Our Ref: F2013/000114 8783



State Development

10 September 2014

Mr Gary Proctor General Manager Drilling & HSSE Senex Energy Limited GPO Box 2233 BRISBANE QLD 4000

Dear Gary,

LOW LEVEL OFFICIAL SUPERVISION CLASSIFICATION: DRILLING AND WELL OPERATIONS

Pursuant to the delegated powers, under Section 74(4) of the *Petroleum and Geothermal Energy Act 2000*, the following activities associated with drilling and well operations undertaken by Senex Energy Limited in your licence areas within South Australia are classified as low level official supervision.

- Construction and restoration of all work sites associated with drilling and well operations, such as well sites and access tracks;
- · Drilling, well completion and workover activities;
- · Initial production testing; and
- Wireline activities.

This low level official supervision classification does not encompass any injection activities, such as and including fracture stimulation.

Under this classification, please be aware of your activity notification obligations for drilling and well operations pursuant to Regulation 18 of the *Petroleum and Geothermal Energy Regulations* 2013.

Please note that under current policy, in light of your company's low level official supervision classification for drilling and well operations, pursuant to Section 74(5) your annual licence fees for exploration and retention licences will attract a 25% reduction of the prescribed fee as from the date of the commencement of next licence year.

Yours sincerely,

Barry A. Goldstein Executive Director

Energy Resources Division

Department of State Development

Delegate of the Minister for Mineral Resources and Energy

