Senex
Senex Energy Limited

ASX Announcement

Senex delivers record profit of $23.4 million and 70% production increase for the 2012/13 half year

Release date: 25 February 2013

Senex Energy Limited (ASX:SXY, Senex) today announced a record $23.4 million net profit after tax for the first half of 2012/13 following a 70% increase in net oil production from the Company's Cooper Basin oil fields over the period.

HALF YEAR RESULTS

- Record net oil production of 660,136 barrels, up 10% on the full year 2011/12 result and 70% on the previous six months
- Group revenue of $77.3 million, up 208%
- Gross profit of $40.7 million, up 270%
- Net profit after tax[1] of $23.4 million, up $21.4 million on half year ended 31 December 2011
- EBITDAX[2] of $36.5 million, up $28.7 million
- Strong cash position of $150 million at 31 December 2012, with no debt
- Coal seam gas 2P reserves upgraded to 156.6 PJ (+13.4%) and 3P reserves to 357.7 PJ (+13.9%)

Senex delivered record oil production in the first half of 2012/13 and undertook significant exploration, appraisal and development drilling that led to the successful delineation of two new oil fields. At the same time, Senex undertook substantial investment in oil field facilities and pipelines with the Growler to Lycium and Lycium to Moomba pipelines becoming operational during the half year.

Senex Managing Director Ian Davies said the Company delivered exceptional results, both operationally and financially, and will exceed the full year oil production target of one million barrels.

"The business continues to grow on the back of exploration success and operational excellence. We have continued to invest in the future of our high margin oil business with new pipelines and facilities. We are also investing in the next wave of exploration targets with more than 1,100 square kilometres of 3D seismic surveys currently underway," he said.

Over the half year, Senex continued exploring its significant unconventional gas resource in the South Australian Cooper Basin. Two wells were drilled during the half year and both resulted in the discovery of significant net gas pay zones. Work commenced in February on a hydraulic fracture stimulation program initially targeting the southern Cooper Basin.

“The Company remains in an excellent financial position with cash at hand of $150 million, no debt and all of our planned programs fully funded,” Mr Davies commented.

“We have continued to build the Senex team and our strong performance in the first half of the year demonstrates the quality of both our people and our assets,” he said.

For further information contact:

Ian Davies
Managing Director
Senex Energy Limited
Phone: (07) 3837 9900

Andrew Barber
Corporate Affairs Manager
Senex Energy Limited
Phone: (07) 3335 9821
0418 783 701

1. NPAT means net profit after tax and is equal to 'profit/(loss) after tax' per the audited Consolidated Statement of Comprehensive Income on page 9 of the 31 December 2012 Financial Statements

2. EBITDA (earning before interest, tax, depreciation, amortisation and impairment), EBITDAX (EBITDA before oil and gas exploration expense) and can be reconciled to the 31 December 2012 Financial Statements as follows:

	31-Dec-12 $'million	**31-Dec-11 $'million**
Profit/(loss) after tax	23.4	2.0
Add/(less) :		
Net Interest	(1.9)	(1.8)
Tax	0.8	0.6
Depreciation	0.9	0.2
Amortisation and impairment	9.5	5.1
EBITDA	**32.7**	**6.1**
Add back:		
Oil and gas exploration expense	3.8	1.7
EBITDAX	**36.5**	**7.8**

Competent person’s statement

Unless otherwise indicated, the statements contained in this drilling report about Senex’s reserves estimates have been compiled by Mr James Crowley BSc (Hons), who is General Manager – Exploration and Development, 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). Mr Crowley 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.