


Delivering a gas business

DUG Conference

Ian Davies, Managing Director and CEO

27 August 2014



Construction of an extended production test facility
is close to complete for the Hornet gas discovery

Overview

1. Overview of Senex
2. Growth Acceleration Strategy – the important role of gas
3. Our gas projects

The Hornet-1 exploration well is located in the south east of the South Australian Cooper Basin



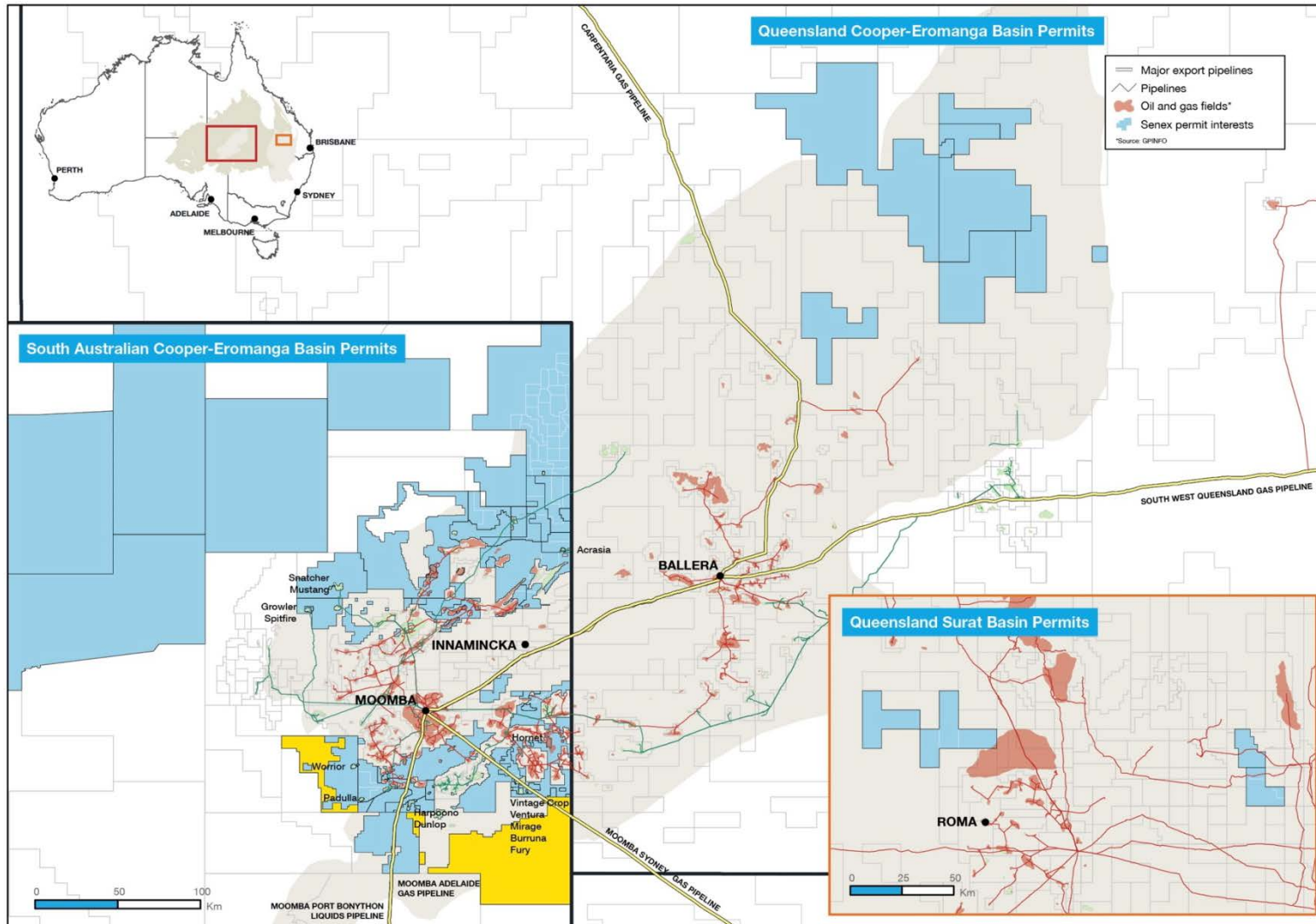
Overview of Senex



Production testing from the Hornet-1 well is expected to commence early in Q2 FY15

An experienced oil and gas operator

Senex holds a major acreage position in the Cooper and Surat Basins

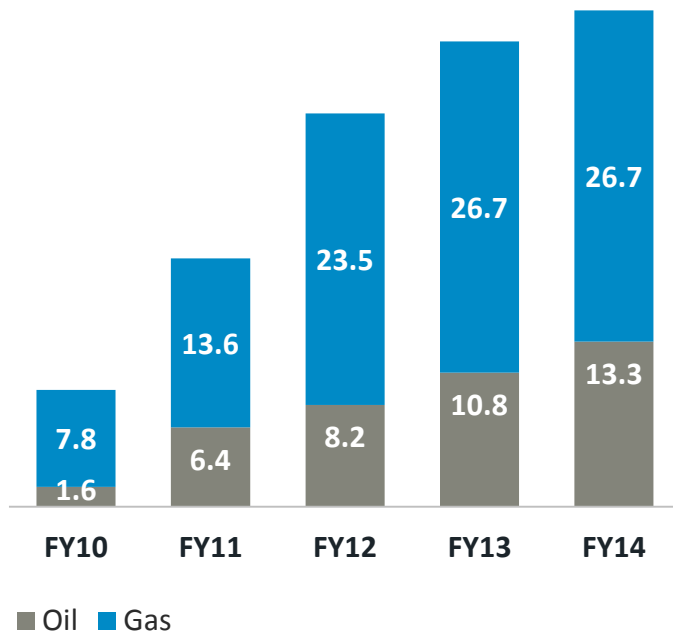


Growing reserves and production profile

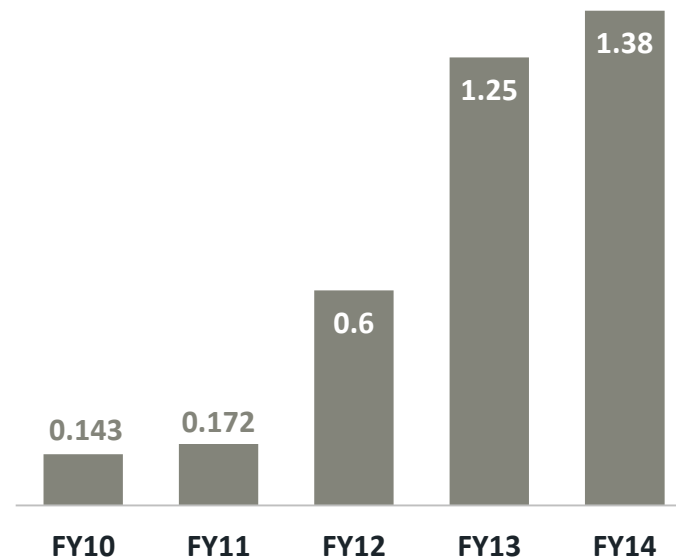
Senex is a growth-focused oil and gas E&P company

- Growing oil production and earnings base from SA Cooper Basin operations
- Gas reserves are a material component of the portfolio, but not yet contributing to production

Net 2P reserves (mmboe)
30 June



Production (mmboe)



Growth Acceleration Strategy – the important role of gas

The road to FY18

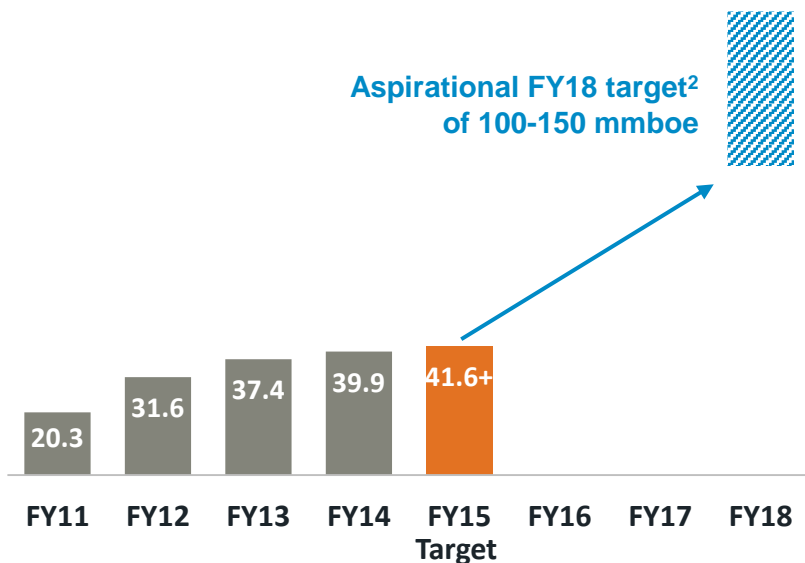
Hornet gas field is connected to the Cooper Basin gas network at Allambi, six kilometres north west

Senex is building a material oil and gas business

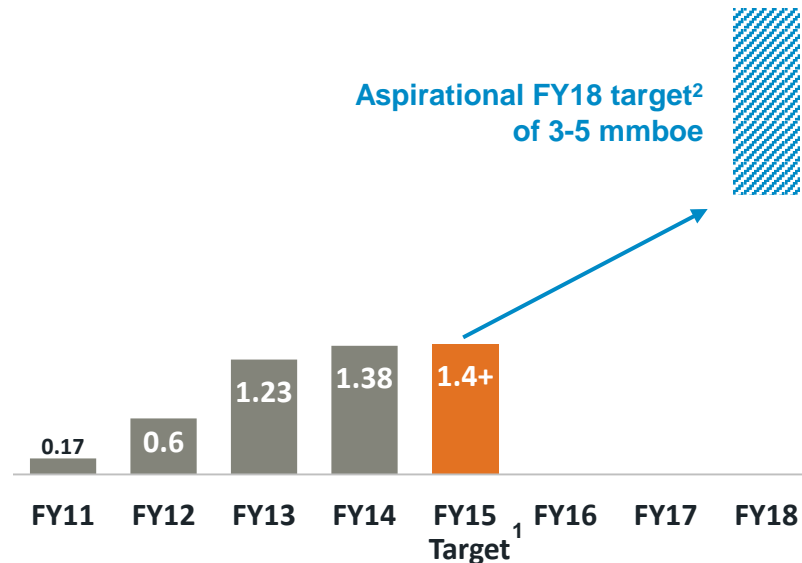
Targeting substantial growth in reserves and production

- More than doubling of reserves and production over the next four years
- Growth targets include no corporate M&A activity, without new equity capital
- **Emphasis on growth in 2P gas reserves with near term production**

Net 2P reserves (mmboe)



Oil and gas production (mmboe)



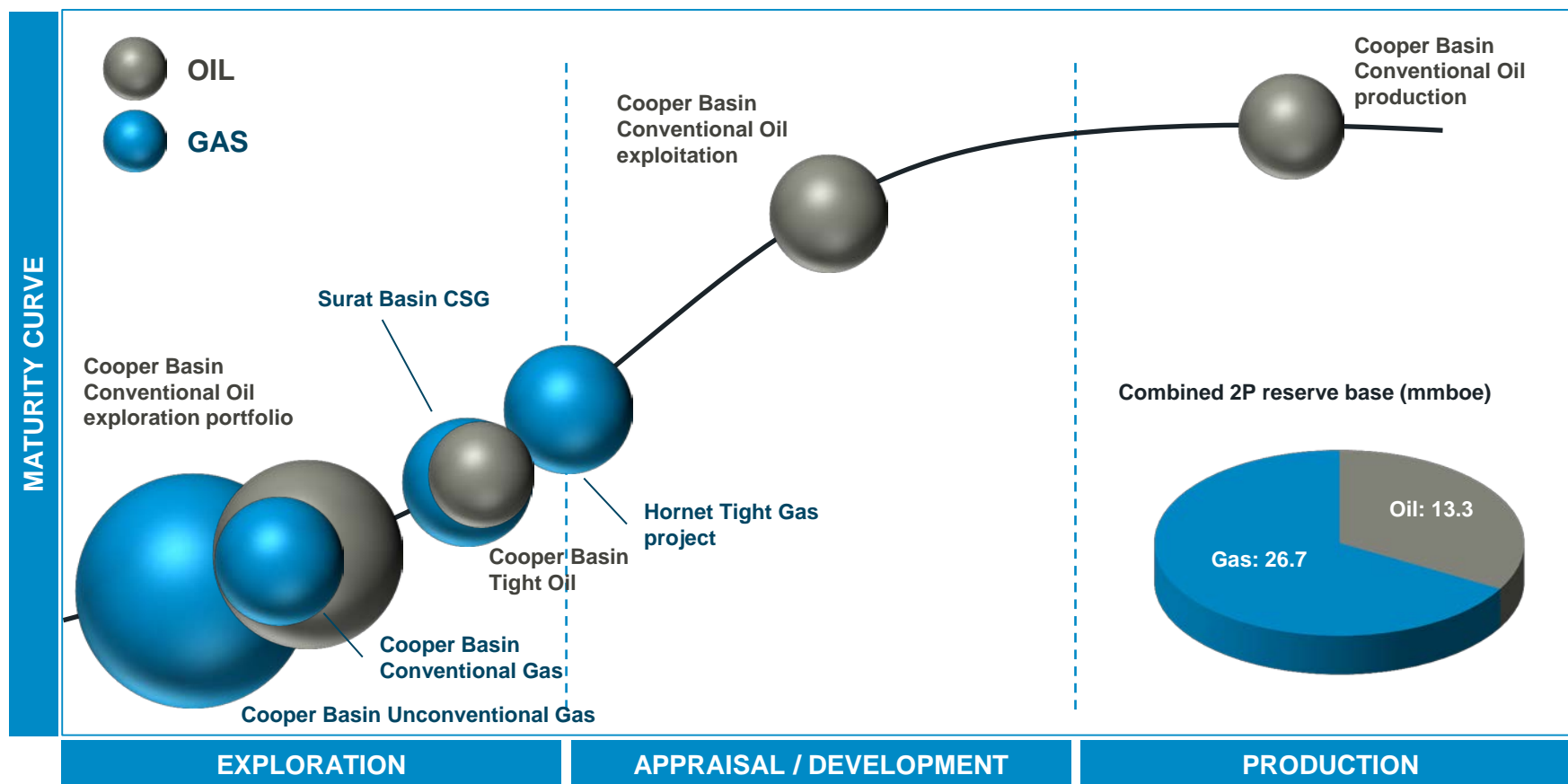
Growing our gas business is critical to achieving this vision

- (1) FY15 production guidance of 1.4+ mmboe (before exploration success)
(2) Not market guidance

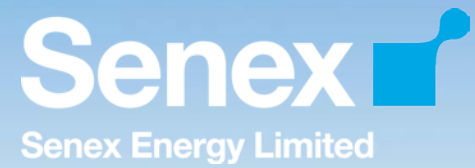
The starting point – Senex's portfolio today

Senex has an enviable pipeline of growth opportunities – particularly in gas

- Large pipeline of growth assets: high quality, high equity, Senex operated
- **Maturing gas assets is key to realising our growth ambitions**



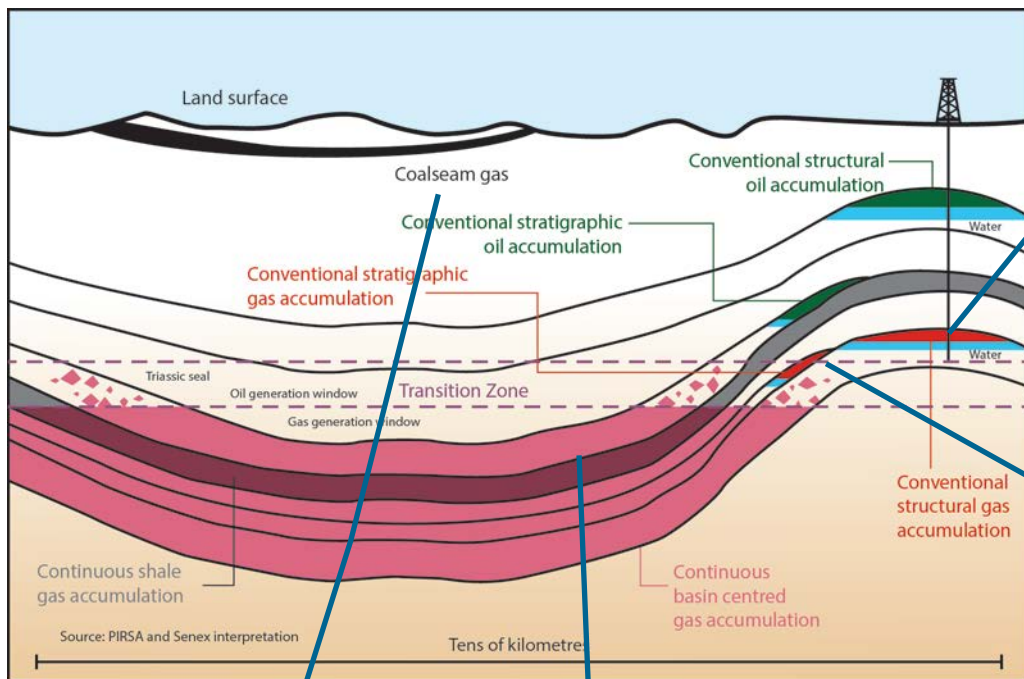
Our gas projects



Appraisal gas from the Hornet gas field will generate sales for Senex in line with a 2-year sales agreement with the SACB JV

Senex's gas acreage

Four principal play types



Conventional gas –

Structural traps:

- Stacked pay potential
- Generally smaller – larger structures in the Cooper Basin already drilled from 2D

Conventional gas–

Stratigraphic traps:

- Subtle trapping – harder to see on seismic
- Generally larger, but more data required to inform seismic interpretation

Unconventional gas:

- Shale or coal seam gas
- Regionally extensive
- Flow rates and cost of extraction critical to success

Tight gas:

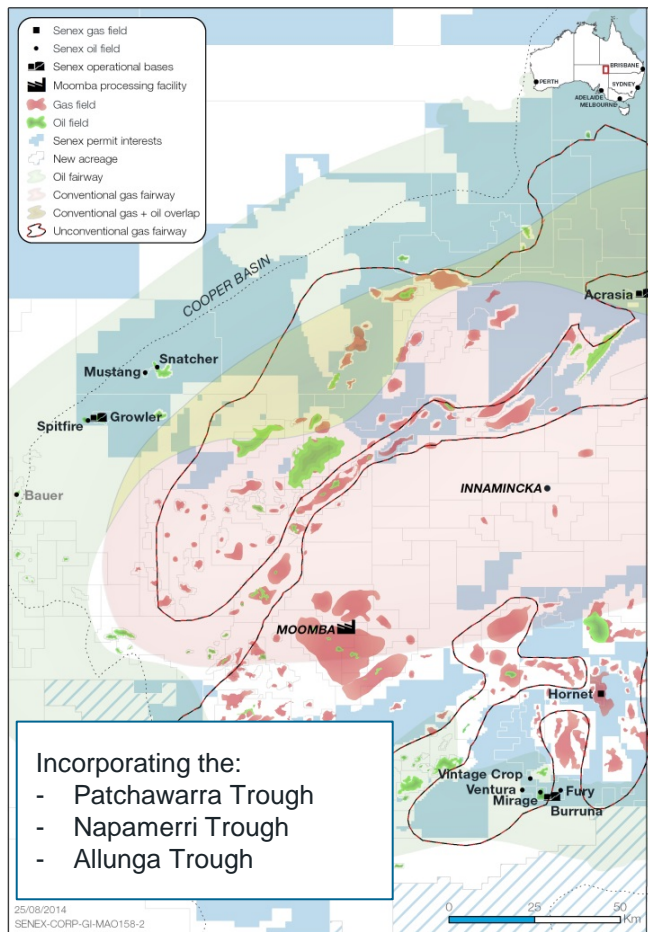
- Structural or stratigraphic
- Potentially regionally extensive
- Fracture stimulation required – cost and reservoir performance critical

Senex's gas acreage

Two key geographies

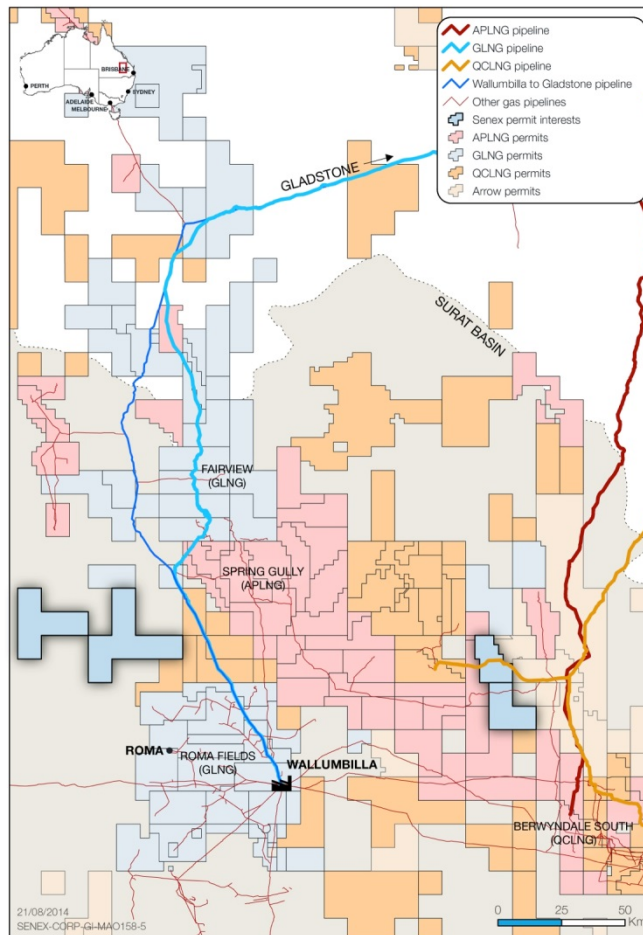
Cooper Basin, South Australia

(Conventional gas, tight gas, unconventional gas)



Surat Basin, Queensland

(Coal seam gas)



Gas: building capability, reserves and production

Our projects and direction

1. Cooper conventional gas exploration

Exploration and appraisal of Senex's extensive acreage portfolio

2. Cooper tight gas

Production testing and appraisal of the Hornet gas field and ongoing identification and evaluation of tight gas opportunities in our existing portfolio

3. Cooper unconventional gas – Origin Energy JV

Demonstrating commercial feasibility of unconventional gas in the Cooper Basin

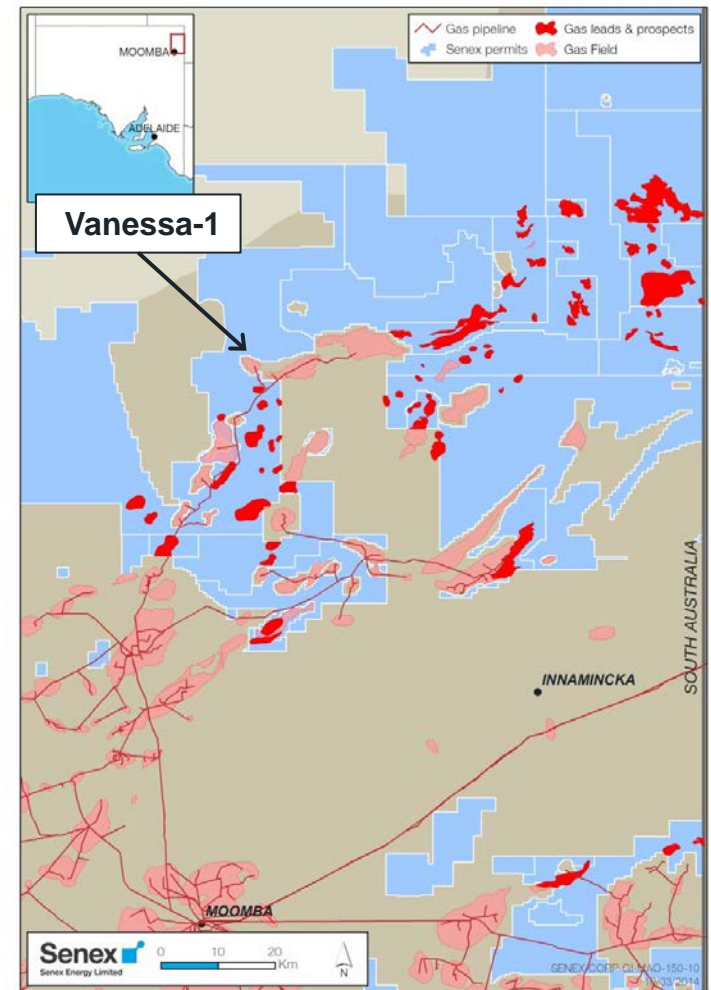
4. Surat gas

Continued focus on monetising CSG position

Cooper conventional gas

Immediate exploration and appraisal focused on the Vanessa discovery in the Patchawarra Trough

- Vanessa gas field discovered in 2007
- Toolachee and Epsilon structure with stratigraphic upside
- Gas flows of 4 - 5 mmscf/d from two zones achieved during flow
- Associated liquids potential based on nearby fields:
 - condensate ~20 bbls/mmscfd
 - LPG ~28 bbls/mmscfd
- Flow testing and connection to nearby Santos infrastructure planned for late Q2 FY15
- 3D seismic being extended to cover the field Q2/Q3 FY15 to inform early follow-on appraisal



Cooper tight gas

Senex's tight gas appraisal program on the Hornet discovery commencing early Q2

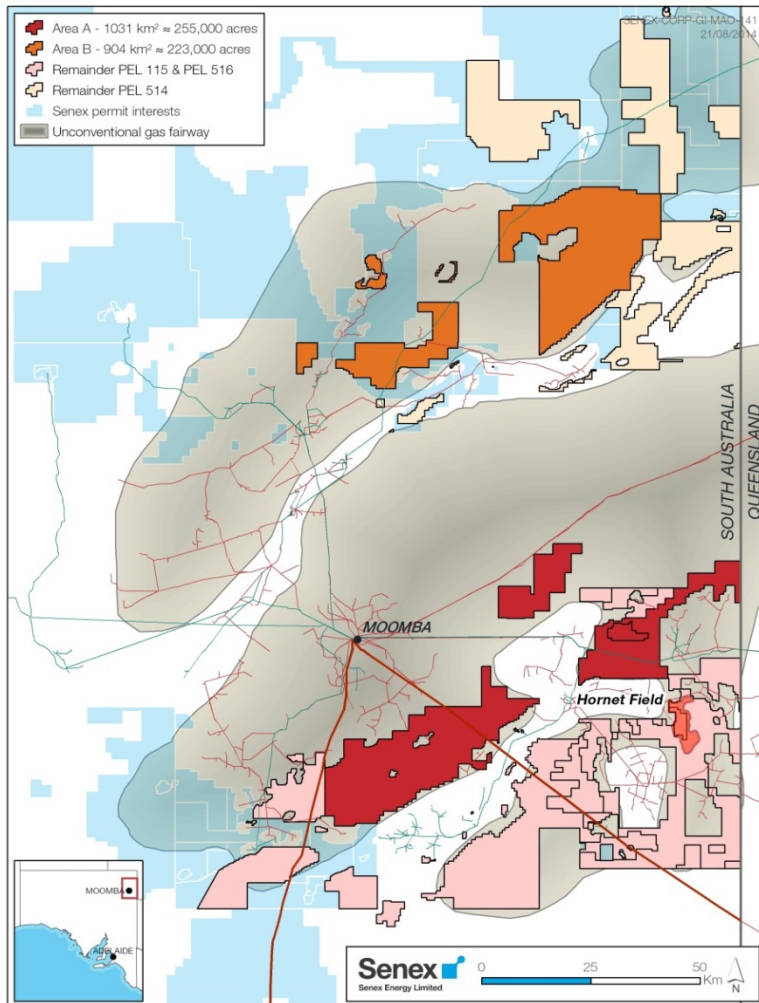
- Construction underway to bring two wells into production in early Q2 FY15 for extended flow testing ahead of a future appraisal program
- Testing project involves:
 - Completion of two wells, expected September 2014
 - Construction of pipelines to tie into SACB JV infrastructure (completed)
 - Facility construction and commissioning
- Base facility design is expandable for further appraisal
- Two-year gas supply agreement with SACB JV will enable early sales of appraisal gas



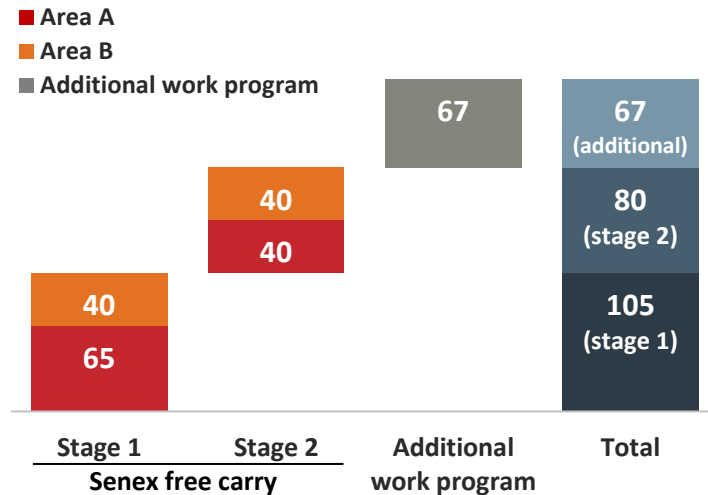
Pipeline testing ahead of gas flow testing at Hornet gas field in the southern Cooper Basin

Cooper unconventional gas – Origin Energy JV

Partnering to unlock the vast resources of the Patchawarra and Allunga Troughs



Origin Energy gas farm-out



- Up to \$252 million work program over 2 stages agreed with Origin Energy
- Senex free-carried for \$169 million of the work program
- Area B oil rights retained

Cooper unconventional gas – Origin Energy JV

Forward program currently in planning phase, on ground works to commence FY15

- Detailed planning work currently underway by the JV, targeting de-risking of basin-centred gas and tight gas plays
- Program expected to focus initially on the Patchawarra Trough
- 3D seismic expected to commence late Q2 / early Q3 to assist in the identification of optimal drill locations
- Commencement of drilling expected late FY15 / early FY16, with fracture stimulation and flow testing to follow
- Senex is free-carried for the initial work program

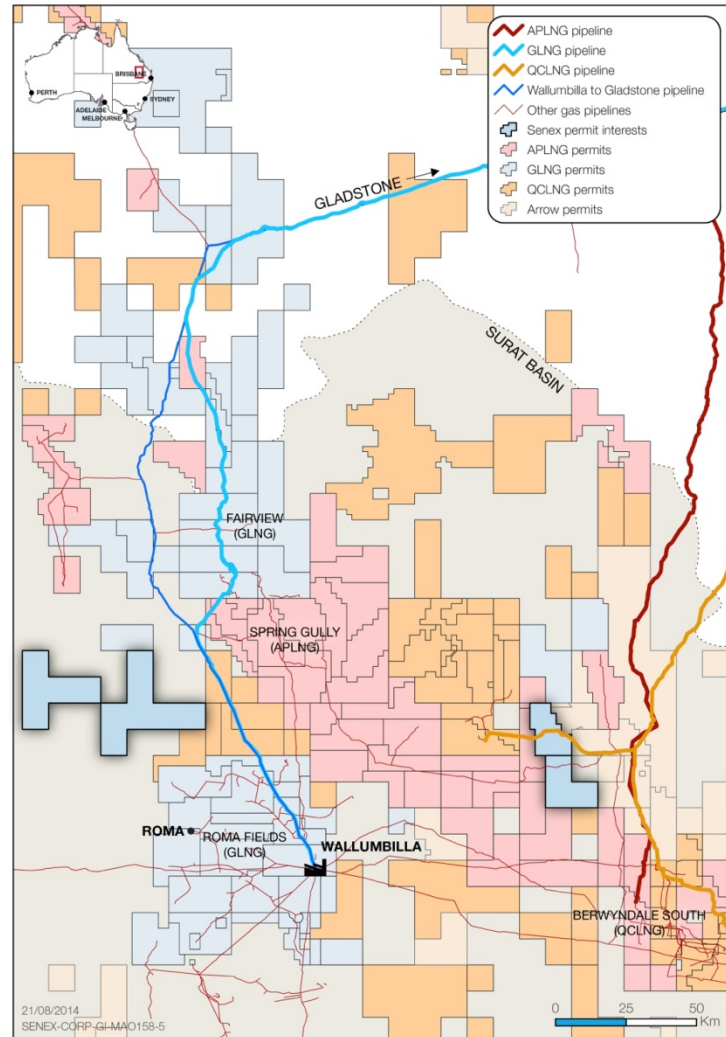


Senex has already drilled several unconventional gas wells across its Cooper Basin acreage

Surat gas

Continued focus on monetisation options – including western Surat appraisal

- Material reserves position - 157 PJ 2P reserves
- Operator position in the western Surat in the Don Juan acreage
- Appraisal planning underway for the western Surat project
- In the Eastern Surat, Senex continues to work with the Operator, QGC, towards appraisal and development
- Appraisal and pilot testing currently being planned



Questions



Important notice and disclaimer

Important information

This presentation has been prepared by Senex Energy Limited (**Senex**). It is current as at the date of this presentation. It contains information in a summary form and should be read in conjunction with Senex's other periodic and continuous disclosure announcements to the Australian Securities Exchange (**ASX**) available at: www.asx.com.au.

Risk and assumptions

An investment in Senex shares is subject to known and unknown risks, many of which are beyond the control of Senex. In considering an investment in Senex shares, investors should have regard to (amongst other things) the risks outlined in this presentation and in other disclosures and announcements made by Senex to the ASX.

This presentation contains statements, opinions, projections, forecasts and other material, based on various assumptions. Those assumptions may or may not prove to be correct.

No investment advice

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial advice or financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation, satisfy themselves as to the accuracy of all information contained herein and, if necessary, seek independent professional advice.

Disclaimer

To the extent permitted by law, Senex, its directors, officers, employees, agents, advisers and any person named in this presentation:

- give no warranty, representation or guarantee as to the accuracy or likelihood of fulfilment of any assumptions upon which any part of this presentation is based or the accuracy, completeness or reliability of the information contained in this presentation; and
- accept no responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation.

Reserve and resource estimates

Please refer to the information in the Appendix for details of the qualified reserves and resources evaluator as well as the supporting information required by Chapter 5 of the ASX Listing Rules.

Supporting information for estimates

Qualified reserves and resources evaluator statement: Information about Senex's reserves and resources estimates has been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. This information is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, qualified petroleum reserves and resource evaluators who are full time employees of Senex:

- Mr James Crowley BSc (Hons) is a qualified petroleum reserves and resources evaluator, and a member of the Society of Petroleum Engineers. Mr Crowley is Exploration Technical Authority and Acting Executive General Manager Exploration and New Ventures.
- Dr Steven Scott BSc (Hons), PhD is a qualified petroleum reserves and resources evaluator, and a member of the American Association of Petroleum Geologists and a certified petroleum geologist (P.G. 6218). Dr Scott is General Manager Coal Seam Gas.

Mr James Crowley and Dr Steven Scott have provided their prior written consent to the form and context in which the estimated petroleum reserves and the supporting documentation appear in this presentation.

Aggregation method: The method of aggregation used in calculating estimated reserves was arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P estimate may be very conservative and the aggregate 3P estimate very optimistic due to the portfolio effects of arithmetic summation.

Conversion factor: In converting petajoules to mmboe, the following conversion factors have been applied:

- Surat Basin gas: 1 mmboe = 5.880 PJ
- Cooper Basin gas: 1 mmboe = 5.815 PJ

Evaluation date: 30 June 2014 for all reserves estimates in this presentation.

External consultants: Senex engages the services of Degolyer and MacNaughton, MHA Petroleum Consultants LLC and Netherland, Sewell and/or Associates, Inc. (all with qualified reserves and resources evaluators) to independently assess data and estimates of reserves prior to Senex reporting estimates.

Method: The deterministic method was used to prepare the estimates of reserves in this presentation.

Ownership: All reserves estimates in this presentation are reported according to Senex's economic interest.

Reference points: The following reference points have been used for measuring and assessing the estimated reserves in this presentation:

- Cooper-Eromanga Basin: Central processing plant at Moomba, South Australia.
- Surat Basin: Wallumbilla gas hub, approximately 45 kilometres south east of Roma, Queensland.

Reserves replacement ratio: The reserves replacement ratio is calculated as the sum of estimated reserves additions and revisions divided by estimated oil production for the period 1 July 2013 to 30 June 2014, before acquisitions and divestments.