


FY20 half year results

*Ian Davies, Managing Director and CEO
Mark McCabe, Chief Financial Officer*

21 February 2020



*Supporting Wandoan State School's
Greener Ovals initiative in regional Queensland*

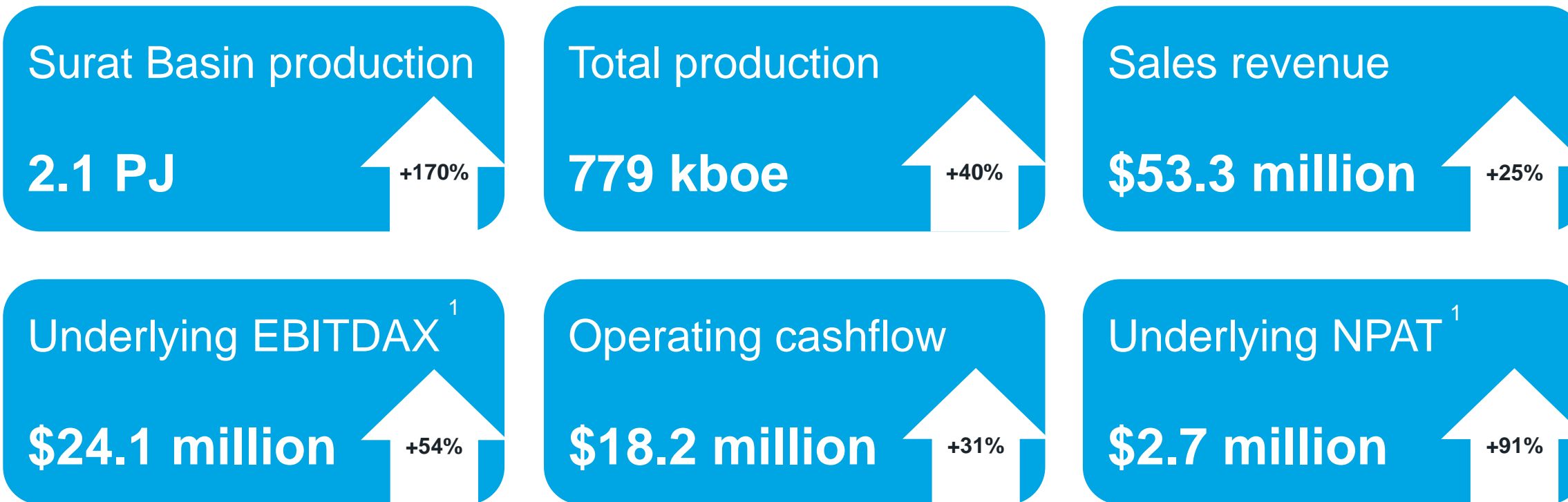
*Thanks
Queensland!*

*First
domestic gas*

Highlights

Strong operating and financial performance

Building a low cost, highly cash generative base business



1. Refer to slide 14 for reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDAX

All milestones delivered on schedule and on budget

Surat Basin work program near complete as production rapidly tracks towards 18 PJ/year initial capacity

Strong production ramp-up	<ul style="list-style-type: none"> ✓ Surat Basin gas production above 24 TJ/day; >15 TJ/day at Roma North and >9 TJ/day at Atlas ✓ FY20 full year production guidance of 1.8 – 2.0 mmboe (FY19: 1.2 mmboe)
Gas facilities commissioned	<ul style="list-style-type: none"> ✓ Atlas gas processing facility and pipeline constructed and commissioned; owned and operated by Jemena ✓ Roma North gas processing facility commissioned; sold to Jemena for \$50 million cash consideration
Exceptional drilling performance	<ul style="list-style-type: none"> ✓ 57 wells drilled with 45 brought on production; drill cycle times¹ below three days achieved at Roma North ✓ Number of wells required to reach initial plateau production under review with potential for reduction
Gas sales increasing	<ul style="list-style-type: none"> ✓ Atlas domestic gas sales to CleanCo, CSR and Orora commenced on schedule at fixed prices ✓ Roma North production fully contracted to GLNG on an oil-linked price
Strong Balance Sheet	<ul style="list-style-type: none"> ✓ Work program on schedule and on budget; FY20 capital expenditure guidance unchanged at \$150 million² ✓ Strong liquidity position with committed finance facilities

1. Drill cycle times for drill and complete measured from spud to spud

2. Within original Surat Basin capital expenditure guidance of \$220 - 250 million for FY19 - FY21 (refer ASX announcements dated 29 October 2018 and 20 August 2019); capital expenditure figures have not been adjusted downwards for cash proceeds of \$50 million received for sale of the Roma North gas processing facility to Jemena

People, environment and community

A strong focus on safety and sustainability across our operations and communities



Improved safety outcomes and performance

- Continued improvement in safety performance
- LTIFR decreased to Nil (H1 FY19: 3.2)
- TRIFR decreased to 5.4 (H1 FY19: 9.7) with no high severity injuries
- Continued focus on contractor management, incident reporting, behavioural safety and safety leadership

New environmental initiatives implemented

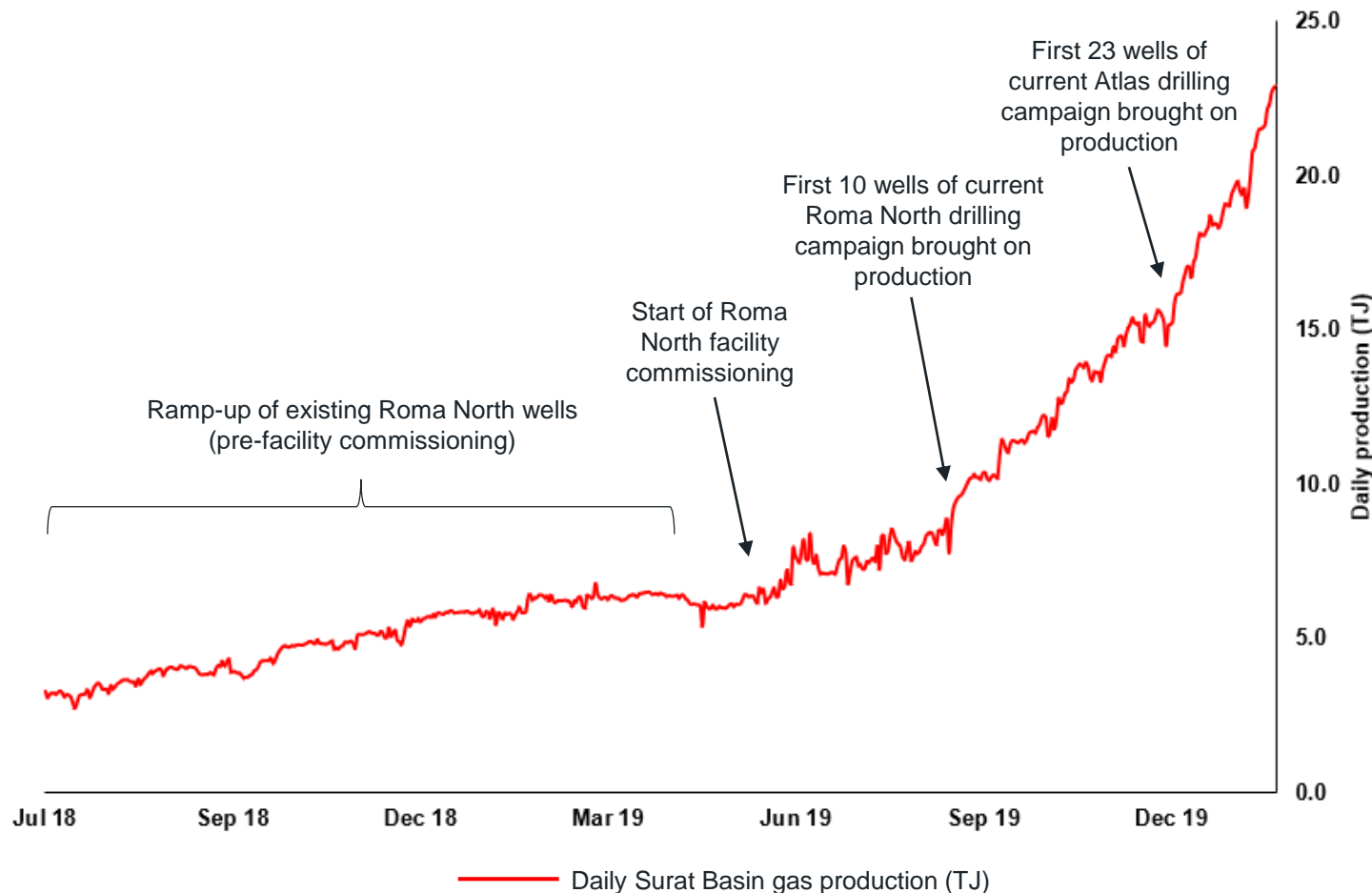
- Establishment of a 168ha environmental offset program with local landowners, providing improved habitat for endangered species
- Funding assistance for the Wild Desert conservation project
- Water supply to drought affected graziers through the Roma North irrigation scheme
- Continued excellent environmental performance

Continuing support for our communities

- Ongoing commitment to employing local businesses, staff and contractors
- Supporting initiatives within our communities: Wandoan State School's Greener Ovals, Water4All and STEM workshops and Roma's ColourXplosion fun run
- Continuing 24 hour availability of helicopter medical evacuations in the Cooper Basin

Surat Basin production continues to outperform

Surat Basin half year production up 170% to 2.1 PJ; Atlas commenced gas sales to domestic customers

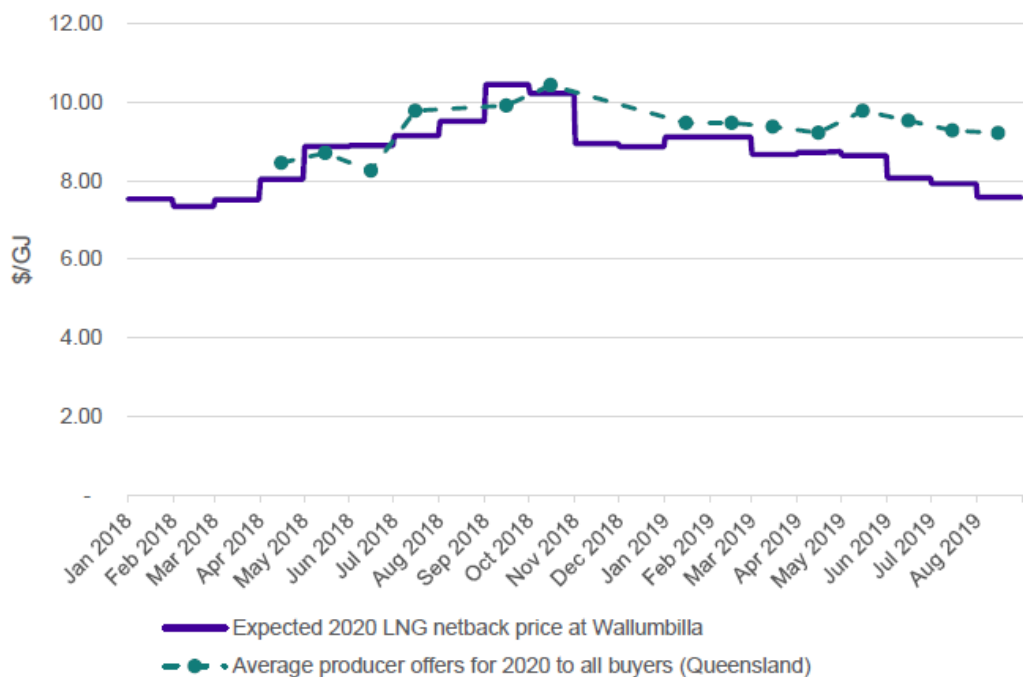


- Production ramping strongly to initial capacity of 48 TJ/day (pre-expansions)
 - 16 TJ/day at Roma North
 - 32 TJ/day at Atlas
- Roma North production above 15 TJ/day and nearing initial capacity
- Atlas production above 9 TJ/day
- Number of wells required to reach initial plateau production under review with potential for reduction

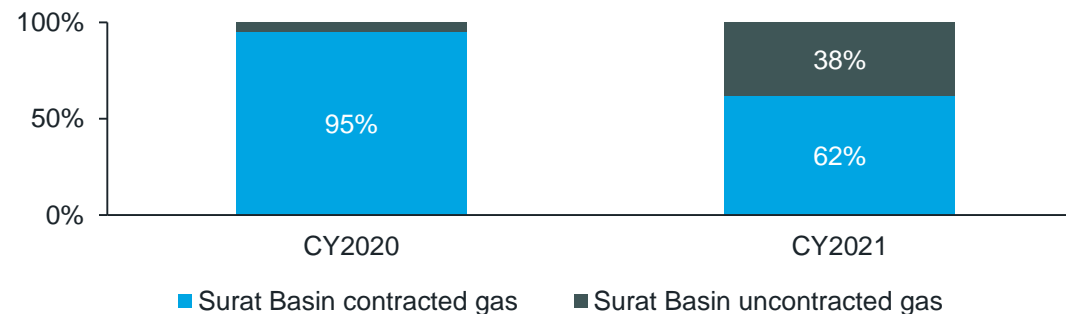
Limited spot price exposure in Senex gas portfolio

Atlas long term fixed price gas contracts signed and more under negotiation

Contract prices reflect term, risk and transportation



Surat Basin gas volumes 95% contracted in calendar year 2020



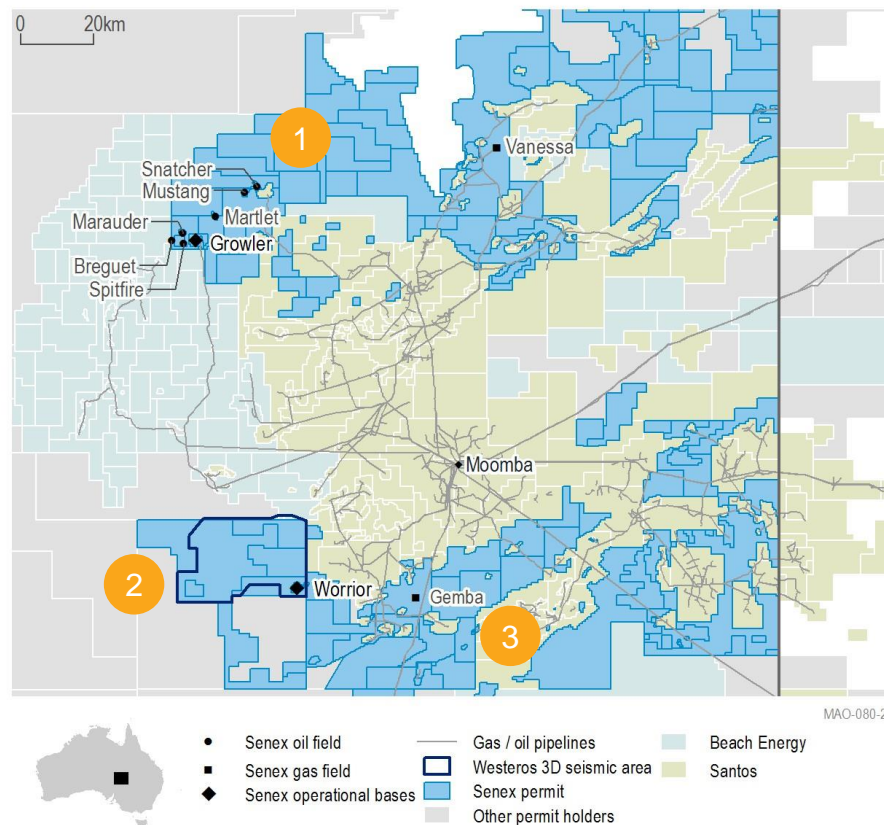
- Atlas domestic gas sales to CleanCo, CSR and Orora commenced on schedule at fixed prices
- Atlas portfolio now comprises:
 - Six customers for supply of 32 PJ¹ at fixed prices
 - Mix of firm supply and put arrangements
 - Attractive pricing and terms
- Term contract negotiations for Atlas gas ongoing
- Term contracting does not mirror Wallumbilla spot prices due to contract term, risk, transportation and other factors

Source: ACCC Gas Inquiry 2017 – 2025 Interim Report, January 2020; gas prices offered by producers in Queensland for 2020 supply


1. Refer ASX announcement dated 23 January 2020

Successful progress in the Cooper Basin

The Cooper Basin continues to deliver for the Senex portfolio



- 1 **Cooper Basin free-carry drilling program successfully completed**
 - Three of four wells drilled achieved objectives
 - Waterflood wells cased and suspended ready for completion
 - Results under review with development focus in the Growler and Spitfire fields
 - 2 **Prospects identified from Westeros 3D seismic survey**
 - Processing of ~600sq km Westeros 3D seismic survey completed
 - Primary objective is a southern extension of the western flank
 - Numerous closures mapped with material exploration targets identified
 - 3 **First gas production and sales from the Gemba field**
 - Successful tie-in of field to the Santos-operated gathering network
 - Gas being sold to the Pelican Point Power Station in South Australia
 - Evaluation of development opportunities currently underway
- Continued focus on cost control and operating efficiencies**
- Oil operating costs down 5% to \$27/bbl (excluding royalties)

The image shows a group of people at an outdoor event, likely a rodeo, with a large Senex Energy Limited banner in the background. The banner is white with a blue geometric pattern and the company name. The people are dressed in cowboy hats and jeans, and there are tents and trees in the background.

Senex
Senex Energy Limited

Financial results



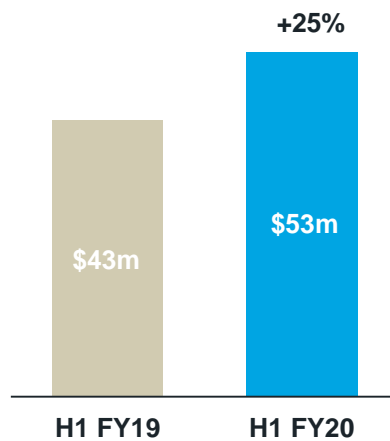
Senex
Senex Energy Limited

Supporting communities in regional Queensland

Financial highlights

Building a low cost, highly cash generative base business

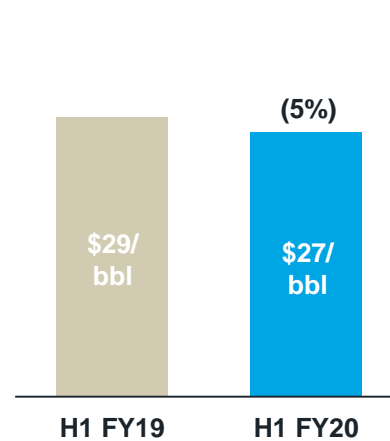
Sales revenue



Gas ramp-up driving revenue trajectory

- Sales revenue up 25% to \$53 million
- 170% increase in Surat Basin gas production and higher oil prices

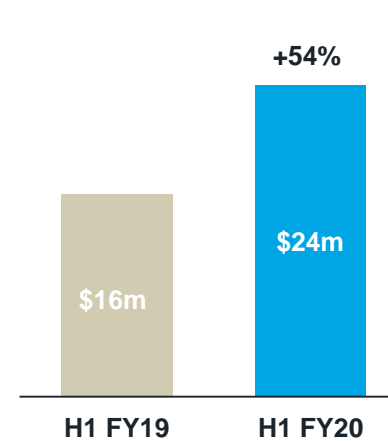
Oil operating costs



Senex cost-focused DNA to underpin gas operations

- Oil operating costs down 5% to \$27/bbl¹
- Ongoing focus on cost control and operating efficiencies

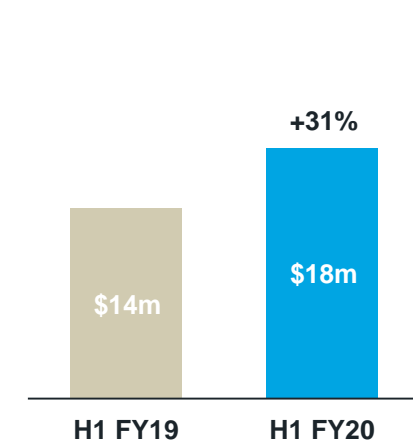
Underlying EBITDAX



Strengthening margins as gas business grows

- Underlying EBITDAX up 54% to \$24 million²
- Higher production and oil prices; lower operating costs

Operating cashflow



Increasing cashflows to fund growth opportunities

- Operating cashflow up 31% to \$18 million
- Early stage cashflow step change now evident

1. Excludes royalties

2. Refer to slide 14 for reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDAX

Step-change in earnings and cashflow underway

Continued strong performance across all financial metrics as gas production ramps up

	H1 FY19	H1 FY20	Change
Production (kboe)	557	779	+40%
Sales volumes (kboe)	534	719	+35%
Average realised oil price (\$ per bbl)	97	106	+9%
Average realised sales price (\$ per boe)	80	74	(7%)
Sales revenue (\$ million)	42.8	53.3	+25%
Oil operating cost ex royalties (\$/bbl produced)	28.8	27.3	(5%)
EBITDAX (\$ million) ¹	17.4	24.3	+40%
Underlying EBITDAX (\$ million) ¹	15.7	24.1	+54%
<i>Underlying margin</i>	37%	45%	+22%
Statutory NPAT (\$ million)	(4.5)	1.5	+\$6.0m
Underlying NPAT (\$ million)	1.4	2.7	+91%
Operating cashflow (\$ million)	13.9	18.2	+31%
Capital expenditure (gross, \$million)	62.5	85.0	+36%
Capital expenditure (net to Senex, \$ million)	44.5	79.3	+78%
Net cash / (debt) (\$ million)	39.0	(2.3)	(\$41.3m)

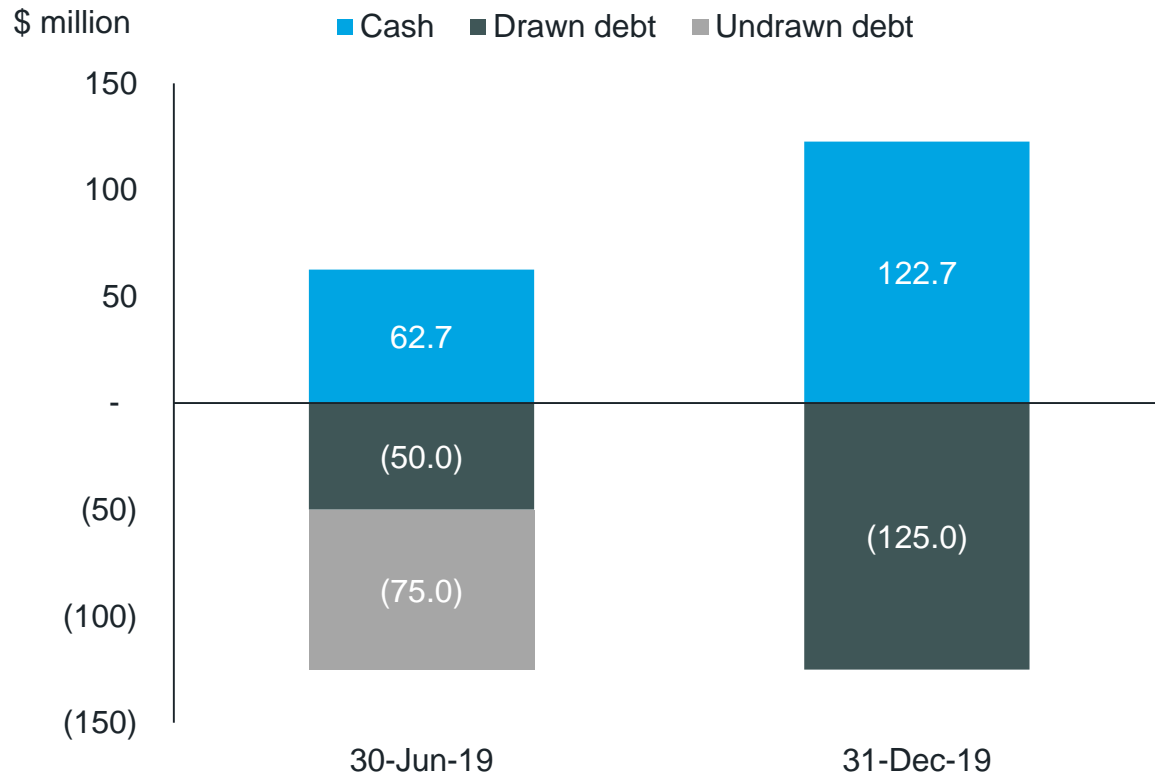
- Higher Surat Basin gas production, stable oil production and disciplined cost focus underpin outstanding results
 - Sales revenue up 25% to \$53.3 million
 - Operating cashflow up 31% to \$18.2 million
- Lower average realised sales price due to greater gas volumes in the sales mix
- Underlying EBITDAX margin expansion to 45% (H1 FY19: 37%)
- Higher capital expenditure from continuing project execution in the Surat Basin

NB. Totals throughout presentation may not add due to rounding

1. Refer to slide 14 for reconciliation of Statutory NPAT to Underlying NPAT and Underlying EBITDAX

Strong Balance Sheet

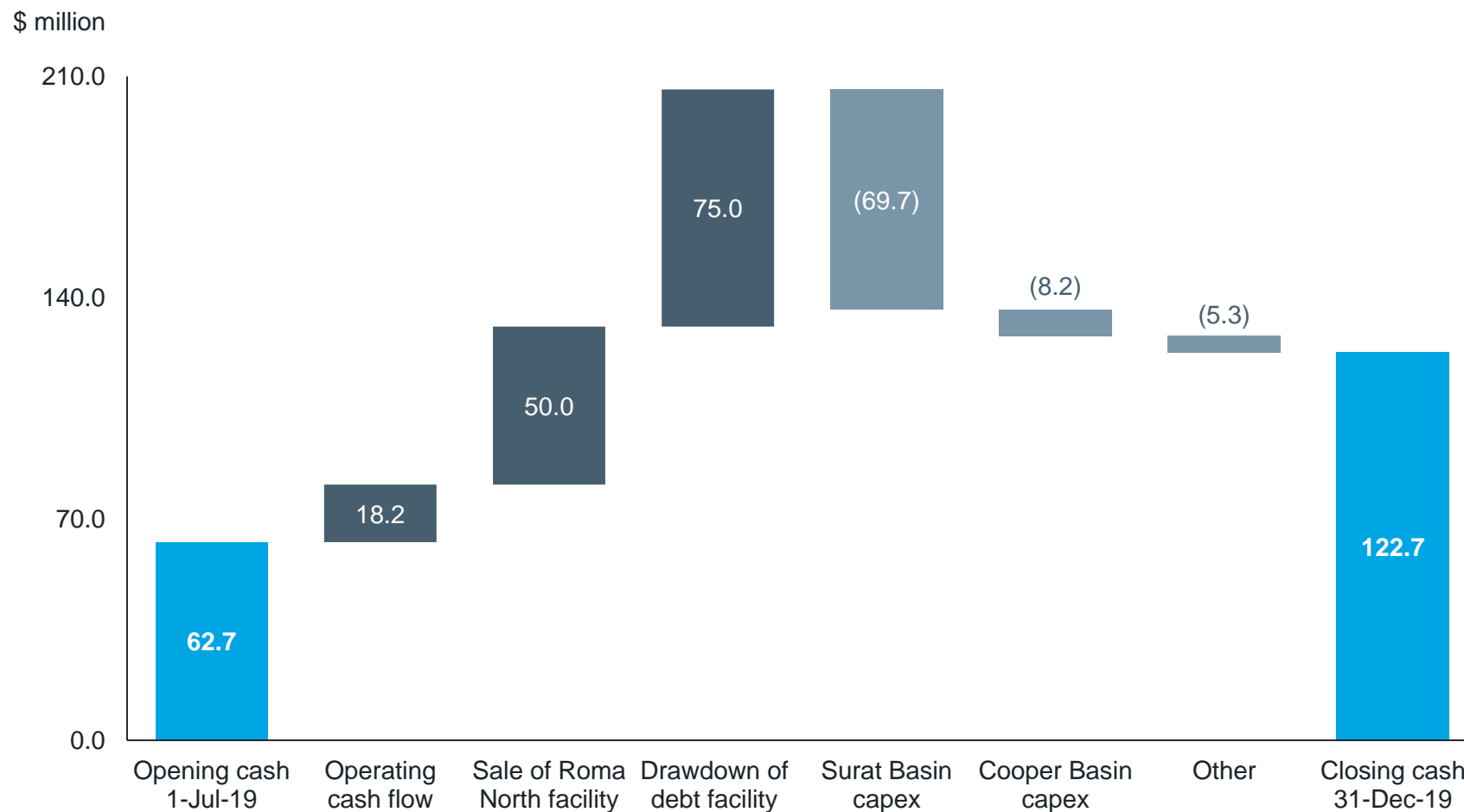
Robust liquidity and committed finance facilities to deliver current Surat Basin work programs



Net cash / (debt):	\$12.7 million	(\$2.3 million)
Liquidity:	\$137.7 million	\$122.7 million

- Cash reserves of \$122.7 million as at 31 December 2019
- Low cost senior secured debt facility fully drawn
- Increasing Surat Basin free cashflows to provide capital management flexibility
 - Paydown of debt
 - Capital management initiatives
- Hedging supports near-term liquidity position
 - 516,235 barrels of oil equivalent production hedged at an average price of A\$92/bbl for the 18 month period ending 30 June 2021

Cash movement



- Operating cashflow up 31% to \$18.2 million
- \$50.0 million proceeds received for sale of Roma North gas processing facility to Jemena
- \$75.0 million proceeds received from final drawdown of senior secured debt facility¹

1. Total debt facility of \$160 million comprising \$125 million Facility A limit and \$35 million Facility B, C limits; refer Note 7 of FY20 Half Year Report and announcement of 29 October 2018 for further information

Reconciliation of EBITDAX and NPAT

Strong EBITDAX growth and turnaround in Statutory NPAT

\$ million	H1 FY19	H1 FY20	Change
Underlying EBITDAX	15.7	24.1	+54%
Gain on sale of Roma North facility	-	0.1	
Gain on Beach transaction ¹	1.6	-	
EBITDAX	17.4	24.3	+40%
Exploration expense	(10.1)	(1.9)	
Depreciation and amortisation	(11.5)	(18.9)	
Net finance costs	(0.3)	(2.0)	
Statutory NPAT	(4.5)	1.5	+\$6.0m
Gain on sale of Roma North facility	-	(0.1)	
Net impact of Beach transaction ¹	5.9	1.3	
Underlying NPAT	1.4	2.7	+91%

- EBITDAX up 40% to \$24.3 million
- Turnaround in Statutory NPAT to \$1.5 million (+\$6.0 million)
- Higher depreciation and amortisation due to higher production
- Reduced exploration expense due to successful completion of Beach free carry drilling campaign
 - Beach transaction normalisations now materially complete

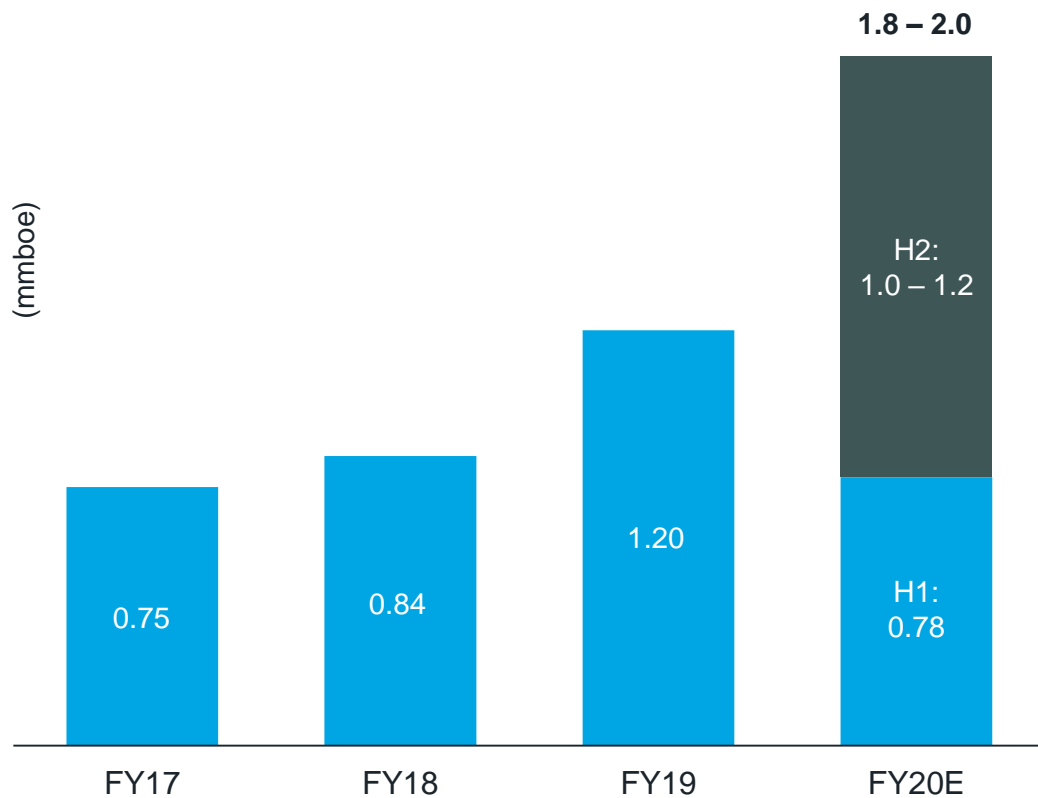
NB. Totals throughout presentation may not add due to rounding

1. As announced on 16 April 2018, Senex and Beach agreed the transfer of up to \$43 million (gross) of free carry commitment from the joint venture's unconventional gas project to the Cooper Basin western flank oil assets. H1 FY20 represents exploration expenditure. In H1 FY19 a gain of \$1.6 million was offset by \$7.5 million of exploration related expenditure arising from the transaction.

FY20 outlook and guidance

FY20 production guidance of 1.8 – 2.0 mmboe

FY20 Surat Basin capital expenditure guidance unchanged at \$150 million



- FY20 full year production guidance of 1.8 – 2.0 mmboe
 - Surat Basin: 6.0 – 6.5 PJ
 - Cooper Basin: 0.8 – 0.9 mmboe
- FY20 full year Surat Basin capital expenditure guidance unchanged at \$150 million
 - Within original Surat Basin capital expenditure guidance of \$220 – 250 million for FY19 – FY21¹
- 40% increase in half year production to 779 kboe
 - Gas and gas liquids production up 126% to 413 kboe, driven by Surat Basin ramp-up and first gas from the Gemba field
 - Stable oil production of 366 kbbl

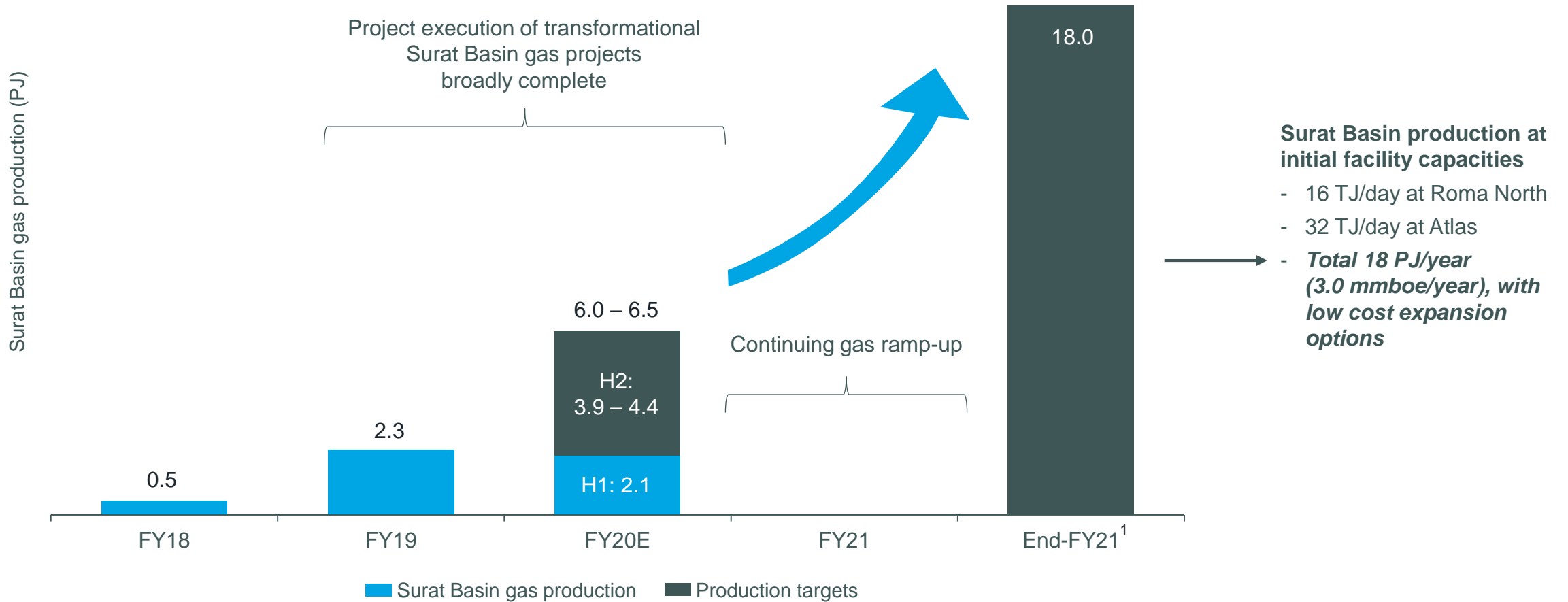
1. Refer ASX announcements dated 29 October 2018 and 20 August 2019; capital expenditure figures have not been adjusted downwards for cash proceeds of \$50 million received for sale of the Roma North gas processing facility to Jemena

Surat Basin work program broadly complete

Start of FY20 objectives	H1 FY20 progress
<i>With every Surat Basin development milestone achieved in FY19, FY20 will be a year of focused project execution</i>	<i>Senex continues to deliver all stated milestones on schedule and on budget</i>
<input type="checkbox"/> Commissioning of Roma North gas compressor station	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Completion of \$50 million sale of Roma North gas processing facility to Jemena	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Construction and commissioning of Atlas gas processing facility and pipeline (Jemena)	<input checked="" type="checkbox"/> Construction and commissioning completed
<input type="checkbox"/> First sales gas from Atlas and commencement of new gas contracts	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Largely complete ~110-well Surat Basin drilling campaign	<input type="checkbox"/> 57 wells drilled; requirements for plateau production under review
<input type="checkbox"/> Ongoing connection of wells and ramp-up to Surat Basin production to end FY21	<input type="checkbox"/> 45 wells brought on production; production above 24 TJ/day
<input type="checkbox"/> Surat Basin capital investment of ~\$150m ¹	<input checked="" type="checkbox"/> Guidance unchanged ¹
<input type="checkbox"/> Further Atlas gas sales agreements to be signed	<input checked="" type="checkbox"/> Additional gas sales agreements signed for 2020
<input type="checkbox"/> Roma North and Atlas expansion FEED	<input type="checkbox"/> Progressing through FEED
<input type="checkbox"/> Cooper Basin free carry program of final four wells	<input checked="" type="checkbox"/> Completed; follow-up activity under review
<input type="checkbox"/> Complete Gemba production test, tie-in and commissioning and commence gas sales	<input checked="" type="checkbox"/> Completed
<input type="checkbox"/> Processing and interpretation of Cooper Basin Westeros 3D seismic for potential drilling in FY21	<input checked="" type="checkbox"/> Completed; prospects identified for drilling in FY21

1. Within original Surat Basin capital expenditure guidance of \$220 - 250 million for FY19 - FY21 (refer ASX announcements dated 29 October 2018 and 20 August 2019); capital expenditure figures have not been adjusted downwards for cash proceeds of \$50 million received for sale of the Roma North gas processing facility to Jemena

Gas production tracking rapidly to 18 PJ/year



1. FY21 target exit flow rate of 18 PJ/year (48 TJ/day / 3.0 mmboe/year)

Appendix

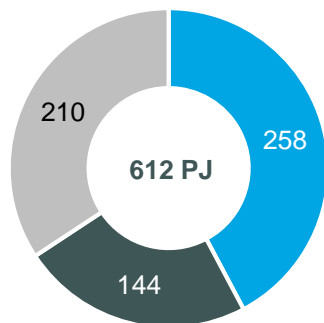


Reserves position as at 30 June 2019

Senex reserves and resources as at 30 June 2019 ¹	mmboe (net to Senex)			
		FY18	FY19	Change
	1P reserves	20.2	19.3	(4%)
	2P reserves	113.2	111.4	(2%)
2C contingent resources	5.3	8.3	+57%	

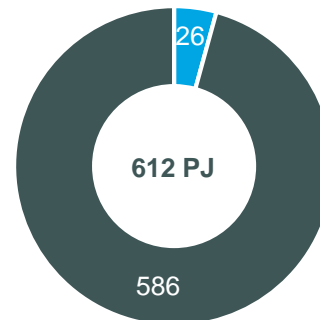
Surat Basin 2P reserves as at 30 June 2019¹

Surat Basin 2P Gas Reserves



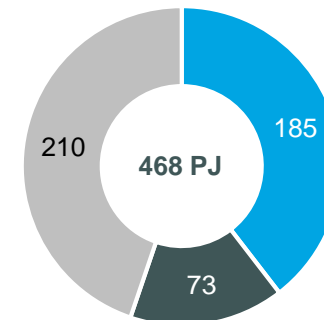
■ Roma North ■ Project Atlas ■ Other Western Surat

Surat Basin 2P Gas Reserves



■ Developed ■ Undeveloped

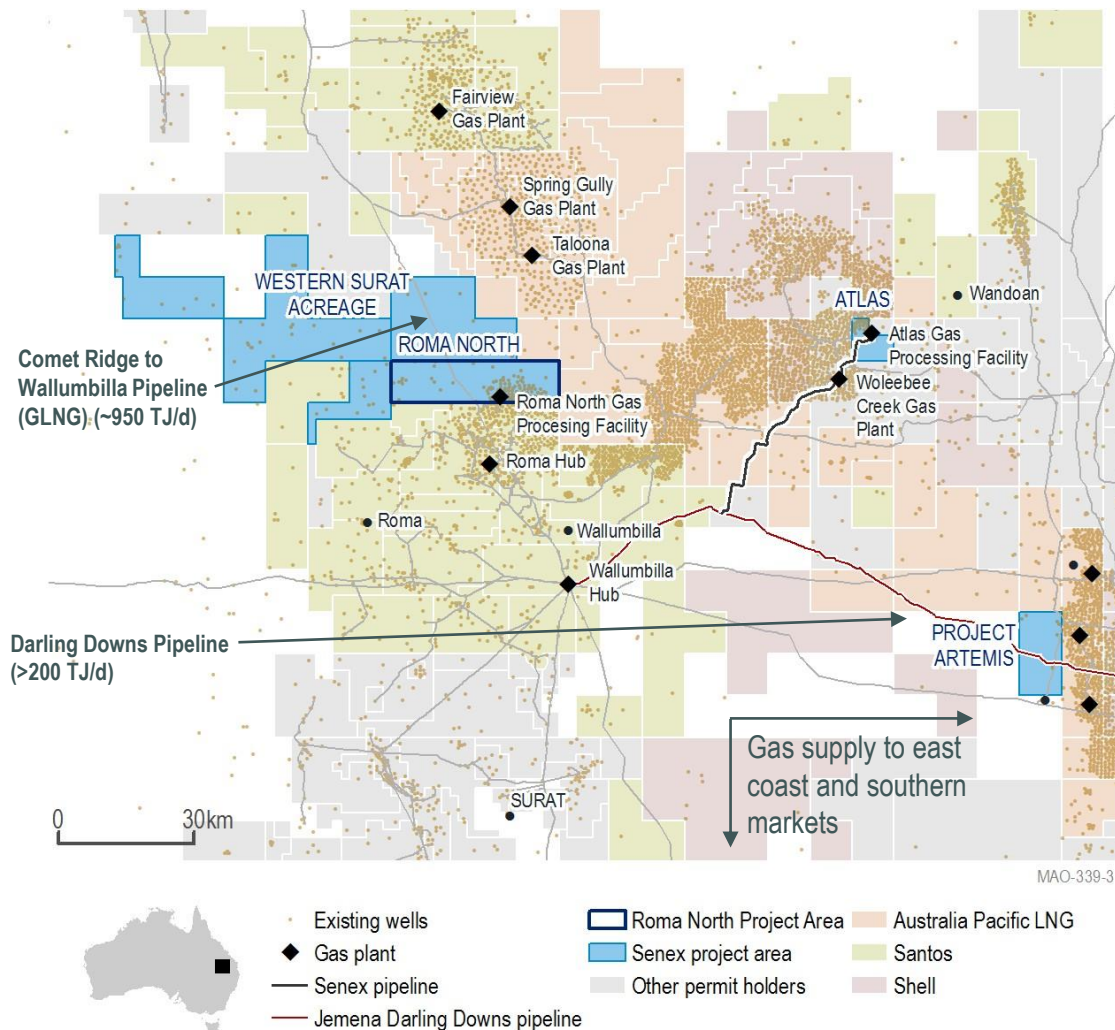
Western Surat 2P Gas Reserves



■ Glenora/Eos ■ Other Roma North ■ Other Western Surat

1. For further information, refer to ASX announcement dated 20 August 2019; Senex currently updates its reserves and resources position annually in conjunction with its full year financial results

Valuable Surat Basin gas acreage



- ✓ A prolific gas producing region with over 4,000 wells drilled
- ✓ Infrastructure connections to east coast and southern markets
- ✓ Atlas provides a near-term solution to increase east coast gas supply
- ✓ Material 2P reserves position (as at 30 June 2019)¹
 - Atlas – 144 PJ
 - Roma North – 258 PJ
 - Other Western Surat Acreage – 210 PJ
- ✓ Future development of the broader Western Surat Acreage and Senex’s new gas block, Artemis, provide longer-term supply options

1. For further information, refer to ASX announcement dated 20 August 2019; Senex currently updates its reserves and resources position annually in conjunction with its full year financial results

Project overviews

	Atlas	Roma North	Western Surat Gas Project (excluding Roma North)
Ownership	100% Senex	100% Senex	100% Senex
2P reserves as at 30 June 2019¹	~58 km ² 2P Reserves: 144 PJ; targeting ~278 PJ	~307 km ² 2P Reserves: 258 PJ	~533 km ² 2P Reserves: 210 PJ
Market	Domestic market Multiple customers with varied terms Fixed price CPI-linked	20-year GSA with GLNG (up to 50 TJ/day) Exclusive to GLNG JCC oil-linked	20 year GSA with GLNG up to 50 TJ/day Exclusive to GLNG, assuming a future Senex FID taken by September 2022
Infrastructure	Initial 32 TJ/day facility (~2 mmboe/year) 8 TJ/day installed redundant capacity 60 km pipeline to Wallumbilla hub Jemena built, owned and operated Capital investment (Jemena) ~\$140 million	Initial 16 TJ/day facility (~1 mmboe/year) Low-cost rapid expansion to 24 TJ/day 5 km pipeline to GLNG infrastructure Constructed by Senex Sold to Jemena for \$50 million	Opportunity to expand Roma North facility or build new facility; dependent on future appraisal of acreage and further investment decisions
Wells	~60 initial development wells Over 100 wells in total	~50 development wells in current campaign Over 200 wells in total	Regulatory approval for over 200 wells

1. For further information, refer to ASX announcements dated 20 August 2019 and 31 July 2018; Senex currently updates its reserves and resources position annually in conjunction with its full year financial results

Glossary

\$	Australian dollars	P&A	Plugged and abandoned
ATP	Authority to Prospect - granted under the Petroleum Act 1923 (Qld) or the Petroleum Gas (Production and Safety) Act 2004 (Qld)	PEL	Petroleum Exploration Licence granted under the Petroleum and Geothermal Energy Act 2000 (SA)
bbbl	Barrels - the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons	PJ	Petajoule
Bcf	Billion cubic feet	PJ/year	Petajoules per annum
Beach	Beach Energy Ltd	PL	Petroleum Lease granted under the Petroleum Act 1923 (Qld) or the Petroleum Gas (Production and Safety) Act 2004 (Qld)
boe	Barrels of oil equivalent - the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy	PPL	Petroleum production licence granted under the Petroleum and Geothermal Energy Act 2000 (SA)
bopd	Barrels of oil per day	PRL	Petroleum retention licence granted under the Petroleum and Geothermal Energy Act 2000 (SA)
C&S	Cased and suspended	Q, Qtr	Quarter
EPBC	Environment Protection and Biodiversity Conservation Act	RFDS	Royal Flying Doctor Service
FID	Final investment decision	SACB JV	South Australia Cooper Basin JV, which involves Santos (as operator) and Beach
FY	Financial year	Senex	Senex Energy Ltd
GJ	Gigajoule	TJ	Terajoule
GLNG	Gladstone Liquefied Natural Gas, a JV between Santos, PETRONAS, Total and KOGAS	TJ/day	Terajoules per day
GSA	Gas sales agreement	TRIFR	Total recordable injury frequency rate (per million hours worked)
JV	Joint venture	Underlying-EBITDAX	Earnings before interest, tax, depreciation, amortisation, evaluation, exploration expenses, impairment adjustments and restructuring
H1 / H2	First / second half of financial year	Underlying-NPAT	Underlying net profit after tax excludes the impacts of asset acquisitions, disposals and impairments, as well as items that are subject to significant variability from one period to the next, including the Beach Energy transaction and restructuring
kbbl	Thousand barrels of oil	WSGP	Western Surat Gas Project
kboe	Thousand barrels of oil equivalent	YTD	Year to date
LTIFR	Lost time injury frequency rate		
mboe	Million barrels of oil equivalent		
mmbbl	Million barrels of oil		
mscfd	Thousand standard cubic feet of gas per day		
mmscfd	Million standard cubic feet of gas per day		

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