



3 July 2013

Manager of Company Announcements
ASX Limited
Level 8 Exchange Plaza
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By E-Lodgement

FURY-1 INITIAL FLOW RATES REACH 75 BARRELS OF OIL PER DAY

Orca Energy Limited (**Orca** or the **Company**) has been advised by its Fury Joint Venture partner and operator, Senex Energy Limited (ASX: SXY), that the Fury-1 oil exploration well (refer to Figure below) has been recompleted and is undertaking a production test with initial flow rates of up to 75 barrels of oil per day (refer SXY announcement attached).

The Wild Desert Rig 10 has recompleted Fury-1 with additional perforations to properly test deliverability from the Murta Formation. A hydraulic pump unit and surface facilities have been installed, and the well is online for an Initial Production Test (IPT). This IPT will provide an indication of the size of the reservoir, pre-stimulation production rate, and provide data for enhancing production rates through an improved completion or stimulation. Initial flow rates from Fury-1 have reached 75 barrels of oil per day, although stabilised production is yet to be achieved.

Under the terms of the recently announced sales agreement with Senex, Orca will retain its 20% interest in two key assets within PEL 115, namely the Fury and Burruna oil fields. The parties will apply for a separate licence for the Fury and Burruna blocks (refer Figure 1), which will be known as the Fury Joint Venture and operate under the terms of the existing PEL 115 joint venture (Senex 80% and Operator, Orca 20%).

Background

Fury-1 was drilled by Victoria Petroleum in 2009 as an exploration well testing a four way structural closure. Good oil shows were encountered through the Murta and Epsilon formations. The well was subsequently completed in June 2010 as a potential Murta oil producer, but has never been brought on production due to abnormally high rains that saw large parts of the Cooper Basin under water for well over a year. A recent review of the well by Senex concluded that an additional 11 metres of net pay could be accessed via a recompletion and extra perforations.

BOARD & MANAGEMENT

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Mr Jason Bontempo
NON-EXECUTIVE DIRECTOR

Mr Jeremy King
NON-EXECUTIVE DIRECTOR

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Figure 1

The nearby Burruna Block exhibits similar sands in the Murta Formation, where multiple wells could be proposed to appraise and develop the structure.

The two blocks are estimated to contain a combined total of approximately 5 million barrels of oil in place.

For and on behalf of the Board

Greg Bandy
Executive Director

Monthly drilling report – June 2013

Release Date: 3 July 2013

Key points

- Material oil development, appraisal and exploration campaign underway in the Cooper Basin with more than 30 wells to be drilled over 12 months
- Oil development well Worrior-8 has successfully intersected an oil bearing reservoir in the Murta Formation of the southern Cooper Basin
- Vintage Crop-2 completed as a future production well after successfully recovering oil during a multi zone initial production test
- Southern Cooper Basin oil discovery Fury-1 recompleted and undertaking a production test with initial flow rates of up to 75 barrels of oil per day

OIL EXPLORATION, APPRAISAL AND DEVELOPMENT

Drilling campaign to continue reserves and production growth

Senex Energy Limited (**Senex, ASX: SXY**) will drill more than 30 wells over the next 12 months to further increase oil production and reserves across its extensive portfolio of permits in the South Australian Cooper Basin. The fully self-funded campaign is the first phase of a broader, multi-year program to exploit the oil potential of the Cooper Basin, which is considered to be under explored and significantly underdeveloped.

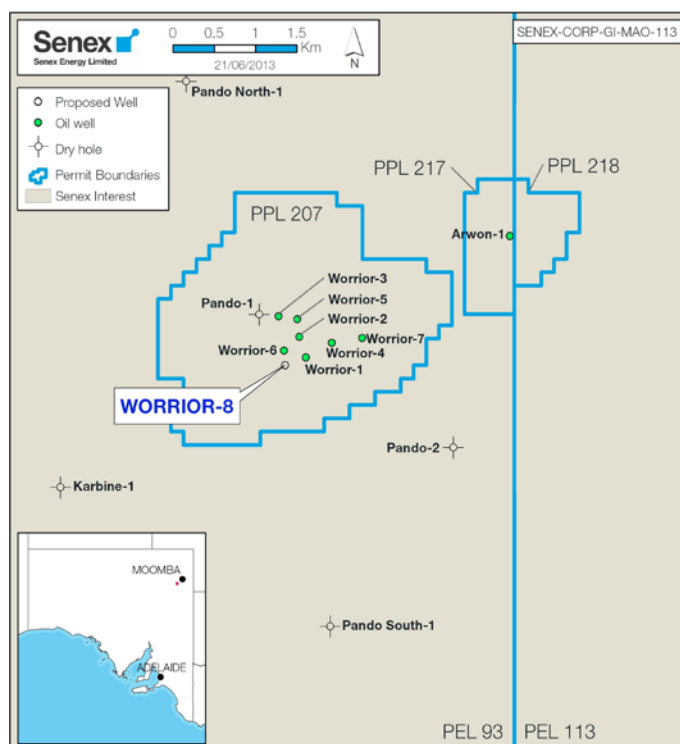
Senex has secured Ensign Rig 48 for the program, which commenced on 22 June with the spudding of the Worrior-8 development well in the southern Cooper Basin. Further wells will be drilled in Senex's southern permits before Ensign Rig 48 mobilises to the Company's western flank interests.

Senex has identified more than 50 oil prospects as a result of a six month review of its oil assets. Additional prospects are expected to be generated from the analysis and interpretation of the reprocessed Mollichuta 3D seismic survey and the new Cordillo and Lignum 3D seismic surveys. The 1,037 square kilometre Dundinna 3D seismic survey is currently underway and is expected to generate further oil prospects.

Warrior-8 development well (PPL 207: Senex 70% and Operator, Cooper Energy 30%)

Warrior-8 is located approximately 200 metres to the south west of Warrior-1 in the southern Cooper Basin. The development well will assess the oil potential of the Murta Formation, which previously flowed oil during a drill stem test (**DST**).

Figure 1: Warrior oil field



Warrior-8 will also provide an additional drainage point for the McKinlay, Birkhead and Hutton oil reservoirs and test the gas potential of the Patchawarra Formation.

Drilling of Warrior-8 commenced on 22 June and at 12.00 am this morning Ensign Rig 48 had reached 1,651 metres and was drilling ahead to a total depth of 1,780 metres. During drilling, Senex successfully cut 36 metres of core through the Murta Formation with significant zones of oil saturation and up to 100% fluorescence. Good gas shows were also recorded.

Further evaluation of the oil shows will be undertaken through core analysis, logging and cased-hole testing to define the thickness of the reservoir and potential for future production.

Vintage Crop-2 (PPL 241: Senex 100%)

In March 2013, Senex drilled the successful Vintage Crop-2 well, which intersected 6.5 metres of net oil pay within the McKinlay Formation. An estimated six metres of net oil pay was also intersected within the Murta Formation, which flowed at 30 barrels of oil per day from an open-hole DST. The well has been completed as a future oil producer.

Fury-1 (PEL 115: Senex 80%, Orca Energy 20%)

Wild Desert Rig 10 has recompleted Fury-1 with additional perforations to properly test deliverability from the Murta Formation. A hydraulic pump unit and surface facilities have been installed, and the well is online for an Initial Production Test (**IPT**).

This IPT will provide an indication of the size of the reservoir, pre-stimulation production rate, and provide data for enhancing production rates through an improved completion or stimulation.

Fury-1 was drilled in 2009 as an exploration well testing a four way structural closure. Good oil shows were encountered through the Murta and Epsilon formations. The well was subsequently completed in June 2010 as a potential Murta oil producer, but has never been brought on production. A recent review of the well concluded that an additional 11 metres of net pay could be accessed via a recompletion and extra perforations.

Initial flow rates from Fury-1 have reached 75 barrels of oil per day, although stabilised production is yet to be achieved.

The location of Senex oil fields is shown in Figure 2.

DRILLING REGISTER

Exploration, appraisal and development drilling undertaken in 2012/13 is shown below:

Oil

Well	Location	Spud date	Type	Status
Mustang-1	PEL 111	4-Jul-2012	Exploration	Extended production test
Kruger-1*	PEL 516	23-Jul-2012	Exploration	Plugged and abandoned
Snatcher-6	PPL 240	30-Jul-2012	Development	On production
Tomcat-1	PEL 111	16-Aug-2012	Exploration	Plugged and abandoned
Snatcher-7	PPL 240	28-Aug-2012	Development	On production
Snatcher-10	PPL 240	18-Sep-2012	Appraisal	Cased and suspended awaiting completion
Snatcher-8	PPL 240	30-Sep-2012	Development	On production
Snatcher-9	PEL 111	2-Nov-2012	Appraisal	On production
Spitfire-2	PEL 104	17-Nov-2012	Exploration	Extended production test
Vintage Crop-2	PPL 241	15-Mar-2013	Appraisal	Completed and tested, awaiting construction of surface facilities
Warrior-8	PPL 207	22-June-2013	Development	Drilling ahead at 1,651 metres

* Funded 100% by Ambassador Oil & Gas

Gas

Well	Location	Spud date	Type	Status
Indy-1	ATP 771P	24-Jul-2012	CSG core hole	Plugged and abandoned*
Lawton-5**	PL 171	25-Jul-2012	CSG appraisal	Cased and suspended
Lawton-8**	PL 171	4-Aug-2012	CSG appraisal	Cased and suspended
Indy-2	ATP 771P	7-Aug-2012	CSG core hole	Plugged and abandoned*
Skipton-1	PEL 516	15-Aug-2012	Gas exploration	Suspended, awaiting further testing
Alex-10**	PL 171	15-Aug-2012	CSG appraisal	Cased and suspended
Peebs-9**	ATP 574P	15-Sep-2012	CSG appraisal	Cased and suspended
Peebs-11**	ATP 574P	21-Sep-2012	CSG appraisal	Cased and suspended
Kingston Rule-1	PEL 115	21-Oct-2012	Gas exploration	Suspended, awaiting completion
Paning-2	PEL 90	15-Dec-2012	Gas exploration	Fracture stimulated

* Core hole not designed for gas production. Field delineation data resulted in a reserves upgrade

** Operated by QGC

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Competent person's statement

Unless otherwise indicated, the statements contained in this drilling report about Senex's reserves estimates have been compiled by Mr James Crowley BSc (Hons), who is General Manager – Exploration and Development, 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: Senex conventional oil fields (operated and non-operated)

