

DRIVING GROWTH WITH GAS

Morgans Energy Conference

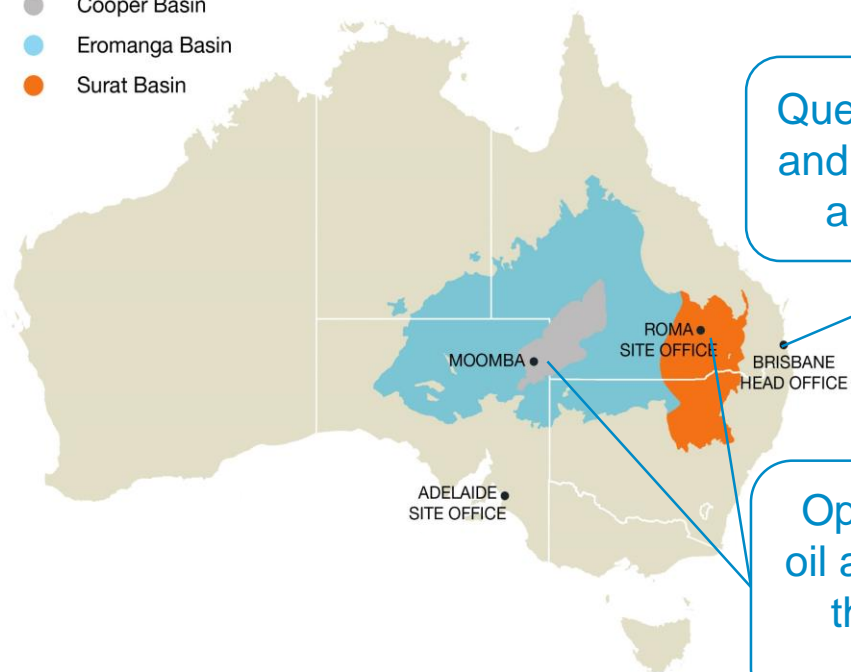
Ian Davies, Managing Director and CEO, Senex Energy Ltd

12 November 2018



Company overview

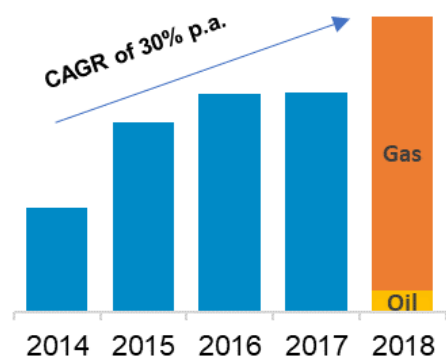
- Cooper Basin
- Eromanga Basin
- Surat Basin



Queensland based oil and gas operator with a 30 year history

Operating onshore oil and gas assets in the Cooper and Surat basins

2P reserves - mmboe



- ✓ Gas: 105 mmboe (615 PJ) in the Surat Basin
- ✓ Oil: 8.6 mmboe in the Cooper Basin

Senex Energy Ltd (ASX: SXY)	
Market capitalisation	~\$620 million
FY18 production	0.84 mmboe
FY9 production guidance	1.1 – 1.5 mmboe
Target annual production run rate by end FY21	4 mmboe
2P reserves (at 30 June 2018)	113 mmboe
Cash (at 30 September 2018)	~\$58 million
Liquidity	\$150m senior secured debt facility

Senex is uniquely positioned to realise near-term potential within the east coast gas market





Investment highlights

3

Strategic priorities



High growth east coast gas business

- Focus on delivery of natural gas projects
- Transformational impact on reserves, production, cash flows and earnings



High margin oil business

- Disciplined exploration, appraisal and development of Cooper Basin oil assets
- Prioritised focus on core low-cost acreage



Strong balance sheet

- \$58 million cash and \$150 million debt facility
- Funded development programs



Supportive market dynamics

- Structurally short Australian east coast gas market
- Attractive oil prices and global LNG demand

Recent milestones achieved

- ✓ Financial close of \$150 million senior debt facility
- ✓ Final Investment Decisions taken for Project Atlas and Roma North natural gas developments
 - Targeting annual gas production run rate of 3 mmboe by end FY21
- ✓ Multi-year Surat Basin work programs sanctioned
 - Capital program of \$220 – 250 million to end FY21
- ✓ FY19 production and capital expenditure guidance
 - Production of 1.1 – 1.5 mmboe (FY18: 0.84 mmboe)
 - Capital expenditure \$110 – 130 million, net to Senex (FY18: \$80 million)
- ✓ Strong Q1 FY19 results with production growth and two commercial oil discoveries



Driving growth: Project Atlas

4

Ownership

- 100% owned and operated by Senex
- Acreage awarded to Senex in Sep-17 for nil consideration

Resource

- Total area of ~58 km²
- Total 2P reserves of 144 PJ; targeting up to 278 PJ of ultimate recovery
- High quality, top tier resource adjoining producing acreage
- Resource to support more than 100 wells

Market

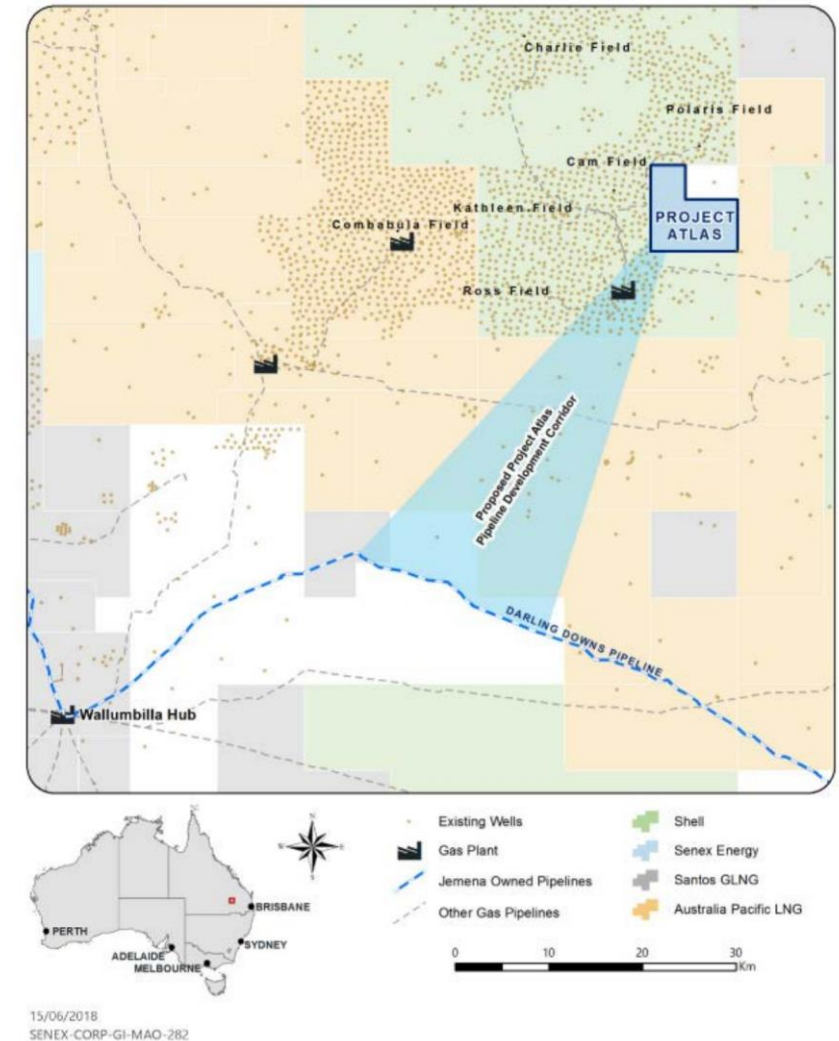
- Gas to be contracted to domestic users
- Gas customer discussions underway
- Gas processing capacity of 32 TJ/day (~2 mmboe per annum), plus 8 TJ/day installed redundant capacity

Infrastructure

- 60 kilometre pipeline to Wallumbilla Hub
- Jemena to build, own and operate
- ~60 development wells commencing late Q3 FY19

Next steps

- Initial gas sales agreement by mid-2019 targeted
- Land access and regulatory approval processes underway





Driving growth: Western Surat Gas Project

5

Ownership

- 100% owned and operated by Senex

Resource

- Total area of ~840 km²
- Total 2P reserves of 395 PJ
- Project to support up to 425 wells over 20+ years
- Flexible 20 year gas sales agreement with GLNG

Market

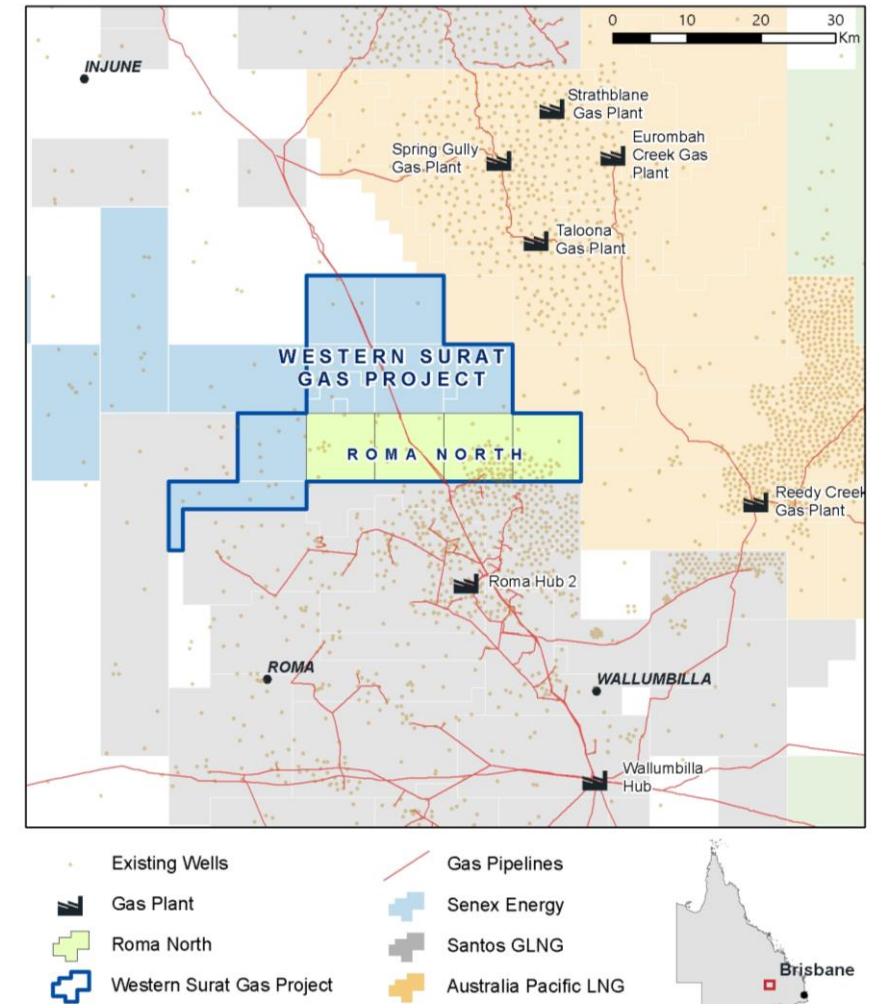
- Up to 50 TJ/d; attractive JCC oil-linked pricing
- Separate arrangements for acreage outside of Roma North to facilitate orderly appraisal

Infrastructure

- Initial 16 TJ/day (~1 mmboe pa) gas processing capacity
- Ability for rapid low-cost expansion to 24 TJ/day
- Connection to GLNG's existing pipeline infrastructure
- Construction and ownership options under consideration
- ~50 development wells in Roma North commencing Q4 FY19

Next steps

- Integrated drilling program with Project Atlas, with priority focus on Project Atlas
- Gas processing facility construction, with commissioning in Q4 FY19 targeted





Driving growth: Surat Basin timelines

6

Project Atlas						
Project Atlas Timeline	FY19		FY20		FY21	
	H1	H2	H1	H2	H1	H2
FID / Approvals	◆ FID taken					
Gas facility construction		40 TJ/d				
Gas facility commissioning			◆			
First drilling campaign		15 wells				
Second drilling campaign				~45 wells		
Gas contracting discussions						
Gas ramp-up						

Roma North						
Roma North Timeline	FY19		FY20		FY21	
	H1	H2	H1	H2	H1	H2
Approvals / FID	All approvals received / FID taken					
Gas facility construction	16 TJ/d, +8 TJ/d ¹					
Gas facility commissioning		◆				
Drilling			~50 wells Integrated with Project Atlas			
Raw gas sales						
Processed gas sales						
Gas ramp-up						

1. Subject to future investment decision



Driving growth: Cooper Basin Oil

7

Overview

- Prolific hydrocarbon basin and long-established producing region
- Prioritised focus on western flank; rationalisation of non-core acreage ongoing
- Ten-well FY19 drilling campaign underway; free-carried for up to \$43m; two commercial successes in Q1 FY19 (Breguet-1 and Snatcher North-1)

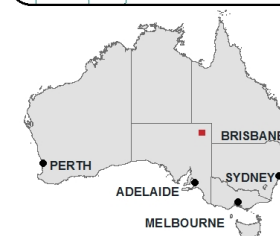
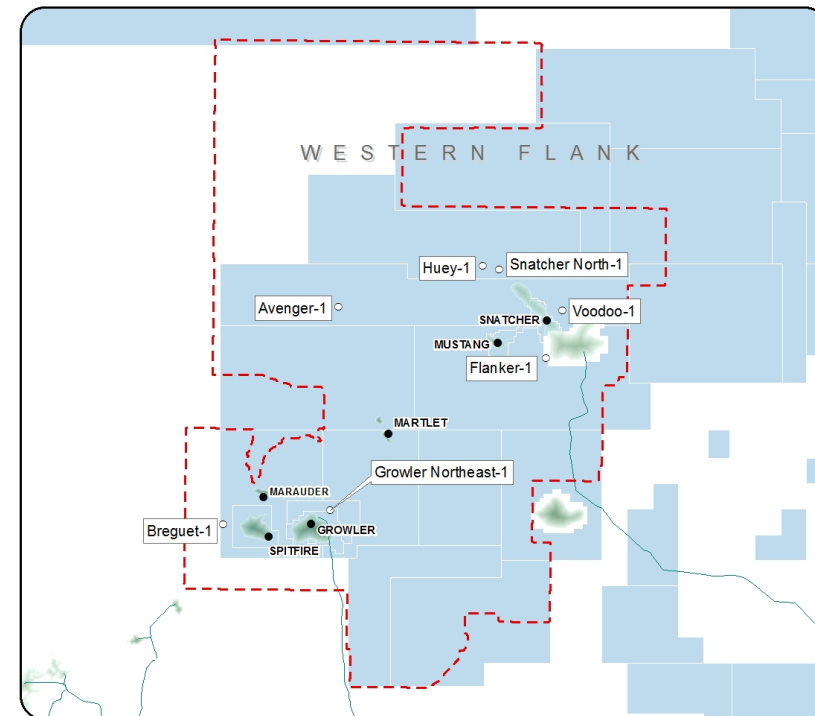
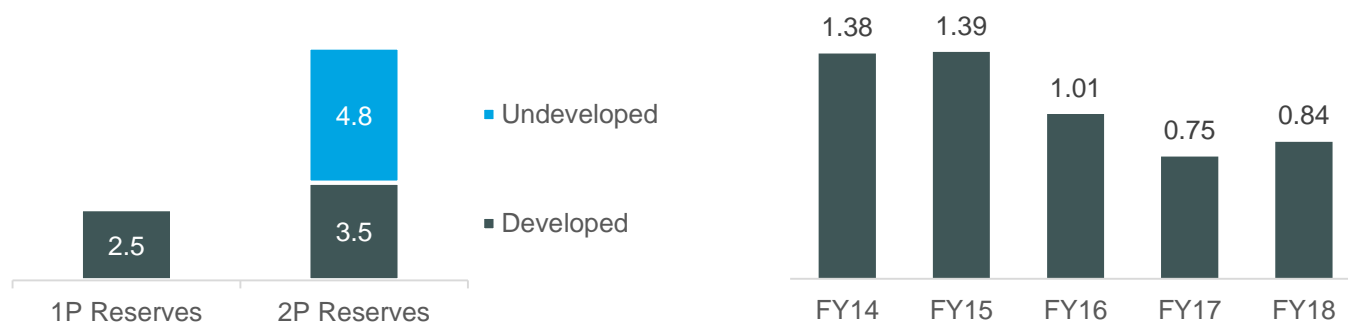
Producing assets

- ~1 mmboe production over past five years
- Western flank operating costs ~\$29/bbl
- Oil transported to Moomba and sold to the SACB Joint Venture and IOR

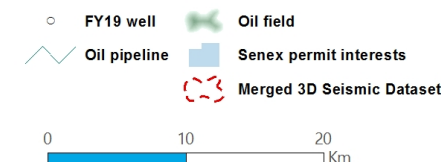
Exploration and development

- De-risking opportunities through extensive regional study
- Over 18,000 km² of 3D seismic surveys
- Extensive drilling data available from long operating history of the basin

Oil reserves and production (mmboe)



13/08/2018
SENEX-CORP-GI-MAO-201



Senex



Investment highlights

8

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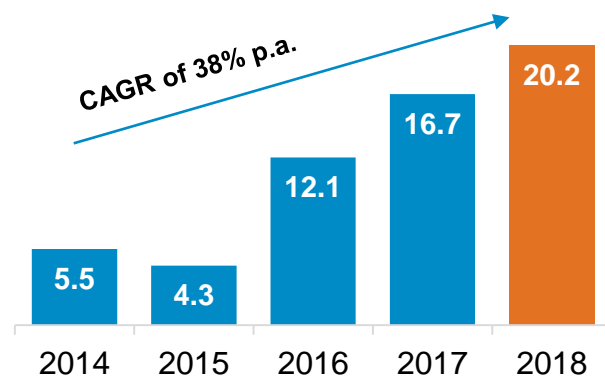




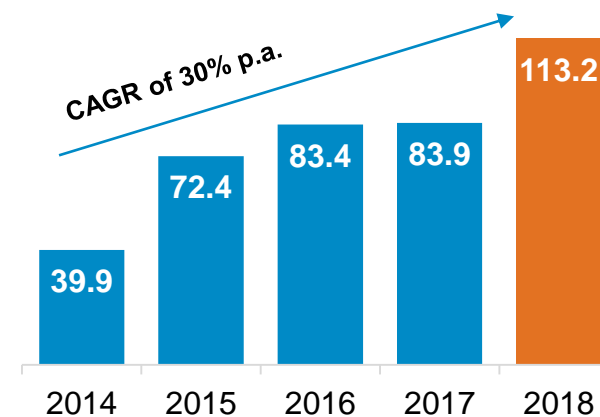
Appendix: Reserves and resources

10

1P reserves - mmboe



2P reserves - mmboe



mmboe	1P Reserves	2P Reserves	2C Resources
Oil	2.5	8.3	5.3
Gas and gas liquids	17.7	104.8	-
Total as at 30 June 2018	20.2	113.2	5.3
Total as at 30 June 2017	16.7	83.9	208.1
Increase / (decrease)	21%	35%	(97%)



Appendix: Key financial headlines

11

	FY17	FY18	Change
Production (mmboe)	0.75	0.84	12%
Sales volumes (mmboe)	0.72	0.79	10%
Average realised oil price (\$ per bbl)	61	95	56%
Capital spend (\$ million)	62.3	80.1	29%
Sales revenue (\$ million)	43.6	70.3	61%
Operating cost ex royalties (\$ per bbl produced)	30.2	28.6	(5%)
EBITDAX (\$ million)	7.3	43.4	495%
Underlying NPAT (\$ million)	(22.5)	2.0	N/A
Statutory NPAT (\$ million)	(22.7)	(94.0)	(314%)
Operating cash flow (\$ million)	(8.1)	5.3	N/A
Cash balance (\$ million)	134.8	66.5	(51%)

- Strong production and sales volumes
- Improved realised oil prices
- Significant investment in Surat Basin
- Strong sales revenue on higher prices
- Lower operating costs and strong margins
- Return to underlying profit
- Statutory NPAT impacted by non-cash impairment as a result of prioritising focus on Cooper Basin western flank and Surat Basin
- Robust cash position driven by positive cash from operations helped to fund significant investment in Surat Basin growth projects



Appendix: Financing our Surat Basin development projects

12

Corporate and development debt facility with ANZ

✓ Cost effective	• Secured in July 2018 after extensive competitive process
✓ Flexible	• Fully underwritten by ANZ – Top four bank with energy industry track record
✓ Technical due diligence demonstrated quality of growth projects	• \$125 million senior secured Reserve Base Lending (RBL) Facility
	• Seven year tenor with flexibility to refinance at any time
	• Competitive margins: starting interest cost approximately 6% per annum, stepping down on completion of development projects
	• \$25 million working capital facility
	• Financial close achieved October 2018

Project Atlas downstream infrastructure agreement with Jemena

✓ Cost effective tariff	• Secured in June 2018 after competitive process
✓ Leverage Jemena expertise	• Jemena to fund, build, own and operate the \$140m facility and pipeline
✓ Senex to focus on upstream	• Agreement includes expansion and extension options



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Supporting information for reserves estimates

14

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 (Hons). 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 factors have been applied:

- Surat Basin gas: 1 mmboe = 5.880 PJ
- Cooper Basin gas: 1 mmboe = 5.815 PJ

Evaluation dates:

- Cooper-Eromanga Basin: 30 June 2018
- Surat Basin gas reserves and resources: 30 June 2018

External consultants: Senex engages the services of Degolyer and MacNaughton (D&M) and Netherland Sewell Associates (NSAI) 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, and the probabilistic method was used to prepare the estimates of resources 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 points: The following reference points have been used for measuring and assessing the estimated reserves in this presentation:

- Cooper-Eromanga Basin: Central processing plant at Moomba, South Australia. Fuel, flare and vent consumed to the reference point are included in reserves estimates (c. 6% of 2P oil reserves estimates may be consumed as fuel in operations depending on operational requirements).
- Surat Basin: Wallumbilla gas hub, approximately 45 kilometres south east of Roma, Queensland. Fuel, flare and vent consumed to the reference point are excluded from reserves estimates (c. 10% of 2P gas reserves estimates have been assumed to be consumed as fuel in operations).

Reserves replacement ratio: The reserves replacement ratio is calculated as the sum of estimated reserves additions and revisions divided by estimated production for the period, before acquisitions and divestments.