

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

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*Transformational Growth through the Drill Bit*

# Disclaimers

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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, a contractor of Sundance, has consented to the inclusion of this information in the form and context in which it appears.

# Company Profile

**Sundance Energy (ASX: SEA)** is an independent energy company focused on the exploration, development and production of large, repeatable resource plays in North America.

The Company's current activities are focused on the Eagle Ford Shale, Greater Anadarko, Denver-Julesburg and Williston Basins.

## Market Data as at 7 June 2013

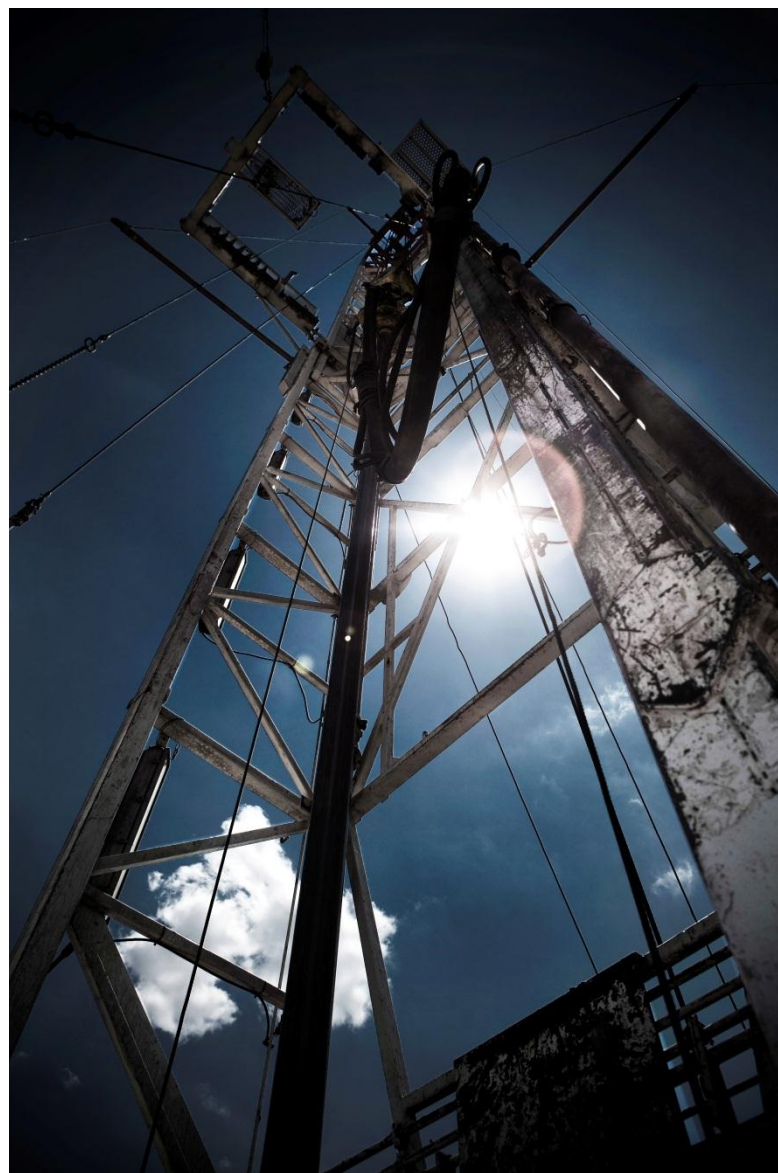
Share price	A\$0.89
Market capitalisation	A\$410M
Issued shares	460.8M
Enterprise value	\$282M

## Company Data as of 31 March 2013

Production (Q1 2013 Average)	1,900* boepd
3P Reserves (31 Dec 2012)	57.8* mmbob
3P PV10 (31 Dec 2012)	\$577.8M*
Cash	\$145.4M**
Debt	\$30M

\* Includes the full quarter impact of production from the Eagle Ford assets acquired from Texon Petroleum

\*\* Cash as of 31 March 2013 pro forma for net proceeds from the Placement

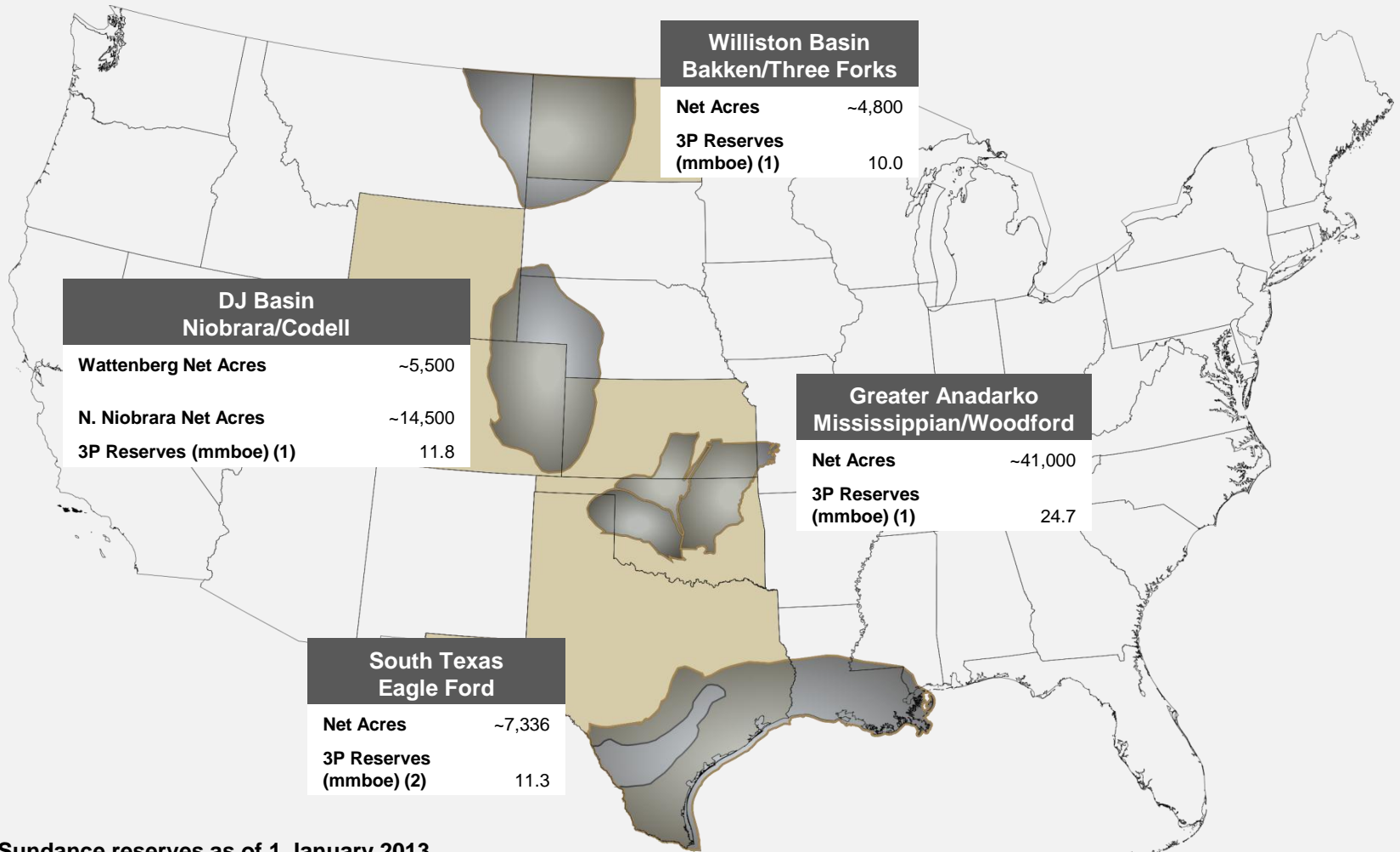




# Investment Highlights

<b>Premier Acreage</b>	<ul style="list-style-type: none"><li>• Premier position in 3 of the leading US oil resource plays</li><li>• Over 100 high quality drilling locations in the Eagle Ford</li><li>• Material acreage position targeting the Mississippian &amp; Woodford</li></ul>
<b>Production Growth</b>	<ul style="list-style-type: none"><li>• High interest, Company operated drilling program in 2013</li><li>• 2013 exit rate production estimated to be 4,000 – 4,800 boepd</li><li>• Development driving uplift in reserves set to drive SEA's future growth</li></ul>
<b>Liquids Rich</b>	<ul style="list-style-type: none"><li>• Current production &amp; reserve base approximately 77% oil</li><li>• Liquids rich associated gas</li></ul>
<b>Financial Strength</b>	<ul style="list-style-type: none"><li>• Cash position of ~\$145.4M (post Placement net of costs) pro forma 31 March 2013</li><li>• \$300 million credit facility with Wells Fargo</li><li>• US dollar denominated cash flow and reserves</li></ul>
<b>Significant Upside</b>	<ul style="list-style-type: none"><li>• Production growth via accelerated 2013 operated drilling program</li><li>• Continued success from encouraging Mississippian and Woodford appraisal</li><li>• Improving operating efficiencies – reduced spud to sales times</li><li>• Eagle Ford down spacing test to 60 acres in-progress</li></ul>

# Diversified Assets in Leading US Liquids Basins



(1) Sundance reserves as of 1 January 2013

(2) Texon reserves as of 1 August 2012

(3) Includes Sundance and Texon's production net of royalties

# High Quality, Scalable Reserves

## Sundance Reserve Upgrade Since 1 July 2012

- Re-evaluation as of 1 January 2013 did not include Eagle Ford assets
- Proved PV10 increased \$47.9M
- Proved, probable & possible reserve increased 10.0 mmboe

Reserve Estimate (1)	Net to Sundance Energy (2)		Net to Texon Petroleum (3)		Net to combined entity	
	mmboe	PV10	mmboe	PV10	mmboe	PV10
Proved	8.6	\$135.6M	1.7	\$23.9M	10.3	\$159.5M
Probable	6.2	\$52.1M	3.5	\$74.5M	9.7	\$126.6M
Possible	31.7	\$121.1M	6.1	\$170.6M	37.8	\$291.7M
<b>Total Proved, Probable and Possible</b>	<b>46.5</b>	<b>\$308.8m</b>	<b>11.3</b>	<b>\$268.9M</b>	<b>57.8</b>	<b>\$577.8M</b>

(1) The above table provides summaries of the Company's reserve estimates as calculated by Netherland Sewell. The footnotes and definitions are an integral part of these tables.

(2) As of 1 January 2013.

(3) As of 1 August 2012 – Eagle Ford only.

# Revised 2013 Development Program and Capital Budget

- More wells feasible because of faster than expected drilling in Eagle Ford
- Accelerated program to bring forward PV10 and grow production faster (incremental wells should begin producing in Q1 2014)
- Improved economics due to lower per well cap ex

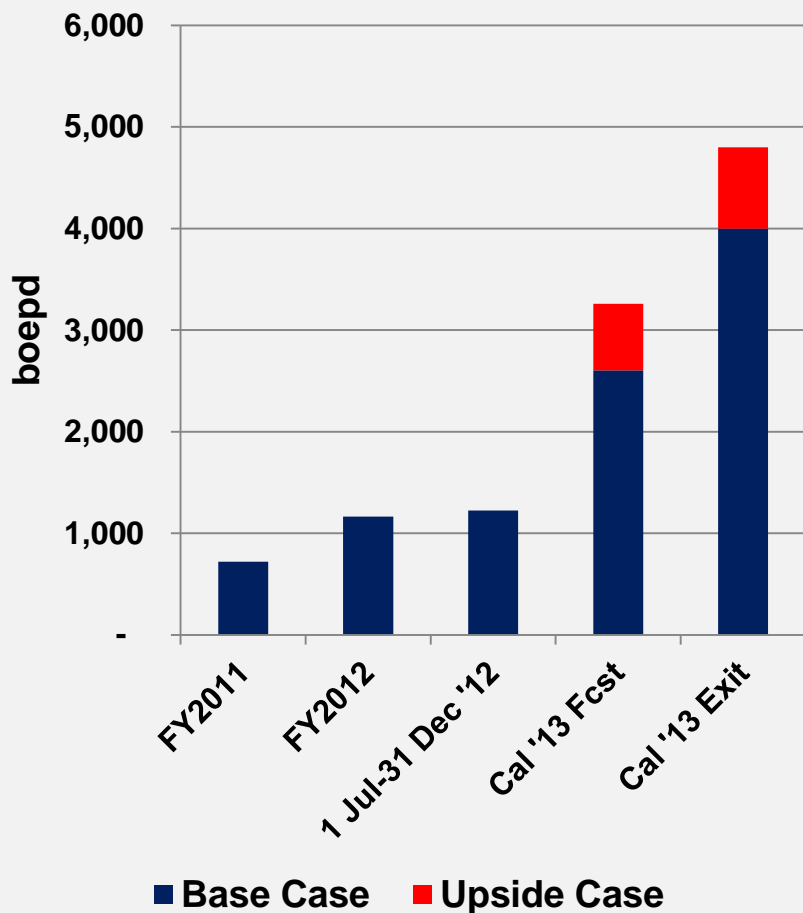
	NET WELLS		Cap Ex Target (\$M)
SEA OPERATED	Low	High	
South Texas - Eagle Ford	16.5	17.7	146.1
Anadarko Basin - Miss/Wdfrd	8.2	13.5	35.1
DJ Basin - Wattenberg Vertical	7	12	7.5
<b>Sub-Total SEA Operated</b>	<b>31.7</b>	<b>43.2</b>	<b>188.7</b>
<b>NON_OPERATED</b>			
Anadarko Basin - Miss/Wdfrd	2	3	10.7
DJ Basin - Wattenberg Hz	2	4	21.1
Williston Basin	0.5	1	5
<b>Sub-Total Non-Operated</b>	<b>4.5</b>	<b>8</b>	<b>36.8</b>
<b>2013 Total Wells</b>	<b>36.2</b>	<b>51.2</b>	<b>225.5</b>



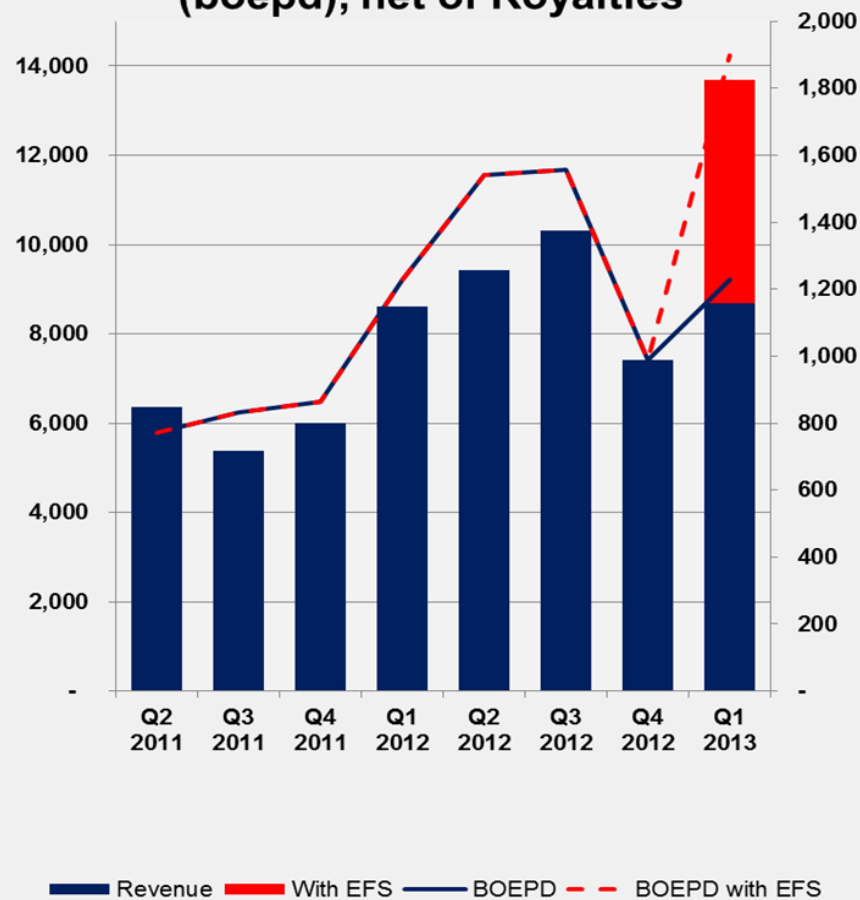
# Production Tracking In-Line with Guidance

Potential upside in reduced spud to IP cycle times

## 2013 Production Guidance

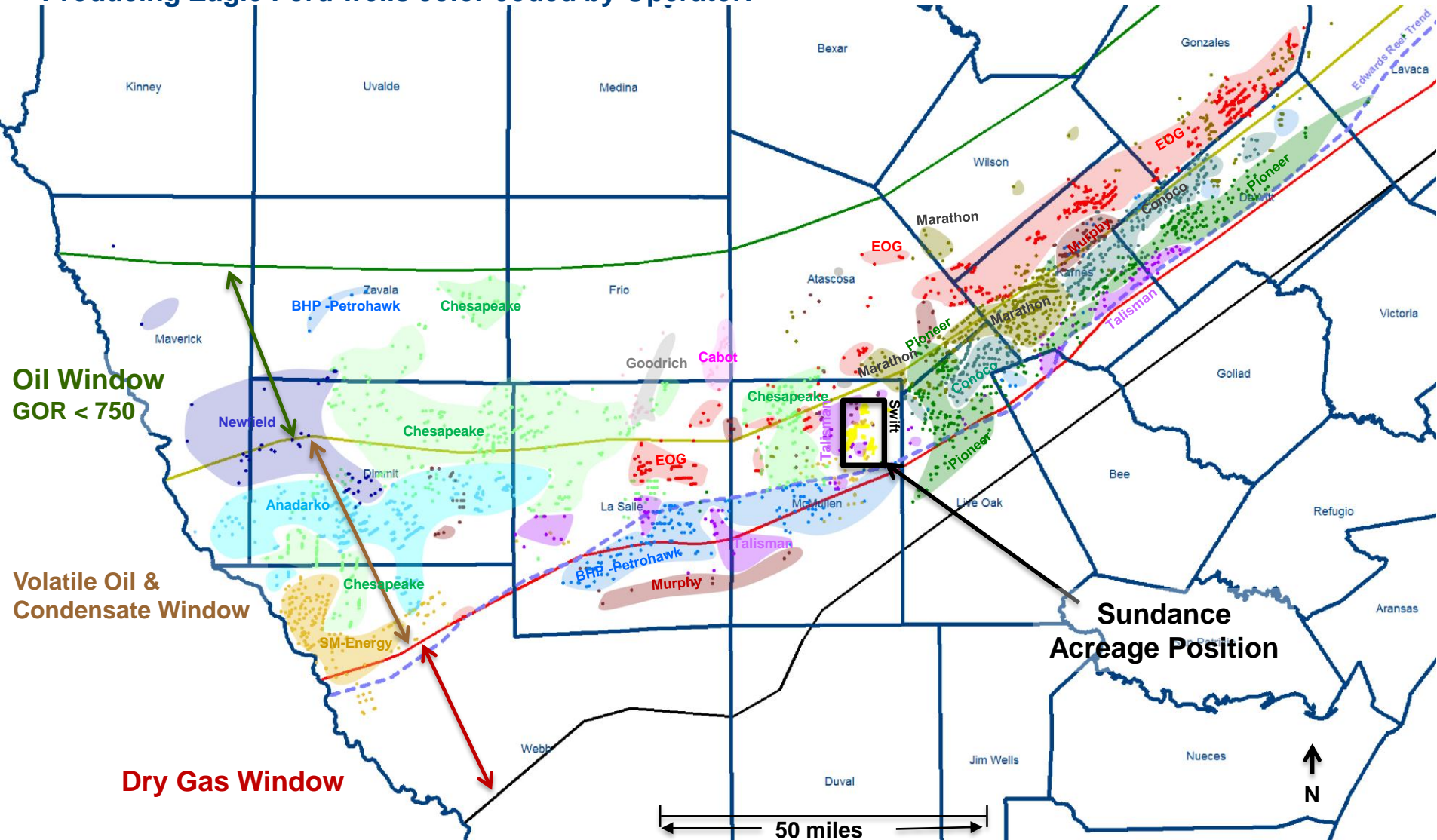


## Revenue (US\$000s) & Production (boepd), net of Royalties








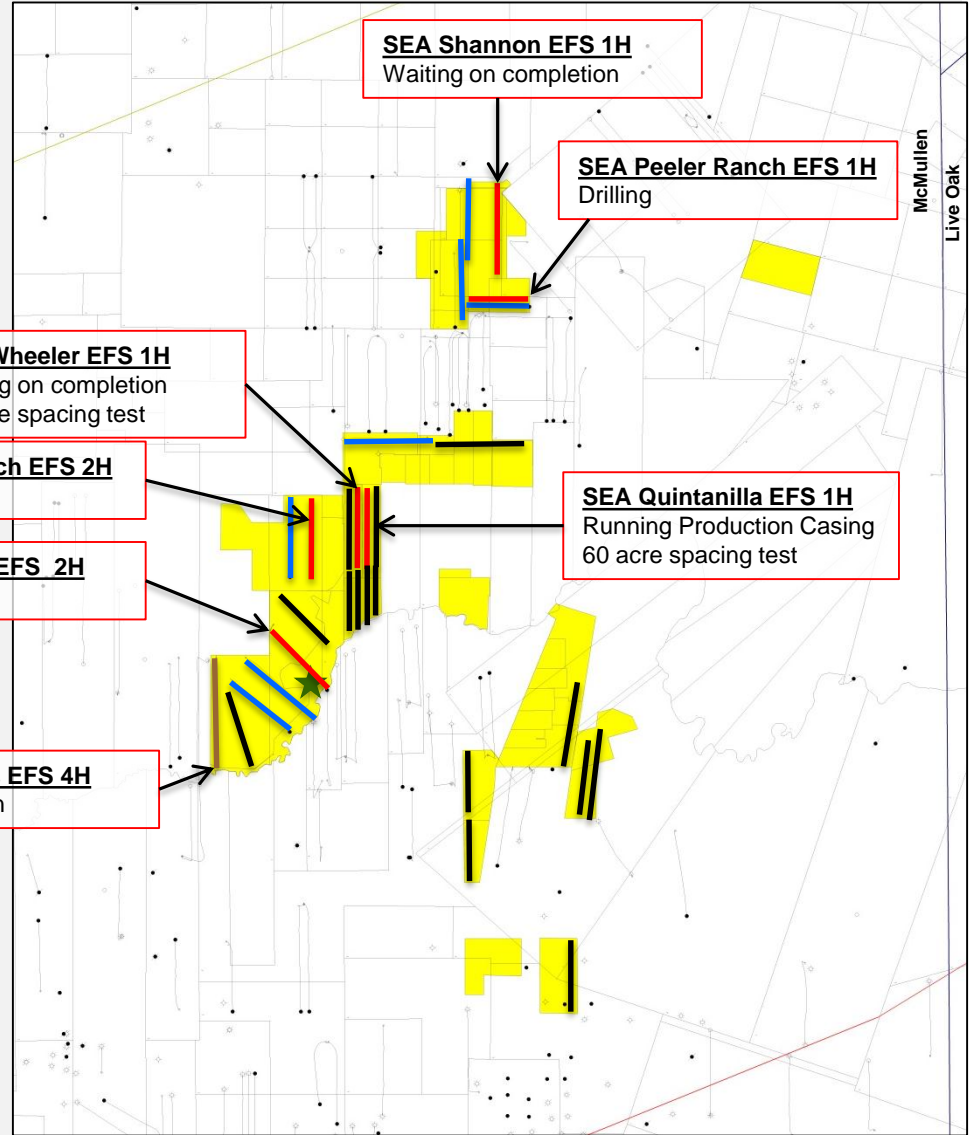
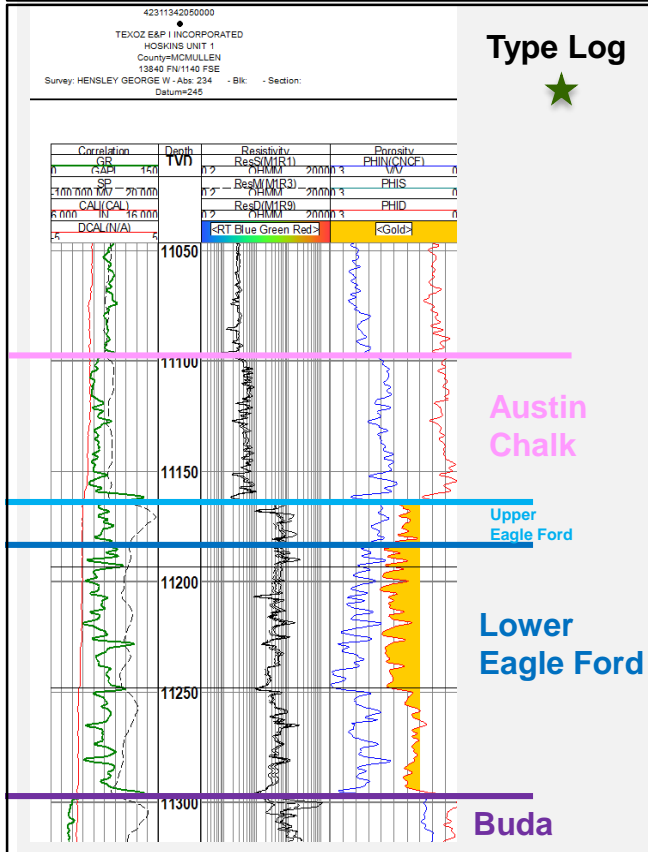
# Eagle Ford – Major Players

Producing Eagle Ford wells color coded by Operator:

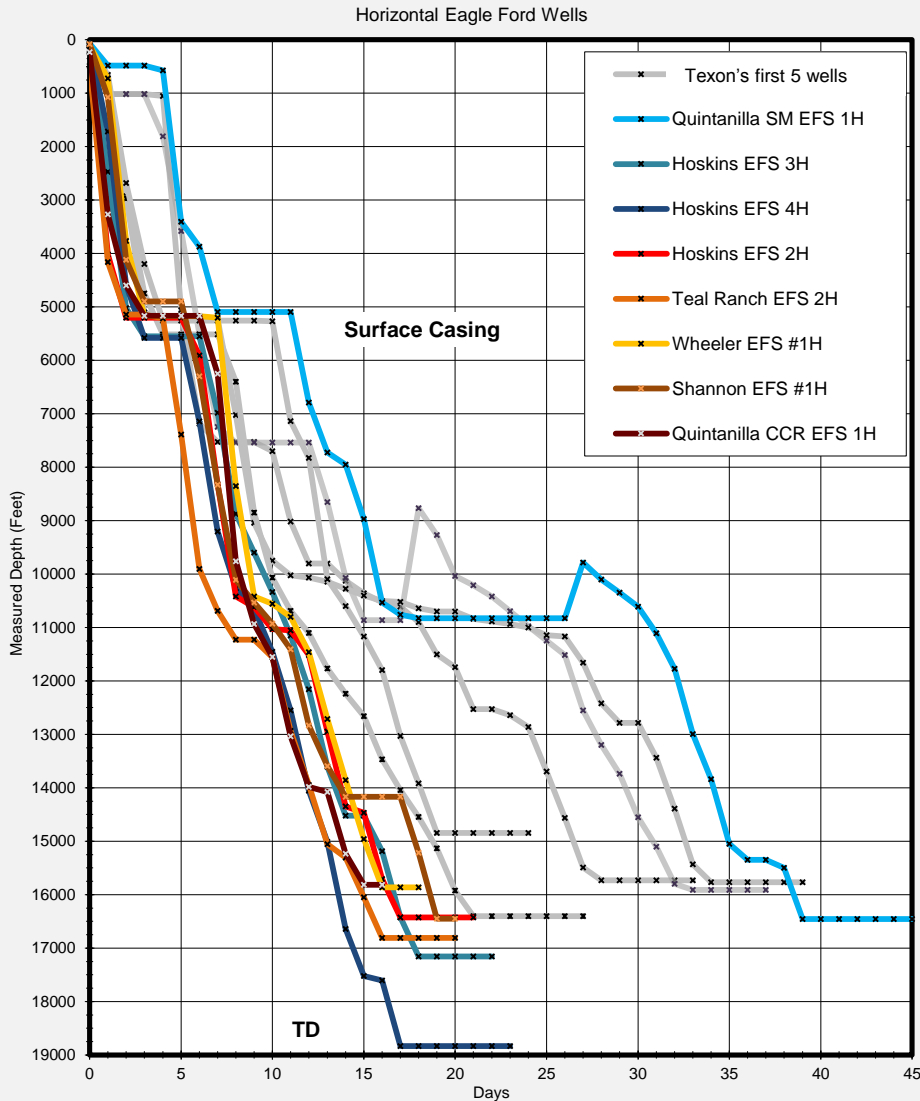


# Texas: McMullen County Eagle Ford Activity

LEGEND	
	SEA Acreage
	2013 SEA Drilled/Drilling Wells
	2013 SEA Planned Wells
	Texon Drilled Wells & SEA Completed
	Texon Drilled & Completed Wells



# Sundance Drilling Ahead of Schedule



## First 5 Sundance Drilled Wells

- Average Spud to TD <17 days
- Average Spud to Rig Release = 21 days
- Average Spud to Spud = 26.5 days

**Average Spud to Spud ~15 days faster than expected creating opportunity to increase pace by 6 gross (5.7 net) wells in 2013**

# Maximizing Value

## ➤ Drilling

- Drilling faster
  - Continuous program
  - PDC bit and short bend motor allowing us to drill vertical and curve sections of wellbore at a faster p-rate with one assembly as versus two assemblies
  - Using an agitator in the lateral has doubled our penetration rate while sliding and prolongs bit life
- Reducing costs
  - Competitive bidding
- Geosteering
  - In-house steering
  - Utilizing 3D and geosteering software

## ➤ Completions

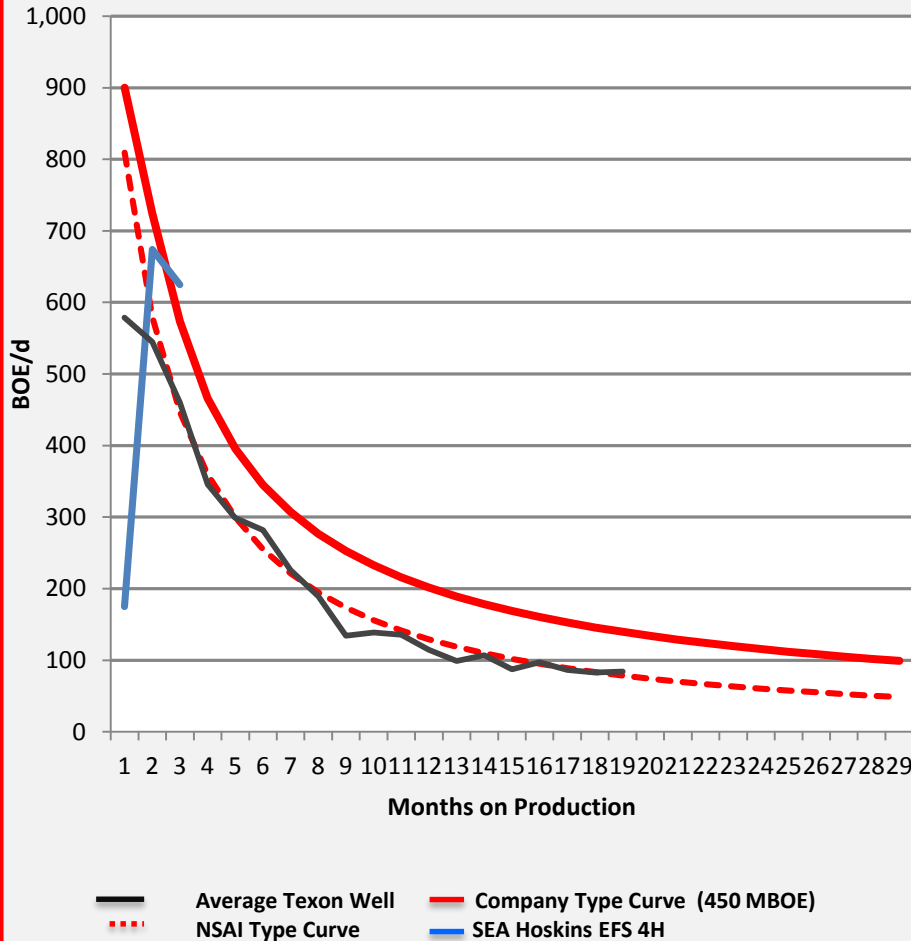
- Completing faster – 5 stages/day
  - Operational efficiencies
- Reducing costs
  - Competitive bidding
- Using appropriate frac design for Eagle Ford in our acreage area
  - Spacing
  - Proppant (type)
  - Amount of Proppant
  - Rate at which each stage is pumped

## ➤ Flow back & Production

- Controlled flow back resulting higher pressures and reduction in near wellbore conductivity
- Working on reducing LOE & minimizing downtime

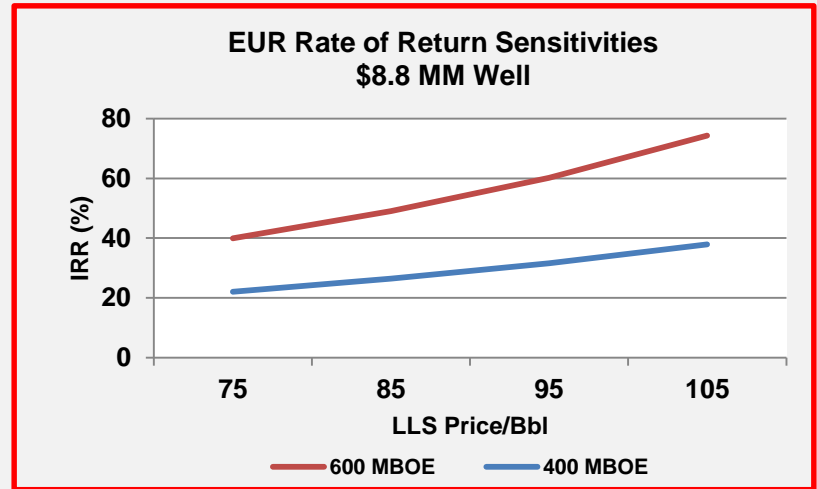
# Texas: McMullen County Eagle Ford Wells

## Eagleford McMullen Performance



Well Economics	Eagle Ford
Net Locations	90 - 120
Spacing assumption (acres)	60 - 80
Well cost (MM)	\$8.0 - \$9.0
EUR (mboe)	400 - 600
Estimated Liquids (%)	65 - 80
LOE per boe	\$5 - \$7
Estimated NPV per well (MM)	\$4.2 - \$7.5 <sup>(1)</sup>

(1) \$98 Flat Oil; \$4.25 Flat Gas, \$8.8 MM Well Cost, \$6/BOE Opex





# Anadarko Basin: Logan County Showing Promising Results

## LEGEND

 SEA Acreage

-  2012-2013 SEA Logan CO Drilled Wells
-  2012-2013 SEA SWD Drilled Wells
-  2013 SEA Logan CO Planned Wells
-  2013 SEA SWD Planned Wells
-  2012-13 SEA Non-Op Wells
-  2012-13 SEA Non-Op Planned Wells
-  Industry Drilled MSSP Wells
-  Industry Drilled Woodford Wells

**SEA Whiteneck 20-3-12-1SWD**  
Waiting on Completion

**SEA Whiteneck 20-3-12-1HM**  
Waiting on Completion

**SEA Kightlinger 19-3-8-1HM**  
Producing (30-day 179 boepd)

**DVN Hopfer 1-17H**  
Producing (30-day 200 boepd)

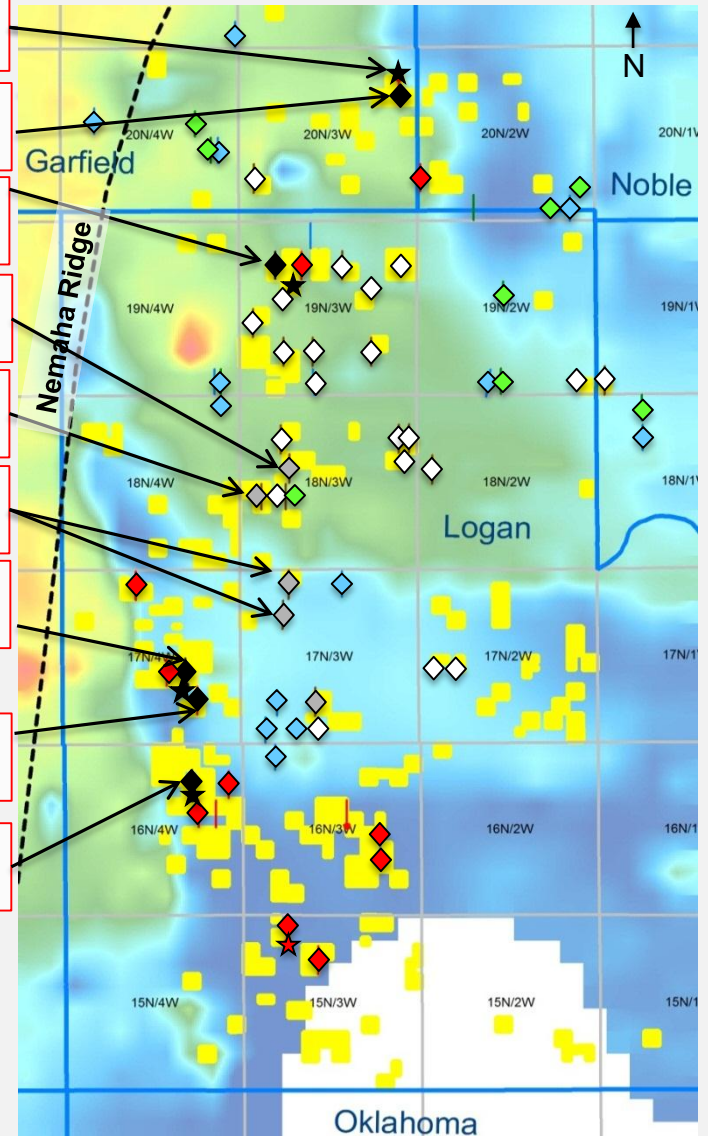
**SWE McPhail 1-19H**  
Producing

**SWE Chamber 1-5H & 1-8H**  
Flowing back

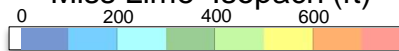
**SEA Branson 17-4-23-1HM**  
Producing (30-day 476 boepd)

**SEA Branson 17-4-26-1HM**  
Producing

**SEA Rother 16-4-12-2HM**  
Producing



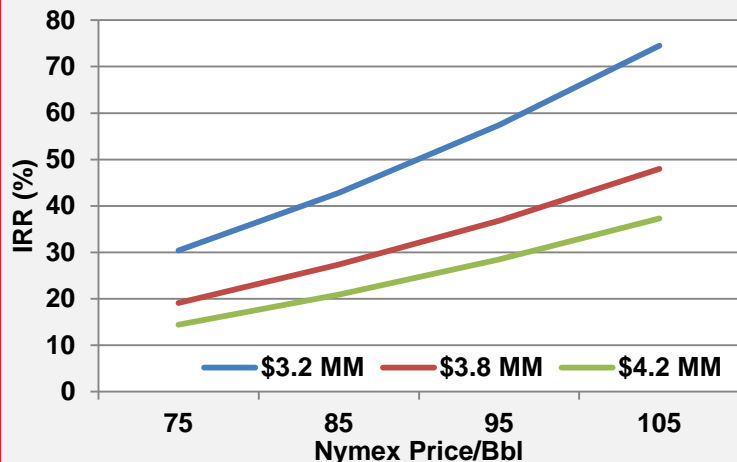
Miss Lime Isopach (ft)



12 miles

# Logan County Mississippian Economics

Well Cost Rate of Return Sensitivities  
Average SEA Type Curve (225 mboe)



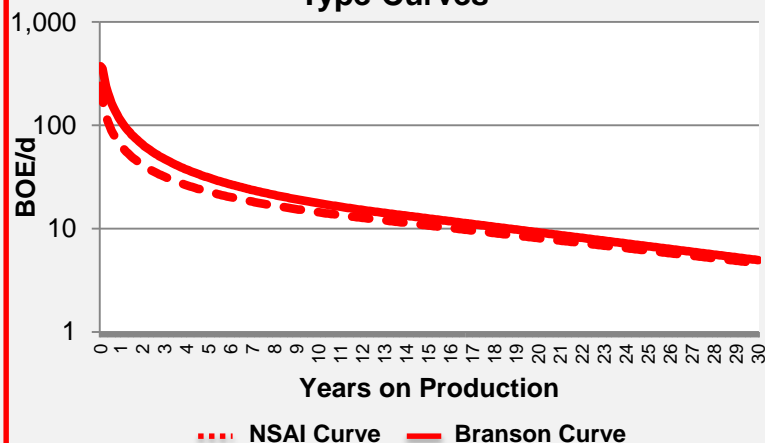
## SEA Well Economics

## Logan County Miss. Lime

Net Locations	100 - 150
Spacing assumption (acres)	160 - 210
Well cost (MM)	\$3.2 - \$4.2
EUR (mboe)	200 - 275
Estimated Liquids (%)	50 - 70
LOE per boe	\$8 - \$12
Estimated NPV per well (MM)	\$0.3 - \$2.5 <sup>(1)</sup>
30 Day IP (boe/d)	125 - 350

(1) \$90 Flat Oil; \$4.25 Flat Gas, \$3.7 MM Well Cost, \$9/BOE Opex

SEA Logan Count Mississippian  
Type Curves



## Working Peak 24-

Well Name	Operator	Interest	Hour	30 Day	60 Day	90 Day
<b>Mississippian:</b>						
Branson 17-4-23-1HM	SEA	100%	652	476	376	307
Kightlinger 19-3-8-1HM (1)	SEA	87%	278	179	137	111
Hopfer 1-7MH	Devon	14%	503	200	223	207
Branson 17-4-26-1HM (2)	SEA	100%	520			
Rother 16-4-77-2HM (3)	SEA	89%	74			
<b>Avg Production Rate</b>			<b>405</b>	<b>285</b>	<b>245</b>	<b>208</b>
<b>Woodford:</b>						
McPhail 1-19H (W1)	Slawson	20%	251	151	-	-
<b>Avg Production Rate</b>			<b>251</b>	<b>151</b>	-	-

- (1) Production data after setting bridge plug to isolate water bearing fracture  
 (2) Peak 24-hour production during early flowback with jet pump  
 (3) Peak 24-hour production during early flowback without artificial lift

# Activity Pipeline

Continued high interest well results in the Eagle Ford, Mississippian and Woodford

Mid-year reserves re-evaluation mid-Q313

SPUD to IP cycle time update and production guidance review mid-Q313

Core area acreage addition updates Q313

New Mississippian well results Q313

New Eagle Ford well results Q313

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# **Appendices**

# Calendar 2013 Financial Guidance

Production (boe) (1)	951,000 - 1,189,000
Production (boepd) (1)	2,605 - 3,258
December '13 exit rate (boepd)	4,000 - 4,800
% production oil	70% -75%
% production natural gas	25% -30%
Natural gas liquids (btu/mcf)	1,200 - 1,300
WTI oil price differential (per bbl)	minus \$5 - \$8
Henry Hub gas premium from NGLs (per mcf)	plus \$1 - \$2
Lease operating expenses (per boe) (1)	\$7 - \$9
Production taxes (% unhedged oil and gas sales) (1)	8% - 9%
Cash general and administrative (per boe)	\$7 - \$9
Non-cash general and administrative (per boe)	\$2 - \$3
Cash interest expense	\$800,000 - \$1,000,000
Income tax rate	38% - 38.9%
% of income tax that is current	<5%
2013 cash taxes	\$1 - \$5 million

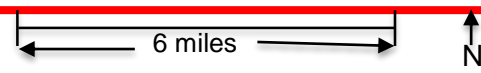
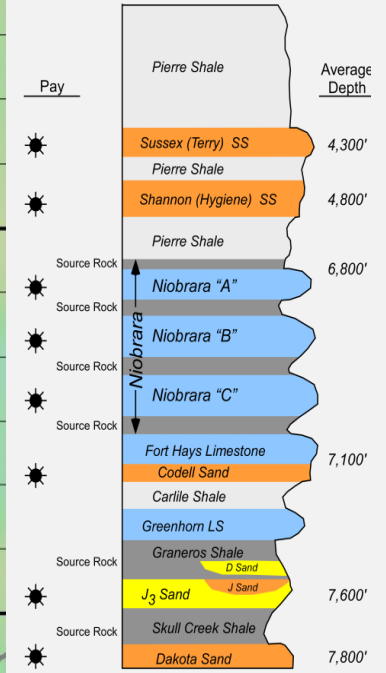
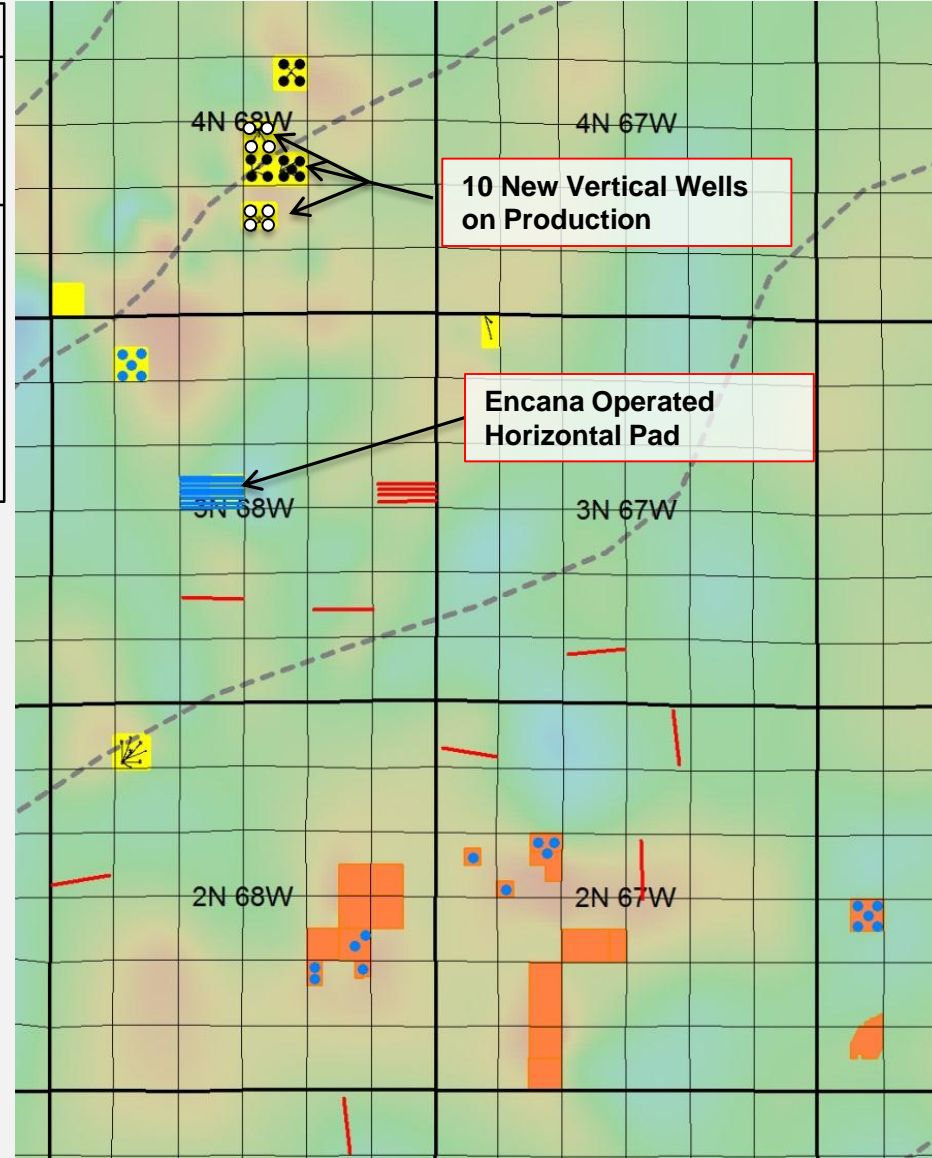
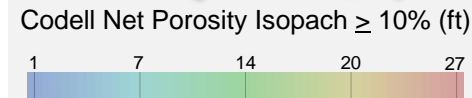
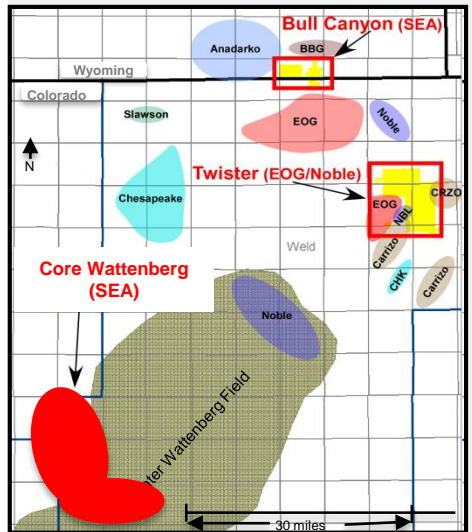
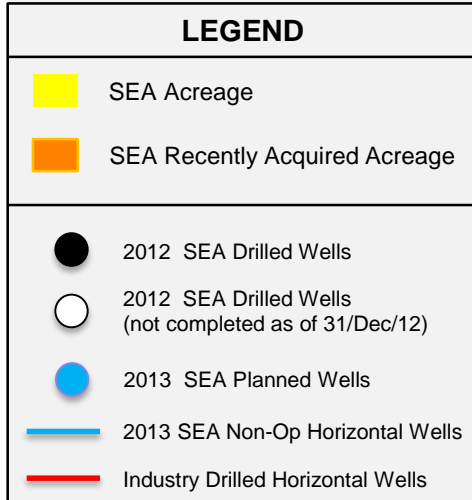
(1) Includes Texon production and expenses beginning 8 March 2013.

# Hedge Position to Protect Invested Capital

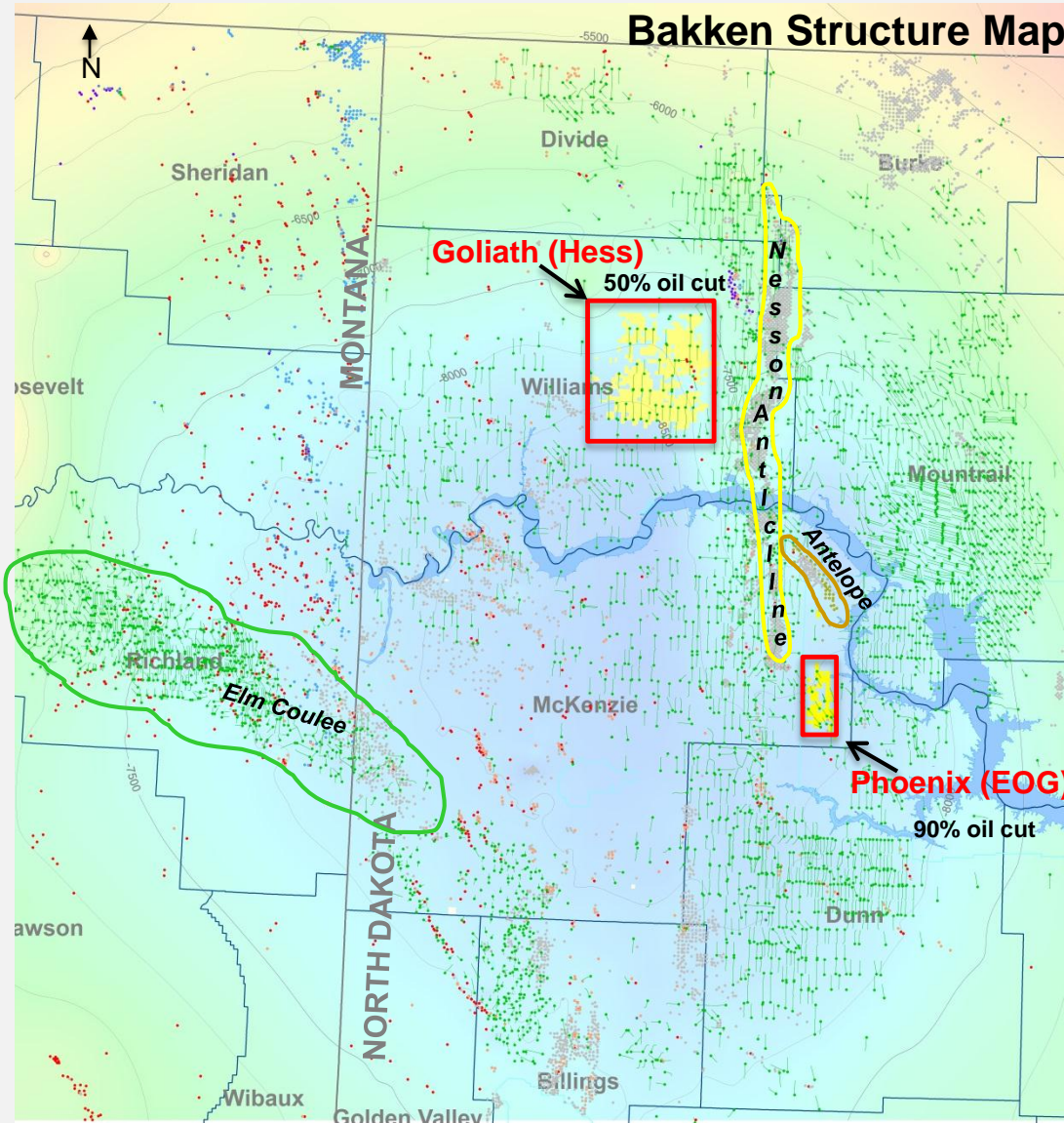
Type	Commodity	Basis	Floor	Ceiling	Total Volume Hedged	
					Jul - Dec 2013	Cal 2014
Swap	Oil (bbls)	West Texas Intermediate	99.00	99.00	12,000	-
Collar	Oil (bbls)	West Texas Intermediate	90.00	117.50	6,000	-
Collar	Oil (bbls)	West Texas Intermediate	95.00	112.75	6,000	-
Swap	Oil (bbls)	West Texas Intermediate	102.95	102.95	18,000	-
Swap	Oil (bbls)	Louisiana Light Sweet	101.75	101.75	18,000	-
Collar	Oil (bbls)	Louisiana Light Sweet	95.00	104.90	18,000	-
Collar	Oil (bbls)	Louisiana Light Sweet	90.00	102.00	-	24,000
Collar	Oil (bbls)	Louisiana Light Sweet	90.00	101.30	-	36,000
<b>Total Hedged Oil Volume (bbls)</b>					<b>78,000</b>	<b>60,000</b>
Swap	Gas (mmbtu)	Henry Hub	3.58	3.58	60,000	-
Swap	Gas (mmbtu)	Henry Hub	4.15	4.15	60,000	-
Swap	Gas (mmbtu)	Houston Ship Channel	4.01	4.01	60,000	-
Swap	Gas (mmbtu)	Henry Hub	4.23	4.23	-	240,000
Collar	Gas (mmbtu)	Houston Ship Channel	3.75	4.60	-	120,000
<b>Total Hedged Gas Volume (mmbtu)</b>					<b>180,000</b>	<b>360,000</b>



# DJ Basin: Wattenberg Activity

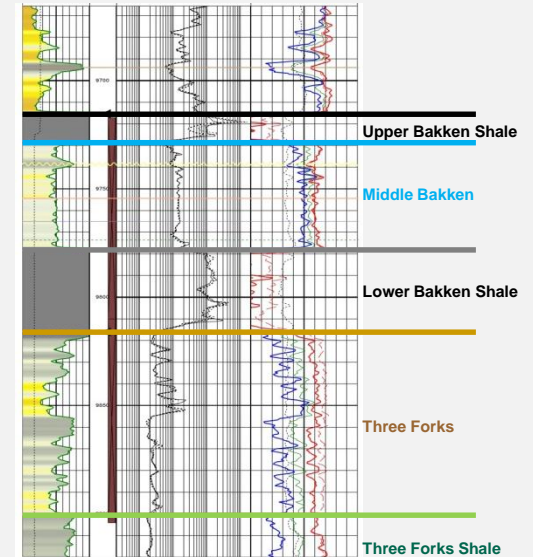


# Williston Basin: Bakken – Three Forks



## Key Reservoir Characteristics:

- depth (~11,000 ft)
- pressure (.67 psi/ft)
- GOR = 1,000
- Oil gravity = 45 API



## LEGEND

	SEA Acreage (Operator)
Producing Formation	
	Bakken / Three Forks
	Duprow
	Lodgepole
	Madison / Midale
	Nisku
	Ratcliff
	Red River
	Winnipeg
	Winnipegosis

# ***Experienced Board and Management***

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## **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. 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. 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.



# Definitions

## Reserve Reports

- Sundance oil prices are based on a NYMEX West Texas Intermediate price of \$94.71 per barrel and are adjusted by lease for quality, transportation fees, and regional pricing differentials.
- Sundance gas prices are based on a NYMEX Henry Hub price of \$2.752 per MMBTU and are adjusted by lease for energy content, transportation fees, and regional price differentials.
- Texon oil and NGL prices are based on a NYMEX West Texas Intermediate price of \$100.00 per barrel and are adjusted by lease for quality, transportation fees, and regional pricing differentials.
- Texon gas prices are based on a NYMEX Henry Hub price of \$3.40 per MMBTU through 31 December 2012 and increased to \$4.75 for the remainder of the life of the reserves. The gas prices are adjusted by lease for energy content, transportation fees, and regional price differentials.
- All prices are held constant throughout the lives of the properties.

## Other Definitions

- “boe” is defined as barrel of oil equivalent, using the ratio of 6 Mcf of Natural Gas to 1 Bbl of Crude Oil;
- “boepd” is defined as boe per day;
- “EFS” is defined as the Eagle Ford formation
- “mboe” is defined as a thousand barrels of oil equivalent, using the ratio of 6 Mcf of Natural Gas to 1 Bbl of Crude Oil;
- “mbbls” is defined as a thousand barrels of Crude Oil;
- “mcf” is defined as a thousand standard cubic feet of Natural Gas;
- “mmcf” is defined as a million standard cubic feet of Natural Gas;
- “bcf” is defined as a billion standard cubic feet of Natural Gas;
- “M” when used with \$ equals millions;
- “PDP” is defined as Proved Developed Producing Reserves;
- “PDNP” is defined as Proved Developed Not Producing Reserves;
- “PUD” is defined as Proved Undeveloped Reserves
- “1P Reserves” are defined as Proved Reserves which have a 90% probability that the quantities actually recovered will equal or exceed the estimate;
- “2P Reserves” are defined as Proved Reserves plus Probable Reserves and should have at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate;
- “3P Reserves” are defined as Proved Reserves plus Probable Reserves plus Possible Reserves and should have at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate;
- “Enterprise Value” or “EV” is defined as market capitalization less cash plus debt;
- “PV10” is defined as the discounted cash flows of the Company’s reserves using a 10% discount factor, taking into account the price case being used net of royalties, production taxes, lease operating expenses and future capital expenditures but before income taxes.