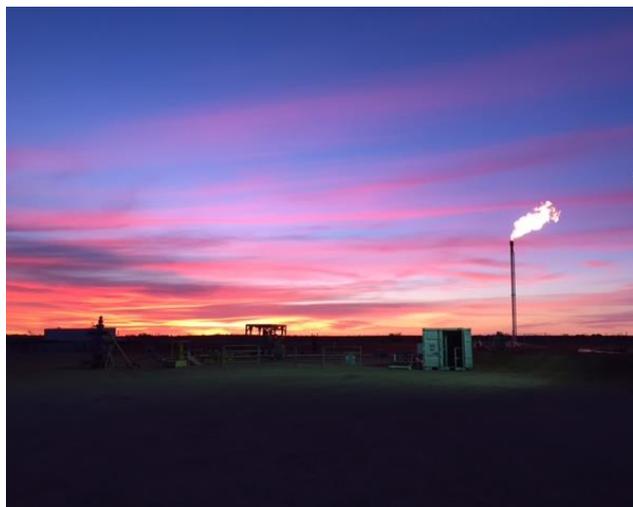


Hornet gas field pre-commissioning for first gas sales

Release Date: 18 November 2014

Senex Energy Limited (Senex, ASX: SXY) is pleased to report that the Hornet-1 gas well is in pre-commissioning ahead of first gas sales for Senex.

Senex has completed a flow test of the Hornet-1 gas well during which gas flowed to surface at a rate of more than two million cubic feet per day. The well has been completed for production and the surface facilities, including the separation equipment and flowlines, have been installed. The pipeline connecting the Hornet field to the Santos-operated South Australian Cooper Basin Joint Venture (SACB JV) network at the Allambi field is ready for commissioning.



Gas flare at Hornet-1



Extended production test facility

The gas sales agreement (GSA) with the SACB JV provides for the supply of unprocessed raw gas on a discretionary basis from the Hornet gas field within PEL 115 (Senex 100%), with up to 10 million standard cubic feet per day to be supplied. This allows Senex the flexibility to monetise the appraisal of the Hornet field through an extended flow test, without the risk of penalties for non-delivery.

The Hornet-1 unconventional gas exploration well was drilled by Victoria Petroleum in 2004, with gas shows observed in the Epsilon and Patchawarra Formations. In 2013 Senex completed multi-zone fracture stimulation and subsequent production logging of Hornet-1, which confirmed the existence of a conventional tight gas reservoir, with the gas accumulation defined within a stratigraphic trap.

Commenting on the development, Senex Managing Director Ian Davies said it was evidence of the Growth Acceleration Strategy in action, with Senex moving its portfolio of growth projects up the maturity curve in order to reach aspirational FY18 production and reserves targets.

“Achieving our first gas sales is an important step in our evolution into a major Australian gas producer and the forerunner to a large and sustainable gas business both in the Cooper and the Surat Basins”, he said.

For further information contact:

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

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

Figure 1: Hornet gas field proximity to infrastructure

