

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Senex Energy Limited

ABN

50 008 942 287

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | a) fully paid ordinary shares (Shares) issued
b) unlisted options (Options) exercised
c) unlisted performance rights (Rights) exercised
d) unlisted Rights granted
e) unlisted Rights lapsed
f) unlisted share appreciation rights (SARs) lapsed
g) unlisted Retention Rights (Retention Rights) granted
h) unlisted SARs lapsed
i) unlisted SARs vested
j) unlisted Rights lapsed |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 1,459,411 Shares issued
b) 1,000,000 Options exercised
c) 459,411 Rights exercised
d) 53,830 Rights granted
e) 199,913 Rights lapsed
f) 3,481,473 SARs lapsed
g) 475,000 Retention Rights granted
h) 4,627,679 SARs lapsed
i) 3,261,674 SARs vested
j) 880,150 Rights lapsed |

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Appendix 3B

New issue announcement

- | | |
|---|--|
| 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ul style="list-style-type: none">a) fully paid ordinary sharesb) FY11 LTI \$0.255 Options exercised 19/07/2018c) FY17 STI Rights exercised in July 2018d) FY18 LTI Rights granted subject to performance over periods ending 30/06/2020
Annexure 2 to this announcement is a summary of the Rights Plane) FY17 STI Rights lapsed due to cessation of employmentf) FY17 LTI SARs lapsed due to cessation of employmentg) FY18 Retention Rights granted without performance condition but subject to service ending on 31/12/2019
Annexure 2 to this announcement is a summary of the Rights Planh) FY16 LTI SARs lapsedi) FY16 LTI SARs vestedj) FY18 LTI Rights lapsed |
|---|--|

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new Shares rank equally in all respects with other fully paid ordinary shares in the Company.</p>
<p>5 Issue price or consideration</p>	<p>1,459,411 Shares were issued to Senex Energy Employee Share Trust to provide:</p> <ul style="list-style-type: none"> • 1,000,000 Shares due to Option holder upon exercise of 1,000,000 Options with \$0.255 exercise price; and • 459,411 Shares due to Rights holders upon exercise of 459,411 FY17 STI Rights without payment or further consideration.
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>See paragraph 5 above.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>not applicable</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>not applicable</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>not applicable</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	not applicable				
6f	Number of +securities issued under an exception in rule 7.2	not applicable				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	not applicable				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	not applicable				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	not applicable				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>a) Shares issued 13/08/2018</p> <p>b) Options exercised 19/07/2018</p> <p>c) Rights exercised 04/07/2018 & 12/07/2018</p> <p>d) Rights granted 28/02/2018</p> <p>e) Rights lapsed 22/01/2018</p> <p>f) SARs lapsed 22/01/2018 & 14/08/2018</p> <p>g) Retention Rights granted 14/08/2018</p> <p>h) SARs lapsed on 14/08/2018</p> <p>i) SARs vested on 14/08/2018</p> <p>j) Rights lapsed on 14/08/2018</p>				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="686 1601 997 1646">Number</th> <th data-bbox="997 1601 1284 1646">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1646 997 1771">1,448,730,505</td> <td data-bbox="997 1646 1284 1771">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	1,448,730,505	Fully paid ordinary shares
Number	+Class					
1,448,730,505	Fully paid ordinary shares					

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	1,094,911 Rights	Vested FY17 STI Rights subject to exercise
	-----	-----
	9,075,676 Rights	Rights under Rights Plan still subject to vesting conditions
	-----	-----
	3,261,674	Vested FY16 LTI SARs subject to exercise
	-----	-----
	21,467,309 SARs in total	SARs under SARs Plan still subject to vesting conditions
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The company has not yet established a dividend policy	

Part 2 - Pro rata issue

11 Is security holder approval required?	not applicable
12 Is the issue renounceable or non-renounceable?	not applicable
13 Ratio in which the +securities will be offered	not applicable
14 +Class of +securities to which the offer relates	not applicable
15 +Record date to determine entitlements	not applicable
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	not applicable
17 Policy for deciding entitlements in relation to fractions	not applicable
18 Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	not applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

19	Closing date for receipt of acceptances or renunciations	not applicable
20	Names of any underwriters	not applicable
21	Amount of any underwriting fee or commission	not applicable
22	Names of any brokers to the issue	not applicable
23	Fee or commission payable to the broker to the issue	not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	not applicable
28	Date rights trading will begin (if applicable)	not applicable
29	Date rights trading will end (if applicable)	not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	not applicable

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32 How do security holders dispose of their entitlements (except by sale through a broker)? not applicable

33 ⁺Issue date not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought not applicable

39 ⁺Class of ⁺securities for which quotation is sought not applicable

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>not applicable</p>					
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>not applicable</p>					
<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="710 1064 1013 1097">Number</th> <th data-bbox="1013 1064 1315 1097">+Class</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="710 1097 1315 1196" style="text-align: center;">not applicable</td> </tr> </tbody> </table>	Number	+Class	not applicable		
Number	+Class					
not applicable						

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company secretary

Date: 20 August 2018

Print name:

David Andrew Pegg

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,447,271,094
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p style="text-align: right;">1,459,411</p> <p style="text-align: right;">zero</p> <p style="text-align: right;">zero</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	zero
“A”	1,448,730,505

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	217,309,576
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	zero
“C”	zero
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	217,309,576
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	zero
Total [“A” x 0.15] – “C”	217,309,576 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	not applicable
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	not applicable
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	not applicable
“E”	not applicable

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	not applicable
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	not applicable
<p>Total [“A” x 0.10] – “E”</p>	<p>not applicable</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 2

Summary of Senex Employee Performance Rights Plan (Rights Plan)

What are contingent performance rights?

A contingent performance right (**Right**) is a right granted to an eligible employee of Senex Energy Limited (**Company**) or any Senex subsidiary (**Group Company**) under the Company's Employee Performance Rights Plan (**Rights Plan**)

A Right is an equity security that, subject to satisfaction of a performance condition and a vesting condition, confers on an employee a right to a reward, and the value of the reward is calculated by reference to the value of a Senex share on the date that the employee exercises the vested Right. If the employee exercises vested Rights, the Company provides the reward to the employee in the form of Senex shares (which may be existing shares or newly issued) unless the Company elects to provide part or all of the reward in cash. Even when both the performance condition and the vesting condition are satisfied, the value of the vested Right is only the value of the Company's shares when the Right is exercised.

Background

Under Rights Plan rules (**Rules**) the Board can determine how certain key concepts operate for each grant of Rights. For the Rights granted on 6 September 2017 (**Grant Date**), the Board determined that these important concepts would operate as follows:

- **Maturity Value** means the value of an exercised Right, being the Maturity Price.
- **Maturity Price** means the market price of a Senex share when a Vested Right is exercised.
- **Participation Price** is the market price of a Senex share on Grant Date.
- **Performance Condition** is the Board's determination of the outcome of specified performance requirements at the end of specified performance periods.
- **Vested Rights** are Rights that have vested in favour of a Participant but have not yet been exercised by that Participant.

Summary

The Company may grant Rights under the Rights Plan to eligible employees (**Participants**) subject to Performance Conditions and other conditions determined by the Board.

If:

- the Board determines that the Performance Conditions for a Right are satisfied on the testing date set by the Board; and
- the Participant is an employee of the Company on the vesting date set by the Board (**Vesting Condition**);

then that Right will vest in favour of the Participant and become a Vested Right. The extent to which Performance Conditions are met may mean some, but not all, Rights will vest on the vesting date (the balance will lapse).

A Participant is entitled to exercise Vested Rights within the Exercise Period (which commences on the vesting date and ends on the expiry date set by the Board) to receive their Maturity Value. The Maturity Value may be cash or equity-settled at the Board's discretion. The Board's current intention is that exercised Rights will be equity settled.

+ See chapter 19 for defined terms.

The number of Senex shares that the Participant will receive (**Award Shares**) will be calculated as follows:

Award Shares = Number of exercised Rights x Maturity Value / Maturity Price

Grant of Rights

Under the Rules the Company may, at the discretion of the directors, grant Rights to an employee or the employee's associate. An employee or associate to whom Rights are granted is a Participant in the Rights Plan. A Participant is not required to pay for the grant of Rights.

Under the Rules the Board determines the **Participation Price** of Rights – the price that determines the number of Rights to be granted to each Participant on a particular grant date. For the FY18 Rights granted 6 September 2017, the Board determined that the Participation Price was \$0.267, the VWAP of Senex shares traded in the 10 trading days before Grant Date, which were the 10 trading days following release of the company's FY17 full year results on 22 August 2017 (the 10 trading days from 23 August to 5 September 2017 inclusive).

Under the Rules the Board determines the number of Rights to be granted to eligible employees.

No shareholder rights

A Participant is not entitled to vote or receive dividends and has no other rights of a shareholder in respect of a Right or in respect of shares the subject of a Right. A Participant only acquires the rights of a shareholder if shares are issued or transferred to the Participant upon exercise of vested Rights, and only has those rights in respect of shares that the Participant holds.

Lapse of Rights

A Participant's Rights may lapse if the employee ceases employment with a Group Company (subject to some exceptions), if a Performance Condition applicable to those Rights is not satisfied at the end of the Performance Period, or if the Board determines that a Right should lapse. If a Right lapses, it is immediately cancelled and is not capable of vesting. Vested Rights lapse on the expiry of the Exercise Period if not exercised or deemed to be exercised earlier. The Board determined that the **Expiry Date** for FY18 Rights granted 6 September 2017 is the seventh anniversary of Grant Date.

Vesting

A Right confers an entitlement to receive cash or shares (at the Board's discretion) upon exercise. A Right can only be exercised if it has vested. A Right only vests if:

- the Board determines that the performance conditions for that Right are satisfied on the testing date (set by the Board); and
- the Participant is an employee of Senex group on the vesting date (set by the Board);

The Board may determine, in its discretion, that unvested Rights (or a percentage of them) may vest earlier in certain circumstances (such as bona fide retirement, ill health, or termination by the Company without cause).

Exercising Vested Rights

A Participant may elect to exercise some or all of their Vested Rights at any time in the Exercise Period, which commences on the vesting date and ends on the Expiry Date. The exercise of a Vested Right in effect liquidates that Vested Right into a right to receive either cash or Senex shares (at the Board's discretion). It is the Board's current intention that exercised Rights will be equity settled.

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

On the date that a Vested Right is exercised, unless the Board elects to cash settle the exercised Right, the Participant becomes entitled to receive the number of **Award Shares** calculated as shown above.

Performance Conditions

Under the Rights Plan the Board can impose one or more Performance Conditions that must be satisfied before a Right vests.

Change of Control and corporate events

If a Change of Control occurs, (unless any Takeover Bid to which the Change of Control relates also includes an equivalent offer to the Participant to acquire all or a substantial portion of their Rights) all unvested Rights will either vest or lapse on the basis set out in below and all Vested Rights (including those that vest on Change of Control) will be deemed to have been exercised at the time the Change of Control occurs.

Unvested Rights will vest on Change of Control on the following basis:

- unvested Rights that are subject only to a Vesting Condition will immediately vest at the time the Change of Control occurs;
- unvested Rights that are subject to a Performance Condition other than a Vesting Condition will be tested under Test #1 and Test #2 at the time the Change of Control occurs.

For each Participant:

- the number of their unvested Rights in each tranche eligible to Vest under Test #1 or the number of their unvested Rights in that tranche eligible to Vest under Test #2 (whichever the greater) shall immediately vest at the time the Change of Control occurs;
- the number of their unvested Rights in each tranche not eligible to vest under Test #1 or the number of their unvested Rights in that tranche not eligible to vest under Test #2 (whichever the lesser) will lapse at the time the Change of Control occurs; and
- the Board may exercise an overriding discretion to vest or increase vesting of unvested Rights in each tranche at the time the Change of Control occurs.

Test #1:

- the number of Rights in each tranche eligible to vest is reduced pro rata to the extent of the Performance Period elapsed (reduced period); and
- the performance hurdle against which performance over the reduced period is tested is reduced in the same proportion.

Test #2:

- the number of Rights in each tranche eligible to vest is tested against the original performance hurdle, regardless of the extent of the Performance Period elapsed and the number eligible to vest is only reduced pro rata if and to the extent that the original performance hurdle is not satisfied.

Amendment

The Board may amend the Rights Plan at any time. However, any change that is prejudicial to the rights of Participants requires Participant consent.

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