Senex Energy Limited

FY14 half year results

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Managing Director and CEO

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Brisbane
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Important notice and disclaimer

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Reserve and resource estimates

Unless otherwise indicated, the statements contained in this presentation about Senex's reserve and resource estimates have been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. The information is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr James Crowley BSc (Hons) who has consented to the inclusion of this information in the form and context in which it appears in this report. Mr Crowley is a qualified petroleum reserves and resources evaluator, a member of Society of Petroleum Engineers and full time employee of Senex.

Overview

Ian Davies
Managing Director and CEO

Delivering the strategy

H1 FY14 results

Delivering a gas business

Full year FY14 outlook

H1 FY14 highlights

PRODUCTION

First half production of 0.65 million barrels with acceleration underway into second half

On track to deliver production guidance of 1.4 million barrels to 1.6 million barrels for FY14

RESERVES

On track to deliver FY14 2P reserve adds guidance of 4 million to 6 million barrels[1]

Reserves Replacement Ratio of >300%

OPERATING COSTS

Operating costs[2] reduced from $31 per barrel to $29 per barrel in H1 FY14

$102.5 million in cash and liquid assets at 31 December with no debt

SAFETY

No lost time injuries

Total recordable injury frequency rate of 3.68, setting a new benchmark

[1] Before production and divestments [2] Excluding royalties

An important commitment to the community

Senex broadened its commitment to the South Australian community in November, announcing a strategic partnership with the Royal Flying Doctor Service and pledging $300,000 over three years

Delivering the strategy

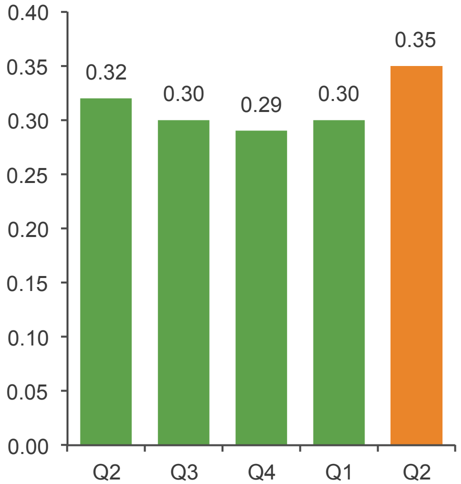
Oil: Growing value through increasing production, reserves and margin	
Operations	• Oil production of 0.65 million barrels in H1 FY14 • Continually reducing operating costs: $29 per barrel in H1 FY14[1]
Exploration and appraisal	• Focused on ‘low hanging fruit’ ahead of drill-ready seismic • New oil discoveries expected to contribute significantly to full year production • Drilling on new 3D seismic expected within 6 months
Development	• In field appraisal and development drilling to accelerate production and inform future plans to maximise oil recovery

Gas: Building a material business by partnering for success	
Unconventional	• Strong partner secured in Origin Energy • Deal terms geared toward early commercialisation of a substantial gas resource
Conventional	• Hornet gas field retained 100% by Senex • Planning underway to build and operate a facility for extended flow testing prior to commercialisation to maximise value
Coal seam gas	• Successful appraisal, continuing to build a valuable resource

[1] Excluding royalties

Reaping the rewards of balanced investment

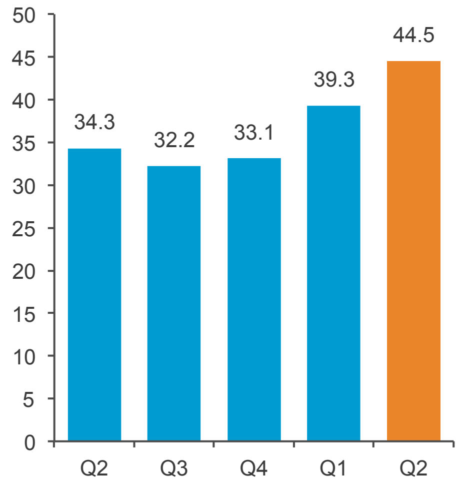
Oil production
Q2 FY13 – Q2 FY14



Million barrels

Increasing productivity

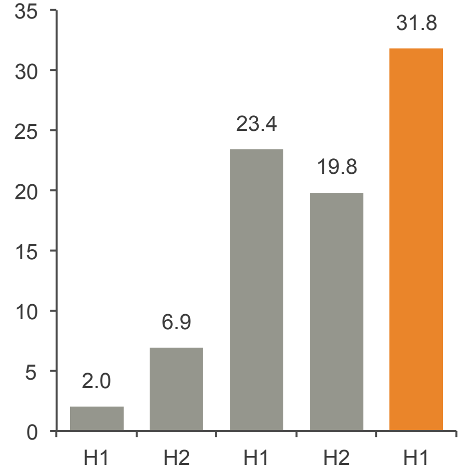
Oil revenue
Q2 FY13 – Q2 FY14



$ Million

Increasing revenue

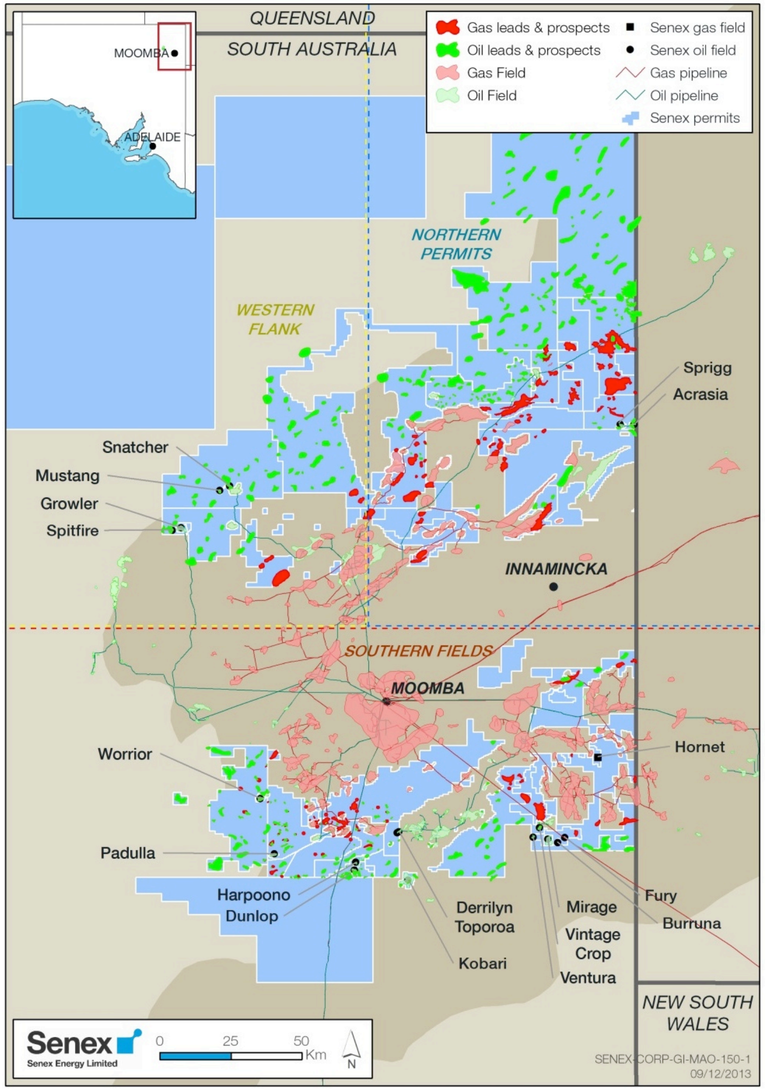
Underlying profit
H1 FY12 – H1 FY14



$ Million

Driving profitability

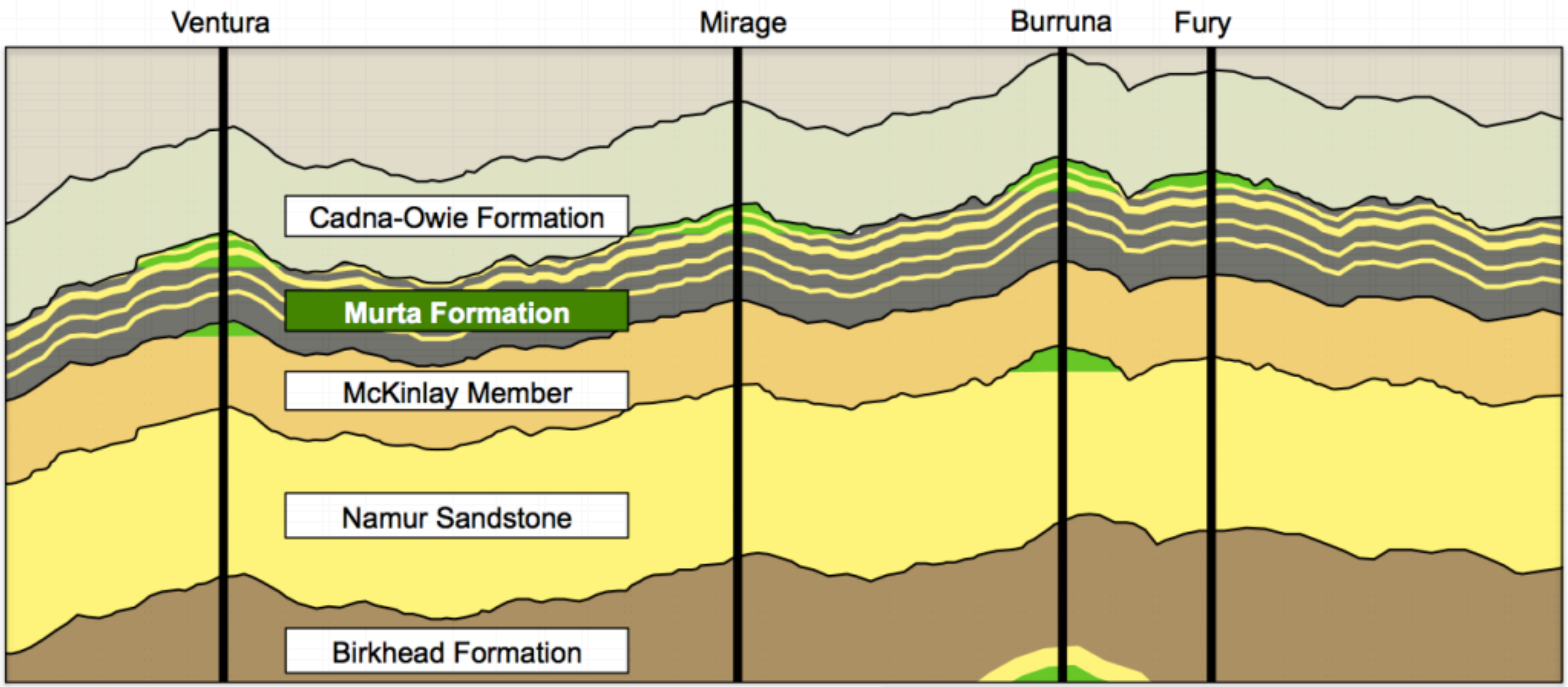
Exploration and appraisal success in H1 FY14



- More than 450 leads and prospects identified across Senex's extensive acreage position
- Targeting "low hanging fruit" ahead of greenfield exploration
- Several great examples in H1 FY14:
  - **Worrior**: Stacked pay identified, oil and gas discovery in the Patchawarra Formation
  - **Acrasia**: 3 new wells drilled with up to 5 payzones identified
  - **Burruna**: 5.3 metres net pay in Namur Sandstone, with new Birkhead Formation oil accumulation discovered in Burruna-3

Tight oil project initiated to unlock a regionally extensive resource

- Net contingent oil resource of 10.4 million barrels 3C and 4.9 million barrels 2C across the Murta Formation in Senex-operated permits
- Low cost, high productivity completion key to reserve bookings and development



Murta Formation stratigraphy in the southern Cooper-Eromanga Basin

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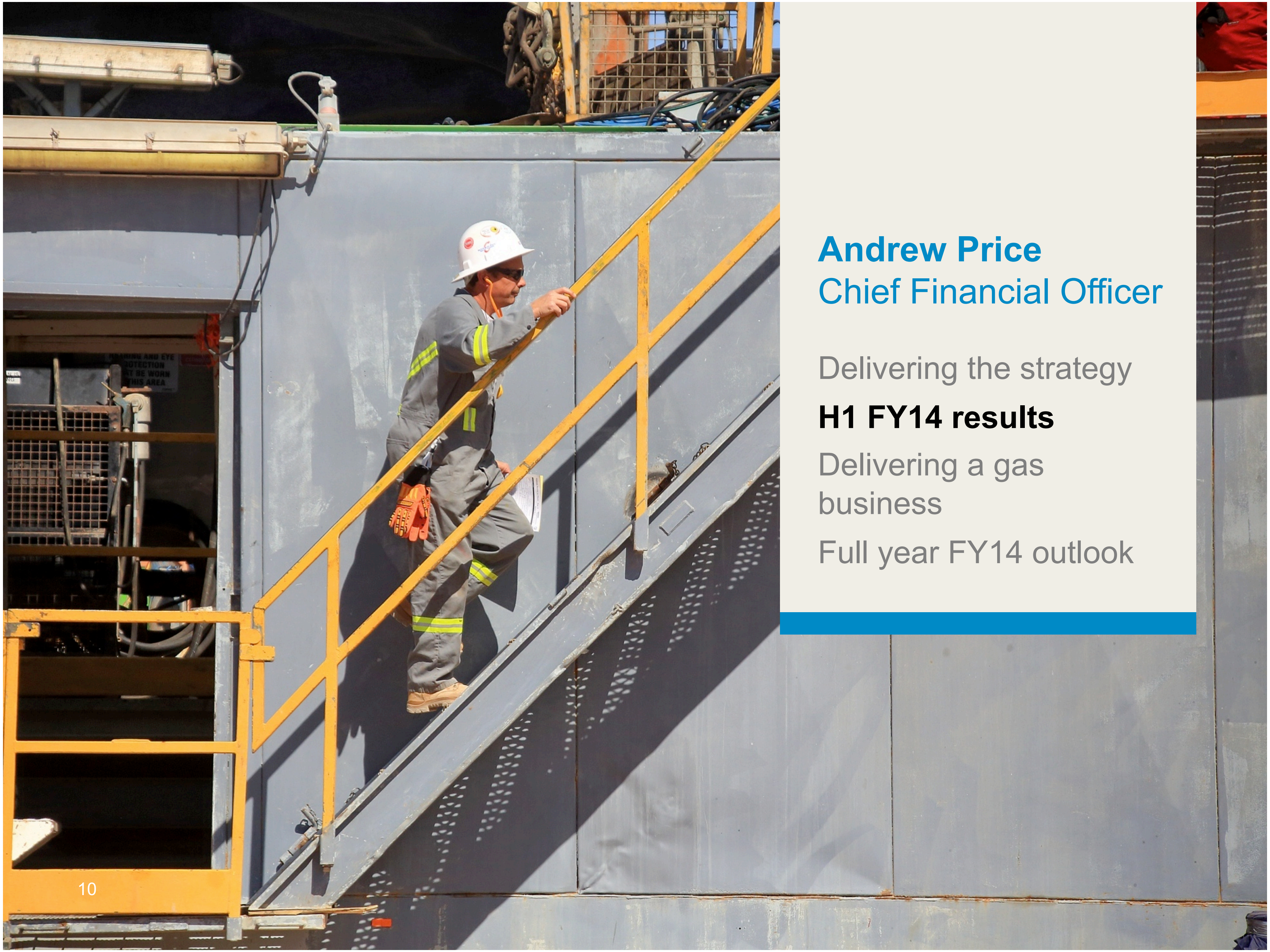

Andrew Price
Chief Financial Officer

Delivering the strategy

H1 FY14 results

Delivering a gas business

Full year FY14 outlook

Highly profitable business

$ million	31 Dec 2013	31 Dec 2012	Change
Revenue	88.3	77.3	↑ 14%
Gross profit	51.3	40.7	↑ 26%
NPAT[1]	25.6	23.4	↑ 9%
Underlying profit[2]	31.8	23.4	↑ 36%
EBITDAX[3]	46.9	35.3	↑ 33%
EBITDA[3]	41.6	31.4	↑ 32%

- ✓ High margin oil sales
- ✓ Strong cash generation
- ✓ Fully funded for growth
- ✓ Zero debt

[1] Net profit after tax is equal to 'profit/(loss) after tax' per the consolidated statement of comprehensive income in the Half Year Financial Report.
[2] Underlying profit is a non-IFRS measure that is presented to provide an understanding of the underlying performance of Senex's operations. The measure excludes the impacts of asset acquisitions, disposals and impairments, as well as items that are subject to significant variability from one period to the next, including the effects of fair value adjustments on financial instruments. The non-IFRS financial information is unaudited however the numbers presented above have been extracted from the Half Year Financial Statements which have been reviewed.
[3] EBITDAX (earnings before interest, tax, depreciation, amortisation, impairment and exploration expense) can be reconciled to the FY14 Half Year Financial Report as per below.

Underlying profit reconciliation	**31 Dec 2013**	**31 Dec 2012**
Net profit after tax	**25,603**	**23,357**
Add / (deduct) the following:		
One off transaction costs	748	-
Tax expense on sale of permits	5,430	-
Underlying profit	**31,781**	**23,357**

EBITDAX reconciliation	**31 Dec 2013**	**31 Dec 2012**
Net profit after tax	**25,603**	**23,357**
Add back:		
- Interest	(1,172)	(3,142)
- Tax	5,797	806
- Depreciation	880	880
- Amortisation and Impairment	10,518	9,523
EBITDA	**41,626**	**31,424**
- Exploration expense	5,294	3,840
EBITDAX	**46,920**	**35,264**

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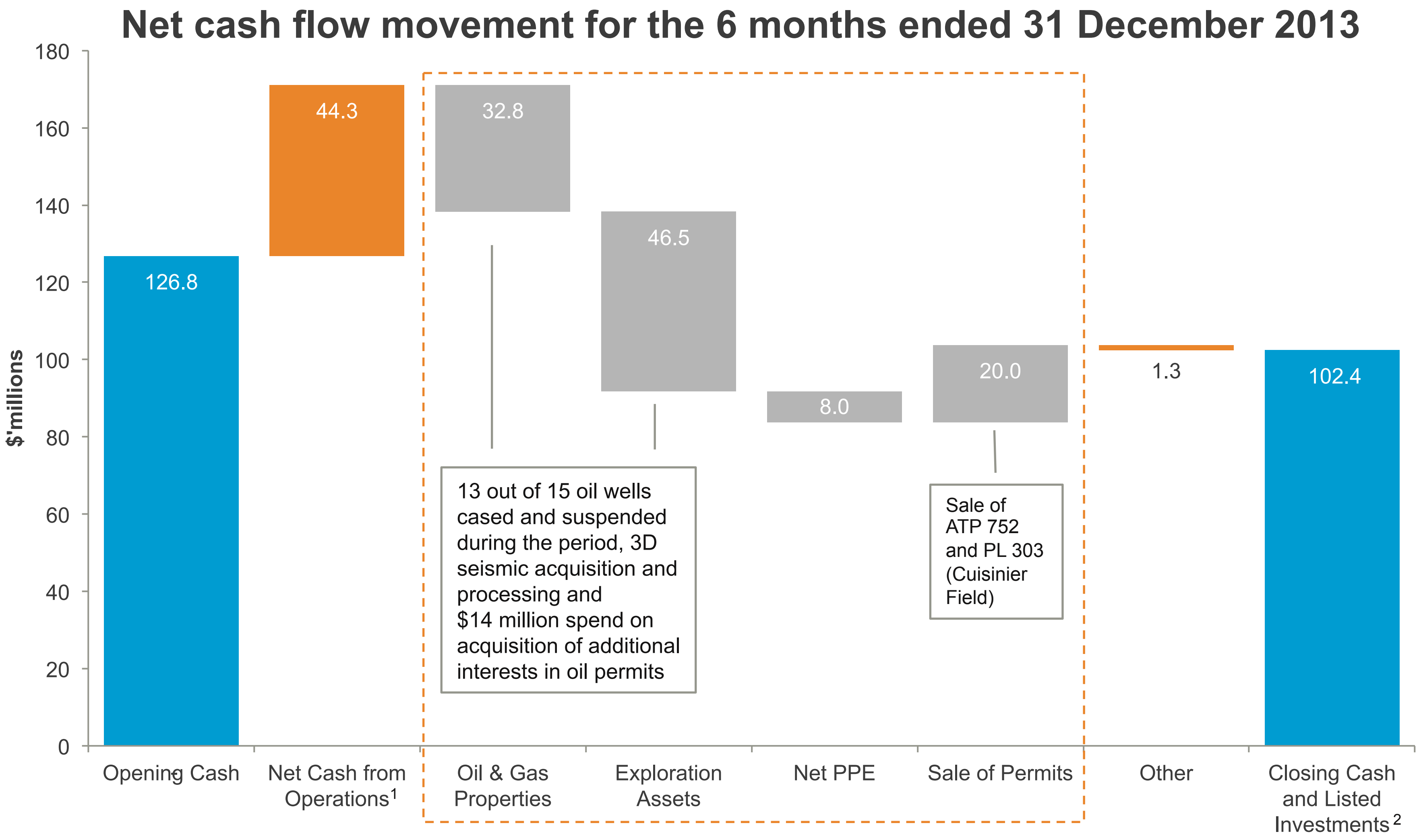
Strong operating cash flow and no debt



[1] Net cash from operations includes net foreign exchange differences on cash receipted from oil sales

[2] Listed investments includes available-for-sales assets that are classified as current and were disposed of subsequent to 31 December 2013

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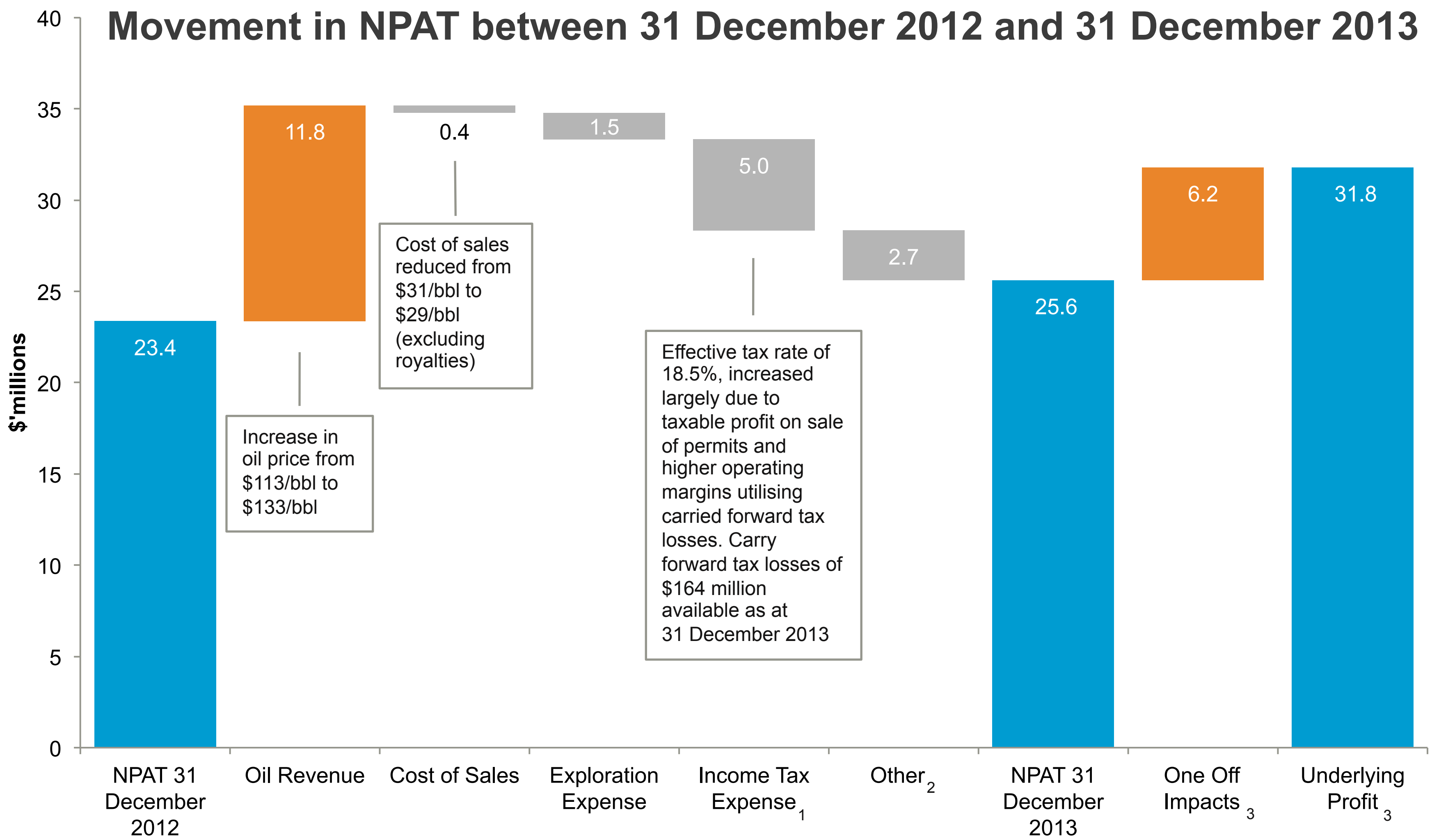
A profitable and growing business



1 Income tax expense is non-cash and does not include a PRRT expense. Senex does not expect to pay PRRT in the foreseeable future and has a gross carry forward shield of $582 million as at 31 December 2013.

2 Other includes interest income, general and administrative expenses, finance expense, and technical services income

3 Underlying profit is a non-IFRS measure that is presented to provide an understanding of the underlying performance of Senex's operations

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Ian Davies
Managing Director and CEO

Delivering the strategy

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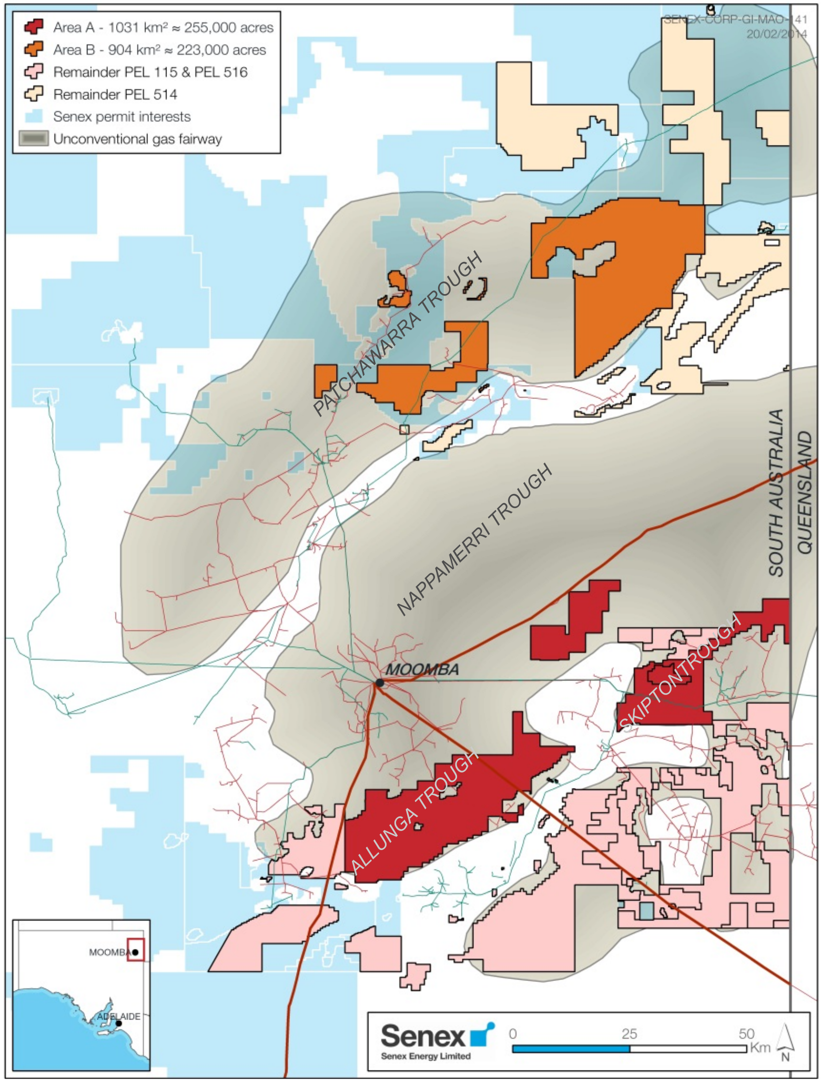
Full year FY14 outlook

Senex and Origin Energy agree gas farm-out



- Focused on early commercialisation of large-scale unconventional gas resource
- Two farm-out agreements:
  - **Area A:** 36% of area of PEL 516 and PEL 115 (Senex 100%)
  - **Area B:** 47% of area of PEL 514 (Deeps) (Senex 80% and operator)
- Up to $252 million work program over 2 stages, drilling at least 15 wells and substantial seismic campaign
- Senex free-carried for its share of the first $185 million of work program
- Senex retains operatorship during the two-stage work program
- Senex retains interests in the oil-prone Shallows of Area B

Transaction highlights

- Origin has strong east coast gas market position and extensive Cooper Basin understanding as a member of the SACB JV
- Senex retains exposure to upside through material equity position post farm-out
- Farm-in restricted to portions of PELs
- Oil potential of Area B Shallows retained in full
- Separate equity lifting and marketing rights retained, preserving maximum optionality for commercialisation
- Detailed timetable agreed for decision-making and Stage progression
- Clear mechanisms agreed for development decisions

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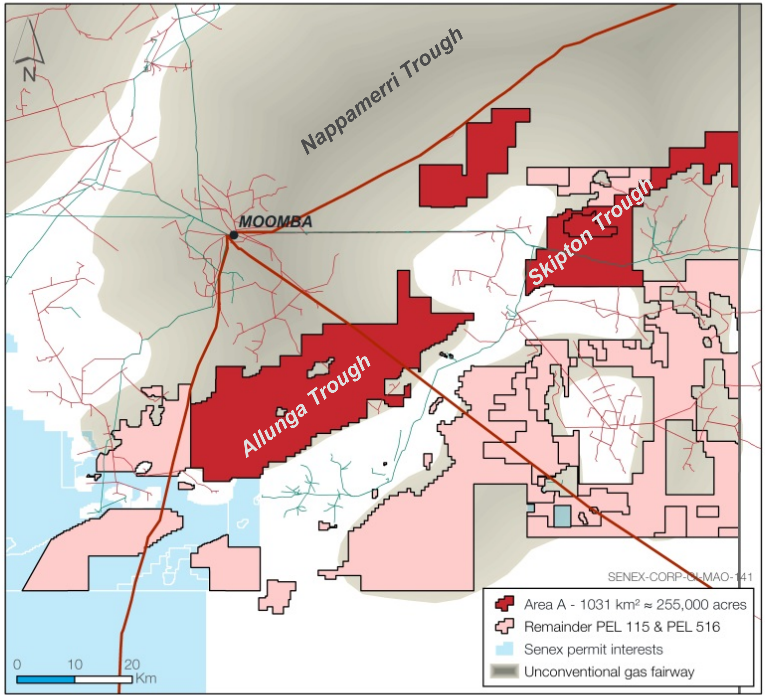
Partnership focused on discrete prospective areas

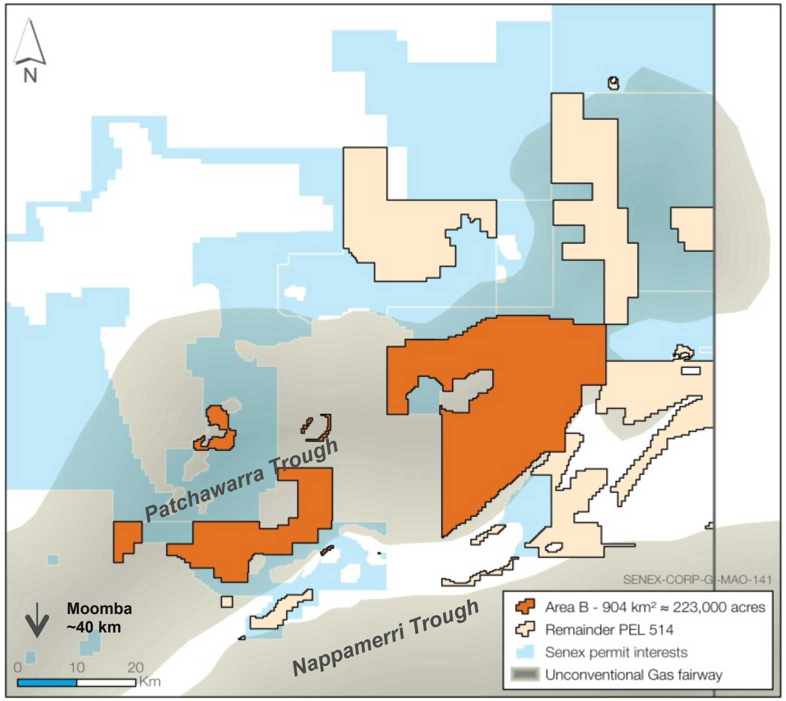
Area A:

- 36% of area of PEL 516 and PEL 115
- 1,031 km^2 (255,000 acres)
- Focus on tight gas prospectivity of the Allunga, Skipton and Nappamerri troughs with exposure to shale and deep coal plays

Area B (<u>Deeps only</u>):

- 47% of area of PEL 514
- 904 km^2 (223,000 acres)
- Focus on tight gas prospectivity of the Patchawarra Trough, with exposure to shale and deep coal plays





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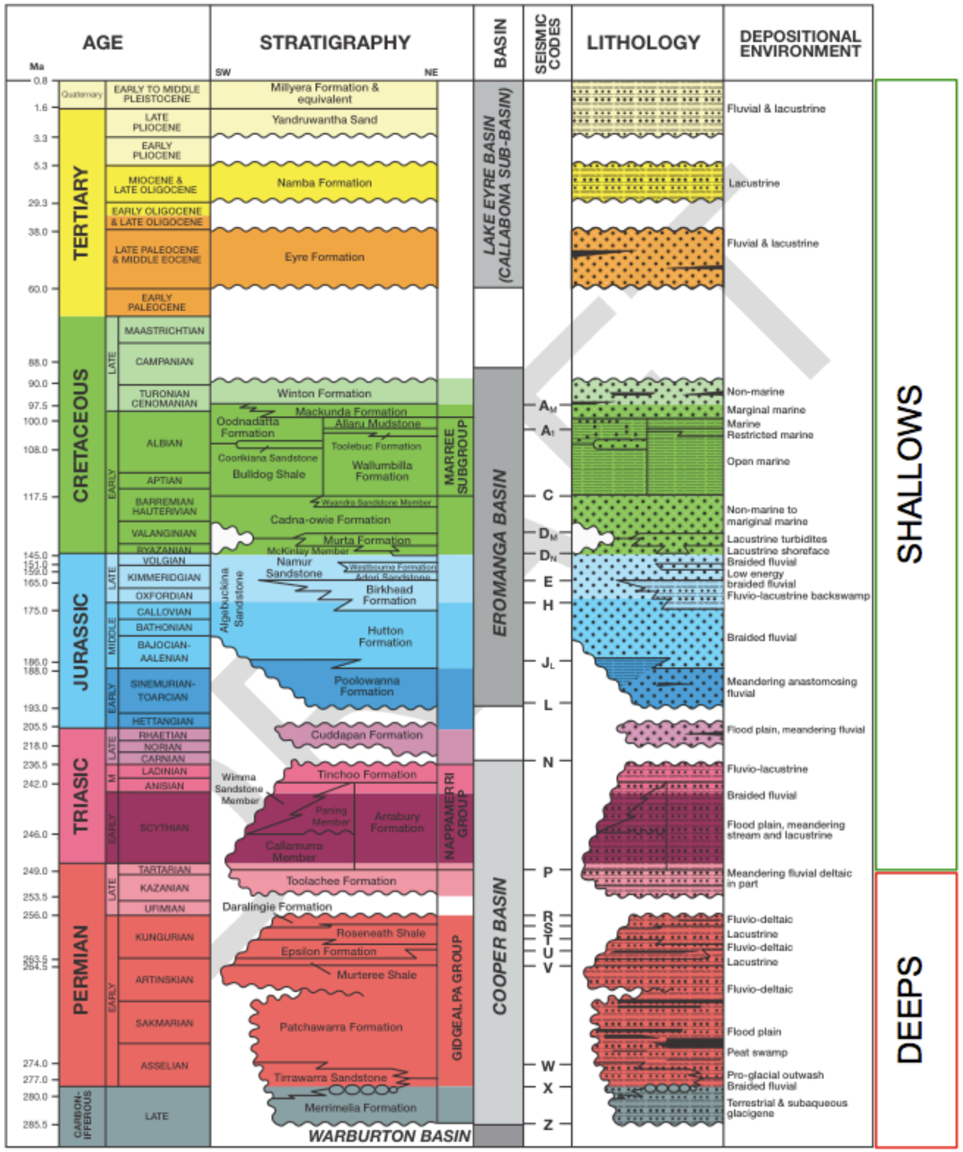

Senex retains existing interest in the oil prone Shallows of Area B

- Area B farm-out restricted to the deeper Permian section prospective for gas
- Senex retains existing rights to oil potential of the Shallows
- PEL 514 partially covered by Cordillo and Dundinna seismic surveys
- Oil drilling in these areas expected within six months

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Focused on early commercialisation

Exploration → *Early Appraisal* → *Pilot Program* → *Early Production* → *Production*

Stage 1: Understanding the resource

Operator: Senex

Work program: Up to $105 million plus additional Area B work program

Area A: 300 line kilometre 2D seismic survey and 4 exploration wells

Area B: 250 km^2 new 3D seismic and 3 exploration wells

Stage 2: Building reserves and proving commerciality

Operator: Senex

Work program: Up to $80 million plus additional Area B work program

Area A: Flow testing of a 5 well pilot (4 new appraisal wells)

Area B: Flow testing of a 5 well pilot (4 new appraisal wells)

Development

Operator: Origin[1]

Full field development

[1] Change of operator at Origin's election

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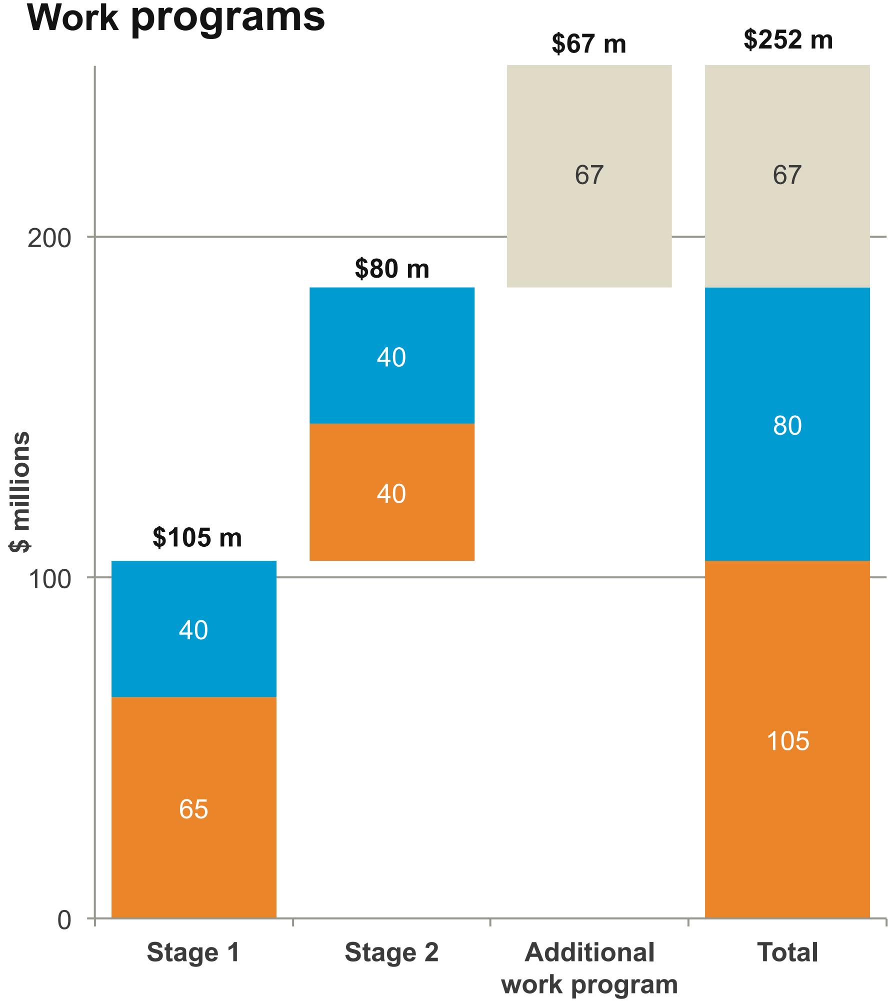
Mechanics of the transaction

Work programs



Senex free-carried for its interest in the first two stages

- Origin to earn a maximum interest of 50% in Area A and 40% in Area B:

  Area A
  Stage 1: $65 million to earn 40%
  Stage 2: $40 million to earn 10%

  Area B (Deeps only)
  Stage 1: $32 million to earn 30%[2]
  Stage 2: $32 million to earn 10%[2]

- Additional Area B work program (Stage 1 and 2): Up to $67 million[3]
- Total work program up to $252 million

[1] Change of operator at Origin's election [2] Planet Gas holds a 20% interest in Area B [3] Subject to operating committee approval

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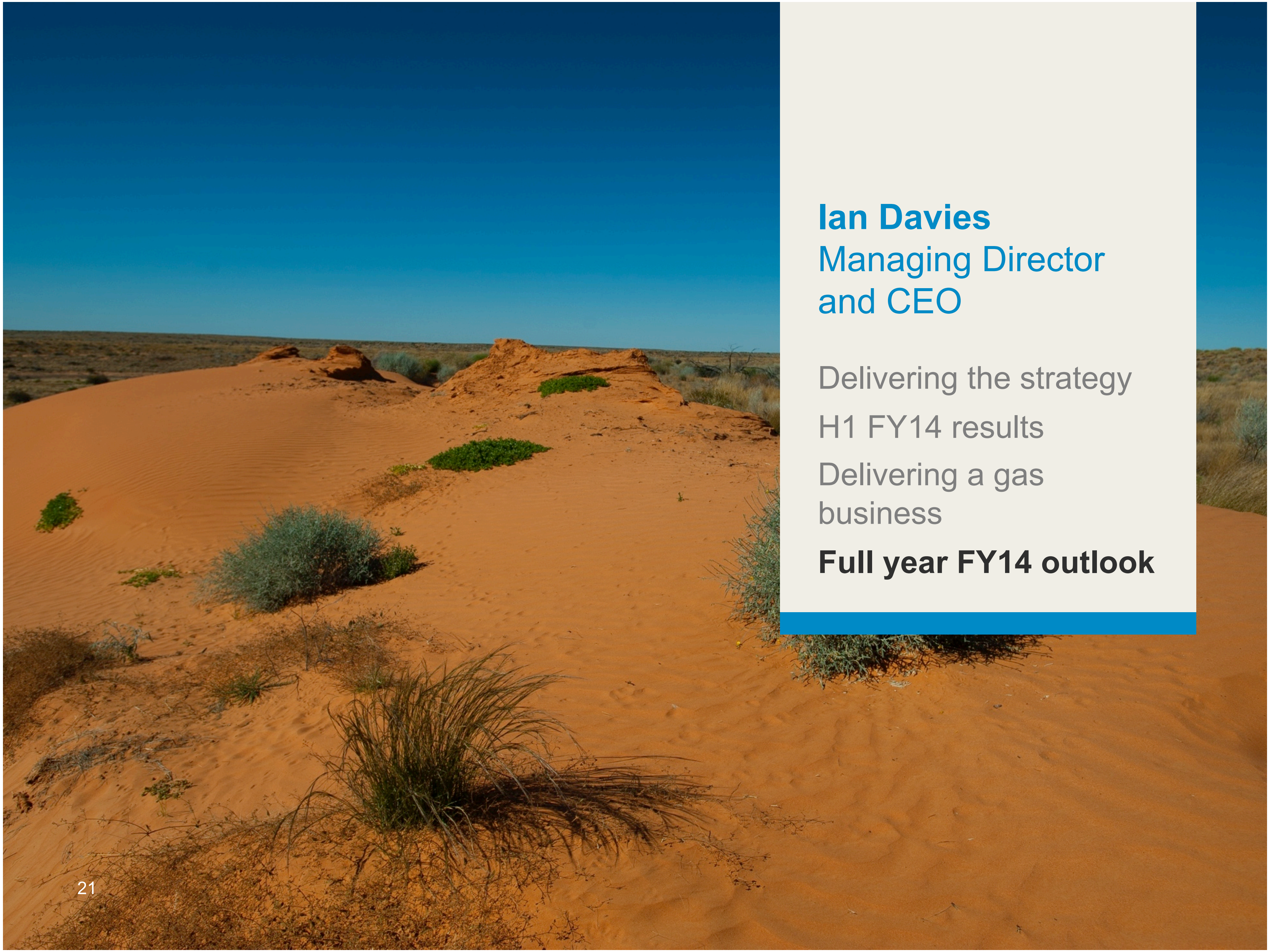

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Managing Director and CEO

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Full year FY14 outlook

Delivering the strategy

Continuous growth in our oil and gas business

Underlying financial strength	✓ Zero debt and fully funded: $102.5 million in cash and liquid assets as at 31 December 2013
	✓ On track to deliver capital expenditure guidance of $120 million to $140 million for FY14
Production and reserves growth on track for FY14	✓ Oil production of 1.4 million to 1.6 million barrels
	✓ 2P reserves growth of 4 million to 6 million barrels
	✓ Continued reduction in operating costs
Major milestone achieved in our Cooper Basin gas business	✓ Senex and Origin Energy agree on transformational gas farm-out involving up to $252 million work program

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