



22 August 2011

Company Announcements
ASX Limited

Senex Energy Limited
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Notice to holders of Senex shares

Under ASX Listing Rules, Appendix 7A, Senex will despatch a letter in the form attached to each holder of Senex shares.

Senex Energy Limited

A handwritten signature in blue ink, reading "Frank Connolly", written in a cursive style.

Frank Connolly
Secretary



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Name
Add1
Add2
Add3
Add4
Add5

Dear Shareholder

Senex Entitlement Issue – notice to Shareholders

On 22 August 2011, Senex Energy Limited (**Senex**) announced a 1 for 5 non-renounceable entitlement issue of fully paid ordinary shares in Senex (**New Shares**) to raise approximately A\$53.3 million (**Entitlement Issue**).

The Entitlement Issue will assist Senex to fund its growth, including accelerating the development of Senex's Cooper Basin western flank oil production, accelerating Senex's Cooper Basin unconventional gas exploration and participating in the construction of oil pipelines from Growler oilfield to Moomba that will reduce Senex's oil transportation costs and de-risk its existing oil production activities.

Summary of key terms

The Entitlement Issue entitles Eligible Shareholders (defined below) to subscribe for 1 New Share for every 5 existing Senex ordinary shares (**Senex Shares**) held at 5.00pm (AEST) on 30 August 2011 (**Record Date**) at an offer price of \$0.35 per New Share (**Entitlement**). On 2 September 2011 all Eligible Shareholders will be sent an Information Booklet and personalised Entitlement and Acceptance Form which contain important information about the Entitlement Issue.

Eligible Shareholders who take up their full Entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the Closing Date (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of New Shares applied for under the Top Up Facility, or any. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion.

The Entitlement Issue is non-renounceable, which means that Eligible Shareholders cannot sell or assign their Entitlements to any person.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and holdings on different registers or sub-registers will not be aggregated to calculate entitlements.

Shareholder approval is not required for Senex to make the offer under the Entitlement Issue.

The Entitlement Issue has been fully underwritten by RBS Morgans Corporate Limited (**RBS Morgans**). RBS Morgans will receive an underwriting fee of 3.00% (including GST) and a management fee of 0.75% (plus GST) of the gross proceeds of the Entitlement Issue.

A broker handling fee of 1% (plus GST) of the value of successful applications for the New Shares up to a maximum of \$250 per application will be payable by RBS Morgans (subject to the conditions and limitations set out in the Information Booklet).

Proposed timetable

Senex expects the Entitlement Issue to be conducted according to the following timetable:

Activity	Date
Announcement of Entitlement Issue	22 August 2011
Shares trade on 'ex' Entitlement basis	24 August 2011
Record Date	30 August 2011
Offer Document and Entitlement & Acceptance Form dispatched	2 September 2011
Closing date for acceptances	7.00 pm (AEST) on 16 September 2011
New Shares commence trading on a deferred settlement basis	19 September 2011
ASX notified of under subscriptions	21 September 2011
Dispatch of holding statements	26 September 2011
Normal (T+3) ASX trading for New Shares commences	27 September 2011

This Timetable is indicative only. The Directors may vary these dates, in consultation with the Underwriter, subject to the Listing Rules. An extension of the closing date will delay the anticipated date for allotment and issue of the New Shares.

Capital structure

Subject to rounding up of fractional Entitlements and the exercise of Senex options before the Record Date, the capital structure of Senex following the issue of New Shares will be as follows¹:

Shares on issue on announcement of Entitlement Issue	760,722,223
New Shares to be issued under the Entitlement Issue	152,144,445
Shares on issue after the Entitlement Issue	912,866,668

The New Shares will be fully paid and rank equally with existing Senex Shares.

Senex has 21,243,335 unlisted options and 1,133,332 performance rights currently on issue. Option holders are not entitled to participate in the Entitlement Issue in respect of their options unless those options are exercised and the underlying Shares are issued by the Record Date. The options confer no right to a change of exercise price, or a change to the number of underlying Shares over which they can be exercised, as a result of the Entitlement Issue.

The performance rights on issue entitle the holders to be issued Senex Shares on vesting of the performance rights where certain performance conditions are met. No performance rights will vest prior to the Record Date, so no holder of performance rights will be entitled to participate in the Entitlement Issue in respect of their performance rights.

Information Booklet

Senex will not prepare a prospectus or other disclosure document for the Entitlement Issue as the offer will be made under section 708AA *Corporations Act 2001* (Cth).

Senex will send an Information Booklet, and personalised Entitlement and Application Form to Eligible Shareholders on or before 2 September 2011. A copy of the Information Booklet will be available on the ASX website at www.asx.com.au and Senex's website at www.senexenergy.com.au on or about that time.

Eligibility of shareholders to participate in the Entitlement Issue

The Entitlement Issue is only available to Eligible Shareholders. An **Eligible Shareholder** means a holder of Senex Shares at 5.00pm (AEST) on the Record Date who:

- (a) has a registered address in Australia, New Zealand or the Cayman Islands;
- (b) is not in the United States and is not a nominee or custodian acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Issue.

If you are not an Eligible Shareholder you cannot participate in the Entitlement Issue. Senex will notify those shareholders who are not Eligible Shareholders.

Further information

If you have any queries, please contact Security Transfer Registrars on (08) 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia) between 10.00am and 7.00pm (AEST) Monday to Friday during the offer period or, alternatively, consult your stockbroker, solicitor, accountant and/or other professional financial adviser.

On behalf of the Directors, I thank you for your continued support of Senex.

Denis Patten
Chairman

This notice does not constitute an offer to sell or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or New Shares in any jurisdiction outside Australia or New Zealand. In particular, the Entitlements and New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

¹ Assumes that no Shares are issued as exercise of options or on before the Record Date and there are no fractional Entitlements.