

Western Surat Gas Project – major agreements executed with GLNG



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24 September 2015



Our coal seam gas journey

Building a material East Coast gas business

Pre- 2013

- Exploration/appraisal activities undertaken on Western Surat Gas Project acreage by previous owners Sunshine Gas, Pure Energy and QGC
- Appraisal activities on eastern Surat Basin minority interest permits PL 171 and ATP 574P

2014

- Strategic asset swap with QGC JV resulting in the creation of the Western Surat Gas Project, with a material 2P reserves position

2015

- Commercialisation and financing pathway established, moving the Western Surat Gas Project towards a Final Investment Decision (FID)
- Major agreements executed with GLNG

2016

- Target early gas sales from Glenora pilot

2017

- Target for a Western Surat Gas Project FID

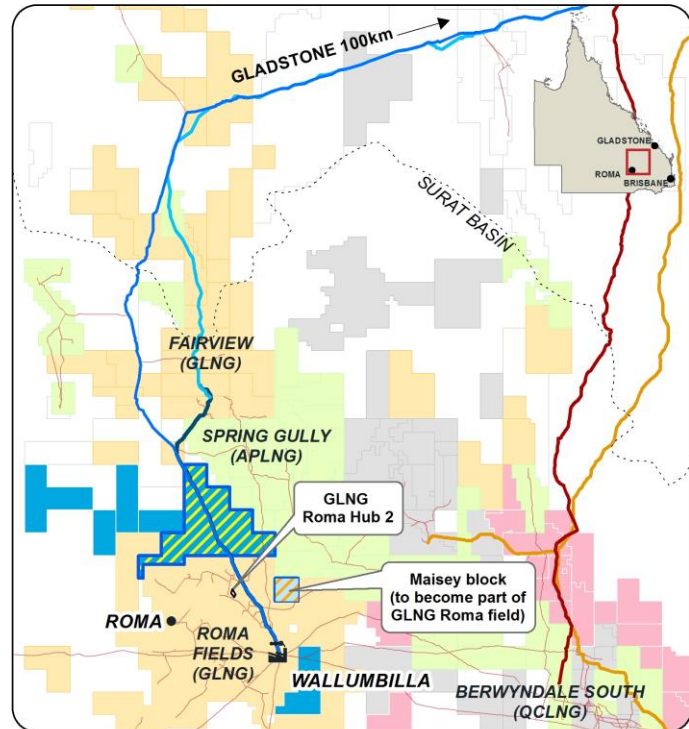
Strategic rationale

A step change in building a material East Coast gas business

- Diversification of revenue stream through gas business growth
- Maintaining financial strength through cash preservation
- Continuing to drive growth projects in Senex's portfolio, with low capex spend (funded by third parties where possible)
- Fast-track development of coal seam gas in the Surat Basin to capitalise on East Coast gas market
- Agreements provide commercialisation and financing pathway moving the Western Surat Gas Project towards FID

Major, transformational agreements

Underwriting and de-risking the Western Surat Gas Project



15/09/2015
SENEX-CORP-GI-MAO-190-2-3

0 50 100 Km

Sale of the Maisey block, in return for \$42 million cash and subsurface and production data of material value to Senex

Gas Sales Agreement for up to 50 TJ/day over 20 year term at USD JCC oil-linked pricing

Transaction details

Transaction components	Details
Sale of Maisey block and funding	• GLNG to acquire the Maisey block for \$42 million in cash. • GLNG to provide a suite of technical and operating data in respect of the Roma field of material value to Senex as it progresses to FID. • Cash to be deployed on Western Surat Gas Project expenditure.
Binding Heads of Agreement for GSA	• GSA for gas from the Western Surat Gas Project area over a 20-year contract term. • GSA provides for the staged ramp up in sales volumes to a maximum of 50 TJ/day following FID. • USD market pricing based on a JCC oil-linked formula. • Delivery of sales gas into the GLNG Comet Ridge to Wallumbilla Pipeline at a point on Senex's permits, with the potential for shared use of existing GLNG infrastructure. • Ability to include Don Juan equity gas volumes at Senex's option. • Ability to sell up to 15% of gas volumes to domestic gas customers.
Commercialisation of pilot	• Raw gas sales and raw water disposal from Glenora Pilot agreed in principle to enable early gas sales.
Collaboration	• GLNG to provide production data to Senex to de-risk accelerated project development. • Collaboration between GLNG and Senex on data and standards. • Potential shared use of existing GLNG water treatment and gas processing infrastructure.

Transactions are conditional on certain government approvals and GLNG participant approval

A value accretive transaction

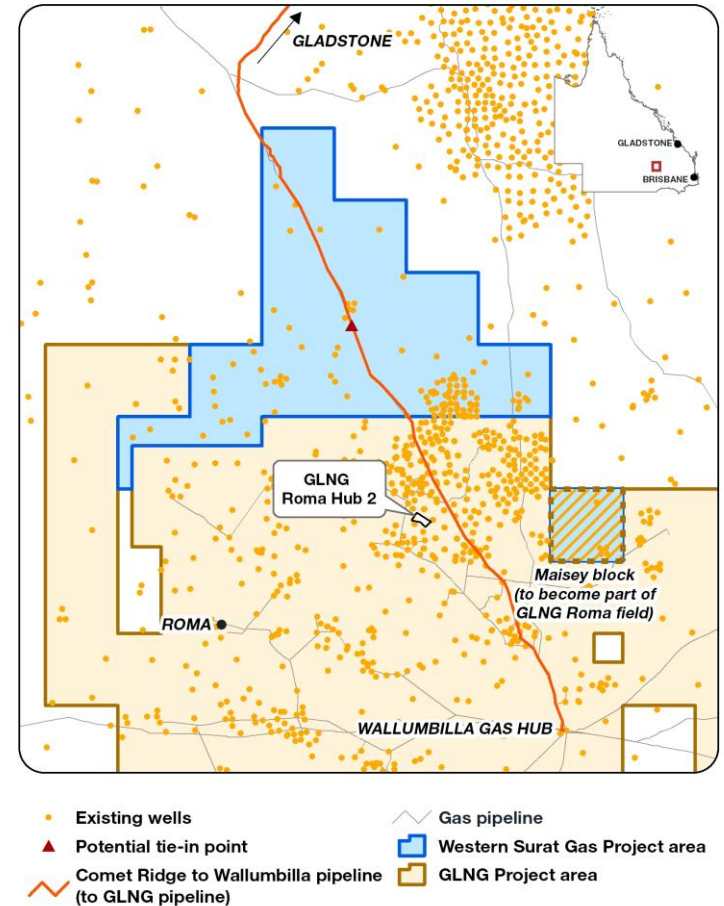
Consideration for sale of Maisey block

\$42 million cash:

- Cash will contribute significantly to funding the Western Surat Gas Project to FID
- Cash multiple of \$0.32/GJ¹

Roma subsurface and production data:

- Ongoing access to gas and water data from 250 - 300 pilot and production wells within the GLNG Roma area
- De-risk understanding of subsurface
- Assist with identifying geological 'sweet spots' for development wells
- Potential to reduce length of planned pilot programs



SENEX-CORP-GI-MAO-191

0 10 20 Km

(1) \$42 million divided by 131 PJ gross 2P Reserves

Western Surat Gas Project

Agreements de-risk resource, infrastructure and market

Resource

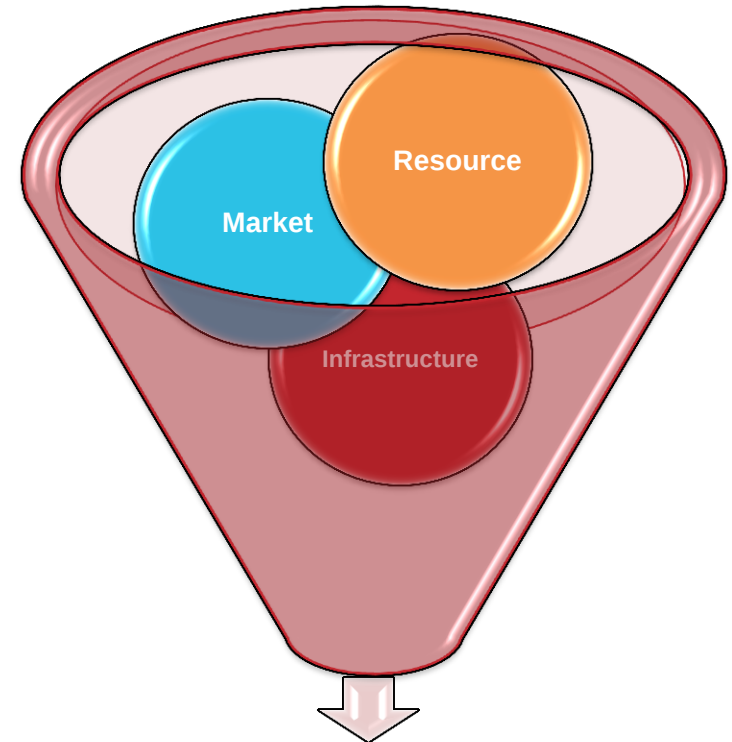
- Geology relatively well understood with pilot appraisal process to test reservoir performance
- Understanding of reservoir de-risked through access to production data within the GLNG acreage
- Encouraging peer results in neighbouring acreage

Infrastructure

- Proximity to GLNG's existing transmission facilities
- Potential shared use of existing GLNG water treatment and gas processing infrastructure
- Infrastructure sharing principles agreed for Glenora pilot program
- Further appraisal to achieve optimal development strategy ahead of FID

Market and funding

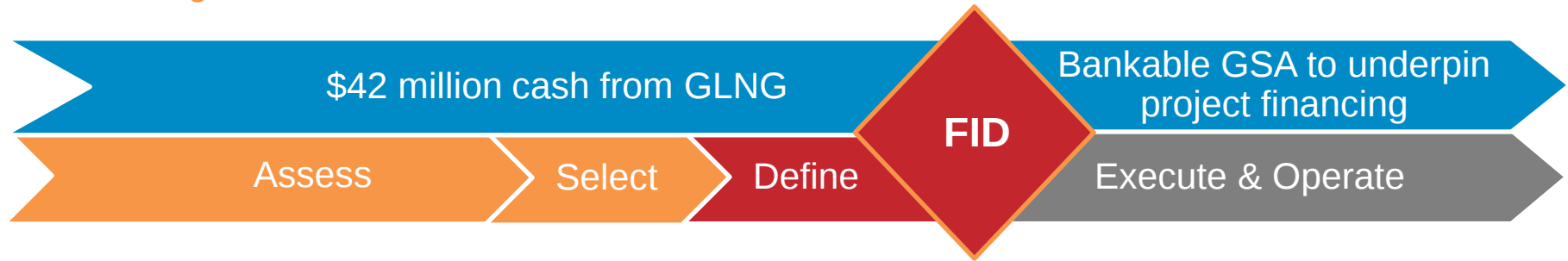
- Commercialisation and financing pathway established by agreements with GLNG



Our most material and advanced gas project

Western Surat Gas Project | Forward plan

Achieving an investment decision



Assess phase: demonstrate feasibility

- Secure land access for initial work
- Baseline environmental studies
- Baseline bore assessments
- Construct infrastructure to support production testing
- Production testing

Select phase: full-scale development concept

- Identify and select development concept (Concept Select phase)
- Continue securing land access
- Field compression

Define phase: selected concept

- Define selected concept (FEED)
- Further environmental approvals
- Land access

Deliver

Defining economic and operating parameters of the project

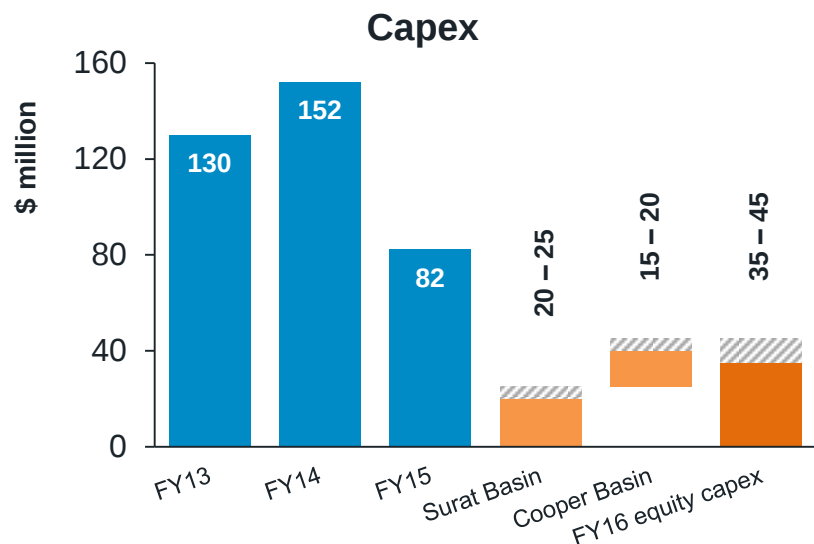
Stage 1

A material gas project

Stage 2

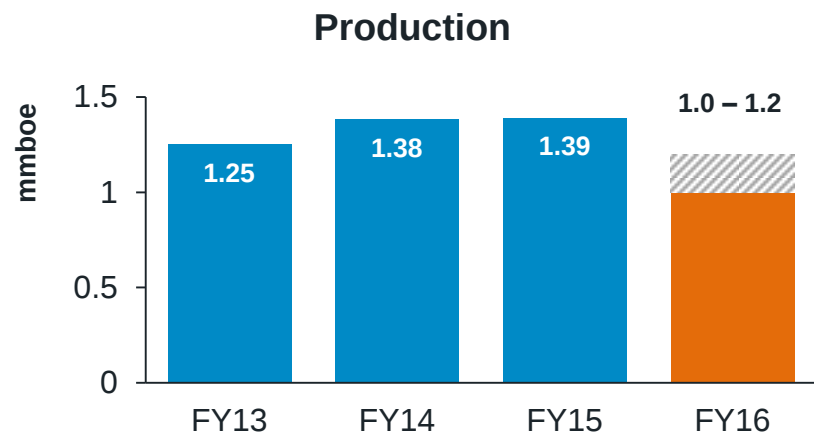
FY16 guidance

Guidance is currently unchanged, and reflects FY16 business priorities



FY16 forecast capex:

- Western Surat Gas Project work program funded from \$42 million cash received from GLNG
- FY16 capex guidance is unchanged
- Releases \$20 – 25 million of existing cash: ability to deploy across business based on opportunity set and market outlook



FY16 forecast production:

- FY16 production guidance is unchanged
- Western Surat Gas Project expected to produce from FY17

Questions

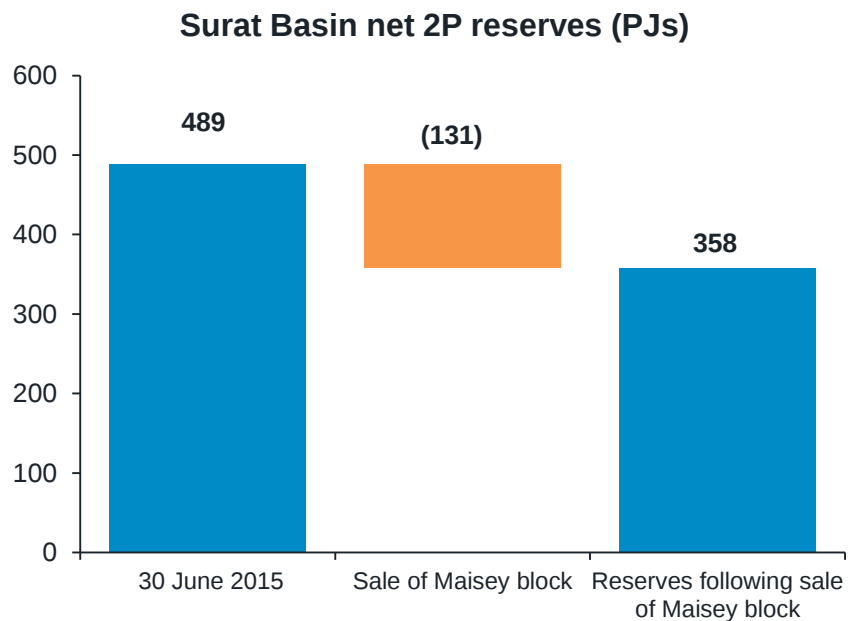
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Appendix

Surat Basin reserves following the sale of the Maisey block



- Material opportunity with meaningful running room
- Don Juan acreage adjoins the Western Surat Gas Project with potential for co-development

Disclaimer

Important information

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Supporting information for estimates

Qualified reserves and resources evaluator statement: Information about Senex's reserves and resources estimates has been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. This reserves and resources statement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator, Mr David Spring BSc (Geology). Mr Spring is a member of the *Society of Petroleum Engineers* and is Executive General Manager of Exploration. He is a full time employee of Senex. Mr Spring has approved this statement as a whole and has provided written consent to the form and context in which the estimated reserves, resources and supporting information are presented.

Aggregation method: The method of aggregation used in calculating estimated reserves and resources was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P estimate may be very conservative and the aggregate 3P estimate very optimistic, as the arithmetic method does not account for 'portfolio effects'.

Conversion factor: In converting petajoules to mmboe, the following conversion factor has been applied: 1 mmboe = 5.880 PJ

Evaluation dates: Permits acquired under QGC Joint Venture asset swap: 30 June 2014; Surat Basin western permits: 19 July 2014

External consultants: Senex engages the services of MHA Petroleum Consultants LLC and Netherland, Sewell and/or Associates, Inc. (all with qualified reserves and resources evaluators) to independently assess data and estimates of reserves prior to Senex reporting estimates.

Method: The deterministic method was used to prepare the estimates of reserves in this presentation.

Ownership: Unless otherwise stated, all references to reserves and resources in this statement relate to Senex's economic interest in those reserves and resources.

Reference point for measuring and assessing the estimated reserves in this presentation: Wallumbilla gas hub, approximately 45 kilometres south east of Roma, Queensland.

Scope and method for WSGP reserve estimates: The Western Surat Gas Project (incorporating ATPs 767, 795 and 889 all operated by Senex) is currently in an advanced exploration phase with preliminary field development plans prepared. Development is anticipated within the next five years following completion of appraisal testing and refinement and approval of the final field development plan. The project is crossed by both the Wallumbilla to Gladstone pipeline and the Comet Ridge to Wallumbilla pipeline and adjoins two developing projects that will be supplying coal seam gas as feedstock for Liquefied Natural Gas (LNG) plants. Environmental Authorities are currently in place over the permits, and these will require amending as the project proceeds through appraisal and development and as activity levels increase.

As has previously been disclosed to the ASX, the commerciality of the project was determined through a detailed feasibility evaluation underpinned by a conceptual development plan and using cost structures of analogous commercial projects as well as internal modelling based on both publicly available data in respect of the Queensland gas market and coal seam gas industry and cost structures of existing Senex business activities. The economic parameters assumed are reasonable having regard to current and anticipated conditions in the Queensland gas market with demand surging in 2016 as a result of LNG export facilities being completed and available supply forecast to be insufficient to meet that demand. Commercial producibility has been confirmed on the basis of geological and geophysical data retrieved from over 120 exploration and appraisal wells that have been drilled across the project area (approx. 2,127 km²), results of drill stem testing in nearly half of those wells and the results of short term testing undertaken on three small scale pilots. Standard engineering and geoscience methods including volumetric analysis and analogy comparisons were the analytical procedures used to estimate the petroleum reserves in this announcement. The petroleum reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogy comparisons to properties with similar geologic and reservoir characteristics. As mentioned above, the Western Surat Gas Project adjoins the GLNG and APLNG projects, which are both currently being developed and for which analogue data was available.

The proposed extraction method is through standard vertical production wells that will use steel casing and be cemented in place. No specialised processing following extraction is anticipated beyond that ordinarily required for coal seam gas production. Dewatering will, of course, be required as with most coal seam gas production. All reserves estimates in this announcement are classified as undeveloped petroleum reserves. 1P reserves are zero for all of the reported estimates in this announcement due to the current status of development and production. In the absence of 1P reserves, 2P reserves have been determined and reported. This is reasonable having regard to the testing undertaken in core, exploration and appraisal wells drilled in the project, proximity to other coal seam gas wells in the area and the reasonable expectation of development considering existing market conditions and infrastructure in the surrounding area.