



# Energy to Deliver

Ian Davies, Managing Director  
Citi Australian Investment Conference  
Sydney, 23 October 2012

**Senex**   
Senex Energy Limited

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## Reserve and resource estimates

Unless otherwise indicated, the statements contained in this presentation about Senex's reserves and resource estimates have been compiled 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 estimates in the form and context in which they appear. Senex's reserves and resources are consistent with the SPE PRMS.

# Excellent performance in 2011/12...

## Operations

*Successful execution of a focused strategy*

- Strong safety culture with no lost time injuries
- Increase in 2P oil and gas reserves to 31.1 mmboe
- Record oil production of 601,647 barrels
- Major investment in oil facilities and pipelines

## Financials

*Profitable and fully funded*

- Revenue      \$70.4 million (*up 463%*)
- EBITDA<sup>1</sup>      \$19.7 million
- NPAT<sup>1</sup>      \$8.9 million
- Cash      \$124 million at 30 June, with an extra \$70 million received post 30 June

## Shareholder value

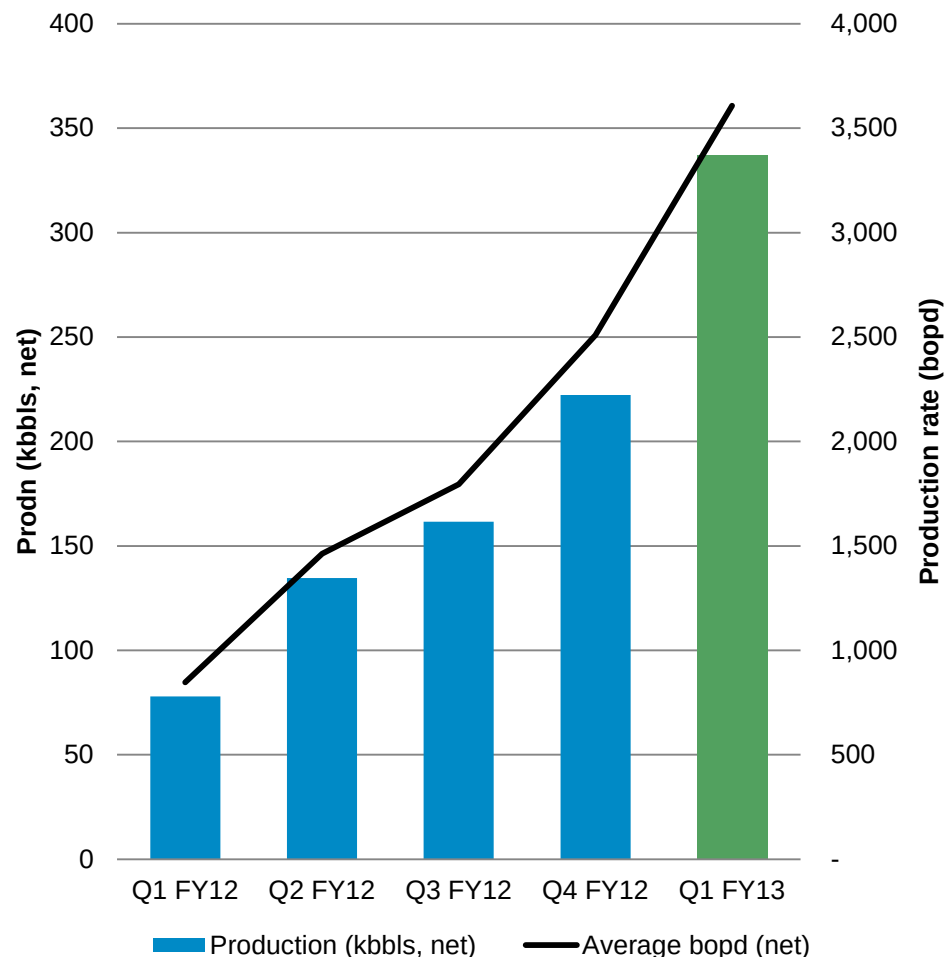
*Unlocking world class assets*

- Admitted to S&P/ASX 200 in April 2012
- Share price up 97% from \$0.36 to \$0.71
- Massive outperformance of ASX/S&P 200 index

<sup>1</sup> Refer Annual Results presentation of 24 September 2012

# ...with a strong start to 2012/13

## Quarterly Production



## September quarter highlights

- Quarterly production up 48% to 337,337 bbls vs Q4 FY12
- Quarterly revenue up 60% to US\$39.3 million vs Q4 FY12
- Oil exploration success at Mustang-1 and Cuisinier North-1
- Four successful appraisal and development wells at Snatcher oil field
- Growler to Moomba flowlines expected to be operational in coming weeks
- 790km<sup>2</sup> 3D seismic survey completed in northern Cooper Basin permits
- Surat Basin coal seam gas appraisal continues with seven wells drilled
- Fully funded for growth with net cash of more than A\$171 million



# A growing and sophisticated business

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70 permits

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10 operated oil fields

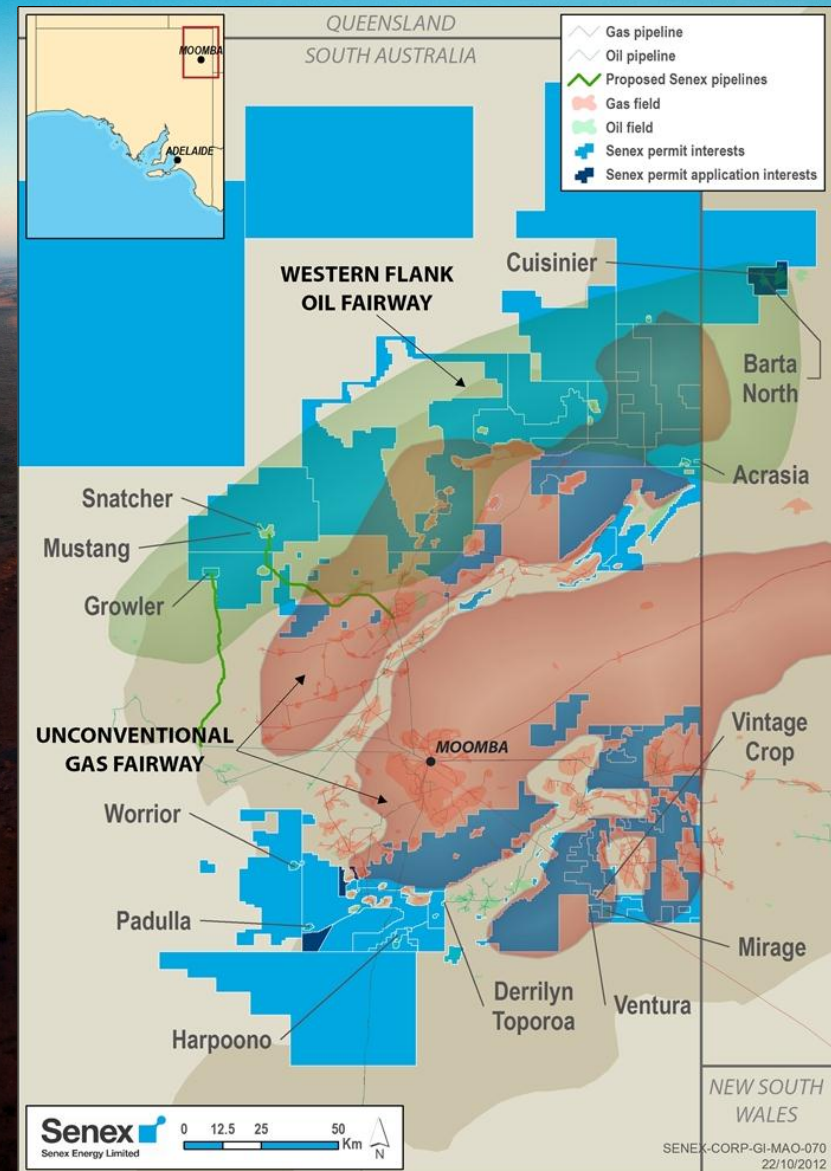
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44 joint ventures

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72,891 km<sup>2</sup> net acreage

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# A simple and compelling strategy

## Oil

*Fuelling future growth*

- Focus on new field discoveries - greenfield exploration
- Extensive 3D seismic along the western flank fairway
- Western flank oil fields ramping up to full production
- Optimisation of non-western flank, mature oil fields
- Oil cash flows fully re-invested in growing the oil business

## Unconventional gas

*Global gas supply potential*

- Campaign appraisal drilling in southern Cooper Basin permit PEL 516 following on from Sasanof-1, Talaq-1, Skipton-1 and Kingston Rule-1 (10 wells)
- Initial exploration of northern Cooper Basin (2 wells)
- Investment in skilled people, rigs and equipment

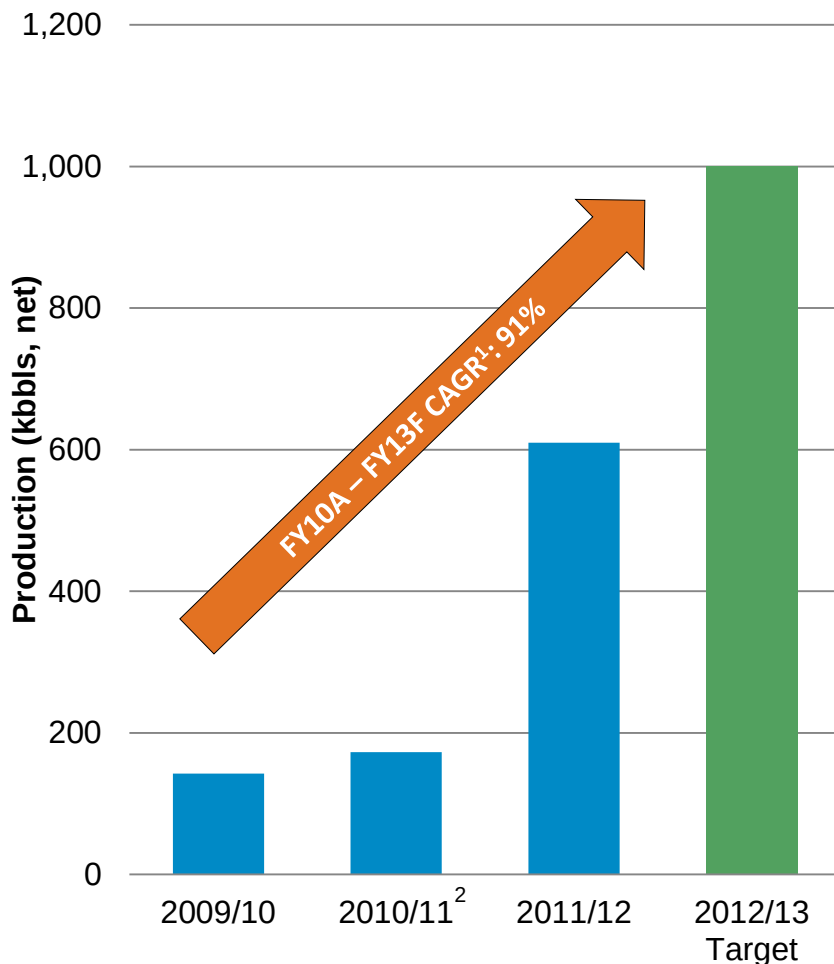
## Coal seam gas

*Prime resource position*

- Increase 2P reserves coverage through ongoing appraisal and resource definition
- 17-well campaign underway, planning 2013/14 pilot program

# Excellent success to date

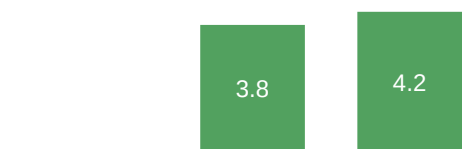
## Annual oil production



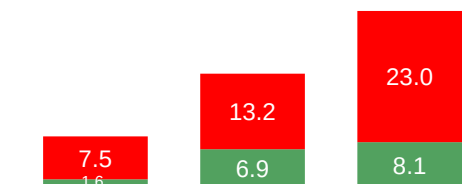
<sup>1</sup> CAGR: Compound Annual Growth Rate

<sup>2</sup> 2010/11 production includes Stuart Petroleum Limited for the full year

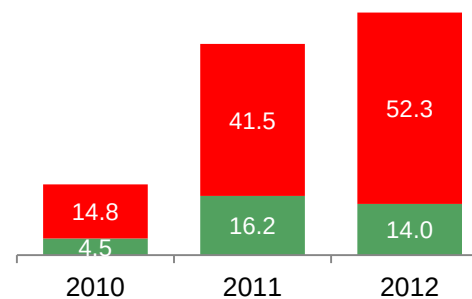
## Net 1P reserves (million barrels)



## Net 2P reserves (mmboe)



## Net 3P reserves (mmboe)



Oil

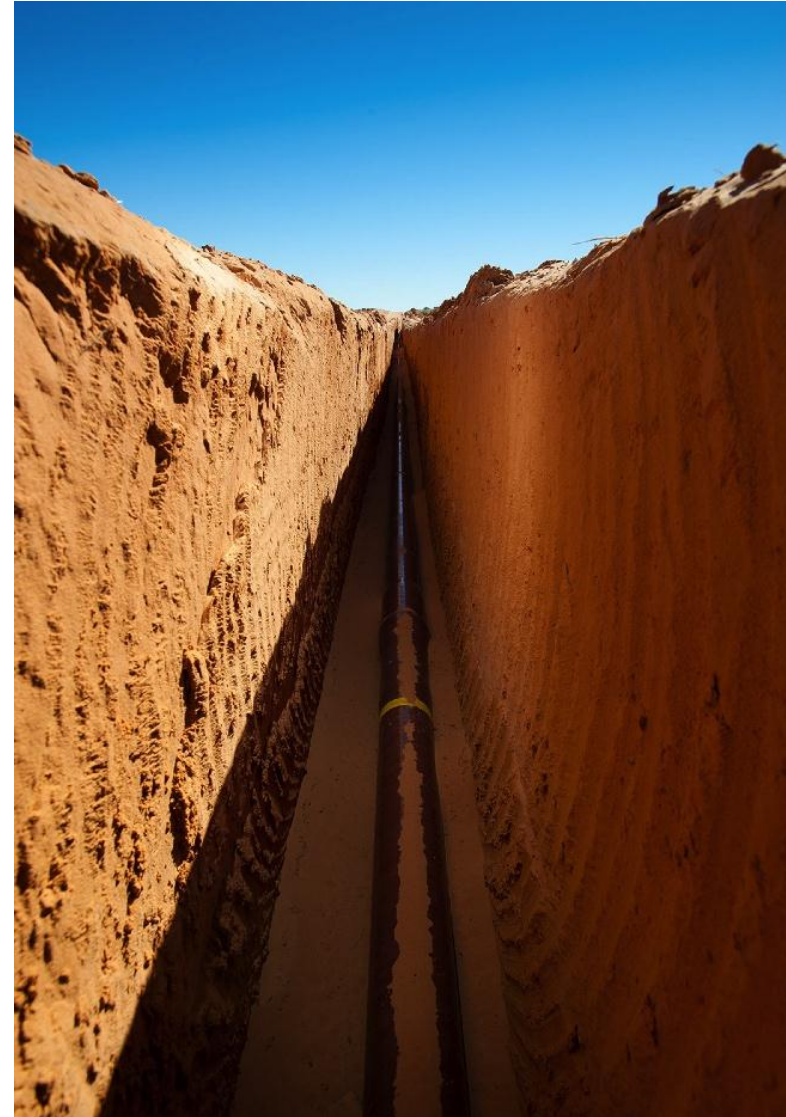
Gas



# Oil: Strong foundations

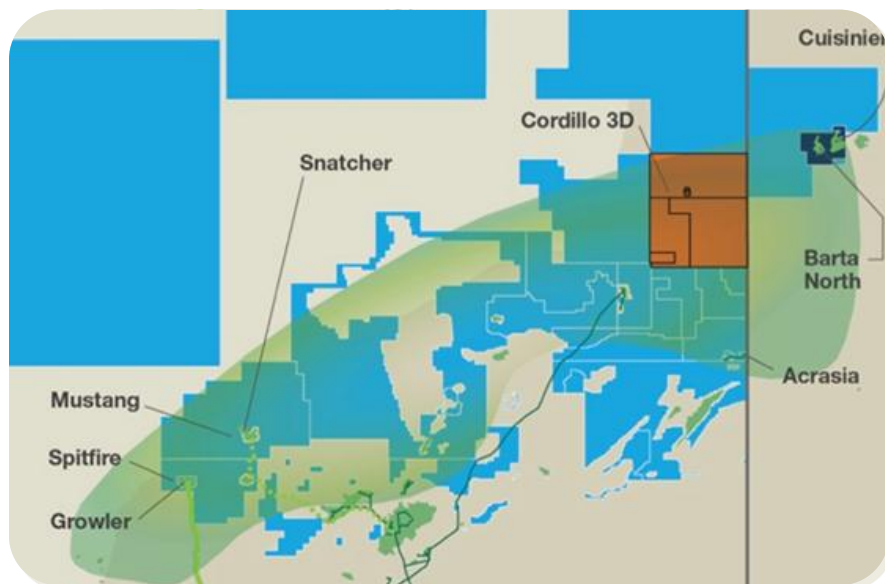
## FY12 Overview

|                               |                                                            |
|-------------------------------|------------------------------------------------------------|
| Production                    | 601,647 bbls                                               |
| Peak production               | 6,600+ bopd                                                |
| <i>FY13 target production</i> | 1,000,000+ bbls                                            |
| 2P Oil Reserves               | 8.1 mmbbls                                                 |
| 3P Oil Reserves               | 14.0 mmbbls                                                |
| Development (operated)        | 8 wells                                                    |
| - success rate                | 100%                                                       |
| Exploration (operated)        | 6 wells                                                    |
| - success rate                | 33%                                                        |
| 3D seismic acquisition        | 790 km <sup>2</sup><br>Cordillo program                    |
| Infrastructure and facilities | Growler and Snatcher reinstatement;<br>Pipelines commenced |





# Oil: Western flank upside is substantial



## Unparalleled acreage position

- Interests in 6,100 km<sup>2</sup> in the prime of the western flank fairway
- Proven hydrocarbon province with minimal historical exploration activity
- Operatorship of all S.A. permits
- Average Senex net interest of 60%

## Back-to-fundamentals approach

- Reinvestment of oil revenues into oil exploration and development
- Greenfield exploration, starting with extensive 3D seismic acquisition

**Note 1:** Source: DMITRE

**Note 2:** Senex analysis, publicly available information on 2P reserve additions in western flank oil field discoveries

**Note 3:** Opex (incl. transport and marketing) before royalties of ~\$25/bbl, A\$110/bbl Brent oil price

## Exceptional economics

|                                                             |      |
|-------------------------------------------------------------|------|
| Cooper Basin 3D drill exploration success rate <sup>1</sup> | ~45% |
|-------------------------------------------------------------|------|

|                                                                      |            |
|----------------------------------------------------------------------|------------|
| Mean 2P reserves on western flank oil field discoveries <sup>2</sup> | 4.2 mmbbls |
|----------------------------------------------------------------------|------------|

|                 |          |
|-----------------|----------|
| Total F&D costs | ~\$7/bbl |
|-----------------|----------|

|                                     |           |
|-------------------------------------|-----------|
| Gross operating margin <sup>3</sup> | ~\$85/bbl |
|-------------------------------------|-----------|

# Unconventional gas: Unlocking value

## Focused and measured program:

- Net gas-in-place resource of 100+ Tcf\*
- Comprehensive 2011/12 campaign, with large scale fracture stimulation to commence in December 2012:

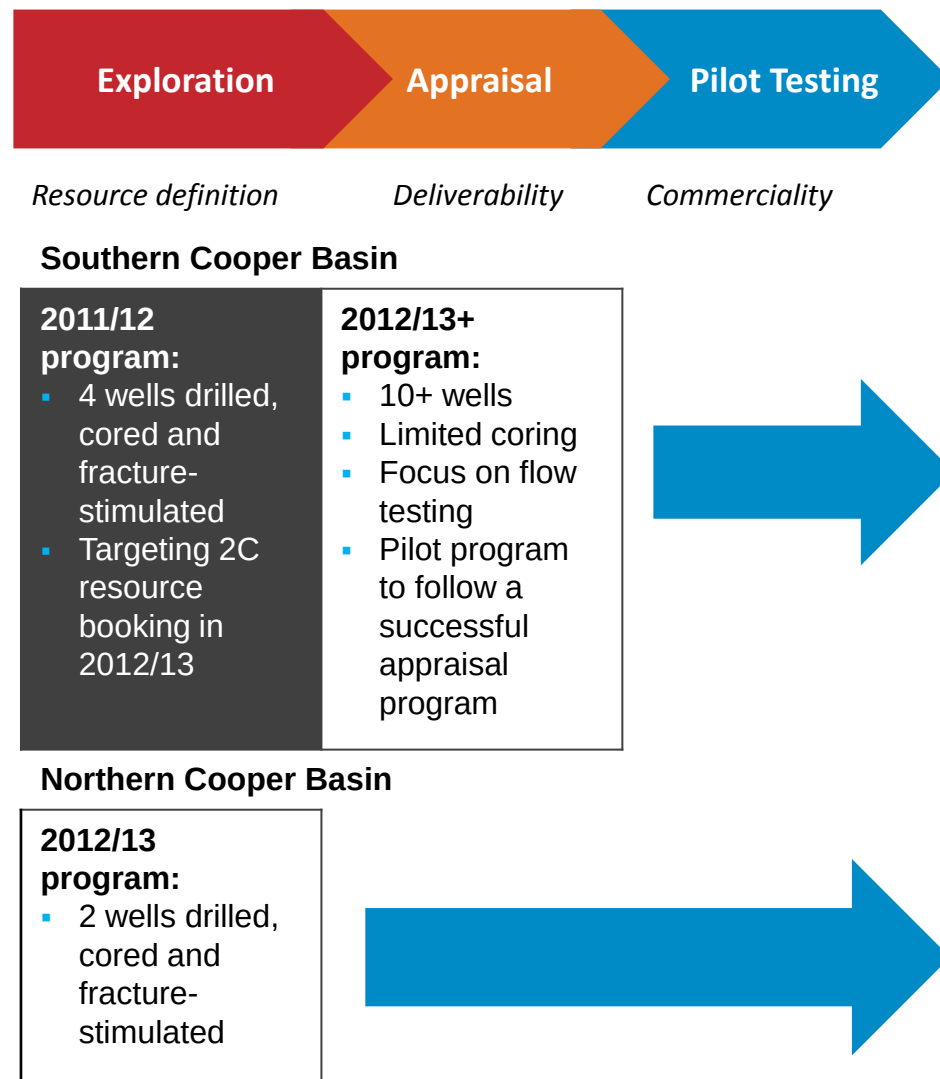
| Well            | Status                                                                                |
|-----------------|---------------------------------------------------------------------------------------|
| Vintage Crop-1  | Cored and analysed                                                                    |
| Sasanof-1       | Liquids-rich gas production potential demonstrated with >200 mcf/d flow rate achieved |
| Talaq-1         | High gas readings with liquid hydrocarbons demonstrated                               |
| Skipton-1       | New liquids rich, basin centred gas discovery                                         |
| Kingston Rule-1 | Drilling commenced 21 October 2012                                                    |

Fracture stimulation at Sasanof-1

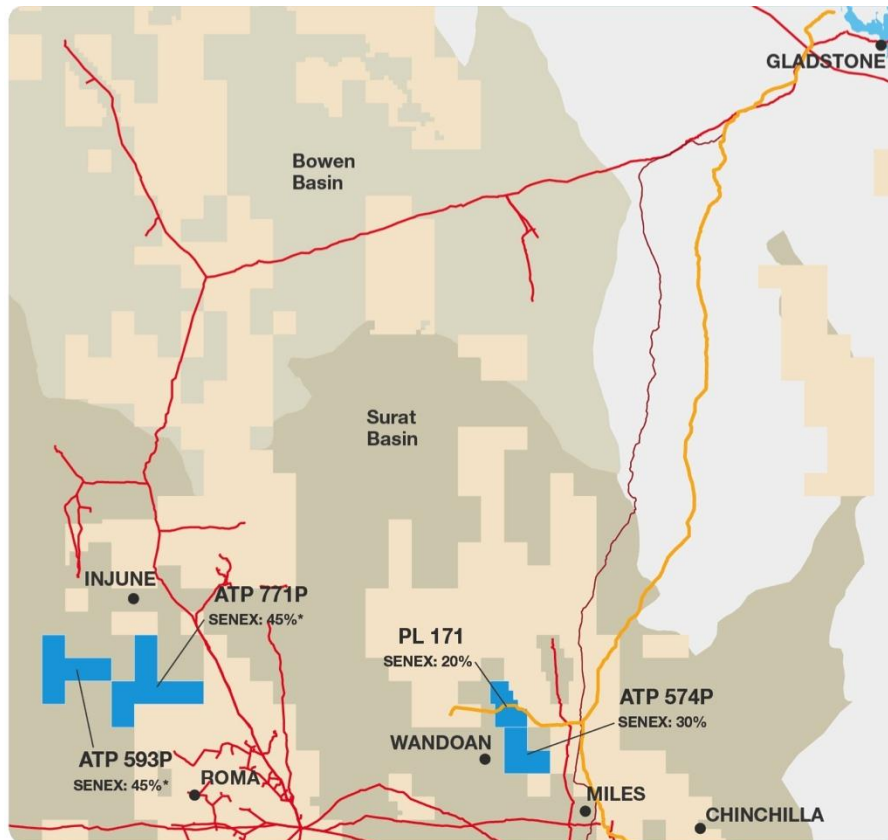


# Unconventional gas: Building momentum

- 12 well campaign over ~18 months following success at Sasanof-1 and Talaq-1
- Focus on southern permit PEL 516, with initial exploration on northern Cooper Basin permits
- Program objectives:
  - resource definition and gas deliverability
  - continually reduce costs
- Dedicated rigs being brought in country



# CSG: Prime resource position



## Legend

- Existing gas pipelines
- Proposed QGC gas pipeline (under construction)
- Proposed APLNG gas pipeline (under construction)
- Senex permit interests
- Surrounding CSG-LNG permits



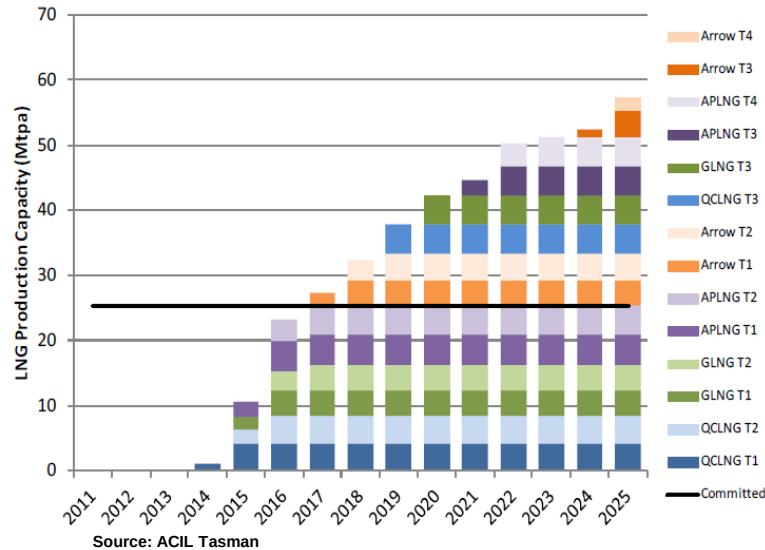
0 12.5 25 50 Km

- Located in the Gladstone LNG feedstock heartland
- Significant upgrade to net reserves announced in May 2012:
  - 2P reserves 138 PJ (↑75%)
  - 3P reserves 314 PJ (↑26%)
  - **More than 500 PJ of reserves and resources (~83mmboe)**
- Continued exploration and appraisal to build 2P reserves
- 17-well program across eastern and western permits to evaluate deliverability
- Commencement of field development planning ahead of pilot production programs in 2013/14

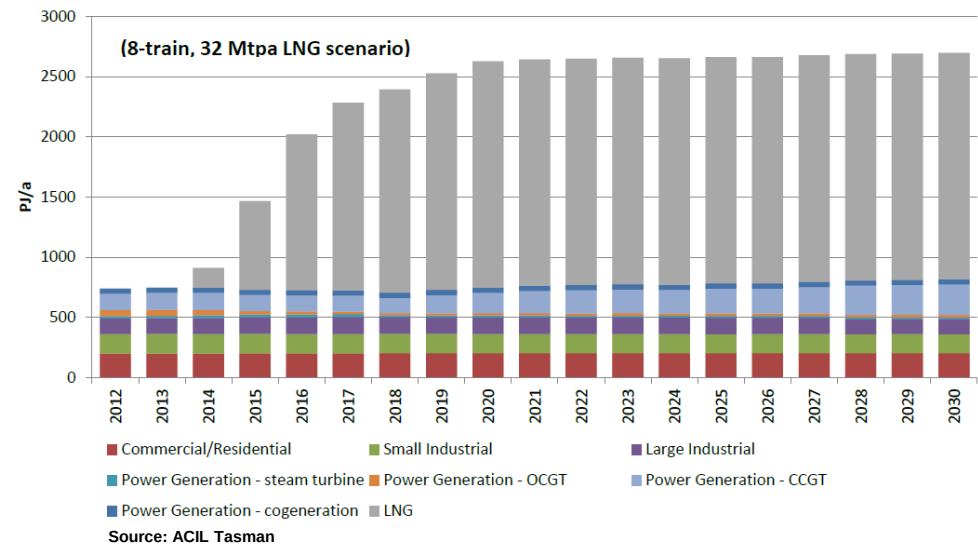


# CSG: benefiting from gas supply shortfall

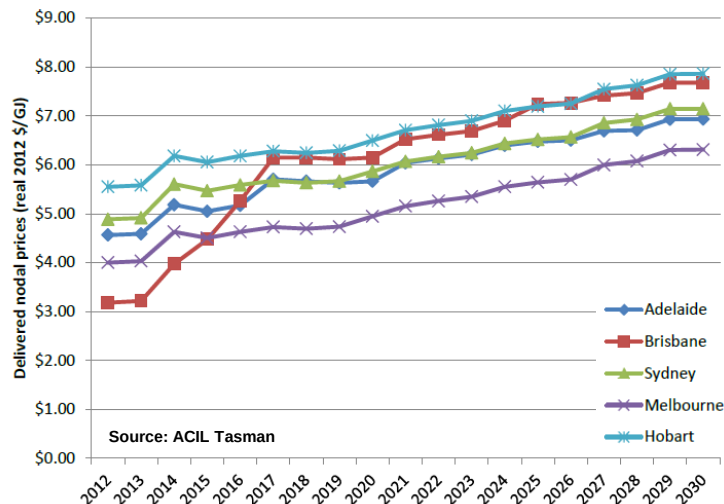
Proposed Qld CSG-LNG developments



Eastern Australia gas consumption forecast



Eastern Australia gas price projection



- Senex CSG permits are located in a prime position close to transport infrastructure in Queensland's Surat Basin
- Equity gas supply shortfall inevitable
- East coast gas pricing approaching LNG net-back parity
- "Term contracts" demanding higher prices



# Senex Energy Limited

**Registered Office**

Level 11, 144 Edward Street  
GPO Box 2233  
Brisbane Queensland 4000 Australia

**Telephone**

+61 7 3837 9900

**Email**

[info@senexenergy.com.au](mailto:info@senexenergy.com.au)