

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Senex Energy Limited

ABN

50 008 942 827

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	- contingent performance rights (Rights) under Senex Employee Performance Rights Plan - fully paid ordinary shares (Shares)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	3,056,807 Rights granted to 163 employees under the Senex Employee Incentive Plan in recognition of their performance for the financial year ended 30/06/2014 (FY 14 EIP Rights) comprising: 1,528,436 FY 14 EIP Rights that vested on grant; and 1,528,371 FY 14 EIP Rights granted subject to vesting. 1,528,436 Shares issued to Senex Energy Employee Share Trust for the 1,528,436 FY 14 EIP Rights that vested on grant.
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Annexure 2 to this announcement is a summary of the Senex Employee Performance Rights Plan. - The terms of fully paid ordinary Senex shares are set out in the Company's constitution.

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	• No – Rights are not quoted securities and do not rank equally with ordinary shares or any other class of quoted securities. Neither the status of participant in the Senex Employee Performance Rights Plan nor the grant of Rights confers a right to vote, a right to receive dividends, or any other rights of a shareholder. A participant only acquires the rights of a shareholder if shares are issued or transferred to the participant, and only has those rights in respect of shares that the participant holds. Shares issued or transferred to a participant upon vesting of Rights will rank equally from the date of allotment with other ordinary shares. • Yes – Shares issued as a result of the vesting of Rights rank equally in all respects from the date of allotment with existing quoted ordinary shares.
5 Issue price or consideration	FY 14 EIP Rights were granted to employees under the Senex Employee Performance Rights Plan without payment or other consideration to incentivise and reward their performance and retain their services over the medium to long term. A holder of Rights is entitled to receive one Share without payment or other consideration for each Right that vests.

⁺ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The Company granted 3,056,807 FY 14 EIP Rights to 163 employees on 02/09/2014 (see paragraph 5 above), of which: • 1,528,436 FY 14 EIP Rights vested on grant; and • 1,528,371 FY 14 EIP Rights are subject to vesting on 01/07/2016. The Company issued 1,528,436 Shares to Senex Energy Employee Share Trust for the 1,528,436 FY 14 EIP Rights that vested on grant. 1,892,366 of the 3,017,705 rights granted to senior employees of the Company as short term incentive remuneration for the financial year ended 30/06/2014 (FY 14 STI Rights) subject to satisfaction of performance conditions on 30/06/2014 and vesting 01/07/2015 lapsed on 22/08/2014 to the extent that the performance conditions were not satisfied. Following these movements, there are: • 1,219,332 remaining FY 13 EIP Rights that are subject only to vesting on 01/07/2015 • 1,528,371 remaining FY 14 EIP Rights that are subject only to vesting on 01/07/2016 • 5,436,103 rights granted to senior employees of the Company as long term incentive remuneration for the financial year ended 30/06/2013 (FY 13 LTI Rights) subject to satisfaction of a performance condition on 30/06/2015 and vesting 01/07/2015 • 1,125,339 remaining FY 14 STI Rights subject only to vesting on 01/07/2015 • 2,763,179 rights granted to senior employees of the Company as long term incentive remuneration for the financial year ended 30/06/2014 (FY 14 LTI Rights) subject to satisfaction of a performance condition on 30/06/2016 and vesting 01/07/2016
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i	not applicable
6b	The date the security holder resolution under rule 7.1A was passed	not applicable
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	not applicable
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	not applicable

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	not applicable	
6f	Number of securities issued under an exception in rule 7.2	not applicable	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	not applicable	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	not applicable	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	not applicable	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	2 September 2014	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		1,149,657,377	fully paid ordinary shares

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	+Class
		1,200,000	options @ \$0.255 expiry 09/09/2015
		800,000	options @ \$0.255 expiry 19/07/2016
		1,000,000	options @ \$0.255 expiry 19/07/2017
		1,000,000	options @ \$0.255 expiry 19/07/2018
		667,000	options @ \$0.40 expiry 01/07/2015
		666,000	options @ \$0.40 expiry 01/07/2016
		----- 5,333,000 options in total -----	options to subscribe for fully paid ordinary shares -----
		12,072,324 Rights in total	Rights under Senex Employee Performance Rights Plan still subject to vesting conditions.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests	The company has not yet established a dividend policy.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	not applicable
12	Is the issue renounceable or non-renounceable?	not applicable
13	Ratio in which the ⁺ securities will be offered	not applicable
14	⁺ Class of ⁺ securities to which the offer relates	not applicable
15	⁺ Record date to determine entitlements	not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	not applicable
17	Policy for deciding entitlements in relation to fractions	not applicable
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents	not applicable
Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.		

19	Closing date for receipt of acceptances or renunciations	not applicable
20	Names of any underwriters	not applicable
21	Amount of any underwriting fee or commission	not applicable
22	Names of any brokers to the issue	not applicable
23	Fee or commission payable to the broker to the issue	not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	not applicable
28	Date rights trading will begin (if applicable)	not applicable
29	Date rights trading will end (if applicable)	not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	not applicable
33	+Despatch date	not applicable

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities (tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a):

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b):

38	Number of securities for which +quotation is sought	not applicable	
39	Class of +securities for which quotation is sought	not applicable	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	not applicable	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)		
		Number	+Class
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	not applicable	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company Secretary

Date: 5 September 2014

Print name:

Francis Leo Connolly

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,141,310,350
Add the following: - Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	8,347,027 zero zero
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Zero
“A”	1,149,657,377

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	172,448,607
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	Zero
“C”	Zero
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	172,448,607
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	zero
Total [“A” x 0.15] – “C”	172,448,607 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	not applicable
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	not applicable
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	not applicable
“E”	not applicable
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	not applicable
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	not applicable
Total [“A” x 0.10] – “E”	not applicable <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 2

Summary of Senex Employee Performance Rights Plan

How the Plan operated in FY 2014

WHAT IS A PERFORMANCE RIGHT?

A performance right (Right) is a right granted to an eligible employee of Senex Energy Limited (Senex) or any Senex subsidiary (Senex Group) under the Senex Employee Performance Rights Plan (Plan). Each Right confers on the employee an entitlement to receive a share in the Company on the Vesting Date for that Right, provided each Performance Condition for that Right is satisfied during the Performance Period for that Condition. The employee is not required to pay for the grant of Rights and for each Right that vests the employee is entitled to receive one share in the Company without payment.

GRANT OF PERFORMANCE RIGHTS

Under the Plan Rules the Company may grant Rights to an employee or the employee's associate. If an employee or their associate is granted Rights they become a participant in the Plan (Participant).

GRANT CERTIFICATE

The Company will provide a Grant Certificate for each grant of Rights. The Grant Certificate is an important document setting out the number of Rights granted to the Participant, the Performance Condition (if any) applicable to each Component of those Rights, and the Vesting Date applicable to each Tranche of those Rights.

NO SHAREHOLDER RIGHTS

Neither the status of Participant in the Plan nor the grant of Rights confers a right to vote, a right to receive dividends, or any other rights of a shareholder. A Participant only acquires the rights of a shareholder if Company shares are transferred to the Participant, and only has those rights in respect of shares that the Participant holds. Where the shares are transferred to an employee share trust to be held on behalf of the Participant, the trustee exercises those shareholder rights as the Participant directs.

PERFORMANCE YEAR

Rights are granted for a particular performance year. Each performance year commences 1 July and ends 30 June the following year (Performance Year). Rights for a particular Performance Year are normally granted at the commencement (ie on 1 July) of that Performance Year, but may be granted at any time during the Performance Year (Grant Date).

+ See chapter 19 for defined terms.

VESTING

A Right confers an entitlement to receive a Share upon vesting. The Vesting Date for each Tranche of Rights is specified in the Grant Certificate for those Rights.

Rights vests if:

- the Performance Condition (if any) applicable to that Component of Rights is satisfied during the Performance Period for that Condition, and
- the employee is still an employee of Senex Group on the Vesting Date for that Tranche of Rights (Vesting Condition).

PERFORMANCE CONDITIONS, PERFORMANCE PERIOD, VESTING DATE

The Grant Certificate for FY 2014 Rights specifies:

- the Performance Condition (if any) applicable to each Component of those Rights,
- the Performance Period in respect of which each Performance Condition must be satisfied, and
- the Vesting Condition (including the Vesting Date) for each Tranche of those Rights.

COMPONENTS

FY 2014 Rights may have two or more Components, with each component being subject to satisfaction of a different Performance Condition.

TRANCHES

Each Component of FY 2014 Rights may have two or more Tranches, with each Tranche vesting at a different Vesting Date.

LAPSE OF PERFORMANCE RIGHTS

A Participant's Rights generally lapse if the employee ceases to be an employee of Senex Group, if a Performance Condition applicable to those Rights is not satisfied or if the Board lapses the Rights (the Board may only do this in certain circumstances - see 10.1 below). If a Right lapses, it is immediately cancelled and is not capable of vesting.

When can the Board lapse Performance Rights?

The Board may lapse Rights in certain circumstances including where:

- (a) the Participant asks the Board to lapse the Rights;
- (b) the Participant transfers, assigns, pledges or otherwise disposes of or encumbers the Rights;
- (c) the Board determines that the Participant acted fraudulently, dishonestly, or in breach of their obligations to the Company or the Group; or
- (d) the Board determines that the Participant ceased to be an associate of the employee.

+ See chapter 19 for defined terms.

What happens if the employee leaves before vesting?

Subject to the limited exceptions below, the employee must be employed by a member of Senex Group on the Vesting Date applicable to their Rights in order for those Rights to vest. Rights will lapse on the date the employee ceases to be an employee, as determined by Plan Rules.

However, if employment ends for one of the following reasons (Concessional Circumstances), Rights will not immediately lapse on the date the Participant ceases to be an employee:

- (a) ill health, injury or disability, as established to the satisfaction of the Company;
- (b) the employing company ceasing to be under the Control of the Company;
- (c) a transfer of the undertaking, or the part of the undertaking, in which the Participant works to a person which is neither under the Control of the Company nor a Group Company; or
- (d) death of the Participant.

In Concessional Circumstances, Rights will continue to be capable of vesting on the relevant Vesting Date, to the extent that each applicable Performance Condition is satisfied during the Performance Period for that Condition.

Pro rata reduction

However, if employment ends in one of the Concessional Circumstances within a Performance Period, the number of Rights eligible to vest will be reduced pro-rata to reflect the proportion of the relevant Performance Period which elapsed before employment ceased. The pro-rata number of Rights will continue to be eligible to vest on the Vesting Date for those Rights, unless the Board in its absolute discretion, determines otherwise.

VESTING OF PERFORMANCE RIGHTS

At the end of each applicable Performance Period the Board will determine whether, and to what extent, the Performance Condition is satisfied. If the Performance Condition is satisfied, and Rights vest on the applicable Vesting Date, the Shares to which the Participant is entitled will be transferred to an employee share trust to hold on their behalf within 30 days following the Vesting Date. The employee must be employed by a Senex Group company on the Vesting Date to be eligible to receive the Shares, even if the Performance Condition is satisfied (unless employment ended in the Concessional Circumstances described in paragraph 10.2 above).

Any Right for which a Performance Condition is not satisfied during the Performance Period will immediately lapse.

CHANGE OF CONTROL AND CORPORATE EVENTS

If a Change of Control occurs (for example, a takeover):

- A. Rights granted before 26 August 2013 will immediately Vest at the time Change of Control occurs.

+ See chapter 19 for defined terms.

- B. Rights granted on or after 26 August 2013 will Vest on the following basis at the time Change of Control occurs:
- a. all unvested Rights that are subject only to a Vesting Condition will immediately vest at the time the Change of Control occurs;
 - b. all unvested Rights that are subject to a Performance Condition other than a Vesting Condition will be tested under Test #1 and Test #2 at the time the Change of Control occurs.
 - c. for each Participant:
 - i. the number of their unvested Rights that satisfy Test #1 or the number of their unvested Rights that satisfy Test #2 (whichever the greater) will immediately vest at the time the Change of Control occurs;
 - ii. the number of their unvested Rights that fail to satisfy Test #1 or the number of their unvested Rights that fail to satisfy Test #2 (whichever the lesser) will lapse one month after the Change of Control occurs; and
 - iii. the Board may exercise an overriding discretion to vest or increase vesting of unvested Rights at the time the Change of Control occurs.
 - d. Test #1:
 - i. the number of Rights eligible to vest is reduced pro rata to the extent of the Performance Period elapsed (reduced period); and
 - ii. the performance hurdle against which performance over the reduced period is tested is reduced in the same proportion.
 - e. Test #2:
 - i. the number of Rights eligible to vest is reduced pro rata to the extent to which the original performance hurdle is achieved, regardless of the extent of the Performance Period elapsed.

However, no immediate vesting will occur if the Change of Control does not involve a significant change in the identity of the ultimate shareholders of the Company.

If the Company has a bonus issue, rights issue or a reconstruction, the Board will determine whether any amendments are required to the Rights.

If the Company has a bonus issue, rights issue or a reconstruction, the Board will determine whether any amendments are required to the Rights.

AMENDMENT

The Board may amend the Plan at any time. However, any change that is prejudicial to the rights of Participants requires Participant consent.

+ See chapter 19 for defined terms.