

Senex upgrades 2P oil reserves to 10.8 million barrels

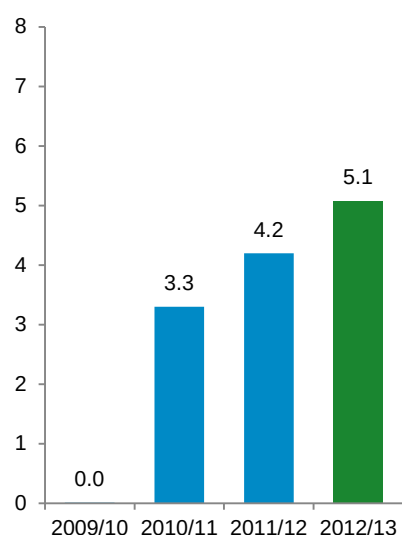
Release Date: 27 June 2013

Key points

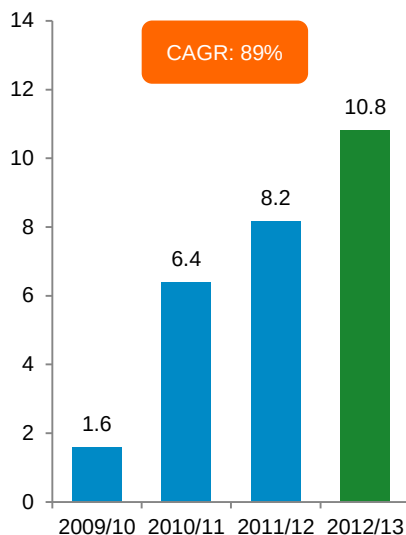
- Net proved (1P) oil reserves up by 2.1 million barrels (mmbbls) to 5.1 mmbbls¹
- Net proved and probable (2P) oil reserves up 3.9 mmbbls to 10.8 mmbbls¹
- Net proved, probable and possible (3P) reserves up 8.6 mmbbls to 21.4 mmbbls¹
- Three-year cumulative annual growth rate (CAGR) in 2P oil reserves of 89%
- 2P oil reserves replacement ratio of 319%
- Independently assessed by DeGolyer and MacNaughton

Senex Energy Limited (Senex, ASX: SXY) is pleased to announce a significant upgrade in 1P, 2P and 3P oil reserves as at 30 June 2013 following a comprehensive review of the Company's assets in the South Australian Cooper Basin by Senex and independent assessors DeGolyer and MacNaughton.

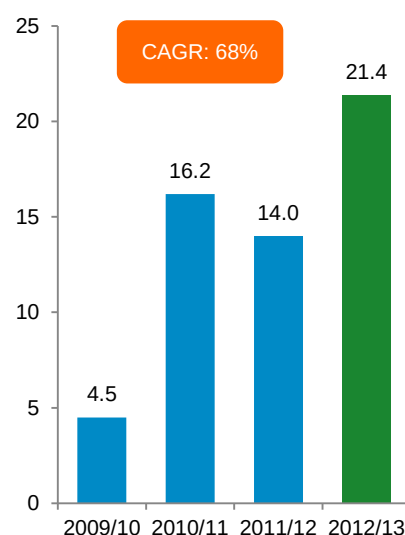
Net 1P reserves (mmbbls)



Net 2P reserves (mmbbls)

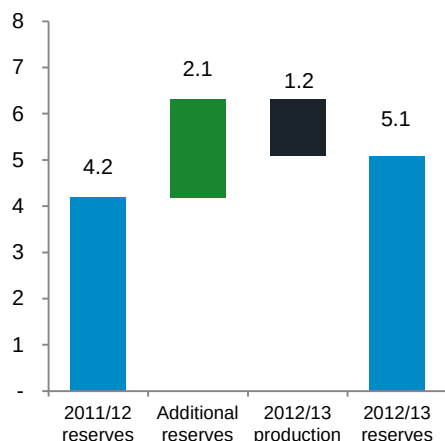


Net 3P reserves (mmbbls)

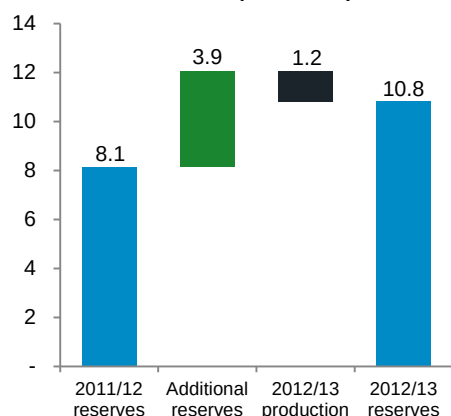


¹ After accounting for 2012/13 estimated full year production of 1.2 mmbbls. Includes reserves in respect of the Cuisinier oil field; 1P: 0.3 mmbbls, 2P: 0.6 mmbbls, 3P: 0.9 mmbbls. Senex has agreed to dispose of its 15% equity share of Cuisinier (ATP 752P and PL 303). Refer to ASX announcement dated 5 June 2013.

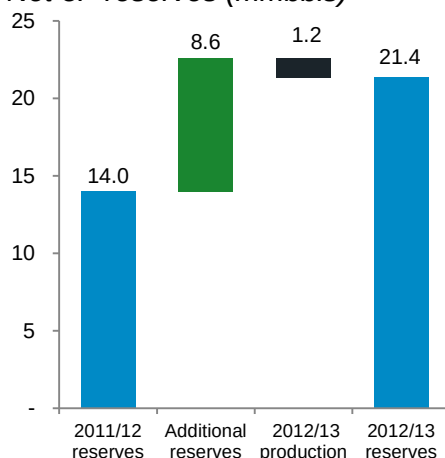
Net 1P reserves (mmbbls)



Net 2P reserves (mmbbls)



Net 3P reserves (mmbbls)



REVIEW YIELDS MAJOR RESERVE UPGRADE

This oil reserves upgrade is the result of a whole-of-business review of production and exploration data from Senex's diverse portfolio of oil assets across the South Australian Cooper Basin. The thorough review process involved an independent estimation by Dallas-based assessors Degolyer and MacNaughton.

The scope of the upgrade encompassed Senex's prolific assets on the western flank oil fairway as well as mature oil fields and discoveries in the northern and southern oil provinces (refer Figure 1).

Highlights

- Initial reserves booking at new western flank oil discoveries Mustang and Spitfire
- Reserves additions at Acrasia oil field and at oilfields in the southern oil province including Vintage Crop, Mirage and Ventura following a review of new production and geological data, as well as full field development planning
- Strong production supported at Growler and Snatcher oil fields with more than 50% of total 2P reserves attributed to these prolific fields

Senex Managing Director Ian Davies said the reserves upgrade demonstrated the Company's commitment to exploiting the oil potential of Australia's largest onshore oil province.

"By North American standards, the Cooper Basin is extremely underdeveloped. This material increase demonstrates there is plenty of life left in this major oil province and that we will continue our proven track record of growth in oil production and reserves.

FOCUSED ON RAPID OIL BUSINESS GROWTH

Mr Davies said Senex was perfectly positioned to grow its Cooper Basin oil business.

“This reserves increase underwrites ongoing production growth into 2013/14 and beyond with the benefit of high margins and strong cashflow generation,” he said.

Senex is targeting further reserves additions from a fully self-funded 30-well exploration, appraisal and development oil drilling program announced last week.

“The aim of this program is to add reserves, increase oil production and reduce costs in a number of new and mature fields with existing infrastructure, and to evaluate near field exploration opportunities.

“Our technical team has identified a large number of opportunities to improve the productivity of our existing assets and exploit oil zones that have previously been overlooked,” Mr Davies said.

In addition, new exploration prospects will be drilled on the western flank of the South Australian Cooper Basin generated from the latest 3D seismic surveys.

“Senex is in an enviable financial position, with zero debt and a strong balance sheet fuelled by our high margin oil business. Focusing on our oil business is a prudent and sensible way to protect our balance sheet in a volatile market whilst continuing our growth trajectory,” he said.

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Competent person statement

Unless otherwise indicated, the statements contained in this announcement about Senex's reserves and resources 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.

1P means 'proved' in accordance with the SPE-PRMS.

2P means 'proved' plus 'probable' in accordance with the SPE-PRMS.

3P means 'proved' plus 'probable' plus 'possible' in accordance with the SPE-PRMS.

Figure 1 – Senex Cooper Basin oil assets

