

## Senex to increase its interest in unconventional gas permit PEL 115 and acquire 19.99% of Orca Energy

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**Senex Energy Limited (Senex) has agreed to earn a further 22% interest in strategically-located Cooper Basin exploration permit PEL 115 and acquire a 19.99% holding in joint venture partner Orca Energy Limited (Orca).**

Senex's interest in PEL 115 will increase to 55% by committing to fund Orca's remaining 20% share of the cost of an unconventional gas well in the permit at an estimated cost of approximately \$1 million.

The 266 square kilometre permit is close to existing oil and gas infrastructure and other Senex interests. The individual exploration parcels that make up PEL 115 are intermixed with the larger PEL 516, in which Senex holds a 100% interest.

PEL 115 is thought to have unconventional gas potential in the form of coal seam gas, shale gas and tight gas sands. A dedicated unconventional gas exploration well will evaluate this potential in the second half of 2012. The vertical well will be cored, analysed and fracture stimulated to assess gas content, gas saturation and permeability of the target zones.

### Interest in Orca Energy Limited

Under a separate agreement, Senex will subscribe for 115 million new shares in Orca to acquire a 19.99% holding in the company.

Orca will issue the shares to Senex immediately at an issue price of 3.5 cents per share. The total cost to Senex will be \$4.025 million.

Senex Managing Director Ian Davies said Senex was keen to increase its exposure to the unconventional gas potential of the southern Cooper Basin.

"We are pleased to form a relationship with Orca and we look forward to exploring the unconventional gas potential of PEL 115 later this year," he said.

Senex is the Operator of the PEL 115 joint venture, which will comprise Orca (20%) and Lion Petroleum Pty Ltd (25%).

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**Figure 1: PEL 115**

