

ASX Announcement

9 August 2021



Senex delivers Surat Basin natural gas reserves upgrade

Senex Energy Ltd (Senex, ASX: SXY) today released its independently assessed¹ estimates of reserves as at 30 June 2021, reporting a 24% increase in Surat Basin 1P gas reserves to 261 PJ and a 290% reserves replacement ratio (RRR) on 2P reserves of 767 PJ (up 4%). The uplift in reserves comes as Senex achieved a record 17.3 PJ of production in FY21 from its high-quality Atlas and Roma North operations and incorporates the award of ATP 2059, now part of the Atlas acreage. Highlights include:

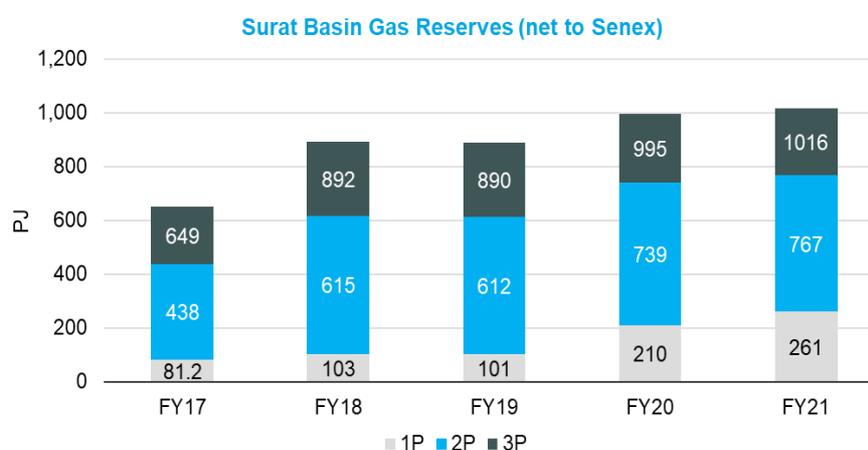
- Surat Basin 1P (proved) gas reserves up 51 PJ (24%) to 261 PJ
- Surat Basin 2P (proved and probable) gas reserves up 28 PJ (4%) to 767 PJ
- Surat Basin 3P (proved, probable and possible) gas reserves up 21 PJ (2%) to 1,016 PJ
- 1P reserves replacement ratio of 440%; 2P reserves replacement ratio of 290%

Senex Managing Director and CEO Ian Davies said Senex's Surat Basin reserves position follows the successful delivery of its transformational natural gas developments.

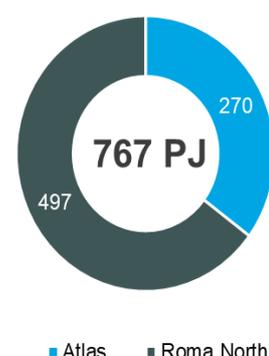
"Daily production now exceeds 52 TJ/day (19 PJ/year) with our near-term growth projects proceeding well towards our targeted five-fold growth in annual production to more than 60 PJe by the end of FY25.

"The first phase of our Roma North expansion has now been delivered with additional expansion projects nearing FID for both Roma North and Atlas, which will increase portfolio production to 36 PJ/year.

"Our low-risk, low-carbon and long-life expansion plans are underpinned by our resilient and material natural gas reserves base. With 767 PJ of 2P reserves and over 1,000 PJ of 3P reserves, we are well positioned to continue to grow our production profile and deliver significant and sustainable value for all our stakeholders," Mr Davies said.



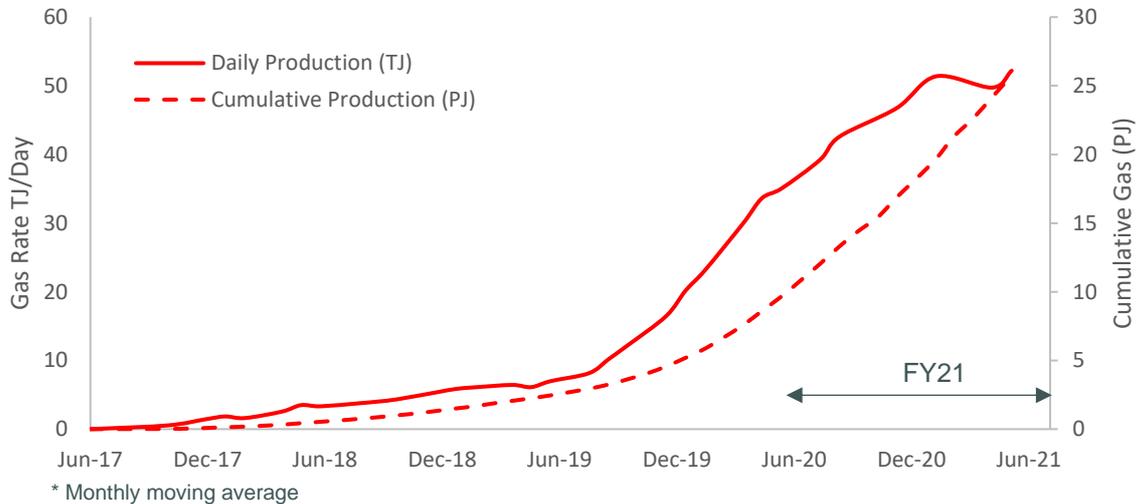
Surat Basin 2P Gas Reserves as at 30 June 2021



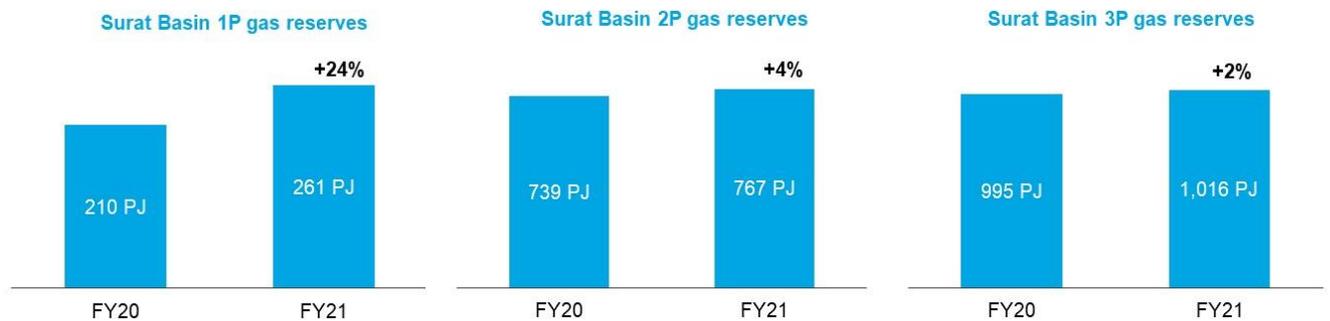
¹ Independently assessed by Netherland Sewell & Associates (NSA); refer Appendix B

Senex's reserve upgrades in the Surat Basin have been driven by successful development drilling, including targeted appraisal activities, as well as the award of ATP 2059 increasing the area of the Atlas project by 32%. Daily production has increased 40% from 37 TJ/day (13.5 PJ/year) at the start of FY21 and now exceeds 52 TJ/day (19 PJ/year).

Surat Basin Gas Production 2017-2021

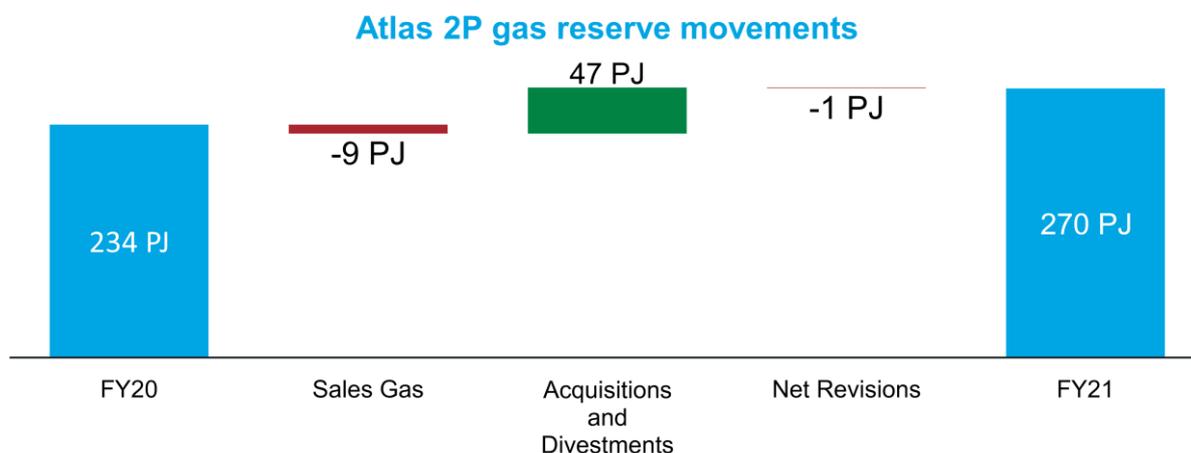


Surat Basin 2P gas reserves of 767 PJ represent over 35 years of natural gas production at the current target annual production of around 20 PJ/year (56 TJ/day), providing material opportunities for gas production acceleration and expansion utilising Senex's hub-and-spoke infrastructure operating model. Surat Basin 1P reserves increased 24% to 261 PJ following successful project development and resource delineation.



Atlas

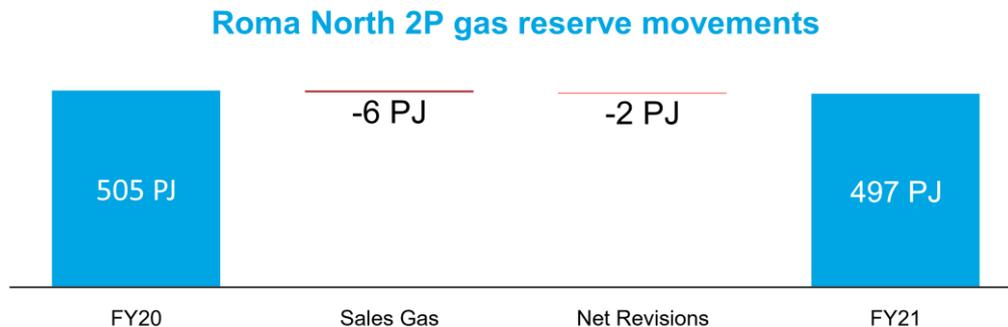
Atlas recorded a 46 PJ (15%) increase in 2P gas reserves to 270 PJ, largely attributable to the award of high-value acreage in ATP 2059 adjacent to, and extending, the Atlas development.



Atlas 2P gas reserves of 270 PJ provide the opportunity to increase the target production rate of the project by 50% to 18 PJ/year, representing a reserves to production (R/P) ratio of 15 years.

Roma North

Roma North achieved a 2P reserve replacement ratio of 100%, notwithstanding a year of strong production performance with limited appraisal activity. Operational performance of the Roma North gas processing facility has been excellent, with the expansion project to increase capacity by 50% to 9 PJ/year in the final stages of commissioning.



The Roma North area holds 2P gas reserves of 497 PJ and 3P gas reserves of 746 PJ. This large reserve base supports a master plan to ultimately expand production to 36 PJ/year, reflective of a 14 year 2P R/P ratio and a 20 year 3P R/P ratio, using Senex's proven hub-and-spoke infrastructure operating model.

The commissioning of the expanded processing facility to 9 PJ/year represents the first phase of the wider Roma North development, and Senex is preparing to take FID for the second phase of expansion to 18 PJ/year in the coming months. Planning for the third phase of expansion has commenced, which is targeting annual Roma North production of 27 PJ/year. Each phase of expansion in the Roma North area provides valuable subsurface and production data, de-risking future expansion decisions.

Authorised by:

Ian Davies
Managing Director and CEO
 Senex Energy Ltd
 Phone: +61 7 3335 9000

Investor and media enquiries:

Mark McCabe
Chief Financial Officer
 Senex Energy Ltd
 Phone: +61 7 3335 9000

Paul Larter
Communications Manager
 Senex Energy Ltd
 Phone: +61 400 776 937

Senex Energy Limited
 ABN 50 008 942 827
 ASX: SXY

Head Office
 Level 31, 180 Ann Street, Brisbane Qld 4000
 GPO Box 2233, Brisbane Qld 4001

Phone +61 7 3335 9000
Facsimile +61 7 3335 9999
Web www.senexenergy.com.au

Appendix A – NET RESERVES

Senex engaged the services of Netherland Sewell & Associates (NSAI) to independently assess reserves before reporting any updated estimates. NSAI are an independent resource estimating firm with deep experience in the Surat Basin.

Given Senex's transformation into a material east coast gas producer, the tables below summarising reserves are presented as petajoules (PJ). Refer to Appendix B for calculation methods, factors, ratios and reference points.

Net reserves movement

PJ	FY20	Sales Gas	Acquisitions & Divestment	Revisions	FY21	Change
1P reserves	210	(15)	15	51	261	24%
2P reserves	739	(15)	47	(2)	767	4%
3P reserves	995	(15)	47	(10)	1,016	2%

Minor revision to 3P reserves to adjust fuel and flare consumption. Senex is investigating options to electrify processing facilities to achieve significant mitigation in fuel and flare consumption.

Summary: Proved Reserves (1P)

PJ	Oil	Gas	Total	Developed	Undeveloped	Total
Roma North	-	120	120	47	73	120
Atlas	-	141	141	82	59	141
Total 1P reserves	-	261	261	129	132	261

Proportion of total Proved Reserves that are unconventional (coal seam gas): 100%

Summary: Proved and Probable Reserves (2P)

PJ	Oil	Gas	Total	Developed	Undeveloped	Total
Roma North	-	497	497	47	450	497
Atlas	-	270	270	82	188	270
Total 2P reserves	-	767	767	129	638	767

Proportion of total Proved and Probable Reserves that are unconventional (coal seam gas): 100%

Summary: Proved, Probable and Possible Reserves (3P)

PJ	Oil	Gas	Total	Developed	Undeveloped	Total
Roma North	-	746	746	47	699	746
Atlas	-	270	270	82	188	270
Total 3P reserves	-	1,016	1,016	129	887	1,016

Proportion of total Proved, Probable and Possible Reserves that are unconventional (coal seam gas): 100%

Appendix B – NOTES TO THE ANNUAL RESERVE STATEMENT

Senex prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System published by the Society of Petroleum Engineers (SPE PRMS 2018). Unless otherwise stated, all references to reserves and resources in this statement relate to Senex’s economic interest in those reserves and resources. All estimates of petroleum reserves reported by Senex are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator. To ensure the integrity and reliability of data used in the reserves estimation process, the raw data is reviewed and quality controlled by senior professional production, reservoir, petrophysical and geological staff at Senex. Access to the substantiated data is then restricted to authorised staff members. During each petroleum reserves review, this data is updated, analysed and checked against the previous year’s data.

This reserves and resources statement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator, Mr Peter Mills BEng (Electronics). Mr Mills is a member of the Society of Petroleum Engineers and a full-time employee of Senex and has approved this statement as a whole and has provided written consent to the form and context in which the estimated reserves, resources and supporting information are presented.

External assessment and evaluation date

Senex engaged the services of Netherland Sewell & Associates (NSAI) to independently assess the data and assess reserves and resources prior to Senex reporting any updated estimates. NSAI are an independent resource estimating firm with deep experience in the Surat Basin. Senex reviews and updates its gas reserves position on an annual basis and reports the updated estimates as of 30 June each year.

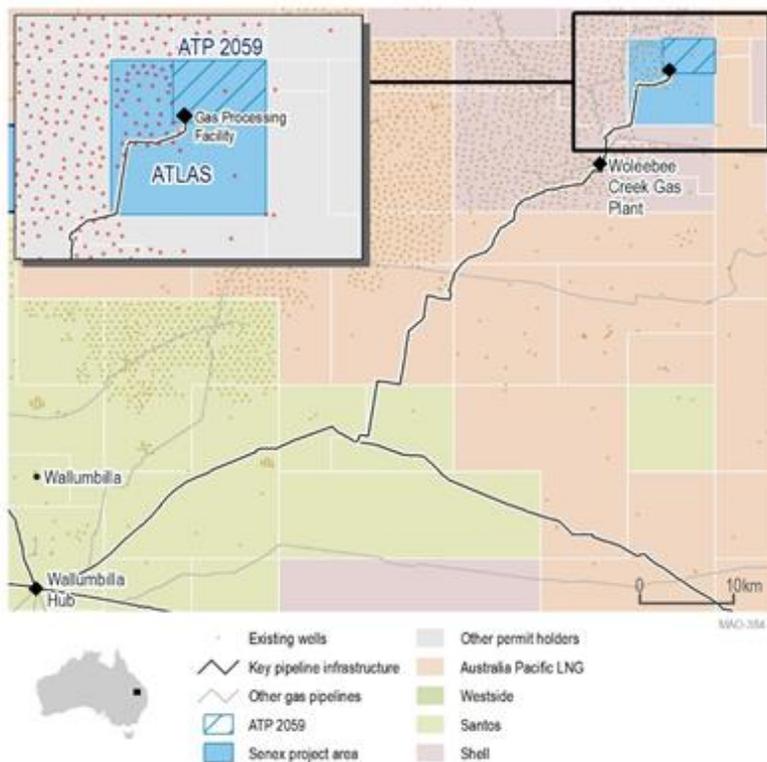
Calculation methods, factors, ratios and reference points

Petroleum reserves and contingent resources are aggregated by arithmetic summation by category. The arithmetic method does not account for “portfolio effects”. The deterministic method was used to prepare the estimates of reserves in this statement.

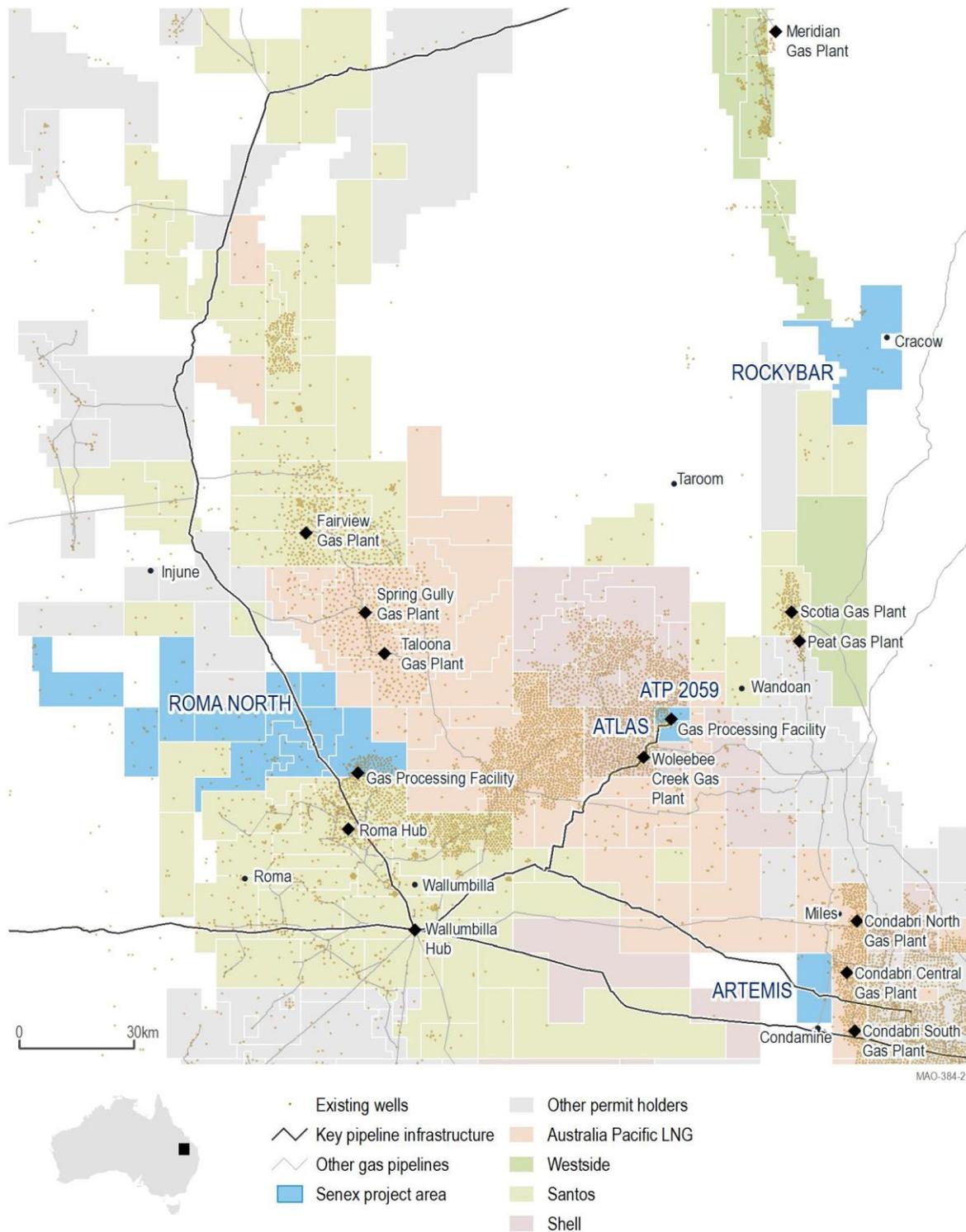
The reference point for the Surat Basin is the Wallumbilla Gas Hub, Queensland. Fuel, flare and vent consumed to the reference point are excluded from reserves estimates.

Standard engineering and geoscience methods, or a combination of methods, including volumetric analysis, analogy, and reservoir modelling, were used. Much of these reserves are for undeveloped locations and are based on estimates of reservoir volumes and recovery efficiencies along with analogy of properties with similar geologic and reservoir characteristics.

Appendix C – ATLAS ACERAGE WITH ATP 2059



Appendix D – SURAT BASIN GAS DEVELOPMENT ACREAGE



About Senex

Senex is an established, rapidly growing and low-carbon Australian natural gas producer. Our long-life Surat Basin assets contribute around 20 petajoules of natural gas per year into the east coast gas market to support our customers. Senex is focused on sustainably delivering balance sheet strength, resilient cashflows, growing dividends to support Australia's energy needs as it transitions to a lower carbon future.

Senex Energy Limited
 ABN 50 008 942 827
 ASX: SXY

Head Office
 Level 31, 180 Ann Street, Brisbane Qld 4000
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