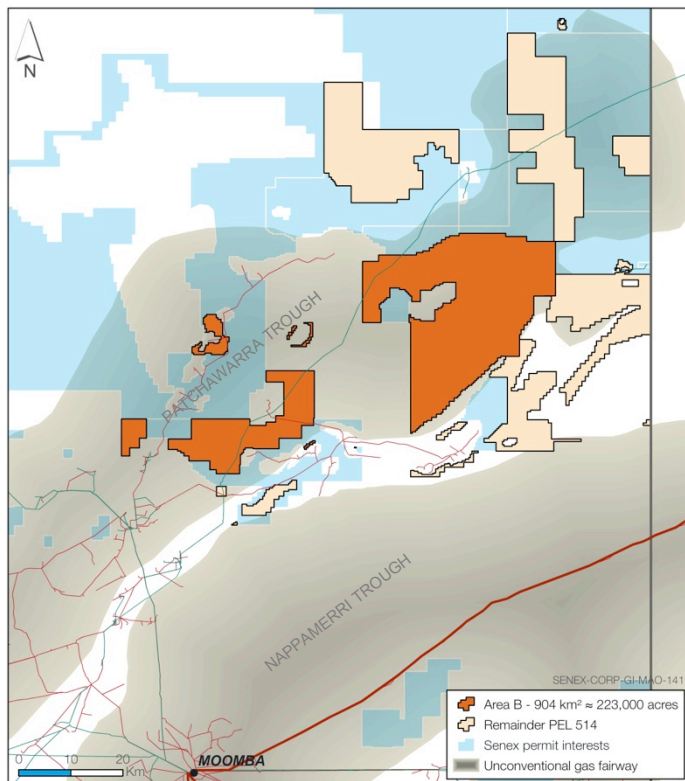


Figure 2: Area B in relation to PEL 514

AREA B – PEL 514 (DEEPS ONLY)

Area B comprises a 904 square kilometre portion of the Permian system of PEL 514 (**Deeps**) in the Patchawarra Trough in the northern South Australian Cooper Basin (refer Figure 2, 3 and 4). Senex retains its interests in the oil prone sequences above the Permian (**Shallows**), as shown in Figure 4. The Area B work programs will involve a 250 square kilometre 3D seismic survey, the drilling of up to seven exploration and appraisal wells, fracture stimulation and flow testing.

In Area B, the joint venture parties may elect to fund an additional work program, subject to operating committee approval, totalling \$67 million. This will involve additional exploration and appraisal work during both stages.

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

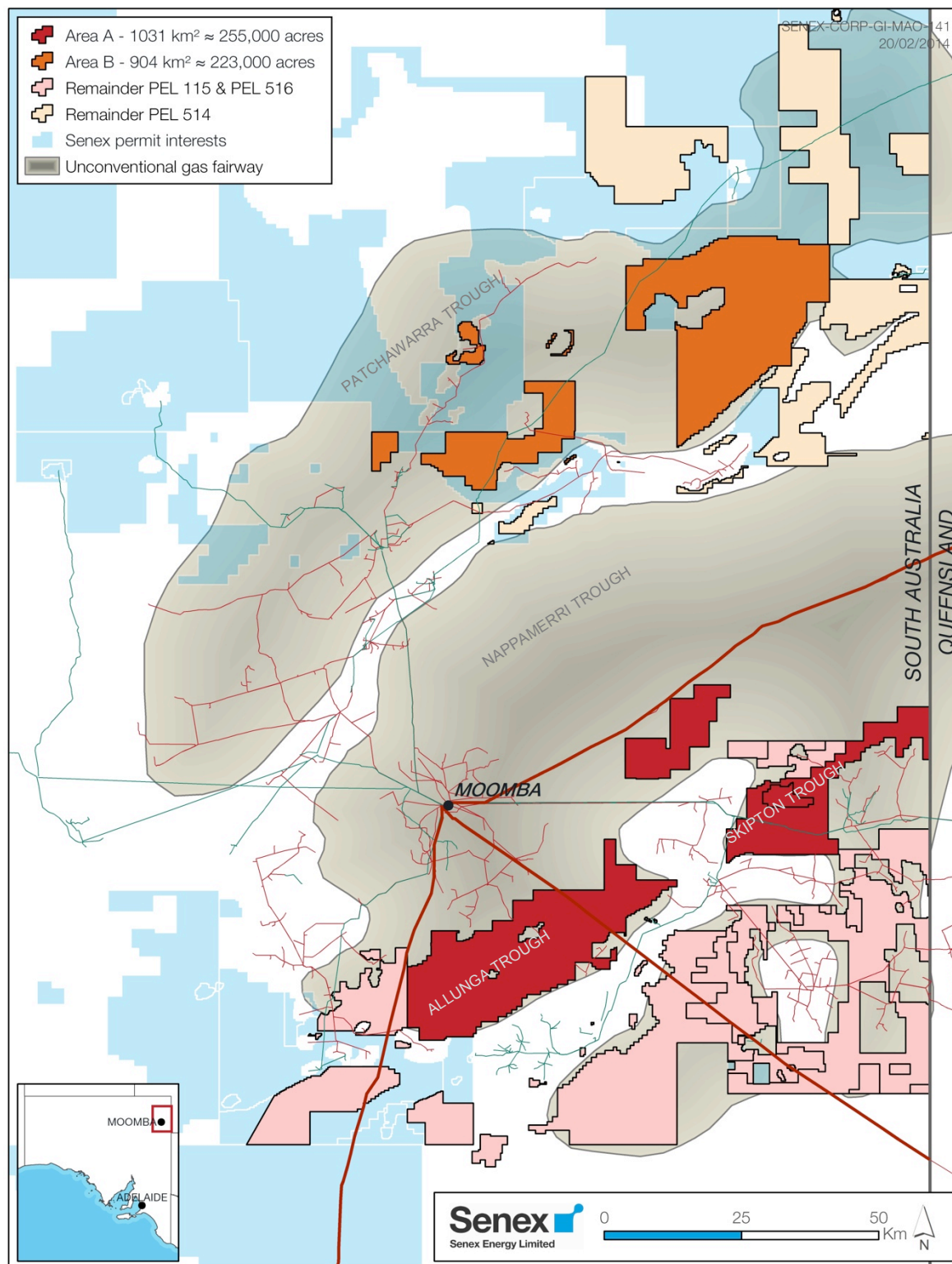
About Origin Energy Limited

Origin (ASX: ORG) is the leading Australian energy company focused on gas and oil exploration and production, power generation and energy retailing. A member of the S&P/ASX 20 Index, the company has more than 6,000 employees and is a leading producer of gas in eastern Australia. Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

About Senex Energy Limited

Senex (ASX: SXY) is an S&P/ASX 200 energy company with a diversified portfolio of oil and gas assets in Australia's Cooper, Eromanga and Surat Basins. The Company is an experienced operator in Australia's oil and gas industry and has attracted a highly qualified team of professionals to grow the business safely and efficiently.

Figure 3: Location of Area A and Area B in relation to Senex permits in the Cooper-Eromanga Basin



AGE		STRATIGRAPHY		BASIN	SEISMIC CODES	LITHOLOGY	DEPOSITIONAL ENVIRONMENT		
Ma		SW	NE						
0.8	Quaternary	Milleyera Formation & equivalent		LAKE EYRE BASIN (CALLABONA SUB-BASIN)			Fluvial & lacustrine	SHALLOWS	
1.6	TERTIARY	LATE PLIOCENE	Yandruwantha Sand						
3.3		EARLY PLIOCENE							
5.3		MIOCENE & LATE OLIGOCENE	Namba Formation				Lacustrine		
29.3		EARLY OLIGOCENE & LATE OLIGOCENE							
38.0		LATE PALEOCENE & MIDDLE EOCENE	Eyre Formation				Fluvial & lacustrine		
60.0		EARLY PALEOCENE							
88.0	CRETACEOUS	MAASTRICHTIAN		EROMANGA BASIN					DEEPS
90.0		CAMPANIAN							
97.5		TURONIAN	Winton Formation				Non-marine		
100.0		ALBIAN	Oodnadatta Formation		Mackunda Formation	A _M		Marginal marine	
108.0			Coorikiana Sandstone		Allaru Mudstone	A ₁		Marine	
117.5		EARLY	Bulldog Shale		Toolebuc Formation			Restricted marine	
					Wallumbilla Formation			Open marine	
			APTIAN						
			BARREMIAN HAUTERIVIAN						
145.0		JURASSIC	VALANGINIAN		Cadna-owie Formation	EROMANGA BASIN	C		
151.0	RYAZANIAN		Murta Formation	D _M			Lacustrine turbidites		
159.0	VOLGIAN		McKinlay Member	D _N			Lacustrine shoreface		
165.0	KIMMERIDGIAN		Namur Sandstone	E			Braided fluvial		
	OXFORDIAN		Westbourne Formation	H			Low energy braided fluvial		
175.0	CALLOVIAN		Adori Sandstone				Fluvio-lacustrine backswamp		
186.0	BATHONIAN		Birkhead Formation						
188.0	BAJOCIAN-ALENIAN		Hutton Formation						
193.0	EARLY		SINEMURIAN-TOARCIAN	Poolowanna Formation	J _L			Braided fluvial	
205.5			HETTANGIAN		L			Meandering anastomosing fluvial	
218.0	TRIASSIC	RHAETIAN	Cuddapan Formation	NAPPAMERRI GROUP			Flood plain, meandering fluvial		
236.5		NORIAN							
242.0		CARNIAN							
		LADINIAN							
246.0	EARLY	SCYTHIAN	Paning Member			Fluvio-lacustrine			
249.0			Callamurra Member			Braided fluvial			
253.5	LATE	TARTARIAN	Toolachee Formation			Flood plain, meandering stream and lacustrine			
256.0		KAZANIAN	Daralingie Formation			Meandering fluvial deltaic in part			
263.5	PERMIAN	KUNGURIAN	Roseneath Shale	GIDGEALPA GROUP			Fluvio-deltaic		
264.5		ARTINSKIAN	Epsilon Formation				Lacustrine		
		SAKMARIAN	Murteree Shale				Fluvio-deltaic		
274.0		ASSELIAN	Patchawarra Formation				Fluvio-deltaic		
277.0			Tirrawarra Sandstone				Flood plain		
280.0	CARBON-IFEROUS		Merrimelia Formation			Peat swamp			
285.5		LATE				Pro-glacial outwash			