

### HIGHLIGHTS

During the fourth quarter of FY18, Senex Energy (Senex, the Company, ASX:SXY) delivered materially higher revenue driven by increased production and a higher realised oil price. Highlights include:

- **Net production:** Senex produced approximately 270,000 barrels of oil equivalent (boe), up 42% for the quarter. Full year production was 840,000 boe, up 12% compared to FY17 and in line with guidance of 750,000 - 900,000 boe.
- **Project Atlas:** Senex reached a significant milestone by partnering with Jemena to bring Project Atlas gas to the domestic market in late 2019. Jemena will fund capital expenditure on downstream infrastructure and Senex will pay an agreed tariff over a 25-year term. The agreement delivered both the path to market for Project Atlas gas and also a material component of Senex's overall funding requirement.
- **Western Surat Gas Project (WSGP):** Senex was granted a Petroleum Lease (PL) over the initial development area of the Glenora and Eos blocks. Production from Phase 2 wells continues to increase, averaging above three terajoules per day.
- **Cooper Basin western flank:** Senex agreed with Beach Energy the western flank drilling program for FY19, to include at least three development wells and seven exploration wells and associated infrastructure, commencing in August 2018. Senex will be free carried by Beach for up to \$43 million.
- **Capital expenditure** was \$23.1 million for the quarter, and \$80.1 million for FY18, in line with annual guidance of \$80 - \$100 million.

Subsequent to the quarter end, Senex today announced the following items, more details of which can be found in separate ASX announcements:

1. **Financing:** Senex has entered into a fully underwritten A\$150 million debt facility with Australia and New Zealand Banking Group (ANZ) to fund the development of its Surat Basin gas projects.
2. **Reserves:** Senex delivered material reserves additions with **1P reserves** increased by 21% to 20.2 mmboe and **2P reserves** increased by 35% to 113.2 mmboe. Additions were driven by positive subsurface performance from the WSGP 30-well Phase 2 appraisal program and the maiden booking on Project Atlas.

**Senex Managing Director and CEO Ian Davies** commented on the result: *"Delivering the downstream solution for Project Atlas, and now the corporate and development debt facility, completes a great year for Senex and really sets us up for success in FY19."*

*"The final quarter of the financial year has seen Senex achieve strong results, with increased production from both the Cooper and Surat Basins and higher oil pricing helping to sustain a healthy cash balance. With a fully funded and agreed work program in the Cooper Basin western flank, and a clear plan for our Surat Basin development projects, FY19 is set to be a transformational year for Senex."*

KEY PERFORMANCE METRICS	June Quarter Q4 FY18	March Quarter Q3 FY18	Quarter on Quarter change	June Quarter Q4 FY17	Full year FY18
Net production (mmboe)	0.27	0.19	42%	0.17	0.84
Net sales volumes (mmboe)	0.27	0.17	59%	0.16	0.79
Sales revenue (\$ million)	26.5	14.0	89%	9.9	70.3
Cash balance (\$ million)	66.5	83.3	(20%)	134.8	66.5
Average realised oil price (A\$ per barrel)	115	87	32%	62	95

### FINANCIAL SUMMARY

#### Sales revenue increased 89% for the quarter reflecting a higher realised oil price, higher oil sales, and increasing gas sales from WSGP

- The average realised oil price for the quarter was A\$115 per barrel, reflecting higher Brent prices, favourable foreign exchange movements and the timing impacts of oil sales revenue recognition. Sales volume for the quarter was 270,000 boe, up 59% on the prior quarter, in line with higher production volumes.
- Sales revenue for the full year FY18 was \$70.3 million, an increase of 61% on FY17, reflecting a significantly higher realised price of A\$95 per barrel on oil sales, compared to A\$61 per barrel in FY17 and higher volumes of oil and gas sold.
- The Company has hedged around 60% of forecast oil volumes for FY19, with put options providing downside protection below US\$56 per barrel (on average across the year).

SALES	June Quarter Q4 FY18	March Quarter Q3 FY18	Quarter on Quarter change	June Quarter Q4 FY17	Full year FY18
Net sales volume (mmbobe)	0.27	0.17	59%	0.16	0.79
Sales revenue (\$ million)	26.5	14.0	89%	9.9	70.3
Average realised oil price (A\$ per barrel)	115	87	32%	62	95

#### Capital expenditure of \$23.1 million was incurred in the quarter

- Capital expenditure for the quarter related mainly to long lead investment for the WSGP compression facilities, early works spend on Project Atlas, final spend to bring the Vanessa field on-line and drilling the Gemba-1 and Marauder-2 DW-1 wells.
- Full year FY18 capital expenditure was \$80.1 million, in line with market guidance of \$80 - \$100 million, as the Company delivered its Cooper Basin exploration, appraisal and development program, the WSGP appraisal program and began long lead investments in compression facilities to convert WSGP raw gas to sales gas.

CAPITAL EXPENDITURE	June Quarter Q4 FY18	March Quarter Q3 FY18	Quarter on Quarter change	June Quarter Q4 FY17	Full year FY18
Exploration and appraisal	3.9	7.8	(50%)	22.6	51.8
Development, plant and equipment	19.2	3.3	482%	2.4	28.3
Total (\$ million)	23.1	11.1	108%	25.0	80.1

#### Cash balance at end of the quarter was \$66.5 million

- The cash balance reflects strong cash from operations for the quarter due to higher volumes sold and a higher realised oil price, offset by increased capital investment as detailed above.

### PRODUCTION OPERATIONS

PRODUCTION	June Quarter Q4 FY18	March Quarter Q3 FY18	Quarter on Quarter change	June Quarter Q4 FY17	Full year FY18
Net production (mmboe)	0.27	0.19	42%	0.17	0.84
Oil	0.22	0.17	29%	0.17	0.75
Gas and gas liquids	0.05	0.03	67%	0.00	0.09

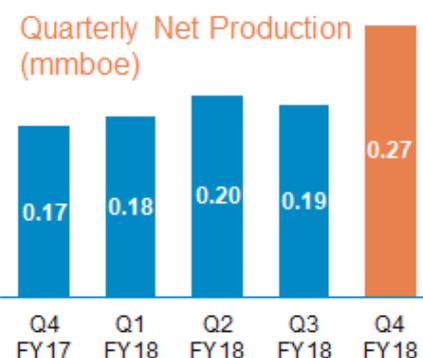
Numbers may not add due to rounding

#### Senex net production increased 42% to 270,000 barrels of oil equivalent for the quarter

**Oil production** was up 29% compared to the prior quarter, with a full quarter of continued strong production from the Growler-15 well. Fields within Senex’s base oil portfolio continue to perform in line with expectations.

**Gas volumes from WSGP** increased 67% to approximately 50,000 boe compared to Q3 FY18 as dewatering continued. Production for the quarter averaged above three terajoules per day.

**Full year production** was 0.84 mmboe, up 12% compared to 0.75 mmboe in FY17. Exploration success at Marauder-1, successful delivery of the Growler-15 horizontal well and initial production from the WSGP Phase 2 wells more than offset natural field decline.



### EAST COAST GAS BUSINESS

#### SURAT BASIN | *Project Atlas*

During the quarter, Senex reached a significant milestone, partnering with Jemena to bring Project Atlas gas to the domestic market in late 2019.

Senex partnered with major infrastructure operator Jemena to build, own and operate a 40 terajoules per day gas processing facility and approximately 60 kilometre pipeline to process and transport gas from Project Atlas to the Wallumbilla Hub.

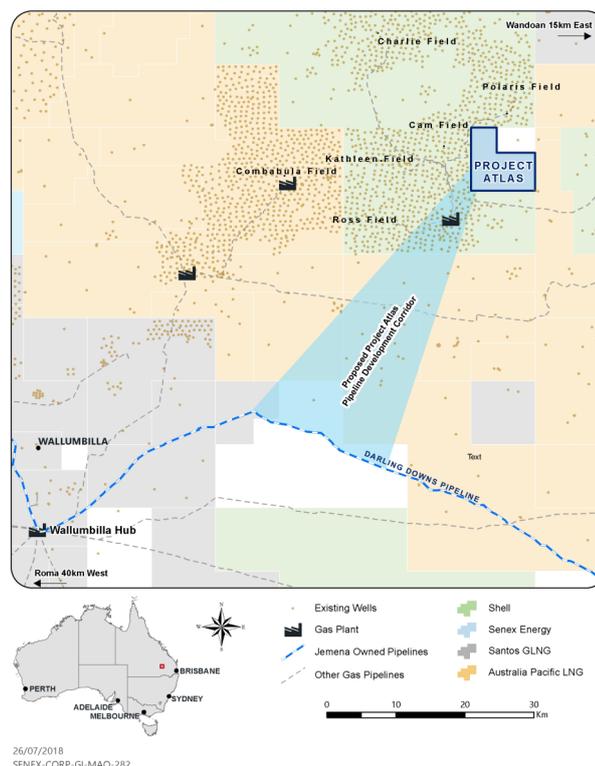
Jemena will fund capital expenditure of approximately A\$140 million and Senex will pay an agreed tariff over a 25-year term. The agreement delivers both the path to market for Project Atlas gas and also a material component of Senex's overall funding requirement.

Also during the quarter, Senex progressed work on reservoir characterisation, development planning, landholder engagement, baseline environmental, groundwater and cultural heritage studies and environmental impact assessments. The Company expects to receive all remaining State and Commonwealth approvals by mid-2019, with delivery of first gas to the domestic market targeted for late 2019.

In July, the Company announced the maiden booking of 144 petajoules (24.5 mmboe) of undeveloped 2P reserves. The conversion of these undeveloped reserves to developed reserves and production is the overwhelming priority for Senex.

Subsequent to the end of the quarter, Senex entered into a fully underwritten A\$150 million debt facility with ANZ to fund the development of its Surat Basin gas projects. Refer to the separate ASX announcement released to the market today.

The Company is on track to achieve the key milestones on the project as below:



Key Milestones	Expected timing
Commence regulatory approvals processes	Achieved Dec 2017
Secure Petroleum Lease	Achieved Mar 2018
Decision on path to market and deliver material funding component	Achieved Jun 2018
Finalise corporate and development debt facility	Achieved Jul 2018
Engage with domestic gas customers	Commenced
Secure all remaining regulatory approvals	Mid 2019
First gas to the domestic market	Late 2019

### EAST COAST GAS BUSINESS

#### SURAT BASIN | *Western Surat Gas Project*

**In April, Senex was granted a Petroleum Lease (PL) over the initial development area of the Glenora and Eos blocks.**

Senex expects to receive all remaining State and Commonwealth regulatory approvals necessary to commence development of the initial production area (Glenora and Eos blocks) by mid-2018.

Production from the Phase 2 wells continued to increase this quarter, averaging above three terajoules per day. The wells contributed approximately 50,000 barrels of oil equivalent in Q4 FY18, an increase of 67% compared to Q3, and approximately 90,000 barrels of oil equivalent for the full financial year.

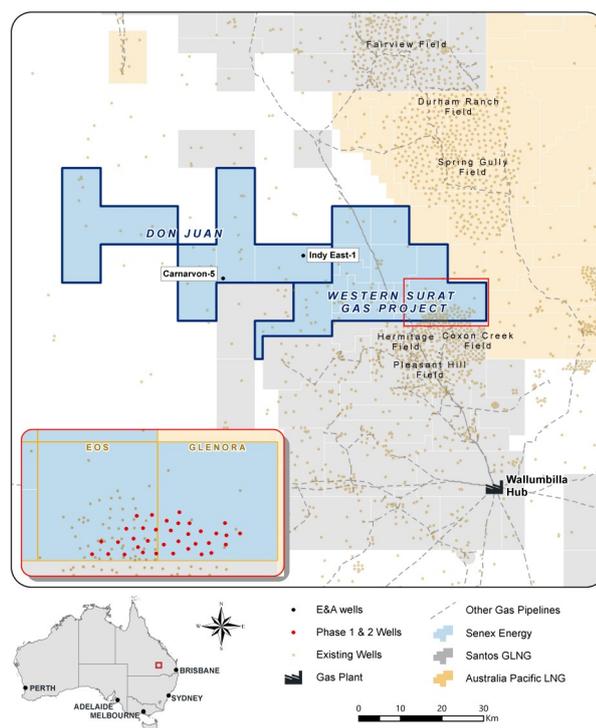
In July, Senex announced the booking of additional 1P and 2P reserves given positive results from the WSGP appraisal program. Senex is now preparing for investment decisions on future phases of the project, including the FY19 work program.

Subsequent to the end of the quarter, Senex entered into a fully underwritten A\$150 million debt facility with ANZ to fund the development of its Surat Basin gas projects. Refer to the separate ASX announcement released to the market today.

#### *Don Juan*

The Don Juan acreage sits directly west of WSGP and represents a material uncontracted gas resource. Subsequent to the quarter, Senex spudded two exploration wells with the objective of collecting data which will be used for reservoir characterisation to inform potential further appraisal activity.

The Company is on track to achieve the key milestones on the project as below:



Key milestones	Expected timing
Phase 2 wells online	Achieved Dec 2017
Decision on path to market	Achieved Feb 2018
Order long lead items for gas processing infrastructure	Achieved Mar 2018
Secure PL over initial development area	Achieved Apr 2018
Finalise corporate and development debt facility	Achieved Jul 2018
Secure all remaining regulatory and environmental approvals	Mid 2018
Investment decisions on next phase of drilling and gas processing facility	Mid 2018
Expanding appraisal across the acreage	2018+

### EAST COAST GAS BUSINESS

#### COOPER BASIN | *Exploration and Development*

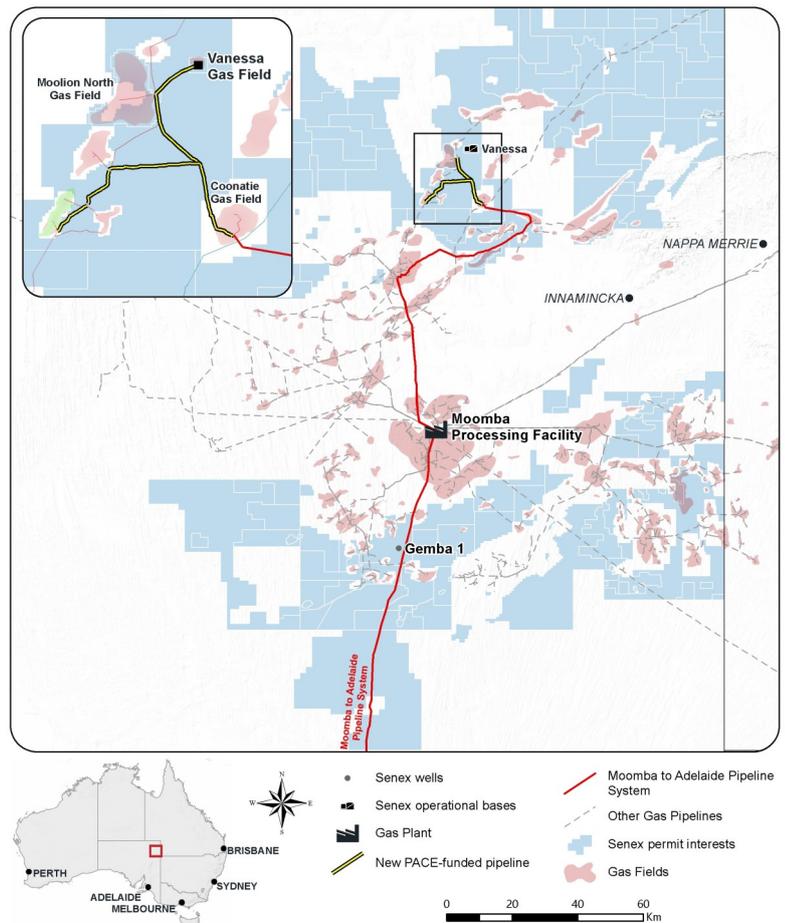
##### *Vanessa gas field*

During the quarter, Senex signed a Gas Sales Agreement (GSA) with Pelican Point Power Limited (a member of the group that comprises ENGIE Australia & New Zealand) for new gas volumes from the Vanessa gas field (*PEL 182: Senex 57% and operator, Beach Energy 43%*) and a Gas Processing Agreement with SACB for raw gas processing and sales of liquids. The field was brought online in July.

Under the GSA, Pelican Point Power Limited is purchasing gas for use in South Australia, including for use at its Pelican Point Power Station; a significant generator of electricity to the South Australian market. Senex is receiving a competitive market price for processed gas supply.

The Vanessa ST-1 well is capable of producing up to approximately 5 mmscf per day, however initial production will be constrained to optimise the supply profile over the life of the field.

The Senex-led gas pipeline project received \$5.82 million in funding from the South Australian Government through the PACE Gas Grant Program, with the joint ventures to match the government funding received.



##### *Gemba gas opportunity*

During the quarter, Senex drilled, cased and suspended the Gemba-1 well (*PEL 516: Senex 100% and operator*). Gemba-1 is located on the south west margin of the Allunga Trough, approximately 37 kilometres south west of the Moomba Oil and Gas Processing Facility.

Designed to evaluate the gas potential of the low-permeability intra-Patchawarra sandstones, the well successfully intersected gas in the target zones with volumes ahead of pre-drill expectations. The well was extended to a total depth of 2,795 metres (from 2,685 metres) given encouraging gas shows in the Dullingari group, representing a potential new gas play. Senex is currently developing a fracture stimulation and testing program to further evaluate the well, targeted for Q2 FY19.

Senex was granted \$5.26 million in funding from the South Australian Government through the second round of the PACE Gas Grant Program to progress the Gemba project.

### OIL BUSINESS

## COOPER BASIN | Exploration and Development

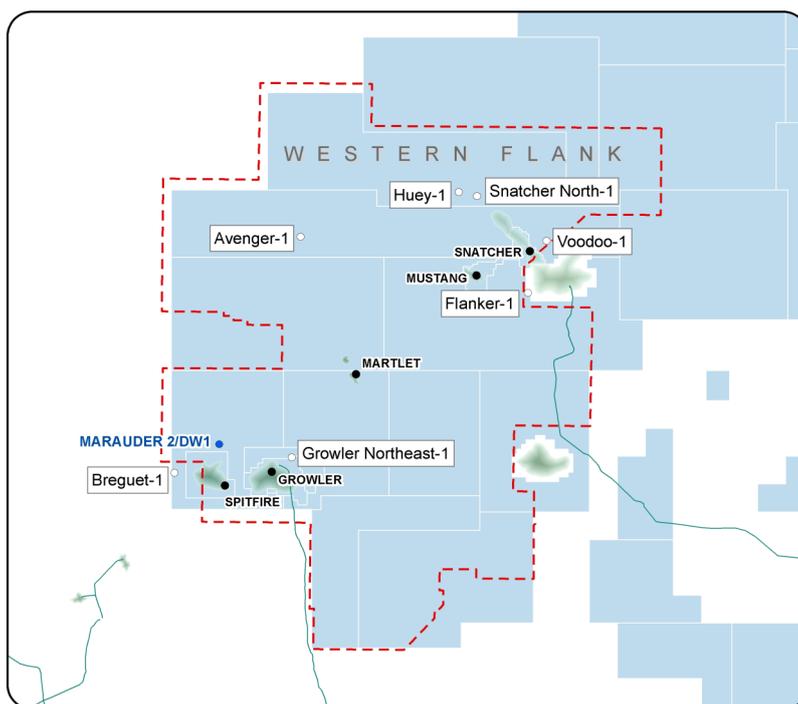
### Western flank FY19 drilling program

During the quarter, Senex completed the agreement with Beach Energy to transfer the free-carry commitment from the joint venture's unconventional gas project of up to \$43 million to the Senex operated Cooper Basin western flank oil assets.

The joint venture will commence the agreed work program of at least three horizontal development and seven exploration wells and associated infrastructure in early FY19, with potential for additional contingent work based upon success.

The joint venture has agreed locations for all exploration wells (shown opposite) and has contracted a rig for the work.

The firm program is expected to be complete during FY19 and based upon success, an additional work program will be agreed between the joint venture partners.



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### Marauder-2 DW-1 development well

In late March, Senex spudded the Marauder-2 DW1 deviation well (*ex-PEL 104: Senex 60% and operator*), a side track development well utilising the Marauder-2 wellbore. The well reached its total target depth of 2,144 metres MD (measure depth) in April, successfully intersecting the Birkhead reservoir sands.

The well was cased and suspended and brought on line as a producer in July 2018.

### Conference Call

Senex Managing Director and Chief Executive Officer Ian Davies and Chief Financial Officer Gary Mallett will hold a briefing to discuss the June quarterly results, as follows:

Date: Tuesday 31 July 2018

Time: 10am AEST (10am Brisbane, Sydney and Melbourne time)

The audio briefing will be streamed live and can be accessed via the Senex company page on the Open Briefing website: <http://www.openbriefing.com/OB/3006.aspx>

A recording of the teleconference will be available from 5pm AEST via the same link.

## FURTHER INFORMATION

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#### ABOUT SENEX

*Senex is an ASX listed oil and gas exploration and production company focused on generating shareholder value by growing reserves and production. It holds extensive onshore oil and gas acreage in the Cooper and Surat Basins, two of Australia's most prolific onshore energy regions. Senex is well capitalised and has built strong operating credentials over its 30 year history. Senex operates the majority of its low cost oil producing assets, and is progressing a portfolio of gas projects including the Western Surat Gas Project and Project Atlas in Queensland.*

### GLOSSARY

**\$** means Australian dollars unless otherwise stated

**1P** means proved (developed plus undeveloped) reserves in accordance with the SPE PRMS

**2P** means proved plus probable reserves in accordance with the SPE PRMS

**3P** proved, probable plus possible reserves in accordance with the SPE PRMS

**ASX** means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691

**ATP** means authority to prospect granted under the *Petroleum Act 1923 (Qld)* or the *Petroleum Gas (Production and Safety) Act 2004 (Qld)*

**AVO** means Amplitude Versus Offset; an enhanced seismic interpretation technique using the changes in seismic reflection amplitude to determine rock-type and fluid content

**Barrel/bbl** means the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons

**boe** means barrels of oil equivalent, the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy

**bopd** means barrels of oil per day

**Bcf** means billion cubic feet

**Cooper Basin** means the sedimentary basin of upper Carboniferous to middle Triassic age in north east South Australia and south west Queensland

**Eromanga Basin** means the Mesozoic sedimentary basin covering parts of Queensland, the Northern Territory, South Australia and New South Wales

**ESP** means electric submersible pump

**Exploration** means drilling, seismic or technical studies to identify and evaluate regions or prospects with the potential to contain hydrocarbons

**FY** means financial year

**JV** means joint venture

**LPG** means liquefied petroleum gas

**mmbbls** means a million barrels

**mmboe** means a million barrels of oil equivalent

**mmscf/d** means million standard cubic feet of gas per day

**mcsf/d** means thousand standard cubic feet of gas per day

**Net pay** means the smaller portions of the gross pay that meet local criteria for pay, such as porosity, permeability and hydrocarbon saturation

**OGIP** means original gas in place

**Patchawarra East Joint Venture** parties are Santos, Delhi Petroleum and Lattice Energy

**PEL** means petroleum exploration licence granted under the *Petroleum and Geothermal Energy Act 2000 (SA)*

**PJ** means petajoule

**PL** means a petroleum lease granted under the *Petroleum Act 1923 (Qld)* or the *Petroleum Gas (Production and Safety) Act 2004 (Qld)*

**PPL** means petroleum production licence granted under the *Petroleum and Geothermal Energy Act 2000 (SA)*

**PRL** means petroleum retention licence granted under the *Petroleum and Geothermal Energy Act 2000 (SA)*

**Production** is the volume of hydrocarbons produced in production operations (including extended production testing)

**Reserve** means commercially recoverable resources which have been justified for development, as defined in the SPE PRMS

**SACB JV** means South Australian Cooper Basin Joint Venture (between Santos, Beach Energy and Lattice Energy)

**Sales volumes** are equal to production less volumes of hydrocarbons consumed in operations (fuel, flare, vent and other shrinkage) and inventory movements

**Senex** means Senex Energy Limited ABN 50 008 942 827

**SPE PRMS** means the Petroleum Resources Management System 2007, published by SPE

**Surat Basin** means the sedimentary basin of Jurassic to Cretaceous age in southern QLD and northern NSW

**Tcf** means trillion standard cubic feet