

Senex commences gas exploration at Silver Star-1

Release Date: 14 March 2017

Senex Energy Limited (ASX:SXY, "Senex") to commence drilling of the Silver Star-1 gas exploration well in the South Australian Cooper Basin, targeting material gas volumes. The Silver Star-1 well is expected to cost approximately \$15 million and forms part of the work program being progressed by Senex in joint venture with Origin Energy.

Senex Managing Director and CEO Ian Davies said the drilling program reflected its continued commitment to onshore gas exploration and to building an opportunity pipeline capable of delivering significant gas volumes to market.

"The Silver Star-1 well is an exciting step in the Senex and Origin Energy exploration project agreed in 2014 to unlock material high-risk gas acreage in the South Australian Cooper Basin. The areas on which we are focused have multi-Tcf potential, and gas exploration programs such as this are crucial to unlocking more supply for the east coast market," Mr Davies said.

Silver Star-1 (PEL 638: Senex 53.75% and operator, Origin Energy 33.75% and Planet Gas 12.5%) is the first drilling location in the northern area of Senex's joint venture with Origin Energy, a staged program targeting material volumes of basin centred and stratigraphic gas in the Patchawarra and Allunga Troughs. Senex is free carried by Origin under the Senex-Origin farm-in arrangement. The aggregate project expenditure under the arrangement is up to \$252 million, of which \$105 million will be deployed on the first stage work program, including Silver Star-1.

Silver Star-1 is a high impact gas exploration well located in the northern Cooper Basin and is expected to be drilled to a depth of approximately 3,600 metres, with a potential lateral section of up to 1,500 metres. The total cost of the well is estimated at approximately \$15 million.

The well follows the drilling of Efficient-1 and Ethereal-1 in the southern Cooper Basin, which were both cased and suspended having successfully intersected stratigraphically trapped tight gas in the Permian sandstones. The Ethereal-1 well was fracture stimulated and production tested, with the next step to complete a nitrogen lift test to increase gas production.

Senex will provide further information to the market on its drilling activity in its monthly drilling report to be released in early April.

The map in figure 1 shows the location of the Silver Star-1 well.

FURTHER INFORMATION

Investor Enquiries:
Ian Davies
Managing Director
Senex Energy Limited
Phone: (07) 3335 9000

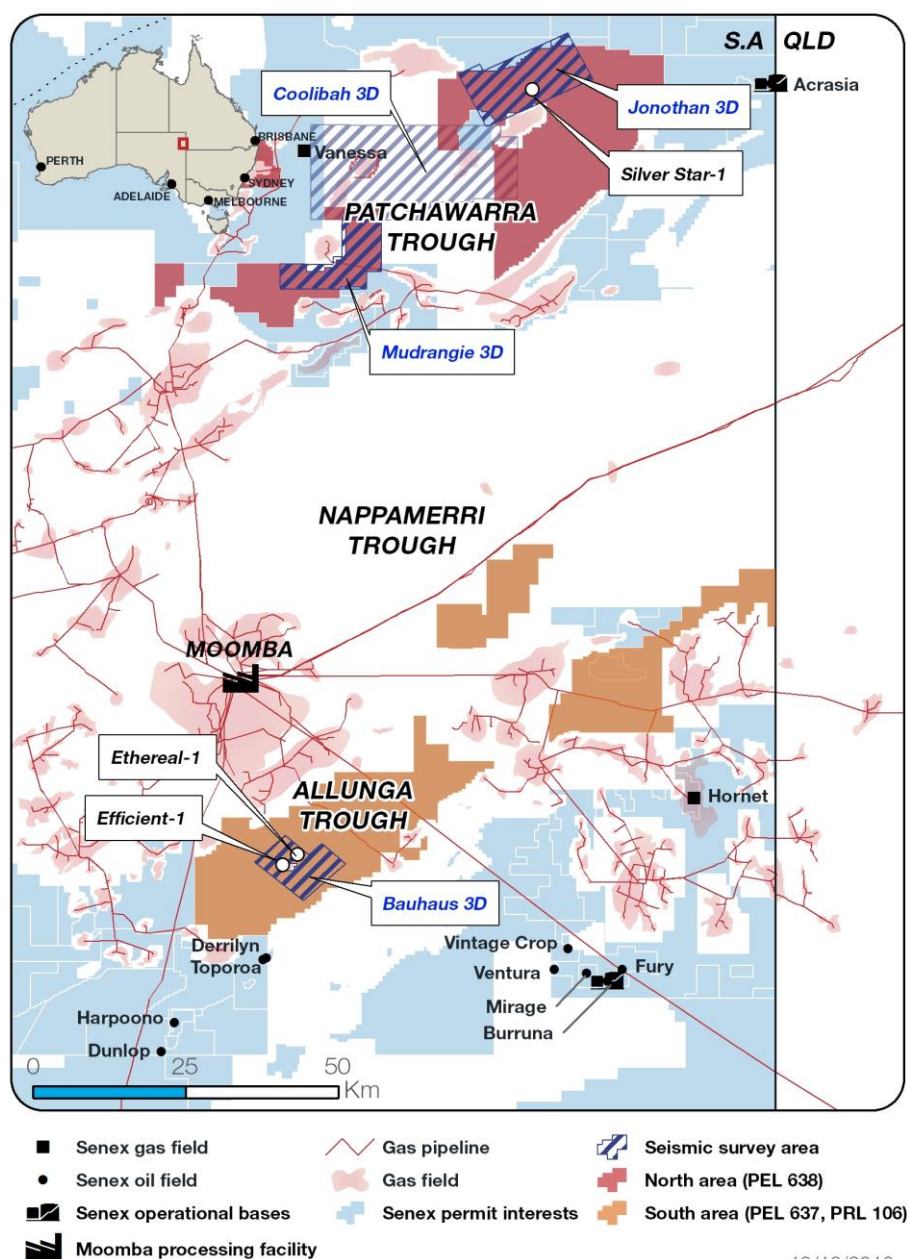
Tess Palmer
Investor Relations Manager
Senex Energy Limited
Phone: (07) 3335 9719

Media Enquiries:
Rhianne Bell
Corporate Communications Manager
Senex Energy Limited
Phone: (07) 3335 9859

ABOUT SENEX ENERGY

Senex is a growth focused exploration and production company based in Brisbane. With a 30-year operating history, Senex holds extensive onshore oil and gas acreage in the Cooper and Surat Basins. Senex operates the majority of its assets, produces around one million barrels of oil annually, and is successfully developing a gas business including the Western Surat Gas Project in Queensland

Figure 1 – Unconventional gas joint ventures with Origin Energy



10/10/2016
SENEX-CORP-GI-MAO-176