

## Drilling contract dispute

**Release Date: 4 April 2016**

Senex Energy Limited (Senex, ASX: SXY) has been served with a proceeding commenced by Energy Drilling Australia Pty Ltd (EDA), a wholly owned subsidiary of Ausdrill Limited (ASX: ASL).

In March 2015 Senex terminated a drilling contract with EDA due to material and ongoing breaches of the contract relating to the performance of the relevant rig. Prior to terminating the contract, Senex gave EDA a generous amount of time (above and beyond the contractual requirements) to remedy the breaches, but EDA failed to do so.

EDA alleges that Senex wrongfully terminated the contract and has demanded that Senex pay EDA compensation (~\$6.7 million). Senex considers that this claim is without merit and, in fact EDA should compensate Senex for losses suffered as a result of the breaches (more than \$1.2 million).

Despite numerous attempts by Senex to achieve a reasonable and amicable outcome, EDA has elected to commence the proceeding.

Senex intends to defend the proceeding vigorously and counterclaim for its losses.

### FURTHER INFORMATION

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### ABOUT SENEX ENERGY

*Senex is a growth focused exploration and production company based in Brisbane. With a 30-year operating history, Senex holds extensive onshore oil and gas acreage in the Cooper and Surat Basins. Senex operates the majority of its assets, produces over one million barrels of oil annually, and is successfully developing a gas business including the Western Surat Gas Project in Queensland.*