Quarterly Report Period ended 30 September 2013

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ABOUT SENEX
Senex is a rapidly growing, independent oil and gas company focused on operating and developing valuable energy sources in Australia's Cooper, Eromanga and Surat Basins.

Senex generates revenue from its producing oil assets in the Cooper Basin and is actively exploring and developing its oil and gas assets across its extensive portfolio.

COMPETENT PERSON
Information about Senex's reserves and resources estimates have been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS by Mr James Crowley BSc (Hons) who is a full time employee of Senex and has consented to the inclusion of this information in the form and context in which it appears in this report.

PERFORMANCE SUMMARY

Corresponding period	Q1 2014	Q1 2013	Change
Production (mmbbls)	0.30	0.34	-12%
Sales (mmbbls)	0.29	0.33	-12%
Sales revenue ($ million)	39.3	37.7	4%

Quarterly comparison	Q1 2014	Q4 2013	Change
Production (mmbbls)	0.30	0.29	3%
Sales (mmbbls)	0.29	0.28	4%
Sales revenue ($ million)	39.3	33.1	19%

Production on track
- Solid oil production of 0.3 million barrels (**mmbbls**) for the quarter, on track to meet annual production guidance of 1.4 mmbbls to 1.6 mmbbls
- Material production increase expected in the December quarter as new wells are completed and brought on line

Two oil fields discovered
- Burruna-2 flowed up to 3,600 barrels of oil per day (**bopd**) during testing
- Dunlop-1 flowed at 1,200 bopd during drill stem test

Record oil revenue
- Oil revenue up 19% quarter on quarter to $39.3 million
- Strong average Australian dollar oil price of $125 per barrel[1]

Drilling program powering ahead
- 10 wells drilled in 2013/14 to date, including two coal seam gas wells
- 8 oil wells drilled to date in the Cooper-Eromanga Basin with more southern wells planned following positive results
- Program on track to drill more than 30 oil wells in 2013/14

3D seismic acquired
- Data acquisition phase of 1,037 square kilometre Dundinna 3D seismic survey completed ahead of schedule and on budget

Strong cash position and no debt
- $105 million cash balance, zero debt at 30 September 2013
- $20 million to be received for Cuisinier sale

[1] September quarter reported revenue of $136 per barrel also includes $11 per barrel for adjustments to prior period accruals

A GREAT START TO 2013/14

In 2013/14 to date, Senex has achieved a strong oil production result, delivered two oil discoveries, and cased and suspended six wells as future oil producers. These results highlight the considerable potential of our acreage to contribute further production and reserves to our portfolio throughout 2013/14.

Our plan to drill more than 30 oil wells during 2013/14 got off to a flying start in our southern Cooper-Eromanga Basin permits with new oil fields discovered at Burruna and Dunlop during the quarter. It was particularly pleasing to see the Burruna-2 exploration well drilled, completed and placed on production within the quarter, setting a new record for the rapid commercialisation of our oil assets.

Senex continues to be in a strong financial position, with our extensive oil drilling program for the year fully funded by oil revenues. At 30 September 2013, Senex had no debt, $105 million in cash and a further $20 million expected from the sale of our interests in Cuisinier oil field and associated permits.

Over the year, we will continue to grow our oil business and seek opportunities to develop our valuable gas business. At the same time, we continue to actively focus on reducing production costs and preserving our strong balance sheet.

Ian Davies
Managing Director and CEO

Ian Davies, Managing Director and CEO

CORPORATE

15 year tenure retention scheme for South Australian permits

Senex and the South Australian Government agreed a 15 year petroleum retention licence scheme that covers approximately 10,000 square kilometres of Senex-operated oil exploration permits in the South Australian Cooper-Eromanga Basin, including the prolific western flank oil fairway. The scheme allows Senex to convert petroleum exploration licences (**PELs**) to more secure petroleum retention licences (**PRLs**) and replaces tenure specific expenditure obligations with a portfolio-wide oil exploration and appraisal expenditure target enabling efficient and targeted investment. Exploration and appraisal expenditure required to meet commitments is approximately $30 million per year, net to Senex.

Ensign Rig 48 drilled the Burruna-2 oil discovery in August 2013

Growing our oil and gas portfolio

Senex actively seeks opportunities to increase operatorship and secure high equity interests in prospective Cooper-Eromanga Basin permits. In September, Senex purchased an equity position in northern Cooper Basin permit PEL 105 from Tellus Resources (Tellus, ASX: TLU). Under the agreement, Tellus will transfer a 50% interest to Senex for consideration of $3.5 million towards the cost of drilling the Pirie-1 well. Senex will earn an additional 20% interest through funding a second well in PEL 105 prior to 30 June 2014 and will assume operatorship of the permit.

The 15 year petroleum retention scheme covers around 10,000 km² of South Australia's Cooper-Eromanga Basin

OIL BUSINESS

Oil production on track

Senex delivered net oil production of 0.3 mmbbls for the three months to 30 September 2013, up 3% on the previous quarter.

The September quarter provides a solid base for achieving the annual production guidance of 1.4 mmbbls to 1.6 mmbbls. Senex continues to actively test identified opportunities to expand existing fields and rapidly complete and produce from new discoveries.

During the quarter, workover and completion activity continued at Growler and Mustang oil fields. This work was completed by the end of September and will contribute additional production in the December quarter.

As part of its 30+ well oil drilling program in 2013/14, Senex will drill a series of new wells across its Cooper Basin acreage, including exploration, appraisal and development targets.

Record oil revenue

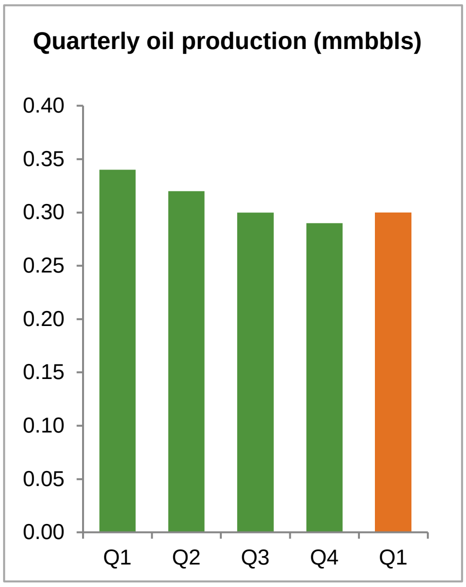
Revenue for the three months to 30 September 2013 of $39.3 million represents a new record and a 19% improvement on the prior quarter. Senex oil sales for the September quarter of 0.29 mmbbls were up 4% on the previous quarter.

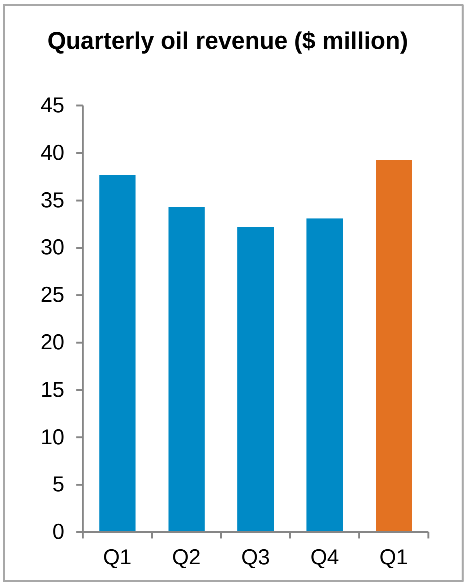
Revenue was supported by a strong US dollar Brent oil price and a favourable AUD/USD exchange rate.

3D seismic surveys

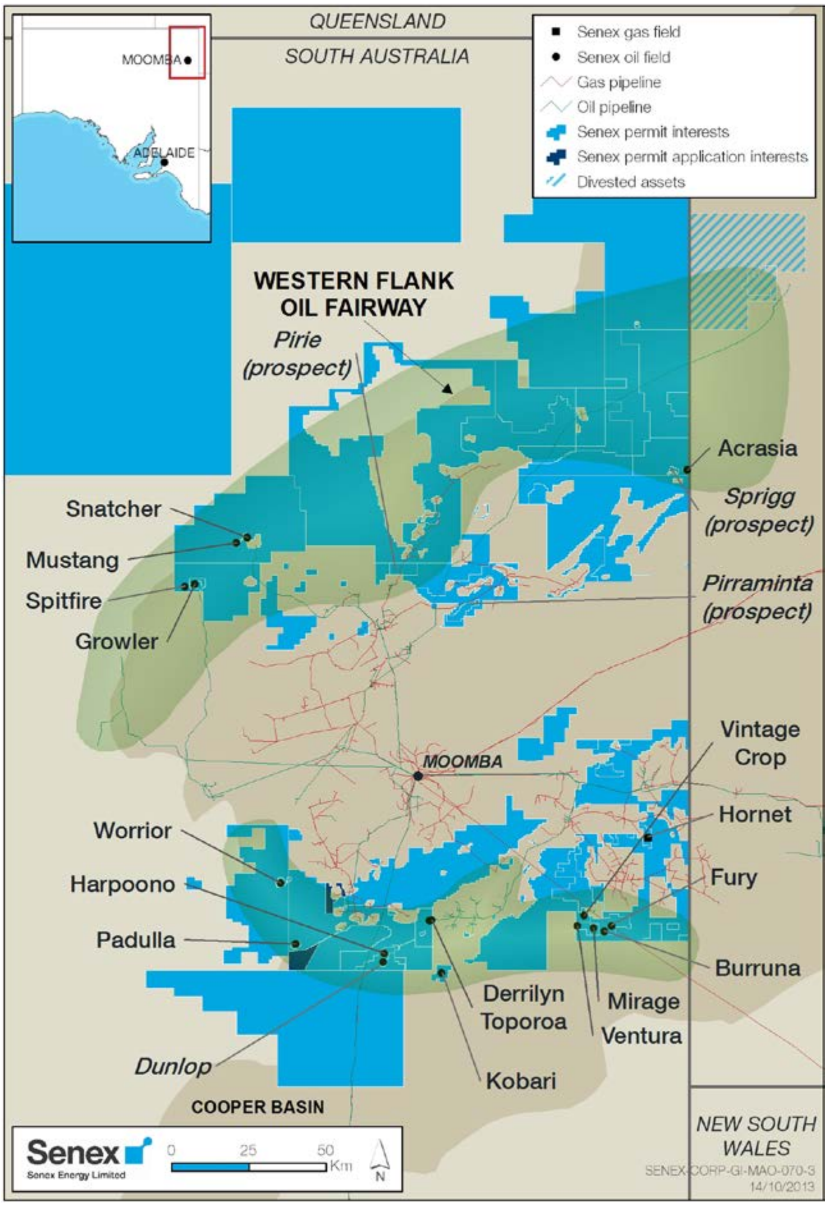
Work on the 1,037 square kilometre Dundinna 3D seismic survey was completed during the quarter, ahead of schedule and on budget. Data processing will commence in the December quarter.

A preliminary data set from the Cordillo 3D seismic survey is currently being interpreted and several structural leads have already been identified. In addition, data processing is 75% complete on the Lignum survey. Prospects generated from this work will be included in the 30+ well drilling program, which began in June.





3D seismic work undertaken by Senex, including for the Dundinna survey pictured here, aims to minimise environmental disturbance



Senex oil fields and prospects in South Australia's Cooper-Eromanga Basin

Burruna-2 oil discovery

Two new oil field discoveries

In the current financial year, Senex has drilled eight wells in the Cooper-Eromanga Basin with six of those cased and suspended for future oil production. The Burruna-2 and Dunlop-1 exploration wells both resulted in the discovery of new oil fields.

Burruna-2 commenced an extended production test in October 2013, which has recorded flow rates of up to 3,600 bopd. Senex plans to restrict production to 800 bopd to facilitate transportation scheduling.

Burruna-2 intersected 5.3 metres of net pay in the Namur Sandstone which, subject to successful appraisal, is estimated to contain 400,000 barrels of recoverable oil. Further development drilling will be undertaken with Burruna-3, which is scheduled to spud in early November.

Dunlop-1 flowed at 1,200 bopd during drill stem testing after intersecting approximately three metres of net pay in the McKinlay Member. Senex will complete the well for production during the current quarter.

Acrasia-7 and Worrior-8 will be completed for production during the December quarter and Ventura-2 and Kobari-2 have been cased and suspended for future Murta Formation oil production.

The successful drilling program continues to focus on the southern Cooper-Eromanga Basin following the discovery of Burruna and Dunlop oil fields. The drilling program has been re-prioritised to allow further appraisal and development wells to be completed in the south following positive results. Drilling will subsequently move to the western flank oil fairway where wells are planned for Spitfire, Growler, Mustang and Snatcher.

Cooper-Eromanga Basin oil fields

Spitfire oil field (PEL 104: Senex 60% and Operator)

Production continues to exceed expectations and further study of Mollichuta 3D seismic data has demonstrated consistent thickness and porosity of the Birkhead Formation in the Spitfire area. These positive results have led to an increase in the interpreted field size, which will be confirmed through planned appraisal drilling.

A flowline connecting Spitfire to Growler has now been commissioned, replacing previous trucking operations.

A further two appraisal wells, Spitfire-3 and Spitfire-4, are planned to be drilled in the current drilling program to test the limits of this field.

Snatcher oil field (PPL 240: Senex 60% and Operator)

Snatcher-9 was brought on production during the quarter. Subject to joint venture approval, further appraisal and development drilling is planned in the current program to test the limits of the Snatcher oil field.

In the December quarter, Senex plans to commence first phase trials of water injection to test the potential to increase total oil resources from the field.

Growler oil field (PPL 242: Senex 60% and Operator)

The Growler field continued to contribute production in line with expectations. The Growler-7 well underwent a workover during the quarter and was subsequently returned to production.

Subject to joint venture approval, two wells will be drilled in the current program to test the known limits of the Growler oil field.

The Growler-Lycium-Moomba pipeline continued to operate efficiently and reliably during the quarter, reducing costs and downtime.

Mustang oil field (PPL 243: Senex 60% and Operator)

Mustang-1 well returned to production after installation of an electric submersible pump. Production is expected to lift significantly in the December quarter with an initial rate on pump of 1,200 bopd.

Acrasia oil field (PPL 203: Senex 100%)

North of Innamincka, in the north east of the South Australian Cooper-Eromanga Basin Senex operates the Acrasia oil field. The field was discovered in 2002 and has produced more than 800,000 barrels of oil to date.

During the September quarter, Ensign Rig 754 drilled the successful Acrasia-7 development well, which intersected net oil pay of 6.3 metres in the Tinchoo and Poolowanna Formations. Acrasia-7 will be completed for production in the current quarter.

Oil production from Snatcher oil field increased with Snatcher-9 (pictured) brought online

A bulk storage facility is now fully operational at Growler oil field

Production from Growler oil field is piped to the Lycium oil hub

Vintage Crop oil field (PPL 241: Senex 100%)

Field production increased as the successful Vintage Crop-2 well was brought on production. The well intersected 6.5 metres of net oil within the McKinlay Formation. An estimated six metres of net oil pay was also intersected within the Murta Formation. Planning is currently underway to drill the Vintage Crop-3 appraisal well.

Worrior oil field (PPL 207: Senex 70% and Operator)

The Worrior-8 development well was drilled in June and intersected an interpreted net pay of up to 18 metres across the McKinlay Member, Namur Sandstone and Patchawarra Formation. Gas was also detected in the bottom zone of the well within the Patchawarra Formation.

During the December quarter, Worrior-8 will be completed to allow a flow test of gas in the Patchawarra formation. The well will then be completed as a McKinlay Member oil producer.

The Worrior-9 exploration well was plugged and abandoned after intersecting an underdeveloped reservoir in the target formation.

Other oil fields

The southern oil fields of Harpoono (Senex 100%), Derrilyn (Senex 35%), Padulla (Senex 100%), Toparoa (Senex 2.33%), Ventura (Senex 100%), Mirage (Senex 100%) and Fury (Senex 80%) continued to produce in line with expectations.

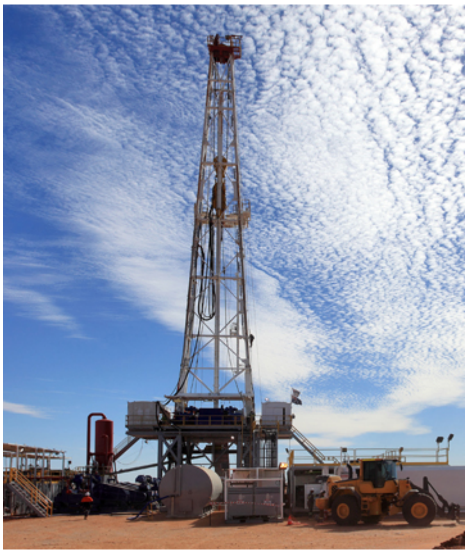
GAS BUSINESS

The primary focus of current activities in the Cooper-Eromanga gas business is the economic assessment of Hornet field, appraisal planning and the introduction of the right partner at the right time.

Material gas resources have been identified at Hornet, Sasanof and Paning. The combined 3C resource across the three areas is 5.5 trillion cubic feet (**Tcf**) (914 million barrel of oil equivalent (**mmboe**)) with a 2C resource of 1.9 Tcf (325 mmboe).

A 2C resource of 835 billion cubic feet (139 mmboe) has been independently estimated at Hornet. Third party analysis of initial development planning at Hornet indicates favourable project economics.

Worrior oil field production is expected to increase in the December quarter



Ensign Rig 754 drilled the successful Acrasia-7 well in the quarter

Ensign Rig 754 commenced drilling the Sprigg-1 prospect during October

COAL SEAM GAS EXPLORATION

2013/14 work program

Senex commenced a program of four core holes across its western Surat Basin coal seam gas permits ATP 593P and ATP 771P (both Senex 45% and Operator) with the spudding of Kato-1 in early October.

The primary aim of this program is to further delineate reserves and resources. The wells will be plugged and abandoned upon completion of testing.

The Paradise Downs-10 appraisal well in PL 171 (Senex 20%, QGC as Operator) was completed during the quarter. This primary aim of the well was to confirm coal thickness, porosity and permeability. The well was cased and suspended with a surface plug at the completion of drill stem testing.

Senex expects work to commence later in calendar year 2014 on the remaining six planned wells in the QGC operated eastern Surat Basin permits PL 171 and ATP 574P (Senex 20% and 30% respectively).

FINANCIAL INFORMATION

At the end of the September quarter, Senex was in a strong financial position with cash reserves of $105 million, no debt and a cash receivable of $20 million relating to the sale of its interest in Cuisinier. Oil sales revenue for the quarter was $39.3 million and capital expenditure for the period is shown below.

Expenditure	September 2013 Quarter ($ million)	June 2013 Quarter ($ million)	Quarter on quarter change
Exploration and appraisal	29.7[1]	13.9	114%[2]
Development, plant and equipment	16.6	13.7	21%
Total	**46.3**	**27.6**	**68%**

1 Includes permit acquisition costs of $8.35 million
2 54%, excluding permit acquisition costs of $8.35 million

DRILLING REGISTER

A summary of exploration, appraisal and development drilling undertaken by Senex and its joint venture partners during 2013/14 is provided below.

Oil

Well	Location	Spud date	Type	Result	Status
Worrior-8	PPL 207	22-Jun-2013	Development	Net pay of 18 metres	Cased and suspended as a future oil producer
Worrior-9	PPL 207	4-Jul-2013	Exploration	Unsuccessful	Plugged and abandoned
Burruna-2	PEL 115	6-Aug-2013	Exploration	Net pay of 5.3 metres, 3,600 bopd during testing	Completed and producing
Acrasia-7	PPL 203	24-Aug-2013	Development	Net pay of 6.3 metres	Completion underway
Ventura-2	PPL 214	28-Aug-2013	Development	Net pay of 14.3 metres	Cased and suspended as a future oil producer
Kobari-2	PEL 516	14-Sep-2013	Exploration	Oil shows over 22 metres	Cased and suspended as a future oil producer
Pirie-1*	PEL 105	30-Sep-2013	Exploration		Drilling ahead
Dunlop-1	PEL 113	1-Oct-2013	Exploration	Net pay of 3 metres, 1,200 bopd during DST	Cased and suspended as a future oil producer
Sprigg-1	PEL 514	6-Oct-2013	Exploration	Interpreted net pay of 6.3 metres	To be cased and suspended pending further testing
Pirraminta-2	PEL 514	22-Oct-2013	Exploration		Drilling ahead

Gas

Well	Location	Spud date	Type	Status
Paradise Downs-10**	ATP 171	13 Aug-2013	Appraisal	Cased and suspended
Kato-3***	ATP 593	13-Oct-2013	Exploration	Drilling ahead

* Operated by Tellus Resources
** Operated by QGC
*** Core hole not designed for gas production. Well will deliver field delineation data intended to result in an upgrade of reserves.

GLOSSARY

$ means Australian dollars unless otherwise stated

1P means proved (developed plus undeveloped) reserves in accordance with the SPE PRMS

2P means proved plus probable reserves in accordance with the SPE PRMS

3P proved, probable plus possible reserves in accordance with the SPE PRMS

ASX means the Australian securities exchange operated by ASX Limited ACN 008 624 691

ATP means authority to prospect granted under the *Petroleum Act 1923* (Qld) or the *Petroleum Gas (Production and Safety) Act 2004* (Qld)

Barrel/bbl means the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons

boe means barrels of oil equivalent. 1 boe = 6,000 standard cubic feet. Conversion of the gas reserves and resources from petajoules (PJ) into boe may vary due to differences in gas composition

bopd means barrels of oil per day

Cooper Basin means the sedimentary geological basin of upper Carboniferous to middle Triassic age in north east South Australia and south west Queensland

Cooper-Eromanga Basin means the Cooper Basin and the overlying Eromanga Basin within the limits of the Cooper Basin

CSG means coal seam gas where gas is stored within coal deposits or seams

DST means drill stem test

Eromanga Basin means the Mesozoic sedimentary basin covering parts of Queensland, the Northern Territory, South Australia and New South Wales

Exploration means drilling, seismic or technical studies to identify and evaluate regions or prospects with the potential to contain hydrocarbons

Gross pay means the overall interval in which pay sections occur

mmbbls means a million barrels

mmscfd means million standard cubic feet of gas per day

Net pay means the smaller portions of the gross pay that meet local criteria for pay, such as porosity, permeability and hydrocarbon saturation

PEL means petroleum exploration licence granted under the *Petroleum and Geothermal Energy Act 2000 (SA)*

PELA means an application for a PEL

PJ means petajoule

PL means a petroleum lease granted under the *Petroleum Act 1923* (Qld) or the *Petroleum Gas (Production and Safety) Act 2004* (Qld)

PPL means petroleum production licence granted under the *Petroleum and Geothermal Energy Act 2000 (SA)*

PRL means petroleum retention licence granted under the *Petroleum and Geothermal Energy Act 2000 (SA)*

Reserve means commercially recoverable resources which have been justified for development, as defined in the SPE PRMS

Senex means Senex Energy Limited ABN 50 008 942 827

SPE PRMS means the Petroleum Resources Management System 2007, published by the Society of Petroleum Engineers

Surat Basin means the sedimentary geological basin of Jurassic to Cretaceous age in southern Queensland and northern New South Wales

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