

DRIVING GROWTH WITH GAS

Goldman Sachs Australian Emerging Energy Day

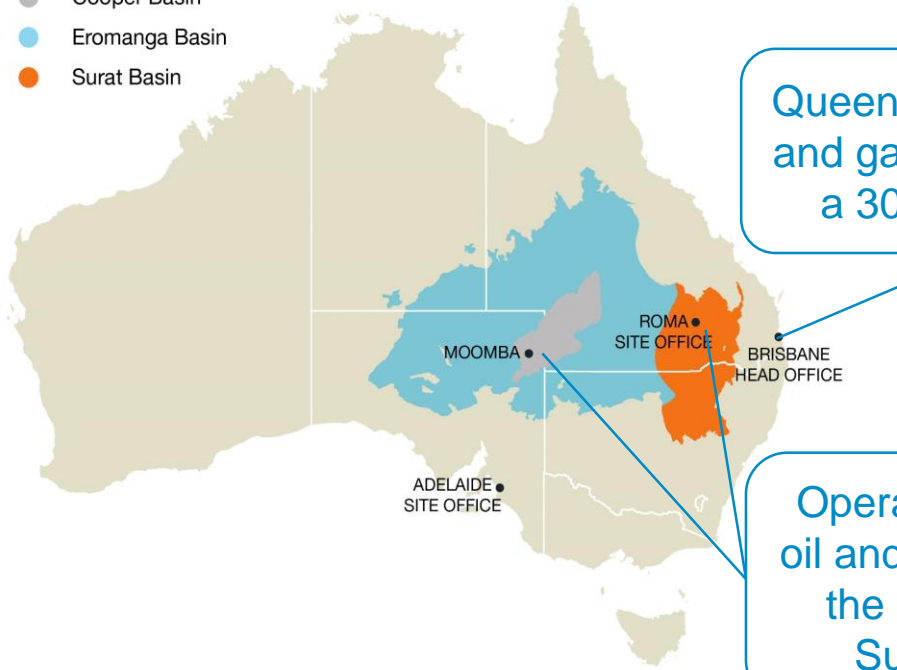
Ian Davies, Managing Director and CEO, Senex Energy Ltd

28 November 2018



Company overview

- Cooper Basin
- Eromanga Basin
- Surat Basin



Queensland based oil and gas operator with a 30 year history

Operating onshore oil and gas assets in the Cooper and Surat basins

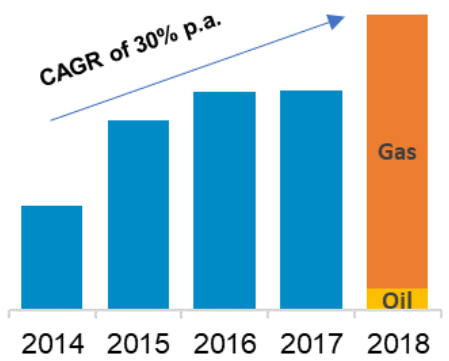
Senex Energy Ltd (ASX: SXY)

Market capitalisation	~\$550 million
FY18 production	0.84 mmboe
FY9 production guidance	1.1 – 1.5 mmboe
Target annual production run rate by end FY21	4 mmboe
2P reserves (at 30 June 2018)	113 mmboe
Cash (at 30 September 2018)	~\$58 million
Liquidity	\$150m senior secured debt facility

Senex is uniquely positioned to realise near-term potential within the east coast gas market

For personal use only

2P reserves - mmboe



- ✓ Gas: 105 mmboe (615 PJ) in the Surat Basin
- ✓ Oil: 8.3 mmboe in the Cooper Basin





Capital management expertise supports growth agenda

For personal use only

Transformational growth agenda underway

- Project Atlas and Roma North gas developments
 - 3 mmboe annual production by end FY21
 - Capex of \$220 – 250 million (FY19 – FY21)
- Active Cooper Basin exploration and development
- FY19 capex guidance of \$110 – 130 million

Strong financial position to fund growth

- ✓ \$58 million cash reserves (as at 30-Sep-18)
- ✓ \$150 million senior secured debt facility
- ✓ \$140 million Jemena infrastructure agreement
- ✓ \$43 million Cooper Basin free-carry (gross)
- ✓ Strong Cooper Basin free cash flow generation

Proactive hedging protects cash flows

- Additional oil hedging undertaken in November 2018
 - Oil volumes hedged between A\$93 and A\$98/bbl
 - Further downside protection through existing puts
- Variable BBSY swapped to fixed rate for 60% of forecast drawn debt

Oil hedges in place	Dec-18 to Jun-19	FY20	FY21
Swaps			
Volume (kbbbl)	310	350	150
Average swap price (US\$/bbl)	71	70	69
Average exchange rate (A\$:US\$)	0.73	0.73	0.74
Average swap price (A\$/bbl)	98	96	93
Existing puts			
Volume (kbbbl)	214	-	-
Average exercise price (US\$/bbl)	55	-	-
Total hedged volumes (kbbbl)	524	350	150



Investment highlights

For personal use only

Strategic priorities



High growth east coast gas business

- Focus on delivering Surat Basin natural gas projects
- Transformational impact on reserves, production, cash flows and earnings



High margin oil business

- Disciplined exploration, appraisal and development of Cooper Basin oil assets
- Prioritised focus on core low-cost acreage



Strong balance sheet

- \$58 million cash and \$150 million debt facility
- Funded development programs



Supportive market dynamics

- Structurally short east coast gas market
- Attractive oil prices and global LNG demand

Recent milestones achieved

- ✓ Financial close of \$150 million senior debt facility
- ✓ Final Investment Decisions taken for Project Atlas and Roma North natural gas developments
 - Targeting annual gas production run rate of 3 mmboe by end FY21
- ✓ Multi-year Surat Basin work programs sanctioned
 - Capital program of \$220 – 250 million to end FY21
- ✓ FY19 production and capital expenditure guidance
 - Production of 1.1 – 1.5 mmboe (FY18: 0.84 mmboe)
 - Capex of \$110 – 130 million (FY18: \$80 million)
- ✓ Strong Q1 FY19 results with production growth and two commercial oil discoveries
- ✓ Gas facility construction commenced at Roma North



Driving growth: Project Atlas

For personal use only

Ownership

- 100% owned and operated by Senex
- Acreage awarded to Senex in Sep-17 for nil consideration

Resource

- Total area of ~58 km²
- Total 2P reserves of 144 PJ; targeting up to 278 PJ of ultimate recovery
- High quality, top tier resource adjoining producing acreage
- Resource to support more than 100 wells

Market

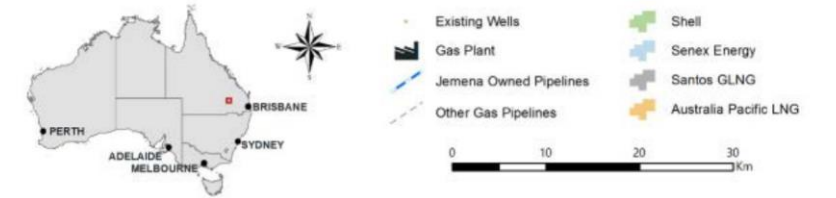
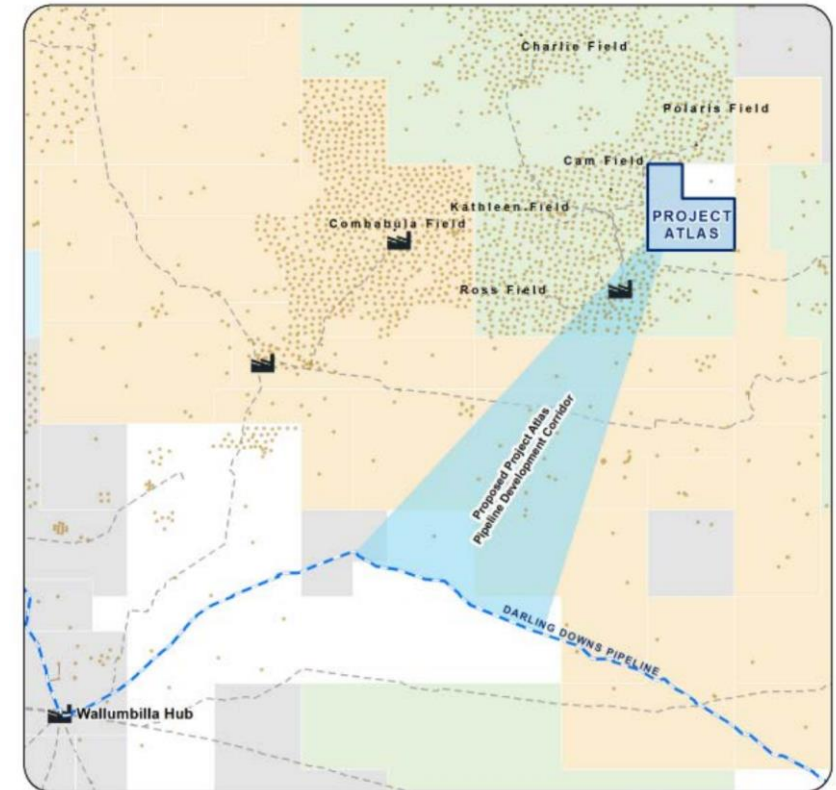
- Gas to be contracted to domestic users
- Gas customer discussions underway

Infrastructure

- Jemena to build, own and operate; gas to be delivered to the Wallumbilla Hub
- Gas processing capacity of 32 TJ/day (~2 mmmboe per annum), plus 8 TJ/day installed redundant capacity
- 60km pipeline connected to the Darling Downs pipeline

Next steps

- ~60 development wells commencing late Q3 FY19
- Initial gas sales agreement by mid-2019 targeted
- Land access and regulatory approval processes underway
- First gas targeted for end 2019



15/06/2018
SENEX-CORP-GI-MAO-282





Driving growth: Western Surat Gas Project

For personal use only

Ownership

- 100% owned and operated by Senex

Resource

- Total area of ~840 km²
- Total 2P reserves of 395 PJ
- Project to support up to 425 wells over 20+ years

Market

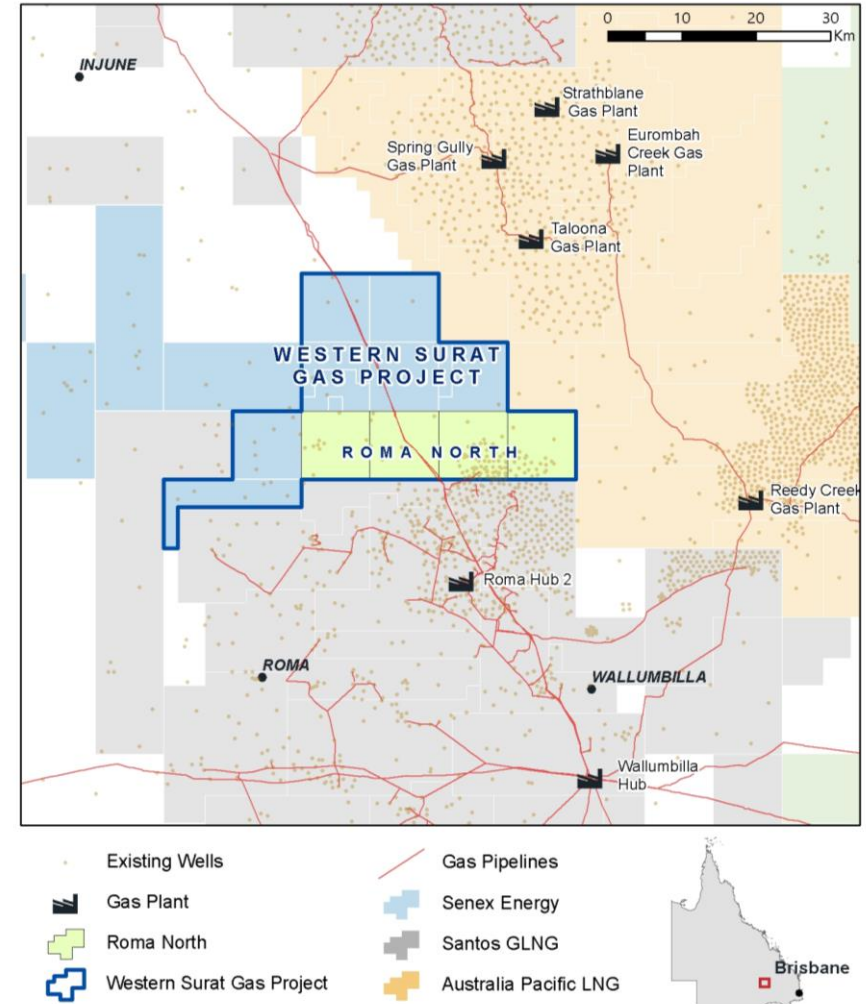
- Flexible 20 year gas sales agreement with GLNG
- Up to 50 TJ/d; attractive JCC oil-linked pricing
- Separate arrangements for acreage outside of Roma North to facilitate orderly appraisal

Infrastructure

- Initial 16 TJ/day (~1 mmboe pa) gas processing capacity
- Ability for rapid low-cost expansion to 24 TJ/day
- Connection to GLNG's existing pipeline infrastructure
- Construction and ownership options under consideration
- ~50 development wells in Roma North commencing Q4 FY19

Next steps

- Integrated drilling program with Project Atlas, with priority focus on Project Atlas
- Gas processing facility construction, with commissioning in Q4 FY19 targeted





Driving growth: Surat Basin timelines

For personal use only

Project Atlas						
Project Atlas Timeline	FY19		FY20		FY21	
	H1	H2	H1	H2	H1	H2
FID / Approvals	◆ FID taken					
Gas facility construction		40 TJ/d				
Gas facility commissioning			◆			
First drilling campaign		15 wells				
Second drilling campaign				~45 wells		
Gas contracting discussions						
Gas ramp-up						

Roma North						
Roma North Timeline	FY19		FY20		FY21	
	H1	H2	H1	H2	H1	H2
Approvals / FID	All approvals received / FID taken					
Gas facility construction	16 TJ/d, +8 TJ/d ¹					
Gas facility commissioning		◆				
Drilling			~50 wells Integrated with Project Atlas			
Raw gas sales						
Processed gas sales						
Gas ramp-up						

1. Subject to future investment decision



Cooper Basin Oil

For personal use only

Overview

- Prolific hydrocarbon basin and long-established producing region
- Prioritised focus on western flank; rationalisation of non-core acreage ongoing
- Ten-well FY19 drilling campaign underway; free-carried for up to \$43m; two commercial successes in Q1 FY19 (Breguet-1 and Snatcher North-1)

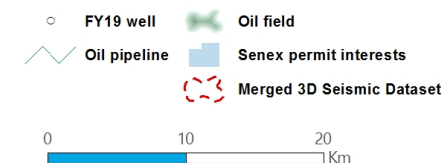
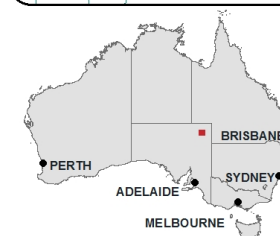
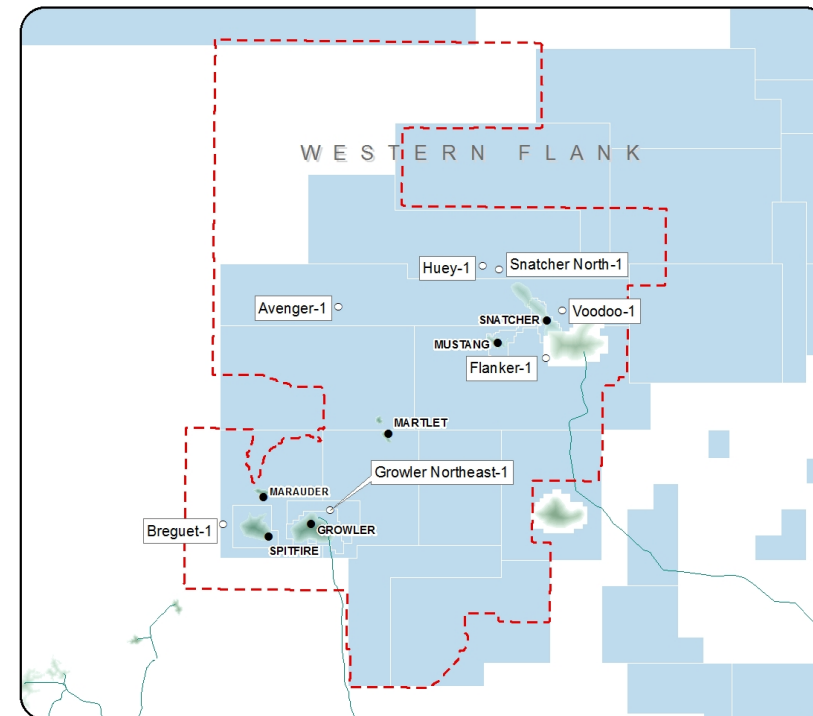
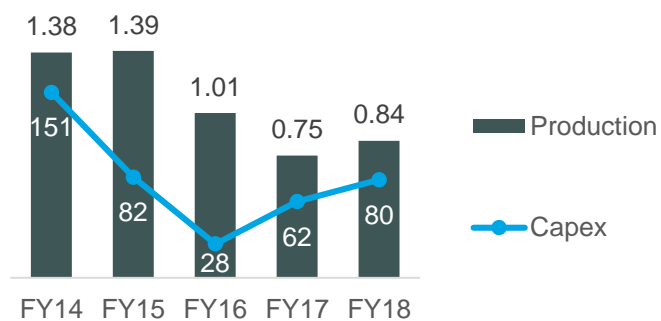
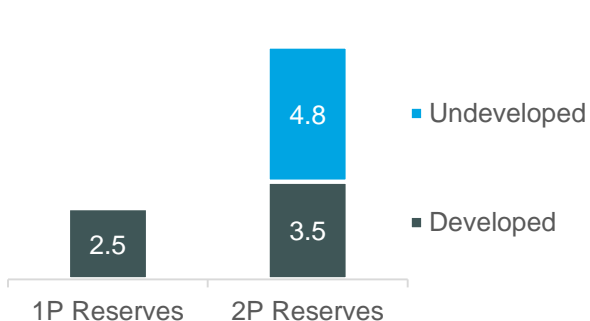
Producing assets

- ~1 mmboe average annual production over past five years
- Western flank operating costs ~\$29/bbl
- Oil transported to Moomba and sold to the SACB Joint Venture and IOR

Exploration and development

- De-risking opportunities through extensive regional study
- Over 18,000 km² of 3D seismic surveys
- Extensive drilling data available from long operating history of the basin

Oil reserves and production (mmboe)



13/08/2018
SENEX-CORP-GI-MAO-201





Investment highlights

For personal use only

Strategic priorities



High growth east coast gas business

- Focus on delivering Surat Basin natural gas projects
- Transformational impact on reserves, production, cash flows and earnings



High margin oil business

- Disciplined exploration, appraisal and development of Cooper Basin oil assets
- Prioritised focus on core low-cost acreage



Strong balance sheet

- \$58 million cash and \$150 million debt facility
- Funded development programs



Supportive market dynamics

- Structurally short east coast gas market
- Attractive oil prices and global LNG demand

Recent milestones achieved

- ✓ Financial close of \$150 million senior debt facility
- ✓ Final Investment Decisions taken for Project Atlas and Roma North natural gas developments
 - Targeting annual gas production run rate of 3 mmboe by end FY21
- ✓ Multi-year Surat Basin work programs sanctioned
 - Capital program of \$220 – 250 million to end FY21
- ✓ FY19 production and capital expenditure guidance
 - Production of 1.1 – 1.5 mmboe (FY18: 0.84 mmboe)
 - Capex of \$110 – 130 million (FY18: \$80 million)
- ✓ Strong Q1 FY19 results with production growth and two commercial oil discoveries
- ✓ Gas facility construction commenced at Roma North



Contact and Further Information

Investor Enquiries

Ian Davies
Managing Director and CEO
(07) 3335 9000

Investor Enquiries

Derek Piper
Head of Investor Relations and Treasury
(07) 3335 9000



Level 31, 180 Ann Street
Brisbane, Queensland, 4000
Australia



info@senexenergy.com.au



(07) 3335 9000



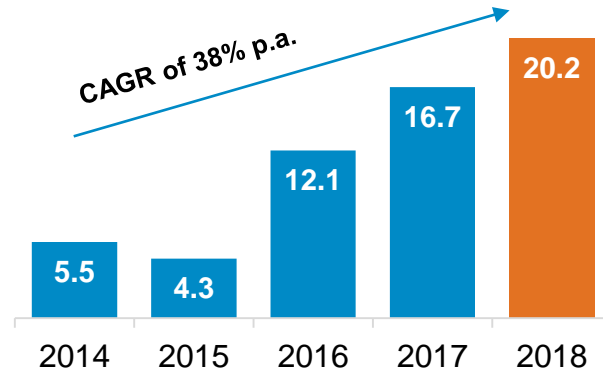
www.senexenergy.com.au



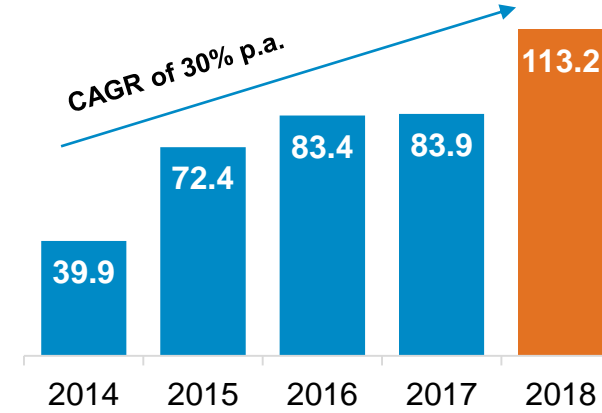
Appendix: Reserves and resources

For personal use only

1P reserves - mmboe



2P reserves - mmboe



mmboe	1P Reserves	2P Reserves	2C Resources
Oil	2.5	8.3	5.3
Gas and gas liquids	17.7	104.8	-
Total as at 30 June 2018	20.2	113.2	5.3
Total as at 30 June 2017	16.7	83.9	208.1
Increase / (decrease)	21%	35%	(97%)



Appendix: FY18 financial headlines

For personal use only

	FY17	FY18	Change
Production (mmboe)	0.75	0.84	12%
Sales volumes (mmboe)	0.72	0.79	10%
Average realised oil price (\$ per bbl)	61	95	56%
Capital spend (\$ million)	62.3	80.1	29%
Sales revenue (\$ million)	43.6	70.3	61%
Operating cost ex royalties (\$ per bbl produced)	30.2	28.6	(5%)
EBITDAX (\$ million)	7.3	43.4	495%
Underlying NPAT (\$ million)	(22.5)	2.0	N/A
Statutory NPAT (\$ million)	(22.7)	(94.0)	(314%)
Operating cash flow (\$ million)	(8.1)	5.3	N/A
Cash balance (\$ million)	134.8	66.5	(51%)

- Strong production and sales volumes
- Improved realised oil prices
- Significant investment in Surat Basin
- Strong sales revenue on higher prices
- Lower operating costs and strong margins
- Return to underlying profit
- Statutory NPAT impacted by non-cash impairment as a result of prioritising focus on Cooper Basin western flank and Surat Basin
- Robust cash position driven by positive cash from operations helped to fund significant investment in Surat Basin growth projects



Corporate and development debt facility with ANZ

<ul style="list-style-type: none">✓ Cost effective✓ Flexible✓ Technical due diligence demonstrated quality of growth projects	<ul style="list-style-type: none">• Secured in July 2018 after extensive competitive process• Fully underwritten by ANZ – Top four bank with energy industry track record• \$125 million senior secured Reserve Base Lending (RBL) Facility• Seven year tenor with flexibility to refinance at any time• Competitive margins: starting interest cost approximately 6% per annum, stepping down on completion of development projects• \$25 million working capital facility• Financial close achieved October 2018
---	--

Project Atlas downstream infrastructure agreement with Jemena

<ul style="list-style-type: none">✓ Cost effective tariff✓ Leverages Jemena expertise✓ Senex to focus on upstream	<ul style="list-style-type: none">• Secured in June 2018 after competitive process• Jemena to fund, build, own and operate the \$140m facility and pipeline• Jemena to deliver gas to the Wallumbilla Hub• Agreement includes expansion and extension options
---	--



Disclaimer

Important information

This presentation has been prepared by Senex Energy Limited (**Senex**). It is current as at the date of this presentation. It contains information in a summary form and should be read in conjunction with Senex's other periodic and continuous disclosure announcements to the Australian Securities Exchange (**ASX**) available at: www.asx.com.au. Distribution of this presentation outside Australia may be restricted by law. Recipients of this document in a jurisdiction other than Australia should observe any restrictions in that jurisdiction. This presentation (or any part of it) may only be reproduced or published with Senex's prior written consent.

Risk and assumptions

An investment in Senex shares is subject to known and unknown risks, many of which are beyond the control of Senex. In considering an investment in Senex shares, investors should have regard to (amongst other things) the risks outlined in this presentation and in other disclosures and announcements made by Senex to the ASX. Refer to the 2018 Annual Report for a summary of the key risks faced by Senex. This presentation contains statements (including forward-looking statements), opinions, projections, forecasts and other material, based on various assumptions. Those assumptions may or may not prove to be correct. All forward-looking statements involve known and unknown risks, assumptions and uncertainties, many of which are beyond Senex's control. There can be no assurance that actual outcomes will not differ materially from those stated or implied by these forward-looking statements, and investors are cautioned not to place undue weight on such forward-looking statements.

No investment advice

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial advice or financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation, satisfy themselves as to the accuracy of all information contained herein and, if necessary, seek independent professional advice.

Disclaimer

To the extent permitted by law, Senex, its directors, officers, employees, agents, advisers and any person named in this presentation:

- give no warranty, representation or guarantee as to the accuracy or likelihood of fulfilment of any assumptions upon which any part of this presentation is based or the accuracy, completeness or reliability of the information contained in this presentation; and
- accept no responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation.



Supporting information for reserves estimates

Qualified reserves and resources evaluator statement: Information about Senex's reserves and resources estimates has been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. This reserves and resources statement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator, Mr David Spring BSc (Hons). Mr Spring is a member of the *Society of Petroleum Engineers* and is Executive General Manager of Exploration. He is a full time employee of Senex. Mr Spring has approved this statement as a whole and has provided written consent to the form and context in which the estimated reserves, resources and supporting information are presented.

Aggregation method: The method of aggregation used in calculating estimated reserves and resources was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P estimate may be very conservative and the aggregate 3P estimate very optimistic, as the arithmetic method does not account for 'portfolio effects'.

Conversion factor: In converting petajoules to mmmboe, the following conversion factors have been applied:

- Surat Basin gas: 1 mmmboe = 5.880 PJ
- Cooper Basin gas: 1 mmmboe = 5.815 PJ

Evaluation dates:

- Cooper-Eromanga Basin: 30 June 2018
- Surat Basin gas reserves and resources: 30 June 2018

External consultants: Senex engages the services of Degolyer and MacNaughton (D&M) and Netherland Sewell Associates (NSAI) to independently assess data and estimates of reserves prior to Senex reporting estimates.

Method: The deterministic method was used to prepare the estimates of reserves, and the probabilistic method was used to prepare the estimates of resources in this presentation.

Ownership: Unless otherwise stated, all references to reserves and resources in this statement relate to Senex's economic interest in those reserves and resources.

Reference points: The following reference points have been used for measuring and assessing the estimated reserves in this presentation:

- Cooper-Eromanga Basin: Central processing plant at Moomba, South Australia. Fuel, flare and vent consumed to the reference point are included in reserves estimates (c. 6% of 2P oil reserves estimates may be consumed as fuel in operations depending on operational requirements).
- Surat Basin: Wallumbilla gas hub, approximately 45 kilometres south east of Roma, Queensland. Fuel, flare and vent consumed to the reference point are excluded from reserves estimates (c. 10% of 2P gas reserves estimates have been assumed to be consumed as fuel in operations).

Reserves replacement ratio: The reserves replacement ratio is calculated as the sum of estimated reserves additions and revisions divided by estimated production for the period, before acquisitions and divestments.