

ASX Announcement

Release Date: 17 June 2019



Senex and Jemena agree \$50 million infrastructure deal

Senex Energy Ltd (Senex, ASX: SXY) today announced it had agreed to sell its Roma North natural gas processing facility and pipeline to major energy infrastructure operator Jemena for \$50 million and entered into a long-term gas tolling agreement.

Senex began construction of the Roma North gas processing facility and pipeline in November 2018. Construction has been completed on-time and on-budget, with commissioning now underway.

Under the terms of the agreements announced today, Jemena will take ownership of the facility and pipeline on the achievement of agreed performance tests, expected in September 2019 (Completion). Jemena will then process and transport natural gas from Senex's Western Surat developments to market under a long-term gas tolling arrangement.

Key terms of the agreements include:

- Cash consideration of \$50 million to be paid on Completion.
- Gas tolling agreement providing firm capacity service to Senex, with Senex to pay a capacity-based tariff to Jemena in accordance with an agreed production profile.
- Initial processing capacity of ~6 PJ/year (16 TJ/day) with provision for low cost expansion to ~9 PJ/year (24 TJ/day) at Senex's option.
- Provision for further processing capacity expansion up to the designed site capacity of ~18 PJ/year (48 TJ/day).
- Initial term of 21 years ending 31 December 2040, with an option to extend up to 10 years.

Upon Completion, Jemena will own and operate the gas processing facilities at both of Senex's Queensland natural gas developments, Roma North and Project Atlas. Proceeds from the sale will support the continued development of Senex's Surat Basin natural gas developments and other growth projects.

Managing Director and CEO Ian Davies said the rationale for the agreement was compelling for both companies.

"We are pleased to be developing Senex's significant upstream natural gas acreage position alongside Jemena, a world-class operator of downstream infrastructure.

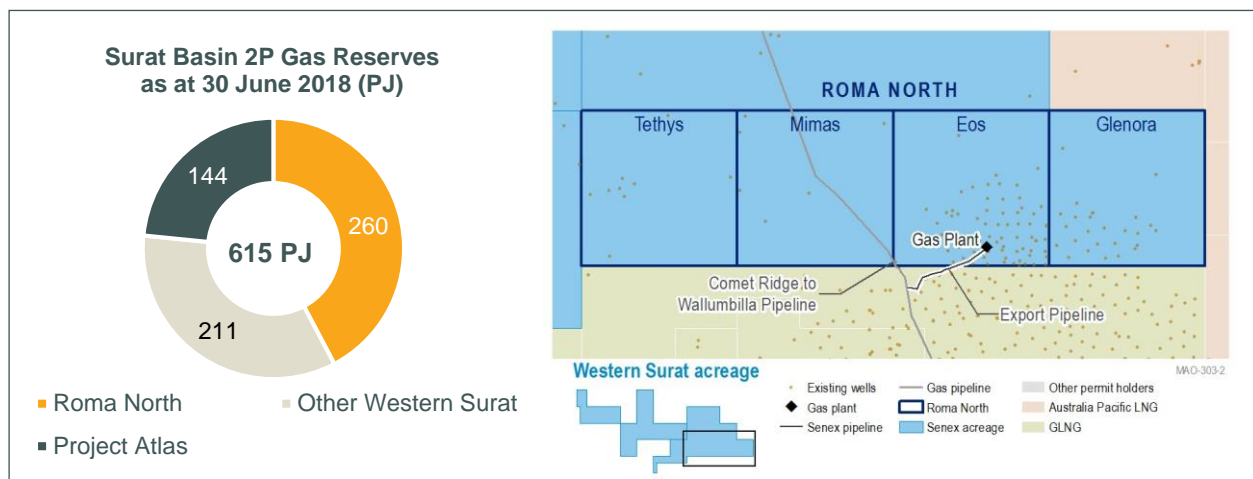
"With low-cost expansion options designed into the facility and very competitive long-term tariff arrangements, this transaction will accelerate efficient recovery of Senex's material gas reserves from Roma North and the broader Western Surat acreage.

"Together, Senex and Jemena continue to deliver innovative and flexible solutions to bring more gas to the east coast market at prices that make sense for both producers and customers", Mr Davies said.

Surat Basin natural gas reserves¹

As at 30 June 2018, Senex reported Proved and Probable (2P) gas reserves of 615 petajoules (PJ) attributable to its Surat Basin gas acreage.

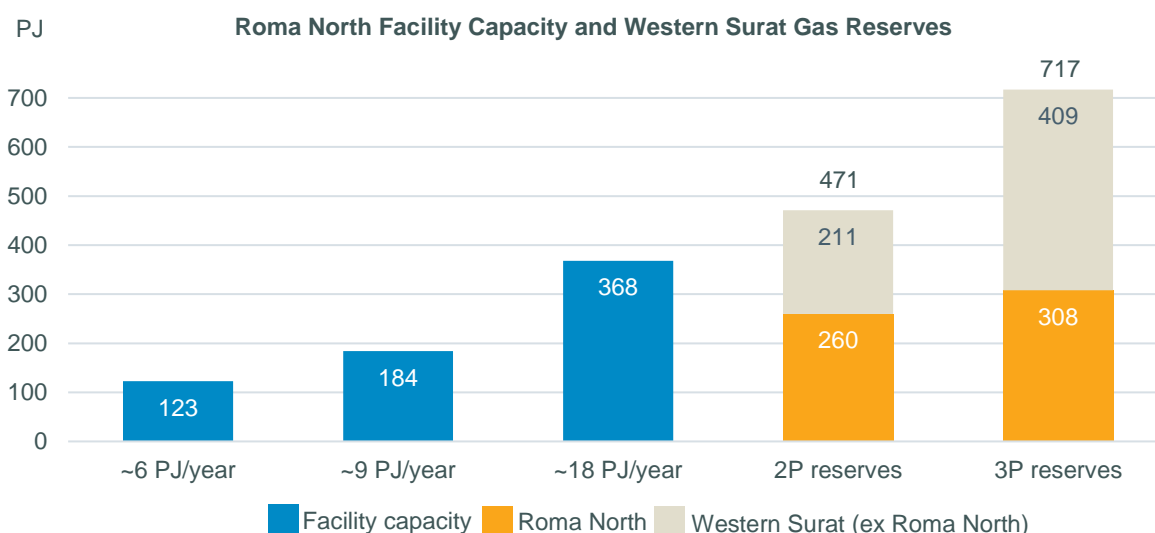
260 PJ of 2P gas reserves are attributable to Roma North and 144 PJ of 2P gas reserves are attributable to Project Atlas. The remaining 2P gas reserves of 211 PJ are attributable to Surat Basin acreage adjoining Roma North and proximate to the Roma North gas processing facility.



Roma North natural gas processing facility capacity

Over an initial term of 21 years, the Roma North gas processing facility will process raw gas of 123 PJ at the initial installed capacity of ~6 PJ/year (16 TJ/day), and 184 PJ of raw gas if the facility is expanded to ~9 PJ/year (24 TJ/day). At the facility's maximum design capacity of ~18 PJ/year (48 TJ/day), the facility would process 368 PJ of raw gas over a 21-year period.

Senex reported 2P and 3P gas reserves of 260 PJ and 308 PJ respectively for Roma North as at 30 June 2018. A further 211 PJ and 409 PJ of 2P and 3P gas reserves respectively were booked for the broader Western Surat acreage.



NB. Roma North gas facility capacity over a 21-year period at various annual processing capacities; 2P and 3P gas reserves for Roma North and the broader Western Surat acreage as at 30 June 2018.

¹ Refer to ASX release dated 31 July 2018 for further information

Roma North gas processing facility



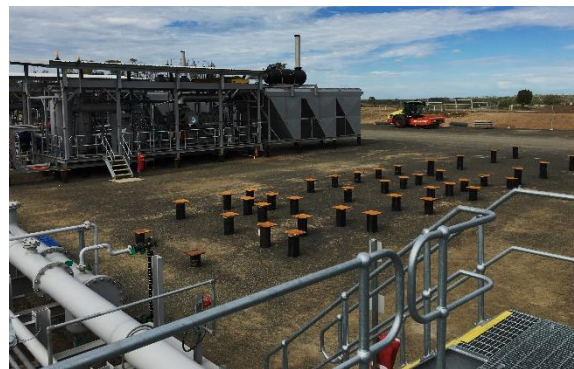
Dehydration equipment



Compression equipment and pipe rack

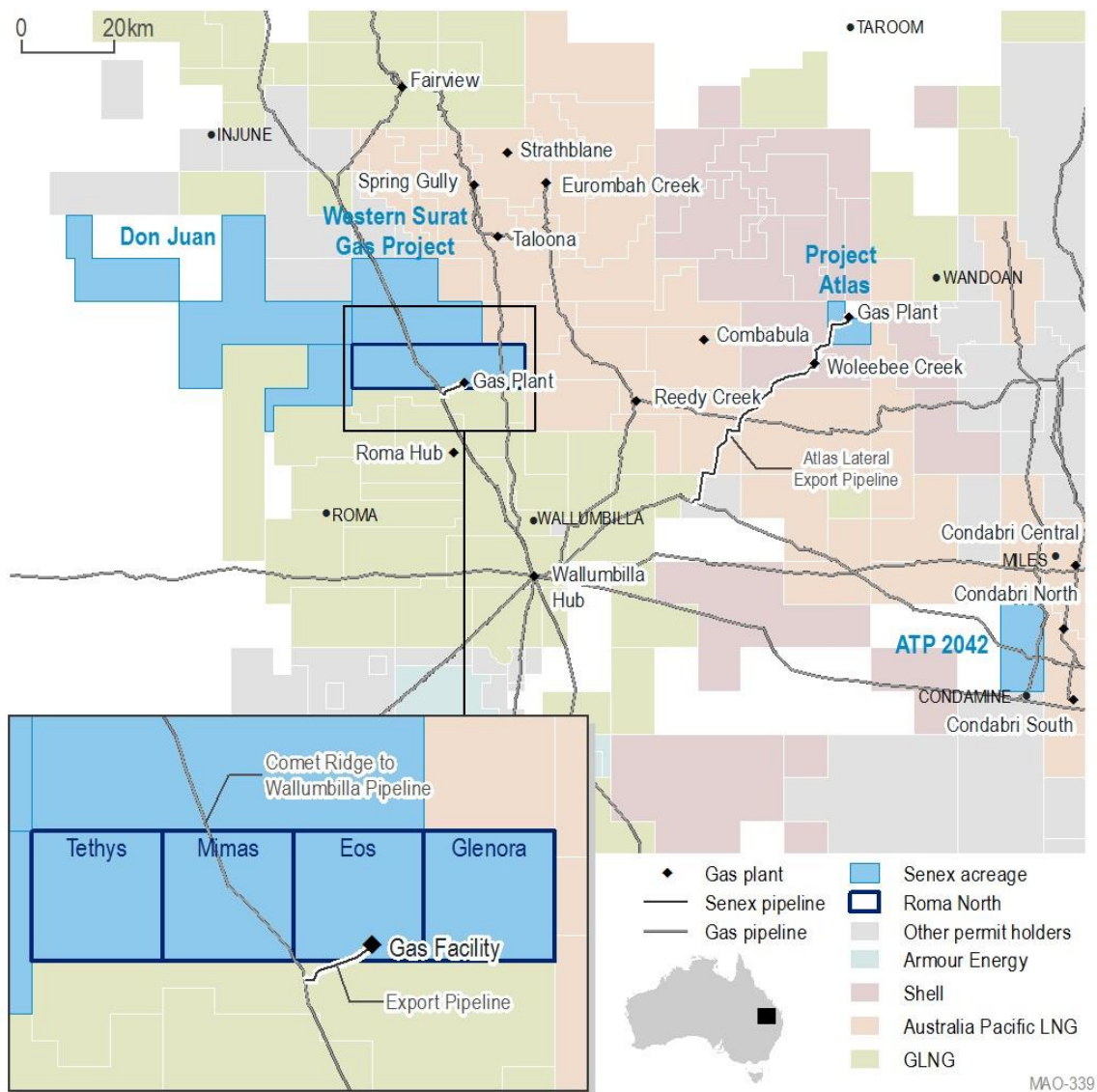


Compression equipment



Compression equipment and piles for expansion (foreground)

Senex Surat Basin gas acreage



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About Senex

Senex is an ASX-listed, growing and independent Australian oil and gas company with a 30-year history. We manage a strategically positioned portfolio of onshore oil and gas assets in Queensland and South Australia, with access to Australia's east coast energy market. Senex is focused on creating sustainable value for shareholders by leveraging our capability as a low cost, efficient and safe explorer and producer.