

Senex Energy Limited









Bell Potter “Unearthed Conference”

11 February 2021

Ian Davies, Managing Director and CEO
Mark McCabe, Chief Financial Officer

Investment highlights

Senex transformation delivering balance sheet strength, cashflow resilience, dividends and production growth

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|  <p>Core focus on cash generation and balance sheet strength, shareholder returns and low-risk high-return growth</p> |  <p>Commencement of dividends from FY22 from strong and resilient natural gas production cashflows</p> |  <p>Targeting annual production of >10 mmboe (60 PJe) by end FY25 from best-in-class project execution</p> |  <p>Sale of Cooper Basin business to Beach Energy for \$87.5m provides cashflow stability for dividends and accelerated Surat Basin growth</p> |
|  <p>Foundation Asset Base¹ following Cooper sale:</p> <ul style="list-style-type: none"> • Production 20PJ/year • EBITDA \$85-95m/year • FCF \$40-60m/year • Portfolio of material growth opportunities |  <p>\$30 million proforma net cash (\$155m cash on hand)² following Cooper Basin sale</p> |  <p>Dividend policy to target 20-30% payout of free cashflow³</p> |  <p>Leverage ratio targeting 1.0x Net Debt:Adjusted EBITDA through the cycle</p> |

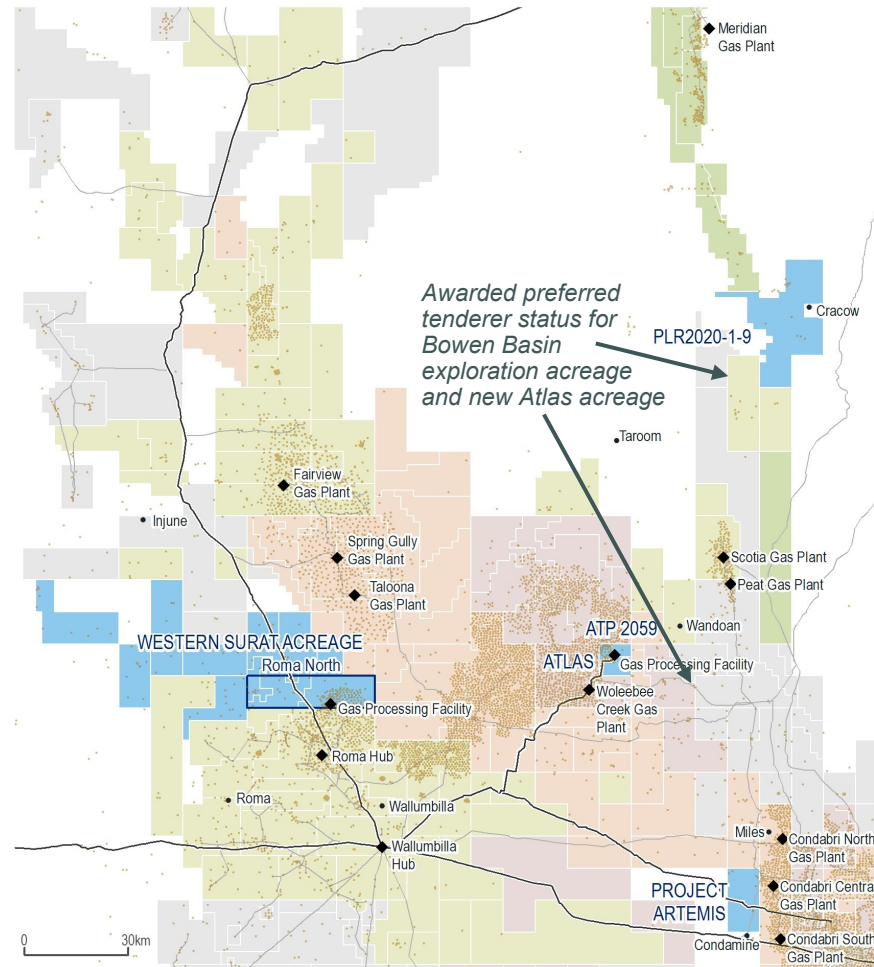
NB. Throughout this presentation, references to reserves and resources are consistent with ASX announcements dated 14 July 2020 (annual reserves statement) and 21 September 2020 (award of additional Atlas acreage); there have been no material changes to information or assumptions contained in those announcements

1. Foundation Asset Base refers to Atlas gas assets at 12 PJ/year (32 TJ/day) nameplate capacity and Roma North gas assets at 9 PJ/year (24 TJ/day) nameplate capacity; plateau production and earnings targets expected during H1 FY22 following Roma North expansion

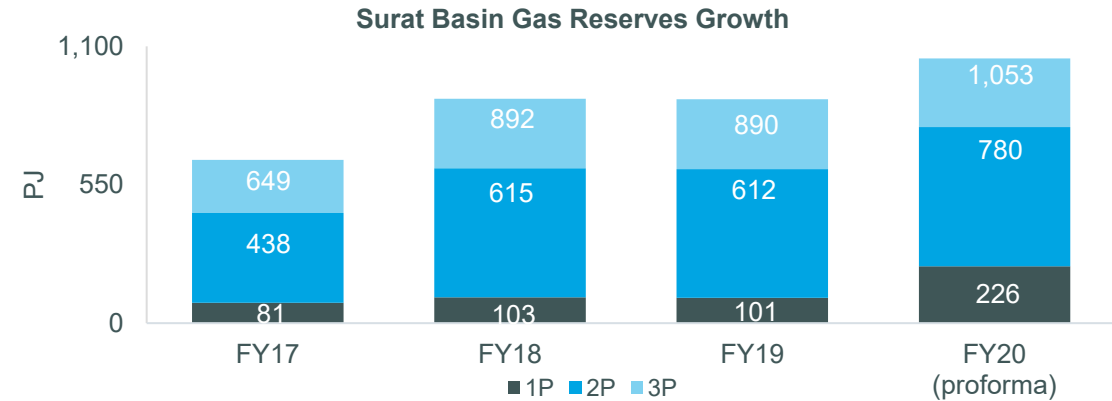
2. As at 30 September 2020 and before transaction completion adjustments

3. Free cashflow is Operating cashflow less principal payments for lease liabilities, less sustaining capital expenditure

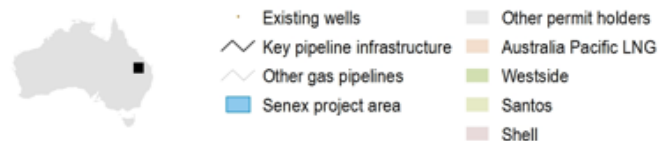
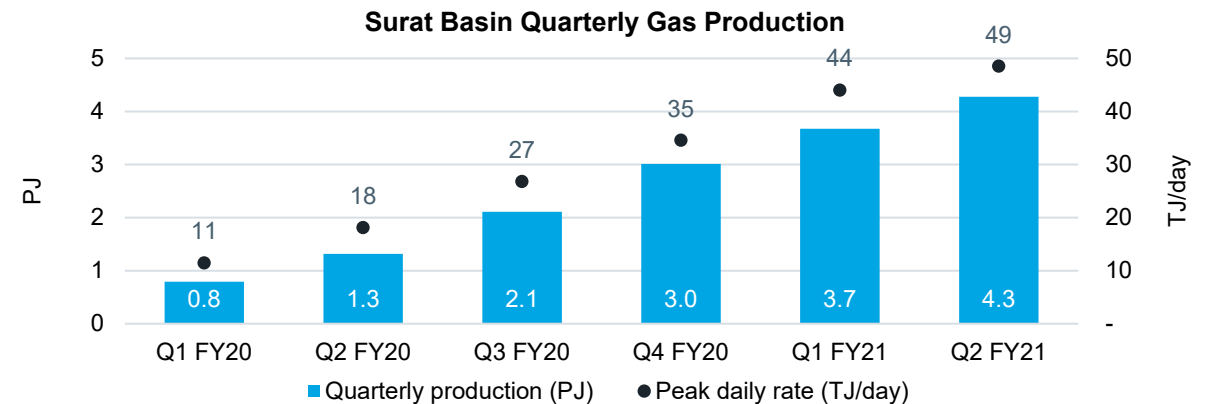
A diverse gas portfolio of scale with exploration upside



Over 1,000 PJ of Surat Basin 3P natural gas reserves



Strong production growth: - >50 TJ/day achieved in Q3 FY21



Our priorities

- ✓ \$85-95m annual EBITDA target from Foundation Asset Base
- ✓ \$30m net cash post \$87.5m sale of Cooper Basin
- ✓ Targeting 1.0x Net Debt:Adjusted EBITDA leverage through the cycle
- ✓ Proven custodian of shareholder capital

- ✓ \$40-60m free annual cashflow target from Foundation Asset Base
- ✓ 20-30% free cashflow dividend payout from FY22
- ✓ Focused on high-yielding Surat Basin natural gas opportunities to accelerate production growth
- ✓ Total shareholder returns driven

Strong Balance Sheet



Enhanced Shareholder Returns



Accelerated Growth



- ✓ 20 PJ annual production from Foundation Asset Base
- ✓ Targeting >10 mmboe annual production by end FY25 (60 PJe)
- ✓ Extensive Surat Basin gas reserves base ready for development
- ✓ Accelerating production to optimise reserves life
- ✓ High potential exploration and appraisal

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Caring for our people, environment and community

Safe and secure



24/7 aeromedical
coverage for the
Cooper Basin



Increased
focus on
safety culture



Improved
safety
performance



COVID-19 Pandemic
Management Plan
and COVIDSafe
Office Plan in
operation

Environmentally responsible



10-year water
supply and irrigation
agreement to
drought-proof a
landholder's property



0 serious
incidents



Strong
environmental
management



Advanced
climate change
priorities

Community partner



More than 30
community
partnerships



\$37 million
direct spend
with 56 regional
businesses



Shortened
payment terms
to support 400
small businesses



124 rooms
booked in local
accommodation
each week

Capable people



Supported
employees through
the COVID-19
pandemic



Increased focus
on health,
wellbeing and
social connection



Advanced
leadership
capability

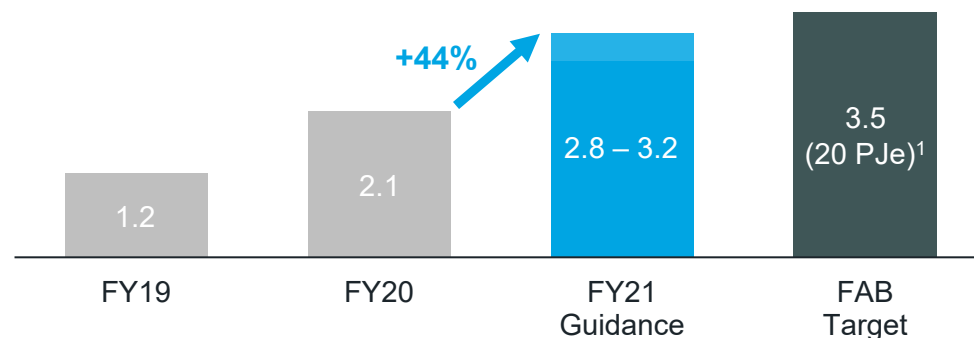


Created
local jobs

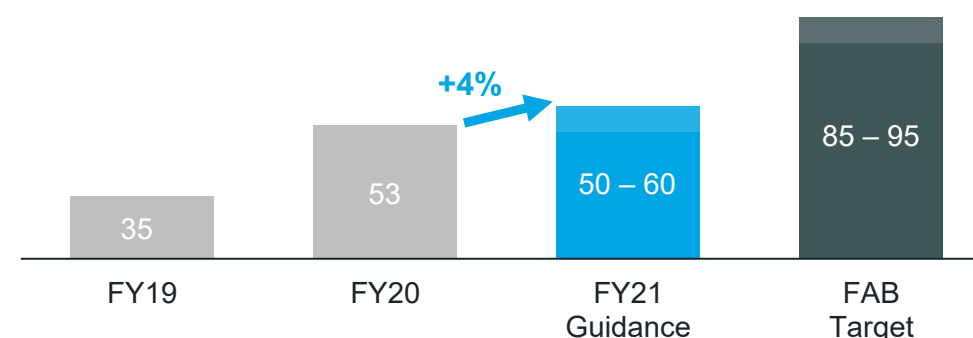
FY21 guidance and Foundation Asset Base (FAB) targets

Re-stated for sale of Cooper Basin business and Roma North expansion FID

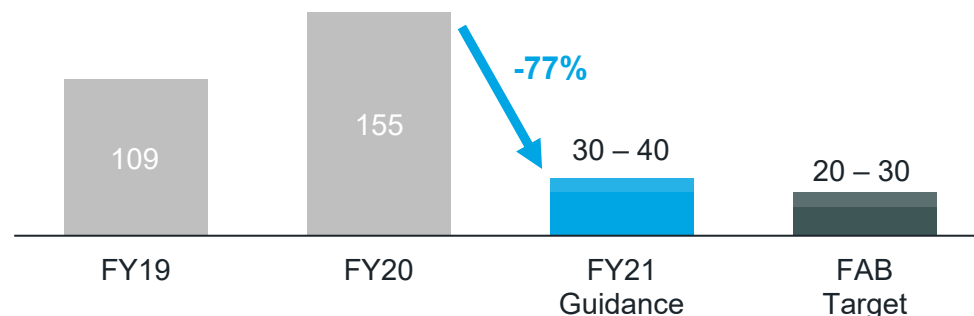
FY21 Production: 2.8 – 3.2 mmboe



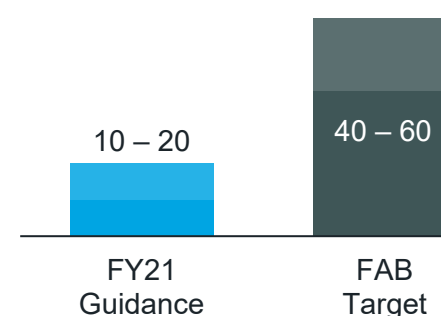
FY21 Underlying EBITDA: \$50 – 60 million



FY21 Capital expenditure: \$30 – 40 million



FY21 FCF: \$10 – 20 million

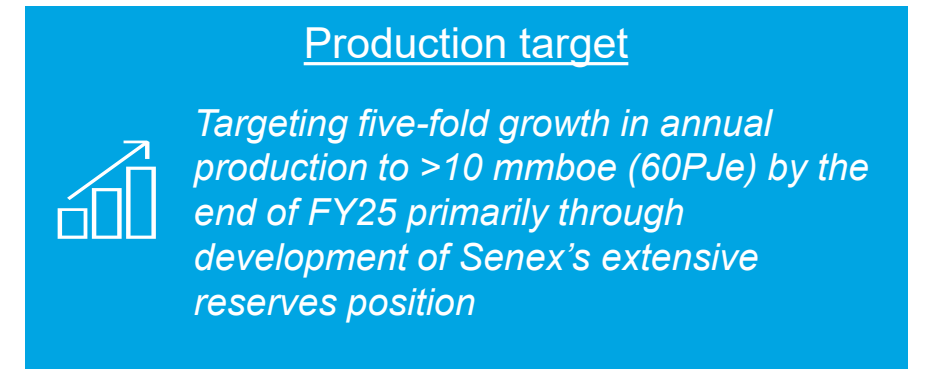
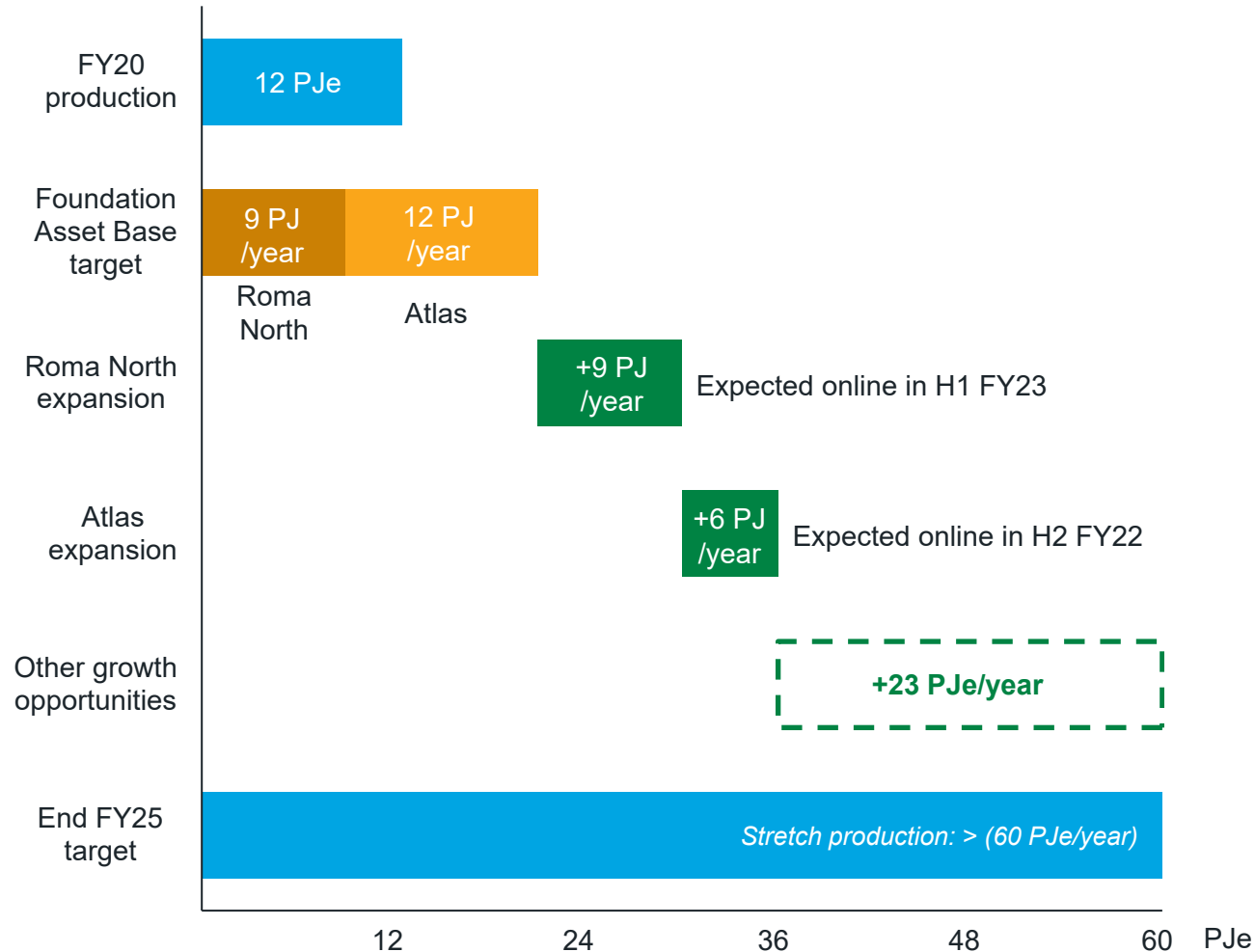


- ✓ \$87.5m Cooper Basin cash consideration
- ✓ ~\$30m net cash post sale of Cooper Basin business

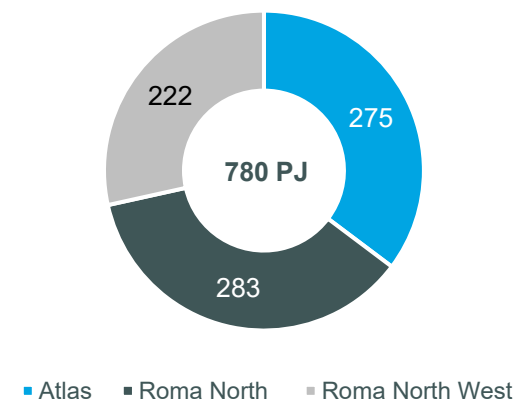
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 NB. For further assumptions relating to FY21 guidance and definitions and assumptions relating to Foundation Asset Base targets, refer to Compliance Statement

Accelerating growth to achieve >10 mmboe/year by end FY25

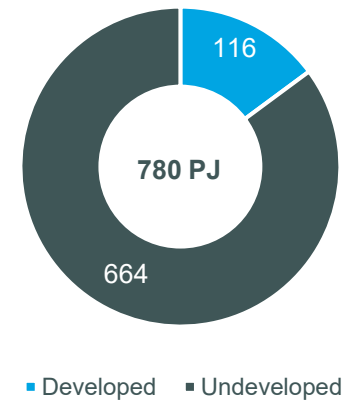
Accelerating production growth and optimising reserves life of Senex’s extensive natural gas position



Surat Basin 2P Gas Reserves



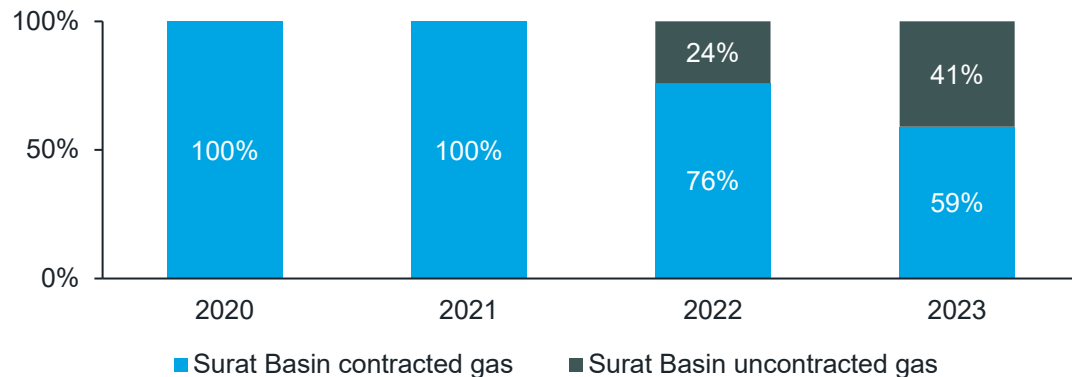
Surat Basin 2P Gas Reserves



Material and resilient gas portfolio in tightening market

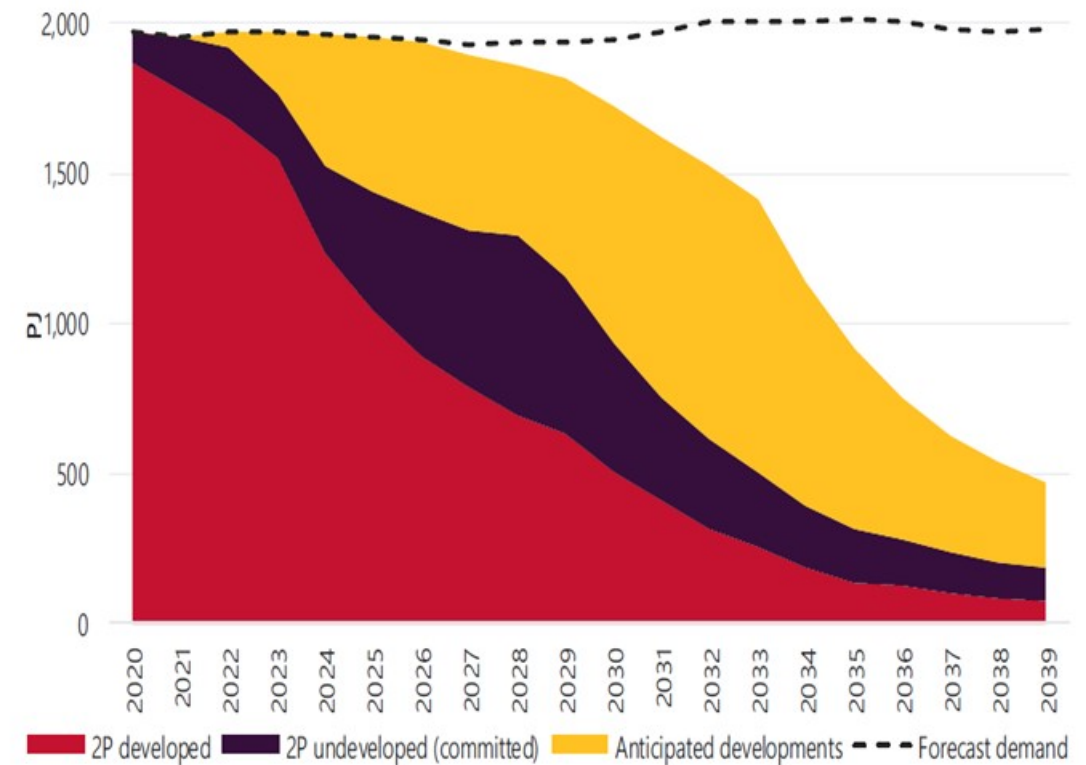
Gas is a critical enabler of Australia’s economy, supporting manufacturing and jobs

Gas volumes now fully contracted for 2020 and 2021



- More than 300 PJ of gas under firm gas contracts to domestic customers and GLNG with attractive pricing and terms
 - Fixed price domestic contracts
 - Material downside protection from low oil prices on oil-linked LNG contract (GLNG) with full upside participation to oil price recovery
- Term contract negotiations for Atlas gas remain ongoing
- Atlas gas supporting manufacturing and jobs

East coast demand-supply fundamentals remain tight

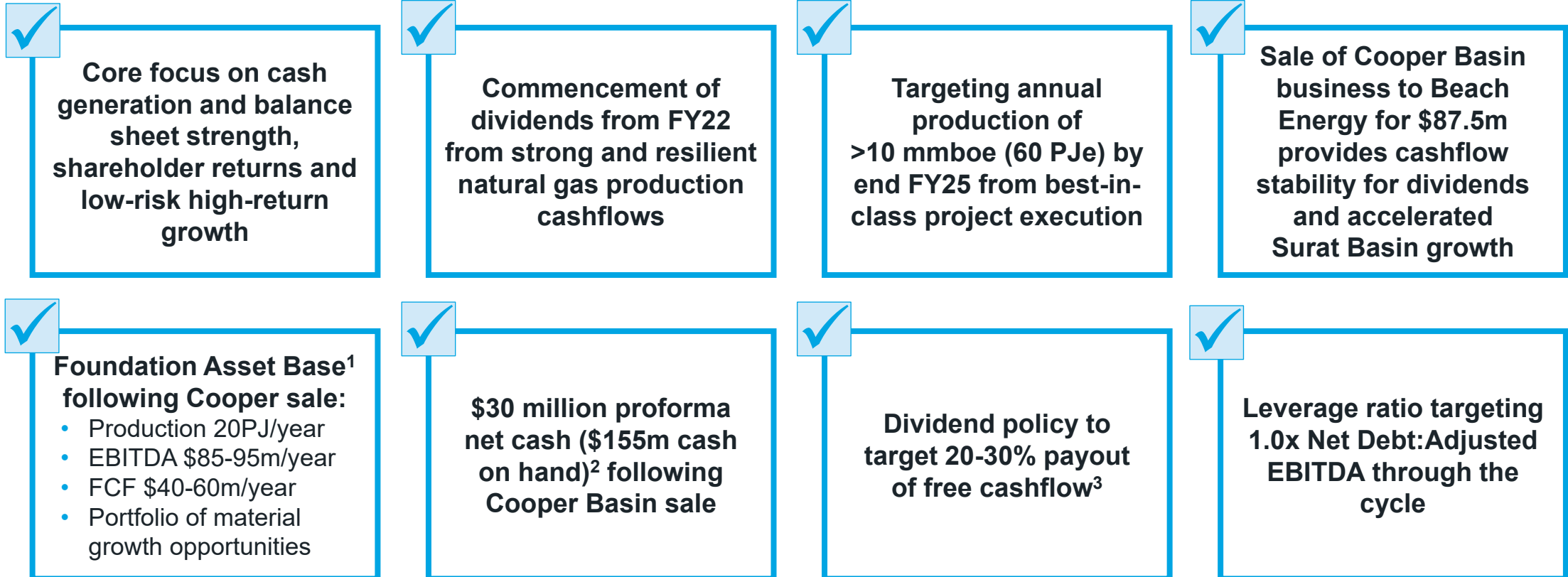


Source: GSOO March 2020

Projected eastern and south-eastern Australia gas production: existing projects, committed and anticipated developments; Central scenario, 2020 – 2030

Investment highlights

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Compliance Statement

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Opinions and forward looking statements in this presentation have been formed on the key concepts and assumptions outlined below. They have not been subject to audit or review Senex's external auditors.

Foundation Asset Base (FAB)

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

- Atlas gas assets; 12 PJ/year (32 TJ/day) nameplate capacity
- Roma North gas assets; 9 PJ/year (24 TJ/day) nameplate capacity

The Foundation Asset Base **does not** include additional capital expenditure on exploration, appraisal, development or infrastructure, however **does** include maintenance capital expenditure and sustaining capital expenditure to maintain plateau production at Atlas and Roma North. Foundation Asset Base plateau production and earnings targets expected during H1 FY22 following Roma North expansion.

Financial metrics / assumptions

- 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 amortisation
- Adjusted EBITDA = EBITDA less principal payments on lease liabilities
- FCF = Free cashflow = Operating cashflow less principal payments for lease liabilities, less sustaining capital expenditure; guidance and targets assume no movement in working capital
- Sustaining capital expenditure = Capital expenditure required to maintain Surat Basin production at plateau
- FCF breakeven = The average annual oil price whereby cashflows from operating activities before tax equate to cashflows from investing activities less discretionary expenditure
- ND = Net debt = Interest bearing liabilities (excluding capitalised transaction costs) less cash and cash equivalents. Lease liabilities are not included in Net Debt
- Net Debt:Adjusted EBITDA = Net Debt divided by Adjusted EBITDA

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