

Macquarie Australia Conference



Ian Davies, Managing Director and CEO

Sydney, 7 May 2015



Ian Davies

Managing Director and CEO

Company overview

Strategic priorities

Cooper Basin oil exploration

Cooper Basin unconventional gas

Western Surat Gas Project

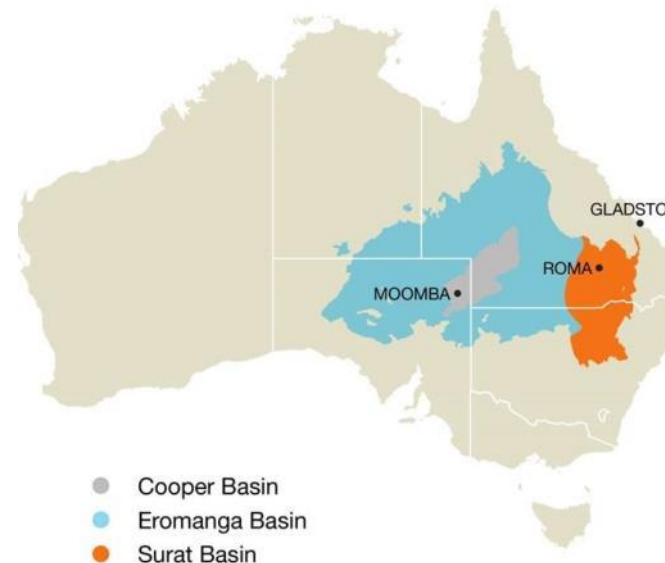
Investment highlights



Senex overview

An exploration & production company growing from a high quality exploration portfolio

- An Australian S&P/ASX 200 energy company
- Onshore oil and gas assets in Australia's Cooper, Eromanga and Surat Basins
- Diversified portfolio of conventional and unconventional oil and gas assets
- 30 years operating experience
- Long-tenure growth projects, no drawn debt and healthy cash position



Key metrics¹

| | |
|-----------------------|-------------------------------|
| Market capitalisation | ~A\$460 million |
| Cash position | A\$63 million (no drawn debt) |
| 2P reserve base | 96 mmboe |
| Employees | ~170 |

(1) Market cap as at 4 May 2015; cash position as at 31 March 2015; reserves at 30 June 2014 with uplift from QGC JV asset swap announced 10 September 2014

What differentiates Senex?

Drivers of value

Premier acreage position in the SA Cooper Basin

- Senex operates the largest acreage position in South Australia's Cooper Basin
- Located within proven oil and gas fairways
- Hosts a variety of oil and gas play types
- Long term tenure over acreage

Strong commercial approach and track record

- Experienced management team
- Building and leveraging strong relationships
- Creating innovative commercial solutions
- High grading the Senex portfolio

Large portfolio of growth projects

- High quality, majority high equity and Senex operated
- Long term tenure over acreage
- Diversified projects allow for true portfolio management
- Exposure to strong East Coast gas market

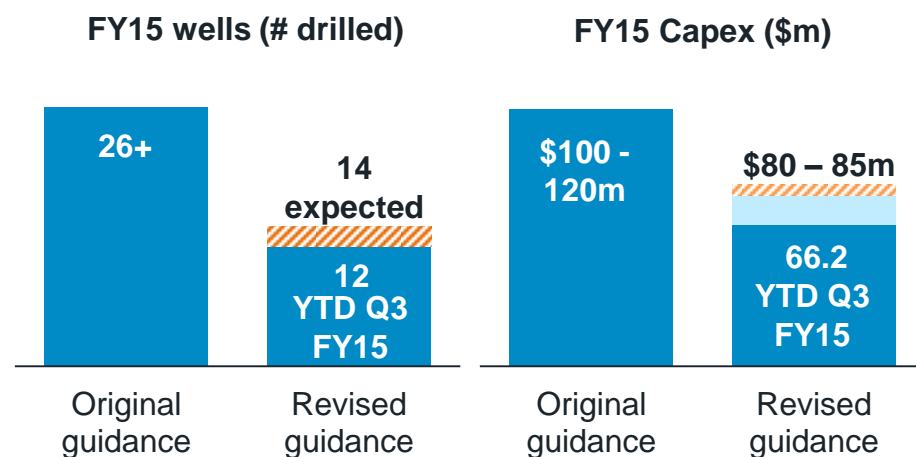
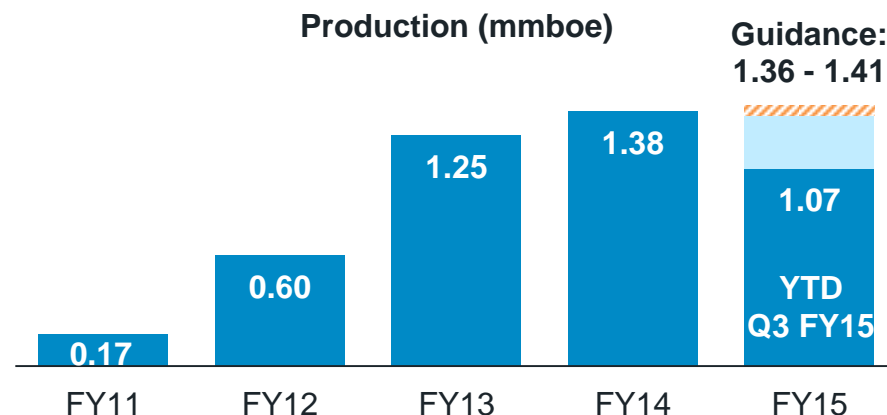
FY15 performance

Prudent and rapid response to the changed oil price environment

FY15 Guidance:

- Capex cut 25% to \$80 - 85 million
- Production of 1.36 – 1.41 mmboe

- Capital program reduced and high-graded
- Continued progression of key growth projects, with focus on capital allocation
- Active portfolio and balance sheet management continuing
- Additional annualised savings of \$6 million in corporate and operating costs identified and implemented

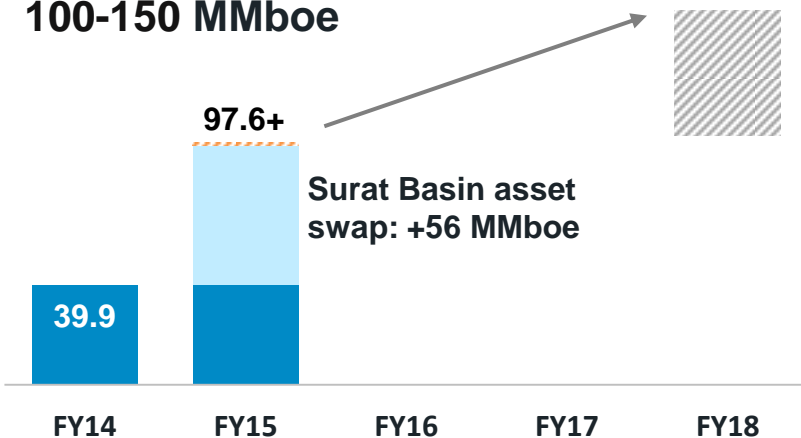


Senex corporate strategy

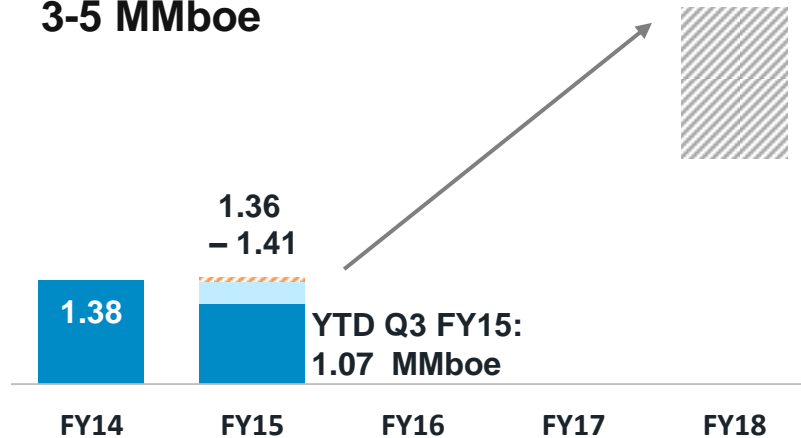
Growing a material oil and gas exploration and production business

- Focus on maturing oil and gas exploration assets into production and achieving a material gas business
- Continued progression towards aspirational FY18 reserves and production, with obvious challenges in a capital constrained environment
- Pursuing an active farm down strategy: high equity asset portfolio lends itself to capital and risk sharing

Net 2P aspirational reserves¹ 100-150 MMboe



Oil and gas aspirational production¹ 3-5 MMboe



(1) Not market guidance

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Clear strategy to pursue aspirational FY18 targets

1. Maintaining financial strength
2. Continuing to progress growth projects



Maintaining financial strength

Strong financial position heading into FY16

- Strong financial position with no drawn debt and cash of \$63 million
- \$80 million unsecured three year debt facility established in April 2015
- Hedging to protect H2 FY15 and FY16 production revenue
- Material G&A reductions during FY15
- Cash-flow positive portfolio of producing assets
- Actively managing funding mix: maximising free cash flow from operations and active farm down strategy

Strong financial position:

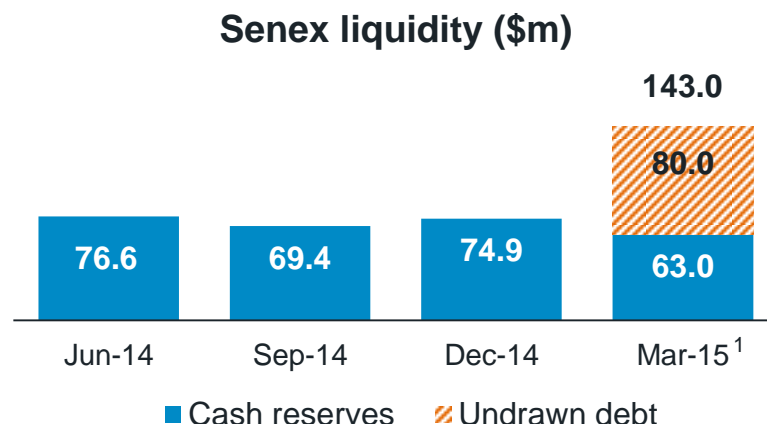
\$143 million total available liquidity

\$63 million cash

\$80 million undrawn debt facility

96 mmboe 2P reserves

Majority equity stakes in all key assets

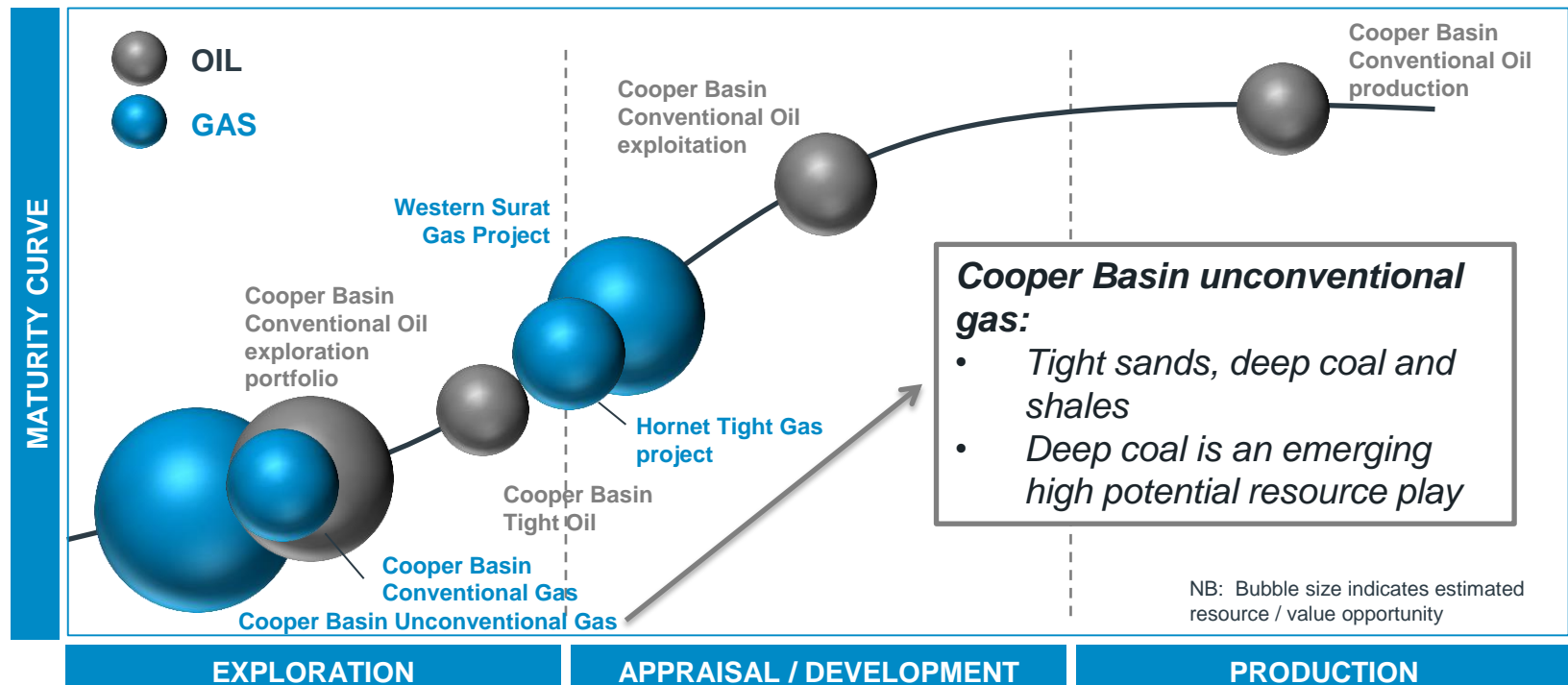


(1) Proforma for 31 March 2015, including the \$80m unsecured debt facility announced 20 April 2015

Continuing to progress growth projects

Careful portfolio management has created a material growth pipeline

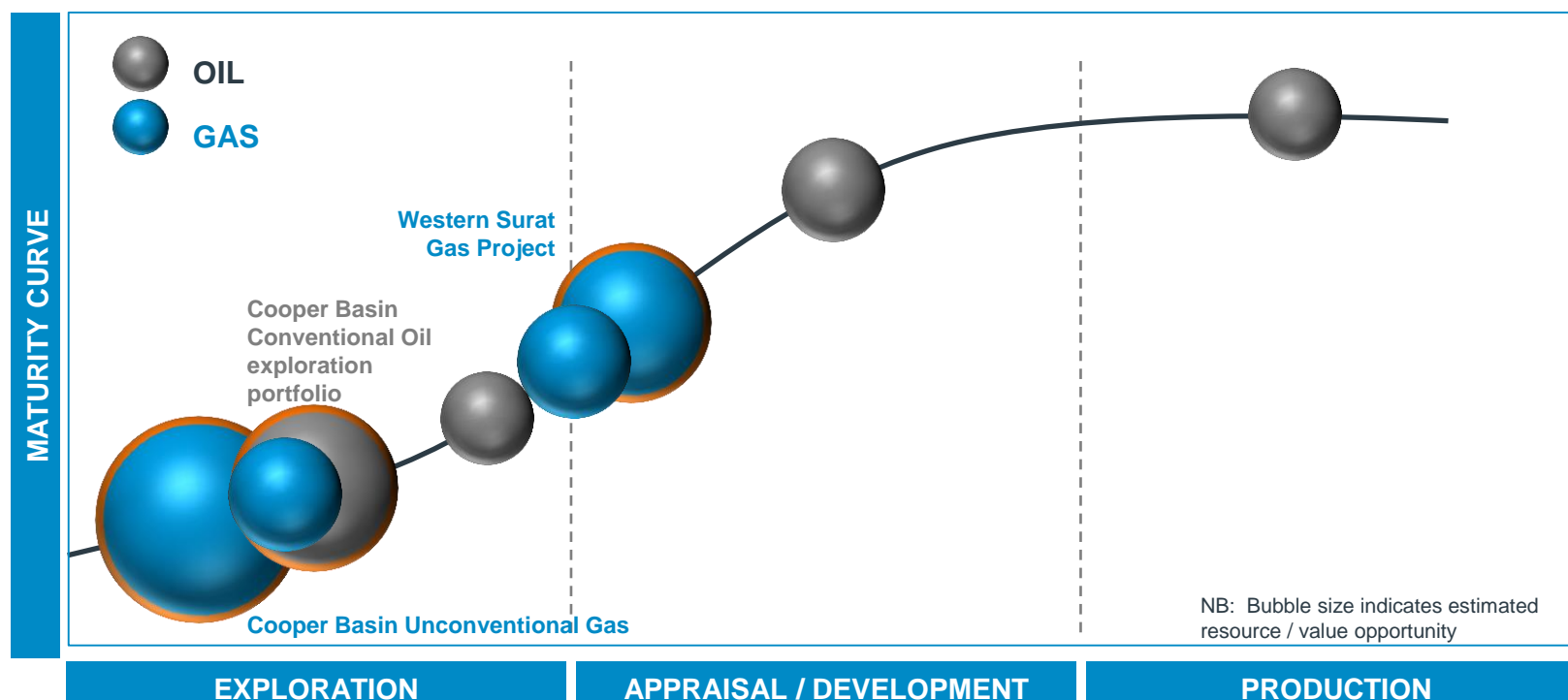
- Large pipeline of growth assets: high quality, high equity, Senex operated
- Strong operating capability to bring growth assets into production



Allocating capital to our most material growth projects

Prioritisation of capital in the lower oil price environment

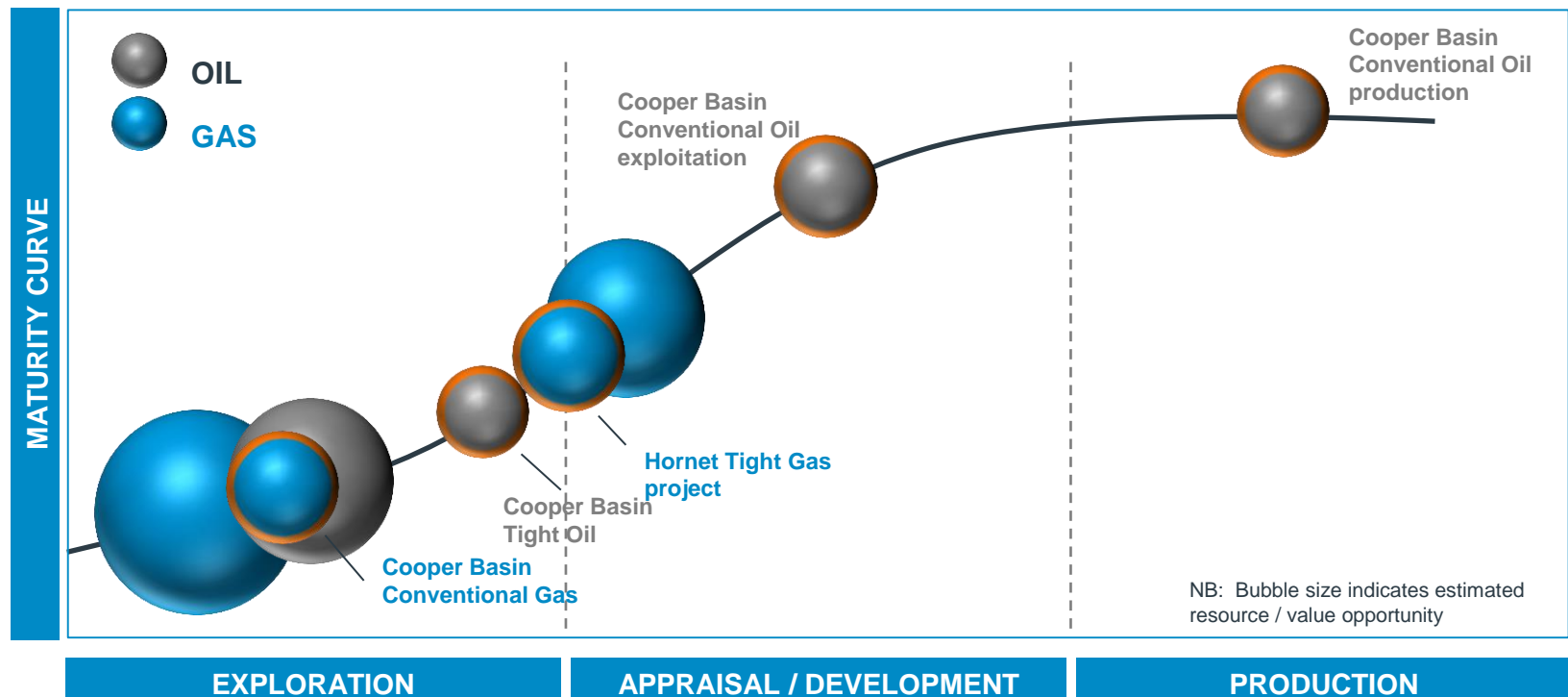
- Cooper Basin conventional oil exploration
- Western Surat Gas Project
- Cooper Basin unconventional gas (Origin JV)



Low capital spend in balance of portfolio

Prioritisation of capital in the lower oil price environment

- Cooper Basin conventional oil – development and enhanced recovery activities
- Cooper Basin tight oil – first phase concept testing
- Cooper Basin conventional gas – evaluating most prospective play types and areas
- Hornet tight gas project – production testing



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Cooper Basin oil exploration

Exploration led growth strategy

Significance in the Senex portfolio:

- *Fastest asset to move up the maturation curve*
 - *Attractive economics: short investment cycle and high margin*
- Leveraging our premier acreage position
 - Capitalising on previous investment in more than 4,000 km² of 3D seismic coverage
 - Higher risk exploration spend deferred in H2 FY15: prudent approach in a volatile market
 - FY16 onwards:
 - Exploration remains key to growth
 - Continue to high grade portfolio of exploration assets
 - Material exploration plays and prospects (high reward, higher risk) must have a place in the program
 - New EGM Exploration David Spring

Oil continues to have robust underlying economics:

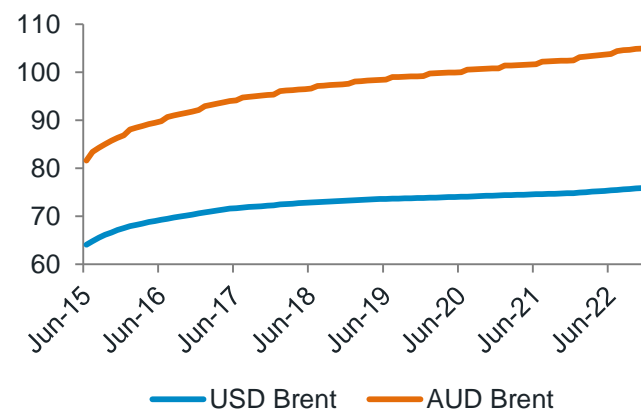
Low cost to discover and develop, quick to market

Established oil province in the Cooper Basin means success is well-supported

Fast payback on projects

Long-term price outlook remains positive

Brent oil price forward curve

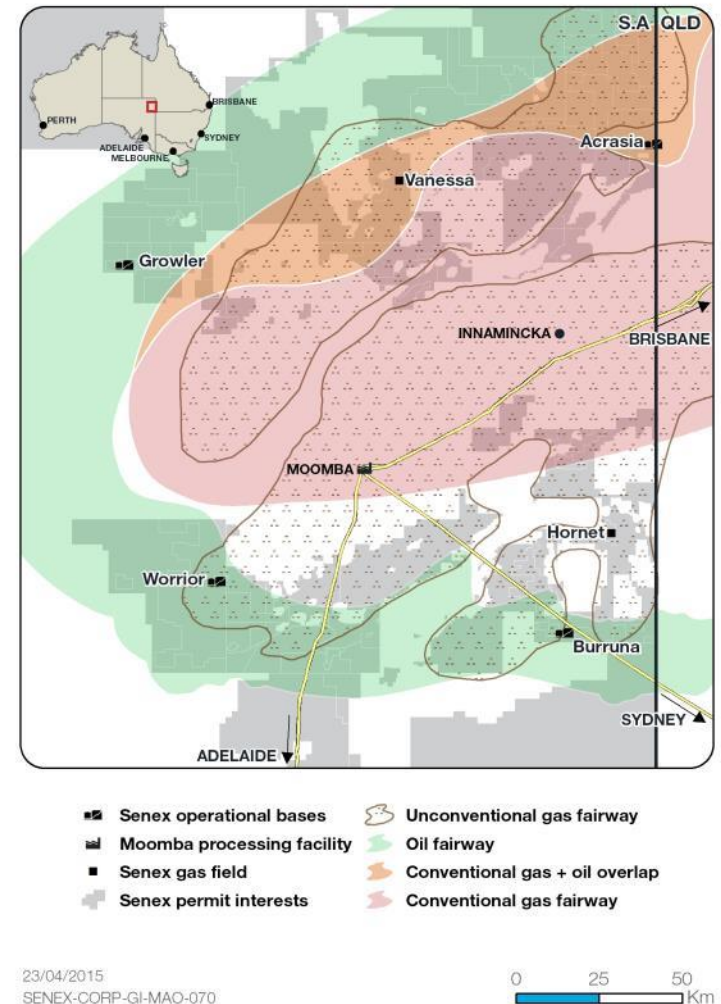


Source: Bloomberg, pricing as at 28 April 2015

Focus on best and biggest opportunities

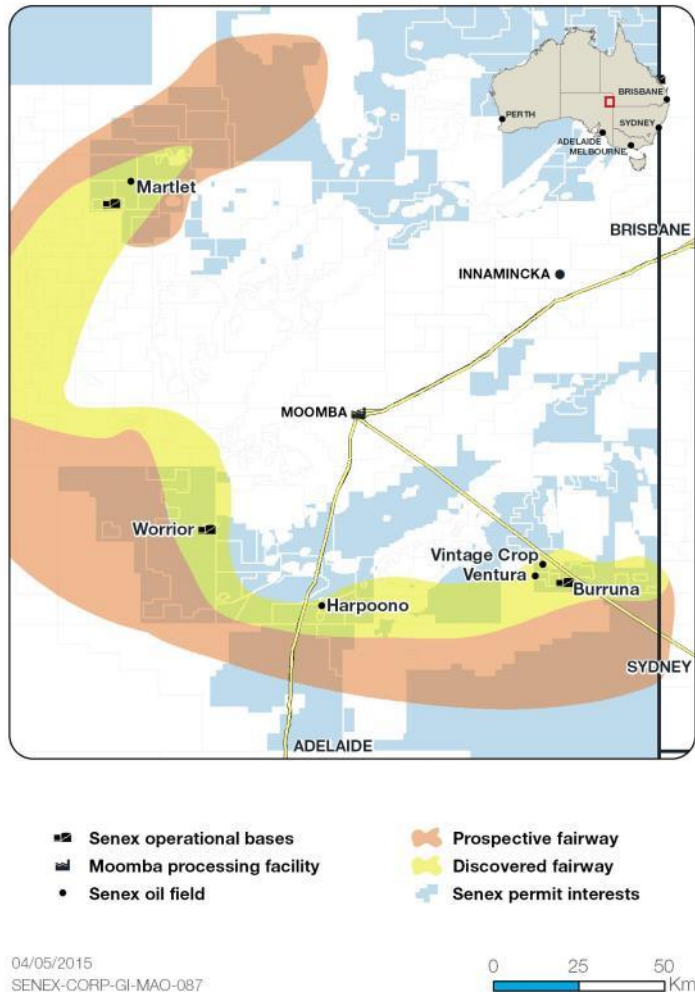
Material prospects in favourable reservoirs with confirmed proof of concept

- Pursuing oil opportunities on the flanks of the Cooper Basin, leveraging dispersed operational presence
- Namur, McKinlay and Birkhead plays are prioritised given more favourable economics
- Materiality of project is key with larger prospects to be high-graded
- Very large, operated land area in South Australian Cooper Basin
- Active farm-down strategy: partnering with like-minded organisations to accelerate and de-risk oil exploration portfolio while progressing other prospective plays in parallel



Namur and McKinlay structural play

Extending the established fairway

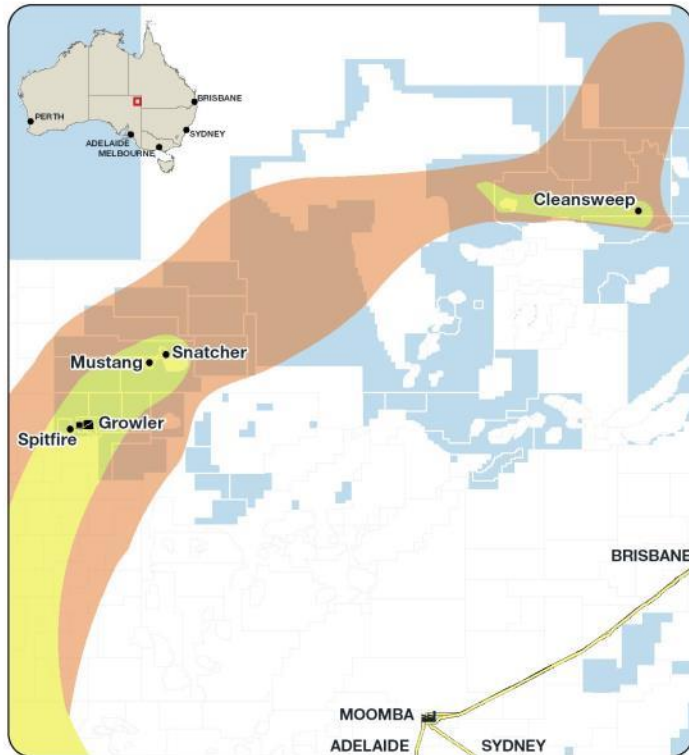


Namur and McKinlay characteristics:

- *The Namur and McKinlay are neighbouring formations within the Jurassic sands*
- *Typical reservoirs show variability in pool size but very favourable economics given high flow rates*
- Senex and Beach Energy exploring an established Namur trend on the western flank
 - Fairway success demonstrated by the Bauer field (Beach) and Martlet field (Senex)
- McKinlay and Namur fairway also established on the southern flank:
 - Burruna field (Namur)
 - Worrior, Harpoono, Ventura, Vintage Crop fields (all McKinlay)
- Namur and McKinlay fairway likely to extend further around the basin edge:
 - North east into the Jasmine 3D seismic area;
 - South west / south east into new acreage

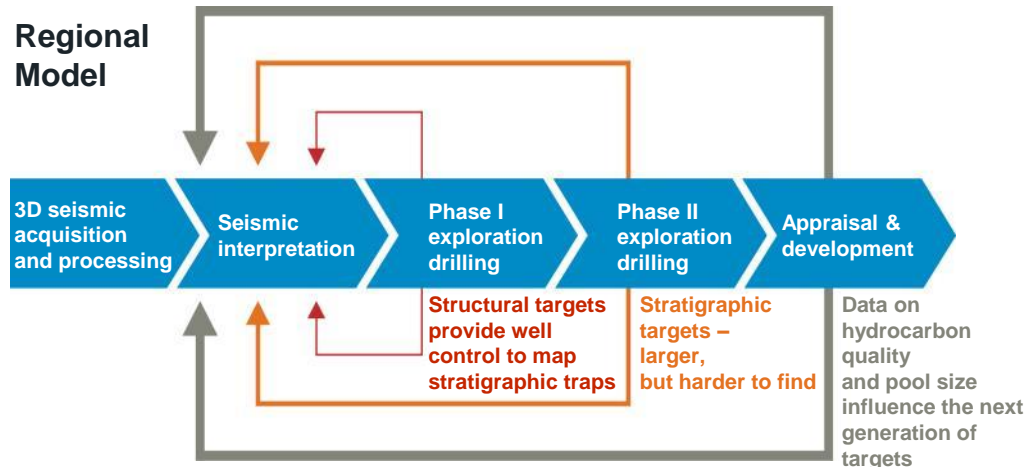
Birkhead stratigraphic play

Extending the established fairway



Birkhead characteristics:

- Typical reservoirs show material pool size but harder to find given subtle stratigraphic trapping mechanism (usually a two phase process as shown below)
- Established fairway in the western flank
 - Growler, Snatcher, Spitfire, Mustang
- Exploring the potential for the trend to extend further north east into Jasmine and Dundinna 3D seismic areas



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Company overview

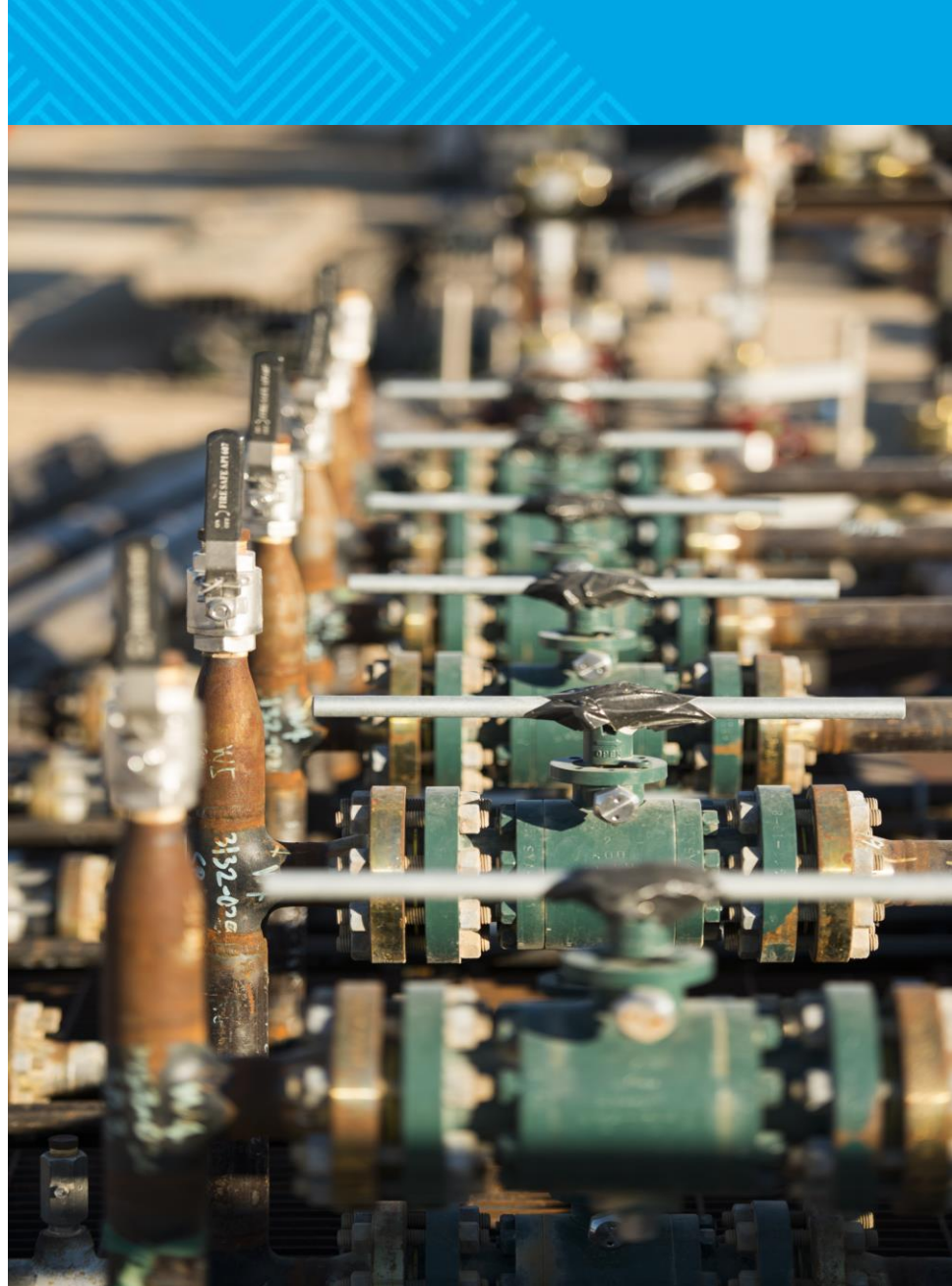
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Cooper Basin unconventional gas

Exploring in a proven basin with Origin Energy

Significance in the Senex portfolio:

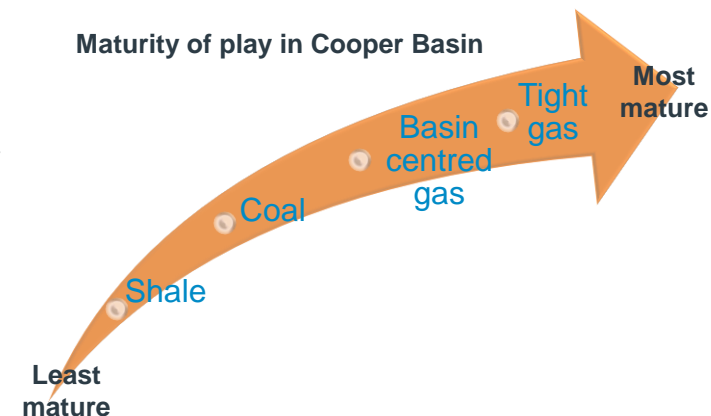
- *Material exploration project with multi Tcf resource potential*
 - *Under Origin farm-in agreements Senex free carried for its share of \$105 million Stage 1 expenditure*
- Successful and collaborative JV with Origin Energy; a partner with a long history and detailed understanding of the Cooper Basin
 - Location provides exposure to strong East Coast gas market, access to infrastructure in a proven basin
 - The Stage 1 work program is focused on:
 - Achieving gas flows from large and continuous gas accumulations
 - Prioritising tight gas and basin centred gas plays
 - A de-risking approach that targets a range of play types across multiple horizons with a focus on materiality and commercialisation
 - Separate Joint Ventures in the North (including Planet Gas) and South, targeting different play types

Strong East Coast gas market and technology provides support for previously uneconomic play types:

Tight gas prospects are the most likely unconventional play type to be economic

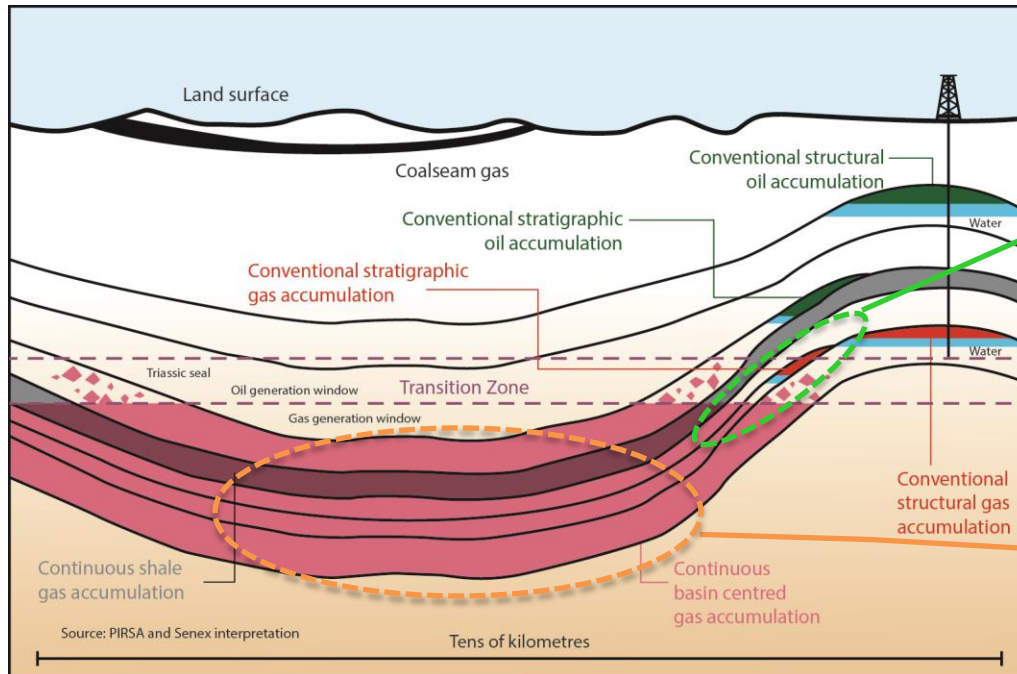
Basin centred gas prospects are the most material unconventional play type

Materiality and scale (running room) are key



Gas play types

Targeting tight gas and basin centred gas plays



Tight gas:

- Structural or stratigraphic
- Potentially regionally extensive
- Fracture stimulation required
- Focus for south area of project

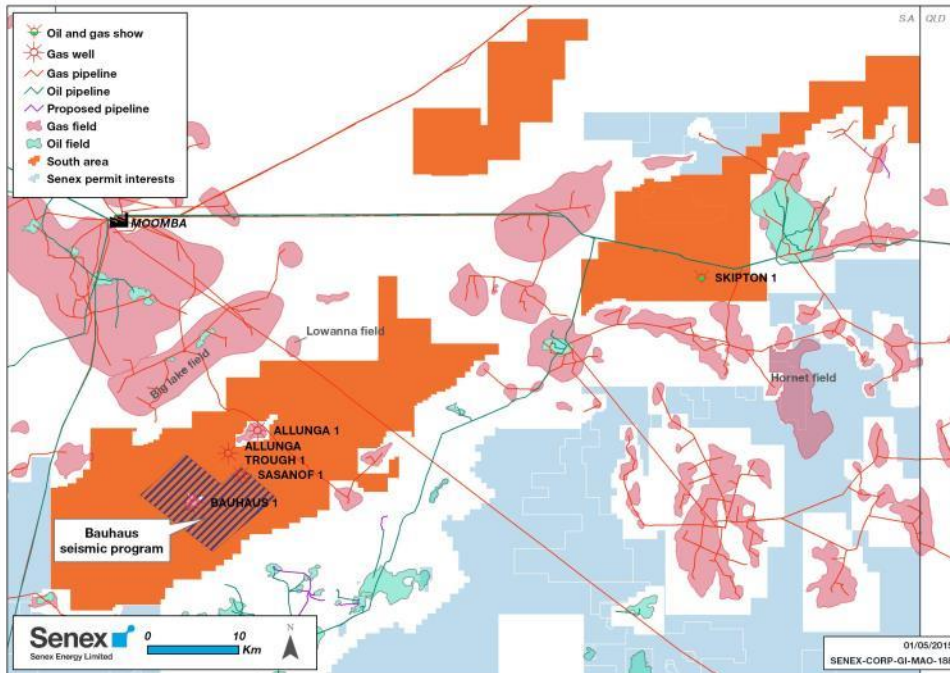
Basin centred gas:

- Regionally extensive
- Reservoir typically requires more extensive fracture stimulation
- Focus for north area of project

- Drilling locations will be targeting multiple horizons in the Permian section with vertical wells, increasing the size of potential resource

Southern play, Allunga Trough

Chasing potential stratigraphic extensions to existing discoveries



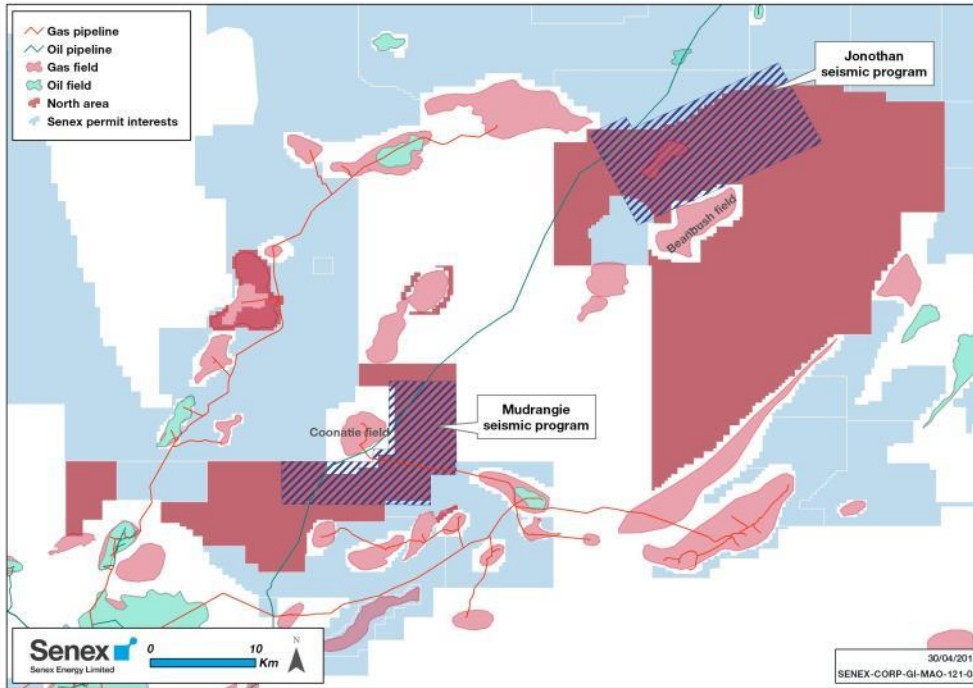
Allunga Trough play characteristics:

- Shallower and lower temperature than the Nappamerri Trough
- Gas, liquids and condensate potential in line with neighbouring fields
- Prospective play locations are close to infrastructure

- Drill 2 wells during FY16 – prospect selection pending the Bauhaus seismic and finalisation of geological and geophysical work currently being undertaken by the JV
- Bauhaus seismic location chosen to investigate possible stratigraphic extension to existing discoveries including Bauhaus-1
- Bauhaus-1: 150 metres of net pay and flow rates of 800 mscf/d on drill stem test

Northern play, Patchawarra Trough

Chasing basin centred gas and stratigraphic traps



Patchawarra Trough play characteristics:

- Lower temperature and lower pressure than the Nappamerri Trough
- Gas, liquids and condensate potential
- Very material potential resource base

- Drill 2 wells during FY16 – prospects to be selected following interpretation of the seismic programs
- Jonothon and Mudrangie seismic locations chosen to identify potential basin centred gas sweet spots downdip of proven hydrocarbon accumulations
- The proximity to existing hydrocarbon accumulations proves the existence of regional reservoir and source rock

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Western Surat Gas Project

Quality acreage adjacent to infrastructure hubs

Significance in the Senex portfolio:

- *Most material and advanced gas project in the portfolio*
 - *Building a gas business of scale*
- Project already in the appraisal stage:
 - Development already progressed at neighbouring acreage (i.e. GLNG's Roma field)
 - Extensive exploration work already undertaken (101 wells drilled)
 - Three pilot locations drilled and able to be moved to production flow testing
 - Geology relatively well understood with reservoir performance to be tested through pilot testing
 - Further appraisal to achieve optimal development strategy ahead of FID

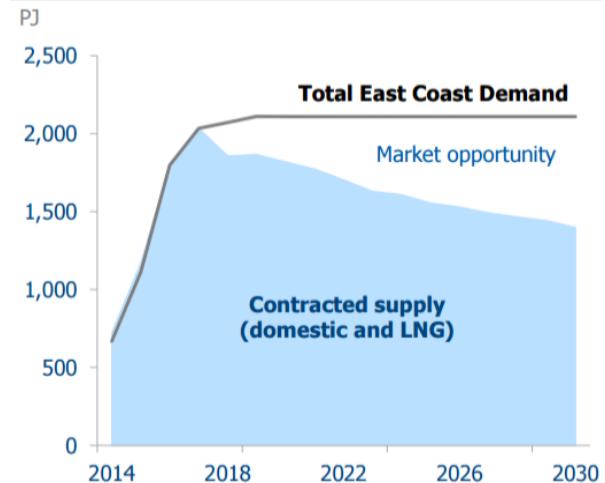
Continue to see a material long-term supply opportunity on the east coast of Australia for gas:

Unprecedented demand growth as a result of LNG

Both LNG and domestic participants looking to secure long-term supply

Supply pressures expected to place sustained upward pressure on gas prices

Eastern Australia contracted supply and demand

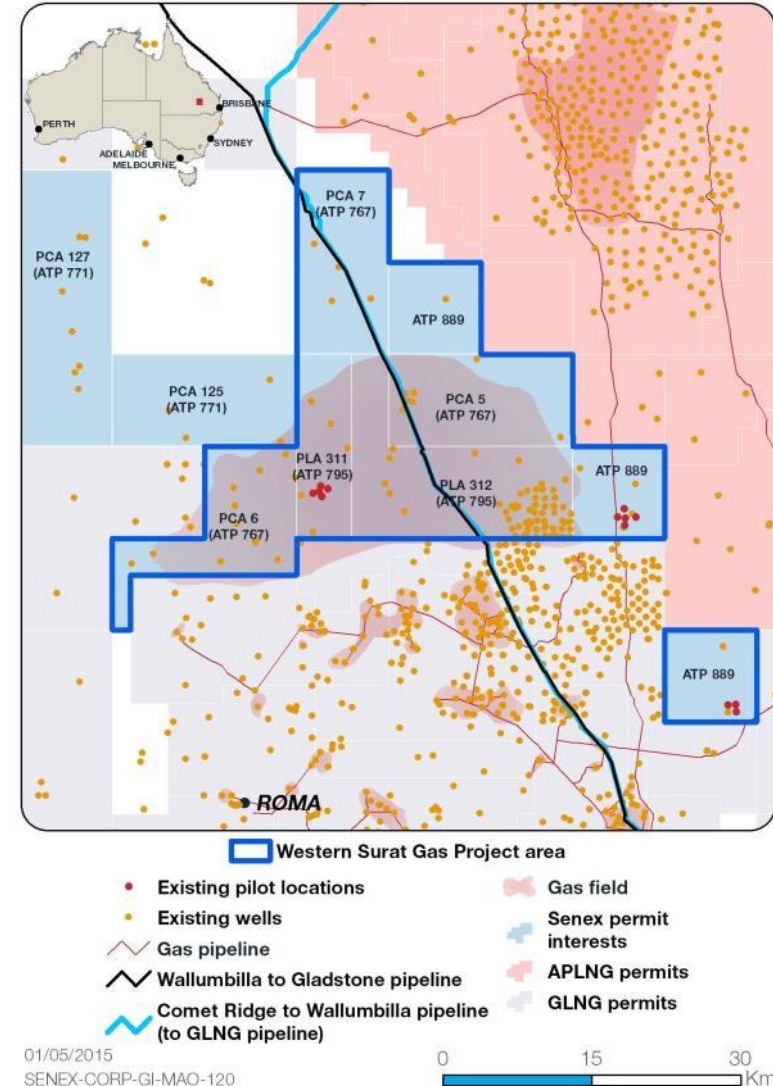


Source: Santos investor presentation 20 April 2015

Pilot production testing

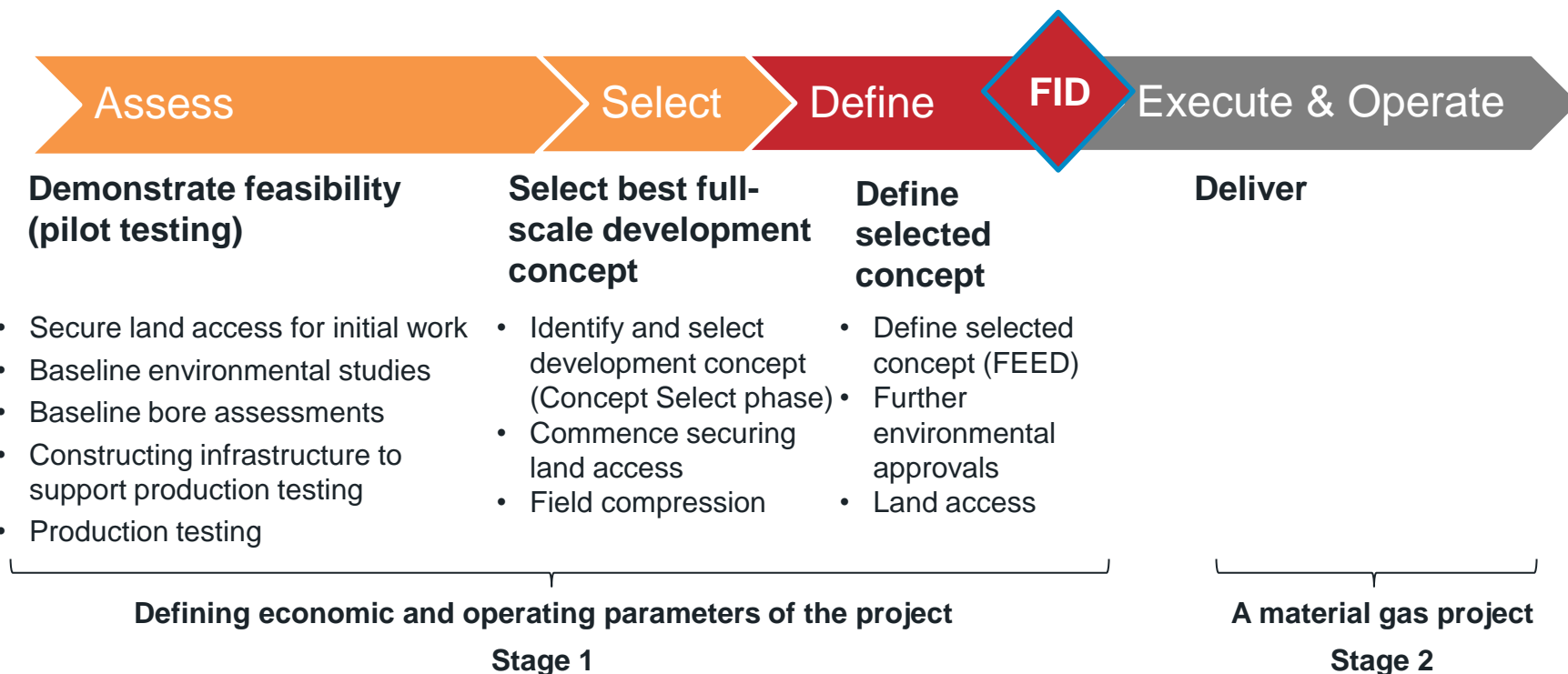
Enhancing understanding of the reservoir

- Bring existing pilot locations online during FY16
- Objective of testing is to obtain dynamic data related to the production characteristics of the reservoir
- This data will confirm development planning assumptions:
 - Drilling (locations, completion design)
 - Project size (surface facilities, optimal plateau production rates)
 - Water disposal (facilities options)



Forward plan

Achieving an investment decision on a material commercial gas project



- Pursuing commercialisation and funding options (gas offtake / project partner) during Stage 1

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Oil exploration

**Cooper Basin unconventional
gas**

Western Surat Gas Project

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Investment highlights

An exploration & production company growing from a high quality exploration portfolio

- Large portfolio of growth projects with long term tenure
- Strong financial position with over \$140 million of available liquidity
- Exposure to strong East Coast gas market
- Operatorship of over 15,000 km² of highly prospective acreage across Australia's premier onshore oil and gas basins: Cooper and Surat
- A team with a track record for delivery

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Disclaimer and supporting information for estimates

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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.

The relevant qualified reserves and resources evaluator statements can be found :

- In respect of the Cooper Basin, at page 17 of the Senex annual report released to the ASX company announcements platform on 26 August 2014 (in the reserves and resources statement); and
- In respect of the Surat Basin, in the ASX announcement titled "Completion of Surat Basin gas asset swap" on 16 December 2014.

With respect to each of the announcements, Senex confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates in the announcement continues to apply and has not materially changed.