



Macquarie Small Companies Conference

Ian Davies, Managing Director
Brisbane, 4 July 2012

Senex 
Senex Energy Limited

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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. Resource estimates provided in relation to PEL 516 have been prepared by MHA Petroleum Consultants LLC and are not consistent with the SPE PRMS.

Investors should note that the petroleum resource and reserve systems of different jurisdictions employ different definitions and permit or require different assumptions, and that identical geological and engineering data can produce different results under different reporting systems. We provide no assurance that the reserves and resources stated in this presentation would be equivalent to the reserves and resources we would be required to state under any other reporting system. In particular, investors in the United States are cautioned that our reserves and resource methodologies vary in certain respects from those required to be used by SEC reporting companies, including the reporting requirements set out in SEC Industry Guide 2, Regulations S-K and S-X and related SEC disclosure requirements.

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A photograph of an oil pumpjack (jackal) in silhouette against a bright sun in a clear blue sky. The pumpjack is a large mechanical structure used for extracting oil from a well. It features a long walking beam pivoted on a central support, with a long rod extending down into the well. The sun is positioned behind the pumpjack, creating a strong backlight effect. The foreground shows a metal fence and some dry vegetation.

Institutional placement and entitlement offer

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Institutional placement and entitlement offer: executive summary

The Offer

- Equity offering to raise approximately \$155 million (the “**Equity Raising**”) at \$0.74 per share, comprising:
 - A placement to institutional investors that raised approximately \$50 million (“**Institutional Placement**”);
 - A 2 for 13 Accelerated Non-Renounceable Entitlement Offer to raise approximately \$105 million (the “**Entitlement Offer**”)
- Major shareholder, The Sentient Group (“**Sentient**”), has committed to participate in the Equity Raising to retain its 16.6% shareholding. Sentient entities will subscribe for their pro-rata shares under the Institutional Placement and take up their full entitlements under the retail component of the Entitlement Offer (“**Retail Entitlement Offer**”)
- The Equity Raising is fully underwritten

Use of funds raised through the Offer

- Continued exploration and appraisal of Senex’s Cooper Basin unconventional resources
- 12 vertical well exploration and appraisal campaign to further delineate material gas resource
- Investment in securing dedicated equipment and skilled resources, including investigating options to bring a new rig in country

2012/13 work program objectives

- Conventional oil business – ongoing exploration, appraisal and development in the Cooper Basin
- Unconventional gas business – substantial exploration and appraisal program in the Cooper Basin
- Coal seam gas – targeting extension of 2P reserves coverage of Surat Basin acreage

Offer details

Offer structure, size and underwriting	- Equity Raising to raise approximately \$155 million, comprising: — An Institutional Placement that raised approximately \$50 million and — A 2 for 13 Entitlement Offer to raise approximately \$105 million - Approximately 210 million new Senex shares to be issued (approximately 23% of current issued capital) - The Equity Raising is fully underwritten - Major shareholder, Sentient, has committed to participate in the Equity Raising to retain its 16.6% shareholding. Sentient entities will subscribe for their pro rata shares under the Institutional Placement and take up their full entitlements under the Retail Entitlement Offer¹
Offer price	- Offer price of \$0.74 per new share, which represents a: — 14.5% discount to TERP² — 16.4% discount to the last traded price of \$0.885 on 18 June 2012 — 14.9% discount to the 5 day VWAP³ of \$0.87
Institutional Placement and Institutional Entitlement Offer	- Institutional Placement and the institutional component of the Entitlement Offer (“Institutional Entitlement Offer”) was conducted on 19-20 June 2012 raising approximately \$78 million - The Institutional Placement and shortfall bookbuild closed well oversubscribed with strong support from both existing and new domestic and international investors
Retail Entitlement Offer	- Retail Entitlement Offer opened 27 June 2012 and closes 11 July 2012 - Eligible retail shareholders will be able to apply for additional shares over their entitlement under a “Top-Up Facility” as part of the Retail Entitlement Offer⁴
Ranking and eligibility	- New shares issued under the Equity Raising will rank equally in all respects with existing ordinary shares from allotment. New shares issued under the Institutional Placement will not be eligible to participate in the Entitlement Offer - The Entitlement Offer is open to existing Senex shareholders with a registered address in Australia, New Zealand and the Cayman Islands on the register as at 7.00pm AEST on the Record Date of 22 June 2012

⁽¹⁾ The underwriters will pay Sentient a fee for its commitment to take up its full entitlement under the Retail Entitlement Offer

⁽²⁾ The Theoretical Ex-rights Price (“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’s 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

⁽³⁾ 5 day volume weighted average price (“VWAP”) calculated over the 5 days trading in Senex shares up to and including 18 June 2012

⁽⁴⁾ The conditions of the Top-Up Facility are set out in the Retail Information Booklet lodged with ASX on 27 June 2012

FY13 work program fully funded post-raising

Capital Expenditure Program (2012/13)		Estimated net capex (\$m)
Conventional oil	■ 20+ well drilling campaign including exploration and appraisal targets	\$60-\$70m
	■ Seismic programs across greenfield acreage	
	■ Development of facilities and in-field support for producing fields	
	■ Conventional oil capex requirements to be funded by oil cash flows	
Unconventional gas	■ Material appraisal of southern Cooper Basin permits (~\$100m)	\$140-\$150m
	■ Early stage exploration in north Cooper Basin permits (~\$20m)	
	■ 12 vertical well campaign over ~18 months targeting tight sands, shales and coals	
	■ Investment in securing rigs, equipment and skilled labour to accelerate appraisal (\$20-\$30m)	
Coal seam gas	■ 16 well campaign including core and pilot wells	\$10m
	■ Field development planning commencing in advance of pilot production	
	■ Coal seam gas capex requirements to be funded by oil cash flows	
Total 2012/13 capital expenditure		\$210-\$230m
Cash on balance sheet and OCF ¹ net of 2011/12 capex commitments, corporate expenses and issue costs associated with the Equity Raising		\$55-\$75m
Net funding requirement		\$155m

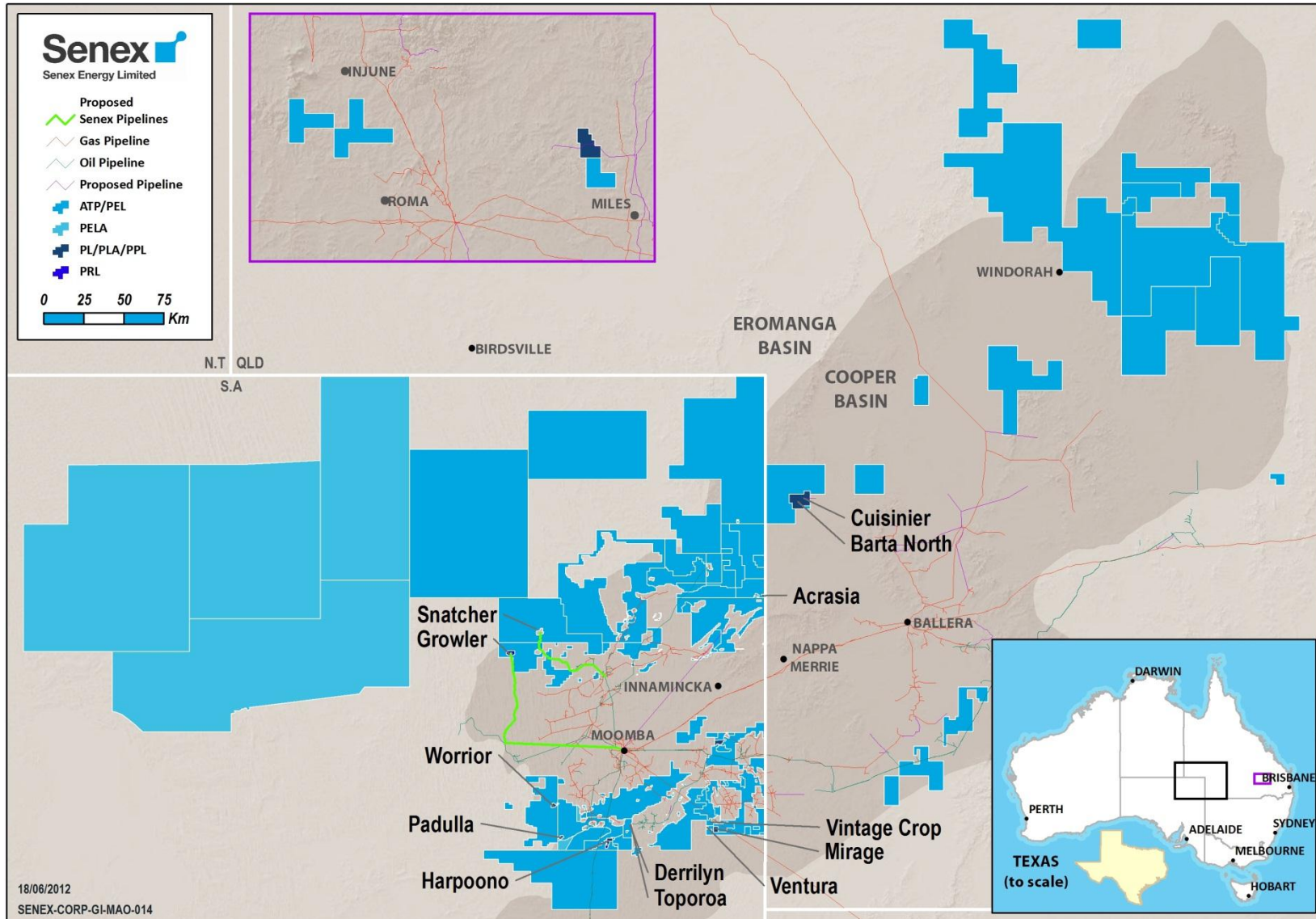
⁽¹⁾ Operating cash flows from conventional oil business over 2012/13

- Cash balance as at 31 May 2012 of c. \$60 million (including cash held in JVs, and cash held on behalf of Senex in non-operated JVs)



Strategic and operational overview

Material asset position in conventional oil, unconventional gas and coal seam gas

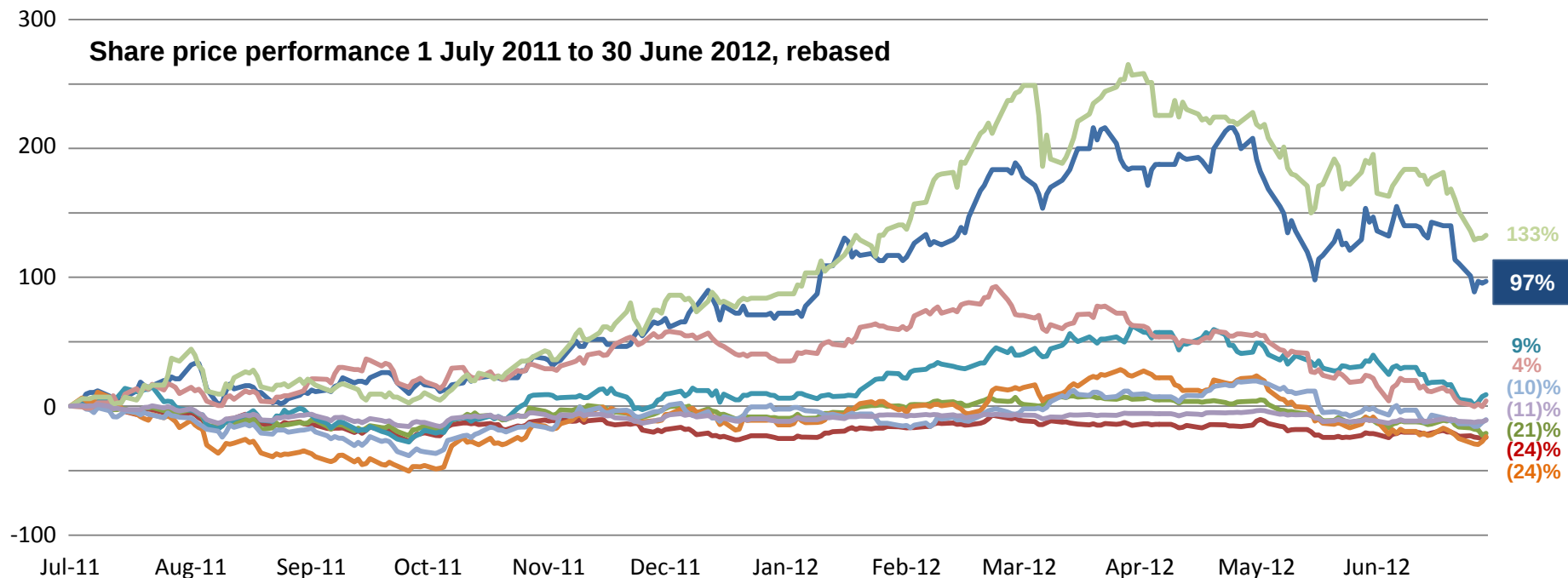


Investment highlights

- ✓ Strong independent Cooper Basin oil producer with new and mature oil fields
 - Net production target for 2011/12 of ~600,000 barrels of oil, with net production of one million barrels of oil targeted for 2012/13 – an increase of ~67%
 - High margin oil business with rapid investment payback on exploration success
- ✓ Large acreage position in the lucrative western flank oil province with exciting near term exploration potential
- ✓ Material unconventional gas resource potential in the proven onshore hydrocarbon province, the South Australian Cooper Basin
 - Over 100 Tcf Gas-in-Place resource estimate¹ in PEL 516 (Senex 100%) from shales and coals alone, with other Senex held permits also highly prospective
 - Excellent results from current drilling program – gas flow to surface achieved from Sasanof-1 with evidence of heavy gases and condensate
 - Existing infrastructure and service sector within Cooper Basin provide excellent incubator for potential large-scale gas projects
- ✓ Valuable CSG position in the LNG feedstock region of Queensland's Surat Basin
 - Joint venture partners with two LNG project proponents - BG Group and Arrow
 - Strong independently certified coal seam gas reserves position
- ✓ Strong board and management team in place with successful track record

¹ Source: MHA Petroleum Consultants LLC

Share price outperformance in 2011/12



Movement to 30 June 2012	SXY	WPL	STO	AWE	KAR	AUT	BPT	DLS	ASX200
3 months	(31%)	(11%)	(25%)	(33%)	(38%)	(18%)	(36%)	(35%)	(6%)
6 months	14%	1%	(13%)	3%	(11%)	(8%)	(23%)	24%	1%
9 months	69%	(4%)	(6%)	34%	41%	39%	(13%)	111%	2%
12 months	97%	(24%)	(21%)	9%	(24%)	(10%)	4%	133%	(11%)

Source: IRESS, rebased at 1 July 2011

A focused and compelling strategy...



1. **Growing the oil business to generate cash flow**
 - Record production in 2011/12, growth continuing
 - Success in the 14 well western flank exploration and appraisal program for 2011/12
 - Substantial oil reserves upgrade achieved in April 2012
 - Record production rates achieved
2. **Unlocking a potential world class unconventional gas resource**
 - Commenced definition of material gas resource
 - Successful injectivity testing at Allunga Trough-1
 - Sasanof-1 exploration well drilled and fracture stimulated – flow testing ongoing with gas to surface
 - Talaq-1 exploration well cased and suspended awaiting hydraulic fracture stimulation
3. **Appraising and developing Surat Basin coal seam gas**
 - Significant 3P reserves position of 314 PJ (net)
 - Material 2P reserve increase to 138 PJ (net) in 2012
 - 2012/13 focus on further increasing 2P reserves

...with excellent success to date on all key metrics

Net 1P oil reserves (mmbbls)



Net 2P oil reserves (mmbbls)

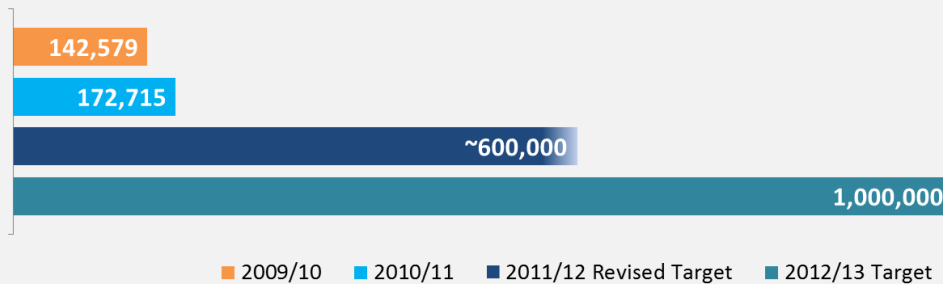


Net 3P oil reserves (mmbbls)

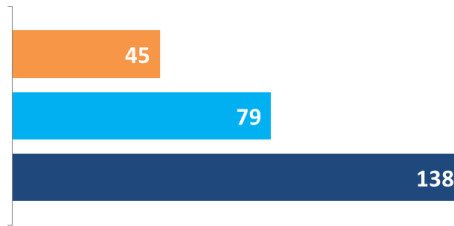


30 June 2010 30 June 2011 31 May 2012

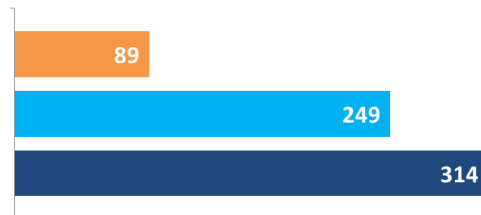
Senex production (net barrels)



Net 2P coal seam gas reserves (PJ)

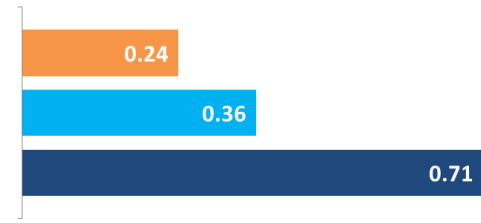


Net 3P coal seam gas reserves (PJ)



30 June 2010 30 June 2011 31 May 2012

Senex share price (A\$)



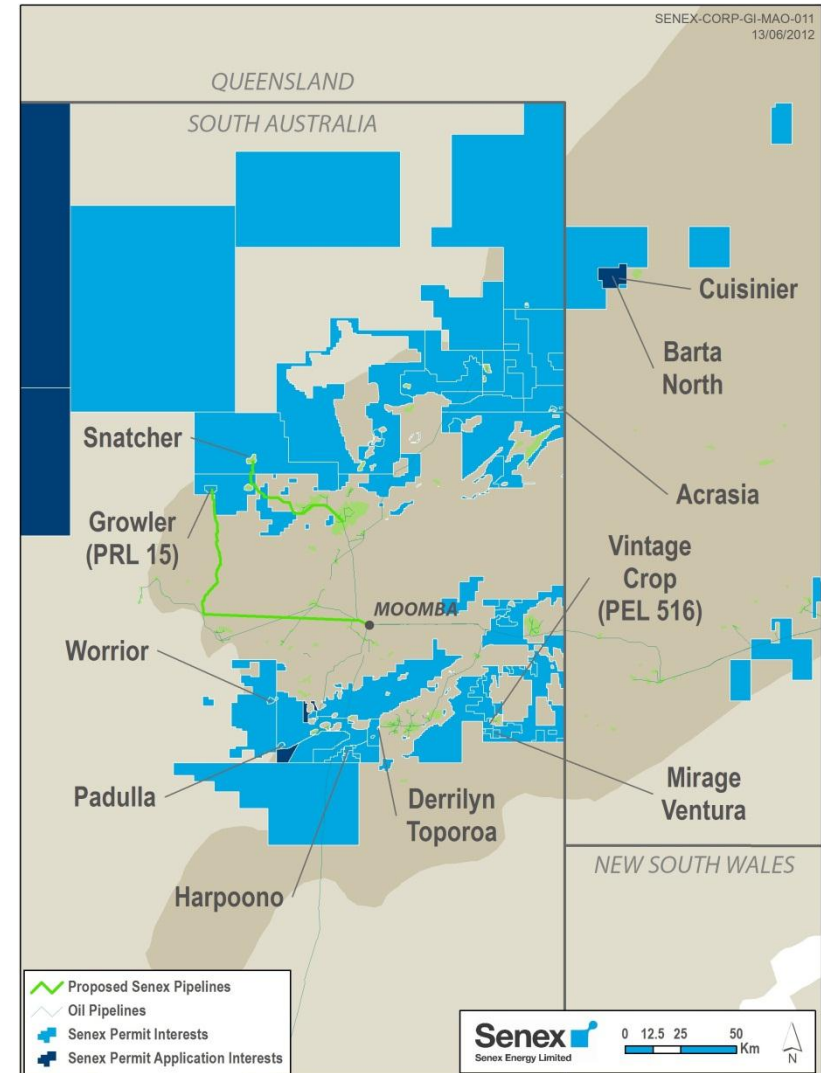
Senex market capitalisation (A\$m)



30 June 2010 30 June 2011 30 June 2012

Oil production generating solid cash flows...

- Strong oil pricing (Brent)
- High net back of ~A\$70 per barrel¹
- Major land position with operatorship
- Net 2P oil reserves of 8.1 mmbbl with peak production of over 6,000 bopd²
- Fast drill and tie-in with high flow rates
- Pipelines under construction to increase production and secure delivery
- Low risk exploration on 3D seismic
- Aggressive exploration & appraisal programs to boost oil production and cash flow commenced in 2011/12

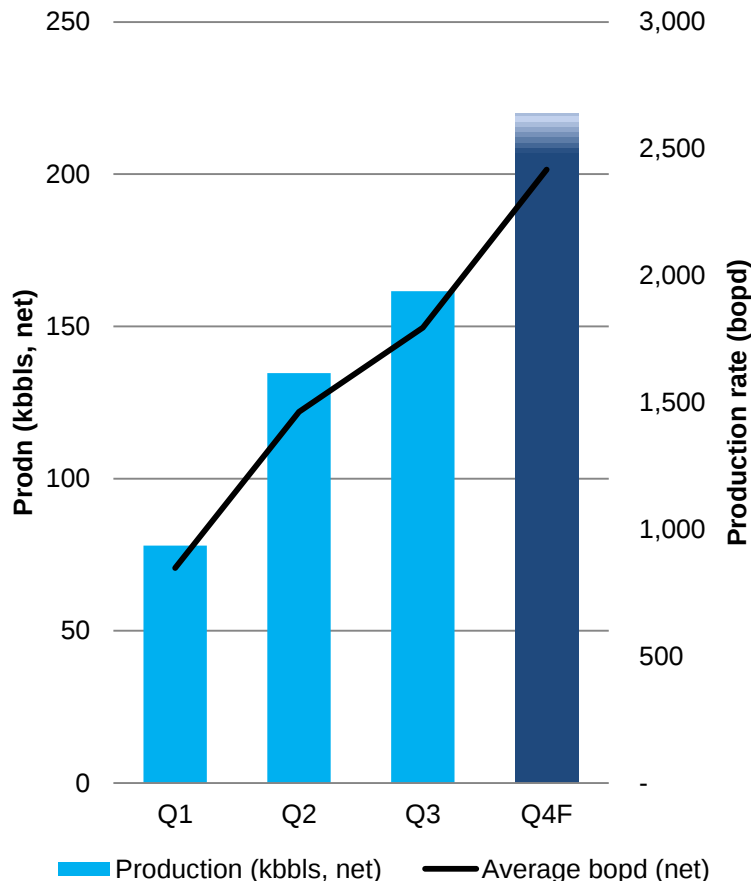


Note ¹ At Brent oil price of A\$100/barrel, with delivered opex

² Reserves as at 29 February 12; gross production peak during May 2012

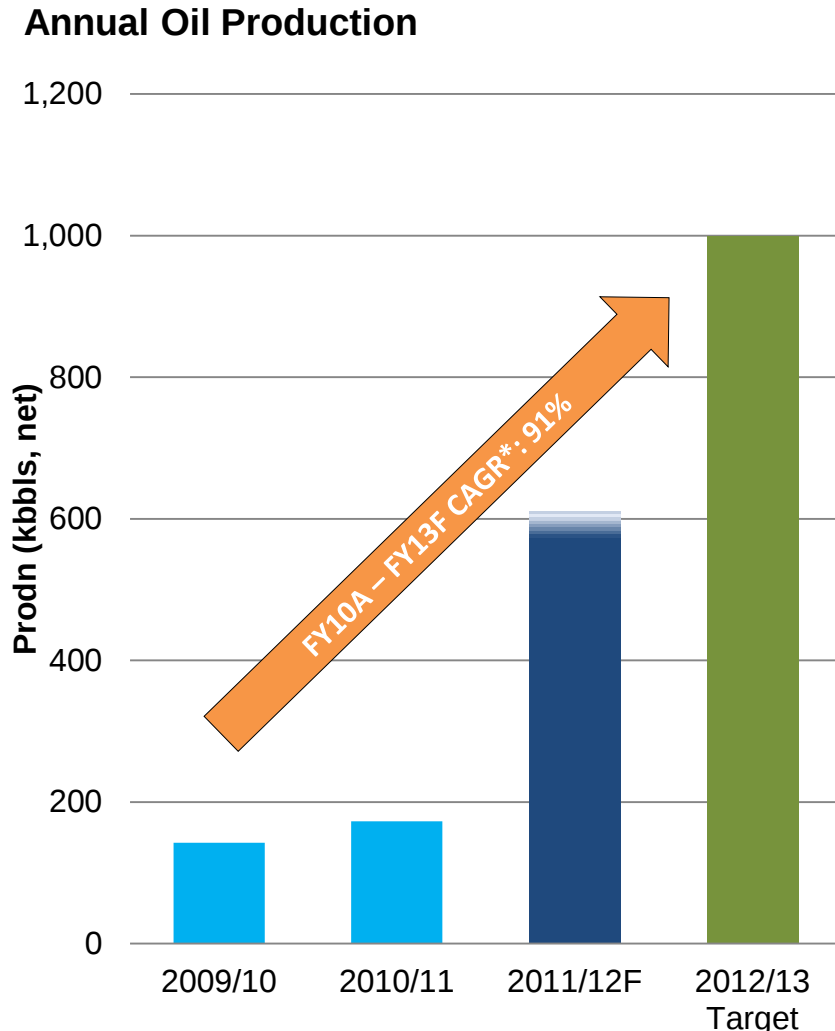
...following a year of strong project execution and delivery in 2011/12

2011/12 Production



- 2011/12 production of ~600,000 net barrels of oil despite weather impacts
- Seven successful appraisal wells drilled, with 8th appraisal well spudded in June 2012
- Four exploration wells drilled with encouraging results
- Commenced 790 km² Cordillo 3D seismic program
- Construction advanced on critical pipeline infrastructure to reduce weather related delays
- Material investment in oil production facilities at key sites

Production and cash flow growth to continue in 2012/13...

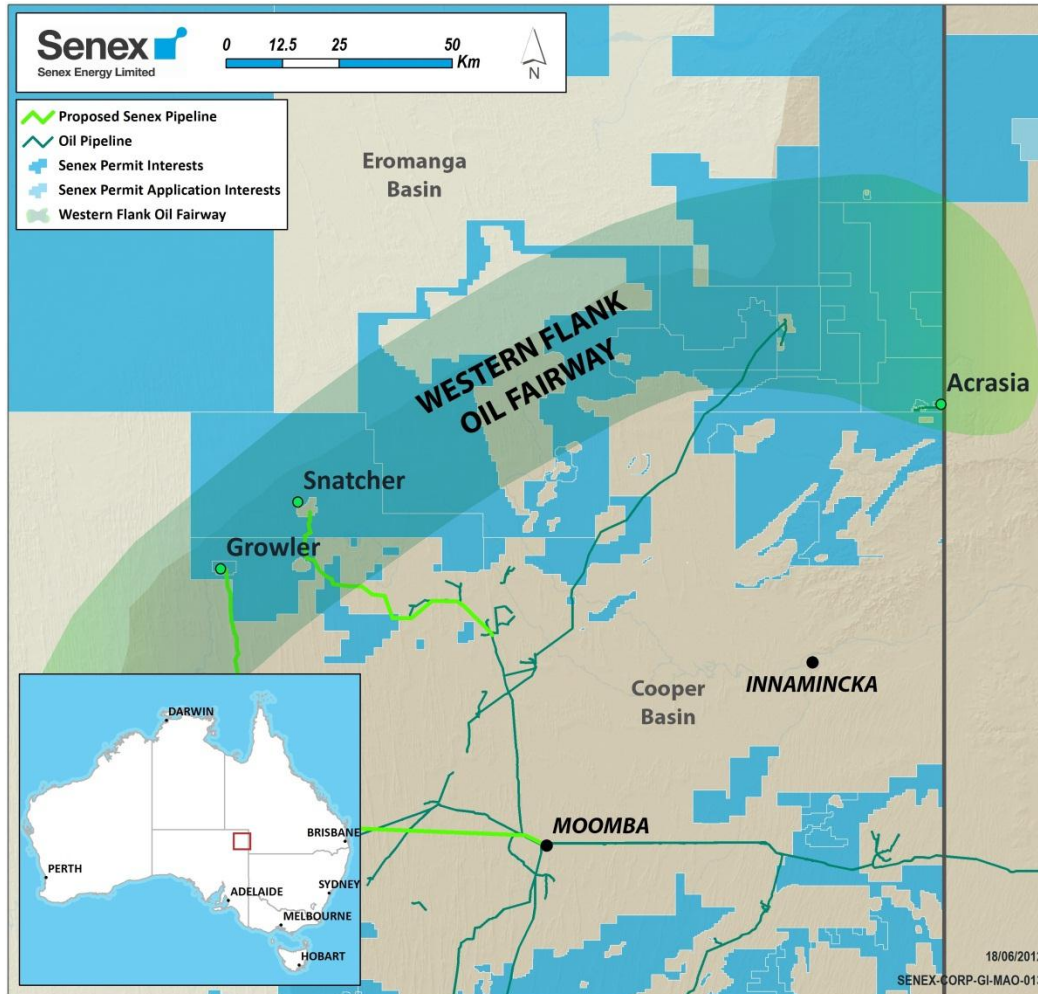


* CAGR: Compound Annual Growth Rate, assuming 2012/13 target production is achieved

- 2012/13 production target of one million net barrels of oil, a ~67% increase on 2011/12
- Full year production contribution from western flank oil fields
- Pipeline infrastructure to come online to reduce weather related production risks

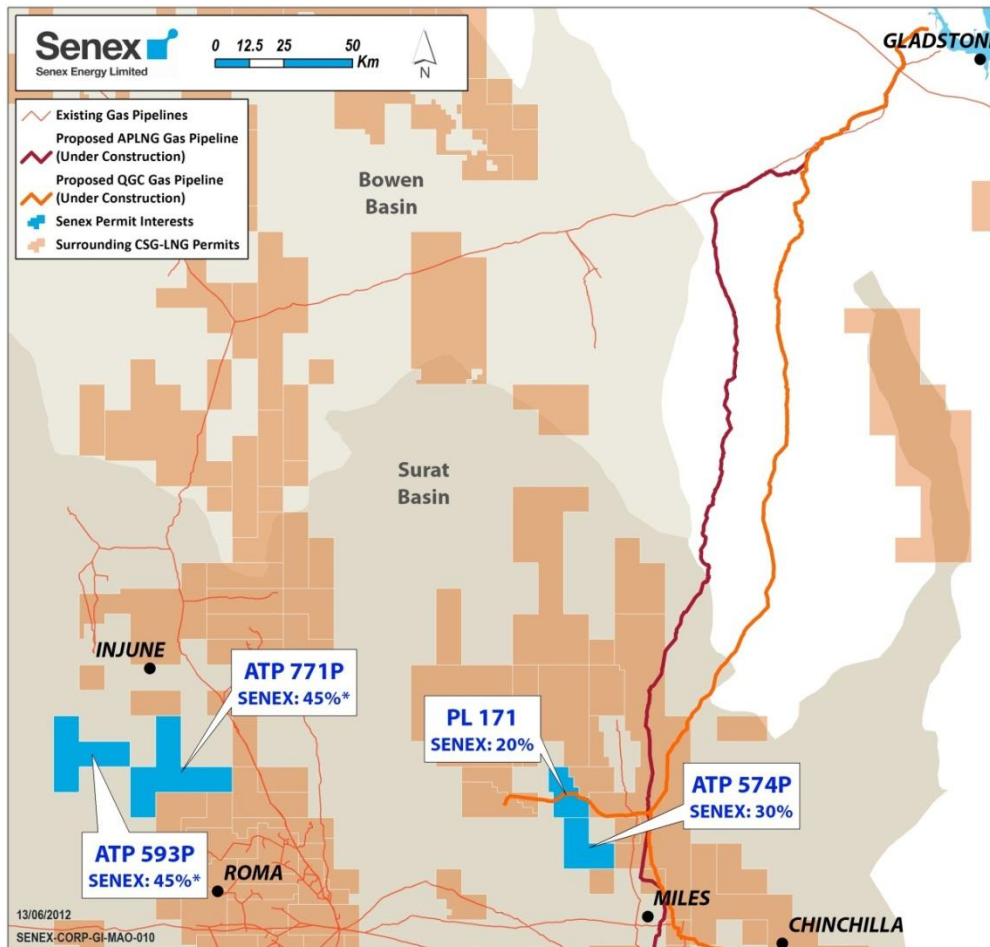
Oil business profitable and self-funding. Oil exploration, appraisal, development and infrastructure capital expenditure to be funded by oil cash flows

...with extended western flank exploration footprint



- 20+ well drilling campaign in the western flank and its northern extension
- Mixture of exploration and appraisal drilling
- Seismic programs planned to extend existing 3D coverage in both regions
- Facility investment in line with production growth

Strategically located coal seam gas assets in the Surat Basin in Queensland



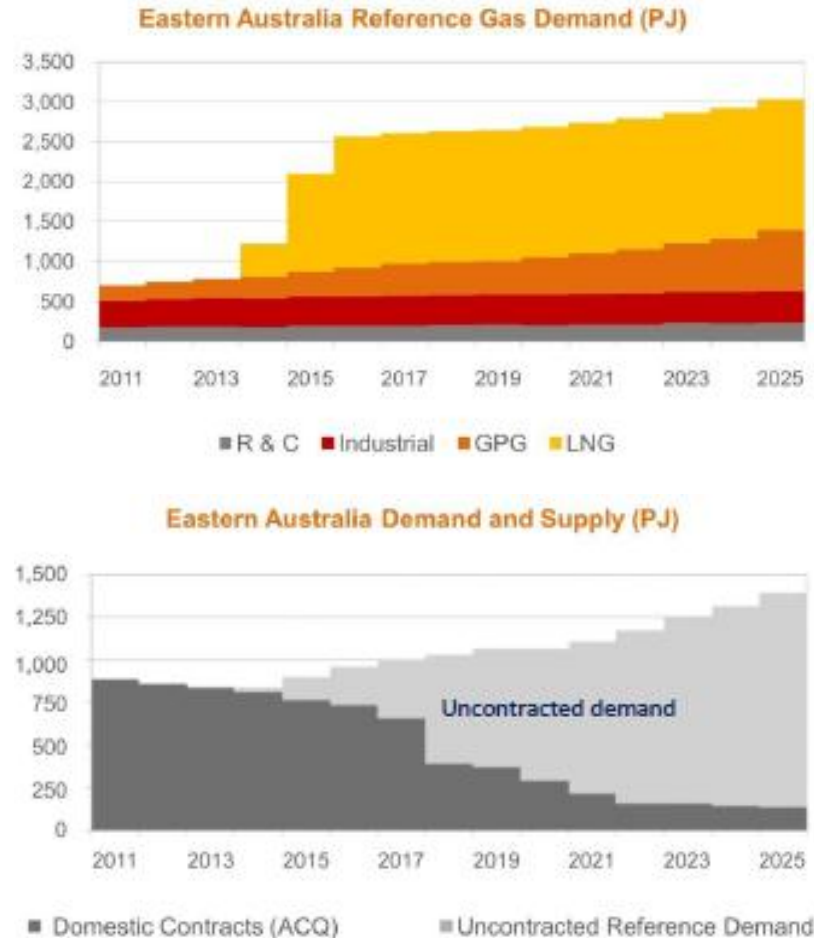
- Permits adjacent to Gladstone LNG project CSG developments
- 2011/12 work programs successfully targeted material reserves upgrades
- Upgrades announced in May 2012:
 - Net 2P reserves $\uparrow$ 75% to 138 PJ
 - Net 3P reserves $\uparrow$ 26% to 314 PJ
 - More than 500 PJ of net CSG reserves and resources¹
- 2012/13: focus on 2P reserves growth through exploration and appraisal
 - 16 well program across both projects
 - Commencement of field development planning ahead of pilot production programs in FY14

¹ Source: MHA Petroleum Consultants LLC

Unprecedented domestic and LNG demand provides Senex a major supply opportunity

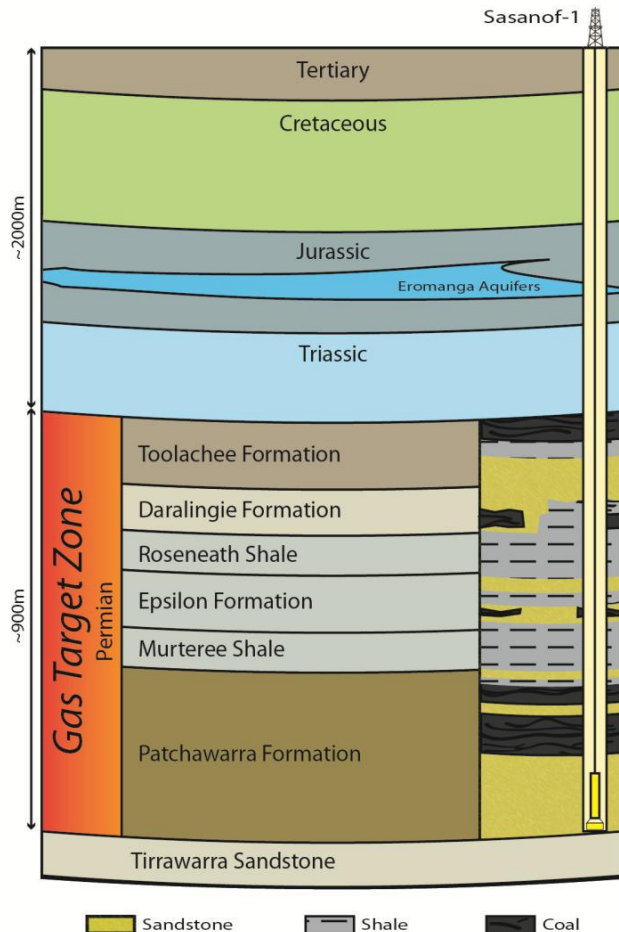


- Domestic growth in gas consumption fuelled by gas fired power generation
- LNG provides material additional demand and access to oil-linked pricing
- Brownfields expansion of sanctioned LNG Projects in Gladstone provides potential for major gas off-take
- Gas prices trending to \$6 to \$9 per gigajoule



Source: Core Energy Group

Material unconventional gas potential across tight sands, shales and coals



Tight sands

- Toolachee, Epsilon and Patchawarra tight sand / coal sequences
- Basin centred gas plays
- North American analogues

Shales

- Thick, mature Roseneath and Murteree shales
- North American analogues

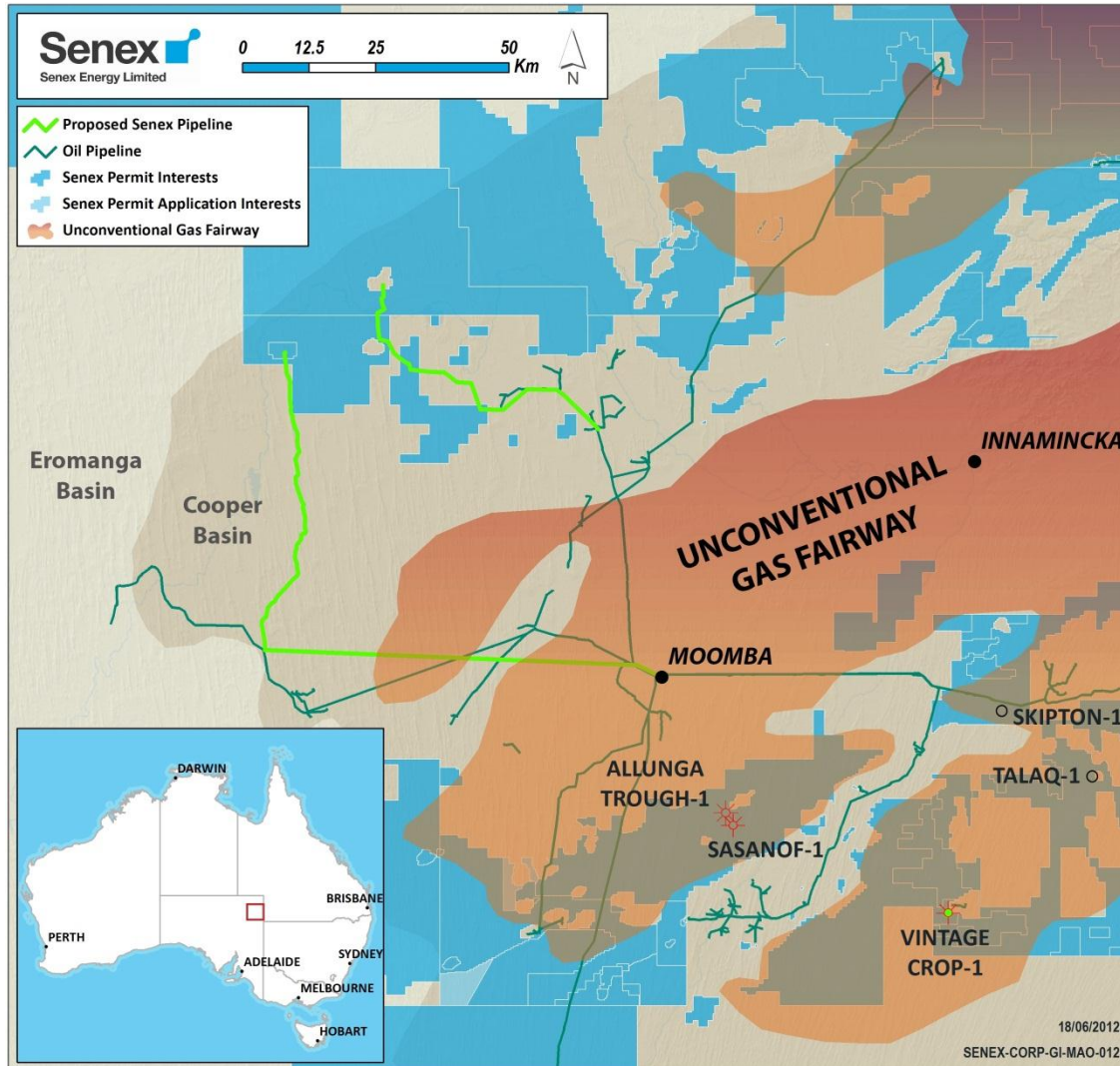
Coals

- Thick, mature Toolachee and Patchawarra coals

Over 100 Tcf of gas-in-place resource¹ in Senex's southern Cooper Basin permits, with heavy gases and condensate present

¹ Source: MHA Petroleum Consultants LLC, shales and coals in PEL 516 (Senex 100%)

Over 1.2 million acres of prospective Cooper Basin unconventional gas acreage



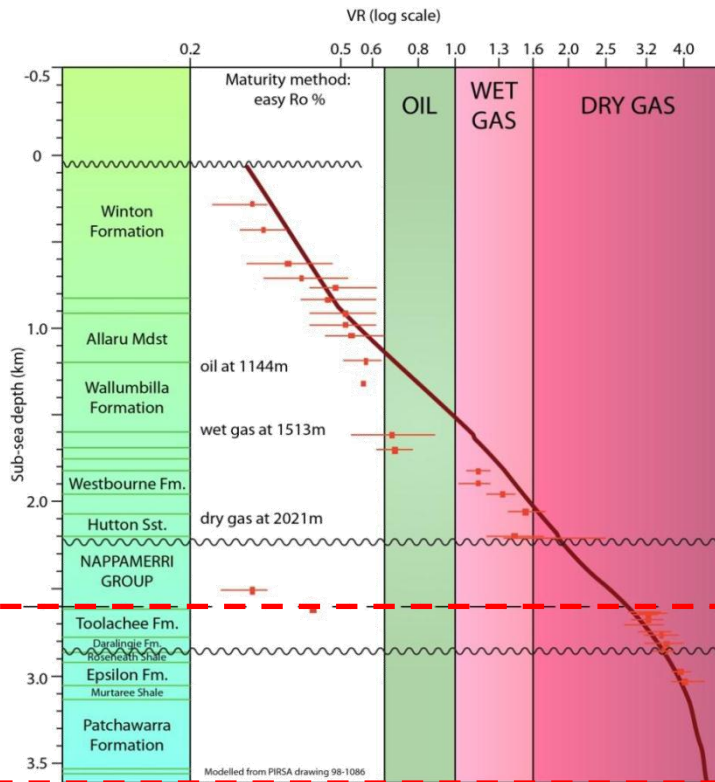
- Strong potential across multiple permits in both the north and south of the South Australian Cooper Basin
- Close to existing gas infrastructure
- PEL 516: Net Gas-in-Place resource of over 100 Tcf¹
- Demonstrated liquid hydrocarbon production potential

¹ Source: MHA Petroleum Consultants LLC, shales and coals in PEL 516 (Senex 100%)

Southern Cooper Basin permit PEL 516 is a material liquids-rich gas resource

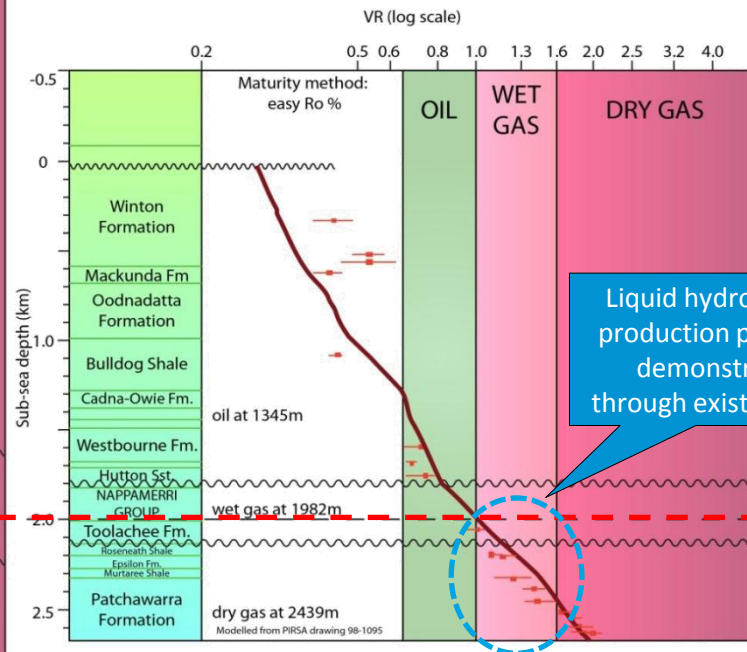
- Senex drilling results have demonstrated the presence of liquid hydrocarbons
- Liquid hydrocarbon significantly improves gas project economics

**Nappamerri Trough:
Burley-2 conventional gas well (1984)**



Source: DMITRE

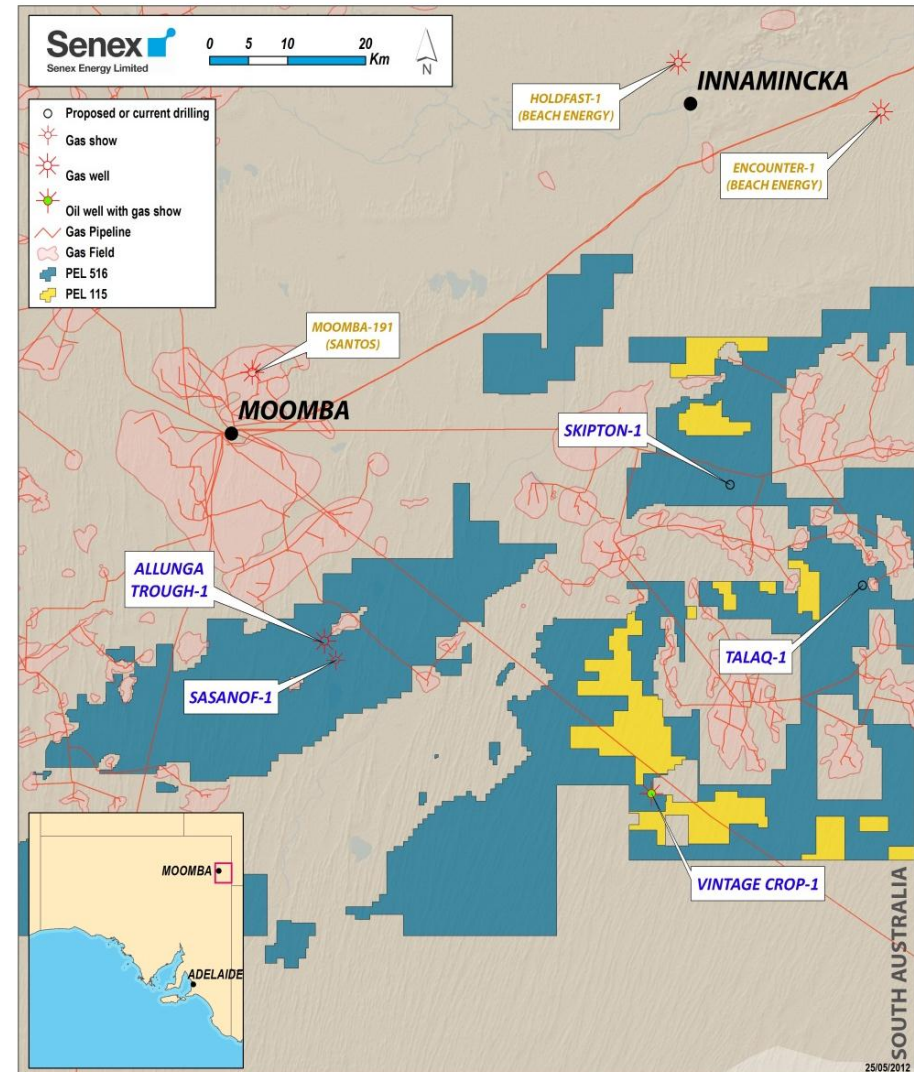
**Mettika Embayment (PEL 516)
Dullingari-1 conventional gas well (1962)**



Senex achieves successful 2011/12 unconventional gas exploration program

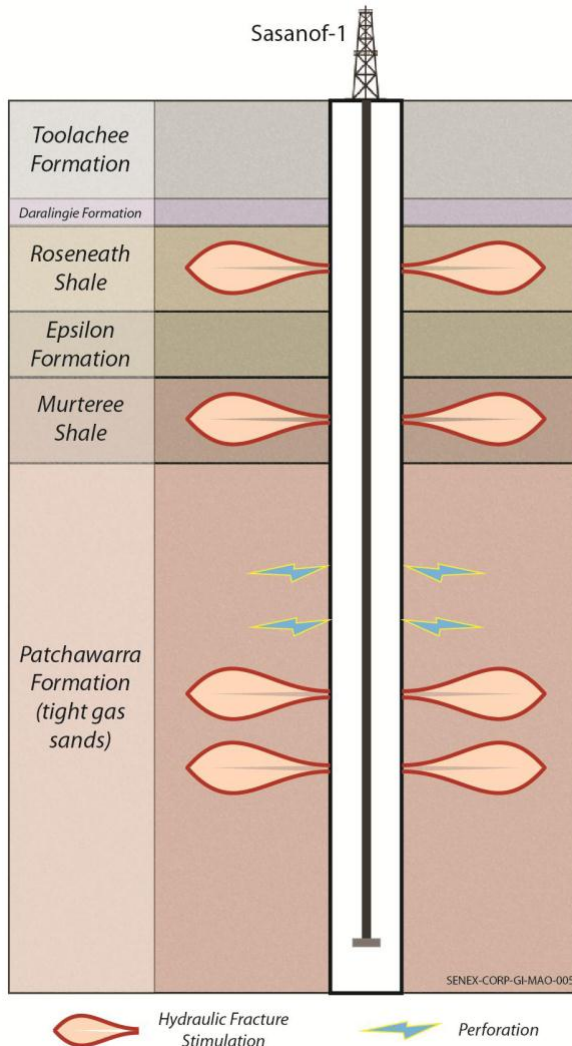
Focused exploration program in PEL 516:

- Detailed desktop studies:
 - Historic wells in surrounding area, with North American analogues reviewed
- *Vintage Crop-1* – cored, full desorption analysis, rock mechanics and mineralogy testing
- *Allunga Trough-1* – diagnostic fracture injection testing successful
- *Sasanof-1* – drilled and fracture stimulated, currently flow testing
 - Gas to surface achieved
 - Liquid hydrocarbon production potential demonstrated
- *Talaq-1* – drilled, cased, and suspended awaiting hydraulic fracture stimulation
 - High gas readings with liquid hydrocarbons demonstrated
- *Skipton-1* - planning well advanced



Location of Senex's unconventional gas wells in PEL 516

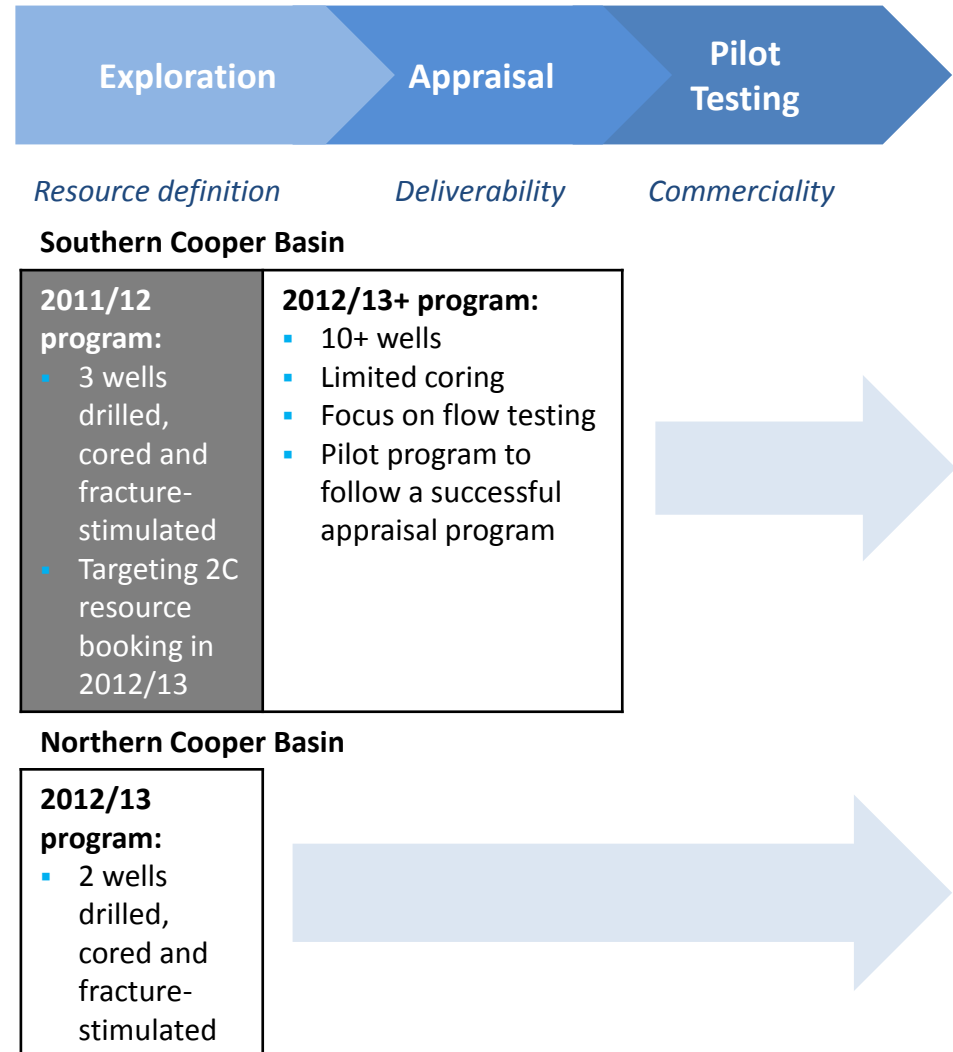
Sasanof-1 flow testing underway



- **Sasanof-1** large scale fracture stimulation successfully completed
 - Fracture stimulation intervals in both Roseneath and Murteree shales
 - Two fracture stimulation intervals in Patchawarra tight gas sands
- Flow testing is currently underway at Sasanof-1, with the well producing both fracture stimulation fluids and formation gas to surface
- The well is expected to continue to clean up with Senex operations staff working to optimise gas flows
- Early indications from drilling and core analysis support the presence of heavy hydrocarbons
- Gas analysis undertaken on gas flows to surface also indicate the presence of condensate (C₅-C₉)

Building momentum in Senex's unconventional gas business

- 12 well campaign planned over ~18 months following early success at Sasanof-1 and Talaq-1
- Primary focus on PEL 516, with early exploration of Senex's northern Cooper Basin permits
- Focus on resource definition and deliverability, whilst improving speed and cost of well delivery
- Secure new rigs in country with larger campaign commitment



A photograph of an industrial site at sunset. A worker in a red shirt and white hard hat stands on a metal platform next to a large white cylindrical tank. The sky is a clear blue, and a large, bright red sun is visible on the right side of the frame. The text "2012/13 work program" is overlaid in white on a dark horizontal band across the middle of the image.

2012/13 work program

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FY13 strategic priorities

Conventional oil	Build on the momentum of 2011/12 to continue to strengthen the oil business and grow production ▪ Maturation of western flank oil fields, focusing on exploration and appraisal drilling, facilities, and production support ▪ Optimisation of non-western flank, mature oil fields ▪ New oil field exploration Oil capex requirements to be funded by oil cash flows
Unconventional gas	Accelerate appraisal of Senex's Cooper Basin unconventional acreage ▪ Campaign appraisal drilling of PEL 516 following on from Sasanof, Talaq and Skipton ▪ Initial exploration of northern Cooper Basin permits ▪ Investment in skilled people and equipment to fast track learning
Coal seam gas	Increase 2P reserves coverage through ongoing appraisal in preparation for focus on pilot production in 2013/14

FY13 work program fully funded post-raising

Capital Expenditure Program (2012/13)		Estimated net capex (\$m)
Conventional oil	20+ well drilling campaign including exploration and appraisal targets	\$60-\$70m
	Seismic programs across greenfield acreage	
	Development of facilities and in-field support for producing fields	
	Conventional oil capex requirements to be funded by oil cash flows	
Unconventional gas	Material appraisal of southern Cooper Basin permits (~\$100m)	\$140-\$150m
	Early stage exploration in north Cooper Basin permits (~\$20m)	
	12 vertical well campaign over ~18 months targeting tight sands, shales and coals	
	Investment in securing rigs, equipment and skilled labour to accelerate appraisal (\$20-\$30m)	
Coal seam gas	16 well campaign including core and pilot wells	\$10m
	Field development planning commencing in advance of pilot production	
	Coal seam gas capex requirements to be funded by oil cash flows	
Total 2012/13 capital expenditure		\$210-\$230m
Cash on balance sheet and OCF ¹ net of 2011/12 capex commitments, corporate expenses and issue costs associated with the Equity Raising		\$55-\$75m
Net funding requirement		\$155m

⁽¹⁾ Operating cash flows from conventional oil business over 2012/13

■ Cash balance as at 31 May 2012 of c. \$60 million (including cash held in JVs, and cash held on behalf of Senex in non-operated JVs)



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