

To:	Company Announcement Office	From:	Senex Energy Limited
Company:	ASX Limited	Pages:	40
Date:	23 February 2016		
Subject:	Senex Energy Limited (ASX:SXY) FY16 Half Year Results		

I provide the following for the Senex Energy Limited 2016 half year results:

Page 2	Appendix 4D
Page 3	ASX Announcement
Page 6	Half Year Report

With regards

Frank Connolly
Company Secretary

Half year report for the period ended 31 December 2015

Based on accounts that have been reviewed

Results for announcement to the market

All comparisons to half year ended 31 December 2014

				\$ million
Revenue from ordinary activities	Decreased	47%	to	36.8
Loss after tax from ordinary activities	Decreased	59%	to	(27.1)
Underlying profit after tax from ordinary activities	Increased	225%	to	5.2

Underlying profit after tax is a non-IFRS measure and a reconciliation to profit/ (loss) after tax from ordinary activities is included below. Commentary on the Group's operating performance and results from operations are set out in the attached half year announcement and report.

Dividends

No dividends are proposed and no dividends were declared or paid during the current or prior year.

Net tangible asset backing

	2015	2014
Net tangible assets per ordinary security	\$0.33	\$0.37

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2015 half year financial statements.

This report is based on the consolidated 2015 half year financial statements which have been reviewed by Ernst & Young.

Reconciliation of profit/ (loss) after tax from ordinary activities to underlying profit after tax

	2015	2014
Profit/(Loss) after tax from ordinary activities	(27.1)	(65.9)
Gain on sale of Maisey block	(38.2)	-
Impairment expense	69.7	86.5
Redundancies	0.8	-
Tax (benefit)/expense	-	(19.0)
Underlying profit after tax from ordinary activities	5.2	1.6

2016 half year results

Release Date: 23 February 2016

Senex Energy Limited (ASX:SXY, Senex) has today announced its 2016 first half results, reporting an underlying profit of \$5.2 million and a statutory loss after tax of \$27.1 million.

FY16 half year results against previous corresponding period:

- **Net production** of 0.54 mmboe, down 26% as a result of significantly lower capital investment
- **EBITDAX**¹ of \$56.4 million, up from \$33.5 million
- **Underlying net profit**² of \$5.2 million, up from \$1.6 million, reflecting material cost savings
- **Statutory loss after tax** of \$27.1 million after a non-cash impairment charge of \$69.7 million reflecting the lower oil price environment, partly offset by a \$38.2 million gain on sale of the Maisey block
- **Strong financial position** with cash balance of \$100 million and total liquidity of \$177 million
- **Net tangible assets** of 33 cents per share
- **Completion of value accretive transactions** with GLNG, de-risking the progression of the Western Surat Gas Project towards a Final Investment Decision
- **On track to meet production and capex guidance** for FY16

Senex has announced an underlying net profit of \$5.2 million for the half year ended 31 December 2015, reflecting the offsetting impacts of material cost savings (corporate, operational and capital), and a lower average realised oil price. The Company recognised a \$38 million gain on sale of the Maisey block in Queensland as part of its half year result, with the disposal of this asset delivering material value to shareholders. The gain was realised through a series of strategic transactions in the Surat Basin with neighbouring natural gas producers QGC and GLNG.

This gain was offset by a non-cash impairment of \$69.7 million recognised on certain of the Company's longer-dated Cooper Basin exploration assets. Senex posted a statutory loss after tax of \$27.1 million after allowing for these one-off items.

Senex has continued to drive down cost in the business, reporting an operating cost per barrel of A\$28 against an average received oil price of A\$71 per barrel for the half year ended 31 December 2015. Through hedging instruments, Senex has locked in a floor price of A\$72 per barrel for oil sales in the second half of FY16³.

Senex Managing Director, Ian Davies, said that the Company remained resilient in the face of the ongoing oil downturn given its strong financial position and low cash cost profile, and remained attentive to the volatile environment.

"Senex entered 2016 with \$100 million of cash on hand and no debt to service. We have further reduced our cost base during the first half of FY16 in support of profit margins at current prices.

"Senex remains committed to delivering growth for shareholders and we demonstrated this in the strategic transactions agreed with GLNG during the period. These transactions unlock material shareholder value and bring us a further step towards commercialisation of our Western Surat Gas Project.

“We will continue to invest in the right opportunities within our business and externally, where they align with our strategy and meet our economic criteria.

“Meanwhile, our valuable strategic partnerships in the Cooper Basin are also moving our business forward. We are progressing our unconventional gas project with Origin Energy and our Murta Formation tight oil project with Halliburton, accessing expertise and funding to progress these important growth projects.

“The focus of the Senex team is on building a robust oil and gas business that not only survives the current downturn but comes out the other end stronger and healthier. We are continuing to progress our growth projects at the same time as maturing our portfolio of exploration assets to position the Company strongly for an oil price recovery,” Mr Davies said.

RESULTS WEBCAST

Senex Managing Director and Chief Executive Officer Ian Davies and Chief Financial Officer Graham Yerbury will hold a webcast today to discuss the full year results and outlook:

Time: 9.00am AEST (9am Brisbane time, 10am Sydney and Melbourne time)
Date: Tuesday 23 February 2016

The webcast will be streamed live at this time and can be accessed via the Senex website (www.senexenergy.com.au) or through the following link: <http://webcast.openbriefing.com/2677/>

A recording of the webcast will be available from 5pm AEST via the same link.

FURTHER INFORMATION

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ABOUT SENEX ENERGY

Senex is a growth focused exploration and production company based in Brisbane. With a 30-year operating history, Senex holds extensive onshore oil and gas acreage in the Cooper and Surat Basins. Senex operates the majority of its assets, produces over one million barrels of oil annually, and is successfully developing a gas business including the Western Surat Gas Project in Queensland.

APPENDIX

1. **EBITDAX** (earnings before interest, tax, depreciation, amortisation, impairment and exploration expense) can be reconciled to the statutory net profit/(loss) as follows:

	H1 FY16 \$ million	H1 FY15 \$ million
Statutory net profit / (loss) after tax	(27.1)	(65.9)
<i>Add/(less):</i>		
Net interest	0.9	(0.3)
Tax	-	(18.5)
Amortisation and depreciation	10.4	13.3
Impairment	69.7	86.5
EBITDA	53.9	15.1
<i>Add/(less):</i>		
Oil and gas exploration expense	2.5	18.4
EBITDAX	56.4	33.5

2. Underlying net profit can be reconciled to statutory net profit / (loss) as follows:

	H1 FY16 \$ million	H1 FY15 \$ million
Statutory net profit / (loss) after tax	(27.1)	(65.9)
<i>Add/(less):</i>		
Gain on sale of Maisey block	(38.2)	-
Impairment of exploration assets and in-field consumables	69.7	51.7
Impairment of oil properties	-	34.8
Redundancies	0.8	-
Tax (benefit)/expense	-	(19.0)
Underlying net profit (loss) after tax	5.2	1.6

Underlying net profit is a non-IFRS measure

Numbers may not add precisely to totals provided due to rounding.

3. Senex's FY16 oil hedging program guarantees an average Brent crude oil floor price of A\$72 per barrel for the 2016 second half to 30 June 2016, assuming an AUD/USD exchange rate of 0.72.



ABN 50 008 942 827

FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

SENEX ENERGY LIMITED
ABN 50 008 942 827
Half Year Report for the period ended 31 December 2015

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SENEX ENERGY LIMITED
ABN 50 008 942 827
CORPORATE INFORMATION

This half year report covers Senex Energy Limited (**Senex or the Company**) and its controlled entities (collectively known as **the Group**).

The Group's presentation currency is Australian dollars (\$). The functional currency of the Group is Australian dollars (\$).

The nature of the operations and principal activities of the Group are described in the directors' report on page 9.

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.

The relevant qualified reserves and resources evaluator statements can be found in the ASX announcement titled "2015 Annual Reserves Statement" on 25 August 2015 and the ASX presentation titled "Presentation on major agreements with GLNG" on 24 September 2015. Senex confirms that it is not aware of any new information or data that materially affects the information included in this presentation and that all the material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed.

DIRECTORS:
Trevor Bourne (Chairman)
Ian R Davies (Managing Director and Chief Executive Officer)
Benedict M McKeown (Non-Executive Director)
Timothy BI Crommelin (Non-Executive Director)
Ralph H Craven (Non-Executive Director)
Debra L Goodin (Non-Executive Director)
Yanina A Barilá (Alternate Non-Executive Director)

SECRETARY: Francis L Connolly

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Code: SXY

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BANKERS: ANZ Banking Group Ltd
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Brisbane, Queensland 4000

AUDITORS: Ernst & Young
Level 51, 111 Eagle Street
Brisbane, Queensland 4000

SENEX ENERGY LIMITED
ABN 50 008 942 827

DIRECTORS' REPORT

Your directors present their report on the Company and its consolidated entities for the half year ended 31 December 2015.

DIRECTORS

The Directors who served at any time during or since the end of the half year until the date of this report are:

Trevor Bourne (Chairman)
Ian R Davies (Managing Director and Chief Executive Officer)
Denis F Patten (Non-Executive Director) - retired on 18 November 2015
Benedict M McKeown (Non-Executive Director)
Tim B I Crommelin (Non-Executive Director)
Ralph H Craven (Non-Executive Director)
Debra L Goodin (Non-Executive Director)
Yanina A Barilá (Alternate for Mr McKeown and Mr Crommelin)

PRINCIPAL ACTIVITY

The principal activities during the half year of entities within the consolidated group were oil and gas exploration and production.

REVIEW AND RESULTS OF OPERATIONS

Highlights – First Half FY16

In the context of continuing volatility in global energy markets and materially lower oil prices, Senex has successfully maintained a strong financial position and reached significant milestones in its portfolio of growth projects.

The Company continues to pursue improvement in safety performance, with the total recordable injury frequency rate (TRIFR) reducing to 3.07 for H1 FY16 compared to 3.92 in H1 FY15. One lost time injury was recorded during the period (with zero incidents recorded in the prior corresponding period).

Production for the half year was 0.54 million barrels of oil equivalent (mmboe), down 27% on H1 FY15. The significant reduction in capital expenditure since January 2015 has impacted production with a downsized drilling program resulting in fewer wells being brought online. Group production benefitted from the initial contribution from three wells on the western flank of the Cooper Basin.

Senex made material advancements in its portfolio of growth projects in both oil and gas during the reporting period. The Company accessed third party expertise and funding to de-risk the progression of projects, and conserve capital. In the Cooper Basin, Senex is free carried by its joint venture partner Origin Energy on a gas exploration project with multi-Tcf potential. In November, Senex completed a capital and risk sharing transaction with Halliburton to progress the Murta tight oil project.

In the Surat Basin, Senex and GLNG reached a series of major agreements for the development of the Western Surat Gas Project. The agreements materially de-risk the advancement of the project, which has significant 2P reserves and near term revenue potential.

Sales revenue for the half year decreased to \$36.8 million, down 47% on the corresponding period in 2014, primarily attributable to the lower oil price. Net loss after tax for the half year was \$27.1 million, compared to \$65.9 million loss for the half year ended 31 December 2014. This included a \$38.2 gain on the sale of the Maisey block as part of the transaction with GLNG for the development of the Western Surat Gas Project completed in December 2015. The gain was offset by a non-cash impairment of \$69.7 million, recognised against Senex's exploration assets in the Cooper Basin. The Group strengthened its financial position with \$99.6 million in cash, and \$176.9 million in total liquidity as at 31 December 2015. Hedging instruments are in place to protect the Group's oil revenues for the financial year 2016, guaranteeing an average Brent crude floor price of A\$75 per barrel¹ for oil sales.

¹ Hedging program guarantees an average Brent crude oil floor price of A\$75 per barrel, assuming an AUD/USD exchange rate of 0.75

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Financial performance

- The Group's oil and gas sales revenue for the half year ended 31 December 2015 was \$36.8 million, a decrease of 47% over the \$69.9 million for the half year ended 31 December 2014. Oil sales revenue decreased primarily as a result of lower oil prices, with an average realised price for the half year of A\$71 per barrel compared to A\$97 per barrel for the half year ended 31 December 2014. Oil production was 0.53 mmboe, down 28% as a result of natural field decline and lower capital expenditure over the financial year 2015.
- Cost of sales decreased by 43%, from \$43.3 million to \$24.8 million as a result of lower royalties, unit operating cost savings, and a decline in production. The Group recorded a gross profit of \$12.0 million for the half year ended 31 December 2015, a decrease of 55% over the \$26.6 million for the half year ended 31 December 2014.
- In accordance with the Group's successful efforts accounting policy in relation to unsuccessful wells drilled, an exploration expense of \$2.5 million was recognised for the half year ended 31 December 2015 compared to \$18.4 million for the half year ended 31 December 2014.
- The Group's net loss before tax for the half year ended 31 December 2015 was \$27.1 million, compared to an \$84.3 million loss for the half year ended 31 December 2014. The largest contributors to the result were the non-cash impairment of exploration assets of \$69.7 million, partly offset by the \$38.2 million gain on sale of the Maisey block recognised as part of the GLNG transactions for the development of the Western Surat Gas Project.
- At 31 December 2015, the Group held cash reserves of \$99.6 million, with total liquidity of \$176.9 million including an unsecured \$80 million corporate debt facility on which limited drawdowns have been made for bank guarantees.
- Senex's half year capital expenditure was \$17.3 million. Senex invested \$12.3 million in exploration and appraisal and \$5.0 million in oil and gas properties, facilities and plant and equipment during the half year period.
- In response to an anticipated sustained lower oil price environment, the Group continues to focus on disciplined capital allocation and prioritise investment opportunities that meet its economic criteria.

Oil and gas production

Cooper-Eromanga, South Australia

- Senex delivered total net oil and gas production of 0.54 mmboe for the six months to 31 December 2015, compared with 0.74 mmboe produced the prior year. In August 2015, Senex advised annual net production guidance of 1.0 to 1.2 mmboe for the full year FY16, and the Group remains on track to deliver production in line with this guidance.
- Since January 2015, the Company has materially reduced capital expenditure in response to lower revenues from a declining oil price. The scaled down capital program continues to impact production as a result of a downsized drilling program, with limited wells brought online over the 18 month period.
- Net oil production was 0.53 mmbbls, 28% lower than prior year production. This result reflects the impact of natural field decline, partially offset by new well connections. The Growler-14, Martlet North-1 and Spitfire-7 oil wells were brought online during the reporting period. Senex's major producing oil fields, the Growler, Spitfire, Snatcher and Martlet fields, continued to perform to expectations during the period.
- Net gas and liquids production was 0.01 mmboe, with negligible production reported in the prior year (0.00 mmboe). At the Worrior oil field, Worrior-8 produced both oil and gas, with gas flared as part of an extended production test that concluded in October. Senex also concluded the extended production test of the Hornet field during the period, with minimal volumes of gas sold to the SACB JV.

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Oil exploration and development

Cooper-Eromanga, South Australia

During the half year, Senex focused on progressing growth projects in its oil portfolio, and generating near-term production, while conserving capital expenditure:

- Senex continued working with its JV partners to build and refine its regional petroleum system model. This model consolidates the Company's previous investment in over 4,000 km² of 3D seismic survey data acquired across Senex permits in prior years, reinterpreting this information with the benefit of well results. The aim of the exploration workflow is to identify and de-risk structural and stratigraphic traps with favourable reservoir qualities and commercial reserves potential as future drilling prospects.
- Drilling activity was focused on the highly productive Namur and Birkhead reservoirs located on the western flank of the Cooper Basin. Three wells were drilled, with two wells successfully cased and suspended as future producers. The first of these, the Spitfire-7 oil appraisal well, was brought online in October 2015, and the Martlet-2 oil development well was brought online in January 2016. Results from all three wells have been incorporated into the regional model.
- In addition, two wells drilled during FY15 were brought online during the reporting period. The Growler-14 and Martlet North-1 wells are both producing in line with expectations.
- A low-cost shut in test was undertaken at the Growler field during the reporting period to further evaluate the natural aquifer support in the Birkhead reservoir and to validate the dynamic reservoir model. The test succeeded in incrementing oil production to offset wells and the use of the natural reservoir energy can be optimised as part of the development plan.
- In November, Senex and Halliburton completed a capital and risk sharing transaction to progress the Murta tight oil project. Under the terms of the agreement, Halliburton is funding two-third of initial risk capital on the pilot project, with returns to be earned from production revenue. The work program will evaluate the commerciality of the low permeability Murta Formation, with fracture stimulation and flow testing of existing Senex oil wells, Mirage-6 and Ventura-2, to be undertaken during H2 FY16. All oil produced through the course of the test will be sold.

Gas exploration and development

Cooper-Eromanga Basin, South Australia

During the half year, Senex made material progress on its gas exploration program with Origin Energy, and sought to conserve capital expenditure across the rest of the portfolio:

- Senex and Origin Energy advanced stage one of the \$105 million work program under which Senex is free carried for its share of expenditure. A two-well drilling campaign in the Allunga Trough (southern joint venture area) was undertaken to evaluate stratigraphic traps in the Patchawarra Formation. Both wells intersected hydrocarbons in the target zone, and support a future fracture stimulation and testing campaign. In the Patchawarra Trough (northern joint venture area), the partners continued seismic interpretation to identify drill locations, targeting potential basin centred gas sweet spots down dip of proven hydrocarbons accumulations.
- Together with its joint venture partner, Senex reached mechanical completion of the surface facilities on the Vanessa conventional gas field. The Vanessa-1ST well produced strong results from a 50 hour production test in December 2014, and the joint venture expects to bring the well online during the second half FY16, pending resolution of arrangements with the downstream infrastructure owners.

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

- On the Hornet field, appraisal activities were focused on geological and geophysical analysis of the production test results. Minimal gas was produced from the Kingston Rule-1 well and both the Hornet and Kingston-Rule 1 wells ceased producing in the half year. Subsequently, a large portion of the surface equipment moved to Vanessa. More work is required to inform future field appraisal, however while oil prices remain low there are no plans to continue to explore and evaluate the Hornet field in the near term and consequently an impairment charge has been booked against the carrying value of these exploration assets.
- In the current climate of low oil prices, Senex does not expect to deploy capital expenditure to develop certain of its gas exploration assets in the near term. Consequently, an impairment charge against the carrying value of these exploration assets has been booked in the half year.

The table summarises Cooper Basin oil and gas drilling activity in FY16 to date:

Well	Location	Participation	Location	Spud date	Type	Result
Fulcrum-1	PRL 136	SXY* 60% BPT 40%	PRL 136	13-Aug-2015	Oil exploration	Plugged and abandoned
Spitfire-7	PPL 258	SXY* 60% BPT 40%	PPL 258	29-Aug-2015	Oil appraisal	Net pay of 6.6 metres in the Birkhead horizon, brought online in October 2015
Efficient-1	PEL 637	SXY* 60% ORG 40%	PEL 637	16-Oct-2015	Gas exploration	Hydrocarbon shows in the Patchawarra, cased and suspended ahead of fracture stimulation and production testing
Martlet-2	PRL 137	SXY* 60% BPT 40%	PRL 137	22-Nov-2015	Oil development	Net pay of 4.5 metres in the Namur horizon, brought online in January 2016
Ethereal-1	PEL 637	SXY* 60% ORG 40%	PEL 637	19-Dec-2015	Gas exploration	Hydrocarbon shows in the Patchawarra, cased and suspended ahead of fracture stimulation and production testing

* Denotes operatorship

Western Surat Gas Project, Surat Basin, Queensland

During the half year, Senex entered into a series of major agreements with GLNG for the development of the Western Surat Gas Project:

- In September, the parties signed a binding 20-year gas sales agreement (GSA) under which Senex will supply up to 50 TJ/day of sales gas from its Western Surat Gas Project to GLNG. In addition, Senex sold its Maisiey block to GLNG for \$42 million in cash and a comprehensive suite of subsurface, production and other technical data, received upon transaction completion in December. The combined effect of the agreements is to significantly de-risk the advancement of the project, which represents a near term opportunity to develop a major new revenue stream for Senex from a large 2P reserve base.

DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

- Following the finalisation of these strategic transactions, Senex is considering multiple appraisal and development options for the asset. This will involve the interrogation of the GLNG data, as well as investigating options for the commercialisation of pilot production.
- During the reporting period, Senex continued to progress critical path items necessary for ultimate project delivery. These included land access and cultural heritage clearance activities, as well as reservoir characterisation analysis, down-hole reviews and engineering design.

Senex continues to target first gas production by the end of 2017, contingent on the timing of approval of an Environmental Impact Statement by the Queensland Government.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company in the half year to 31 December 2015.

EVENTS AFTER THE BALANCE SHEET DATE

Except for the items disclosed under 'Review and results of operations' above, the directors are not aware of any matter or circumstance not otherwise dealt with in the reports or the accounts that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

AUDITOR INDEPENDENCE

The independence declaration received from the auditor of Senex Energy Limited is set out on page 38 and forms part of this directors' report for the half year ended 31 December 2015.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.



Trevor Bourne
Chairman

Brisbane, Queensland
22 February 2016

SENEX ENERGY LIMITED
ABN 50 008 942 827

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Note	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	99,634	49,004
Prepayments	9	2,578	2,151
Trade and other receivables	10	14,846	21,323
Inventory	11	14,231	17,085
Other financial assets	12	7,949	171
Total current assets		139,238	89,734
Non-current assets			
Trade and other receivables	13	357	482
Property, plant and equipment	14	56,837	56,798
Intangibles	15	1,127	1,408
Exploration assets	16	156,768	227,631
Oil and gas properties	17	110,315	108,121
Total non-current assets		325,404	394,440
TOTAL ASSETS		464,642	484,174
LIABILITIES			
Current liabilities			
Trade and other payables	18	11,788	14,561
Provisions	19	15,214	15,270
Total current liabilities		27,002	29,831
Non-current liabilities			
Provisions	20	53,233	52,427
Total non-current liabilities		53,233	52,427
TOTAL LIABILITIES		80,235	82,258
NET ASSETS		384,407	401,916
EQUITY			
Contributed equity	21	451,233	451,233
Reserves		20,997	11,423
Retained earnings / (accumulated losses)		(87,823)	(60,740)
TOTAL EQUITY		384,407	401,916

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

SENEX ENERGY LIMITED
ABN 50 008 942 827

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

		For the half-year ended 31 December 2015 \$'000	For the half-year ended 31 December 2014 \$'000
	Note		
Continuing operations			
Revenue from sales	5(a)	36,835	69,899
Cost of sales	5(b)	(24,796)	(43,265)
Gross profit		12,039	26,634
Other revenue	5(c)	2,825	3,049
Other income	5(d)	38,432	78
Oil and gas exploration expenses		(2,469)	(18,392)
General and administrative expenses	5(e)	(5,967)	(5,367)
Other expenses	5(f)	(999)	(3,406)
Impairment	6	(69,673)	(86,503)
Finance expenses		(1,271)	(438)
Profit / (loss) before tax		(27,083)	(84,345)
Income tax benefit / (expense)	7	-	18,455
Profit / (loss) after tax		(27,083)	(65,890)
Net profit for the period attributable to owners of the parent entity		(27,083)	(65,890)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss (net of tax)			
Change in fair value of cash flow hedges (net of tax)		9,178	593
		9,178	593
Total comprehensive income for the period attributable to owners of parent entity		(17,905)	(65,297)
Earnings per share attributable to the ordinary			
Basic earnings (cents per share)		(2.35)	(5.73)
Diluted earnings (cents per share)		(2.35)	(5.73)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

SENEX ENERGY LIMITED
ABN 50 008 942 827

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

		For the half-year ended 31 December 2015 \$'000	For the half-year ended 31 December 2014 \$'000
	Note		
Cash flows from operating activities			
Receipts from customers		46,315	80,333
Payments to suppliers and employees		(9,702)	(11,845)
Payments for exploration expenditure		(1,861)	(19,650)
Payments for production expenditure		(15,640)	(33,165)
Interest received		335	216
Fees received for technical services		4,134	3,989
Other operating payments		(999)	(3,406)
Payments for commodity hedges		-	(725)
Other receipts		2,558	3,238
Net cash flows from operating activities		25,140	18,985
Cash flows from investing activities			
Payments for oil and gas properties		(2,727)	(18,495)
Purchase of property, plant and equipment & intangibles		(3,074)	(8,011)
Payments for exploration assets		(11,988)	(18,014)
Proceeds from sale of Maisey Block		42,000	-
Proceeds received for rehabilitation of wells		-	20,000
Net cash flows from investing activities		24,211	(24,520)
Cash flows from financing activities			
Proceeds from share issues		-	267
Payments for debt facility commitment fee		(399)	-
Net cash flows from financing activities		(399)	267
Net (decrease) / increase in cash and cash equivalents		48,952	(5,268)
Net foreign exchange differences		1,678	3,511
Cash and cash equivalents at the beginning of the period		49,004	76,632
Cash and cash equivalents at the end of the period	8	99,634	74,875

The consolidated cash flow of statement should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

The following table presents the consolidated statement of changes in equity for the half year ended 31 December 2015:

	Contributed equity \$'000	Retained earnings / (accumulated losses) \$'000	Share based payments reserve \$'000	Hedging Reserve \$'000	Other reserves \$'000	Net unrealised gain / (loss) reserve \$'000	Total \$'000
Balance at 1 July 2015	451,233	(60,740)	13,653	(2,047)	(183)	-	401,916
Profit / (Loss) for the half-year	-	(27,083)	-	-	-	-	(27,083)
Other comprehensive income	-	-	-	9,178	-	-	9,178
Total comprehensive income	-	(27,083)	-	9,178	-	-	(17,905)
Transactions with owners, recorded directly in equity:							
Share based payments expense	-	-	396	-	-	-	396
Balance at 31 December 2015	451,233	(87,823)	14,049	7,131	(183)	-	384,407

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

The following table presents the consolidated statement of changes in equity for the half year ended 31 December 2014:

	Contributed equity \$'000	Retained earnings / (accumulated losses) \$'000	Share based payments reserve \$'000	Hedging Reserve \$'000	Other reserves \$'000	Net unrealised gain / (loss) reserve \$'000	Total \$'000
Balance at 1 July 2014	450,966	19,906	11,835	-	(183)	-	482,524
Profit / (Loss) for the half-year	-	(65,890)	-	-	-	-	(65,890)
Other comprehensive income	-	-	-	593	-	-	593
Total comprehensive income	-	(65,890)	-	593	-	-	(65,297)
Transactions with owners, recorded directly in equity:							
Issue of share capital	267	-	-	-	-	-	267
Transaction costs on share issue	-	-	-	-	-	-	-
Share based payments expense	-	-	1,351	-	-	-	1,351
Balance at 31 December 2014	451,233	(45,984)	13,186	593	(183)	-	418,845

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

1. CORPORATE INFORMATION

The financial statements of Senex Energy Limited ("the Company") and its consolidated entities (collectively known as "the Group") for the half year ended 31 December 2015 were authorised for issue on 22 February 2016 in accordance with a resolution of the Directors.

Senex Energy Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX code "SXY").

The principal activities during the half year of entities within the Group were oil and gas exploration and production.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

The half year financial statements should be read in conjunction with the annual report of Senex Energy Limited as at 30 June 2015.

It is also recommended that the half year financial statements be considered together with any public announcements made by the Group during the half year ended 31 December 2015 in accordance with the continuous disclosure obligations arising under the *Corporation Act 2001* and Australian Securities Exchange Listing Rules.

(a) Basis of preparation

The half year consolidated financial statements are general-purpose condensed financial statements, which have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting*.

The half year financial statements have been prepared on a historical cost basis and are presented in Australian dollars (\$).

For the purpose of preparing the half year financial statements, the half year has been treated as a discrete reporting period.

In 2013 the Group established an Employee Share Trust (EST). The purpose of the EST is to acquire shares and/or subscribe for newly issued shares in Senex for past and future offers of Performance Rights and Unlisted Options for delivery to Senex employees under the Senex Equity Plans. The EST forms part of the Group and is wholly consolidated for financial statements.

(b) Significant accounting policies

The Group has not early adopted any further standards, interpretations or amendments since the 30 June 2015 annual financial statements.

All accounting policies used in the preparation of the half year financial statements are the same as those used for the year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Significant accounting policies (continued)

(c) Significant accounting estimates and judgements

Recoverability of oil and gas properties and exploration assets

The carrying value of oil and gas properties is tested for impairment annually (as at 30 June) and when circumstances indicate the carrying value may be impaired. Exploration assets are assessed at each reporting date to determine if any indicators of impairment exist.

Oil and gas properties

The Group has determined that the continued decline in global oil prices in the half year ended 31 December 2015 and the deficiency of its market capitalisation compared with the carrying amount of its net assets as impairment indicators and as such performed impairment testing at 31 December 2015.

The Group considers its producing Cooper Basin oil assets as a single cash generating unit ("CGU") and has measured the recoverable amount of these assets using a fair value less costs of disposal ("FVLCD") methodology. This methodology applies the level 3 of fair value hierarchy. In estimating the FVLCD, the Group has estimated the recoverable amount of the CGU by measuring the present value of future cash flows from the CGU. In estimating the future cash flows assumptions are made as to key variables including: economically recoverable reserves; future production profiles; commodity prices; foreign exchange rates; operating costs and future development costs necessary to produce the reserves. In estimating its forecast cash flows the Group has adopted Brent oil price assumptions of US\$48/bbl in 2016, US\$57/bbl in 2017 and a long term average of US\$74/bbl real and a long term AUD/USD exchange rate of 0.77. The recoverable amount is then determined by discounting the CGU's forecast cash flows to their present values using a post-tax discount rate of 10.5% (30 June 2015: 10.1%).

The Group's impairment testing of its Cooper Basin oil CGU determined no impairment was present at 31 December 2015, with limited valuation headroom given the current volatility in oil prices. Changes in the key variables noted above would result in a change to the recoverable amount and FVLCD.

Exploration assets

Consistent with the decline in global oil price and reduction in planned capital expenditure, the Group has assessed if impairment indicators exist in respect of its various exploration assets.

This analysis concluded that aside from expenditure on the gas exploration assets covered by the CBOS farm in with Origin Energy, further expenditure in the near term on the Group's Cooper basin conventional and unconventional gas exploration assets is not planned. This being the case, the Group has identified individual exploration assets with a cumulative carrying amount of \$69.7 million which are not regarded as recoverable and consequently, an impairment charge against the carrying value of these assets has been booked.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

3. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise of cash and cash equivalents, available for sale assets, cash flow hedges, receivables and payables.

All financial assets are recognised initially at fair value plus transaction costs, and financial liabilities are recognised initially at fair value. Subsequent measurement of financial assets and liabilities depends on their classification, summarised in the table below.

	As at 31 December 2015		As at 30 June 2015	
	Amortised Cost	Fair value through Other comprehensive income	Amortised Cost	Fair value through Other comprehensive income
Financial Assets				
Cash and cash equivalents	99,634	-	49,004	-
Trade and other receivables	15,203	-	21,805	-
Cash flow hedges - crude oil price contracts*	-	7,949	-	171
	114,837	7,949	70,809	171
Financial Liabilities				
Trade and other payables	11,788	-	14,561	-
	11,788	-	14,561	-

Financial assets and liabilities carried at amortised cost are measured by taking into account any discount or premium on acquisition, and fees or costs associated with the asset or liability. Due to the short-term nature of these assets and liabilities, their carrying value is assumed to approximate their fair value.

AASB 7 Financial Instruments: Disclosures requires disclosures of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – the fair value is calculated using quoted market prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

**Level 2*

The fair value of crude oil price contracts has been determined by reference to the Brent ICE forward price (USD) and forward exchange rate (AUD:USD) compared to the exercise price of the instrument (AUD) along with the volatility of the underlying commodity price and the expiry of the instrument. Gains or losses arising from movements in the fair value of the crude oil price contracts are recognised in OCI.

The Group does not have any level 1 or level 3 financial instruments as at 31 December 2015 or 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

4. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments identified by management are based on the geographical location of the resources which correspond to the Group's strategy. Discrete financial information of each of these segments is reported to the executive management team on at least a monthly basis.

The reportable segments are based on operating segments determined by the geographical location of the resources, as these are sources of the Group's major risks and have the most effect on the rates of return.

Geographical segments

Cooper/Eromanga Basins

The Cooper/Eromanga Basins are sedimentary geological basins located mainly in the north east part of South Australia and extend into south west Queensland.

Surat/Bowen Basin

The Surat/Bowen Basin is a geological basin in eastern Australia.

Major customers

Revenue is predominantly derived from the sale of crude oil to two major customers: IOR Petroleum and the South Australian Cooper Basin Joint Venture (SACB JV), a consortium of buyers made up of Santos Limited and its subsidiaries; Delhi Petroleum Pty Ltd and Origin Energy Resources Limited. The Group also sells gas to the SACB JV.

Accounting policies

The accounting policies used by the Group in reporting segments internally is the same as those used to prepare the financial statements and in the prior period.

Certain revenues, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

4. OPERATING SEGMENTS (CONTINUED)

The following tables present the revenue and profit information for reportable segments for the half years ended 31 December 2015 and 31 December 2014:

	Surat Basin		Consolidated Cooper/Eromanga Basins		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue						
Oil sales	-	-	36,736	69,785	36,736	69,785
Gas sales	-	-	99	114	99	114
Flowline revenue	-	-	2,430	2,794	2,430	2,794
Total segment revenue	-	-	39,265	72,693	39,265	72,693
<i>Unallocated item:</i>						
Interest income					395	255
Total revenue per statement of comprehensive income					39,660	72,948

	Surat Basin*		Consolidated Cooper/Eromanga Basins		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Results						
Segment profit / (loss)	37,795	36	(54,616)	(75,098)	(16,821)	(75,062)
Reconciliation of segment net profit / (loss) after tax to net profit / (loss) from continuing operations before tax						
<i>Unallocated items:</i>						
Interest income					395	255
Finance Expenses					(519)	-
Other income					-	78
General and administrative expenses					(10,138)	(9,616)
Net profit / (loss) before tax per the statement of comprehensive income					(27,083)	(84,345)

* Segment profit relates to technical service fees and is offset by unallocated costs included within general and administrative expenses

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NOTES TO THE FINANCIAL STATEMENTS
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4. OPERATING SEGMENTS (CONTINUED)

Segment assets and segment liabilities at 31 December 2015 and 30 June 2015 are as follows:

	Surat Basin		Consolidated Cooper/Eromanga Basins		Total	
	31 December 2015	30 June 2015	31 December 2015	30 June 2015	31 December 2015	30 June 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets						
Segment operating assets	21,147	24,032	343,094	412,781	364,241	436,813
Unallocated assets ¹					100,401	47,361
Total assets per the statement of financial position					464,642	484,174
Segment liabilities	27,740	28,692	43,782	43,620	71,522	72,312
Unallocated liabilities ²					8,713	9,946
Total liabilities per the statement of financial position					80,235	82,258
Additions and acquisitions of non current assets (other than financial assets and deferred tax assets):						
Property, plant and equipment and intangibles	66	298	3,483	6,810	3,549	7,108
Exploration assets	2,678	19,123	7,463	39,025	10,141	58,148
Oil and gas properties	-	-	2,300	9,329	2,300	9,329
	2,744	19,421	13,246	55,164	15,990	74,585
Unallocated additions ³					188	1,690
Total Additions					16,178	76,275

¹ The unallocated assets include cash and cash equivalents of \$81,691,000 (2015: \$34,802,000), accrued interest of \$7,000 (2015: \$13,000), prepayments of \$1,092,000 (2015: \$1,006,000), commodity hedges of \$7,949,000 (2015: \$171,000), hedge income receivables of \$nil (2015: \$nil) and property, plant, equipment and intangibles of \$9,662,000 (2015: \$11,369,000).

² The unallocated liabilities include trade and other payables of \$3,786,000 (2015: \$4,975,000) and provision of \$4,927,000 (2015: \$4,971,000).

³ The unallocated additions include chargeable plant and equipment \$70,000 (2015: \$628,000), corporate office furniture and computer equipment \$118,000 (2015: \$421,000), motor vehicles \$nil (2015: \$13,000), intangibles \$nil (2015: \$376,000) and other corporate assets under construction transfer \$nil (2015: \$252,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

5. REVENUE AND EXPENSES

		For the half-year ended 31 December 2015 \$'000	For the half-year ended 31 December 2014 \$'000
	Note		
(a) Revenue from sales			
Oil sales ¹		36,736	69,785
Gas sales		99	114
		36,835	69,899
(b) Cost of sales			
Operating costs		(16,039)	(31,791)
Amortisation of oil and gas properties	17	(6,545)	(9,247)
Depreciation of facilities		(2,212)	(2,227)
		(24,796)	(43,265)
(c) Other revenue			
Interest income		395	255
Flowline revenue		2,430	2,794
		2,825	3,049
(d) Other income			
Net gain on sale of Maisey block		38,238	-
Other income		194	78
		38,432	78
(e) General and administrative expenses			
Employee expenses		(7,130)	(11,275)
Depreciation, amortisation and write-offs		(1,670)	(1,782)
Technical service fees (recovery of costs)		4,171	4,250
Other general and administrative expenses		(1,338)	3,440
		(5,967)	(5,367)
(f) Other operating expenses			
Flowline operating costs		(499)	(419)
Joint operation recharges		(90)	(1,396)
Rig standby costs		(410)	(1,591)
		(999)	(3,406)
(g) Total employee costs			
Total employee costs		(18,227)	(21,397)
		(18,227)	(21,397)

¹ Includes \$6.6m of net hedge gains (2014: nil)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

6. IMPAIRMENT

	For the half-year ended 31 December 2015 \$'000	For the half-year ended 31 December 2014 \$'000
Impairment		
Exploration assets and in-field consumables	(69,673)	(51,703)
Oil and gas properties	-	(34,800)
	(69,673)	(86,503)

Refer to note 2 (c) for further details regarding the impairment.

7. INCOME TAX

	For the half-year ended 31 December 2015 \$'000	For the half-year ended 31 December 2014 \$'000
Reconciliation of income tax expense calculated on profit (loss) before tax to income tax charged in the income statement		
Accounting profit/ (loss) before income tax	(27,083)	(84,345)
At the Group's statutory income tax rate of 30% (31 December 2014: 30%)	8,125	25,303
Share-based payments	(55)	(553)
Research and development benefit	187	443
Other	(13)	(25)
Derecognition of deferred tax on losses	(6,996)	(6,713)
Deferred tax assets previously brought to account	(1,248)	-
Income tax benefit/(expense) reported in the Statement of Comprehensive Income	-	18,455

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

8. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Cash at bank and in hand	41,691	34,802
Short-term deposits	40,000	-
Cash advanced to joint operations	17,943	14,202
	99,634	49,004

Cash and cash equivalent balances advanced to joint operations are not available for use by the Group for settlement of corporate liabilities.

9. CURRENT ASSETS - PREPAYMENTS

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Prepayment of pipeline charges	1,602	1,602
Prepayments - debt facility establishment fee	253	253
Prepayments - other	723	296
	2,578	2,151

10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Trade receivables	11,297	20,233
Sundry receivables	2,857	473
Receivables from joint operations	692	617
	14,846	21,323

11. CURRENT ASSETS - INVENTORY

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Inventory		
Warehouse inventory	13,741	16,769
Oil inventory	490	316
	14,231	17,085

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

12. CURRENT ASSETS – OTHER FINANCIAL ASSETS

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Other financial assets		
Cash flow hedges - crude oil price contracts	7,949	171
	7,949	171

Cash flow hedges

Crude oil put and collar instruments measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast oil sales in US and Australian dollars. These forecast transactions are highly probable and comprise the Group's forecast expected production from existing well stock for the period 1 July 2015 to 30 June 2016.

The Group has entered into a series of Australian and US dollar denominated put and collar instruments covering a total of 1,000,000 barrels of oil production for the period 1 July 2015 to 30 June 2016. The quantity of puts and collar instruments in each month is designed to cover the highly probable forecast sales in each month. The collars establish a Brent crude ceiling price of US\$68 and a floor price of US\$60 for 410,000 barrels of oil sales for the period July 2015 to December 2015 and a Brent crude ceiling price of \$A103 and a floor price of A\$70 for 275,000 barrels of oil sales between January 2016 and June 2016. The puts have a floor price of US\$55 per barrel for 315,000 barrels of sales over the July 2015 to June 2016 period.

13. NON-CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Sundry receivables ¹	25	25
Prepayments - debt facility establishment fee	332	457
	357	482

¹ These receivables are non-interest bearing, unsecured and are not expected to be repaid within the next 12 months.

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NOTES TO THE FINANCIAL STATEMENTS
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14. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated		
	Property, Plant & Equipment \$'000	Assets Under Construction \$'000	Total \$'000
At 30 June 2015			
Cost	68,483	2,679	71,162
Accumulated depreciation	(14,364)	-	(14,364)
Net book amount	54,119	2,679	56,798
Movements for the period ended 31 December 2015			
Opening net book amount	54,119	2,679	56,798
Additions	461	3,276	3,737
Disposals	(194)	-	(194)
Transfers	(261)	(37)	(298)
Depreciation	(3,206)	-	(3,206)
Closing net book amount	50,919	5,918	56,837
At 31 December 2015			
Cost	68,489	5,918	74,407
Accumulated depreciation	(17,570)	-	(17,570)
Net book amount	50,919	5,918	56,837
At 30 June 2014			
Cost	58,942	4,896	63,838
Accumulated depreciation	(8,290)	-	(8,290)
Net book amount	50,652	4,896	55,548
Movements for the year ended 30 June 2015			
Opening net book amount	50,652	4,896	55,548
Additions	2,514	5,906	8,420
Disposals	(9)	-	(9)
Transfers	7,037	(7,901)	(864)
Write-offs	(1)	(222)	(223)
Depreciation	(6,074)	-	(6,074)
Closing net book amount	54,119	2,679	56,798
At 30 June 2015			
Cost	68,483	2,679	71,162
Accumulated depreciation	(14,364)	-	(14,364)
Net book amount	54,119	2,679	56,798

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

15. NON-CURRENT ASSETS – INTANGIBLES

	Consolidated For the half-year ended 31 December 2015 \$'000	For the year ended 30 June 2015 \$'000
At the beginning of the period		
Cost	4,620	3,462
Accumulated depreciation	(3,212)	(1,900)
Net book amount	1,408	1,562
Movements for the period ended 31 December		
Opening net book amount	1,408	1,562
Additions	-	376
Transfers	298	782
Depreciation	(579)	(1,312)
Closing net book amount	1,127	1,408
At the end of the period		
Cost	4,918	4,620
Accumulated depreciation	(3,791)	(3,212)
Net book amount	1,127	1,408

16. NON-CURRENT ASSETS – EXPLORATION ASSETS

		For the half-year ended 31 December 2015 \$'000	For the year ended 30 June 2015 \$'000
Exploration assets			
Balance at the beginning of the period, net of accumulated amortisation and impairment		227,631	237,913
Additions		10,141	53,064
Acquisition of additional interests		-	15,544
Disposals		(4,892)	(9,072)
Transfers to development assets		(6,439)	(9,305)
Impairment	2(c)	(69,673)	(60,513)
Balance at the end of the period, net of accumulated amortisation and impairment		156,768	227,631

During the period the group entered into a series of major agreements for the development of the Western Surat Gas Project in Queensland. The Group received \$42 million in cash, plus a comprehensive suite of subsurface, production and other technical data from GLNG in exchange for the sale of the 77 km² Maisey block within ATP 889.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

17. NON-CURRENT ASSETS – OIL AND GAS PROPERTIES

		For the half-year ended 31 December 2015 \$'000	For the year ended 30 June 2015 \$'000
	Note		
Oil and gas properties			
Balance at the beginning of the period, net of accumulated amortisation and impairment		108,121	141,094
Additions		2,300	9,329
Purchase of additional interests		-	-
Transfers from exploration assets		6,439	9,305
Transfers from property plant & equipment		-	82
Amortisation charge for the period		(6,545)	(16,889)
Impairment	2(c)	-	(34,800)
Balance at the end of the period, net of accumulated amortisation and impairment		110,315	108,121
Balance at the beginning of the period			
Cost		216,542	197,826
Accumulated amortisation		(70,946)	(54,057)
Accumulated impairment, net of reversals		(37,475)	(2,675)
Net carrying amount		108,121	141,094
Balance at the end of the period			
Cost		225,281	216,542
Accumulated amortisation		(77,491)	(70,946)
Accumulated impairment, net of reversals		(37,475)	(37,475)
Net carrying amount		110,315	108,121

18. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Other creditors and accruals – unsecured ¹	6,640	4,125
Payables to joint operations creditors ²	5,148	10,436
	11,788	14,561

¹ Other creditors and accruals are non-interest bearing, unsecured and will be paid in the next 12 months.

² These payables relate to the portion of trade payables and accruals in joint operations which is attributable to the Group.

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NOTES TO THE FINANCIAL STATEMENTS
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19. CURRENT LIABILITIES – PROVISIONS

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Annual and long service leave	1,039	1,211
Rehabilitation	10,637	10,530
Other provision	3,538	3,529
	15,214	15,270

20. NON-CURRENT LIABILITIES – PROVISIONS

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Rehabilitation	52,883	52,197
Long service leave	350	230
	53,233	52,427

Movement in rehabilitation provision

	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Rehabilitation		
Balance at the beginning of the year	62,727	31,815
Additional provision recognised during the year	892	5,961
Acquisitions during the year	-	24,909
Unwinding and discount rate adjustment	1,183	1,481
Disposals	(1,282)	(1,439)
Balance at the end of the period	63,520	62,727

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NOTES TO THE FINANCIAL STATEMENTS
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21. CONTRIBUTED EQUITY

	Parent Entity	
	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
1,152,686,422 ordinary fully paid shares (30 June 2015: 1,149,657,377)	451,233	451,233
Total issued capital	451,233	451,233

Ordinary fully paid shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Ordinary fully paid shares

	Parent Entity			
	For the half-year ended 31 December 2015		For the year ended 30 June 2015	
	Number of shares	\$'000	Number of shares	\$'000
Movement in ordinary fully paid shares on issue				
Balance at the beginning of the period	1,149,657,377	451,233	1,146,343,917	450,966
Issues of shares during the period:				
Exercise of unlisted options	-	-	667,000	267
Performance rights (nil consideration)	3,029,045	-	2,646,460	-
Balance at the end of the period	1,152,686,422	451,233	1,149,657,377	451,233

During the half year ended 31 December 2015:

3,029,045 ordinary fully paid shares were issued during the half year as a result of the vesting of employee performance rights.

Options

	Parent Entity	
	For the half-year ended 31 December 2015 Number of options	For the year ended 30 June 2015 Number of options
Movement in share options on issue		
Balance at the beginning of the period	4,666,000	6,000,000
Options exercised during the period	-	(667,000)
Options expired during the period	(1,200,000)	(667,000)
Balance at the end of the period	3,466,000	4,666,000

During the half year ended 31 December 2015:

The balance at the end of the current period is comprised of the following options:

- 2,800,000 unlisted options, which have an exercise price of 25.5 cents and expiry dates ranging from July 2016 to July 2018.
- 666,000 unlisted options, which have an exercise price of 40.0 cents and an expiry date of July 2016.

SENEX ENERGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

21. CONTRIBUTED EQUITY (CONTINUED)

Option holders do not have any right by virtue of the option to participate in any share issue of the Company or any related body corporate.

Performance Rights

	Parent Entity	
	For the half-year ended 31 December 2015 Number of rights	For the year ended 30 June 2015 Number of rights
Movement in performance rights on issue		
Balance at the beginning of the period	13,900,452	13,554,344
Rights issued during the period	6,758,228	6,393,051
Rights vested during the period	(3,029,045)	(2,646,460)
Rights lapsed during the period	(7,181,371)	(3,400,483)
Balance at the end of the period	10,448,264	13,900,452

During the half year ended 31 December 2015:

A total of 6,758,228 performance rights were granted to employees. These rights are subject to Company and individual performance and retention conditions. These rights are earned during the year in which they are granted, but vest over a period of up to three years subject to an individual remaining an employee of the Group.

Performance rights are subject to the achievement of certain performance conditions, which are determined at each grant and vary by individual employee. Typical performance conditions include:

- Company shareholder return, relating to share price performance over the year;
- Company safety performance, relating to the frequency of injuries recorded over the year;
- Oil production targets;
- Oil reserve growth targets;
- Other individual performance conditions, which may vary by employee.

3,029,045 ordinary fully paid shares were issued as a result of the vesting of performance rights issued and 7,181,371 performance rights lapsed during the half year.

22. DIVIDENDS PAID AND PROPOSED

No dividends have been paid or declared by the Group during the half year or to the date of this report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

23. COMMITMENTS

Leasing commitments

These commitments represent payment due for lease premises under non-cancellable operating leases.

The Group has lease agreements for head office premises in Brisbane and office premises in Adelaide. The terms of the leases range between 3 to 5 years.

Future minimum payments under non-cancellable leases as at 31 December 2015 are as follows:

	Consolidated	
	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Minimum lease payments		
- not later than one year	1,433	1,399
- later than one year and not later than five years	3,818	4,551
	5,251	5,950

Capital commitments

The following capital commitments were contracted for at the reporting date but not recognised as liabilities:

	Consolidated	
	As at 31 December 2015 \$'000	As at 30 June 2015 \$'000
Corporate		
- not later than one year	2,586	3,178
	2,586	3,178

Exploration and development commitments

Due to the nature of the Group's operations in exploration and evaluation of areas of interest, it is not possible to forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure. In order to maintain its interests in present permit areas, at 31 December 2015 the Group was required to expend by 31 December 2016 approximately \$62,710,000 (2015: \$38,493,000). At 31 December 2015, expenditure beyond 31 December 2016 was expected to total approximately \$93,155,000 (2015: \$136,076,000).

Subsequent to 31 December 2015, the Group has renegotiated the timing and extent of certain expenditure commitments with the relevant government authorities. At the date of this report, expenditure required to be incurred by 31 December 2016 is estimated to be \$32,621,000 and beyond 31 December 2016 is approximately \$117,295,000.

These commitments may be subject to renegotiation or farmed out, or tenements to which they relate may be relinquished. Consequently these commitments have not been provided for in the financial statements.

Exploration and evaluation commitments disclosed above do not include amounts free carried by other parties under separate arrangements. These free carry amount totals approximately \$41 million (2015:\$59m).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

24. CONTINGENCIES

Other contingencies

The Group is aware of native title claims made in respect of areas in Queensland in which the Group has an interest and recognises that there might be additional claims made in the future. A definitive assessment cannot be made at this time of what impact the current or future claims, if any, may have on the Group.

There were no other unrecorded material contingent assets or liabilities in place for the Group at 31 December 2015.

25. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the half year ended 31 December 2015, the Directors are not aware of any other matters or circumstances not otherwise dealt with in the report or financial statements that have significantly, or may significantly affect the operations of the Company or the Group, the results of the operations of the Company or the Group, or the state of affairs of the Company or the Group in subsequent financial years.

SENEX ENERGY LIMITED
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Senex Energy Limited, I state that:

In the opinion of the directors:

- a) the financial statements and notes of Senex Energy Limited and its controlled entities (collectively known as "the Group") are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in blue ink, appearing to read 'T. Bourne', with a stylized flourish at the end.

Trevor Bourne
Chairman

Brisbane, Queensland
22 February 2016

SENEX ENERGY LIMITED
ABN 50 008 942 827

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of Senex Energy Limited

As lead auditor for the review of Senex Energy Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Senex Energy Limited and the entities it controlled during the financial period.

Ernst & Young

Andrew Carrick
Partner
22 February 2016

SENEX ENERGY LIMITED
ABN 50 008 942 827

AUDITOR'S INDEPENDENT REVIEW REPORT



Ernst & Young
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To the members of Senex Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Senex Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Senex Energy Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

SENEX ENERGY LIMITED
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AUDITOR'S INDEPENDENT REVIEW REPORT



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Senex Energy Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'Ernst & Young', with a stylized flourish at the end.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Andrew Carrick', with a large, sweeping flourish.

Andrew Carrick
Partner
Brisbane
22 February 2016