Senex Energy Limited

ASX Announcement

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Fully underwritten $155 million Equity Raising to fund exploration and appraisal of Senex Cooper Basin unconventional gas acreage

Release Date: 19 June 2012

Senex Energy Limited ("Senex") today announced a $155 million fully underwritten Equity Raising.

KEY POINTS

- Fully underwritten Institutional Placement to raise approximately $50 million and a 2 for 13 accelerated non-renounceable entitlement offer to raise approximately $105 million.
- Proceeds will be used to fund follow-on exploration and appraisal of Senex southern Cooper Basin unconventional gas permits, and commence an unconventional gas exploration program in the north of the South Australian Cooper Basin.
- Offer price of $0.74 per New Share, a 14.5% discount to the Theoretical Ex-Rights Price
- Major shareholder The Sentient Group is fully supportive of the Equity Raising.

Fully underwritten Equity Raising

Senex will raise approximately $155 million through a placement to institutional and sophisticated investors to raise approximately $50 million ("Institutional Placement") and a 2 for 13 accelerated non-renounceable entitlement offer to raise approximately $105 million ("Entitlement Offer"), (together the "Equity Raising") at an offer price of $0.74 per share ("Offer Price"). The Entitlement Offer comprises an institutional component ("Institutional Entitlement Offer") and a retail component ("Retail Entitlement Offer").

The Equity Raising is fully underwritten.

The Equity Raising is supported by The Sentient Group, Senex's largest shareholder, which has committed to the underwriters that it will participate in the Equity Raising to retain its 16.6% shareholding. The Sentient Group entities will subscribe for their pro-rata shares under the Institutional Placement and take up their full entitlements under the Retail Entitlement Offer.

After the success of the exploration program conducted in 2011/12 in PEL 516, the proceeds of the Equity Raising will be used to fund a material follow-on exploration and appraisal program of Senex's unconventional gas permits in the South Australian Cooper Basin.

The decision to raise equity affirms Senex's unconventional gas strategy and highlights the depth and diversity of organic growth opportunities available to the company. Following the Equity Raising, Senex will be fully funded for its 2012/13 work program.

Approximately 210 million New Shares will be issued as part of the Equity Raising. Shares issued under the Institutional Placement do not participate in the Entitlement Offer. New Shares issued under the Equity Raising will rank equally with existing shares.

Under the Entitlement Offer, eligible shareholders will be invited to subscribe for 2 new Senex ordinary shares ("New Shares") at the Offer Price for every 13 existing Senex ordinary shares held at 7.00pm (AEST) on Friday, 22 June 2012 ("Record Date"). The Retail Entitlement Offer will include a top up facility under which eligible retail shareholders who take up their full entitlement will be invited to apply for additional New Shares in the Retail Entitlement Offer from a pool of those not taken up by other eligible retail shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

The Offer Price represents:

- a 14.5% discount to the Theoretical Ex Rights Price (TERP[1]), and
- a 16.4% discount to the last traded price of Senex shares.

Details of the Equity Raising are also set out in an investor presentation which Senex has provided to ASX today ("Investor Presentation"). The Investor Presentation contains important information, including key risks and foreign selling restrictions with respect to the Equity Raising.

[1] The Theoretical Ex-Rights Price (TERP) is the theoretical price at which Senex shares should trade after the ex-date for the Entitlement Offer. TERP is calculated by reference to Senex's closing price on 18 June 2012 of $0.885 per share, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Senex shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not approximate TERP. TERP excludes the new shares issued under the Institutional Placement.

The key dates[2] for the Entitlement Offer are:

Event	Date
Announcement of Equity Raising and trading halt	19 June 2012
Institutional Entitlement Offer and Institutional Placement Opens	19 June 2012
Institutional Entitlement Offer and Institutional Placement Closes	20 June 2012
Trading halt lifted, shares resume trading on an ex-entitlement basis	21 June 2012
Record date	22 June 2012
Retail Entitlement Offer opens	27 June 2012
Settlement of the Institutional Entitlement Offer and Institutional Placement	28 June 2012
Allotment and trading of New Shares issued under the Institutional Entitlement Offer and Institutional Placement	29 June 2012
Retail Entitlement Offer closes	11 July 2012
Settlement of Retail Entitlement Offer	18 July 2012
Allotment of Retail Entitlement Offer	19 July 2012
Trading of New Shares issued under the Retail Entitlement Offer	20 July 2012

Eligible retail shareholders will receive a retail information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer.

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[2] All dates are indicative only and subject to change. Senex and the underwriters reserve the right to withdraw or vary the timetable without notice

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

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This announcement contains certain "forward-looking statements" within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may," "should," "expect," "anticipate," "estimate," "scheduled" or "continue" or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Senex does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.