Senex Energy Limited

# 2011 Annual General Meeting

**Ian Davies, Managing Director**
**23 November 2011**

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## Important information

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## Reserves

Unless otherwise indicated, the statements contained in this presentation about Senex's reserves estimates have been prepared by Dr Steven Scott BSc (Hons), PhD, who is General Manager – Exploration, a full time employee of Senex, in accordance with the definitions and guidelines in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers (**SPE PRMS**). Dr Scott consents to the inclusion of the reserves estimates in the form and context in which they appear. Senex's reserves are consistent with the SPE PRMS.

# Senex Energy Limited: A very bright future

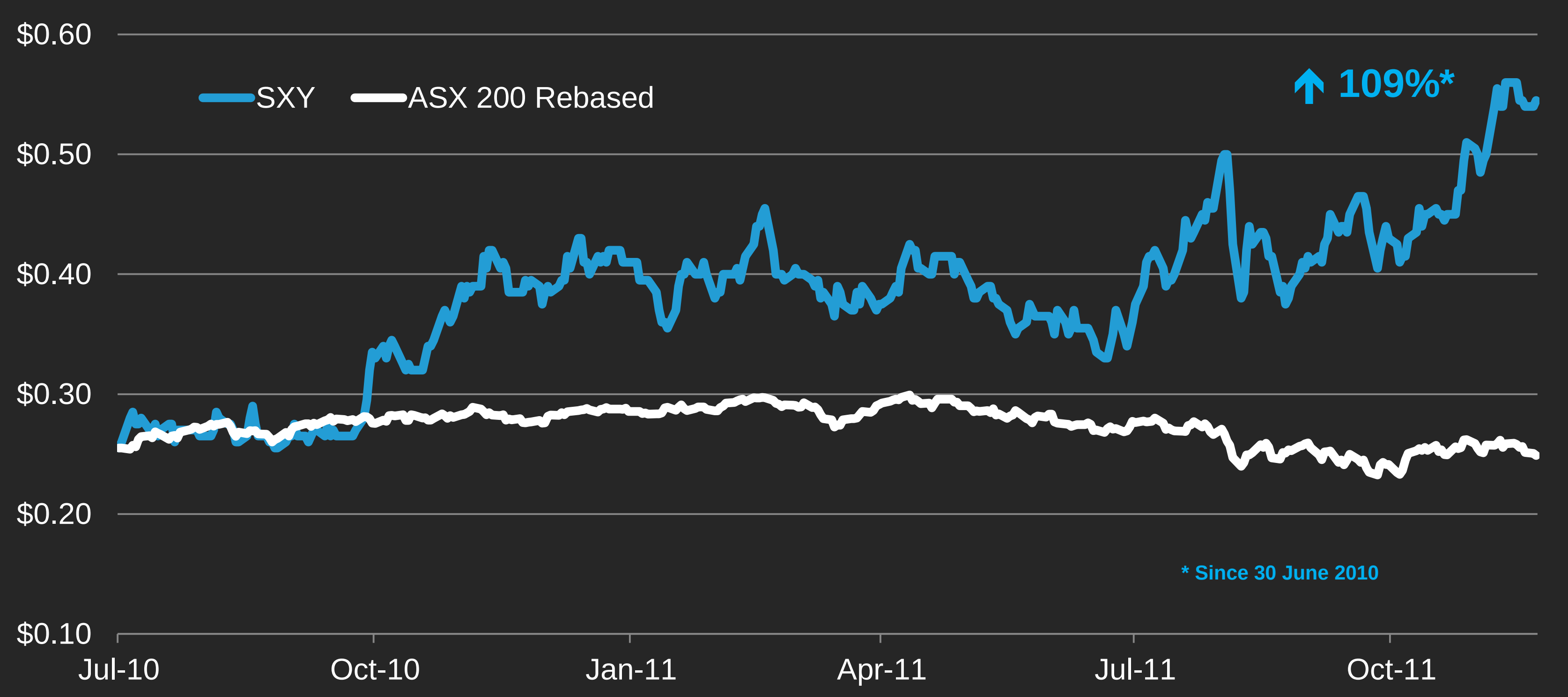
1. **Positive change in 2011**
2. **Clear plans for rapid growth**
3. **Three valuable resource plays**

Worrior-7: Drilled July 2010, acquired as part of Stuart Petroleum takeover

# 2011 review: A year of positive change for Senex

- Ranked 10th on the Deloitte Queensland Energy and Resources Index

Senex share price materially outperforms the S&P/ASX 200



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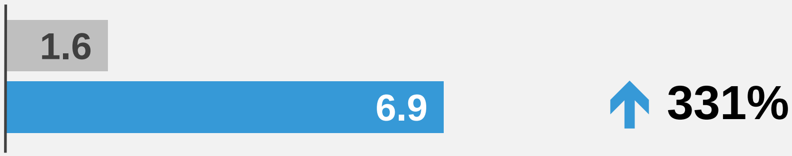
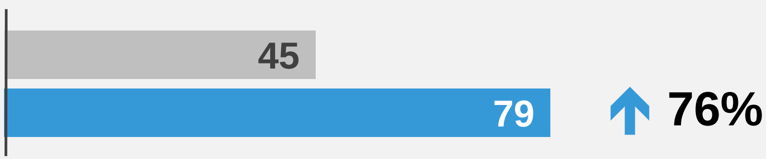
# Growth in reserves and shareholder value

## Net 2P oil reserves (mmbbls)



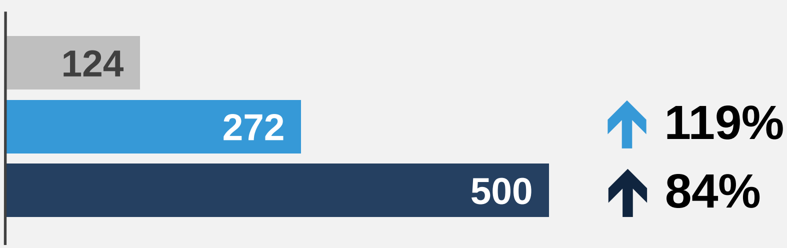

## Net 3P oil reserves (mmbbls)


## Net 2P gas reserves (PJ)

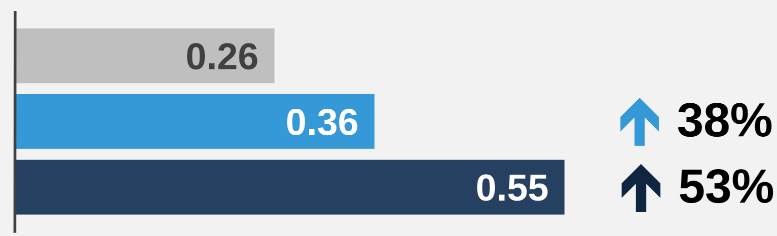



## Net 3P gas reserves (PJ)


## Market capitalisation ($M)




## Share price ($AU)




30 June 2010 | 30 June 2011 | 22 November 2011



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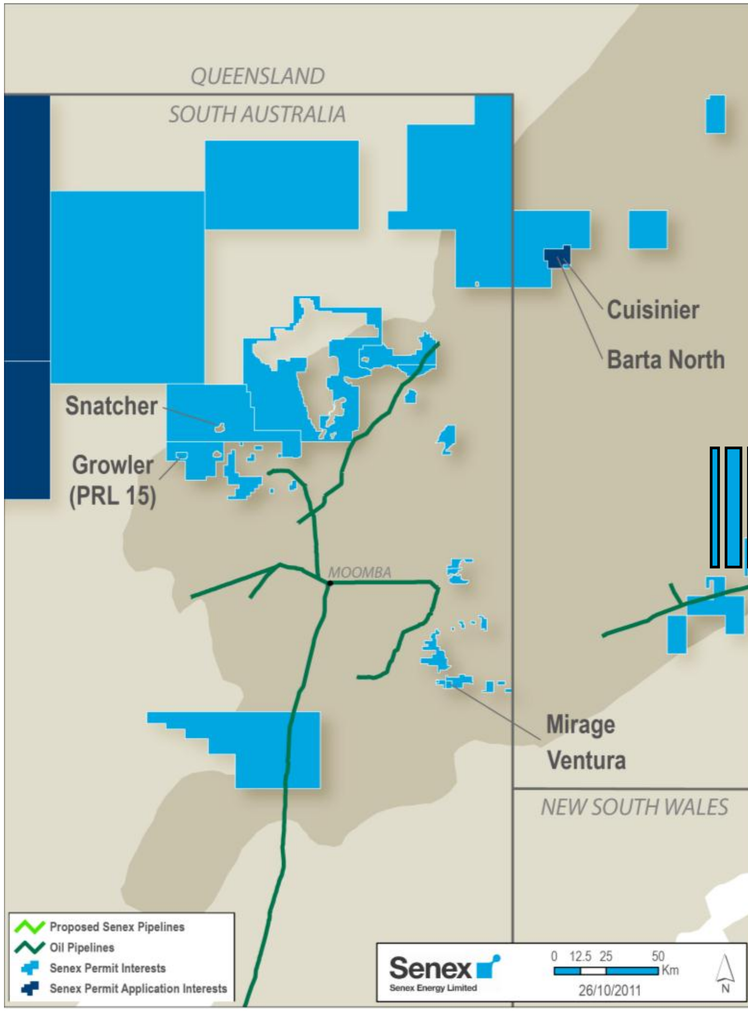
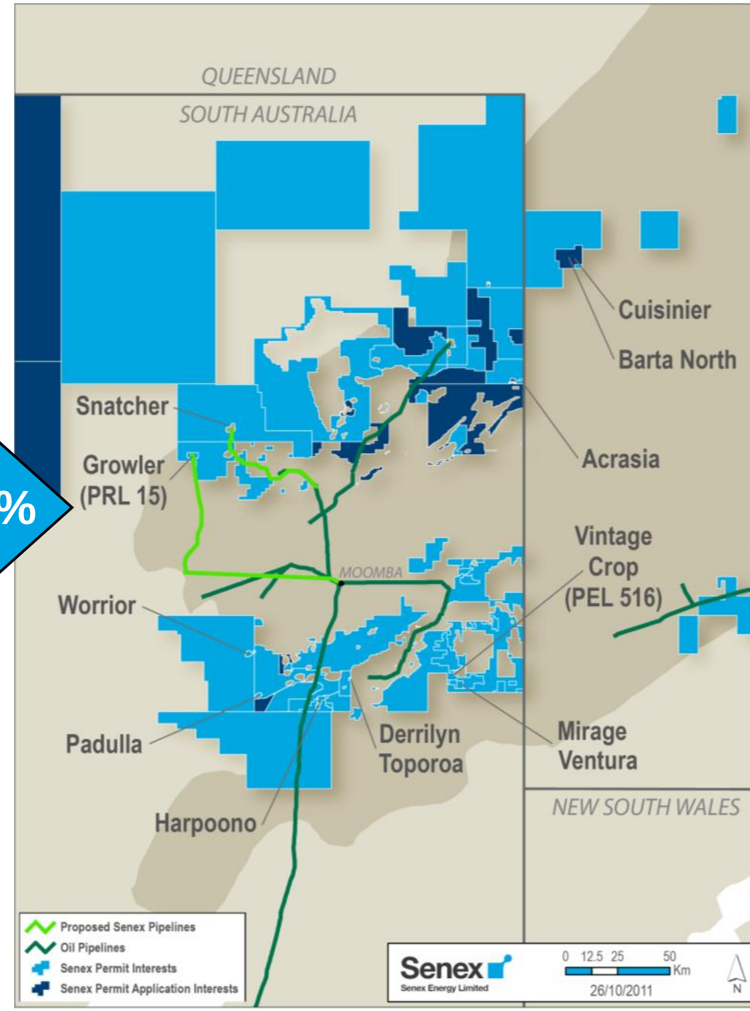
# Senex now a major Cooper Basin E&P company…

**30 June 2010: 22,351 km²**

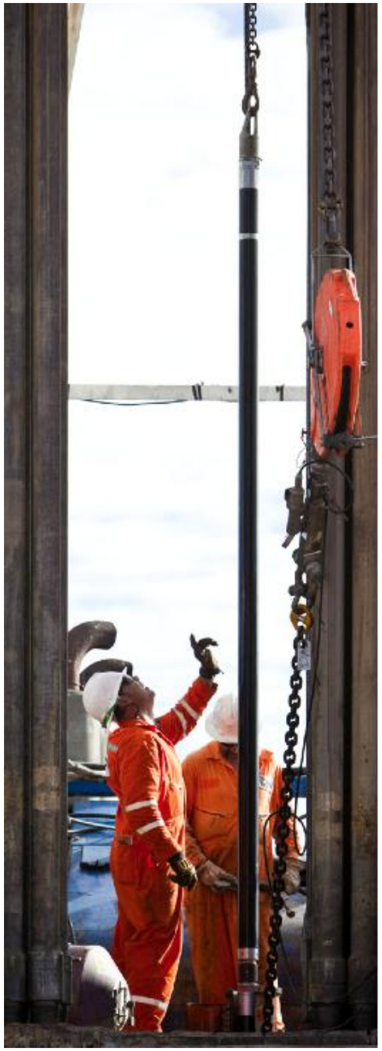



↑ 195%

**22 November 2011: 65,854 km²**



# …with a clear path to value and growth



1. **Grow the oil business to generate cash flow**
   - Cooper Basin flooding issues being resolved
   - Targeting >700,000 barrels of oil (net) in 2011/12
   - Drilling 11 western flank wells in 2011/12
   - Successful Growler-6 oil appraisal well
2. **Unlock a world class unconventional gas resource**
   - Over 100 Tcf net Gas-in-Place resource
   - Demonstrate technical feasibility
   - Establish large scale, cost competitive resource
3. **Appraisal and development of Surat Basin CSG**
   - Targeting material 2P reserve increase and deliverability testing in QGC joint venture permits
   - Targeting material reserve improvements in Don Juan CSG Project (Senex operated)



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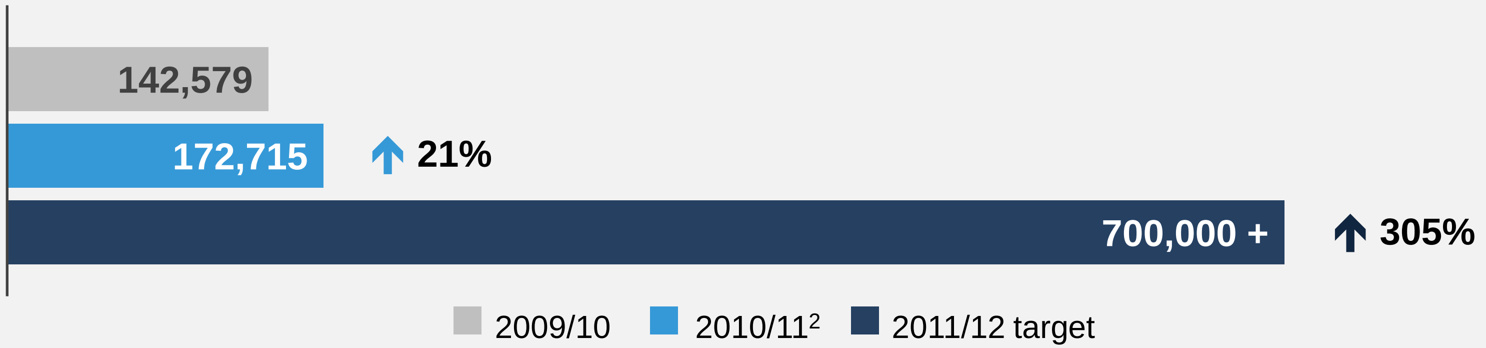
# High margin oil business in the South Australian Cooper Basin

# Oil production generating cash flow

- Strong oil pricing (Brent not WTI)
- High net back of ~A$70 per barrel [1]
- Major land position and operatorship
- Fast drill and tie-in with high flow rates
- Low risk exploration on 3D seismic
- Proposed pipelines to increase production and secure delivery

## Net oil production






Note 1: At Brent oil price of A$100/barrel, with delivered opex.
Note 2: Represents total Stuart Petroleum Limited and Senex Energy Limited production for the year

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# 11 western flank oil wells to be drilled in 2011/12

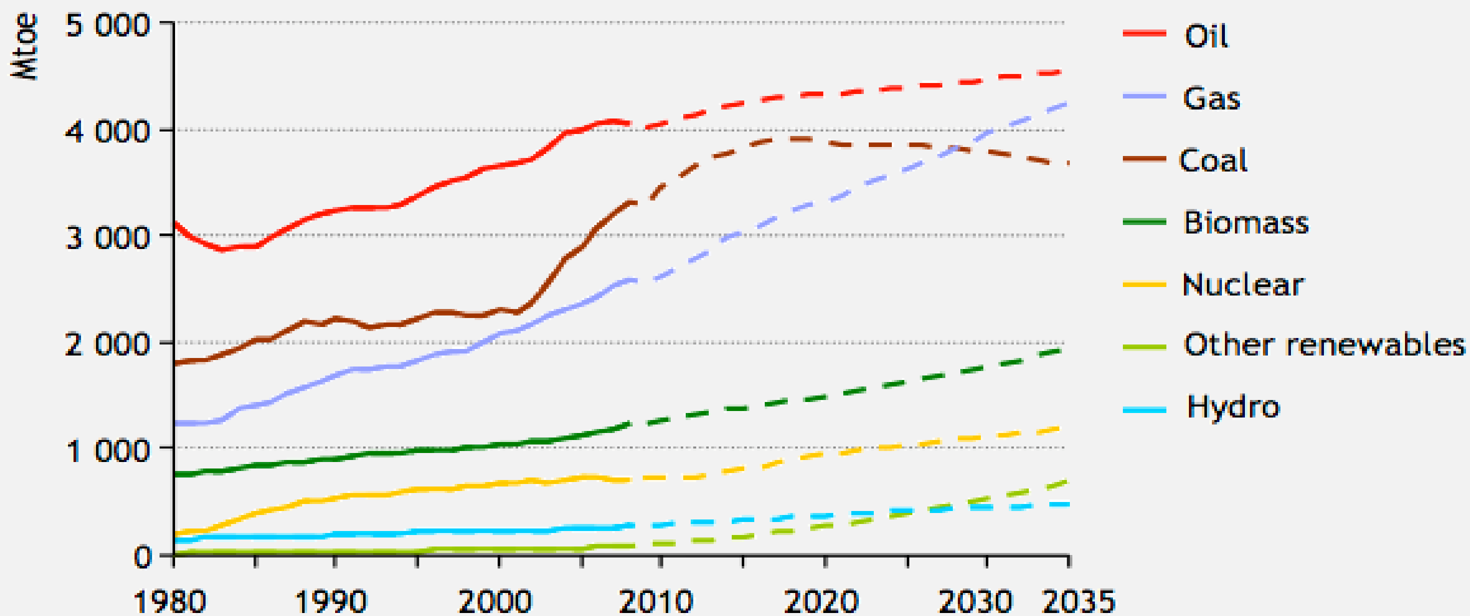
## 25 Birkhead channel exploration prospects in PEL 104 and PEL 111

# Strong outlook for Australian gas

# Senex is in the box seat for the Golden Age of Gas

- Domestic growth fuelled by gas fired generation
- LNG markets provide access to oil-linked gas pricing
- Gas prices trending towards $6-$9 per gigajoule

**World primary energy demand by fuel**




Source: International Energy Agency, World Energy Outlook 2011, GAS Scenario



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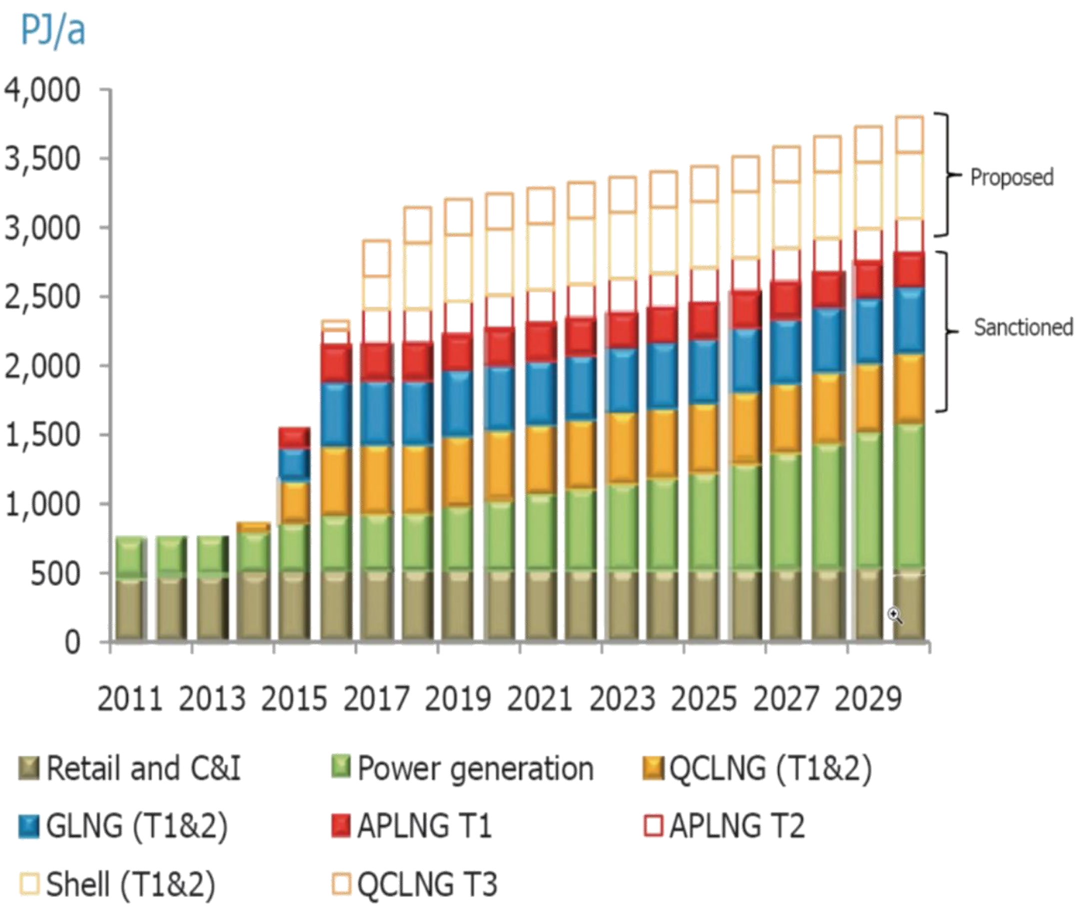
# Increasing gas demand in Australia’s east coast

**CHANGING DYNAMICS**

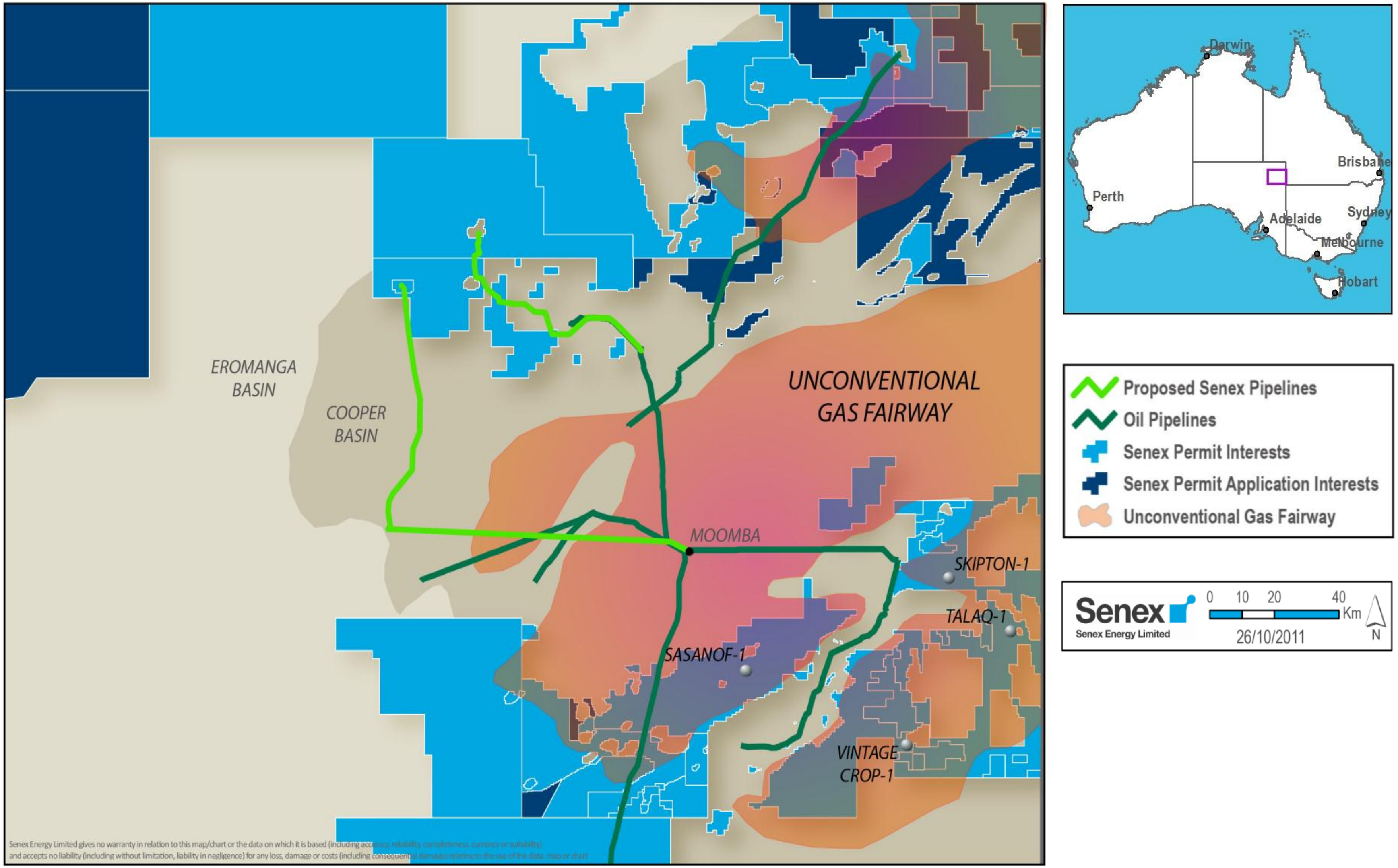
- Eastern Australian domestic gas demand: ~700 PJ pa
- Total eastern Australian gas demand forecast to triple by 2020
- Growth driven by power generation and LNG
- Senex perfectly positioned to supply eastern Australian gas markets




Source: Santos, Eastern Australia Business Unit Presentation, 26 September 2011

# Commanding unconventional gas position in Australia's Cooper Basin

# Net Gas-in-Place resource of over 100 Tcf

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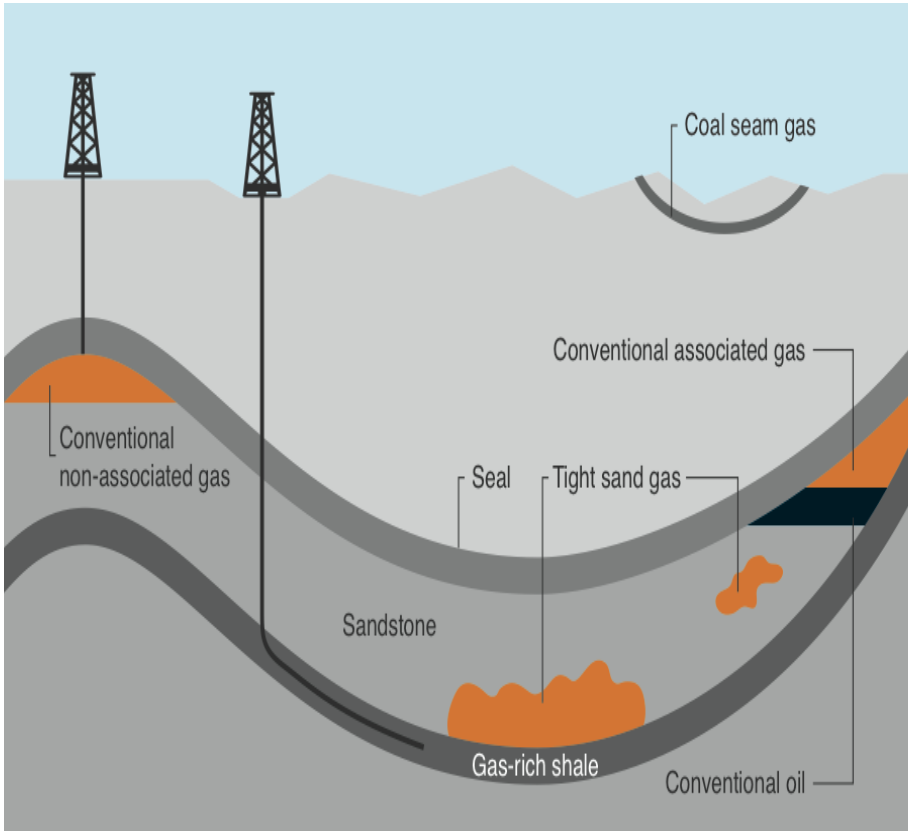
# Senex Cooper Basin unconventional gas plays




Source: US Energy Information Administration and US Geological Survey

**Shales**

- Thick, mature Roseneath and Murteree shales

**Coals**

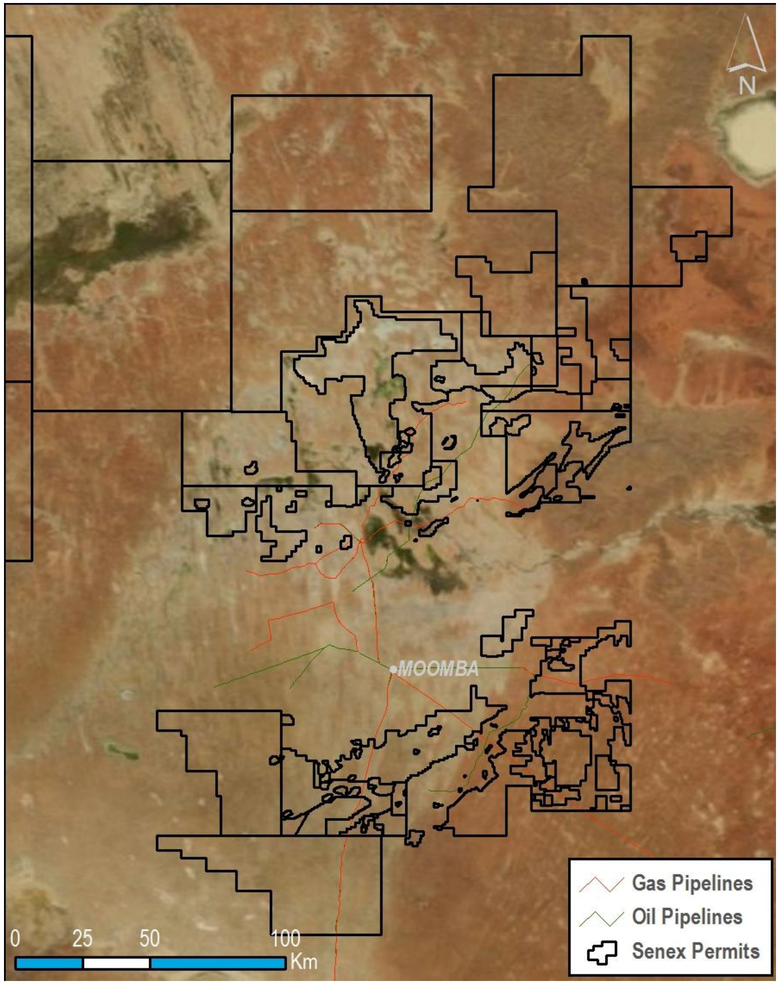
- Thick, mature Toolachee and Patchawarra coals

**Tight sands**

- Toolachee, Epsilon and Patchawarra tight sand / coal sequences
- Basin centred gas plays
- Piceance Basin analogue

# 2011/12 Unconventional gas exploration program

- **Fracture stimulation injectivity testing** at existing Allunga Trough-1 to gather shale mechanical properties data for larger fracture stimulation program
- **Three dedicated unconventional gas** exploration wells to be drilled in PEL 516 (Senex 100%) in 2011/12 for ~$15 million
  - Wells to be fully cored, fracture stimulated and flow tested
- **Material contingent resource booking** targeted for financial year end



Satellite view of Senex acreage in the Cooper Basin



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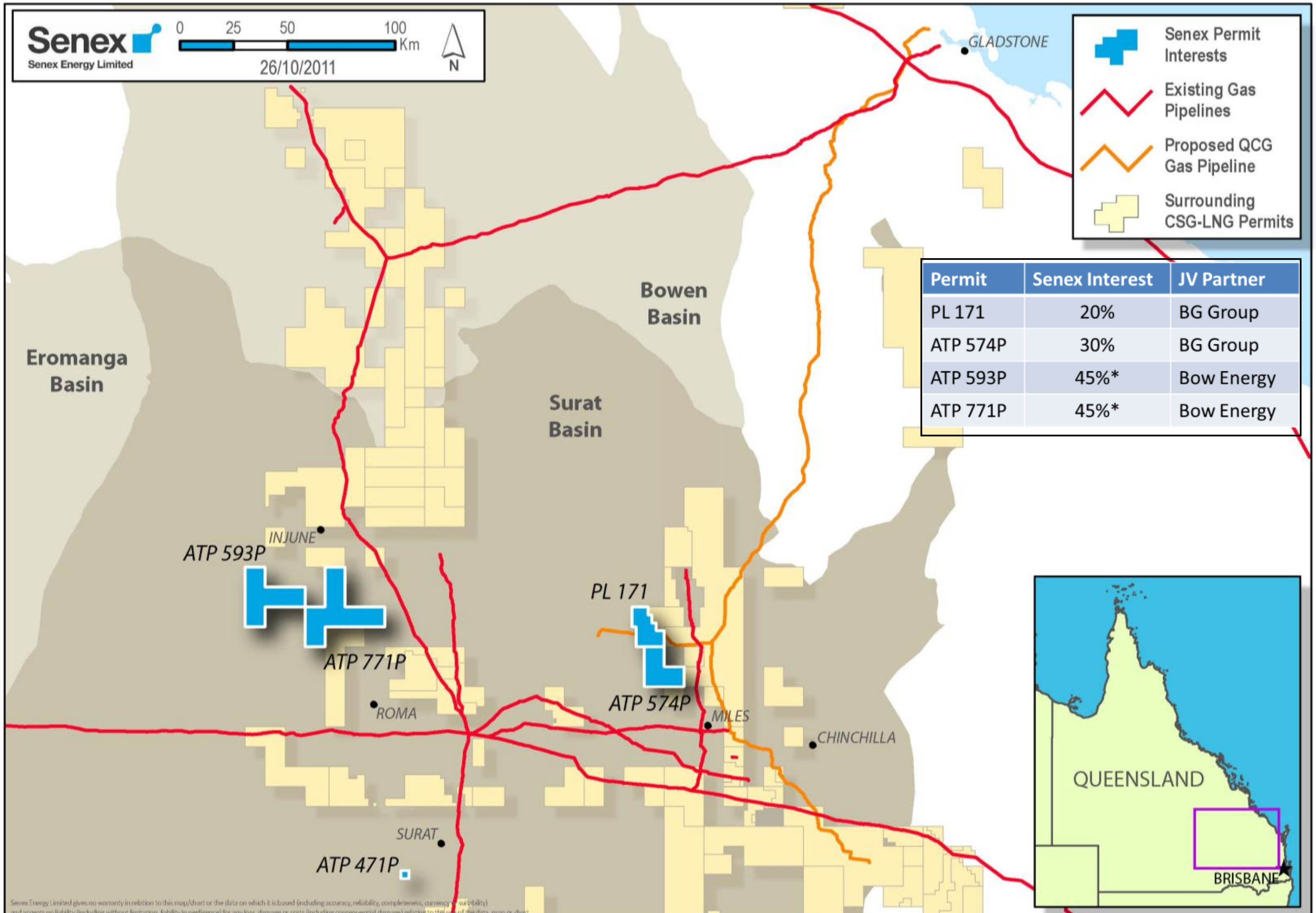
# Valuable coal seam gas business in Queensland’s Surat Basin

# Strategically located coal seam gas assets




| Permit | Senex Interest | JV Partner |
|---|---|---|
| PL 171 | 20% | BG Group |
| ATP 574P | 30% | BG Group |
| ATP 593P | 45%* | Bow Energy |
| ATP 771P | 45%* | Bow Energy |



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# Aggressive FY12 exploration and appraisal program

Aggressive exploration and appraisal to test production and materially increase 2P and 3P coal seam gas reserves:

ATP 574P (Senex 30%) and PL 171 (Senex 20%):

- Operated by QGC* with active technical input from Senex
- Appraisal program focussed on 2P reserve additions and gas flow testing

ATP 593P /ATP 771P (Senex 45%) with Bow Energy:

- Operated by Senex
- Plans agreed to pursue growth in certified reserves, with two core wells to be drilled in Q4 2011

* A BG Group business

Coal seam gas appraisal well being flared

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