

Coal seam gas exploration continues in Queensland's Surat Basin with spudding of Kato-2

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Senex Energy Limited (Senex), as Operator of the Queensland ATP 593P joint venture, advises that drilling commenced on the Kato-2 coal seam gas exploration well on 4 March 2012.

At 6am today, the rig was at 65 metres after setting surface casing.

Kato-2 will investigate the coal seam gas potential of the coals of the Walloon Coal Measures which are the target for many of the Queensland coal seam gas to LNG projects. The well is expected to reach a total depth of 285 metres and will include core analysis and extensive downhole logging and testing.

Kato-2 is the second well in a two well exploration drilling program in ATP 593P, and is an extension of the work already undertaken by the joint venture in the adjoining permit ATP 771P where almost 200 petajoules (PJ) of 3P (proved, probable and possible) reserves have been independently certified.

The first well, Kato-1, was spudded on 23 November and preliminary exploration results exceeded expectations. During coring, 9.8 metres of net coal was intersected in the Juandah and Taroom Coal Measures along with 7.6 metres of net gas bearing carbonaceous shale. Preliminary results from four successful drill stem tests also indicated excellent permeability.

Desorption testing on the Kato-1 cores is currently underway and final results are expected at the end of the March Quarter.

Kato-1 and 2 are located in the north western region of the Queensland Surat Basin, approximately 38 kilometres south of Injune (refer Figure 1).

Senex holds a 45% interest in ATP 593P and the neighbouring ATP 771P and is Operator of the joint venture.

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Figure 1: Kato-2 coal seam gas exploration well

