Senex Energy Limited

ASX Announcement

Oil price hedging to the end of FY15

Release Date: 19 December 2014

Senex Energy Limited (Senex, ASX: SXY) has moved to protect the company's oil revenues by securing a floor price for oil sales from January to June 2015.

The protection has been put in place through a combination of put options and zero cost collars. These facilities have the effect of guaranteeing an average Brent crude floor price of A$68 per barrel for 720,000 barrels of oil sales in the six month period. The collars establish a ceiling Brent crude price of A$84 for 460,000 barrels of oil sales in that period, with sales in the three months to the end of March 2015 constituting over 70% of the volume subject to the ceiling price.

As announced on 10 December 2014, Senex is in the process of reviewing its spend for the remainder of FY15, and has already enacted measures to reduce discretionary expenditure and to high-grade future capital investments.

Senex Managing Director Ian Davies said the company remained in a position of financial strength. The implementation of this cost effective package of downside risk management measures was prudent in the short-term given current oil price volatility.

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