



SENEX ENERGY LIMITED

Annual Report

Licence Year 2 (Term 2)

9<sup>th</sup> November 2009 – 9<sup>th</sup> November 2012

Petroleum Exploration Licence (PEL) 110

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## 1. Introduction

Petroleum Exploration Licence (PEL) 110 was granted on 5th February 2003. Renewal of the licence was granted effective from 9<sup>th</sup> November 2008. The licence is located in the Cooper and Eromanga Basins, South Australia. This report details the work conducted during Term 2, Licence Year 2 of the licence (9<sup>th</sup> November 2009 to 9<sup>th</sup> November 2012), in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000*.

## 2. Permit Summary

At the commencement of the licence year, licensees for Petroleum Exploration Licence (PEL) 110 were:

- Magellan Petroleum (Southern) Pty Ltd 60%
- Cooper Energy Ltd 40%

During the licence year, Victoria Oil Exploration (1977) Pty Ltd acquired Magellan's interest in PEL 110 and Orca Energy Ltd acquired part of Cooper Energy's interest so that at the conclusion of Year 2, licensees for PEL 110 were:

- Victoria Oil Exploration (1977) Pty Ltd 60%
- Cooper Energy Ltd 20%
- Orca Energy Ltd 20%

Victoria Oil Exploration (1977) Pty Ltd assumed operatorship of PEL 110 on 1 July 2012.

The original work commitments associated with PEL 110 are listed in Table 1.

**Table 1 Original work commitments by licence year**

Licence Year	Licence Date	Minimum Work Program
1	9 Nov '08 – 8 Nov '09	Geological and Geophysical Studies
2	9 Nov '09 – 9 Nov '12	Geological and Geophysical Studies
3	10 Nov '12 – 9 Nov '13	One well; Geological and Geophysical Studies
4	10 Nov '13 – 9 Nov '14	Geological and Geophysical Studies
5	10 Nov '14 – 9 Nov '15	Geological and Geophysical Studies

**Table 2 Current work commitments (incl. variations) by licence year**

Licence Year	Licence Date	Minimum Work Program
1	9 Nov '08 – 8 Nov '09	Geological and Geophysical Studies
2	9 Nov '09 – 9 Nov '12	Geological and Geophysical Studies
3	10 Nov '12 – 9 Nov '13	100 km <sup>2</sup> 3D Seismic Acquisition; Geological and Geophysical Studies
4	10 Nov '13 – 9 Nov '14	Geological and Geophysical Studies
5	10 Nov '14 – 9 Nov '15	One well; Geological and Geophysical Studies

Licence Year 2 concluded on 9 Nov 2012. The following table displays the minimum work program (after all variations) and the actual work completed up until the end of the current licence period.

**Table3 Final work program and work completed (as of end of current reporting period) by licence year**

Licence Year	Minimum Work Program	Actual Work
1	Geological and Geophysical Studies	Geological and Geophysical Studies
2	Geological and Geophysical Studies	Geological and Geophysical Studies

**Variations:**

On 1 July 2010 DMITRE approved an application to vary the work program such that the Year 3 commitment well was moved to Year 5 and a seismic acquisition commitment was added to Year 3

**Suspensions:**

A Section 90 suspension was granted and took effect from 29 June 2010 to 28 December 2010.

A second Section 90 suspension was granted and took effect from 29 December 2010 to 28 December 2011.

A third Section 90 suspension was granted and took effect from 11 April 2012 to 10 October 2012.

As a result of the above suspensions, PEL 110 now expires on 9 November 2015.

### **3. Regulated Activities**

Pursuant to Regulation 33(2)(a) of the Regulations, an annual report must include:

*“a summary of the regulated activities conducted under the licence during the [current reporting] year.”*

This information is detailed below in designated sections.

#### **3.1 Drilling and Related Activities**

No regulated activities undertaken in the licence reporting period.

#### **3.2 Seismic Data Acquisition**

No regulated activities undertaken in the licence reporting period.

#### **3.3 Seismic Data Processing and Reprocessing**

No regulated activities undertaken in the licence reporting period.

#### **3.4 Geochemical, Gravity, Magnetic and other surveys**

No regulated activities undertaken in the licence reporting period.

#### **3.5 Production and Processing**

No regulated activities undertaken in the licence reporting period.

#### **3.6 Pipeline/ Flowline Construction and Operation**

No regulated activities undertaken in the licence reporting period.

#### **3.7 Preliminary Survey Activities**

No regulated activities undertaken in the licence reporting period.

### **4. Compliance Issues**

#### **Licence and Regulatory Compliance**

Pursuant to Regulations 33(2) (b) & (c), an annual report must include:

*“a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives,”* and

*“a statement concerning any action to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, and to minimise the likelihood of recurrence of any such non-compliances.”*

Detailed information on the individual instances of non-compliance are provided below in designated sections.

### Licence Non-Compliance

No licence non-compliances identified for PEL 110.

### Regulatory Non-Compliance

**Table 4 List of regulatory non-compliance for the current reporting year**

No.	Date	Activity	Details of Non-Compliance	Rectification of Non-Compliance
1	01/02/2010	Submission of Annual Report	Year 1 Annual Report was not submitted by the due date.	Report was submitted by then operators Cooper Energy.

### Compliance with Statement of Environmental Objectives

No SEO non-compliances identified for PEL 110.

### **Management System Audits**

Pursuant to Regulation 33(2) (d) under the Act, an annual report must include:

*“a summary of any management system audits undertaken during the relevant licence year including information on any failure or deficiency identified by the audit and any corrective actions that has, or will be taken”.*

No management system audits undertaken.

### **Report and Data Submissions**

Pursuant to Regulation 33(2) (e) under the Act, an annual report must include:

*“a list of all report and data relevant to the operation of the Act generated by the licensee during the licence year”.*

**Table 5 List of report and data submissions during current licence reporting year**

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
Year 1 Annual Report – PEL 110	8 Jan 2010	1 Feb 2010	Non-Compliant

### **Incidents**

Pursuant to Regulation 33(2) (f), an annual report must include:

*“in relation to any incidents reported to the Minister under the Act and these Regulations during the relevant licence year –*

- (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and*
- (ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, or to minimise the risk of recurrence of any such non-compliance”.*

No reportable incidents occurred during the licence reporting period.

### **Threat Prevention**

Pursuant to Regulation 33(2) (g) under the Act, an annual report must include:

*“a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably presents, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be taken”.*

There were no perceived threats; as a result no action was taken.

### **Future Work Program**

Pursuant to Regulation 33(2) (h) under the Act, an annual report must include:

*“unless the relevant licence year is the last year in which the licence is to remain in force – a statement outlining operations proposed for the ensuing year”.*

**Table 6 Future work program by licence year for renewed term**

<b>Area of Activity</b>	<b>Minimum Work Program</b>	<b>Actual Work</b>	<b>Commencement Date</b>
Drilling and related activities	-	-	-
Seismic data and acquisitions	-	182 km <sup>2</sup> Dundinna 3D Seismic Survey*	February 2013
Seismic data processing and reprocessing	-	-	-
Production and Processing	-	-	-
Geochemical, Gravity, Magnetics and other surveys	-	-	-
Pipeline Construction and Operation	-	-	-
Geological and Geophysical studies	Geological and Geophysical studies	Geological and Geophysical studies	10 November 2012

*\*Part of the PEL 90/ PEL100/ PEL 102/ PEL 110/ PEL 514 800km<sup>2</sup> Dundinna 3D Seismic Survey.*

## **5. Expenditure Statement**

Pursuant to Regulation 33(3) under the Act, an annual report must contain:

*“An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year, showing expenditure under each of the following headings:*

- a) drilling activities;*
- b) seismic activities;*
- c) technical evaluation and analysis;*
- d) other surveys;*
- e) facility construction and modification;*
- f) operating and administration expenses (not already covered under another heading)”.*

Please refer to Appendix 1 for the expenditure statement for the current reporting period.