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Sundance Energy Australia Limited ABN 76 112 202 883

FOR IMMEDIATE RELEASE

31 May 2018

General Manager
The Company Announcements Office
Australian Securities Exchange

Chairman's Report May 2018 AGM

Dear Fellow Shareholders,

This is an exciting time for our shareholders. Strong worldwide economic growth and geopolitical risk in the Middle East have, at least for now, swung the oil cycle in our favour. We have recently completed a material acquisition that increases our leverage to oil price and have secured the capital necessary to efficiently grow production from these high quality assets.

The acquisition was predicated on securing new midstream contracts at market rates that secure the infrastructure and firm capacity to move oil and natural gas to market as we grow production. By running a consistent development program we are optimistic that we can reduce cost per well and improve predictability of new production and cash flows. These fundamental benefits to our operations, in addition to stronger oil prices and higher quality acreage, should allow us to create shareholder value more efficiently going forward.

During 2017, we brought 14 gross (13.8 net) wells into production on our Eagle Ford acreage in south Texas. Proved and probable reserves ("2P") at yearend, pro forma for the acquisition, increased to 170.7 Mboe and PV10 value of \$963.6 million. The development program was funded primarily with cash generated from operations and proceeds from the sale of the Company's Oklahoma assets.

The 2017 development program resulted in increases in production, revenue, Adjusted EBITDAX and reserves. On a barrels of oil equivalent (Boe) basis, production increased 22.4 percent to 7,471 Boe/d. Adjusted EBITDAX for the year increased to \$57.2 million as compared to \$47.9 million in 2016. Adjusted EBITDAX was impacted by higher general and administrative and lease operating expenses per Boe. The increase in general and administrative expense was primarily attributable to non-recurring costs, such as those associated with the transaction noted above. The planned increase in lease operating costs was primarily due to catching up on maintenance deferred in 2016.

In 2018 and 2019 we anticipate material growth in production, revenue, Adjusted EBITDAX and reserves from the fully funded development program on our acquired assets. In 2018 we anticipate producing 9,000-10,000 Boe/d and generating \$100-\$110 million in EBITDAX. In 2019 we anticipate producing 21,000-22,000 boe/d and generating \$250-\$275 million in EBITDAX.

We have recently mobilized our first drilling rig and completed drilling the first well on the acquired assets to meet these targets and have a second rig contracted to mobilize and begin drilling in early June 2018. We are currently fracking our second and third wells on our legacy assets in McMullen County using a Halliburton completion crew.

We continue to focus on developing and operating our properties in an environmentally responsible manner and we are committed to ensuring the health and safety of our workforce. I am pleased to be able to report that no significant environmental, health or safety issues occurred during the year.

The accomplishments and progress we were able to achieve over the last year and into this year would not have been possible without the significant contributions from our dedicated and hardworking management team and staff, and my fellow members of the Board of Directors. I thank them all for this.

Finally, on behalf of the other Directors and the management and staff of Sundance, I would like to thank you for your ongoing support. We look forward to the upcoming year and the opportunity to deliver growth and increased value to our Shareholders.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mike Hannell", followed by a period.

Mike Hannell
Chairman