

ASX Announcement

8 November 2021



Senex to acquire APLNG natural gas fields

Senex Energy Limited (ASX:SXY) today announced it has entered into a binding agreement with Australia Pacific LNG to acquire undeveloped gas fields PL 209 and PL 445, adjacent to Senex's Atlas natural gas development, for \$80 million with Atlas production to increase to 30 PJ/year in 2024.

Key points

- Senex plans to expand Atlas production (including PL 209 and PL 445) to a 30 PJ/year plateau in CY24 (currently expanding to 18 PJ/year), comprising half of the end-FY25 production target of 60 PJ/year¹
- PL 209 and PL 445 include a 77 km² development-ready Northern Area, comparable in reservoir quality to the adjacent Atlas field, and a 77 km² Southern Area requiring future appraisal (refer map on page 2)
- Estimated Ultimate Recoverable (EUR) volume of 184 PJ in Northern Area², with additional ~600 PJ estimated gas-in-place in Southern Area requiring future appraisal
- No existing gas supply obligations or domestic marketing commitments providing portfolio flexibility
- Initial acquisition cost of \$50 million, with a further \$30 million payment upon receipt of satisfactory Commonwealth environmental approvals, funded from an acquisition bridge facility and existing cash and debt facilities

Managing Director and CEO Ian Davies said the acquisition increased the quality and scale of Senex's natural gas supply portfolio, providing portfolio flexibility to further support Senex's customers and increase supply to the east coast gas market.

"The acquisition of these undeveloped gas fields adjacent to Atlas continues Senex's growth trajectory in the Surat Basin and reinforces the company's low-cost, hub-and-spoke infrastructure operating model.

"Atlas is a high-quality development, providing reliable, affordable and sustainable supplies of natural gas to Australian manufacturers, supporting the economy and jobs in local communities," Mr Davies said.

Senex natural gas portfolio and organic growth plans

In August 2021, Senex announced FID for the expansion of Atlas gas production by 50% to 18 PJ/year. This acquisition will allow the further expansion of Atlas to plateau production of 30 PJ/year in 2024.

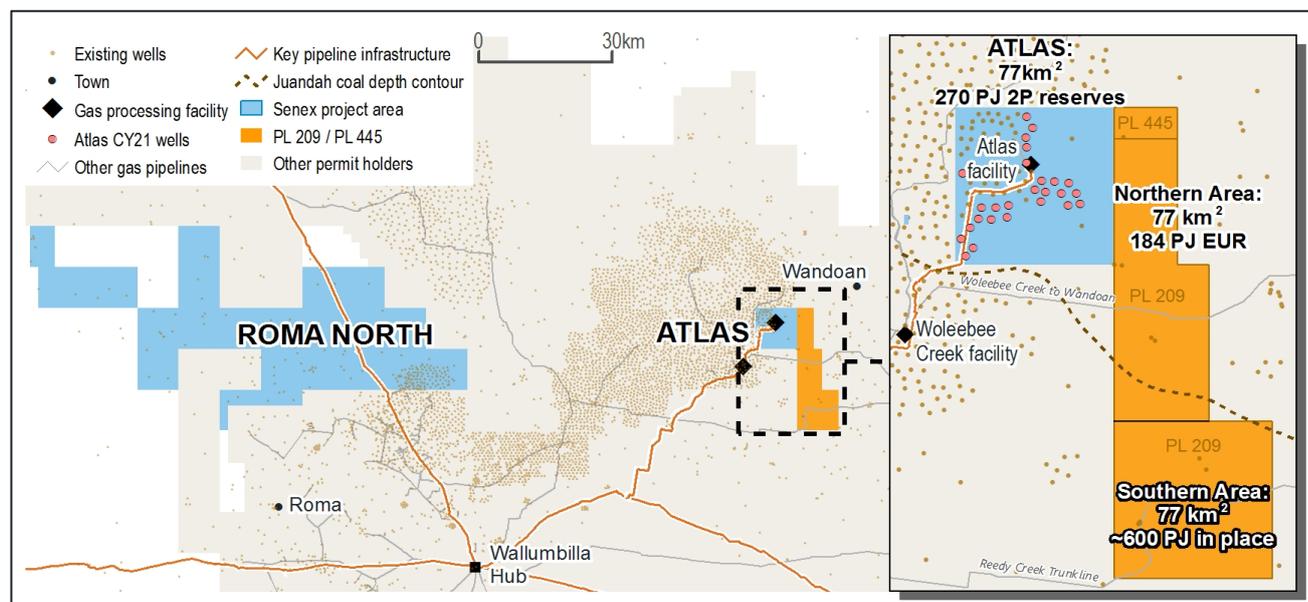


1. Future investment decision not yet taken and subject to future appraisal and final internal approvals

¹ Final investment decision not yet taken and subject to transaction completion, internal approvals and regulatory approvals.

² Senex estimates of reserves, resources and OGIP over PL 209 and PL 445 (independently assessed by Netherland Sewell & Associates (NSAI)): 2P: 75 PJ | 3P: 130 PJ | 1C: 54 PJ | 2C: 72 PJ | 3C: 134 PJ | OGIP: 1,091 PJ. 2P acquisition multiple \$1.06/GJ; 3P acquisition multiple \$0.61/GJ; EUR acquisition multiple \$0.43/GJ. For further information refer to the Reserves and Resources Statement on page 3.

Atlas development area including newly acquired PL 209 and PL 445



Transaction details and timetable

Acquisition	Senex to acquire 100% of Petroleum Leases PL 209 and PL 445 from Australia Pacific LNG Pty Ltd (APLNG), immediately adjacent to the Atlas development.
Consideration	A cash payment at Completion of \$50 million, and a further cash payment of \$30 million upon receipt of satisfactory Commonwealth environmental approvals. Acquisition funded from an acquisition bridge facility and existing cash and debt facilities.
Conditions Precedent	Acquisition subject to limited and customary conditions and consents.
Completion timing	Completion expected by early 2022

Approved for release by the Senex Board

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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.

IMPORTANT INFORMATION

This release contains opinions and forward-looking statements (such as guidance, projections, forecasts, targets, outlooks). Unless expressly stated as guidance, a statement given in this release is not guidance. Opinions and forward-looking statements in this release involve known and unknown risks, assumptions and uncertainties, many of which are beyond Senex's control. Details on the key underlying assumptions used in this release will be referenced in the footnotes and for a summary of the key risks facing Senex refer to the 2021 Annual Report. As a result, while it is believed that the expectations reflected in the opinions and forward-looking statements in this release are reasonable they may be affected by a variety of variables and changes in the underlying assumptions on the basis on which they are formed which could cause actual outcomes or results to differ materially from that stated or implied by the opinions or forward-looking statements. Accordingly, Senex cautions against placing undue weight on such opinions or forward-looking statements.

RESERVES AND RESOURCES STATEMENT

The estimate of reserves and resources for PL 209 and PL 445 in this release have also been independently assessed by Netherland Sewell & Associates (NSAI). The completion of the acquisition and subsequent approval and registration of the transfers will be necessary prior to booking reserves.

NSAI independently assess Senex's annual reserves and resources position prior to Senex reporting updated estimates. NSAI are an independent resource estimating firm with deep experience in the Surat Basin.

Senex currently reviews and updates its reserves and resources position annually and reports the updated estimates as of 30 June each year. For further information on Senex's reserves and resources as at 30 June 2021 refer to the ASX release dated 9 August 2021. There has been no material change to information or assumptions contained in that release.

Petroleum Resources Management System: 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). The evaluation date for the estimates of reserves and resources in this release is at 30 June 2021. The estimates of reserves and resources in this release are 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 release as a whole and has provided written consent to the form and context in which the estimated reserves, resources and supporting information are presented.

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 and resources in this release. The reserves and resources classes have not been adjusted for risk. 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 and resources estimates. Standard engineering and geoscience methods, or a combination of methods, including volumetric analysis, analogy, and reservoir modelling, were used. These estimates of reserves and resources 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.