Senex Energy Limited

Annual Report

Licence Year 1 (Term 3)

16 May 2014 – 15 May 2015

Petroleum Exploration Licence (PEL) 88

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REVISION HISTORY

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1 INTRODUCTION

Petroleum Exploration Licence (PEL) 88 was granted on 16 November 2001 and renewed for a third and final term, effective 16 May 2014. The Licence is located in the Cooper/ Eromanga Basin, South Australia.

The Annual Report for PEL88 details the work conducted during Licence Year 1 (Term 3) of the licence (16 May 2014 – 15 May 2015 inclusive). This Annual Report has been prepared in accordance with Regulation 33 of the *Petroleum and Geothermal Energy Act 2000*.

2 PERMIT SUMMARY

For the duration of the licence year, licensees for Petroleum Exploration Licence (PEL) 88 were:

- Victoria Oil Exploration (1977) Pty Ltd 100%

The current work commitments (including all variations) associated with PEL 88 can be seen in Table 1.

Table 1 Current Work Commitments by Licence year

Licence Year	Licence Dates	Minimum Work Program
Year 1	16 May 2014 – 15 May 2015	Geological and Geophysical Studies
Year 2	16 May 2015 – 15 May 2016	Geological and Geophysical Studies
Year 3	16 May 2016 – 15 May 2017	Geological and Geophysical Studies
Year 4	16 May 2017 – 15 May 2018	Geological and Geophysical Studies
Year 5	16 May 2018 – 15 May 2019	One Well

Licence Year 1 concluded on 15 May 2015. 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.

Table 2 Final work program and work completed (as of end of current reporting period) by licence year

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

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.

4.1 Licence Non-Compliance

No licence non-compliances were identified for PEL 88 during the licence reporting period.

4.2 Regulatory Non-Compliance

There was one instance of regulatory non-compliance identified for PEL 88 during the licence reporting period. Further details are contained in Table 3 and Table 4.

Table 3 List of regulatory non-compliances for current reporting year

Date	Activity	Details of Non-Compliance	Rectification of Non-Compliance
11/11/2014	Submission of Cordillo 3D Seismic Survey Processed Data and Processing Report.	Processed Data and Processing Report were submitted after the due date.	Review of reporting requirements associated with seismic activities undertaken.

4.3 Compliance with Statement of Environmental Objectives

No SEO non-compliances were identified for PEL 88 during the licence reporting period.

4.4 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 during the reporting period.

4.5 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 4 List of report and data submissions during current licence reporting year

Description of Report/Data	Date Due	Date Submitted	Compliant / Non-Compliant
PEL 88 Annual Report - Year 6 (Term 2)	15/07/2014	3/06/2014	Compliant
Cordillo 3D Seismic Survey Geophysical Interpretation Report	7/06/2014	6/06/2014	Compliant
Cordillo 3D Seismic Survey GAS Report	-	1/07/2014	Compliant
Weed Compliance Report - Cordillo 3D Seismic Survey	-	3/07/2014	Compliant
Cordillo 3D Seismic Survey Processed Data & Processing Report	3/10/2013	11/11/2014	Non-Compliant

4.6 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 period.

4.7 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 threats perceived that would present a hazard to exploration activities, and no action taken.

4.8 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 5 Future work program by licence year for term

Area of Activity	Minimum Work Program	Planned Work	Commencement Date
Drilling and related activities		-	-
Seismic data and acquisitions	-	-	-
Seismic data processing and reprocessing	-	-	-
Production and Processing	-	-	-
Geochemical, Gravity, Magnetics and other surveys	-	-	-
Pipeline Construction and Operation	-	-	-
Geological and Geophysical studies	Geological & Geophysical Studies	Geological & Geophysical Studies	Ongoing

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.