



## Natixis Credit Conference

January 2019

[sundanceenergy.net](http://sundanceenergy.net)



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## **Proved and probable reserves**

Ryder Scott Company, L.P. (Ryder Scott) has prepared an independent estimate of the proved and probable reserves, future production and income attributable to leasehold interests within the recently closed acquisition of 21,900 net acres for sale by Pioneer Natural Resources USA, Inc. Reliance Eagleford Upstream Holding LP, and Newpek, LLC (Asset) in the Eagle Ford shale play in the State of Texas, USA as of 1 January 2018.

The volumes classified as reserves in the Ryder Scott report have been assigned to both oil and gas reserves and represent 100% of the total net proved and probable liquid hydrocarbon and gas reserves of the Assets at the report date (including producing, non-producing and undeveloped).

The reserves estimate were prepared in accordance with the classification and reporting requirements of the Petroleum Resources Management System (SPE-PRMS) as required by the Australian Securities Exchange Listing Rule 5 - Additional Reporting on Mining and Oil & Gas Production and Exploration Activities. The reserves estimates were calculated using a deterministic methodology.

Ryder Scott utilised proprietary data relating to existing production and lease operating costs from the current Asset wells to forecast a future production stream and associated cash flows based on the economic interest of the Company, NYMEX strip (varying) WTI pricing US\$59.36 in 2018, decreasing to \$51.67 by 2023 and held constant thereafter and lease operating expense estimates comprising a fixed and variable component based on historic operating expense reports. The reference point for the volumes produced is at the wellhead.

## **Qualified Resource Evaluator's Statement**

The information in this presentation that relate to petroleum reserves in Eagle Ford leasehold interests held by the vendors and which are subject to the proposed acquisition by Sundance set out in this presentation, is based on, and fairly and accurately represents, in the form and content in which it appears, information and supporting documentation prepared by, or under the supervision of, Mr. Stephen E Gardner, qualified petroleum reserves and resources evaluator. Mr. Gardner is a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers, currently serving in the latter organisation's Denver Chapter as Chairman. Mr. Gardner has sufficient experience that is relevant to the evaluation to the evaluation and estimation of petroleum reserves to qualify as a Qualified Reserves and Resources Evaluator as defined in the Australian Securities Exchange Listing Rules. Mr. Gardner is not an employee of Sundance or a related party but an employee of Ryder Scott Company, L.P.

Mr. Gardner has consented to the inclusion of Ryder Scott's reserve evaluations effective 1 January 2018 in the form and content in which they appear.

# Sundance Energy – Positioned for Continued Success in 2019



*Sundance Energy is positioned for success in 2019 under a variety of oil price scenarios*

- Flexible 2019 development plan achieves CF neutrality or FCF generation in different price environments
- Production and EBITDA growth expected in 2019 under a variety of oil price scenarios
- ~\$30.00 per boe true full-cycle breakeven prices (covering LOE, GTP, G&A, Production Taxes and F&D costs)
- \$48 MM in cash and other forms of readily accessible liquidity<sup>(1)</sup>
- No debt maturities until October 2022 with leverage forecast to decrease in 2019 through EBITDA growth
- Robust hedge book provides price protection for >50% of crude production with ~\$60/bbl floor<sup>(2)</sup>

(1) Liquidity represents cash plus available borrowing capacity as of December 31, 2018 plus \$35mm borrowing base increase.

(2) Crude hedges cover 6,101 bpd of oil production in 2019.



# A Leading Pure Play Eagle Ford Producer

## ■ Strategic Focus on Capital Efficiency and Operating Within Cash Flow

- Primary focus is managed growth driven by capital discipline and efficiency
- Firm commitment to operating within cash flow during 2019
- Sundance will flex development plan based on commodity prices throughout the year to remain cash flow neutral while growing production and EBITDA

## ■ High Quality Asset Base Enables Growth Even at Lower Oil Prices

- Deep inventory of wells with full-cycle break even costs of ~\$30.00 per boe allows Sundance to deliver production and EBITDA growth under various oil price scenarios
- 52,300 net acres primarily in the Eagle Ford's Oil and Volatile Oil Window
- 450 undrilled Tier-1 Eagle Ford locations represent 12+ years drilling inventory

## ■ Long Term Corporate Goals Remain

- Corporate philosophy of delivering shareholder returns through growing production, EBITDA and net asset value, both on an absolute and per share basis

## ■ Strong Balance Sheet and Liquidity Position

- Recently announced 40% increase of Borrowing Base Credit facility to \$122.5mm
- Approximately \$48 MM of available short term liquidity<sup>(5)</sup>
- Positioned to be self funding and cash flow positive by EOY 2019
- Net Debt-to-EBITDAX projected to drop from 2.2x at 3Q18 to <1.5x by EOY 2019

ASX Symbol:	SEA
Nasdaq Symbol:	SNDE
Market Cap <sup>(1)</sup> :	\$229 MM
Enterprise Value <sup>(1)</sup> :	\$542 MM
12/31/17 2P PV-10 Value <sup>(2)</sup> :	\$963.6 MM
Proved Reserves <sup>(2)</sup> :	100.9 mmmboe
% PDP Reserves <sup>(2)</sup> :	22.4%
Net Acreage:	52,300

Product	Sales Volumes	
	3Q18	YTD
Oil (bbls)	665,776	1,411,652
Gas (mcf)	1,285,672	3,412,346
NGLs (bbls)	144,933	342,952
<b>Total (boe)</b>	<b>1,024,987</b>	<b>2,323,329</b>
<b>Boe/d<sup>(3)</sup></b>	<b>11,141</b>	<b>8,510</b>
3Q18 % Crude Oil:		65%
3Q18 EBITDA:		\$30.4 MM
9/30 Debt to EBITDA <sup>(4)</sup> :		2.2x

(1) Enterprise Value is Market Capitalization as of 21 January 2019 plus \$313MM Net Debt as of 23 January 2019.

(2) As prepared by Ryder Scott at December 31, 2017 based on NYMEX strip pricing.

(3) Represents net sales volumes and excludes flared gas volumes.

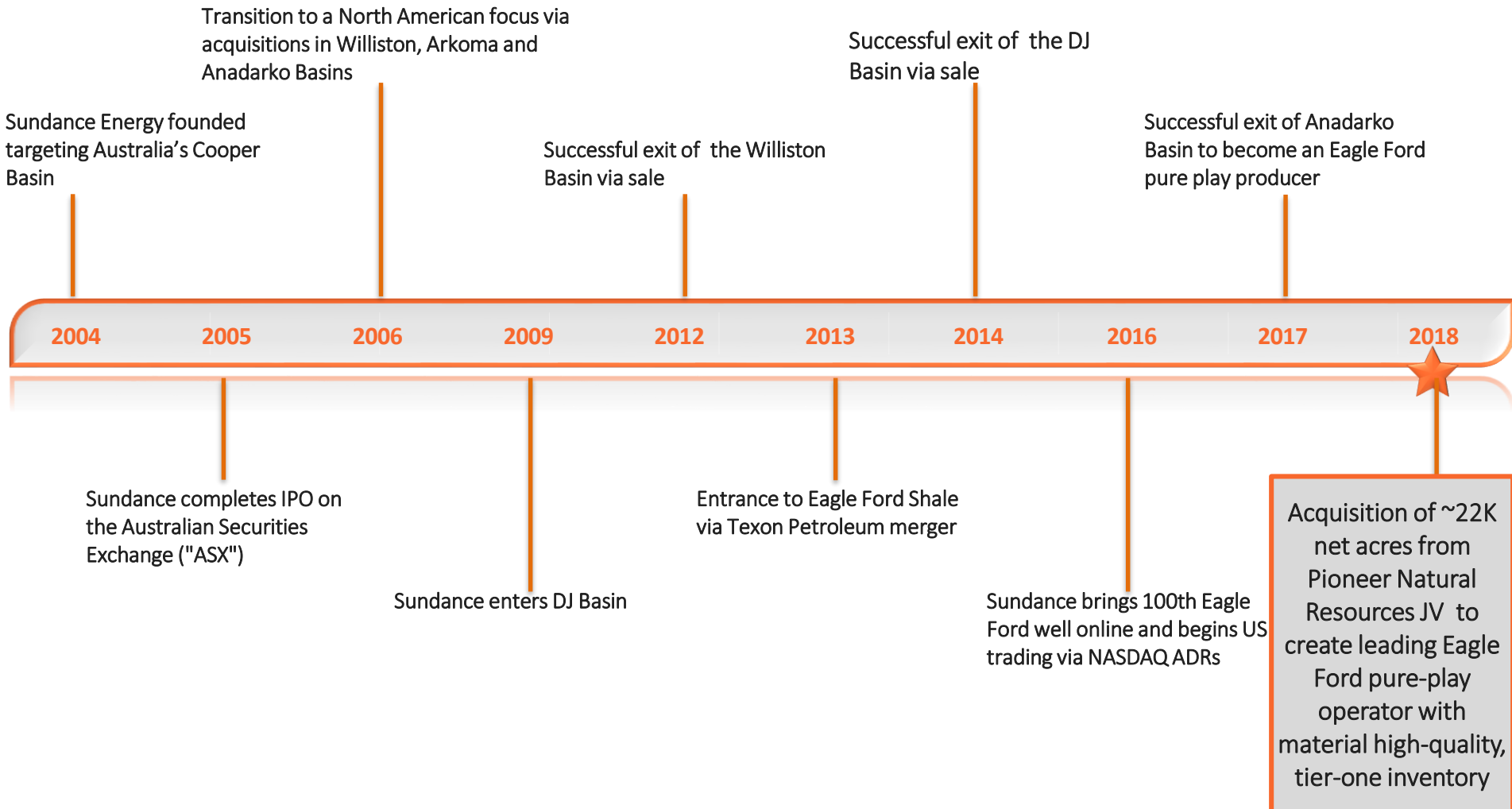
(4) 9/30 Debt to EBITDA was calculated by annualizing 3Q EBITDA.

(5) Liquidity represents cash plus available borrowing capacity as of 31 December 2018.



# Cycle-Tested Leadership Team with History of Value Creation

*Sundance's DNA is building and profitably monetizing core positions in US shale basins*

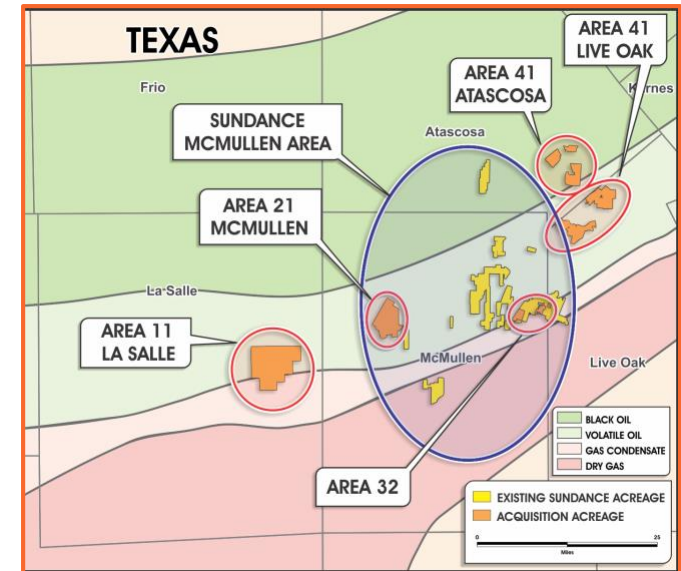




# Premier Asset Base Economic At Lower Commodity Prices

## Over 12 Years of Highest Quality Tier 1 Eagle Ford Drilling Inventory <sup>(1)</sup>

- 52,300 net acres primarily in the Eagle Ford's Oil and Volatile Oil Windows
- Highly attractive single well economics (65% IRR or higher) across assets at existing commodity prices<sup>(1)</sup>
- Sundance's assets are economic on a full-cycle basis even in a low ~\$30/bbl crude environment, inclusive of recovering acquisition costs, development costs, production costs, and all overhead costs



## Drilling Inventory By Location

Area Formation	Atascosa EGFD	La Salle EGFD	Live Oak EGFD	McMullen 21 EGFD	McMullen 32 EGFD	McMullen EGFD	Atascosa EGFD	Dimmit EGFD	Total
Tier 1 Locations	33	81	103	12	6	203	3	9	450
Tier 2 Locations	-	-	-	-	-	-	-	135	135
<b>Total Locations</b>	<b>33</b>	<b>81</b>	<b>103</b>	<b>12</b>	<b>6</b>	<b>203</b>	<b>3</b>	<b>144</b>	<b>585</b>

(1) Internal Company estimates using Strip NYMEX pricing as of 1 February 2018.

(2) Includes 104 net McMullen area ULEF locations.

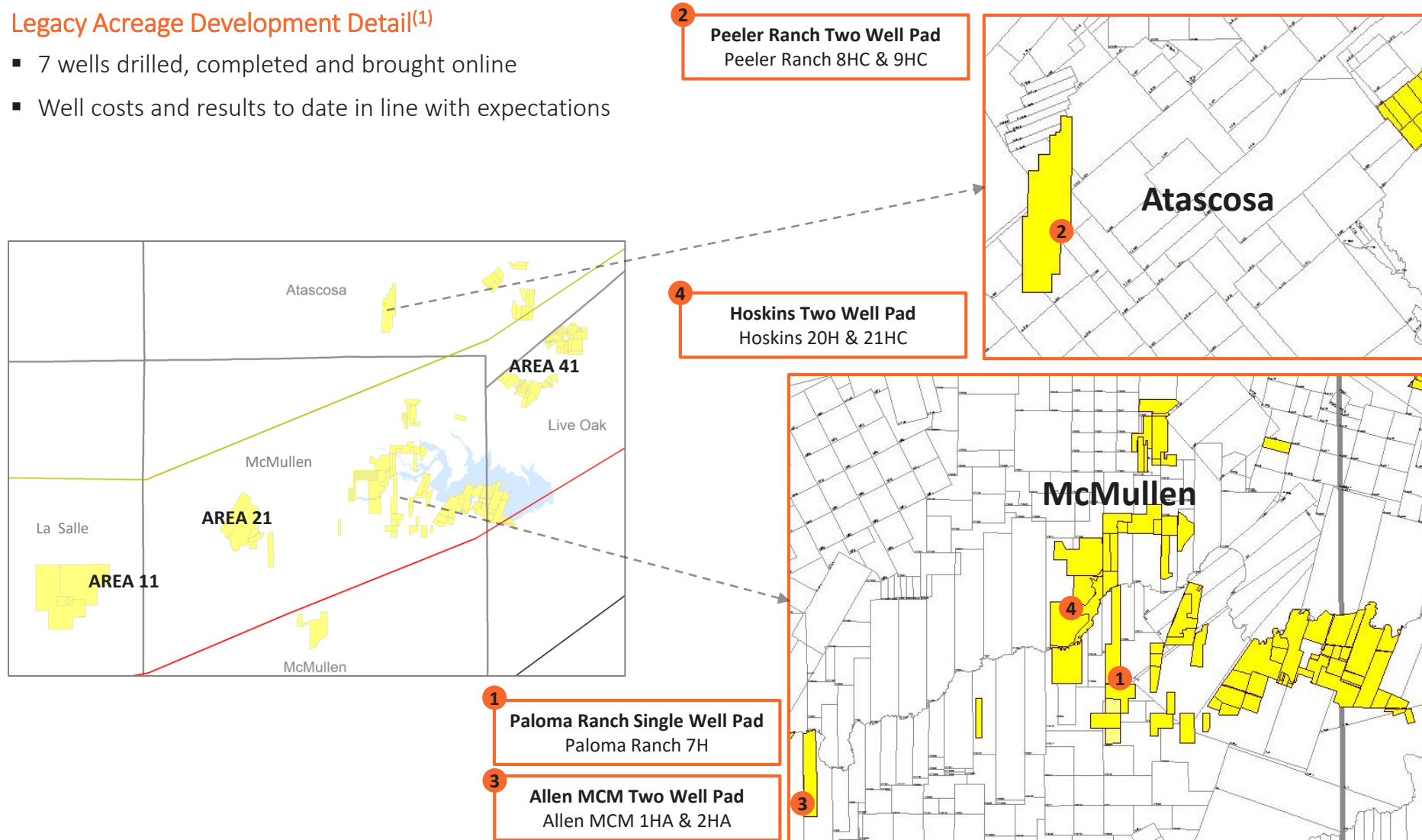




# 2018 Development – Legacy Acreage

## Legacy Acreage Development Detail<sup>(1)</sup>

- 7 wells drilled, completed and brought online
- Well costs and results to date in line with expectations



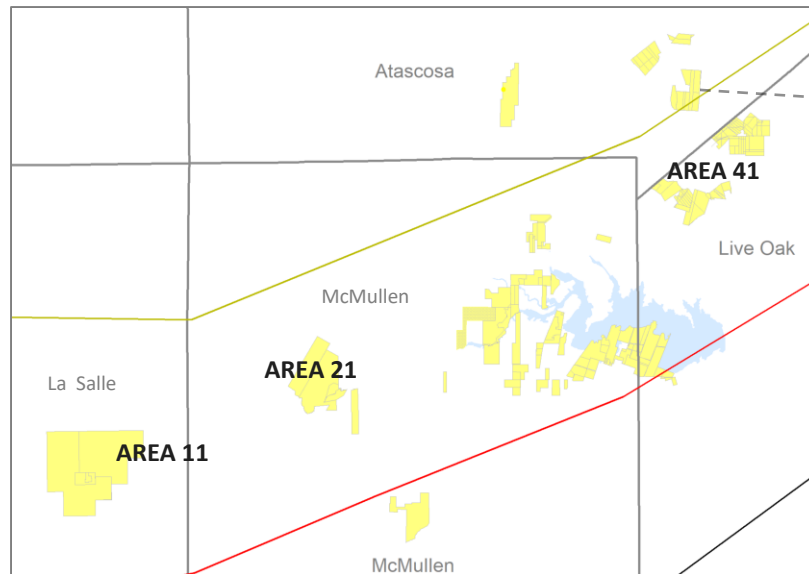
(1) Excludes the Red Ranch 18H & Red Ranch 19H wells being drilled in Dimmit County.



# 2018 Development – Newly Acquired Acreage

## Newly Acquired Acreage Development Detail

- 16 wells drilled, completed and placed on production
- All well results to date significantly outperforming expectations
- Currently finalizing drilling the Roy Esse 15H, 16H, 17H & 18H 4-well pad

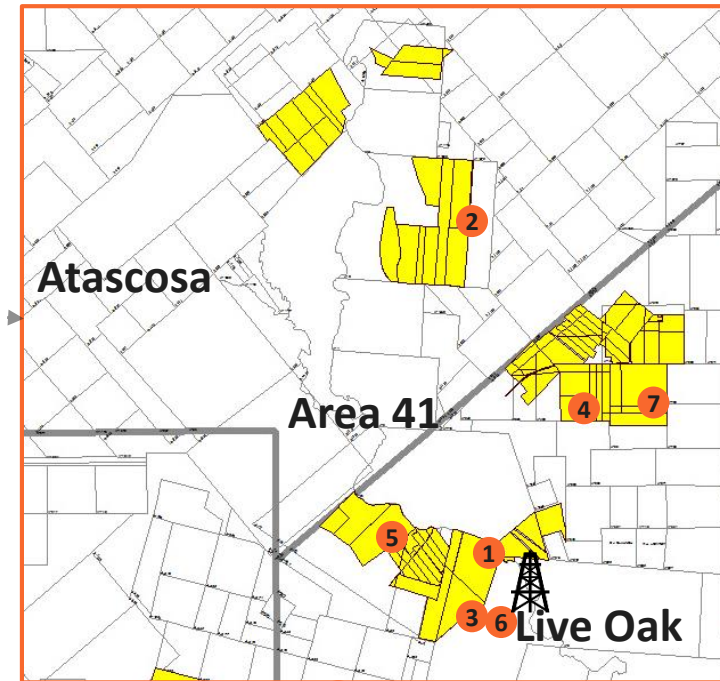


2

**Justin Tom Two Well Pad**  
Justin Tom 05H & 06H

4

**James Keith Esse Four Well Pad**  
James Keith Esse 06H, 07H, 08H & 09H



1

**Harlan Bethune Three Well Pad**  
Harlan Bethune 25H, 26H & 27H

3

**Harlan Bethune Two Well Pad**  
Harlan Bethune 34H & 35H

5

**Idylwood Two Well Pad**  
Idylwood 04H & 05H

6

**Harlan Bethune Three Well Pad**  
Harlan Bethune 22H, 23H & 24H

7

**Roy Esse Four Well Pad**  
Roy Esse 15H, 16H, 17H & 18H



# Excellent Preliminary Well Results

## 2018 operations delivered a robust production ramp

- Sundance placed 23 total wells on production in 2018 (7 on legacy assets, 16 on acquired Pioneer assets)
- Sundance brought 11 wells online in 4Q18 (9 in Live Oak County, 2 in McMullen County)
- Finalizing drilling of 4-well Roy Esse Pad in Live Oak County before mobilizing to 2-well Bracken Pad in McMullen County

## Recent Well Results Demonstrate Superior Asset Quality

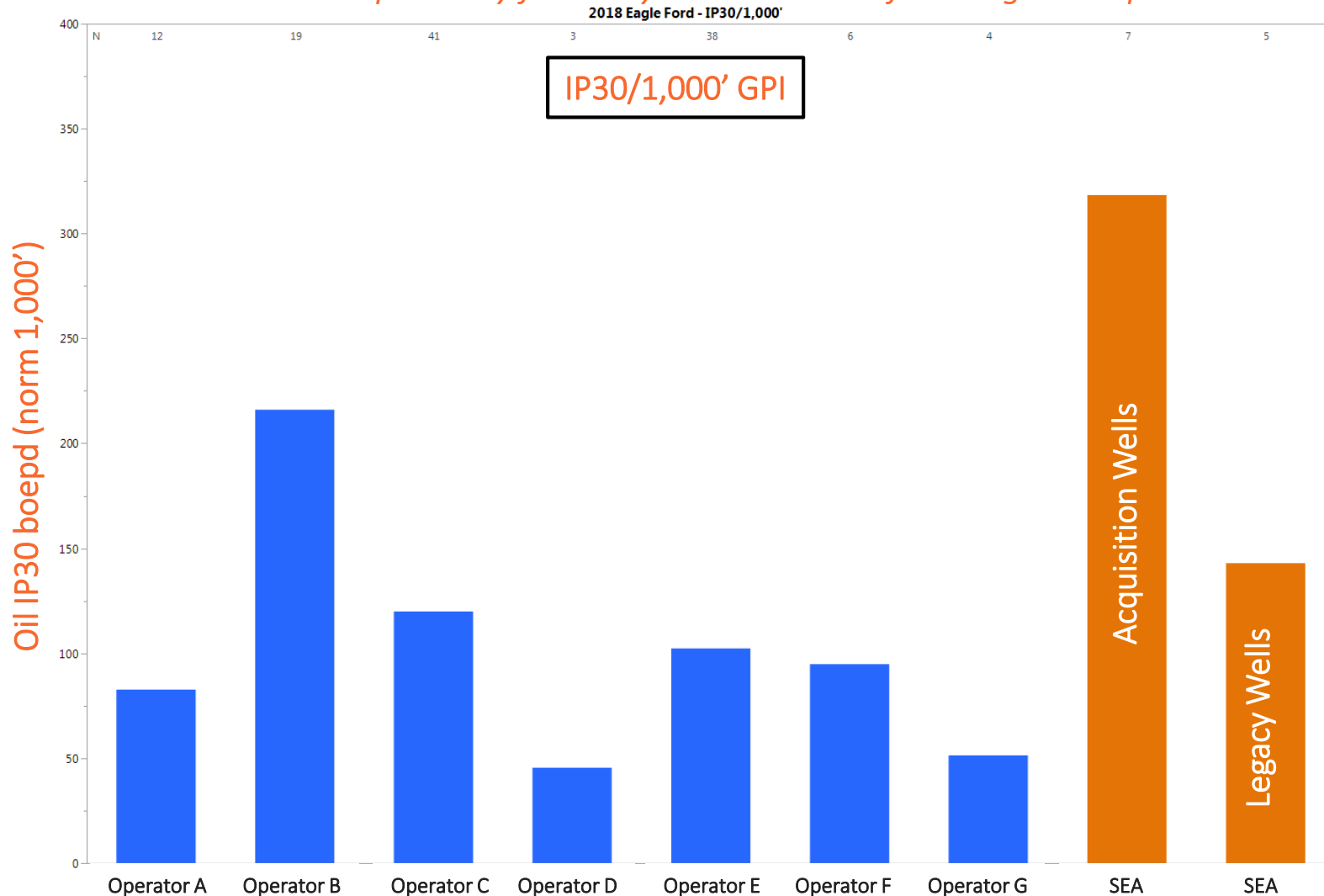
- Live Oak wells average IP-30s of ~280 boepd/1,000'
- Atascosa wells average IP-30s of ~185 boepd/1,000'
- Recent McMullen wells average IP-30s of ~125 boepd/1,000'

Well Name	County	IP Date	Completed Lat Length	30-Day IP (boepd)	30-Day / 1,000' ft	60-Day IP (boepd)	60-Day / 1,000' ft	% Oil
Idylwood 04H	Live Oak	16-Oct	6,445	1,021	158	1,079	167	83%
Idylwood 05H	Live Oak	16-Oct	5,487	1,171	213	1,152	210	81%
James Keith Esse 06H	Live Oak	13-Nov	5,175	1,212	234	1,222	236	74%
James Keith Esse 07H	Live Oak	13-Nov	5,178	923	178	966	187	75%
James Keith Esse 08H	Live Oak	13-Nov	5,180	1,119	216	1,148	222	75%
James Keith Esse 09H	Live Oak	13-Nov	5,164	1,333	258	1,291	250	73%
Hoskins 20H	McMullen	2-Dec	7,266	561	77	-	-	86%
Hoskins 21H	McMullen	2-Dec	7,116	909	128	-	-	82%
Harlan Bethune 22H	Live Oak	15-Dec	5,301	-	-	-	-	-
Harlan Bethune 23H	Live Oak	15-Dec	5,621	1,330	237	-	-	79%
Harlan Bethune 24H	Live Oak	15-Dec	5,737	-	-	-	-	-



# Sundance Initial Production Rates vs Peers<sup>(1)</sup>

*Recent Sundance IP rates compare very favorably to 2018 results from Eagle Ford peers*



Note: Eagle Ford peers shown include Carrizo, Conoco Phillips, EOG, Lonestar, Marathon, Penn Virginia, and Wild Horse. Source data from RSEG

(1) Well results shown as of November 2018.

# Live Oak County Initial Well Performance vs Type Curve<sup>(1)</sup>

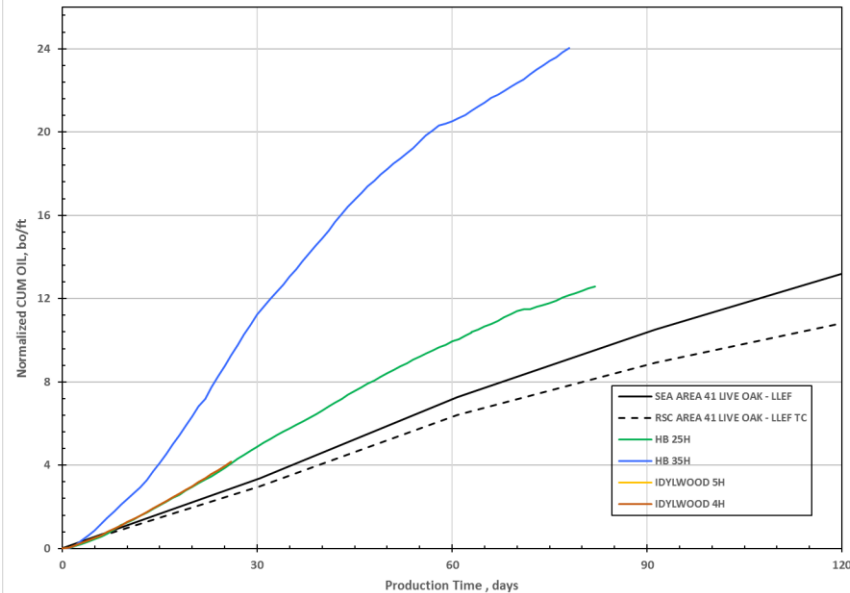


*Area 41 Live Oak wells are outperforming expectations by an average of ~150% to date*

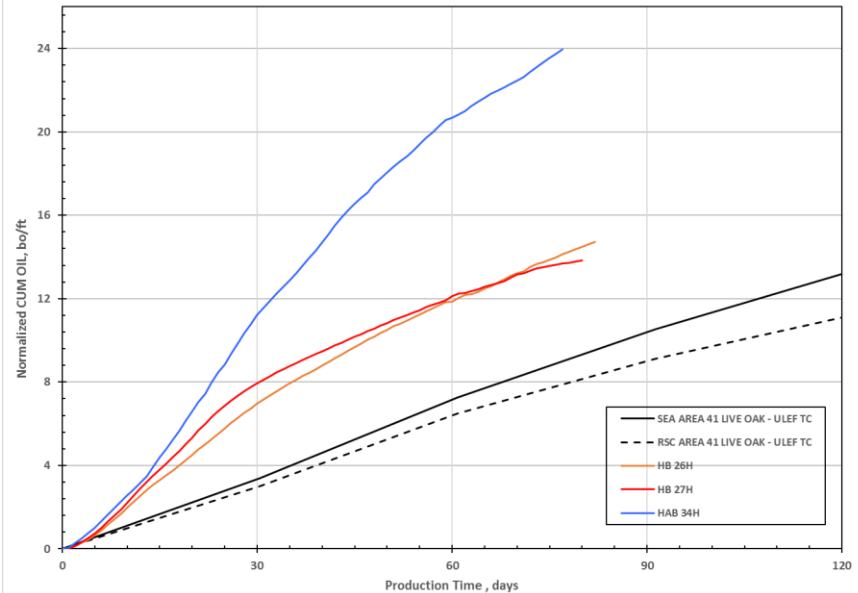
Harlan Bethune 25H & 35H – Idylwood 4H & 5H

Harlan Bethune 26H, 27H & 34H

AREA 41 -Live Oak - LLEF - CUM BO/FT Performance



AREA 41 -Live Oak - ULEF - CUM BO/FT Performance



Note: Cum Oil Type Curve is normalized to well GPI

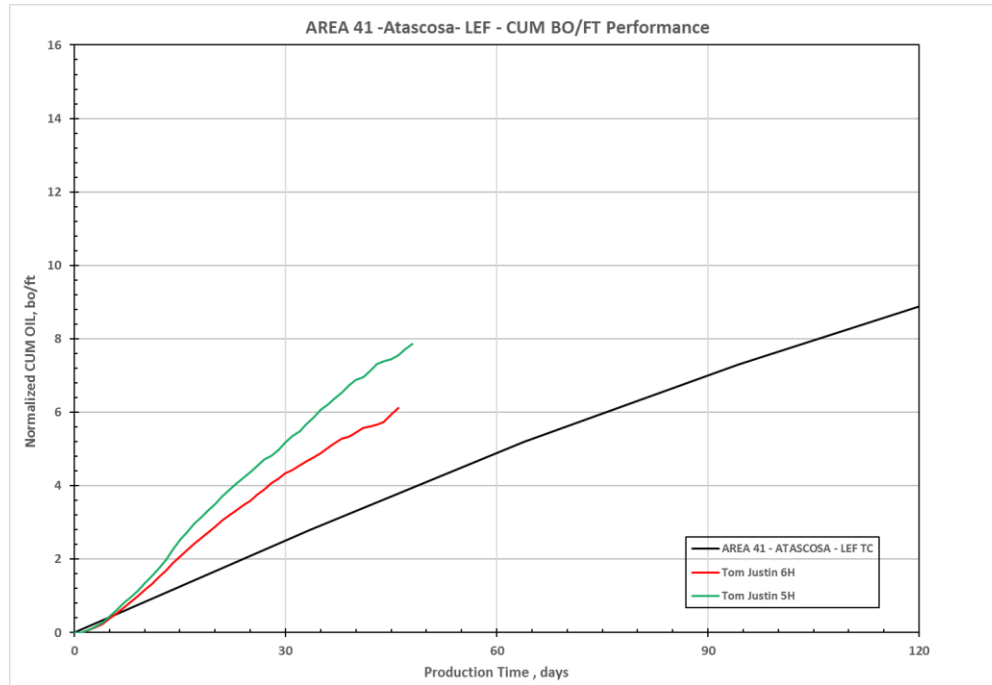
(1) Well results shown as of November 2018



# Atascosa County Initial Well Performance vs Type Curve<sup>(1)</sup>

*Area 41 Atascosa County wells are outperforming expectations by an average of ~84% to date*

Tom Justin 5H & 6H



Note: Cum Oil Type Curve is normalized to well GPI

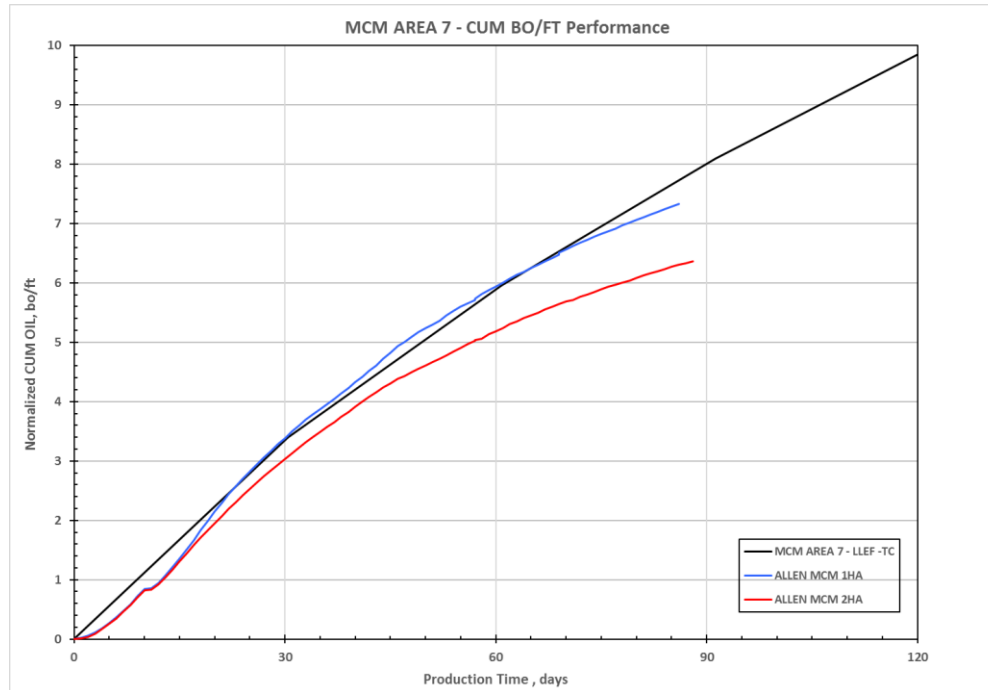
(1) Well results shown as of November 2018



# McMullen County Initial Well Performance vs Type Curve<sup>(1)</sup>

*3Q18 McMullen County wells are performing according to expectations*

## Allen MCM 1HA & 2HA



Note: Cum Oil Type Curve is normalized to well GPI

(1) Well results shown as of November 2018



## ■ Reserve Based Loan

- **Amount:** \$250 MM (\$122.5 MM availability; \$65 MM currently drawn)
- **Redetermination:** Bi-annually
- **Coupon:** Floating, Libor +100bps+ an additional 150-250 bps depending on utilization of the revolver<sup>(1)</sup>
- **Term:** 4.5 years
- **Maturity:** October 2022
- **Covenants:** Current Ratio  $\geq 1.0x$ ; Total Debt to EBITDAX  $\leq 4.0x$ ; Interest Coverage Ratio  $\geq 2.0x$
- **Arranger:** Natixis
- **Syndicate:** 5 bank syndicate

RBL Margin At Various Borrowing Base Utilization Ranges				
<25%	$\geq 25\%$ and <50%	$\geq 50\%$ and <75%	$\geq 75\%$ and <90%	$\geq 90\%$
1.50%	1.75%	2.00%	2.25%	2.50%

## ■ Second Lien Term Loan

- **Amount:** \$250 MM
- **Coupon:** Floating, Libor + 800bps
- **Term:** 5 years
- **Maturity:** April 2023
- **Covenants:** Interest Coverage Ratio  $\geq 1.5x$ ; Total Proved PV9 to Total Debt  $\geq 1.5x$
- **Arranger:** Morgan Stanley
- **Syndicate:** 5 direct energy lending funds

(1) As Sundance utilizes a greater percentage of the capital available for drawdown under its revolver, the margin above the Base Rate increases based on the utilization rate as per the above chart.

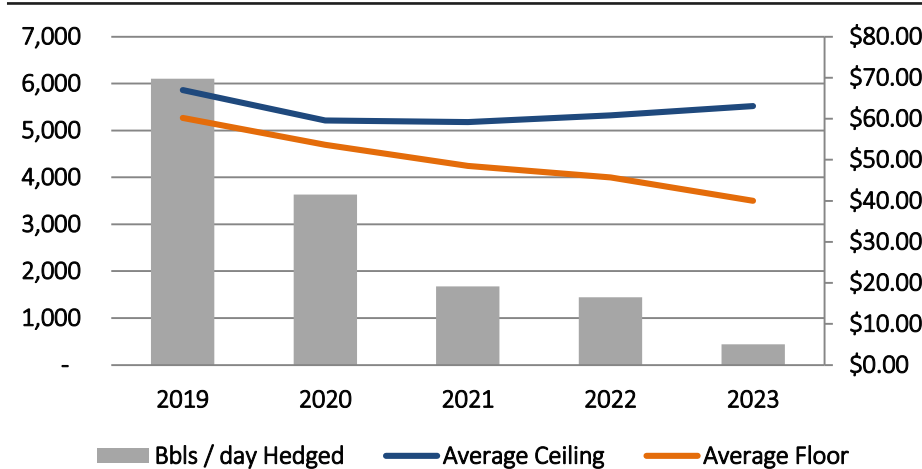




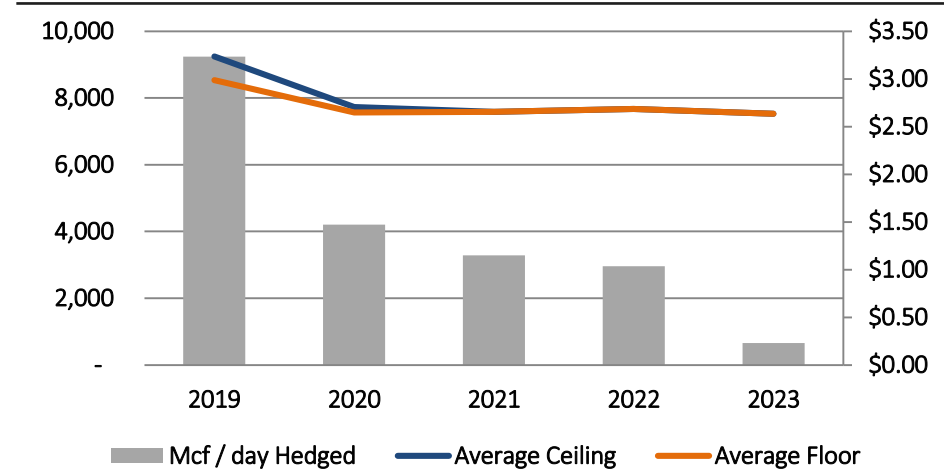
# Robust 2019 Hedge Book Guarantees Strong Cash Flow Generation

*Hedging covers >50% of 2019 forecast oil production at a ~\$60 per barrel floor price<sup>(1)</sup>*

## Oil Hedges<sup>(1)</sup>



## Gas Hedges<sup>(1)</sup>



## Oil Hedges<sup>(1)</sup>

Crude	WTI Contracts			LLS/Brent Contracts		
	Bbl	Floor	Ceiling	Bbl	Floor	Ceiling
2019	1,070,000	\$59.82	\$65.67	1,157,000	\$60.53	\$68.21
2020	1,326,000	\$53.66	\$59.56	-	-	-
2021	612,000	\$48.49	\$59.23	-	-	-
2022	528,000	\$45.68	\$60.83	-	-	-
2023	160,000	\$40.00	\$63.10	-	-	-
Total	3,696,000	\$52.86	\$61.61	1,157,000	\$60.53	\$68.21

## Gas Hedges<sup>(1)</sup>

Gas	HH/HSC Contracts		
	Mcf	Floor	Ceiling
2019	3,372,000	\$2.99	\$3.23
2020	1,536,000	\$2.65	\$2.70
2021	1,200,000	\$2.66	\$2.66
2022	1,080,000	\$2.69	\$2.69
2023	240,000	\$2.64	\$2.64
Total	7,428,000	\$2.81	\$2.93

(1) All figures representative of Sundance's hedge book through 2023 as at 21 January 2019. Hedge coverage percentage represents hedges as a percentage of the midpoint of Sundance's public oil production guidance.



# Investment Highlights

## High Quality Asset Base – Material Inventory With Low Full-Cycle Break Even Costs

- 12+ years of highly attractive Tier 1 drilling inventory with \$963.6 MM of 2P PV10 as at year end 2017<sup>(1)</sup>
- Full-cycle break even costs of ~\$30 per boe allows production and EBITDA growth under various oil price scenarios
- Highly attractive single well economics (65%+ IRR or higher) across assets at existing commodity prices<sup>(2)</sup>

## Capital Discipline – Cash Flow Neutral Development Program

- 23 wells brought online in 2018
- 2019 development plan driven by focus on capital discipline and operating within cash flow
- Enhanced scale facilitates unit cost improvements in capital expenditures, operating and overhead expenses

## Advantaged Net Back Pricing – Firm Transport With Attractive Midstream & Pricing Economics

- Midstream contracts for recently acquired assets provide firm capacity to process and transport all products to Houston market for prevailing LLS/MEH pricing
- Brent pricing exposure via recently signed physical offtake deal for all legacy volumes

## Strong Balance Sheet – Ample Liquidity & Rapid Deleveraging

- Recent 40% increase to borrowing base provides increased liquidity cushion
- Fully funded 2019 capital program scaled to remain within cash flow
- No debt maturities through late 2022, projected growth drives Net Debt-to-EBITDAX to <1.5x in 2019<sup>(3)</sup>

## Strong Free Cash Flow Generation

- Company positioned to be self funding and cash flow neutral or positive by EOY 2019<sup>(2)</sup>

(1) As prepared by Ryder Scott at December 31, 2017 based on NYMEX strip pricing.

(2) Per internal Company estimates as at 1 July 2018 using 2 July 2018 Strip NYMEX pricing.

(3) Relies upon Internal Company estimates using Strip NYMEX pricing as of 14 May 2018.