

# *Sundance Energy Australia Limited (ASX: SEA)*



October 2014

*Execute – Deliver – Grow*

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## Reserves

This presentation contains information on Sundance Energy's reserves and resources which has been reviewed by David Ramsden-Wood, Professional Engineer, who is licensed in Alberta Canada and is qualified in accordance with ASX Listing Rule 5.11. Mr. Ramsden-Wood, VP of Reservoir Engineering and Business Development, has consented to the inclusion of this information in the form and context in which it appears.



# Assets in Leading US Liquids Basins

<b>Ticker:</b>	<b>SEA (ASX Listed)</b>	<b>2014 Consensus EBITDAX:</b>	<b>\$142 million<sup>(1)</sup></b>
<b>Share count:</b>	<b>549.2 million</b>	<b>Proved reserves:</b>	<b>14.7 mmboe (64% oil)<sup>(3)</sup></b>
<b>Market capitalization:</b>	<b>A\$643 million</b>	<b>3P reserves:</b>	<b>78.9 mmboe (52% EGFD)<sup>(3)</sup></b>
<b>Enterprise value:</b>	<b>\$596 million</b>	<b>3Q14 daily production:</b>	<b>7,035 boed (71% oil)</b>
		<b>2014 Exit Rate:</b>	<b>8,000 – 9,000 boed<sup>(4)</sup></b>

## Greater Anadarko Mississippian / Woodford

Net acres: ~32,000  
1P reserves: 4.4 mmboe<sup>(2)</sup>  
Production: 1,574 boed

## South Texas Eagle Ford

Net acres: ~20,000  
1P reserves: 10.3 mmboe  
Production: 5,124 boed

Note: Above based on Company filings, press releases and January 1, 2014 NSAI reserves report. Market capitalization and enterprise value shown as of 27 October 2014, based on debt of \$80mm and cash of \$51mm; Production numbers represent 3Q14 average daily production  
Based on analysts' consensus estimates  
(1) Excludes evaluation of the majority of the Company's potential Woodford locations  
(2) Pro forma for DJ Basin asset divestiture (1P reserves of 4.7 mmboe) and Williston Basin divestiture (1P reserves of 1.4 mmboe), both of which closed in July 2014.  
(3) 2014 exit rate of Company guidance.  
(4)

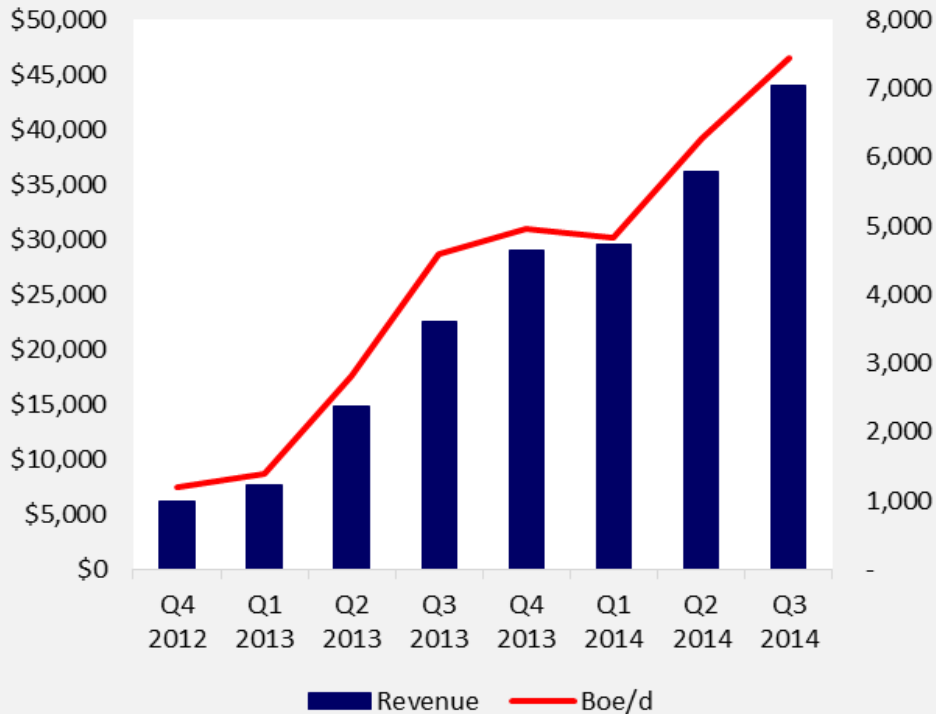
# Quarterly Overview

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- Monetized DJ and Williston Basin positions freeing up ~\$128 million to invest in growing the business
- Average production of 7,035 boepd (net of royalties) in the third quarter of 2014
  - An overall increase of 21% from Q2 2014 despite the sale of the Company's DJ & Bakken assets
- Generated third quarter 2014 revenue of \$46.5MM and Adjusted EBITDAX of \$36.0MM
  - 78% Adjusted EBITDAX margin in lower price environment
- Increased the Company's Eagle Ford position to ~20,000 net mineral acres
  - ~11,900 acreage increase that will be included in the Company's year-end reserve evaluation
- Production highlights include:
  - 14 gross (10.5 net) Eagle Ford wells brought into production in the third quarter of 2014
  - A total of 21 gross (15.7 net) Eagle Ford wells brought into production YTD
  - The Company expects to complete an additional 10-13 gross Eagle Ford wells in the fourth quarter of 2014

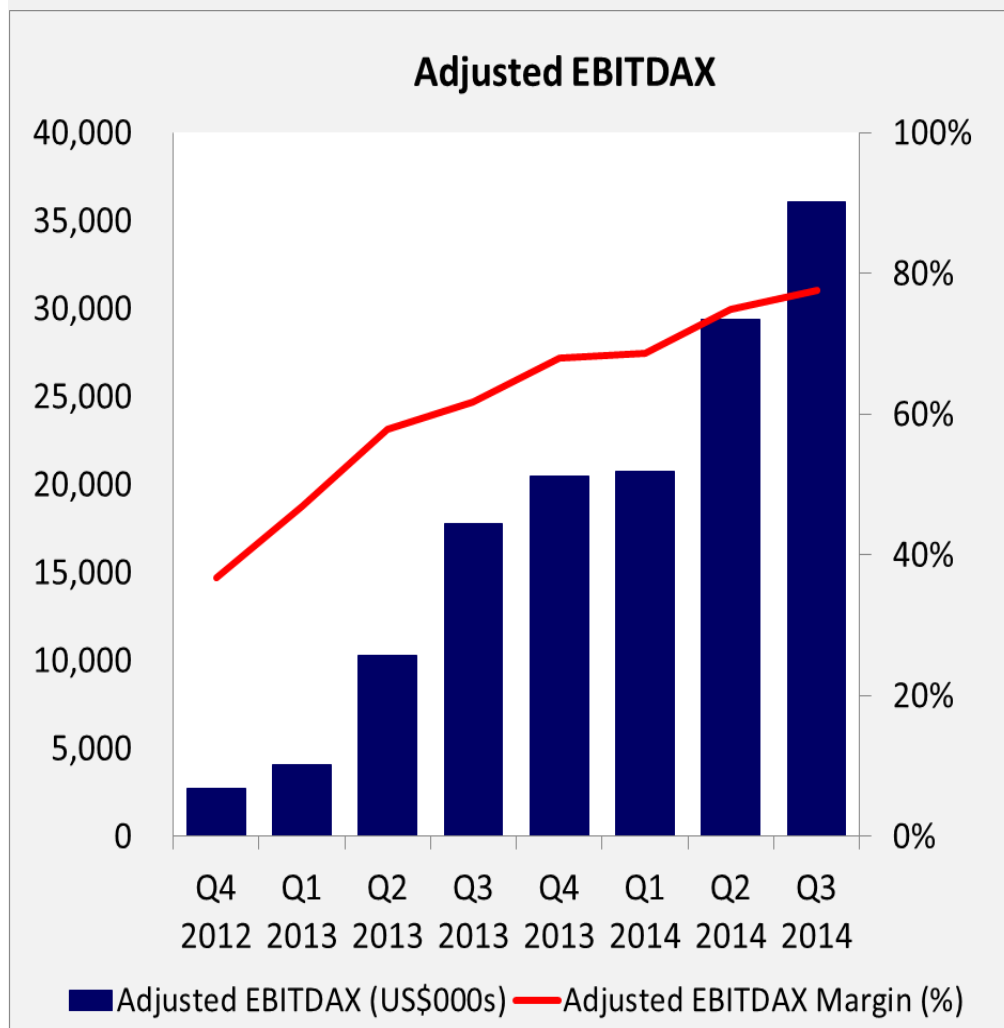
# Production and Revenue Trend

Revenue (US\$000s) & Production  
(Boe/d), net of Royalties



- Increased production by ~1,237 boepd (21%) compared to Q2 2014
- Excluding DJ and Bakken, production increased 1,878 boepd (39%) from Q2 2014
- Production in line with Company expectations of achieving full year guidance of:
  - Ave. rate of 6,700 - 7,500 boepd
  - Exit rate of 8,000 - 9,000 boepd
- Generated \$46MM in revenue
- Realized oil price of \$93.08/bbl and natural gas price of \$3.27/mcf

# Adjusted EBITDAX Trend



- EBITDAX margin increased to 78% from 62% in Q3 2013
- Lease operating costs declined to \$5.96/boe from \$12.78/boe in Q3 2013
  - Decline driven primarily through efficiencies generated from restructuring our Eagle Ford field operations
- G&A costs declined to \$7.04/boe from \$13.02/boe in Q3 2013 as “fixed” overhead costs have been diluted by a higher production base
- Reduced production taxes as a percent of revenue to 5.7% from 8.1% in Q3 2013
  - Reduction due to the Company’s production shift to lower production tax rate jurisdictions

# Liquidity and Capital Expenditures

## Liquidity and cash flow

	(million \$)
Cash	50.9
Net non-cash working capital	(23.7)
<b>Net working capital</b>	<b>27.2</b>
Undrawn borrowing capacity (1)	65.0
<b>Total Balance Sheet Liquidity</b>	<b>92.2</b>

(1) Borrowing base redetermination underway

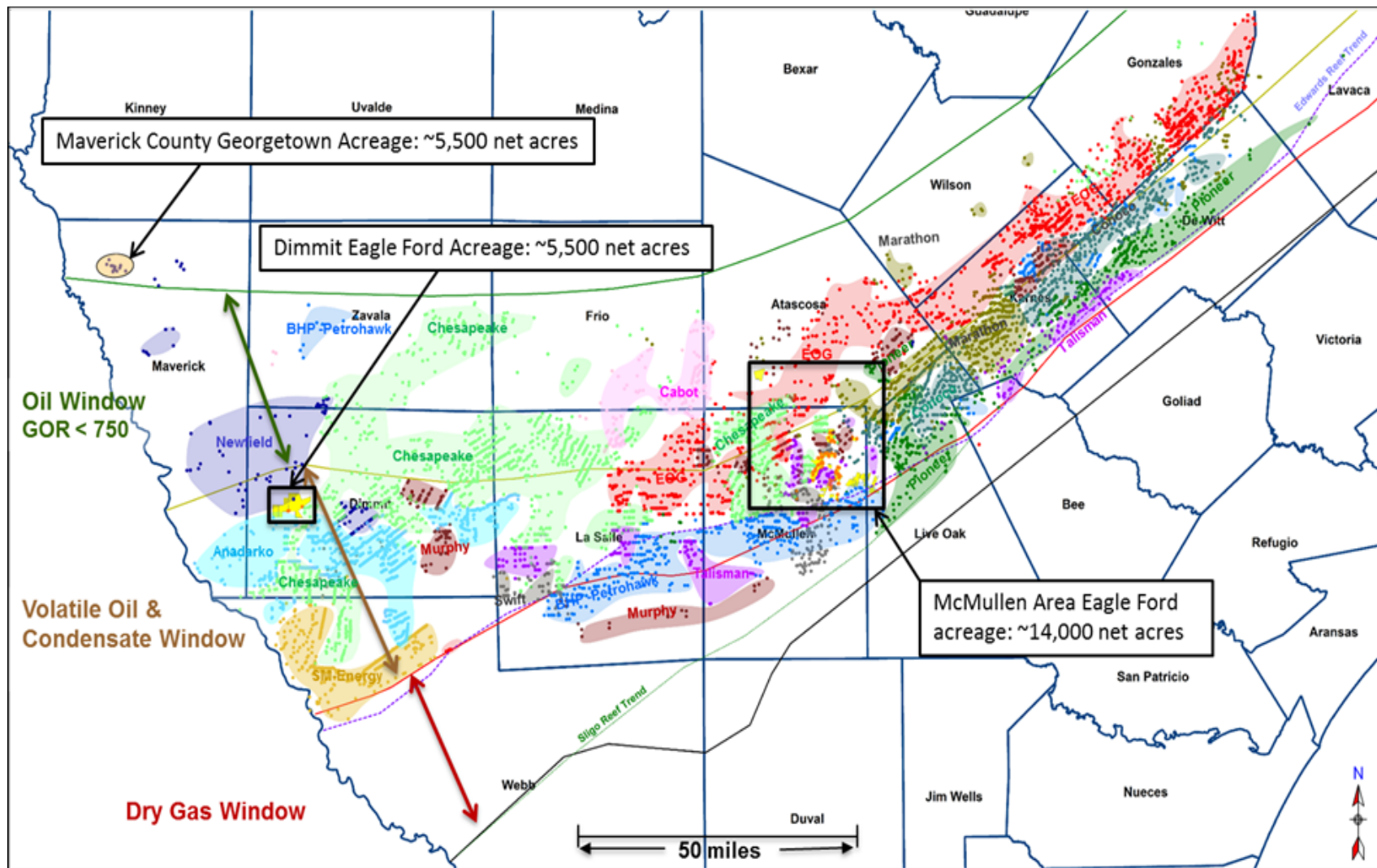
(2) Compared to previous guidance of \$290 million (approximately \$9 million (3%) higher); the Company is drilling faster than expected

## Development capital expenditures

	(million \$)
YTD 30 September 2014 development cap ex	234
Estimated Q4 2014 development cap ex	65
<b>2014 cap ex guidance (2)</b>	<b>299</b>



# Eagle Ford Project Increased to ~20,000 Net Acres

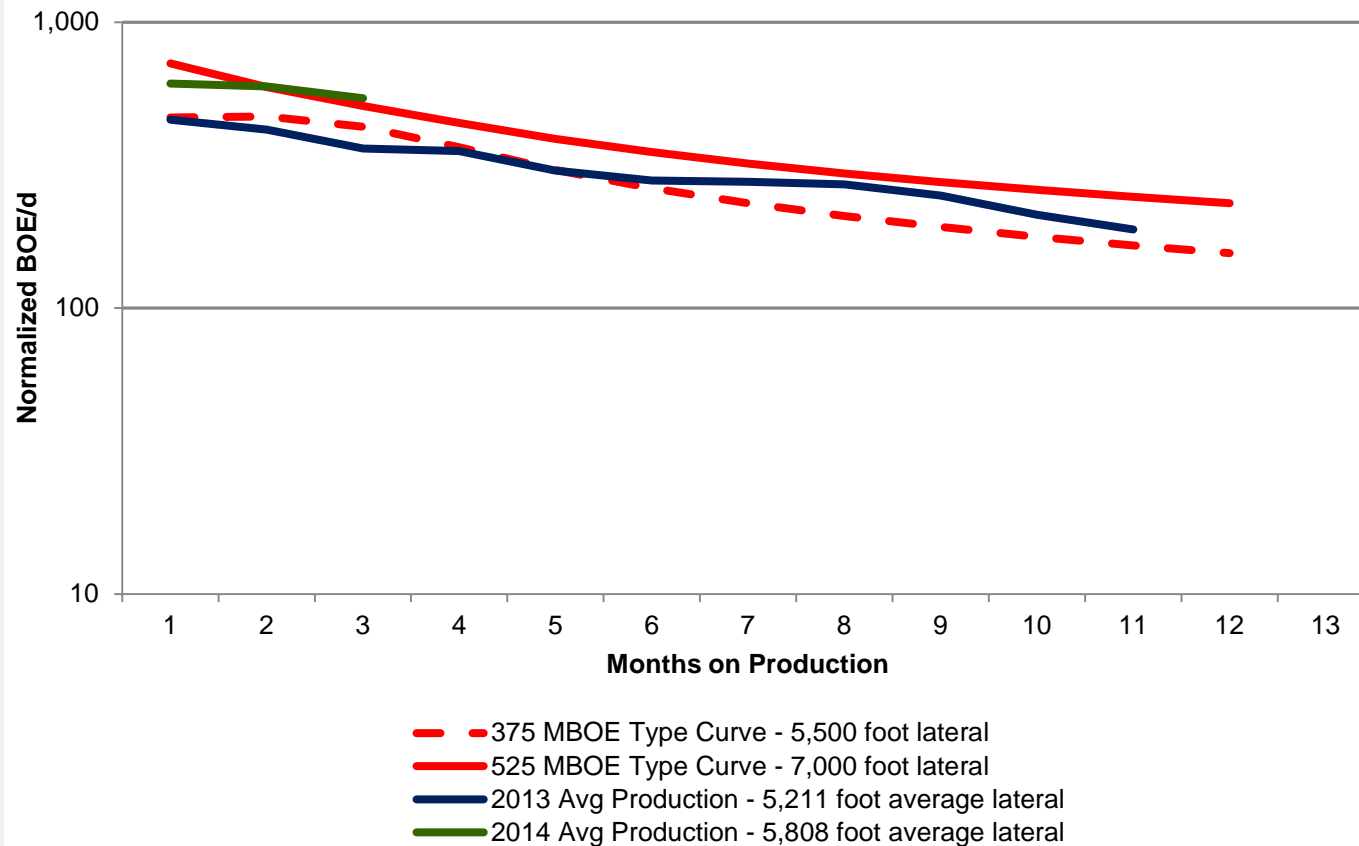


# 2014 Eagle Ford IPs

Well Name	Lateral Length	Working Interest (Net Wells)	24-Hour	30-Day	60-Day	90-Day	180-Day
Teal Ranch EFS 3H	5,915	100%	863	650	593	534	-
Quintanilla SMEF 4H	5,322	50%	1,019	653	552	-	-
Quintanilla SMEF 5H	5,527	50%	1,021	674	576	-	-
Quintanilla SMEF 6H	5,480	50%	1,354	705	631	-	-
Quintanilla SMEF 7H	5,577	50%	1,092	605	517	-	-
Hoskins EFS 7H (1)	4,492	100%	1,328	627	598	-	-
Hoskins EFS 8H	5,250	100%	929	416	379	-	-
Hoskins EFS 9H	5,320	100%	871	480	412	-	-
Hoskins EFS 10H	5,545	100%	776	463	467	-	-
Me/You EFS 1H	6,190	50%	739	397	-	-	-
Q-Kiel EFS 1H	5,281	50%	970	499	-	-	-
Shannon EFS 4H	7,294	86%	1,428	895	-	-	-
Shannon EFS 5H	7,339	85%	1,439	1,004	-	-	-
Tyler Ranch EFS 5H	4,543	83%	1,111	-	-	-	-
<b>Q3 Average Well</b>	<b>5,648</b>	<b>10.5</b>	<b>1,067</b>	<b>621</b>	<b>525</b>	<b>534</b>	<b>-</b>
Shannon EFS 2H	6,838	85%	1,481	1,049	998	985	791
Shannon EFS 3H	7,840	85%	1,663	1,095	1,029	995	832
Q Ballard EFS 2H	5,401	50%	1,086	577	542	501	429
Q Ballard EFS 3H	5,212	50%	909	602	576	536	460
Q Kiel EFS 3H	6,729	50%	740	490	514	500	-
Quintanilla CCR EFS 2H	4,406	100%	686	362	378	-	-
Wheeler EFS 2H	4,385	100%	375	233	213	-	-
<b>Q1/Q2 Average Well</b>	<b>5,830</b>	<b>3.5</b>	<b>991</b>	<b>630</b>	<b>607</b>	<b>703</b>	<b>628</b>
<b>2014 Development Program</b>	<b>5,709</b>	<b>14.03</b>	<b>1,042</b>	<b>624</b>	<b>561</b>	<b>675</b>	<b>628</b>

(1) The Hoskins EFS 7H has 54 days of production included as its 60-day IP. The rate will be updated in future releases.

# 2014 Wells Outperform 2013 Wells by 30% per Foot

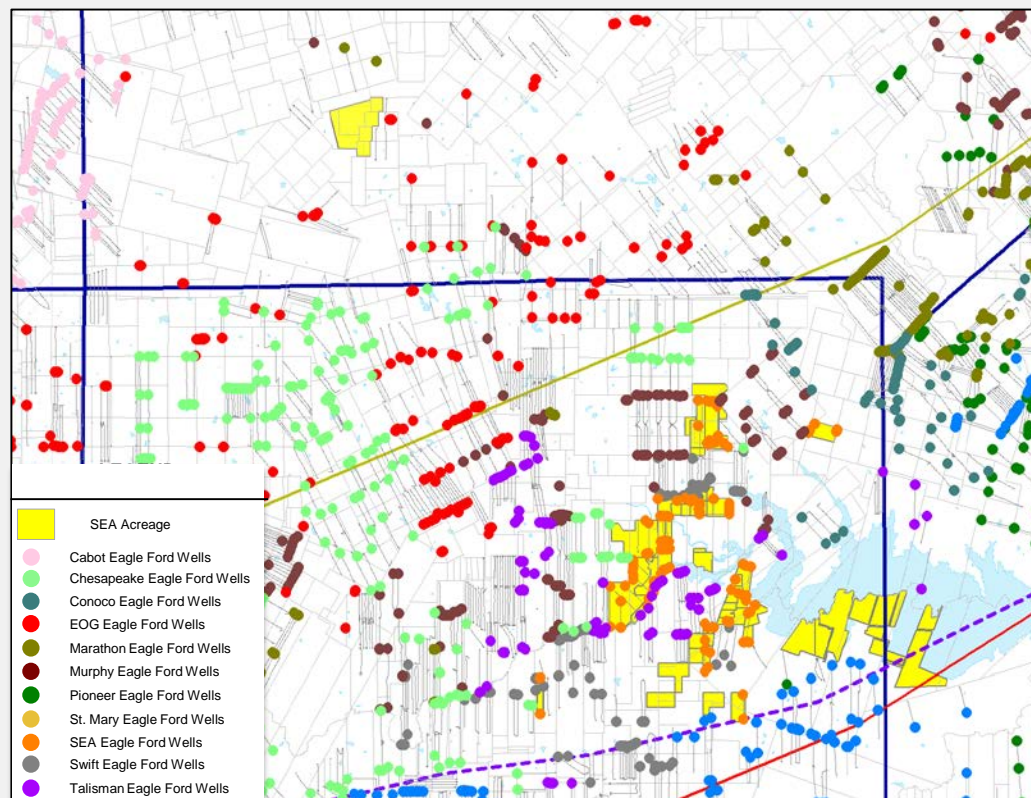


# McMullen Project Overview

## Well economics <sup>(1)</sup>

## McMullen Area Eagle Ford well control

Well Economics	McMullen
Gross (net) locations	~180 (~127.5)
Spacing assumptions	40 – 80 acres
Well cost	\$7.5 - \$9.5 million
EUR (mboe)	375 - 525
Estimated oil	65% - 80%
LOE per boe	\$5.00 - \$7.00
Estimated NPV per well	\$3.1 - \$7.1 million <sup>(2)</sup>

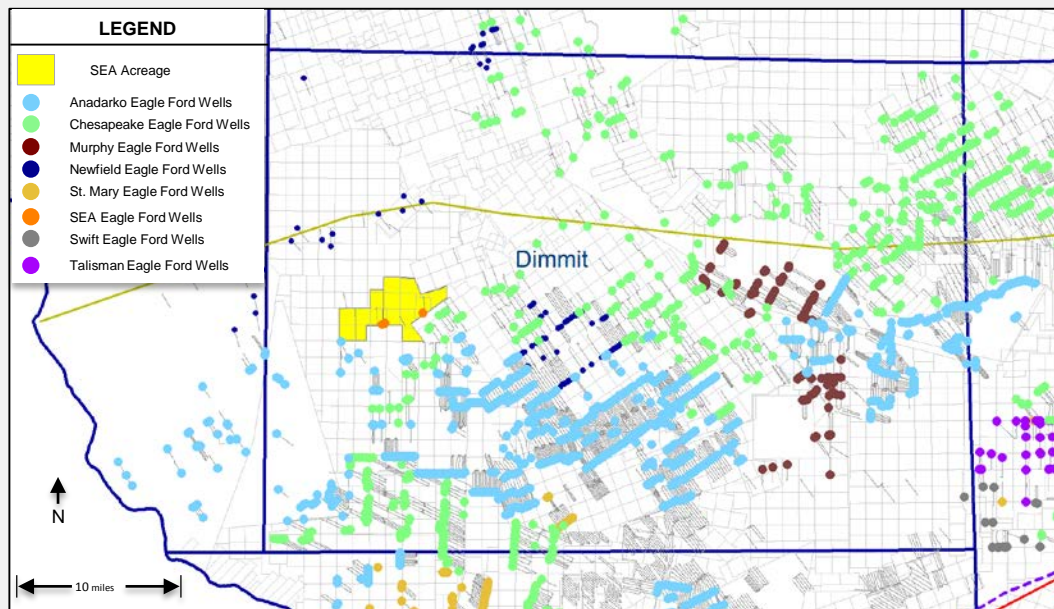


# Dimmit County Overview

## Well economics <sup>(1)</sup>

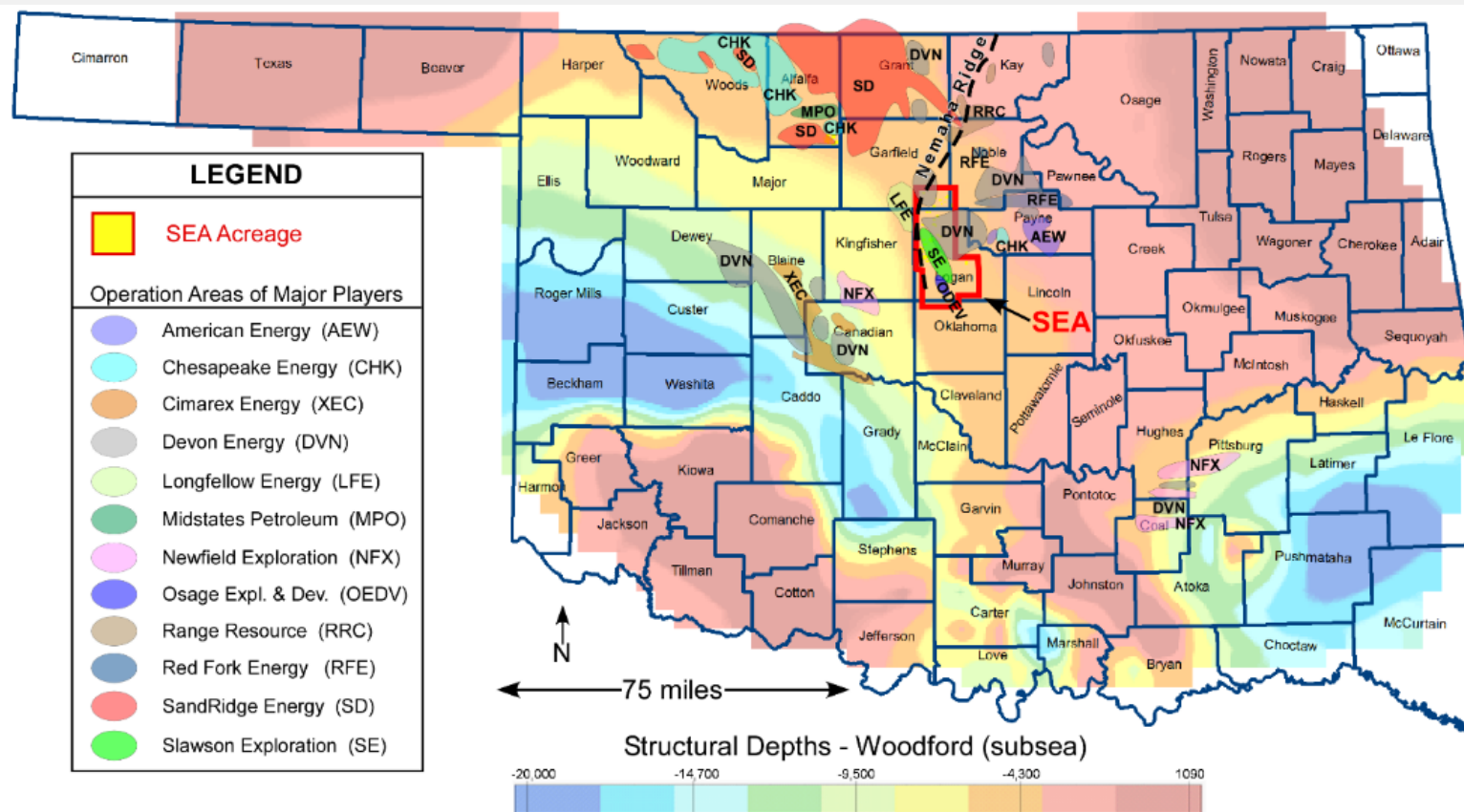
Well Economics	Dimmit
Gross (net) locations	~115 (~69)
Spacing assumptions	40 – 80 acres
Well cost	\$5.5 - \$7.5 million
EUR (mboe)	350 - 500
Estimated oil	55% - 60%
LOE per boe	\$5.00 - \$7.00
Estimated NPV per well	\$1.9 - \$5.5 million <sup>(2)</sup>

## Dimmit Eagle Ford well control



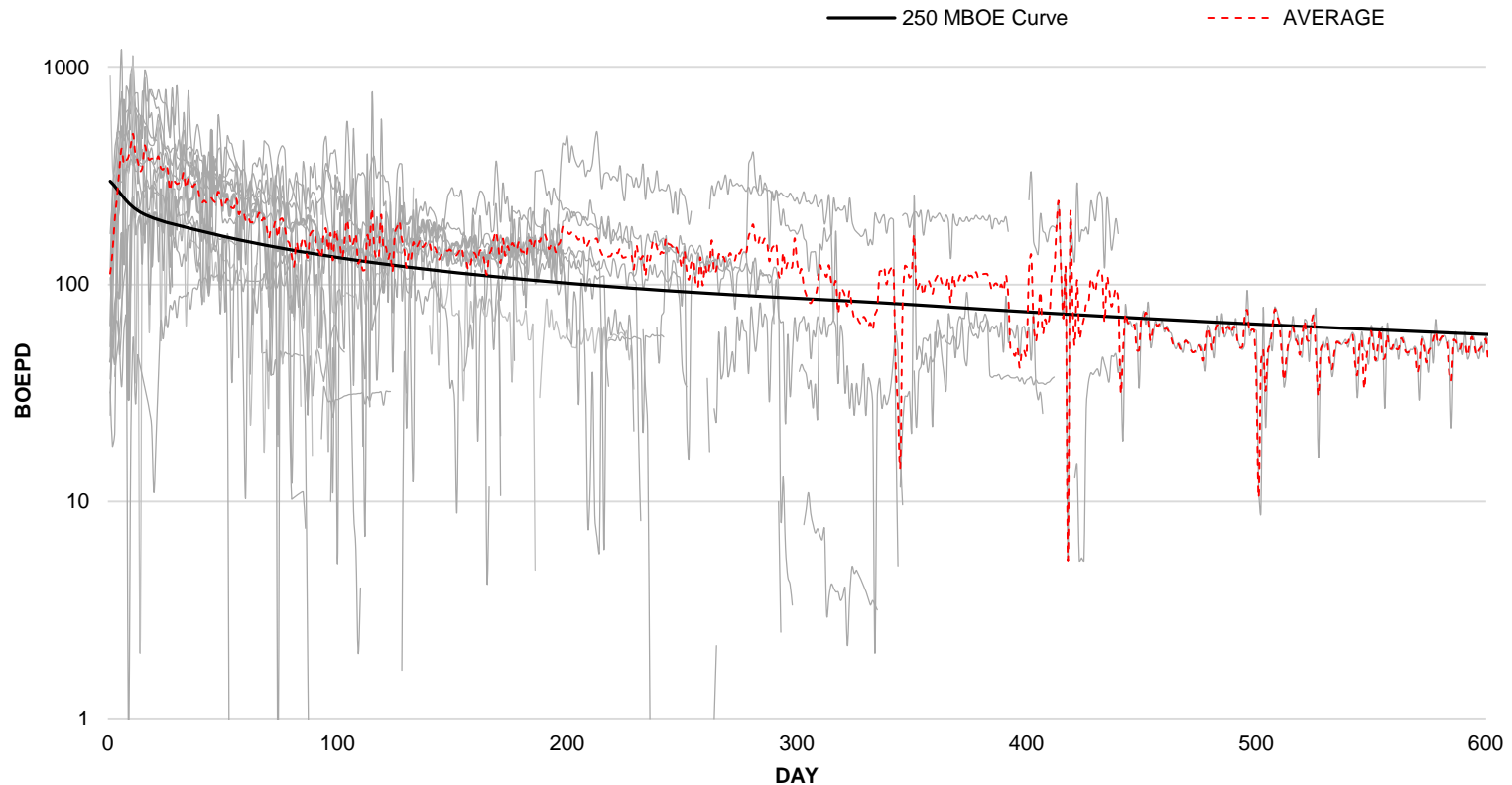


# Mississippian/Woodford Overview



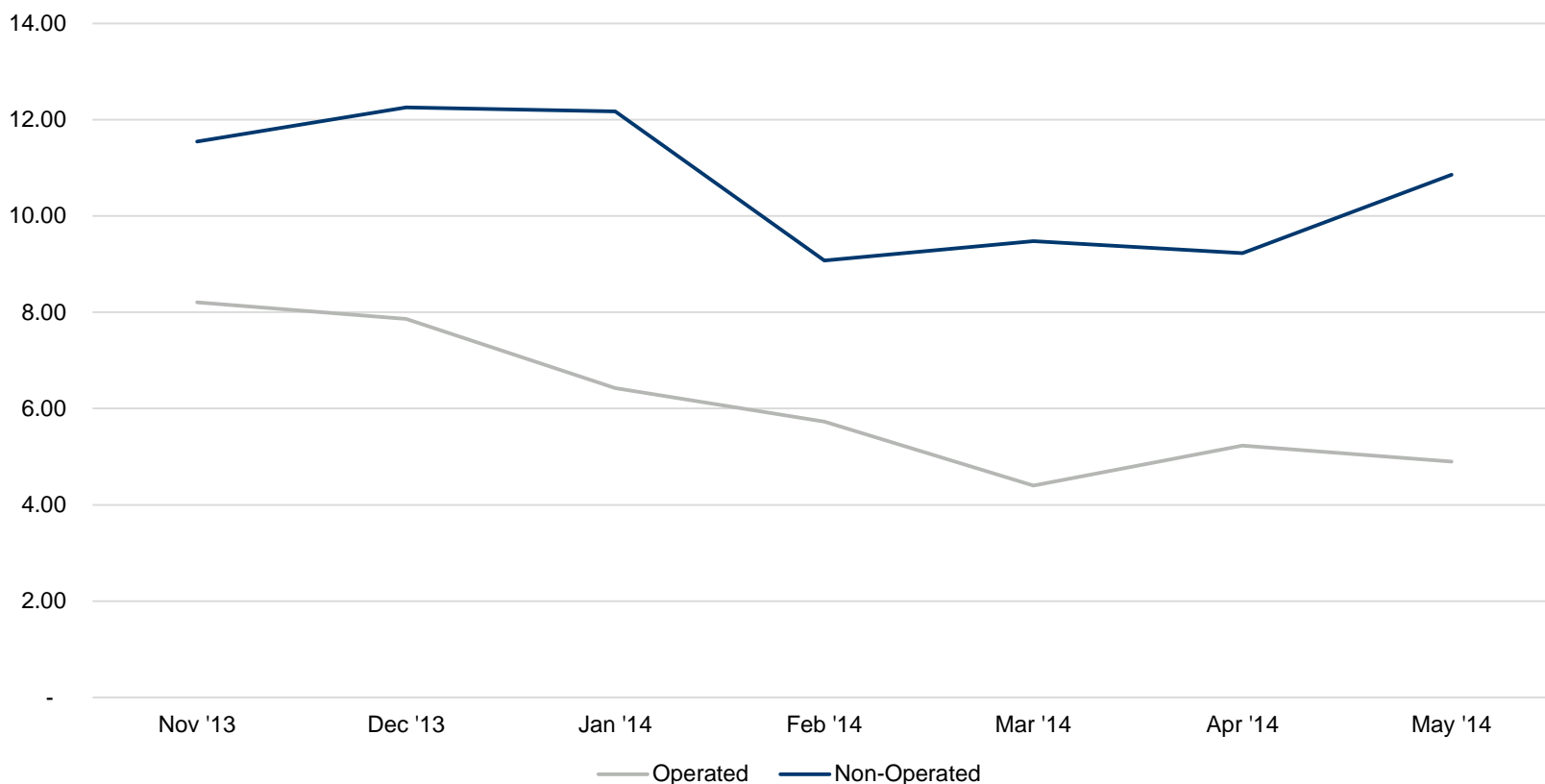
# Mississippian Zipper Fracs

- Initial production rates increased by ~19% in the Mississippian
- Increase efficiency with potential to drive well cost to ~\$3.0-\$3.3 million

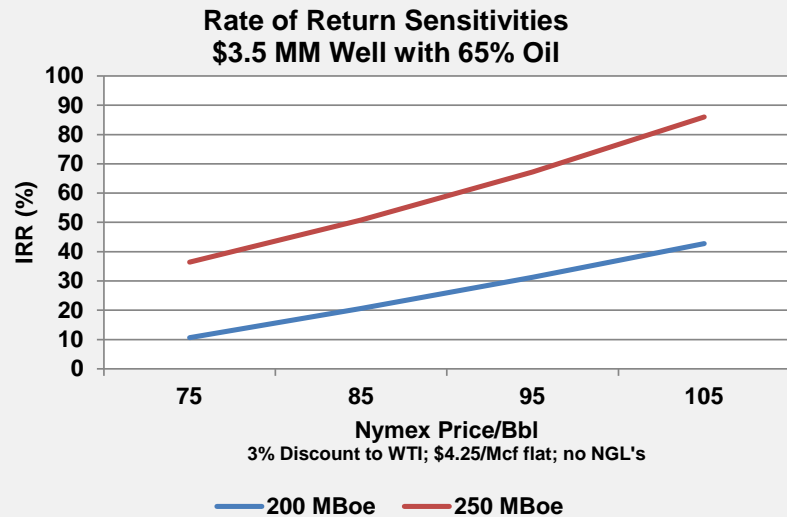


# Mississippian LOE Reduction (3 month trailing average)

- Strategically located salt water disposal wells
- Electric lines on 85% of production facilities
- Aggressive use of rod pumps vs. higher cost electric submersible pumps
- Completion design eliminates need for jet pumps

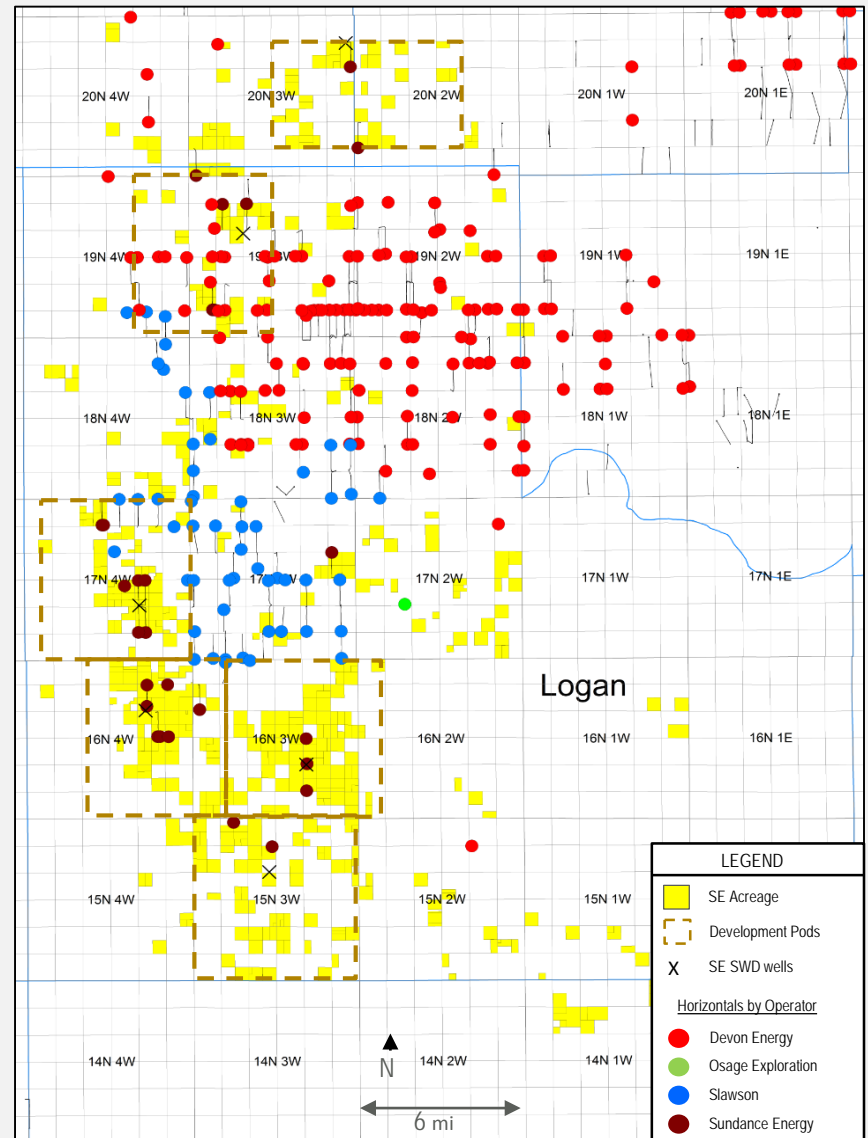


# Logan County – Mississippian Lime Economics



## Well Economics (1)

Gross (Net) Locations	100 – 150
Spacing assumption (acres)	160 – 210
Average well cost (\$MM)	\$3.5
EUR (MBoe)	200 - 250
Estimated Oil (%)	50 – 70
LOE per Boe	\$8 - \$12
Estimated NPV per well (\$MM)	\$0.5 - \$2.7(2)
30 day IP ( ) Boe/d	125 - 350



<sup>1</sup> Based on internal management estimates.

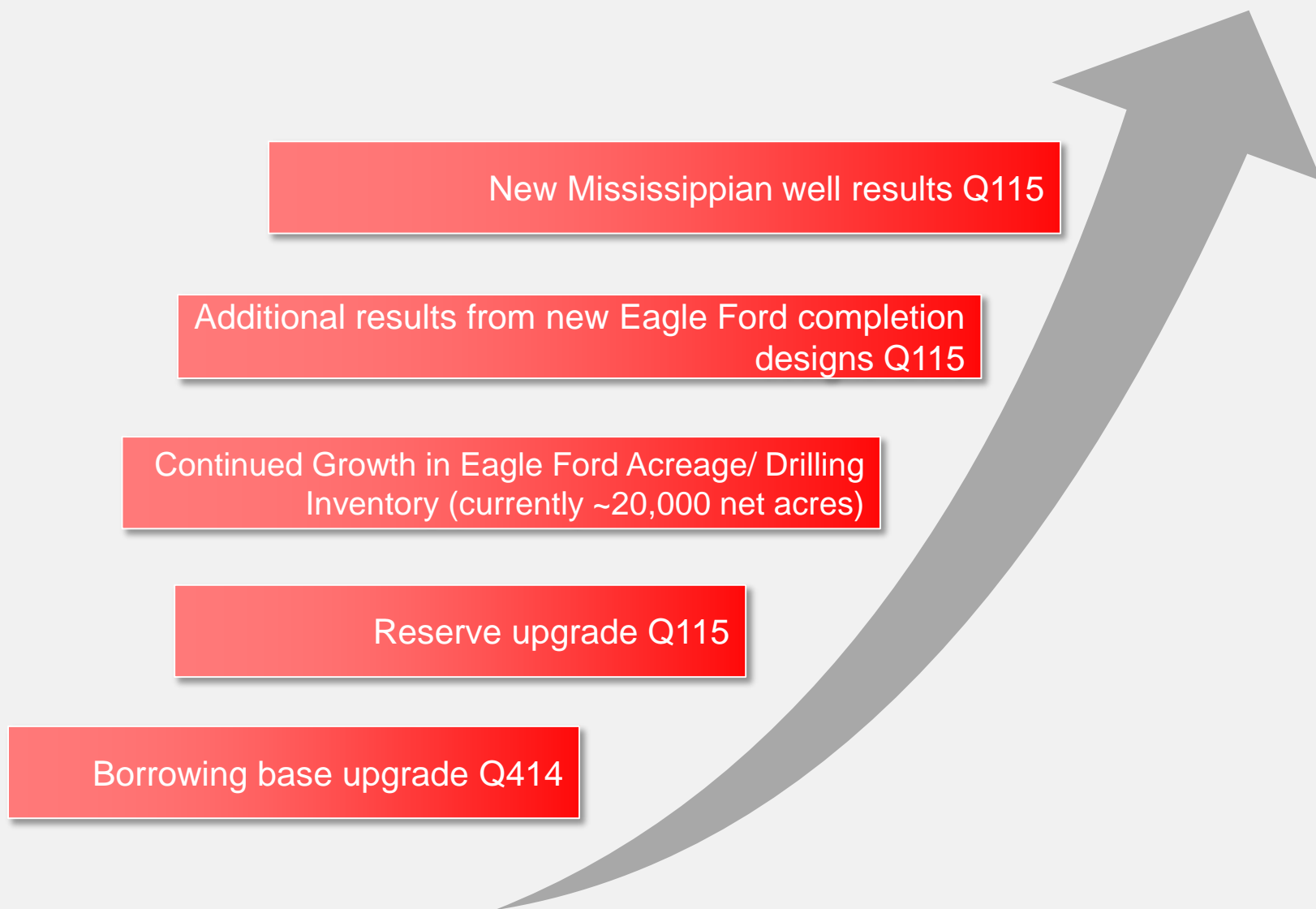
<sup>2</sup> \$90 Flat Oil: \$4.25 Flat Gas, \$3.5MM capex.

# Woodford Results

Well Name	24-Hour	30-Day	60-Day	90-Day	180-Day
Waldridge 17-4-4-1HW	459	171	134	111	74
Frick 16-4-13-1HW	334	202	165	140	90
Graff 19-3-30-1HW	371	212	162	134	-
Cimarron River 16-4-12-1HW	714	304	261	222	-
Kay Rother 16-4-14-1HW	123	84	72	-	-
Davis Partners 16-3-15-1HW	266	168	-	-	-
<b>Woodford Average</b>	<b>378</b>	<b>190</b>	<b>159</b>	<b>152</b>	<b>82</b>



# Activity Pipeline



# **Appendix**

# Experienced Board and Management

## Board of Directors

### Mike Hannell, Chairman

45 years' experience in upstream and downstream petroleum industry. Previously held senior positions with Santos Ltd and Mobil Oil.

### Eric McCrady, Managing Director & CEO

Previously CFO of Sundance Energy. More than 15 years' entrepreneurial experience with an extensive track record in M&A, JVs, IPOs, privatization transactions, and senior and mezzanine debt transactions.

### Damien Hannes, Non-Executive Director

More than 25 years' finance experience; most recently, 15 years with Credit Suisse in Asia Pacific region.

### Weldon Holcombe, Non-Executive Director

More than 30 years' technical, operational and managerial experience in leading US unconventional resource plays. Most recently Executive VP, Mid-Continent Region for Petrohawk Energy Corporation.

### Neville Martin , Non-Executive Director

Former partner and current consultant at Minter Ellison in Adelaide. 40 years' experience in corporate law and mining and gas law. Former state president of the Australian Mining & Petroleum Law Association.

## Management

### Eric McCrady, Managing Director & CEO

Previously CFO of Sundance Energy. More than 15 years' entrepreneurial experience with an extensive track record in M&A, JVs, IPOs, privatization transactions, and senior and mezzanine debt transactions.

### Cathy Anderson, Chief Financial Officer

Certified Public Accountant with over 25 years' experience with companies including Key Production (predecessor of Cimarex), OptiGas and Arthur Andersen.

### Grace Ford, Vice President, Exploration & Development

More than 15 years' geologic experience in exploration, development, resource play evaluation, well design/ development/completion and reservoir characterization with companies including EOG Resources, Baytex Energy USA and Marathon.

### Mike Wolfe, Vice President, Land

More than 30 years' senior land experience in the oil and gas industry with companies such as Cimarex and Texaco. Experience encompasses field leasing, title, lease records and management of multi-rig drilling programs.

### David Ramsden-Wood, VP, Reservoir Engineering & Business Dev.

Professional Engineer licensed in Canada with more than 15 years' engineering experience across all engineering disciplines with a focus on reservoir engineering, strategic & financial planning and production engineering with companies including Enerplus, Anadarko and Canadian Hunter.

### John Whittington, Vice President, Operations

More than 20 years' experience focused on the development and optimization of onshore US resource plays with a particular focus on completion optimization and production operations with companies including Triangle Petroleum, EOG, Schlumberger, and Apex Petroleum Engineering.