

## Non-deal investor roadshow presentation

Driving a step-change with gas

March 2018



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### **No investment advice or offer of shares**

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### **Non-IFRS financial information**

EBITDA (earnings before interest, tax, depreciation and amortisation), EBITDAX (earnings before interest, tax, depreciation, amortisation and exploration expense) and underlying profit are non-IFRS measures that are presented to provide an understanding of the performance of Senex's operations. They have not been subject to audit or review by Senex's external auditors but have been extracted from audited or reviewed financial statements. Underlying profit excludes the impacts of asset disposals and impairments, as well as items that are subject to significant variability from one period to the next.

### **Dollars, reserves and resources estimates**

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. Supporting information on the reserves and resources figures and their calculation are provided in slide 36 of this presentation.



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## Investment highlights

*Independent oil and gas company with a significant growth trajectory*

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### Supportive market dynamics

- Structurally short Australian east coast gas market with strong demand and pricing
- Strengthened oil pricing
- Strengthening global LNG demand



### Strong balance sheet

- A\$82 million cash, with development financing for growth projects well progressed



### High margin oil business

- Disciplined exploration, appraisal and development of oil assets in the Cooper Basin western flank, focused on free cash flow and high value growth opportunities



### East coast gas business to drive step-change in production and earnings growth

- Immediate focus on delivering east coast gas development projects
- Transformational impact on reserves, production, cash flows and earnings



## About Senex Energy







## Company overview

*Australian S&P/ASX 300 energy company*

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- Headquartered in Brisbane, Australia
- Onshore oil and gas assets in Australia's Surat and Cooper Basins
- Portfolio of conventional and unconventional gas and oil assets
- Low cost operator
- More than 30 years operating experience
- Well positioned to realise value in the structurally short east coast gas market
- Strong balance sheet: A\$82 million in cash, with corporate and development financing process well progressed for east coast gas projects

### Key metrics

|                                   |                   |
|-----------------------------------|-------------------|
| Proved reserves (1P)              | 17 mmboe          |
| Proved and probable reserves (2P) | 84 mmboe          |
| FY18 production guidance          | 0.75 – 0.90 mmboe |

### Trading information<sup>1</sup>

|                              |                        |
|------------------------------|------------------------|
| ASX Ticker                   | SXY                    |
| ADR Ticker                   | SXYEY                  |
| Share price                  | A\$0.38                |
| Shares on issue              | 1,447 million          |
| <b>Market capitalisation</b> | <b>~A\$550 million</b> |
| Cash                         | A\$82 million          |
| <b>Enterprise Value</b>      | <b>~A\$470 million</b> |





## Quality assets in Australia's most prolific hydrocarbon basins

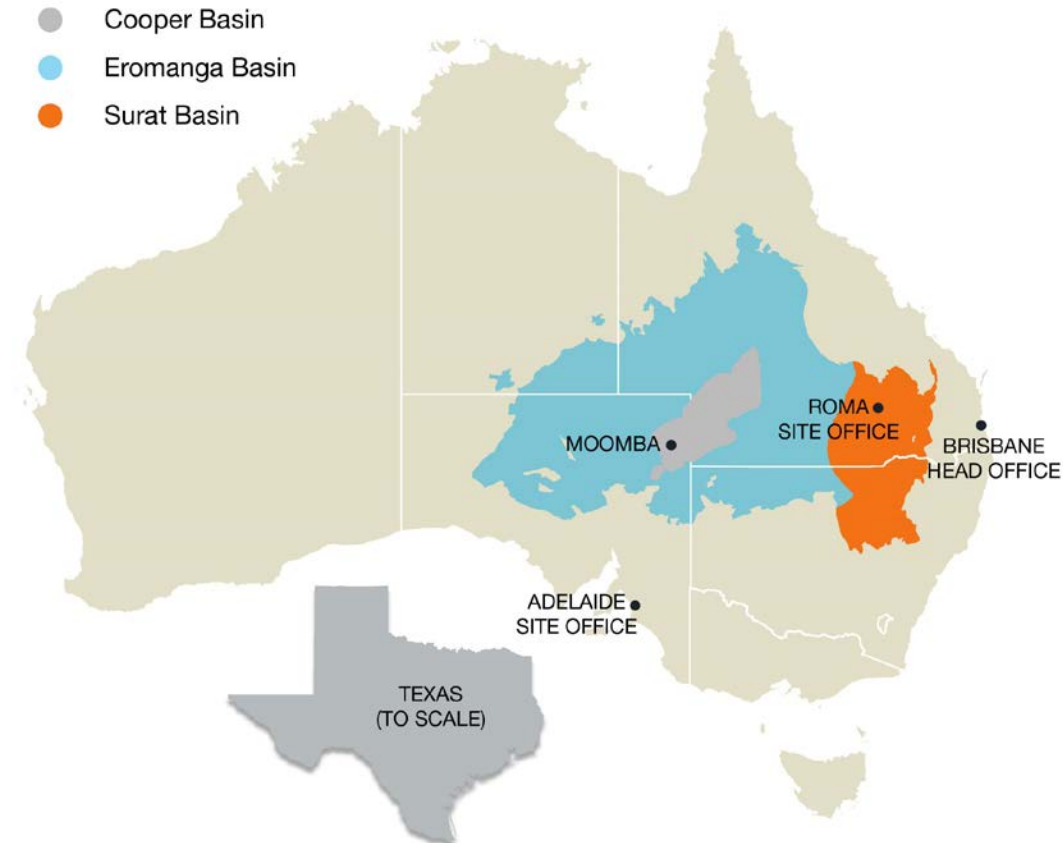
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### East coast gas business

- Portfolio comprises coal seam gas assets in the Surat Basin, and conventional and unconventional gas projects in the Cooper Basin
- Surat Basin assets are progressing quickly to development phase, and will deliver material production and earnings from 2019
- Cooper Basin assets include the conventional Vanessa gas field (online in FY18), and longer-dated conventional and unconventional projects located in proven gas fairways

### Cooper Basin western flank oil assets

- High margin conventional oil business driving cash generation
- Extensive acreage position being focused to the prolific western flank
- Play-based evaluation has identified material risked resource in the western flank with a funnel of exploration opportunities being progressed







## Strategic context







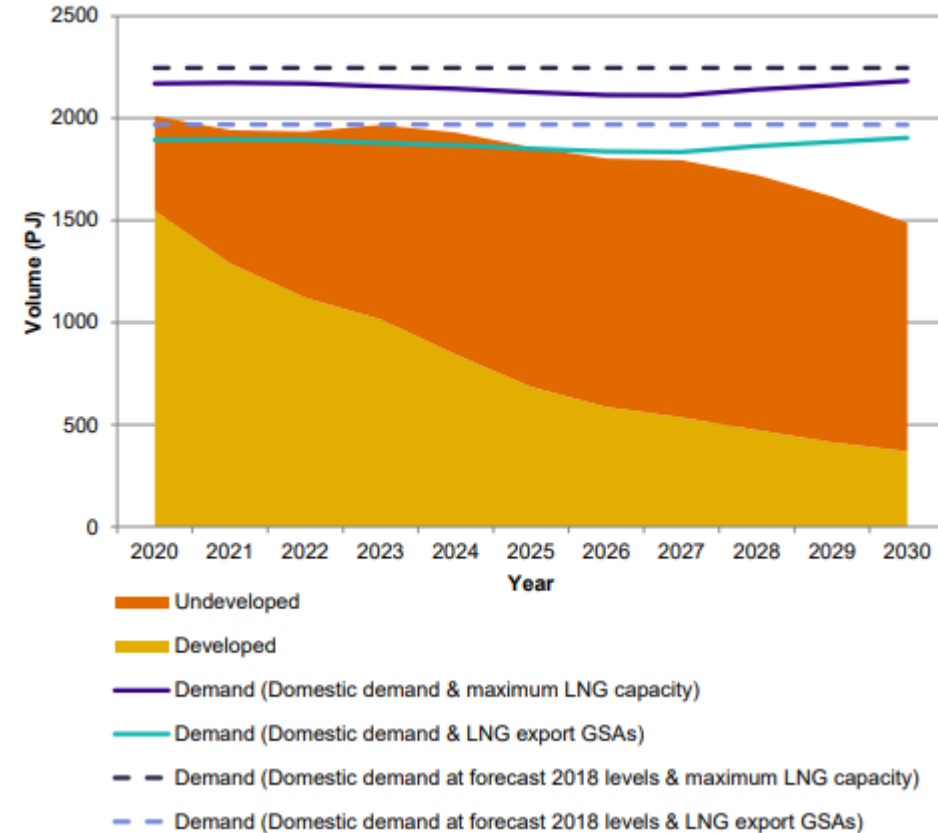
## Australian east coast gas market

*Growing shortfall in gas supply*

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- Significant long-term supply opportunities in a structurally short east coast gas market
- LNG and domestic participants seeking additional long-term supply
- New onshore gas volumes only currently possible from Queensland and South Australia: other regions are closed for business through regulation and activism
- Senex is one of the few independent companies building a material gas business to meet this opportunity

Forecast gas supply gap in the Australian east coast gas market



Source: ACCC Gas Inquiry 2017-20 Interim Report – December 2017

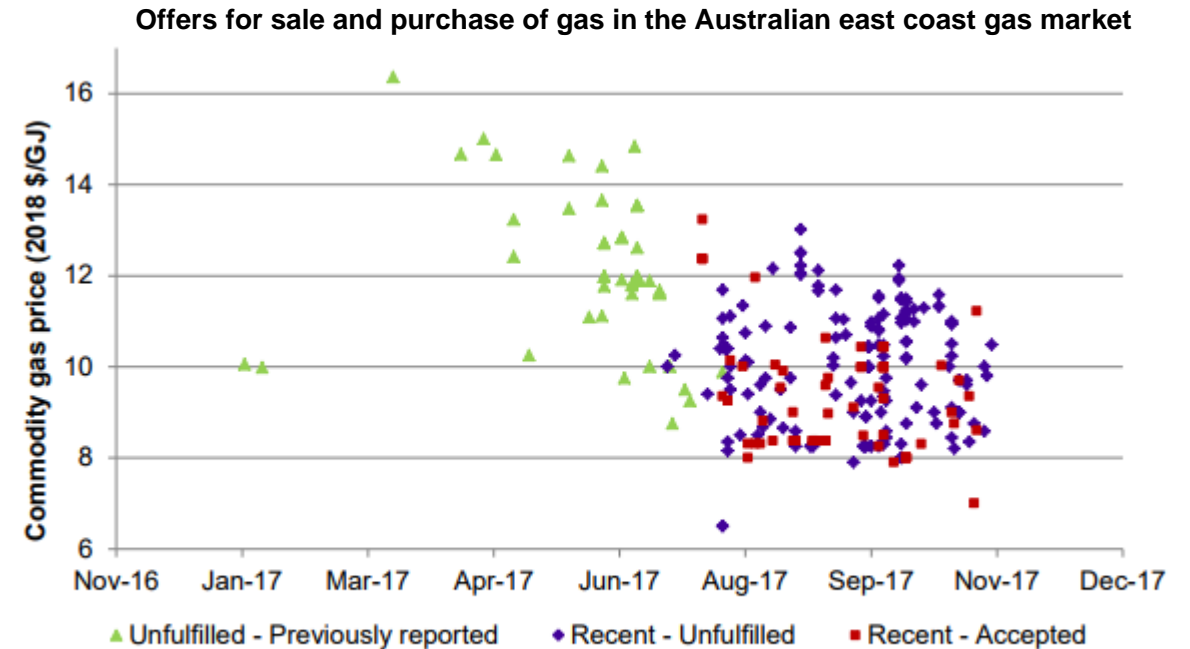


# Australian east coast gas market

*LNG netback pricing driving domestic market pricing*

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- Project Atlas was awarded to Senex in September 2017, with the commitment that gas volumes will be sold to domestic customers
- Domestic gas users seeking to secure supply within a new global supply and pricing environment (LNG-linked)
- Significant unfulfilled domestic market demand
- Prices have increased over the last decade from \$3/GJ to current offers for near term supply of \$8 to \$16/GJ<sup>1</sup>
- Senex expects to sign gas sales agreements with domestic customers in 2018 for Project Atlas



Source: ACCC Gas Inquiry 2017-20 Interim Report – December 2017



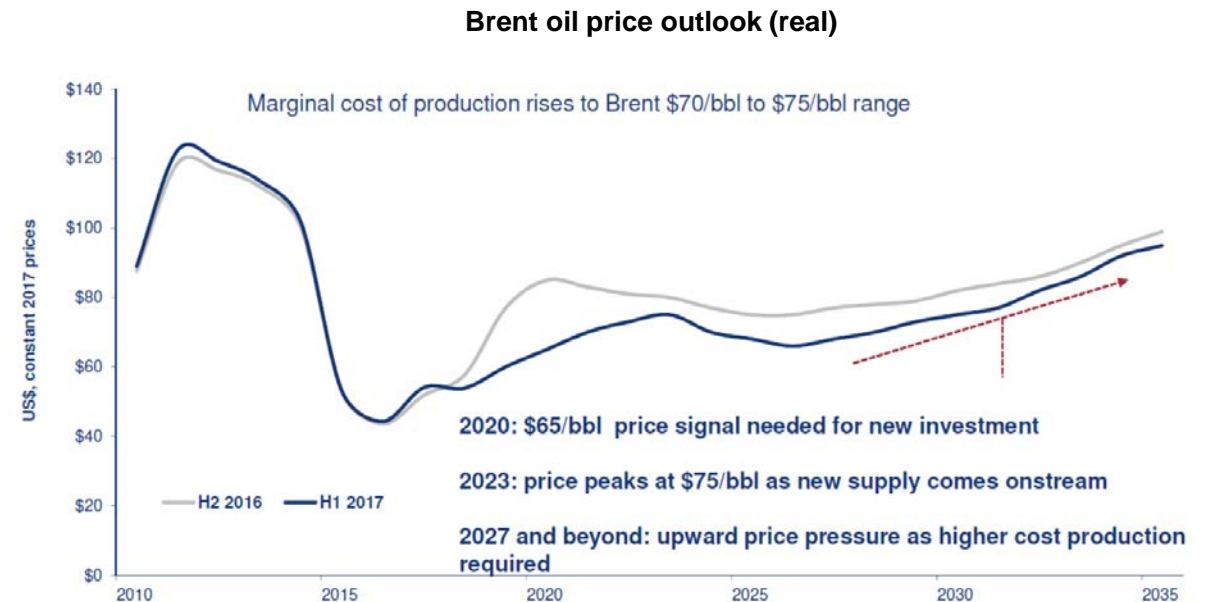


# Global oil markets

*Improved outlook for oil pricing*

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- Global oil markets have rebalanced, with Brent crude trading between US\$60 - \$70/bbl in early 2018
- Analysis suggests that an impending supply gap will place upward pressure on prices from 2025 onwards
- Wood Mackenzie estimates this will translate to a marginal cost of production between US\$70 – 75/bbl
- Senex is positioned to benefit from upside in oil pricing through its producing oil business and the Western Surat Gas Project, with a 20-year GSA directly linked to US dollar Japan Crude Cocktail (JCC) oil prices



Source: Wood Mackenzie Deutsche Bank conference – July 2017



# Senex strategic priorities

*Material progress against strategic priorities in H1 FY18*

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## **Realising the near-term potential in the Australian east coast gas market**

- Awarded Project Atlas, with first gas to be delivered to domestic customers in 2019
- Delivered major investment and determined path to market on Western Surat Gas Project
- Awarded grants by the South Australian government to progress Cooper Basin gas projects
- Corporate and development financing discussions with lenders progressing positively



## **Focusing our material exploration and production position in Cooper Basin oil**

- Completed asset portfolio review, to prioritise capital allocation on core assets
- Commenced process to rationalise non-core assets
- Birkhead oil discovery on the western flank in early FY18
- Continued focus on low operating costs and maximising production from base oil portfolio





## Strategic context

*Driving a step-change with gas*

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Now (FY18):

### Asset portfolio review

- Prioritisation of capital allocation to core assets
- Production guidance: 0.75 – 0.9 mmboe, predominantly oil
- Preparing to enter development phase on east coast gas projects

1 – 2 years:

### Material growth from east coast gas

- Significant capital allocation to core assets
- East coast gas projects have entered development phase and are driving significant growth in production, cashflow and earnings
- Disciplined exploration, appraisal and development of western flank oil assets

3+ years:

### Significant cash-generation

- Core assets are generating significant cash
- East coast gas projects have provided step-change in production, cashflow and earnings
- Disciplined exploration, appraisal and development of western flank oil assets



## Senex Energy asset portfolio







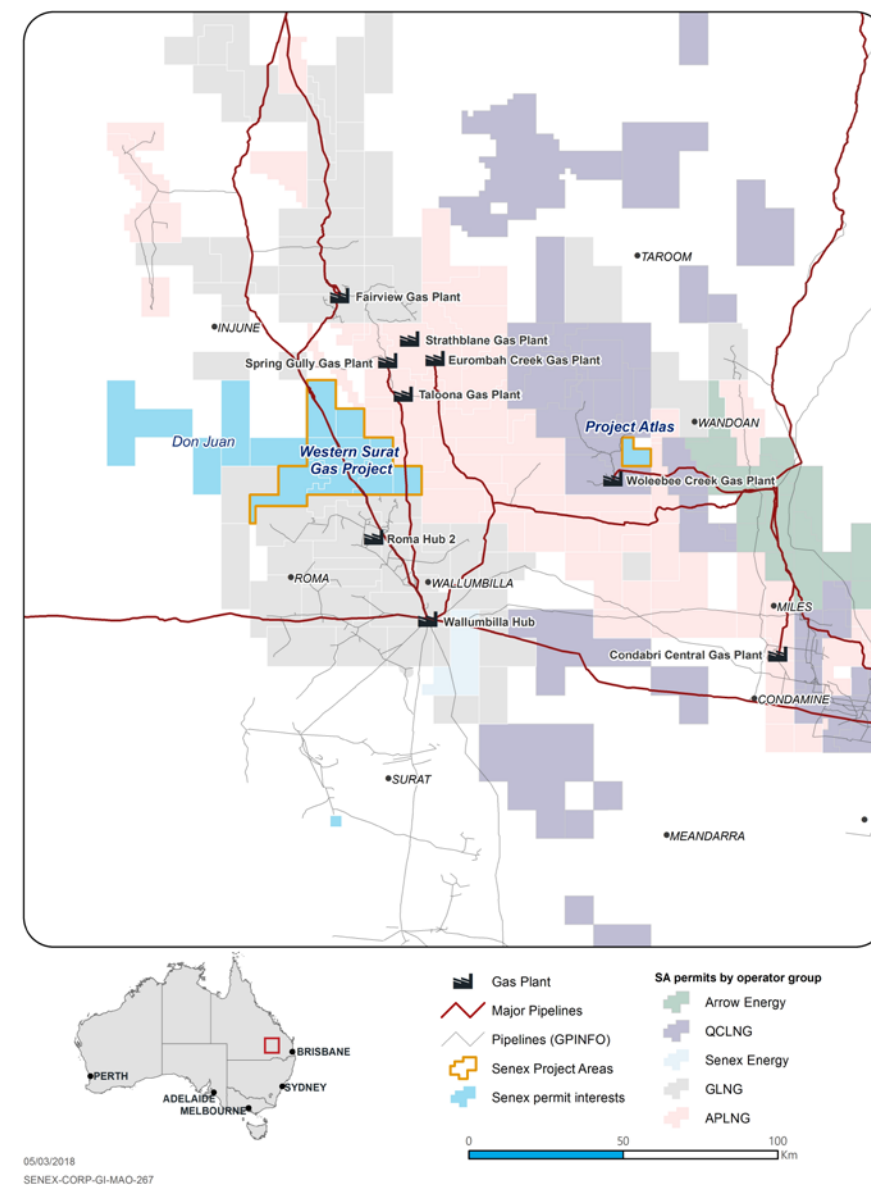
# Surat Basin gas assets

*Portfolio of quality development projects*

- Development projects (Project Atlas and the Western Surat Gas Project) to drive step-change in production, earnings and cash flow from 2019
- Longer-dated gas supply opportunity from Don Juan permits
- Permits spanning > 2,000 km<sup>2</sup> close to existing infrastructure
- Estimated recoverable gas of > 600 PJ (including Project Atlas)
- 20-year GSA with GLNG at JCC oil-linked pricing in place for the Western Surat Gas Project

|                                   |                     |
|-----------------------------------|---------------------|
| Operator                          | Senex               |
| Proved reserves (1P)              | 81 PJ (13.8 mmboe)  |
| Proved and probable reserves (2P) | 438 PJ (74.4 mmboe) |
| Contingent resources (2C)         | 28 PJ (4.7 mmboe)   |

2017 reserves and resources do not include Project Atlas, acquired Sept 2017 (201 PJ (34.2 mmboe) of P50 recoverable gas volumes estimated by SRK Consulting Pty Ltd as part of tender process).





# Project Atlas

*Prioritising accelerated development of top tier asset*

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## Ownership

100% owned and operated by Senex

## Project area

Approximately 58 km<sup>2</sup>

## Project scope

~100 wells, gas and water gathering networks, compression facilities and water management infrastructure

## Infrastructure

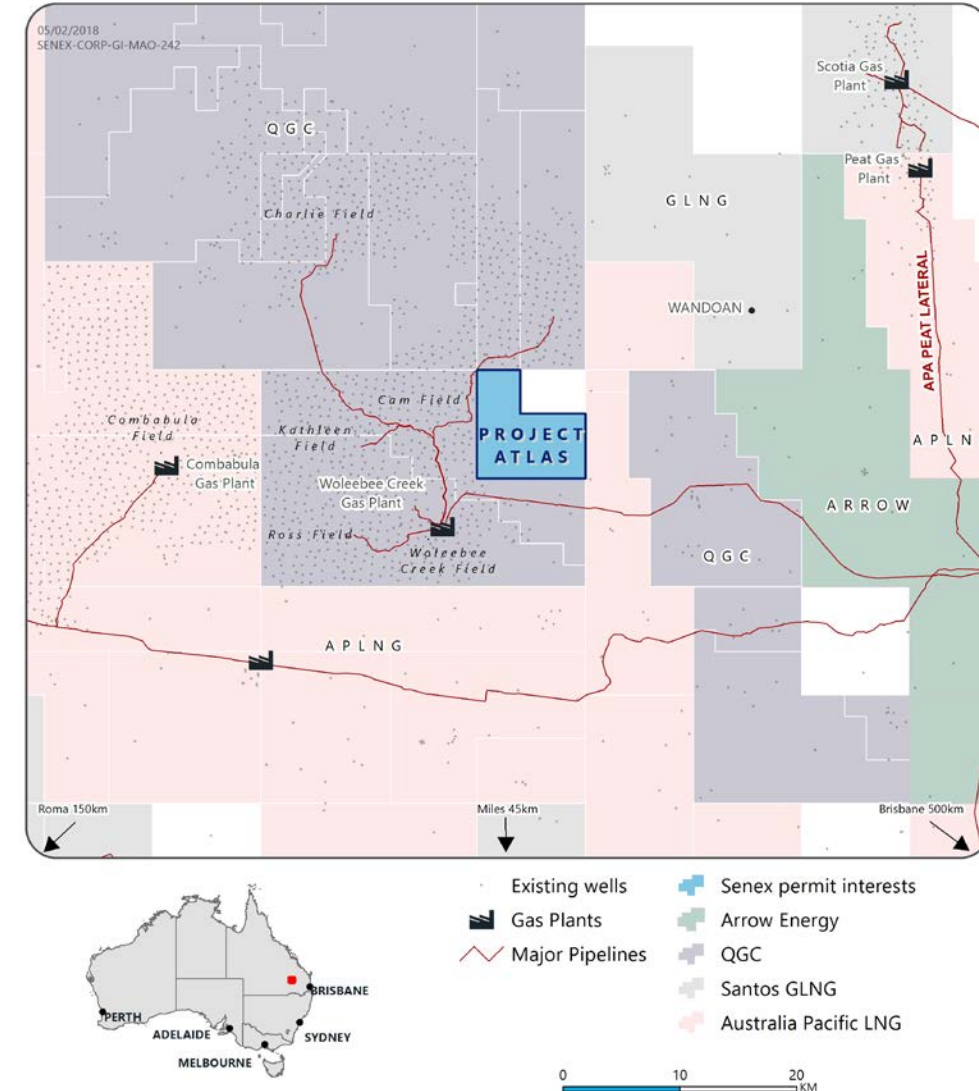
Progressing multiple gas processing infrastructure alternatives to access domestic market

## Market

Gas to be sold to east coast Australia domestic customers; significant gas market demand

## Project status

Greenfield project. All approvals expected mid-2019. First gas targeted late 2019





# Western Surat Gas Project

*Progressing staged development*

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## Ownership

100% owned and operated by Senex

## Project area

Approximately 915 km<sup>2</sup>

## Project scope

Up to 425 wells, gas and water gathering networks, compression facilities and water management infrastructure

## Infrastructure

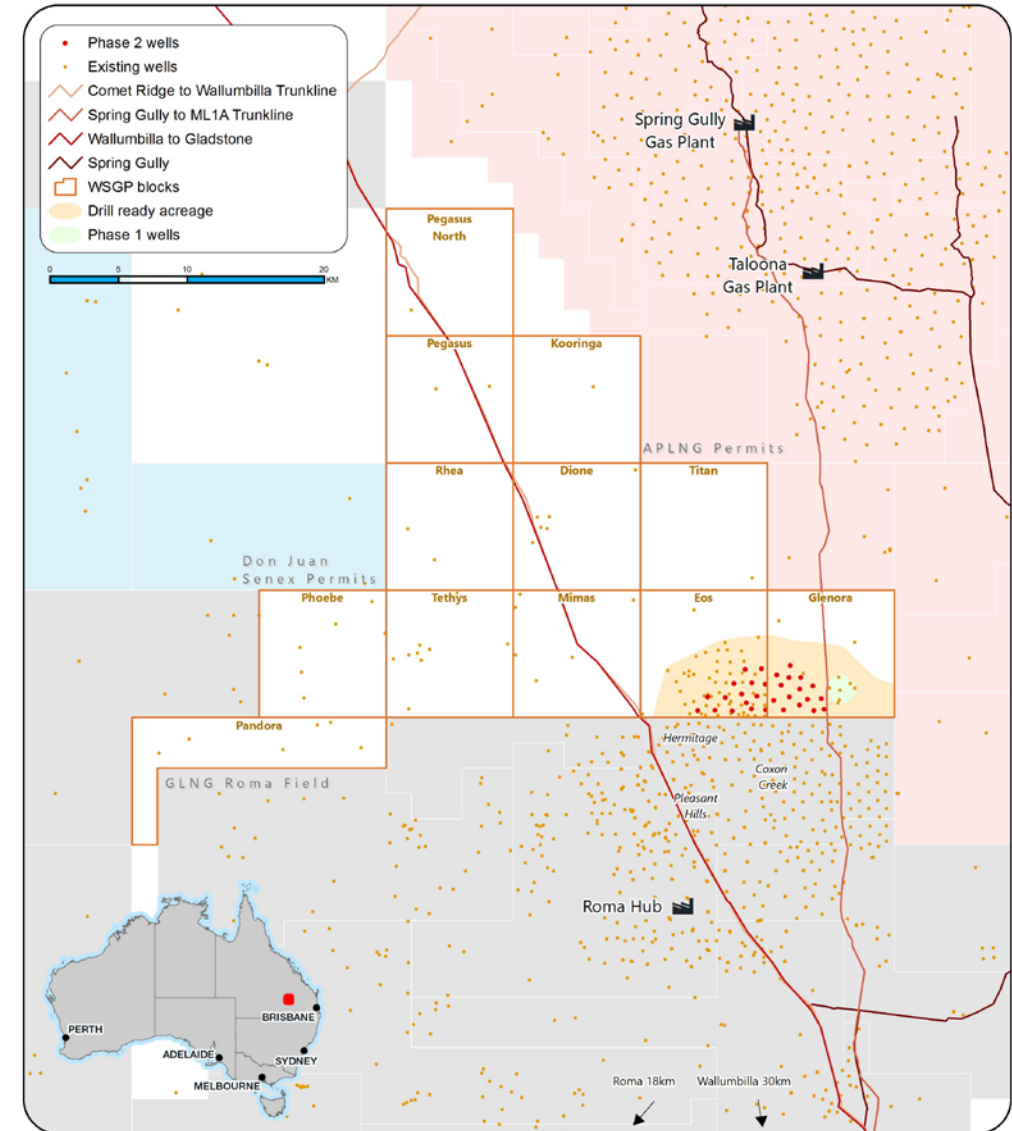
Senex constructing sales gas compression facility on the Eos block to connect with the GLNG pipeline to Gladstone LNG project

## Market

20 year GSA with GLNG at JCC-linked pricing, providing for staged ramp up in sales volumes to a maximum of 50 TJ/day

## Project status

Appraisal of the Glenora and Eos blocks commenced in 2017, first development phase FID expected mid-2018







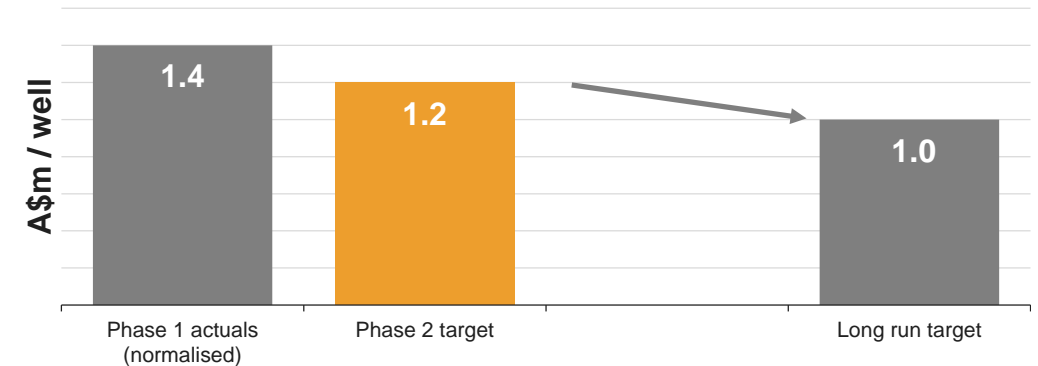
# Western Surat Gas Project

## *Glenora and Eos development*

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- Initial appraisal and development of project acreage focusing on the Glenora and Eos blocks:
  - 30 well campaign (Phase 2) completed in H1 FY18, with wells brought online for testing in late 2017
  - Wells in ramp phase and producing to expectations
  - Phase 3 wells to be sanctioned during 2018
- Sales gas processing infrastructure
  - Initial capacity of 16 TJ/day
  - Modular design allows for staged increase in capacity up to 48 TJ/day
- Excellent cost performance, with further savings identified

**Western Surat Gas Project well cost performance<sup>1</sup>**



1. Installed cost per well includes engineering, procurement, approvals, land access, project management, civil construction, drill, complete, equip and connect costs per well.

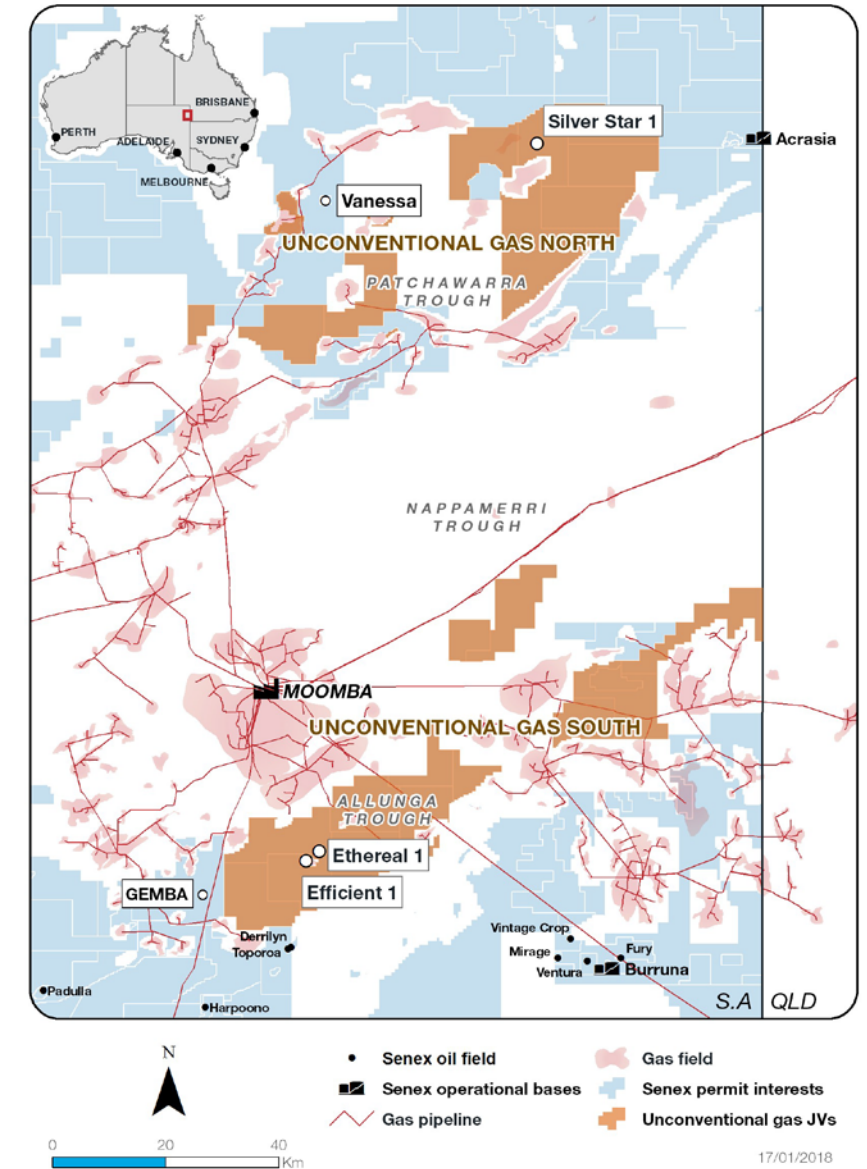


## Cooper Basin gas assets

*Bringing new gas volumes to market*

- The Cooper Basin is a proven hydrocarbon system with large gross intervals of conventional and unconventional gas
- Opportunities to bring gas resources to market to meet the east coast demand opportunity
- Conventional gas projects are being progressed with assistance from the South Australian government:
  - Vanessa gas field to be brought online during H2 FY18
  - Gemba tight sands gas exploration/appraisal well to be drilled mid-2018
- Unconventional gas project with Beach Energy and Planet Gas has proved material stratigraphic gas resources in place
  - ~A\$43 million of work program free-carry remaining

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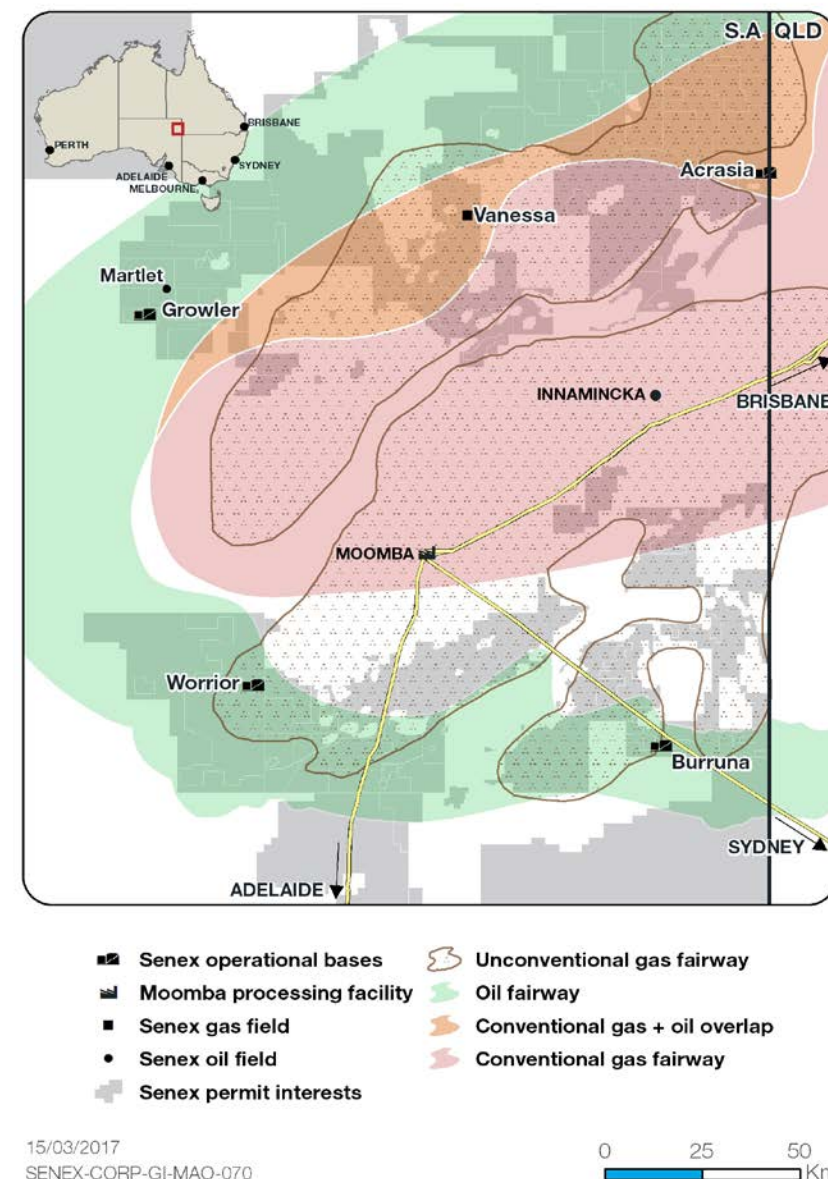


# Cooper Basin oil assets

## Western flank focus

- Senex holds acreage on the productive flanks of the Cooper Basin, Australia's largest onshore oil and gas province
- Successful oil exploration, appraisal and development program conducted over the western flank, responsible for ~ 85% of Senex current production
- Strong operational capability: operating 14 oil fields, drilled 80+ wells, acquired large 2D and 3D seismic surveys
- Rationalising an extensive acreage position to focus spend on disciplined exploration, appraisal and development of western flank oil assets

|                                   |                     |
|-----------------------------------|---------------------|
| Operator                          | Predominantly Senex |
| Proved reserves (1P)              | 2.8 mmbbl           |
| Proved and probable reserves (2P) | 9.3 mmbbl           |
| Contingent resources (2C)         | 5.6 mmbbl           |





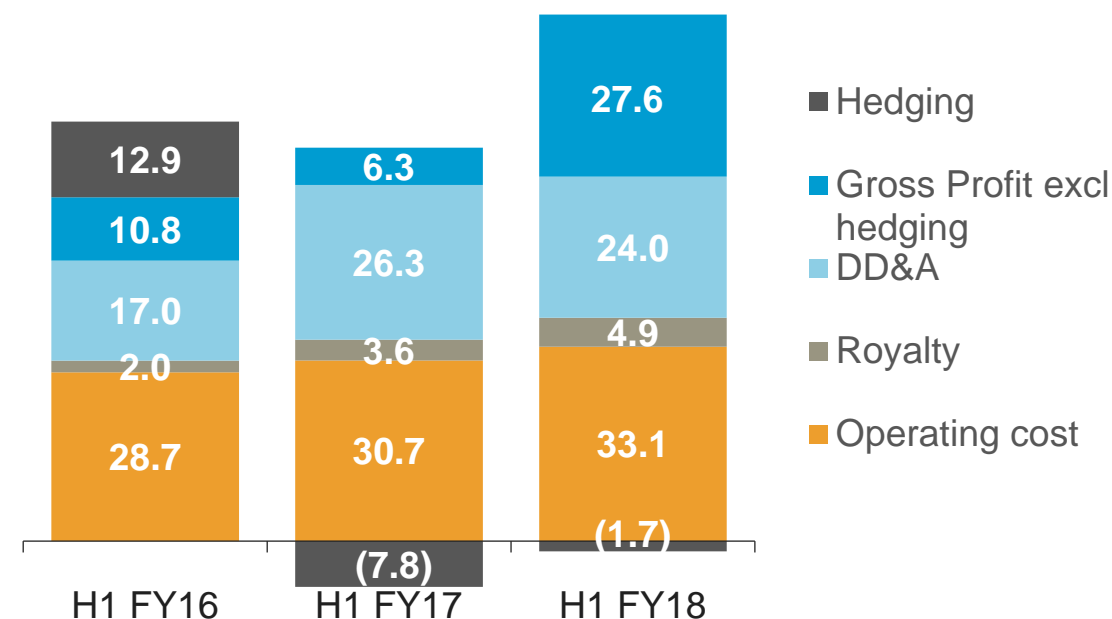
## Western flank oil business

*Stronger margins driven by improved oil pricing*

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- Producing western flank oil fields account for majority of Senex oil production and reserves
- Strong production and cost control from base oil portfolio in western flank: US\$23/bbl (A\$29/bbl) operating costs
  - Western flank direct operating costs of US\$11/bbl (A\$14/bbl)
- Production growth to reduce unit operating costs
- Crude oil sold to two major customers: SACB JV and IOR Petroleum
- Majority of oil sales hedged to June 2019, providing exposure to upside in oil prices and downside protection below:
  - US\$51 per barrel on average for H2 FY18 volumes
  - US\$56 per barrel on average for FY19 volumes

Oil margins (A\$ per barrel sold)





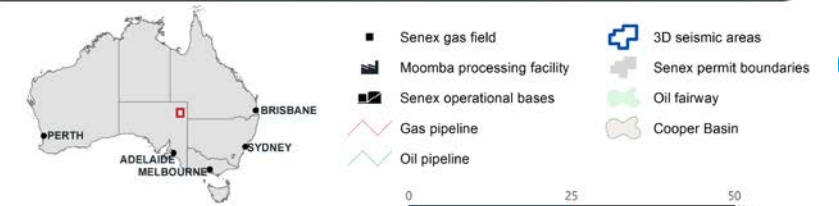
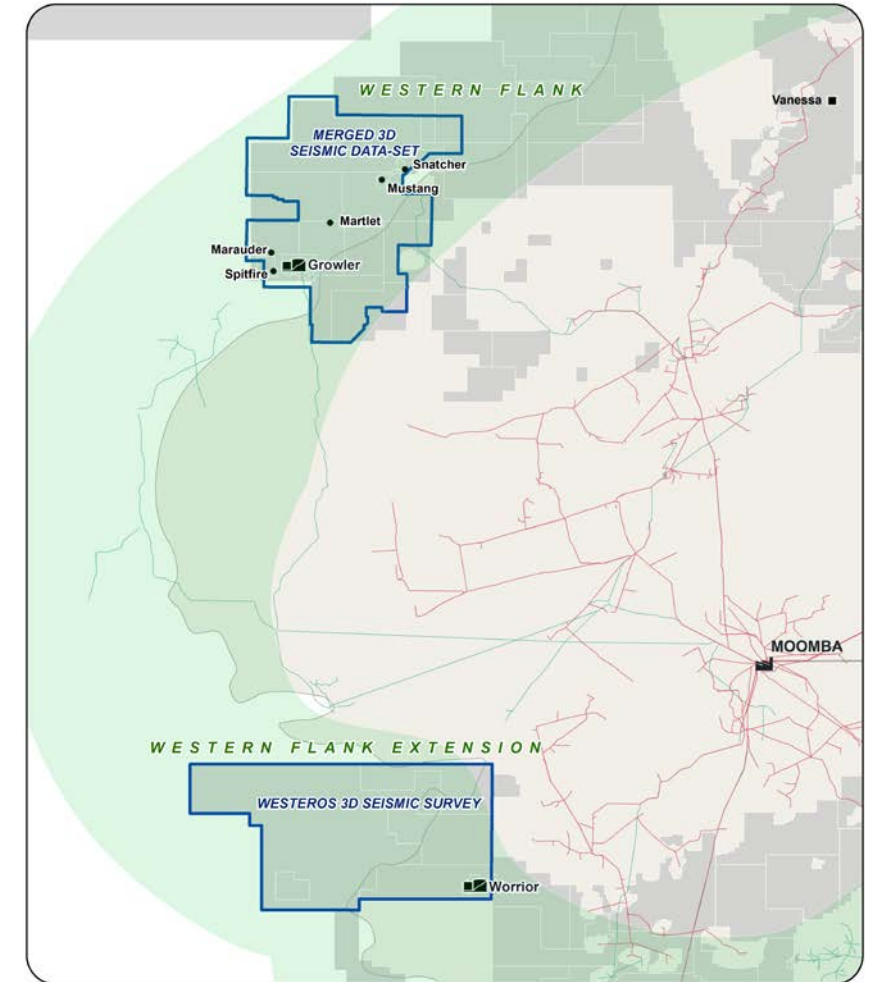


# Western flank exploration and development

## *Material upside potential*

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- Disciplined exploration, appraisal and development of Cooper Basin western flank oil assets to drive production growth
- Leveraging 3D seismic coverage, including 688 km<sup>2</sup> of merged data over the western flank
- High value exploration, appraisal and development portfolio in the western flank:
  - >15 new exploration prospects mapped within Birkhead and Namur horizons, identified from 3D seismic data set
  - Senex is working to mature these prospects for inclusion in drilling programs in 2018 and beyond
- Western flank extension is highly prospective oil exploration acreage in underexplored area of the basin:
  - An extension of the Namur play from the western flank
  - Resources has been estimated from almost 1,000 km of multiple vintage 2D seismic data
  - 775 km<sup>2</sup> Westeros 3D seismic program will be undertaken in mid-2018







## Summary and outlook







## Investment highlights

*Independent oil and gas company with a significant growth trajectory*

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### Supportive market dynamics

- Structurally short Australian east coast gas market with strong demand and pricing
- Strengthened oil pricing
- Strengthening global LNG demand



### Strong balance sheet

- A\$82 million cash, with development financing for growth projects well progressed



### High margin oil business

- Disciplined exploration, appraisal and development of oil assets in the Cooper Basin western flank, focused on free cash flow and high value growth opportunities



### East coast gas business to drive step-change in production and earnings growth

- Immediate focus on delivering east coast gas development projects
- Transformational impact on reserves, production, cash flows and earnings



# Appendix

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Corporate information

Financial information

Project Atlas reference information

WSGP reference information







# Corporate Information

## Board of Directors

|                        |                                              |
|------------------------|----------------------------------------------|
| <b>Trevor Bourne</b>   | Chairman, Independent Non-executive Director |
| <b>Ian Davies</b>      | Managing Director & Chief Executive Officer  |
| <b>Ralph Craven</b>    | Independent Non-executive Director           |
| <b>Tim Crommelin</b>   | Non-executive Director                       |
| <b>Debra Goodin</b>    | Independent Non-executive Director           |
| <b>John Warburton</b>  | Independent Non-executive Director           |
| <b>Andy Zhmurovsky</b> | Non-executive Director                       |

## Executive Management

|                        |                                             |
|------------------------|---------------------------------------------|
| <b>Ian Davies</b>      | Managing Director & Chief Executive Officer |
| <b>Frank Connolly</b>  | Company Secretary                           |
| <b>Suzanne Hockey</b>  | Executive General Manager People & HSE      |
| <b>David Pegg</b>      | General Counsel                             |
| <b>David Spring</b>    | Executive General Manager Exploration       |
| <b>Julie Whitcombe</b> | Executive General Manager Queensland Assets |
| <b>Graham Yerbury</b>  | Chief Financial Officer                     |

## Corporate history

|                    |                                                                                                                                                                                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1984</b>        | Victoria Petroleum NL listed on the ASX (Perth based company focused on developing petroleum prospects across Australia and the US)                                                                                                                 |
| <b>Early 2000s</b> | Company expanded interests to include coal seam gas exploration permits in Queensland's Surat Basin                                                                                                                                                 |
| <b>2009</b>        | US petroleum interests sold                                                                                                                                                                                                                         |
| <b>2010</b>        | Company moves its registered office from Perth to Brisbane; A\$26 million share placement; 1 in 40 year flood in the Cooper Basin interrupts production                                                                                             |
| <b>2011</b>        | Victoria Petroleum is renamed Senex; Company acquires Stuart Petroleum, an exploration company with decades of experience in the Cooper Basin; A\$53 million rights issue                                                                           |
| <b>2012</b>        | A\$155 million rights issue                                                                                                                                                                                                                         |
| <b>2013</b>        | Senex agrees landmark 15-year petroleum retention licence scheme with the South Australian Government                                                                                                                                               |
| <b>2014</b>        | Significant increase in coal seam gas reserves through a gas asset swap with the QGC JV; two farm-out agreements and an initial work program of A\$105 million announced with Origin Energy to explore unconventional gas plays in the Cooper Basin |
| <b>2015</b>        | Senex and Santos GLNG transactions establish a financing and commercialisation pathway for the Western Surat Gas Project                                                                                                                            |
| <b>2017</b>        | Senex and EIG establish a strategic relationship; A\$91 million capital raising through institutional placement and Share Purchase Plan<br>Award of Project Atlas                                                                                   |





# Chairman and Executive Team



**Trevor Bourne**  
Chairman  
*BSc (Mech Eng), MBA, FAICD*

Trevor is an experienced Non-executive Director, having served on public and private company boards in Australia and Asia for over 15 years. Trevor was a founding director of Origin Energy for 12 years, following the demerger from Boral. Trevor's executive career included 15 years at BHP, eight years with the then Orica subsidiary Incitec, and 15 years with Brambles – the last six of which as Managing Director of Australasia.



**Ian Davies**  
Managing Director and CEO  
*BBus (Acct), CA, Cert SII (UK), MAICD, F Fin*

Ian has stewarded the company through significant transformation to an oil and gas explorer and producer. Ian joined Senex from QGC – a BG Group business, where he had been a key member of the senior management team after joining as Chief Financial Officer in 2007. Previously, Ian was an investment banker in Melbourne with Austock Corporate Finance and in London with Barclays Capital. He commenced his career in the Energy and Mining Division of pwc in Brisbane.



**Frank Connolly**  
Company Secretary  
*BA, LLB (Hons), Grad Dip Applied Finance & Investment*

Frank joined Senex from the Australian Securities and Investments Commission (ASIC) where he was a Senior Manager in the Emerging, Mining and Resources team. Over a career spanning 30 years, Frank has held a number of senior executive roles and brings extensive knowledge in the areas of company law, corporate governance, investment banking and corporate finance.



**Suzanne Hockey**  
EGM People & HSE  
*GDip Strategic Mgmt (Distinction), ADip AppSc*

Suzanne joined Senex in January 2016 and brings over 20 years of experience to Senex in advanced human resources strategies and processes, predominantly with a background in the resources sector. Most recently Suzanne was General Manager of Human Resources at Oil Search Limited (ASX:OSL) where she oversaw HR consulting services, governance and performance management across a global workforce of more than 1600 staff and contractors.



**David Pegg**  
General Counsel  
*BCom, LLB (hons), MSc, Gdip Governance*

David is responsible for assuring that Senex is compliant with all legal and regulatory requirements. An experienced Senior Executive in the energy and resources sector with a background in law, corporate governance development, project oversight and government relations, David joined Senex in March 2013. David also held the position of General Counsel and Company Secretary at Ergon Energy Limited and Queensland Energy Resources Limited.



**David Spring**  
EGM Exploration  
*BSc (Geology)*

David is an experienced geologist and geophysicist with over 30 years of experience in oil and gas, including senior leadership roles in Australia, North America, Europe and the Middle East. David previously led a global exploration portfolio for Mubadala Petroleum, the sovereign exploration and production company in the United Arab Emirates, as well as spending over a decade at BHP Billiton Petroleum in Australia and overseas.



**Julie Whitcombe**  
EGM Queensland Assets  
*BEng (Mining) (First Class Hons), MBA, CA (Distinction)*

Julie is responsible for delivering value from Senex's portfolio of assets in Queensland, and brings over 15 years of experience in strategy, finance and project oversight to her role. Julie joined Senex in 2010 and was previously Chief Finance Officer, and more recently Executive General Manager Strategic Planning. Prior to joining Senex, Julie spent seven years with pwc in its Transactions team in Brisbane and in Aberdeen, Scotland, and as a management consultant for AT Kearney.



**Graham Yerbury**  
Chief Financial Officer  
*BCom, MBus, CA*

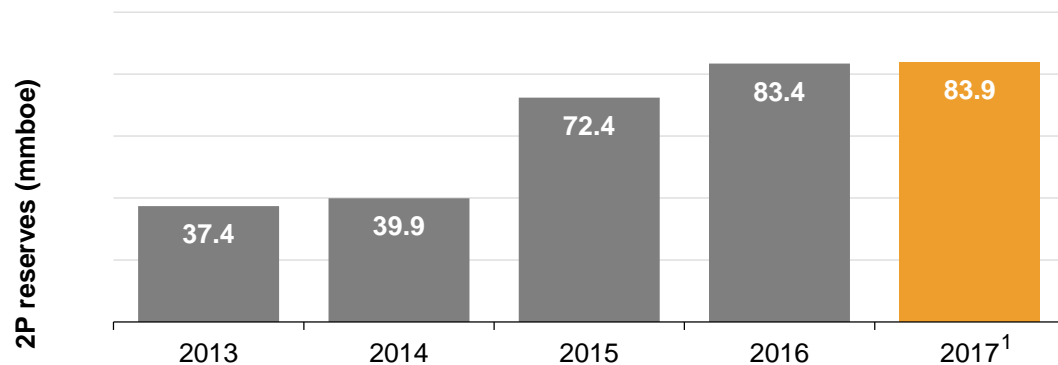
Graham is responsible for a diverse portfolio at Senex including corporate finance, governance, IT and business improvement. Graham joined Senex in 2015 as CFO and brings nearly four decades of experience to his role. He has held executive and senior finance roles with ASX-listed and multi-national resources and professional services companies, including nearly three years as CFO of multi-national engineering services firm Cardno Limited just prior to Senex.



## Company snapshot

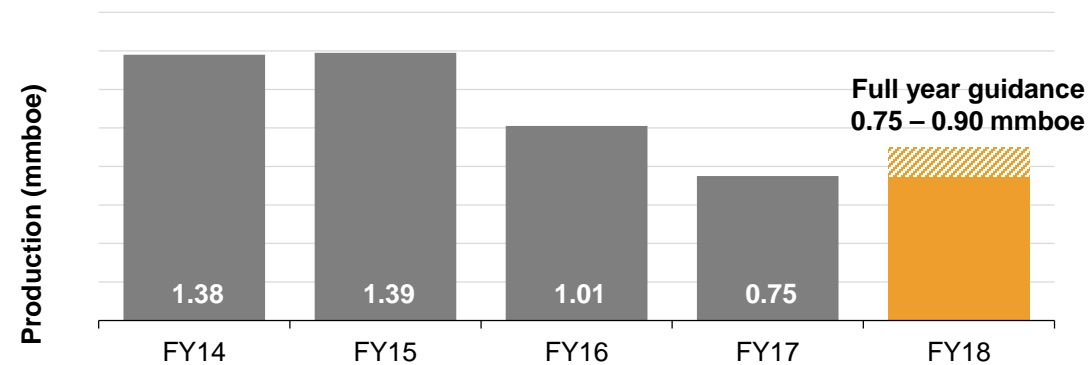
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### Material 2P reserves position

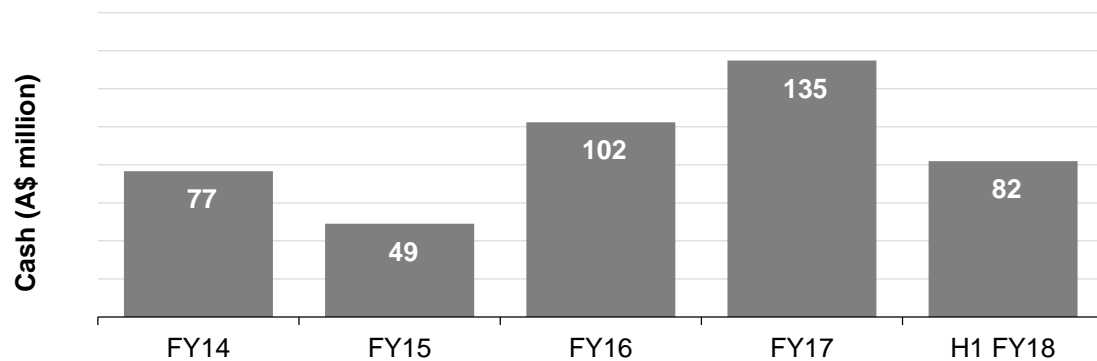


<sup>1</sup> Excludes any reserves for Project Atlas, awarded to Senex in September 2017

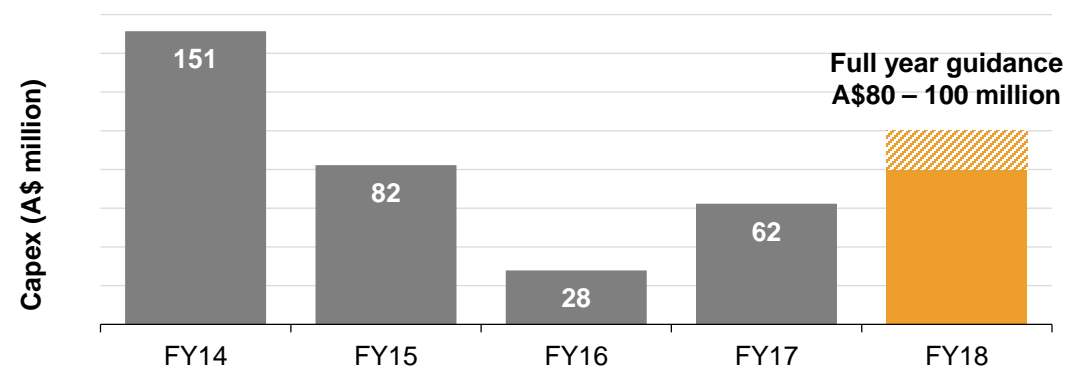
### Rebuilding production after a period of low capex



### Strong financial position



### Reinvesting in growth capital



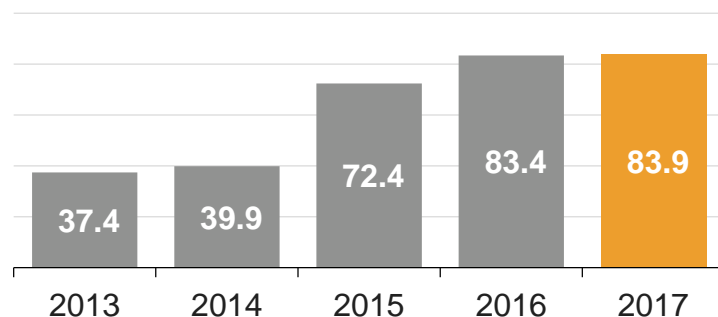


## Reserves and resources

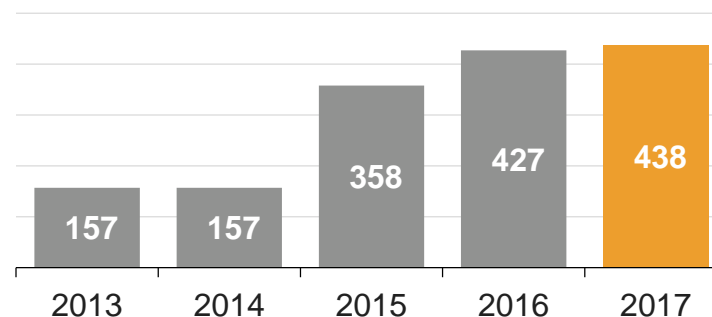
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|              | 30 June 2016 | Production | Revisions | 30 June 2017 | % change yoy |
|--------------|--------------|------------|-----------|--------------|--------------|
| 1P reserves  | <b>12.1</b>  | (0.7)      | 5.3       | <b>16.7</b>  | 38%          |
| 2P reserves  | <b>83.4</b>  | (0.7)      | 1.3       | <b>83.9</b>  | 1%           |
| 2C resources | <b>208.0</b> | -          | 0.1       | <b>208.1</b> | 0%           |

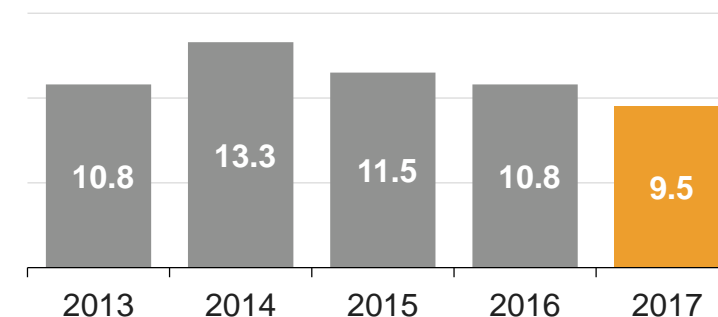
2P reserves (oil and gas) - mmboe



2P reserves Surat Basin - PJs



2P reserves Cooper Basin - mmboe



All reserves charts have been adjusted for the sale of the Maisiey block in 2015

2017 reserves and resources do not include Project Atlas, acquired in September 2017 (201 PJ of P50 recoverable gas volumes estimated by SRK Consulting Pty Ltd as part of tender process)





## FY18 outlook

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### Production

- Solid production from Cooper Basin oil portfolio (including Marauder), with development drilling currently underway
- Surat Basin gas volumes to ramp up throughout FY18, with the Vanessa gas field expected online during H2 FY18

### Capex

- Capex guidance under review given sanction of long-lead items on Western Surat Gas Project sales gas compression facility and award of Project Atlas
- Surat Basin capex deployed to the Phase 2 investment program and expanded appraisal activities
- Cooper Basin capex deployed on the western flank, and to the connection of the Vanessa gas field

| Production mmboe             | H1 FY18<br>actual | FY18<br>guidance              |
|------------------------------|-------------------|-------------------------------|
| <b>Total production</b>      | <b>0.37</b>       | <b>0.75 – 0.90</b>            |
| Capital spend A\$ million    | H1 FY18<br>actual | FY18<br>guidance <sup>1</sup> |
| Surat Basin                  | 32                | 45 – 55                       |
| Cooper Basin                 | 12                | 30 – 40                       |
| Corporate                    | 2                 | 5                             |
| <b>Total equity capex</b>    | <b>46</b>         | <b>80 – 100</b>               |
| Beach Energy committed funds | 7                 | 50 <sup>2</sup>               |

1. FY18 capex guidance under review

2. Approx. A\$43 million committed Beach Energy funds to progress unconventional gas exploration project. Relates to calendar year 2018.



## Key financial headlines

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|                                                    | H1 FY18 | H1 FY17 | Change |
|----------------------------------------------------|---------|---------|--------|
| Production (mmboe)                                 | 0.37    | 0.41    | (10%)  |
| Sales volumes (mmboe)                              | 0.35    | 0.39    | (10%)  |
| Average realised oil price (A\$ per bbl)           | 88      | 59      | 49%    |
| Capital spend (A\$ million)                        | 45.9    | 24.7    | 86%    |
| Sales revenue (A\$ million)                        | 29.8    | 22.8    | 31%    |
| Operating cost ex royalties (A\$ per bbl produced) | 31.5    | 29.1    | 8%     |
| EBITDAX (A\$ million)                              | 10.0    | 3.0     | 233%   |
| Underlying NPAT (A\$ million)                      | (2.8)   | (8.8)   | 68%    |
| Statutory NPAT (A\$ million)                       | (82.3)  | (8.8)   | (838%) |
| Net cash (A\$ million)                             | 81.9    | 82.8    | (1%)   |
| Drawn debt (A\$ million)                           | 4.4     | 3.1     | 42%    |

- Asset portfolio review resulting in prioritisation of capital to core assets and a non-cash impairment charge of A\$80 million relating to non-core Cooper Basin assets
- Progressing a process to rationalise non-core assets to focus on delivering high-value opportunities for Senex



## Net profit after tax and EBITDAX

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| A\$ million                      | H1 FY18       | H1 FY17      |
|----------------------------------|---------------|--------------|
| Revenue                          | 29.8          | 22.8         |
| Operating costs                  | (12.9)        | (13.2)       |
| Gain on sale of assets           | 0.4           | -            |
| Other revenue/costs <sup>1</sup> | (7.3)         | (6.6)        |
| <b>EBITDAX</b>                   | <b>10.0</b>   | <b>3.0</b>   |
| Exploration expense              | (3.2)         | -            |
| Amortisation & depreciation      | (9.1)         | (11.4)       |
| Impairment                       | (79.9)        | -            |
| Net Finance Costs                | (0.1)         | (0.4)        |
| <b>Statutory NPAT</b>            | <b>(82.3)</b> | <b>(8.8)</b> |
| Impairment                       | 79.9          | -            |
| Gain on sale of assets           | (0.4)         | -            |
| <b>Underlying NPAT</b>           | <b>(2.8)</b>  | <b>(8.8)</b> |

| A\$ million                           | H1 FY18       | H1 FY17      |
|---------------------------------------|---------------|--------------|
| Statutory net profit (loss) after tax | <b>(82.3)</b> | <b>(8.8)</b> |
| <i>Add/(less):</i>                    |               |              |
| Net interest                          | 0.1           | 0.4          |
| Tax                                   | -             | -            |
| Amortisation & depreciation           | 9.1           | 11.4         |
| Impairment                            | 79.9          | -            |
| <b>EBITDA</b>                         | <b>6.8</b>    | <b>3.0</b>   |
| <i>Add/(less):</i>                    |               |              |
| Oil and gas exploration expense       | 3.2           | -            |
| <b>EBITDAX</b>                        | <b>10.0</b>   | <b>3.0</b>   |

1. Other revenues/costs includes flowline revenue, other income, other operating expenses, general and administrative expenses  
Numbers may not add due to rounding





### Resource

#### Recoverable gas volumes

- 201 PJ of P50 recoverable gas volumes estimated by SRK Consulting Pty Ltd as part of tender process

### Infrastructure

#### Gas processing and transmission

- Acreage is strategically located near several transmission/transportation infrastructure hubs (potential to share infrastructure with neighbouring operators)
- In parallel, Senex advancing concept studies on an independent path to market

### Government take

#### QLD royalty regime

- 10% of wellhead value<sup>1</sup>

### Market

#### Domestic customers

- Gas will be sold to domestic customers on the east coast of Australia
- Senex received expressions of interest from domestic customers of >150 TJ/day of combined demand during tender process

1. Wellhead value revenue minus above ground costs (including processing and transport) and depreciation of above ground costs (again for processing and transport).



## Western Surat Gas Project: reference data

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### Resource

- |                             |                                                                                                                                               |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Surat Basin reserves</b> | <ul style="list-style-type: none"><li>• 81 PJ of net proved (1P) reserves</li><li>• 438 PJ of net proved and probable (2P) reserves</li></ul> |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|

### Infrastructure

- |                      |                                                                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Appraisal Gas</b> | <ul style="list-style-type: none"><li>• Pipeline connects the Glenora pilot to the GLNG low pressure gathering network, with second connection being constructed from the Eos pilot</li><li>• Minimal compression and water handling facilities required</li></ul> |
| <b>Sales Gas</b>     | <ul style="list-style-type: none"><li>• Long-lead items for Senex-constructed sales gas processing facility sanctioned in February 2018</li><li>• Delivery of sales gas into the GLNG Comet Ridge to Wallumbilla Pipeline at a point on Senex's permits</li></ul>  |

### Government take

- |                           |                                                                                               |
|---------------------------|-----------------------------------------------------------------------------------------------|
| <b>QLD royalty regime</b> | <ul style="list-style-type: none"><li>• 10% of wellhead value<sup>1</sup></li></ul>           |
| <b>PRRT</b>               | <ul style="list-style-type: none"><li>• Shield of A\$917 million as at 30 June 2017</li></ul> |

1. Wellhead value revenue minus above ground costs (including processing and transport) and depreciation of above ground costs (again for processing and transport).



## Western Surat Gas Project: reference data

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### Market

#### Pilot Gas

- Sales to GLNG from the Phase 1 wells commenced in April 2017, and from the Phase 2 wells in December 2017 (Senex receives a USD JCC oil-linked price for raw, unprocessed gas to be supplied on an as-available basis)

#### Gas Sales Agreement with GLNG

- GSA for gas from the Western Surat Gas Project area over a 20-year contract term (right of termination for both parties at September 2020 if 'first FID' not reached)
- GSA provides for, at Senex's election, the staged ramp up in sales volumes to a maximum of 50 TJ/day following 'first FID'
- USD market pricing based on a JCC oil-linked formula
- Ability to sell up to 15% of gas volumes to domestic gas customers, subject to certain conditions





## Supporting information for estimates

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**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 2017
- Surat Basin gas reserves and resources (Western Surat Gas Project): 30 June 2017
- Surat Basin gas reserves and resources (Don Juan): 19 July 2014

**External consultants:** Senex engages the services of Degolyer and MacNaughton, 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, 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. 5% 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. 7% 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.




## Contact and Further Information

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