

ASX Announcement

Release Date: 24 August 2020



Senex Energy FY20 full year results and outlook

Senex Energy Ltd (Senex, ASX: SXY) today reported full year FY20 results, delivering its promised transformation into a material east coast natural gas producer with production and underlying EBITDA growth at the top end of upgraded guidance.

FY20 Highlights

- Senex transformation complete with \$400 million Surat Basin gas development projects delivered; platform now in place to support material production expansion and acceleration from extensive gas reserves position
- Production up 73% to 2.1 mmboe, with Roma North gas production up 278% to 1.2 mmboe (7.2 PJ)
- Sales revenue up 28% to \$120 million, underlying EBITDA up 51% to \$53 million and operating cashflow up 16% to \$52 million
- 2P oil and gas reserves up 19% to 134 mmboe following continued production outperformance
 - Surat Basin 1P gas reserves up 108% to 210 PJ; 2P gas reserves up 21% to 739 PJ

Outlook

- FY21 to deliver continued strong growth in production, earnings and cashflow, with peak net debt of <\$60 million (< 1x EBITDA) and a reduced free cashflow breakeven Brent oil price of <US\$15/bbl
 - Reflects a cash generative asset portfolio with resilient and diversified revenue streams
- FY22 Foundation Asset Base targets maintained despite lower commodity price outlook; targeting free cashflow of \$70 – 90 million and deleveraging to a net cash position by the end of FY22
- Core focus remains on cash generation, shareholder returns and low-risk high-return growth

Managing Director and Chief Executive Officer, Ian Davies said Senex outperformed throughout FY20, delivering outstanding project, operating and financial results as the company continued its trajectory towards high-yielding free cashflow generation in FY22.

“Following the onset of COVID-19, Senex rapidly implemented broad ranging protocols and procedures to mitigate impacts of the pandemic. This ensured business continuity and uninterrupted operations throughout this critical period, while our large capital works programs continued on schedule.

“We also undertook decisive action to streamline operations which will deliver material and ongoing cost savings. Senex remains a highly cost competitive, agile and scalable business well positioned to deliver on its growth strategy.

“Our success in FY20 sees Senex’s transformation to a diversified oil and gas producer now complete. We have a low-cost business model with a diversified asset portfolio and material acceleration and expansion growth opportunities.

ASX Announcement: Senex Energy FY20 full year results and outlook

“Outstanding production performance in FY20 has re-set our expectations for FY22. We now target production of 3.6 – 4.1 mmboe from our Foundation Asset Base in FY22, up half a million barrels from our baseline guidance earlier this year and before any expansion opportunities.

“With production targets re-set and an ongoing focus on operating and cost efficiencies, Senex has maintained FY22 earnings and cashflow targets despite the lower commodity price outlook. We are targeting Foundation Asset Base underlying EBITDA of \$100 – 110 million and free cashflow of \$70 – 90 million in FY22.

“As always, our Balance Sheet remains strong, with \$80 million of liquidity as at 30 June 2020, deleveraging underway and a targeted net cash position by the end of FY22. We have a resilient business model and expect a free cashflow breakeven of less than US\$15/bbl in FY21.

“After an incredibly successful year, Senex has unquestionably delivered the foundations to achieve a step-change in annual production, cashflow and earnings”, Mr Davies said.

FY21 Guidance

Item	FY21 guidance
Production	3.2 – 3.6 mmboe
Underlying EBITDA	\$65 – 75 million
Capital expenditure	\$40 – 50 million
Free cashflow	\$20 – 30 million
Depletion, depreciation & amortisation	<\$15/boe
Free cashflow breakeven	<US\$15/bbl

RESULTS WEBCAST

Senex Managing Director and Chief Executive Officer Ian Davies and Chief Financial Officer Mark McCabe will hold a webcast today to discuss the full year results:

Time: 10.00am AEST

Date: Monday, 24 August 2020

The webcast can be accessed via the Senex company page on the Open Briefing website:
<https://webcast.openbriefing.com/6423/>. A recording of the webcast will be available via the same link.

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About Senex

Senex is a growing Australian oil and natural gas explorer and producer. We are focused on creating sustainable value for all stakeholders through low-cost, efficient and safe operations in the Surat and Cooper basins. Senex is helping to meet the energy challenge on the east coast of Australia through natural gas development projects which include Project Atlas, Australia's first dedicated domestic gas acreage.



FY20 full year results and outlook

Ian Davies, Managing Director and CEO

Mark McCabe, Chief Financial Officer

24 August 2020

Transformation delivered in FY20

Successful project delivery, production outperformance, major reserves upgrades and earnings growth

Total production

2.1 mmboe

+73%

Surat Basin 2P
gas reserves

739 PJ

+21%

Total 2P reserves

134 mmboe

+19%

Sales revenue

\$120 million

+28%

Underlying EBITDA

\$53 million

+51%

Operating cashflow

\$52 million

+16%

NB. For further information on reserves, refer to ASX announcement dated 14 July 2020; there have been no material changes to information or assumptions contained in that announcement
NB. For reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDA, refer to slide 16

Outstanding operating and financial performance

Project execution excellence, strong Surat Basin production and cost efficiencies drive guidance beats

	Original guidance	Revised guidance	FY20 outcome
Production	1.8 – 2.0 mmboe	2.0 – 2.1 mmboe	2.1 mmboe ✓ Surat Basin production outperformance
Underlying EBITDA	\$40 – 50 million	\$45 – 55 million	\$53 million ✓ Increasing gas sales ✓ Cost efficiencies

	Start FY20	End FY20
Surat Basin 1P gas reserves	101 PJ	210 PJ ↑ 108%
Surat Basin 2P gas reserves	612 PJ	739 PJ ↑ 21%
Surat Basin 3P gas reserves	890 PJ	995 PJ ↑ 12%
Cooper Basin 2P oil and gas reserves	7.3 mmboe	7.3 mmboe ✓ 100% RRR

- ✓ Production and earnings at top end of revised guidance
- ✓ Surat Basin capital program completed under budget
- ✓ Major Surat Basin reserves upgrade underpins significant growth potential
 - ✓ Over 600 PJ of undeveloped Surat Basin 2P gas reserves provides extensive running room for production expansion and acceleration
 - ✓ Long-lead items ordered for Roma North expansion to 24 TJ/ day (+8 TJ/day)
- ✓ FY20 DD&A of \$18.8/boe

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 NB. For reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDA, refer to slide 16

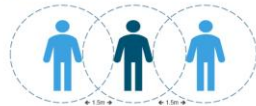
Excellent performance in a challenging environment

Comprehensive COVID-19 protocols implemented with improving HSE outcomes

Rapid response to COVID-19 ensured business continuity

Social Distancing

Guidance for worksites



Hygiene

- Wash hands regularly with soap and water for at least 20 seconds – use sanitiser if unavailable
- Avoid touching your eyes, nose, and mouth with unwashed hands
- Avoid sharing equipment or pens – wipe down if required
- Cover your nose and mouth with a tissue when you cough or sneeze, and clean your hands afterwards. If you don't have a tissue, sneeze or cough into a flexed elbow
- If you are unwell inform your supervisor immediately

COVIDSafe workplace – tips and guidelines



Self-assess how you are feeling



Practice good hygiene

Vehicle	
Vehicle Occupants ↓	Less Than
Senex Only	No Maximum
Senex / Non-Senex Shared	1 x
Non-Senex Only	(as per relevant local government requirements)

Notes:

- "Non-Senex" means any person who is not a Senex employee or contractor.
- There is no requirement for diagonal seating in a single cab vehicle.
- Approval from the relevant Senex Business Unit is required for any arrangements or deviations.

General Requirements

- Maintain at least 1.5m between people
- Avoid handshakes
- Conduct toolbox meetings in smaller teams when possible
- Work in smaller teams when possible
- Don't have groups in offices break times
- Maintain adequate cleaning

Coronavirus: community is our priority

At Senex Energy our highest priority is the safety and wellbeing of our people and the communities in which we work.

We are responding to the threat of coronavirus, working closely with our employees, contractors, suppliers, landholders and others in the community.

Our objective is to meet or exceed government, World Health Organisation and among the many precautions we're taking in the Surat Basin are:

- Employees and contractors take all required measures on anti-virus distancing and safety
- Health checks before travel and entry to our sites
- Essential work only
- Support to our operations and we will strongly support them.

Practice physical distancing

Individual Quick Tips

While these are uncertain times, there are things we can do to ensure we are taking care of ourselves and our teammates. When working from home, it is important we remain connected through regular team interaction, utilising opportunities to remain social with our colleagues and continuing with relevant and value adding work.

Tech Ready

Work Environment

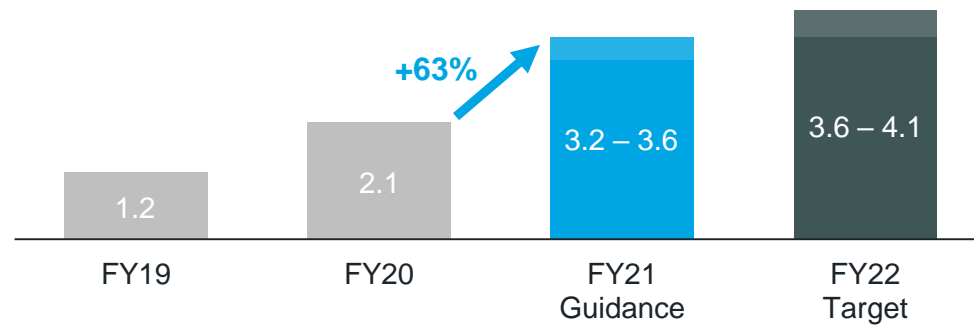
Staying Connected

- ✓ Early enactment of strict COVID-19 protocols and business continuity measures ensured minimal impact on operations
- ✓ Excellent safety performance in the Surat Basin during delivery of large capital works program
- ✓ Strong safety culture and incident reporting
- ✓ Continued improvement in safety performance and reduction in injury severity
 - ✓ LTIFR decreased to 2.9 (FY19: 3.1)
 - ✓ TRIFR decreased to 8.7 (FY19: 9.4) with no high severity injuries
- ✓ Continued focus on contractor management

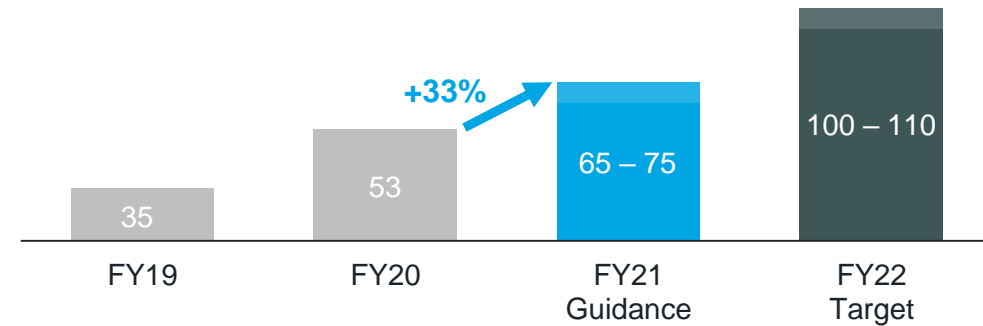
Strong growth to continue in FY21

Surat Basin gas production and cost performance driving earnings and cashflow growth

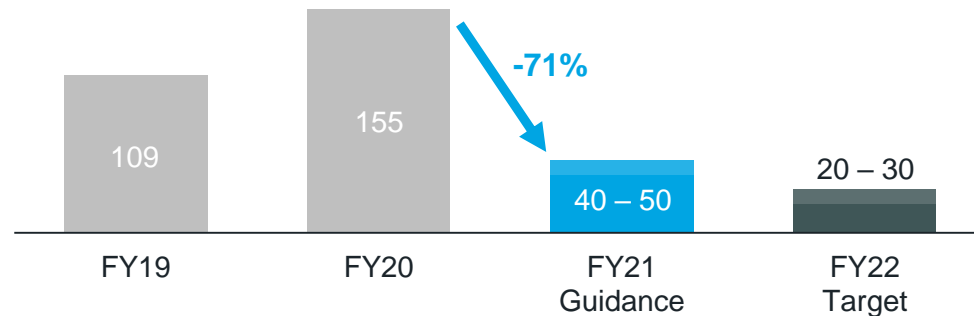
FY21 Production: 3.2 – 3.6 mmboe



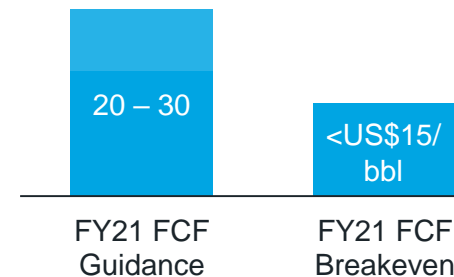
FY21 Underlying EBITDA: \$65 – 75 million



FY21 Capital expenditure: \$40 – 50 million



FY21 FCF: \$20 – 30 million

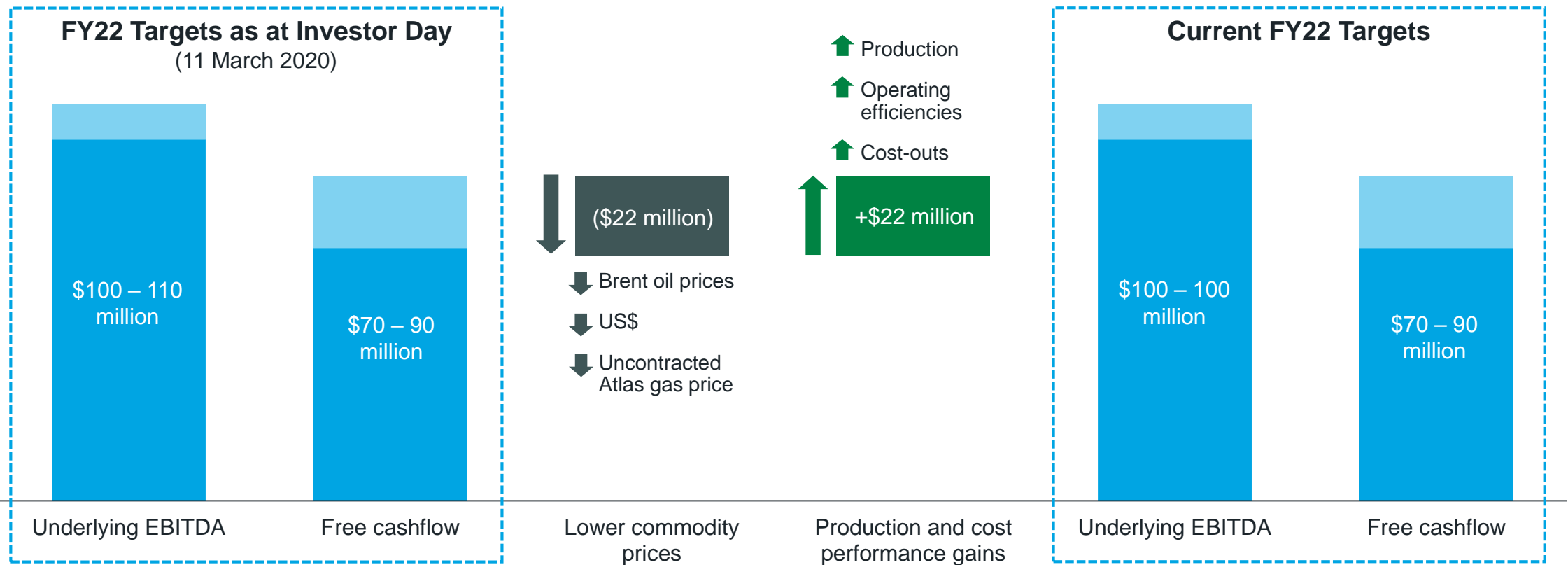


- ✓ Strong deleveraging underway
- ✓ Targeting net cash position by end of FY22

NB. For further assumptions relating to FY21 guidance, refer to slide 19; for definitions and assumptions relating to FY22 Foundation Asset Base targets, refer to slides 7 and 32
 NB. For reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDA, refer to slide 16

Production and cost performance offset lower prices

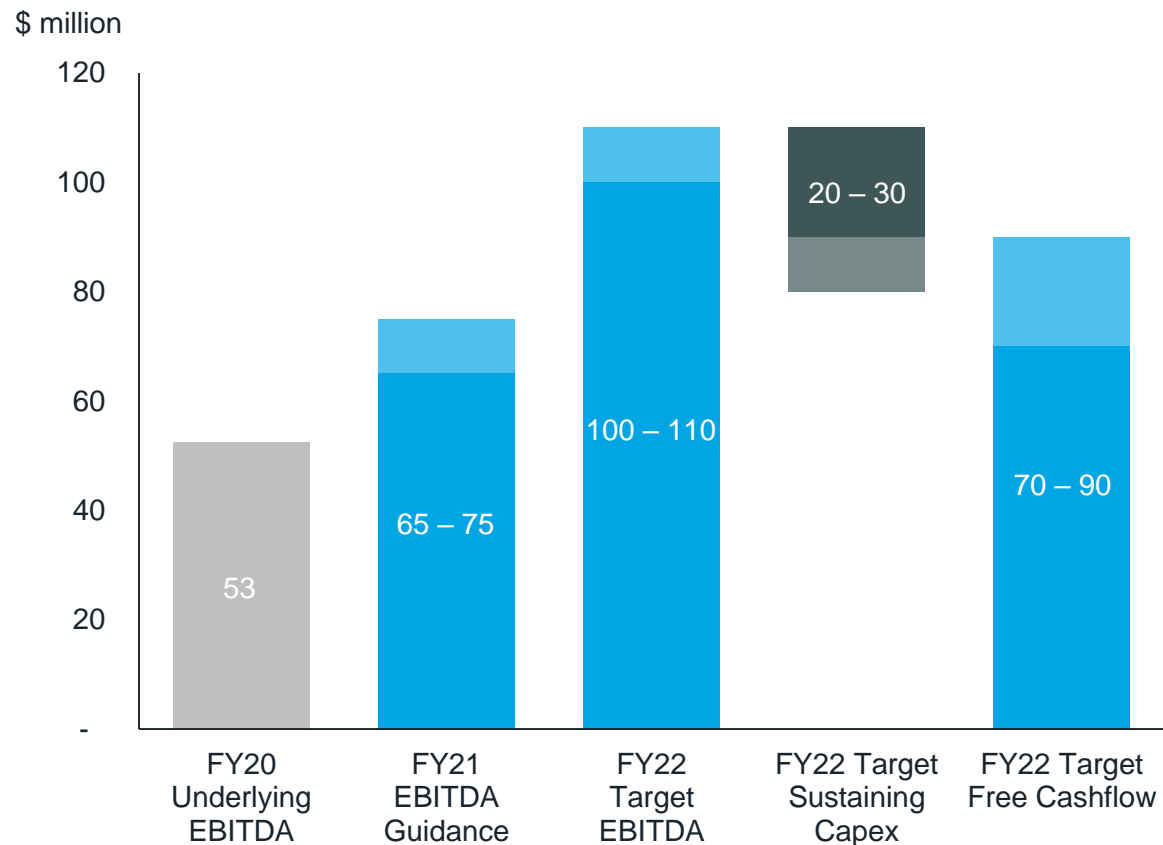
FY22 Foundation Asset Base earnings and cashflow targets maintained, despite lower commodity prices



NB. For definitions and assumptions relating to FY22 Foundation Asset Base targets, refer to slides 7 and 32

High free cashflow yield outlook

Targeted annual free cashflow of \$70 – 90 million to support growth and capital management initiatives



A highly cash generative Foundation Asset Base

- ✓ Material EBITDA and free cashflow generation from Foundation Asset Base
- ✓ Resilient free cashflow breakeven at nominal Brent oil prices

References to Foundation Asset Base relate to full year FY22 performance from the following assets:

- Atlas gas assets; 32 TJ/day nameplate capacity
- Roma North gas assets; 16 TJ/day nameplate capacity
- Cooper Basin producing oil and gas assets; internal estimates of production

The Foundation Asset Base **does not** include additional capital expenditure on exploration, appraisal, development or infrastructure, however **does** include maintenance capital expenditure for the Cooper Basin, and sustaining capital expenditure to maintain plateau production at Atlas and Roma North

Sensitivities (all relate to full year FY22 analysis):

- Brent oil price: +/- US\$10 Brent oil price = +/- A\$14m free cashflow
- Atlas gas price (ex-Wallumbilla): +/- A\$1 gas price = +/- A\$5m free cashflow
- Australian dollar: +/- 1 cent AUD = +/- A\$1.2m free cashflow

NB. Figures represent contribution from Foundation Asset Base from FY22; refer to slide 32 for further detail regarding definitions and assumptions

FY22 target key assumptions include: US\$51.3/bbl Brent oil, A\$:US\$ exchange rates of 0.69, Atlas uncontracted gas price of A\$8.00/GJ; Atlas contracted gas price per existing gas sales agreements, Roma North oil linked gas price per existing gas sales agreement; unit operating costs are all-in, including field operating costs, tolls, tariffs and royalties

NB. For reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDA, refer to slide 16

Operating and financial results

People, environment and community

Strong results achieved while maintaining strict COVID-19 protocols and procedures



People



Environment



Community



Improved safety outcomes and performance

- Early enactment of strict COVID-19 protocols and business continuity measures
 - Ongoing focus on personal safety during the COVID-19 pandemic
- Continued improvement in safety performance and reduction in injury severity
 - LTIFR decreased to 2.9 (FY19: 3.1)
 - TRIFR decreased to 8.7 (FY19: 9.4) with no high severity injuries
- Continued focus on contractor management, incident reporting, audits and inspection, behavioural safety and safety leadership

High environmental standards and new initiatives

- No regulatory infringement notices received
- Continuing strict focus on minimising disturbance across permits
- Commenced development of small-scale solar energy projects
- Continued support for the Wild Desert conservation project
- Contributions to the Nature Foundation of South Australia for conserving, restoring and protecting native flora and fauna

Supporting communities during challenging times

- Shorter payment terms for ~400 small businesses
- Fund created for community financial support
- RFDS Central Operations sponsorship renewed for three years and expanded to include Queensland
- More than 30 community partnerships including Miles' Women's Wellness Day and the Wandoan State School's Greener Ovals initiative
- 24-hour availability of Cooper Basin helicopter medical evacuations; helicopter landing sites provided for local land holders

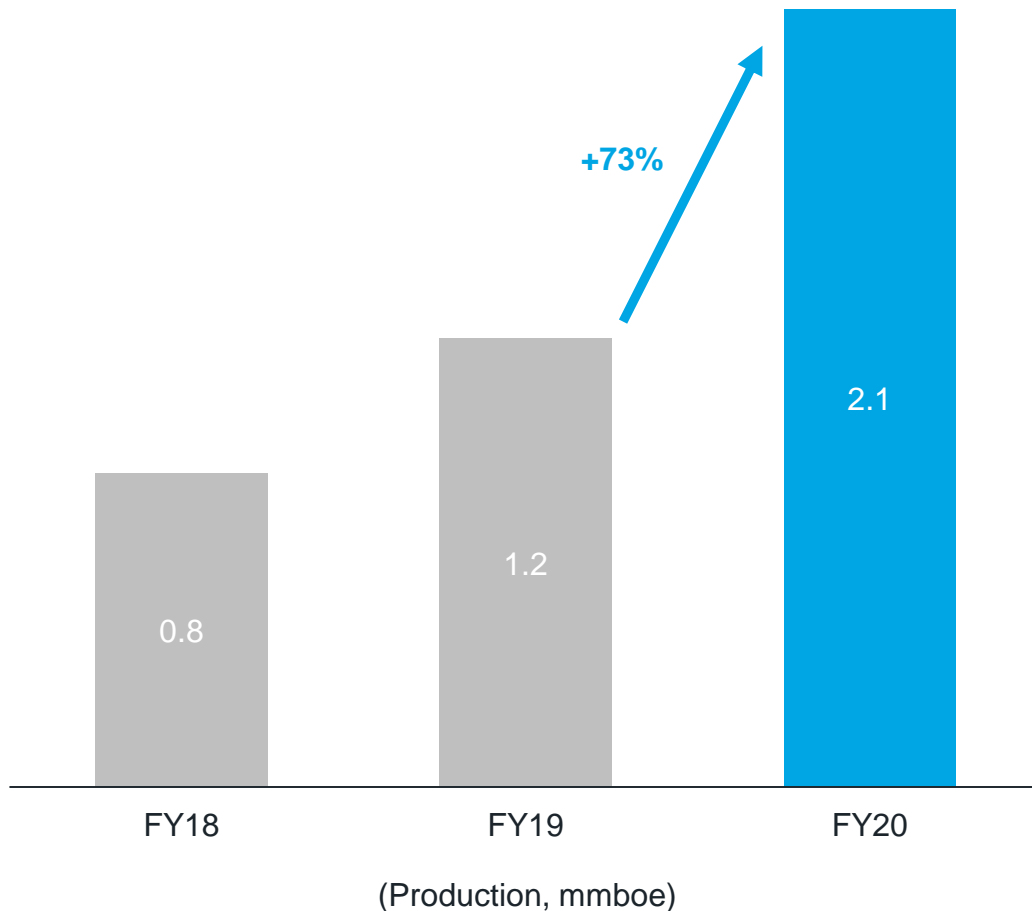
A year focused on successful project execution

Start of FY20 objectives	FY20 outcomes
<i>Transforming Senex into a material east coast gas producer</i>	<i>All objectives delivered as promised</i>
<input type="checkbox"/> Commissioning of Roma North gas processing facility	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Completion of \$50 million sale of Roma North gas processing facility to Jemena	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Construction and commissioning of Atlas gas processing facility and pipeline (Jemena)	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> First sales gas from Atlas and commencement of new gas contracts	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Largely complete ~110 well Surat Basin drilling campaign	<input checked="" type="checkbox"/> Completed; reduced to 80 wells due to production outperformance
<input type="checkbox"/> Ongoing connection of wells and ramp-up of Surat Basin production	<input checked="" type="checkbox"/> All development wells brought onto production
<input type="checkbox"/> Surat Basin capital investment of ~\$150m ¹	<input checked="" type="checkbox"/> Surat Basin work programs delivered below budget
<input type="checkbox"/> Further Atlas gas sales agreements to be signed	<input checked="" type="checkbox"/> >37 PJ contracted; calendar year 2020 fully contracted
<input type="checkbox"/> Roma North expansion FEED	<input checked="" type="checkbox"/> Works commenced; all long-lead items ordered
<input type="checkbox"/> Cooper Basin free carry program of final four wells	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Complete Gemba production test, tie-in and commissioning and commence gas sales	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Processing and interpretation of Cooper Basin Westeros 3D seismic	<input checked="" type="checkbox"/> Completed; material exploration prospects identified

1. Within original Surat Basin capital expenditure guidance of \$220 - 250 million for FY19 - FY21 (refer ASX announcements dated 29 October 2018 and 20 August 2019)

Strong production growth driven by gas

Surat Basin gas production up 278% to 1.2 mmboe (7.2 PJ)



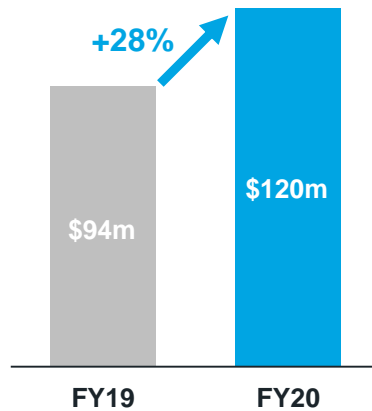
- Better than expected production performance at Roma North
 - Reached initial nameplate capacity of 16 TJ/day
 - Subsequently de-bottlenecked to produce >18 TJ/day
- First gas production from Atlas with strong production ramp-up
 - Daily production now >20 TJ/day and increasing to initial nameplate capacity of 32 TJ/day
- First gas from the Gemba field in the Cooper Basin
- Cooper Basin oil appraisal and development activity mitigated natural field decline

	FY19	FY20	Change
Oil (kbbl)	777	678	↓ 13%
Gas and gas liquids (kboe)	428	1,405	↑ 229%
Total production (kboe)	1,205	2,084	↑ 73%

Financial highlights

Strong growth achieved during a year of successful project execution

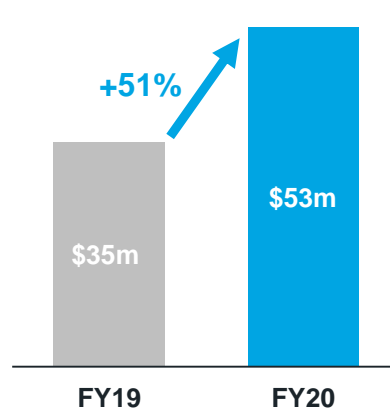
Sales revenue



Gas continues to drive revenue trajectory

- Sales revenue up 28% to \$120.3 million
- Surat Basin gas production up 278% to 7.2 PJ
- Total production up 73% to 2.1 mmboe

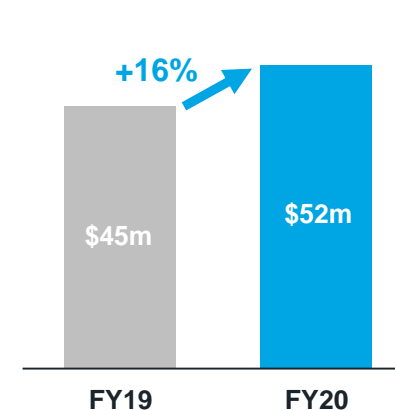
Underlying EBITDA



Transformation in earnings and cashflow

- Underlying EBITDA up 51% to \$52.5 million¹
- FY22 Foundation Asset Base underlying EBITDA target of \$100 – 110 million²

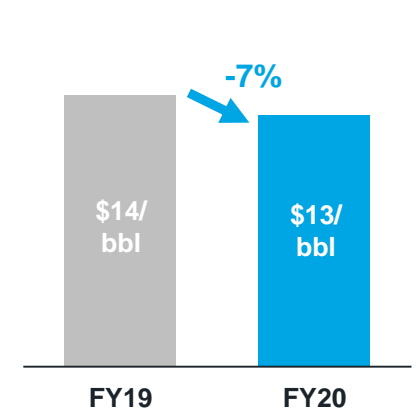
Operating cashflow



Growing cashflows to support capital management initiatives

- Operating cashflow up 16% to \$51.5 million
- FY22 Foundation Asset Base free cashflow target of \$70 – 90 million²

Oil field operating costs



Further reductions to already low oil field operating costs

- Oil field operating costs down 7% to \$13.0/bbl³
- Continued focus on operating efficiencies and cashflow generation

1. For reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDA, refer to slide 16
 2. For definitions and assumptions relating to FY22 Foundation Asset Base targets, refer to slides 7 and 32
 3. Excludes tariffs and royalties

Underlying EBITDA at the top end of upgraded guidance

Surat Basin development projects provide foundation for earnings growth

	FY19	FY20	Change
Production (kboe)	1,205	2,084	↑ 73%
Sales volumes (kboe) ¹	1,156	2,016	↑ 74%
Average realised oil price (\$/bbl)	101.0	89.5	↓ 11%
Average realised gas and gas liquids price (\$/GJ)	7.6	7.8	↑ 3%
Sales revenue (\$ million)	94.1	120.3	↑ 28%
Oil field operating costs (\$/bbl)	14.0	13.0	↓ 7%
EBITDA (\$ million) ²	30.9	49.5	↑ 60%
Underlying EBITDA (\$ million) ²	34.8	52.5	↑ 51%
<i>Underlying margin</i>	37%	44%	↑ 7 bp
Statutory NPAT (\$ million) ²	3.3	(51.4)	nm
Underlying NPAT (\$ million) ²	7.2	3.8	↓ 47%
Operating cashflow (\$ million)	44.5	51.5	↑ 16%
Capital expenditure (gross, \$million)	127.8	162.4	↑ 27%
Capital expenditure (net to Senex, \$ million)	109.3	155.3	↑ 42%
Net cash / (debt) (\$ million)	12.7	(45.1)	↓ 57.8

- Sales revenue and EBITDA growth underpinned by continuing gas production ramp-up in the Surat Basin
- Average realised oil price down 11% to \$89.5/bbl from effects of COVID-19 on energy market fundamentals
- Oil field operating costs down 7% to \$13.0/bbl through ongoing cost control initiatives
- Statutory NPAT impacted by \$52.1 million impairment of Cooper Basin oil assets due to lower oil prices assumptions and restructuring cost provision of \$2.6 million (see slide 17)
- NPAT impacted by higher depreciation and financing costs due to adoption of AASB 16 for lease accounting

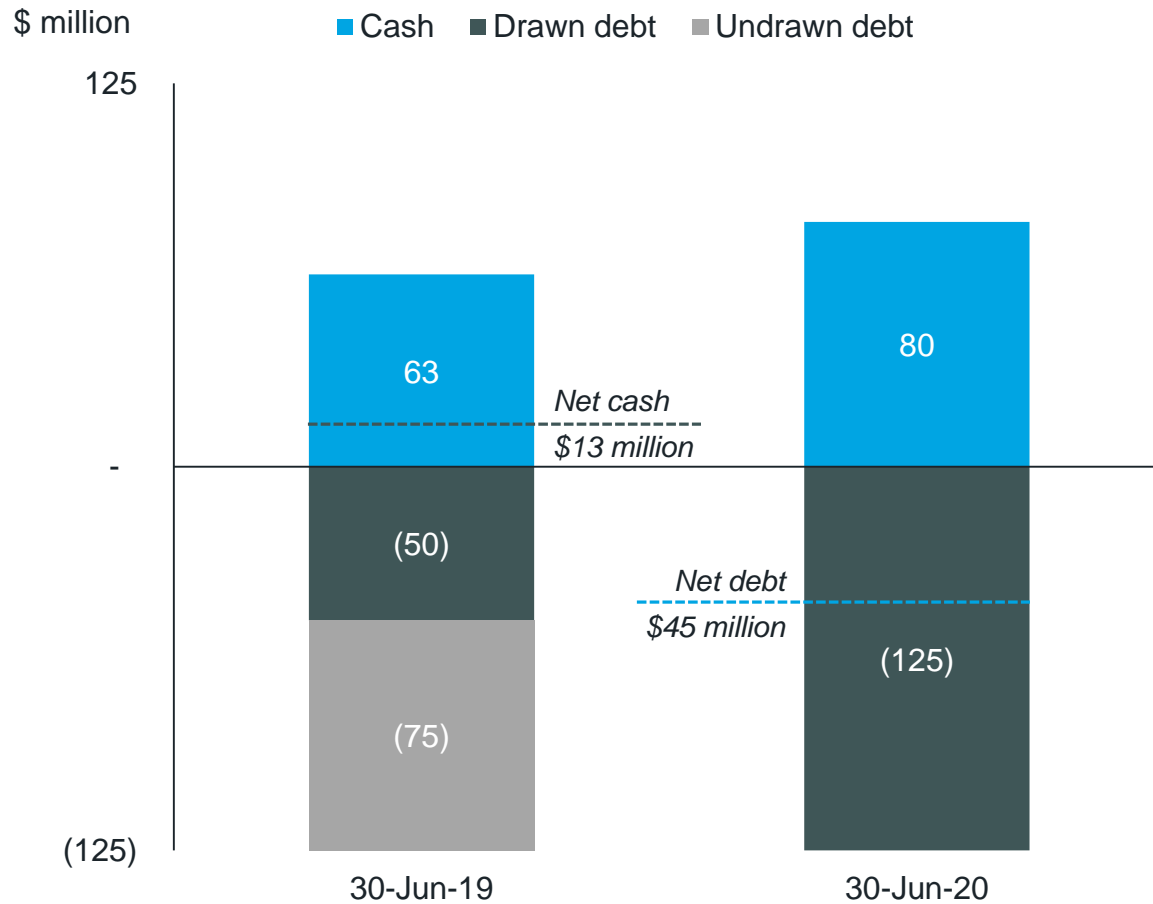
NB. Totals throughout presentation may not add due to rounding

1. FY20 includes third party gas purchases of 104 kboe

2. For reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDA, refer to slide 16

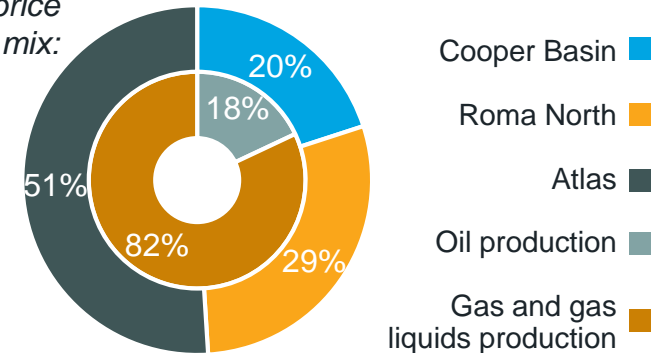
Continued strong Balance Sheet

Rapid deleveraging underway, targeting net cash position by the end of FY22

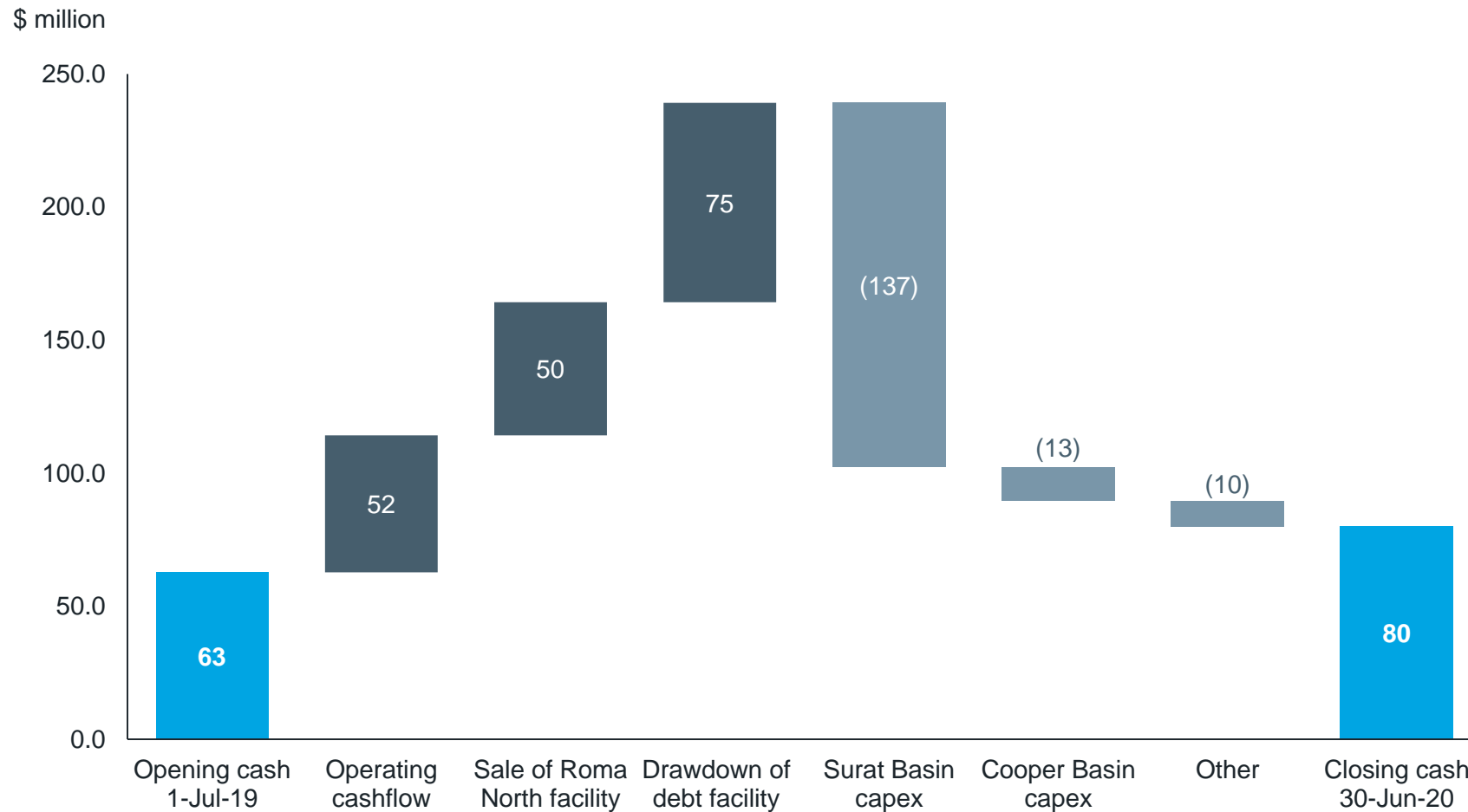


- Cash reserves of \$80 million and net debt of \$45 million as at 30 June 2020
- Hedging of 317,731 boe at ~A\$90/bbl to 30 June 2021
- Outstanding project execution and well count reduction from production outperformance supported Balance Sheet strength
 - Expecting peak net debt <\$60 million in H1 FY21 (previously <\$80 million)
 - Targeting FY21 free cashflow breakeven of <US\$15/bbl
- Increasing fixed price gas exposure and diversification strengthens revenue certainty

FY22 price exposure mix:



Cash movements



- Operating cashflow up 16% to \$52 million
- \$50 million proceeds received for sale of Roma North gas processing facility to Jemena
- \$75 million proceeds received from final drawdown of senior secured debt facility¹
- Surat Basin capital expenditure program now materially complete

1. Total debt facility of \$160 million comprising \$125 million Facility A limit and \$35 million Facility B, C limits; refer Note 11 of the FY20 Full Year Report and announcement of 29 October 2018 for further information

Reconciliation of EBITDA and NPAT

Statutory NPAT impacted by non-cash impairment of small, late-life Cooper Basin oil fields

\$ million	FY19	FY20	Change
Underlying EBITDA	34.8	52.5	↑ 51%
Gain on sale of Roma North facility	-	0.2	
COVID-19 relief measures	-	0.8	
Restructuring costs	(2.1)	(2.6)	
Net impact of Beach transaction ¹	(1.8)	(1.3)	
EBITDA	30.9	49.5	↑ 60%
Non-cash impairment	-	(52.1)	
Depletion, depreciation and amortisation	(26.8)	(39.2)	
Net finance costs	(0.9)	(9.5)	
Statutory NPAT	3.3	(51.4)	nm
Non-cash impairment	-	52.1	
Gain on sale of Roma North facility	-	(0.2)	
COVID-19 relief measures	-	(0.8)	
Restructuring costs	2.1	2.6	
Net impact of Beach transaction ¹	1.8	1.3	
Underlying NPAT	7.2	3.8	↓ 47%

- Underlying EBITDA up 51% to \$52.5 million
- Non-cash impairment of \$52.1 million due to COVID-19 induced oil price declines
- DD&A of \$39.2 million due to higher production (units of production methodology) and AASB 16 lease accounting changes
 - DD&A of \$18.8/boe
 - DD&A includes \$4.8 million of AASB 16 lease adjustments
- Net finance costs of \$9.5 million following drawdown of debt facility to fund Surat Basin work programs and AASB 16 lease accounting changes

NB. Totals throughout presentation may not add due to rounding

1. As announced on 16 April 2018, Senex and Beach agreed the transfer of up to \$43 million (gross) of free carry commitment from the joint venture's unconventional gas project to the Cooper Basin western flank oil assets. FY20 represents exploration expenditure. In FY19 a gain of \$5.4 million was offset by \$7.2 million of exploration related expenditure arising from the transaction

Other Income Statement impacts

Accounting adjustments reflected in FY20 results

AASB 16 lease accounting

- AASB 16 adopted 1 July 2019; requires companies to bring the majority of operating leases on-Balance Sheet
- Accounting impacts only; no net cashflow impact
- Former operating expenses relating to lease payments now reported across depreciation and interest expense
- Majority of lease balances relate to Jemena-owned gas processing facilities at Roma North and Atlas

Financial statement impacts:

Balance Sheet

- Lease assets up \$168.0 million
- Lease liabilities up \$173.5 million

Income Statement

- Depreciation of lease assets up \$4.8 million
- Interest on lease liabilities up \$7.1 million
- Net profit after tax down \$5.3 million

Cashflow

- No net cashflow impact
- Reclassification of \$3.0 million from operating cashflow to financing cashflow

Non-cash impairment

- Non-cash impairment charge of \$52 million
 - Approximately two thirds relate to small, late-life non-western flank oil fields in the Cooper Basin
 - Balance relates to capitalised Cooper Basin exploration and obsolete oil field inventory
- Material downward revision in oil price assumptions from effects of COVID-19 on energy market fundamentals
- Restructuring cost provision of \$2.6 million booked
- Material and ongoing cost savings and efficiencies to be delivered across the business

Impairment assumptions	FY21	FY22	FY23	FY24	Long term
Brent oil price (real, US\$) ¹	47.0	51.3	55.0	59.3	62.5
Exchange rate (A\$:US\$)	0.69	0.69	0.69	0.70	0.70

1. Brent oil prices presented on a real 1 July 2020 basis; nominal escalation factors of 1.0% - 2.0% assumed

FY21 guidance and outlook

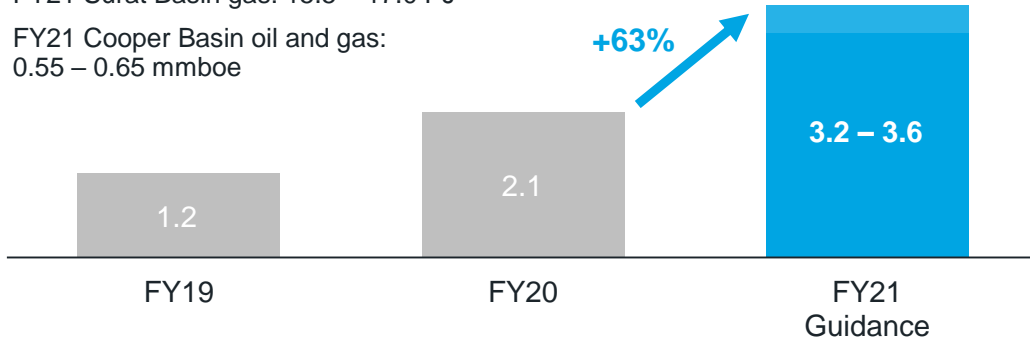
FY21 guidance

Strong growth trajectory to continue with capital intensive work programs completed

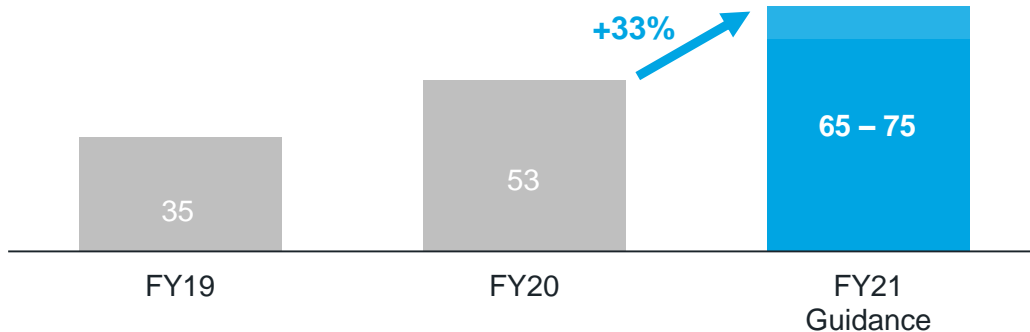
FY21 Production: 3.2 – 3.6 mmboe

FY21 Surat Basin gas: 15.5 – 17.0 PJ

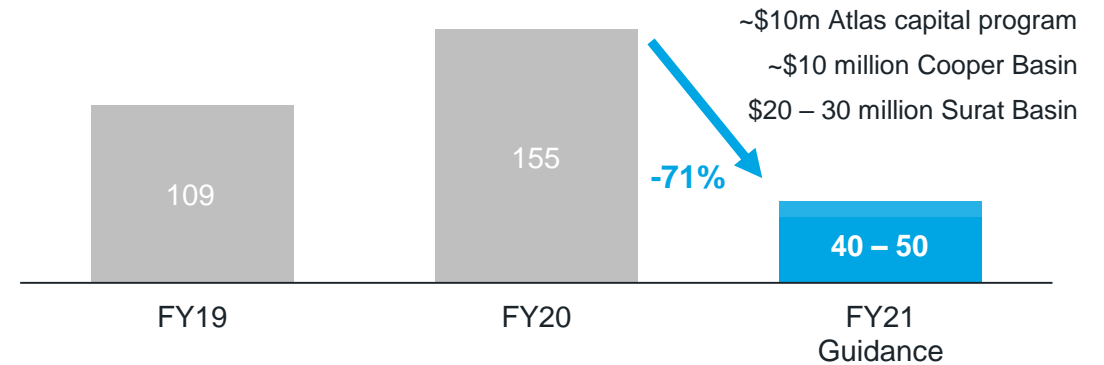
FY21 Cooper Basin oil and gas:
0.55 – 0.65 mmboe



FY21 Underlying EBITDA: \$65 – 75 million



FY21 Capital expenditure: \$40 – 50 million



Key assumptions

- Implied average realised oil and gas price of ~A\$45/boe
- 318 kbbl of oil equivalent production hedged at A\$90/bbl
- ~80% of expected Atlas gas production contracted per existing gas sales agreements
- DD&A expected to be <\$15/boe
- Targeted free cashflow breakeven of <US\$15/bbl

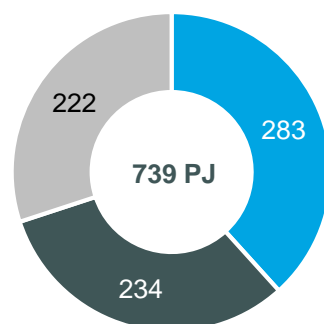
Surat Basin 2P gas reserves up 21% to 739 PJ

Significant undeveloped 2P gas reserves position to drive production expansion and acceleration

Senex reserves and resources as at 30 June 2020 ¹	mmboe (net to Senex)	FY19	FY20	Change	<ul style="list-style-type: none"> ✓ Surat Basin 1P gas reserves up 108% to 210 PJ ✓ Surat Basin 2P gas reserves up 21% to 739 PJ ✓ Surat Basin 3P gas reserves up 12% to 995 PJ ✓ Cooper Basin 2P reserves replacement ratio of ~100%; 2P reserves steady at 7.3 mmboe ✓ Total Senex 2P oil and gas reserves up 19% to 134 mmboe
	1P reserves	19.3	38.6	+100%	
	2P reserves	112.6	134.4	+19%	
	2C contingent resources	8.3	10.0	+20%	

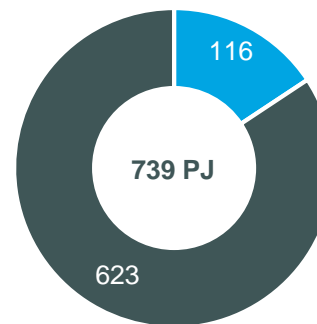
Surat Basin 2P reserves as at 30 June 2020¹

Surat Basin 2P Gas Reserves



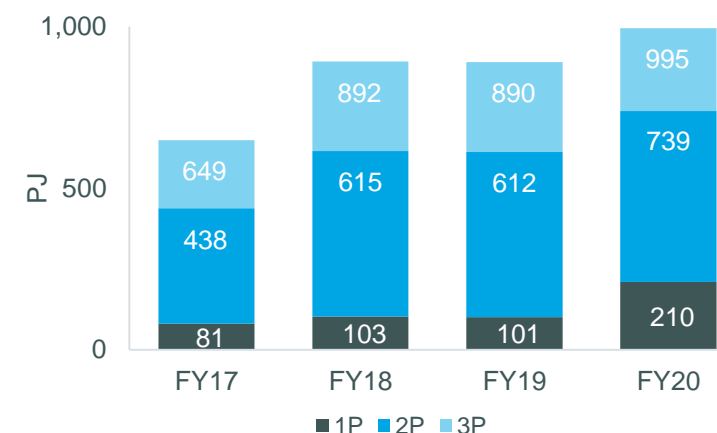
■ Roma North ■ Atlas ■ Other Western Surat

Surat Basin 2P Gas Reserves



■ Developed ■ Undeveloped

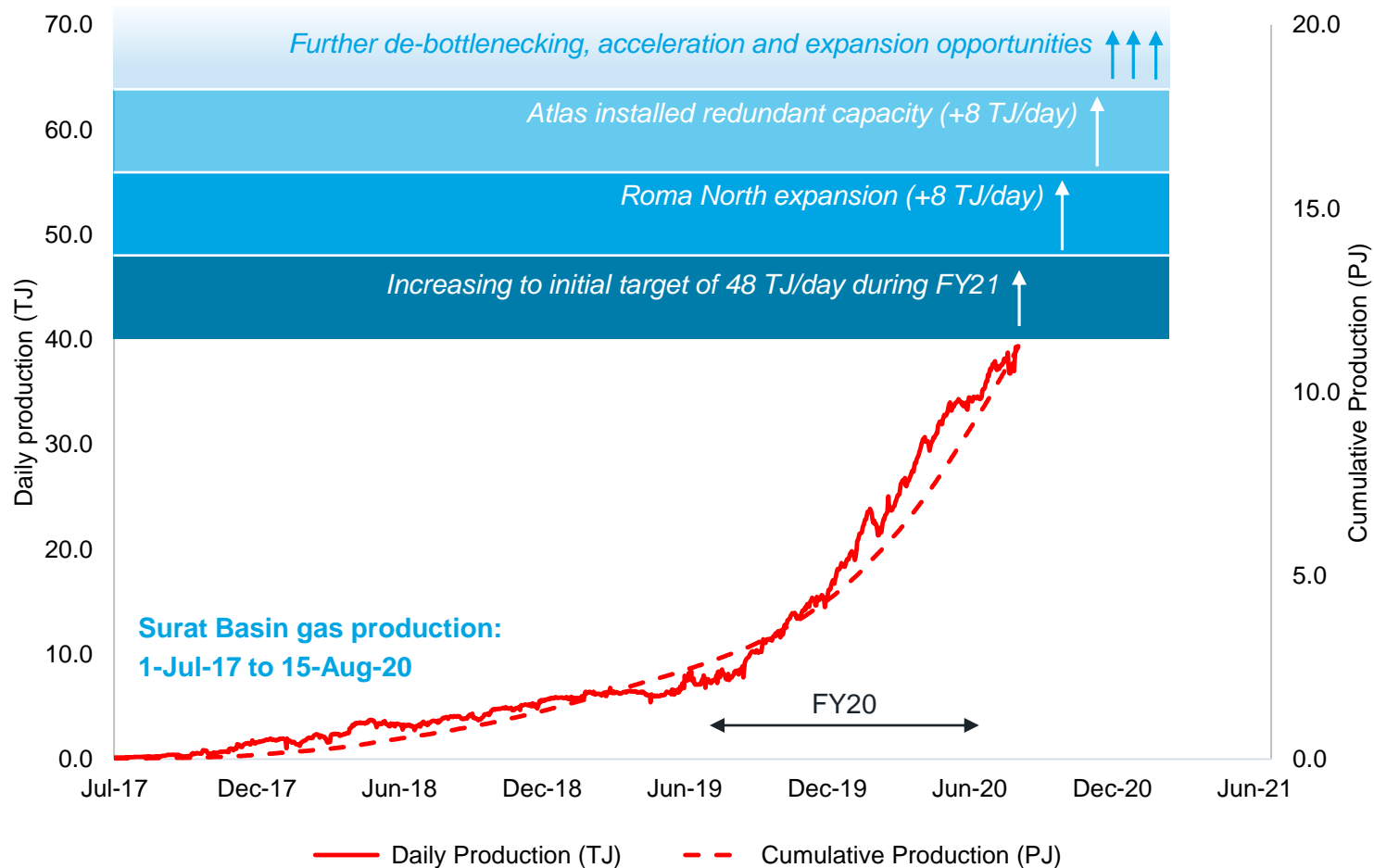
Surat Basin Gas Reserves Growth



1. For further information, refer to ASX announcement dated 14 July 2020; there have been no material changes to information or assumptions contained in that announcement

Infrastructure platform in place for continued growth

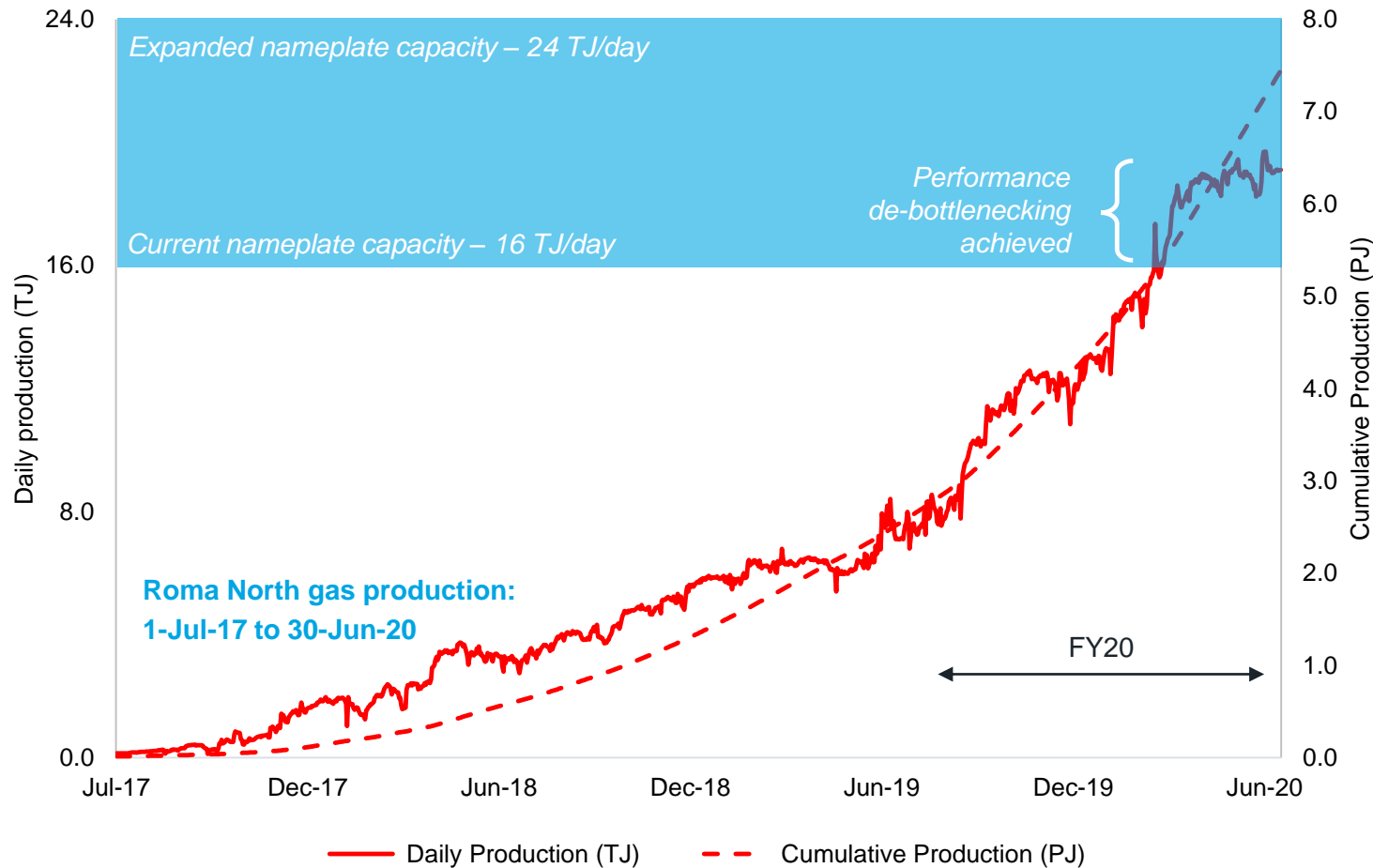
Surat Basin gas production increasing to 48 TJ/day, with multiple growth opportunities



- ✓ 80 well drilling campaign successfully completed
- ✓ All development wells brought onto production
- ✓ First gas production and sales from Atlas
- ✓ Roma North de-bottlenecked to achieve gas production >18 TJ/day
- ✓ Daily Surat Basin gas production rate now >40 TJ/day
- ✓ Increasing to initial production target of 48 TJ/day
- ✓ Long-lead items ordered for Roma North expansion to 24 TJ/day
- ✓ Infrastructure platform in place for continued growth

Long-lead items ordered for Roma North expansion

A high-return, low-cost and long-life investment to accelerate Surat Basin gas production



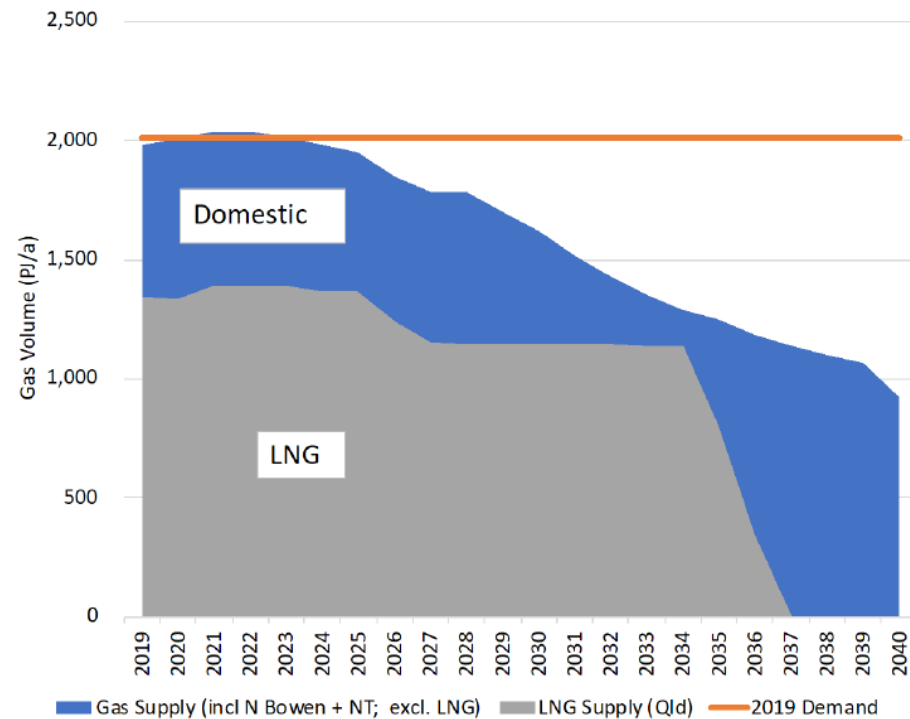
- ✓ Planning and design works commenced for 8 TJ/day expansion to 24 TJ/day
- ✓ Long-lead items ordered by Jemena, including compressors
- ✓ Senex expenditure on wells and gathering only; minimal drilling due to production outperformance
- ✓ Fully funded through operating cashflows
- ✓ Additional production volumes to be sold to GLNG under existing gas sales agreement
- ✓ Impacts to production and cashflow not included in FY21 guidance or FY22 targets



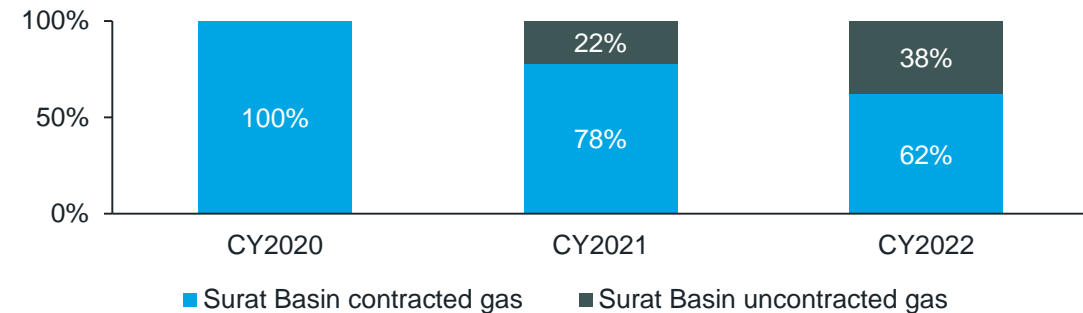
Extensive east coast natural gas reserves position

A structurally tight east coast gas market from 2023

Forecast east coast gas supply vs 2019 demand¹

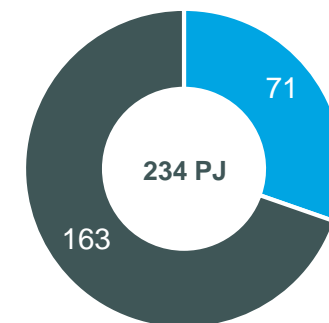


Surat Basin gas volumes well contracted through 2022

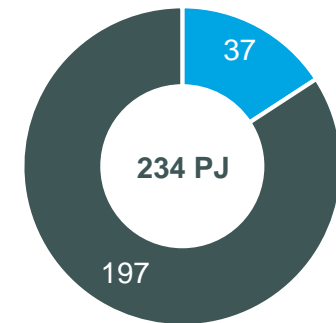


Material uncontracted Atlas gas reserves²

Atlas 2P Gas Reserves



Atlas Gas Contracting



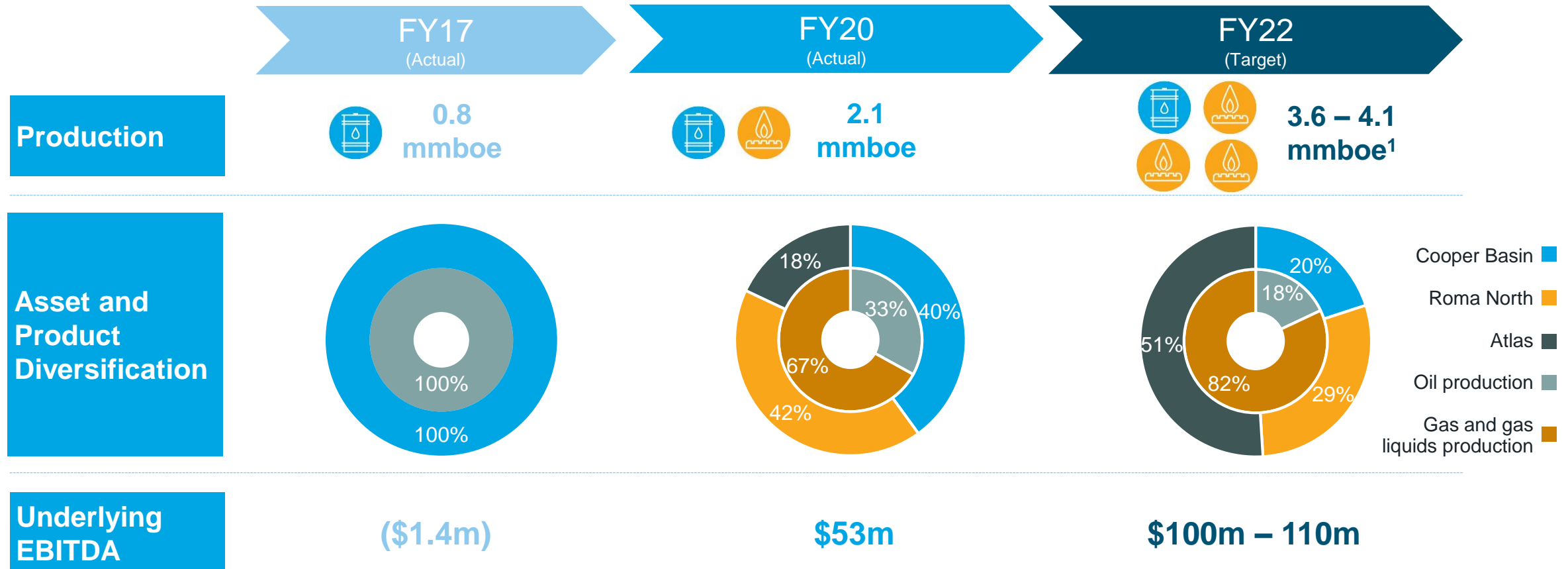
1. Source: EnergyQuest, March 2020

2. For further information, refer to ASX announcement dated 14 July 2020; there have been no material changes to information or assumptions contained in that announcement

Key takeaways

Senex transformation delivered

Proven best-in-class low cost execution and operating capabilities in proven hydrocarbon basins



1. For definitions and assumptions relating to FY22 Foundation Asset Base targets, refer to slides 7 and 32

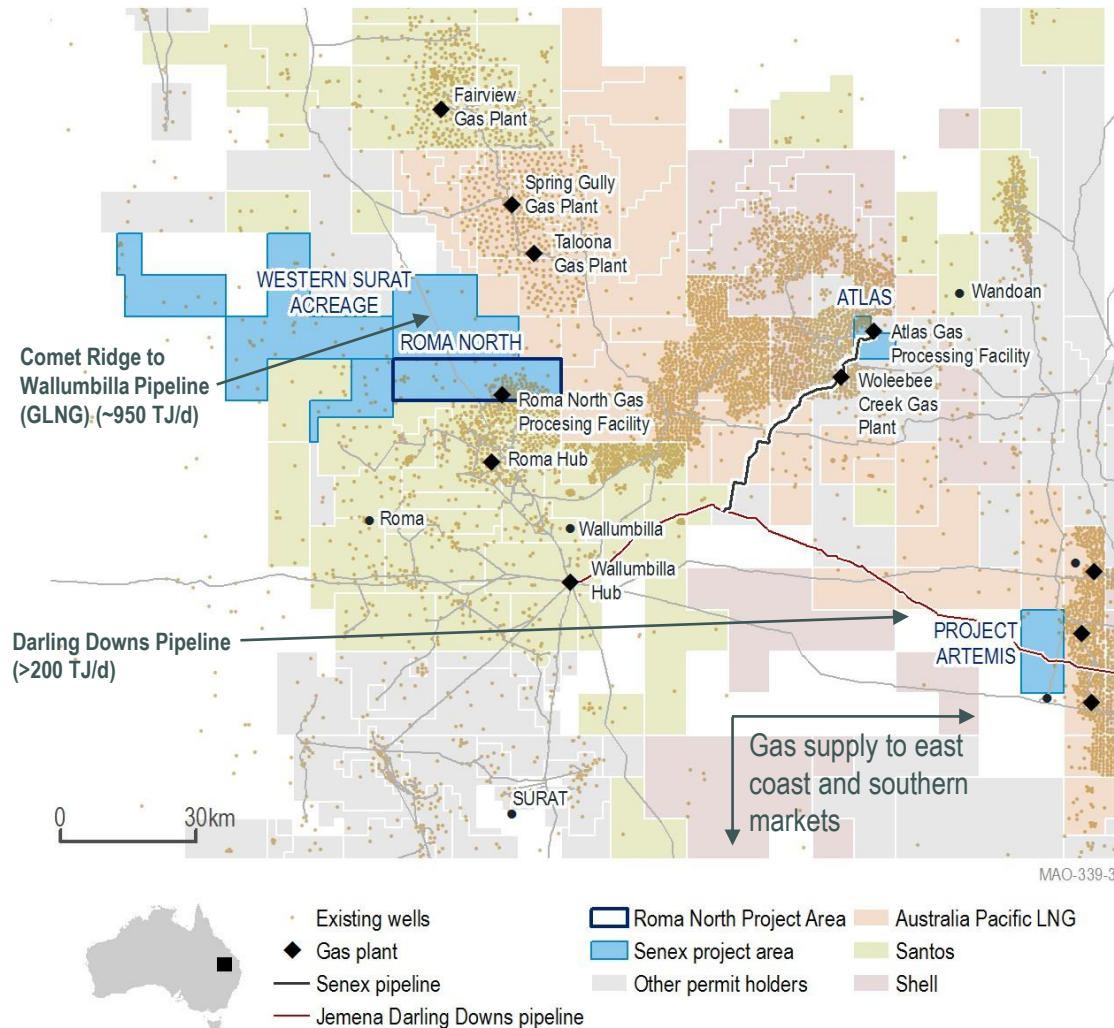
Investment highlights

High free cashflow yield	<ul style="list-style-type: none">✓ Targeting \$70 – 90 million of free cashflow generation in FY22✓ Free cashflow to support growth and capital management initiatives
Extensive east coast natural gas reserves position	<ul style="list-style-type: none">✓ Surat Basin 2P gas reserves of 739 PJ, up 21% from prior year✓ Material uncontracted Atlas gas reserves for a structurally tight east coast gas market
Material growth opportunities in existing portfolio	<ul style="list-style-type: none">✓ Multiple expansion and acceleration opportunities under review✓ Long-lead items ordered for Roma North expansion to 24 TJ/day (+8 TJ/day)
Infrastructure platform in place for continued growth	<ul style="list-style-type: none">✓ 56 TJ/day Surat Basin gas processing capacity commissioned in FY20✓ Scalable to support future appraisal and development activity
Strong Balance Sheet with rapid deleveraging	<ul style="list-style-type: none">✓ FY21 free cashflow breakeven of <US\$15/bbl, targeting net cash by end FY22✓ Operating model focused on cashflow generation, shareholder returns and disciplined growth

NB. For further assumptions relating to FY21 guidance, refer to slide 19; for definitions and assumptions relating to FY22 Foundation Asset Base targets, refer to slides 7 and 32

Appendix

Valuable Surat Basin gas acreage



- ✓ A prolific gas producing region with over 4,000 wells drilled
- ✓ Infrastructure connections to east coast and southern markets
- ✓ Atlas provides a near-term solution to increase east coast gas supply
- ✓ Material 2P reserves position (as at 30 June 2020)¹
 - Atlas – 234 PJ
 - Roma North – 283 PJ
 - Other Western Surat Acreage – 222 PJ
- ✓ Future development of the broader Western Surat Acreage and Senex's new gas block, Artemis, provide longer-term supply options

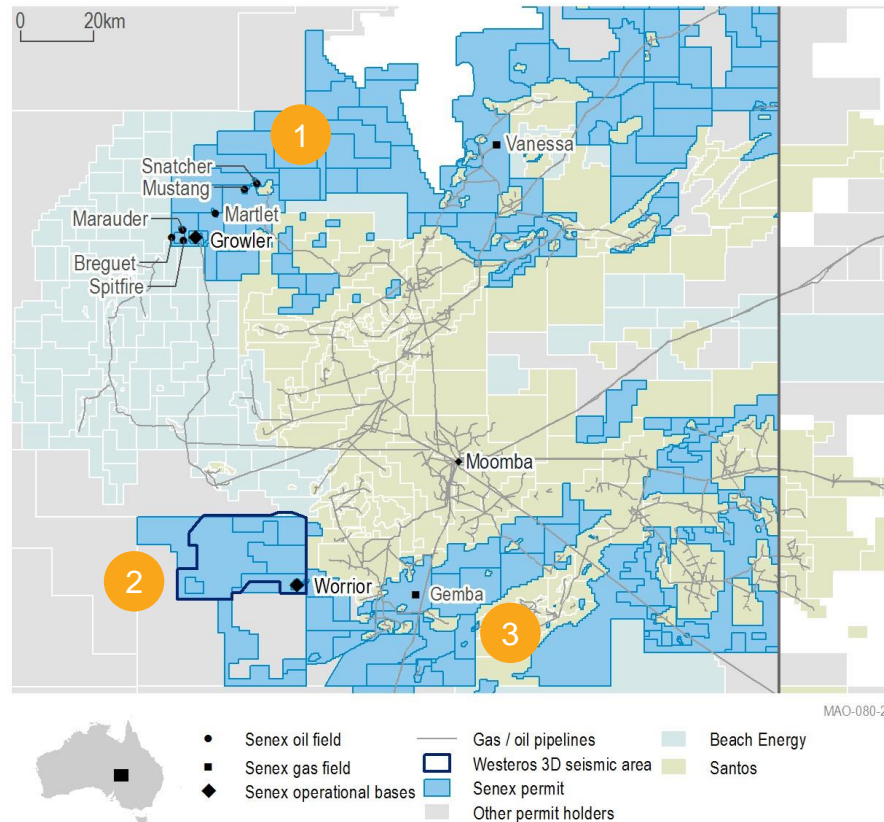
1. For further information on reserves, refer to ASX announcement dated 14 July 2020; there have been no material changes to information or assumptions contained in that announcement

Surat Basin acreage overviews

	Atlas	Roma North	Western Surat Acreage (excluding Roma North)
Ownership	100% Senex	100% Senex	100% Senex
2P reserves as at 30 June 2020¹	~58 km ² 2P Reserves: 234 PJ	~307 km ² 2P Reserves: 283 PJ	~533 km ² 2P Reserves: 222 PJ
Market	Domestic market Multiple customers with varied terms Fixed price CPI-linked	20-year GSA with GLNG (up to 50 TJ/day across entire Western Surat Acreage) Exclusive to GLNG JCC oil-linked	20-year GSA with GLNG (up to 50 TJ/day across entire Western Surat Acreage) Exclusive to GLNG, assuming a future Senex FID taken by September 2022
Infrastructure	Initial 32 TJ/day facility (~2 mmboe/year) 8 TJ/day installed redundant capacity 60 km pipeline to Wallumbilla hub Jemena built, owned and operated Capital investment (Jemena) ~\$140 million	Initial 16 TJ/day facility (~1 mmboe/year) De-bottlenecked to >18 TJ/day Expansion to 24 TJ/day underway 5 km pipeline to GLNG infrastructure Constructed by Senex Sold to Jemena for \$50 million	Opportunity to expand Roma North facility or build new facility Dependent on future appraisal of acreage and further investment decisions
Wells	45 well initial campaign in FY20 Potential for over 100 wells in total	35 well campaign in FY20 Potential for over 200 wells in total	Regulatory approval for over 200 wells

1. For further information on reserves, refer to ASX announcement dated 14 July 2020; there have been no material changes to information or assumptions contained in that announcement

Successful progress in the Cooper Basin



- 1 **Cooper Basin free-carry drilling program successfully completed**
 - Three of four wells drilled achieved objectives
 - Waterflood wells cased and suspended ready for completion
 - Results under review with development focus in the Growler and Spitfire fields
- 2 **Prospects identified from Westeros 3D seismic survey**
 - Processing of ~600sq km Westeros 3D seismic survey completed
 - Primary objective is a southern extension of the western flank
 - Numerous closures mapped with material exploration targets identified
- 3 **First gas production and sales from the Gemba field**
 - Successful tie-in of field to the Santos-operated gathering network
 - Gas being sold to the Pelican Point Power Station in South Australia
 - Evaluation of development opportunities currently underway

Continued focus on cost control and operating efficiencies

- Oil field operating costs down 7% to \$13.0/bbl (excludes tariffs and royalties)

Glossary

\$	Australian dollars	mscfd	Thousand standard cubic feet of gas per day
ATP	Authority to Prospect - granted under the Petroleum Act 1923 (Qld) or the Petroleum Gas (Production and Safety) Act 2004 (Qld)	mmscfd	Million standard cubic feet of gas per day
bbl	Barrels - the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons	nm	Not meaningful
Bcf	Billion cubic feet	P&A	Plugged and abandoned
Beach	Beach Energy Ltd	PEL	Petroleum Exploration Licence granted under the Petroleum and Geothermal Energy Act 2000 (SA)
boe	Barrels of oil equivalent - the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy	PJ	Petajoule
bopd	Barrels of oil per day	PJ/year	Petajoules per annum
C&S	Cased and suspended	PL	Petroleum Lease granted under the Petroleum Act 1923 (Qld) or the Petroleum Gas (Production and Safety) Act 2004 (Qld)
DD&A	Depletion, depreciation and amortisation	PPL	Petroleum production licence granted under the Petroleum and Geothermal Energy Act 2000 (SA)
EBITDA	Earnings before interest, tax, impairment, depreciation (and depletion) and amortisation	PRL	Petroleum retention licence granted under the Petroleum and Geothermal Energy Act 2000 (SA)
EBITDAX	Earnings before interest, tax, impairment, depreciation (and depletion), amortisation and exploration expense	Q, Qtr	Quarter
EPBC	Environment Protection and Biodiversity Conservation Act	RFDS	Royal Flying Doctor Service
FY	Financial year	SACB JV	South Australia Cooper Basin JV, which involves Santos (as operator) and Beach
GJ	Gigajoule	Senex	Senex Energy Ltd
GLNG	Gladstone Liquefied Natural Gas, a JV between Santos, PETRONAS, Total and KOGAS	TJ	Terajoule
GSA	Gas sales agreement	TJ/day	Terajoules per day
JV	Joint venture	TRIFR	Total recordable injury frequency rate (per million hours worked)
H1 / H2	First / second half of financial year	Underlying-EBITDA	Earnings before interest, taxes, impairment, depreciation (or depletion) and amortisation excluding the impacts of asset acquisitions and disposals, as well as items that are subject to significant variability from one period to the next, including the Beach Energy transaction and restructuring
HSE	Health, safety and environment	Underlying-NPAT	Underlying net profit after tax 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 Beach Energy transaction and restructuring
kbbl	Thousand barrels of oil	WSGP	Western Surat Gas Project
kboe	Thousand barrels of oil equivalent	YTD	Year to date
LTIFR	Lost time injury frequency rate		
mmboe	Million barrels of oil equivalent		
mmbbl	Million barrels of oil		

Compliance statement

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Foundation Asset Base

References throughout this presentation to Foundation Asset Base relate to full year FY22 performance from the following assets:

- Atlas gas assets; 32 TJ/day nameplate capacity;
- Roma North gas assets; 16 TJ/day nameplate capacity;
- Cooper Basin producing oil and gas assets; internal estimates of production.

The Foundation Asset Base does not include additional capital expenditure on exploration, appraisal, development or infrastructure, however does include maintenance capital expenditure for the Cooper Basin, and sustaining capital expenditure to maintain plateau production at Atlas and Roma North.

Financial metrics / assumptions (FY22)

- US\$51.3/bbl Brent oil price;
- A\$:US\$ exchange rate of 0.69;
- Atlas uncontracted gas price (ex-Wallumbilla) of \$8.00/GJ;
- Atlas contracted gas price per existing gas sales agreements;
- Roma North oil-linked gas price per existing gas sales agreement;
- Unit operating costs are all-in, including field operating costs, tolls, tariffs and royalties;
- Various other economic and corporate assumptions.

Project-related assumptions

- Assumptions regarding drilling results;
- Expected future development, appraisal and exploration projects being delivered in accordance with their current project schedules.

Financial definitions

- EBITDA = Earnings before interest, tax, depreciation (and depletion) and amortisation
- FCF = Free cashflow = Operating cashflow less sustaining capital expenditure
- FCF breakeven = The average annual oil price whereby FCF is equal to zero
- ND = Net debt = Total interest bearing liabilities less cash
- ND:EBITDA = Ratio of Net debt to EBITDA

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