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ABOUT SENEX

Senex is a rapidly growing, independent oil and gas company focused on operating and developing valuable energy sources in Australia's Cooper, Eromanga and Surat Basins.

Senex generates revenue from self-operated oil fields in the Cooper-Eromanga Basin and is aggressively expanding by acquiring, exploring and developing oil and gas assets across its extensive portfolio.

COMPETENT PERSON

Information about Senex's reserves and resources estimates have been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. The information is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr James Crowley BSc (Hons) who has consented to the inclusion of this information in the form and context in which it appears in this report. Mr Crowley is a qualified petroleum reserves and resources evaluator, a member of Society of Petroleum Engineers and full time employee of Senex.

BUILDING A VALUABLE ENERGY BUSINESS

Game changing gas transactions

The March quarter was a period of significant achievement for Senex in the development of a high value, long-term Cooper Basin gas business:

- **Origin Energy farm-in:** In February, Origin Energy Limited (ASX: ORG) and Senex announced plans to undertake substantial 2D and 3D seismic programs and drill at least 15 wells to appraise the tight gas sands in two key areas of the Cooper-Eromanga Basin. The two-stage work program involves expenditure of up to \$252 million, with Senex free-carried for the first \$185 million. Seismic will be undertaken in 2014 and drilling is expected to begin early in calendar 2015.
- **Hornet gas sales agreement:** In March, Senex announced a gas sales agreement with the Santos-operated South Australian Cooper Basin Joint Venture (**SACB JV**) for the supply of raw gas from Hornet gas field. Planning is underway to connect the field to the SACB JV network at Allambi gas field with construction of an extended production test facility to begin in the September quarter.

Senex Managing Director Ian Davies said the transactions demonstrated the company's commitment to rapidly commercialising its high quality gas resources in South Australia's Cooper-Eromanga Basin.

"Origin is the ideal partner to help us unlock the potential of the tight gas sands of the Cooper Basin. In the context of rising east coast gas prices and uncontracted gas demand in coming years, this partnership is the right transaction at the right time for Senex and its shareholders," he said.

A long-term oil business

Senex's oil business continued to deliver strong revenues during the quarter with oil sales of \$37.3 million up 15.8% on the previous corresponding period (**PCP**) and revenues for the nine months to 31 March 2014 reaching \$121.1 million, up 16.2% on PCP. Oil production for the quarter of 0.3 million barrels (**mmbbls**) was lower than expected primarily as a result of earlier than anticipated pressure decline at the Growler oil field, which will be addressed through a water injection project in FY15. However, the commencement of western flank drilling in the March quarter, coupled with the completion and connection of successful wells has already delivered a rapid production increase in the fourth quarter.

"We are very pleased to see material oil production from Spitfire, Burruna and Acrasia oil fields come on line in recent weeks. This ramp up will continue into the first quarter of FY15," Mr Davies said.

PERFORMANCE SUMMARY

Gas business milestones achieved

- Origin Energy farmed in to two key areas of the southern Cooper Basin involving unconventional gas work programs of up to \$252 million, with seismic acquisition to begin in 2014
- Gas sales agreement in place with SACB JV to monetise raw gas during extended production testing at Hornet gas field

Strong financial position

- Zero debt and \$91 million cash balance at 31 March 2014
- Fully funded for all work programs

Strong oil revenue

- March quarter oil revenue of \$37.3 million up 15.8% on PCP, buoyed by average oil price of A\$129 per barrel
- Current best estimate for full year FY14 production is at the lower end of guidance of 1.4 mmbbls to 1.6 mmbbls

Drilling campaign on schedule

- 27 oil wells drilled in the nine months to 31 March 2014, with 25 of those wells cased and suspended for further testing and production
- 12 oil wells drilled in the March quarter with all of those wells cased and suspended for further testing and future production
- Ensign Rig 48 replaced with the new-generation EDA Rig 3

Western flank appraisal delivers positive results

- Four appraisal wells cased and suspended as future oil producers at Spitfire; thicker, better quality sands intersected
- On track to achieve guidance for 2P reserves additions of 4 mmbbls to 6 mmbbls (~300%+ reserves replacement ratio)

Comparative production performance

Corresponding period	Q3 FY14	Q3 FY13	Change
Production (mmbbls)	0.30	0.30	-
Sales (mmbbls)	0.29	0.29	-
Sales revenue (\$ million)	37.3	32.2	15.8%

Quarterly comparison	Q3 FY14	Q2 FY14	Change
Production (mmbbls)	0.30	0.35	(14.3%)
Sales (mmbbls)	0.29	0.34	(14.7%)
Sales revenue (\$ million)	37.3	44.4	(16.0%)

Year on year comparison	Q3 FY14	Q3 FY13	Change
Production (mmbbls)	0.95	0.96	(1.0%)
Sales (mmbbls)	0.93	0.93	-
Sales revenue (\$ million)	121.1	104.2	16.2%



Senex is focused on developing a world class gas resource in the Cooper Basin

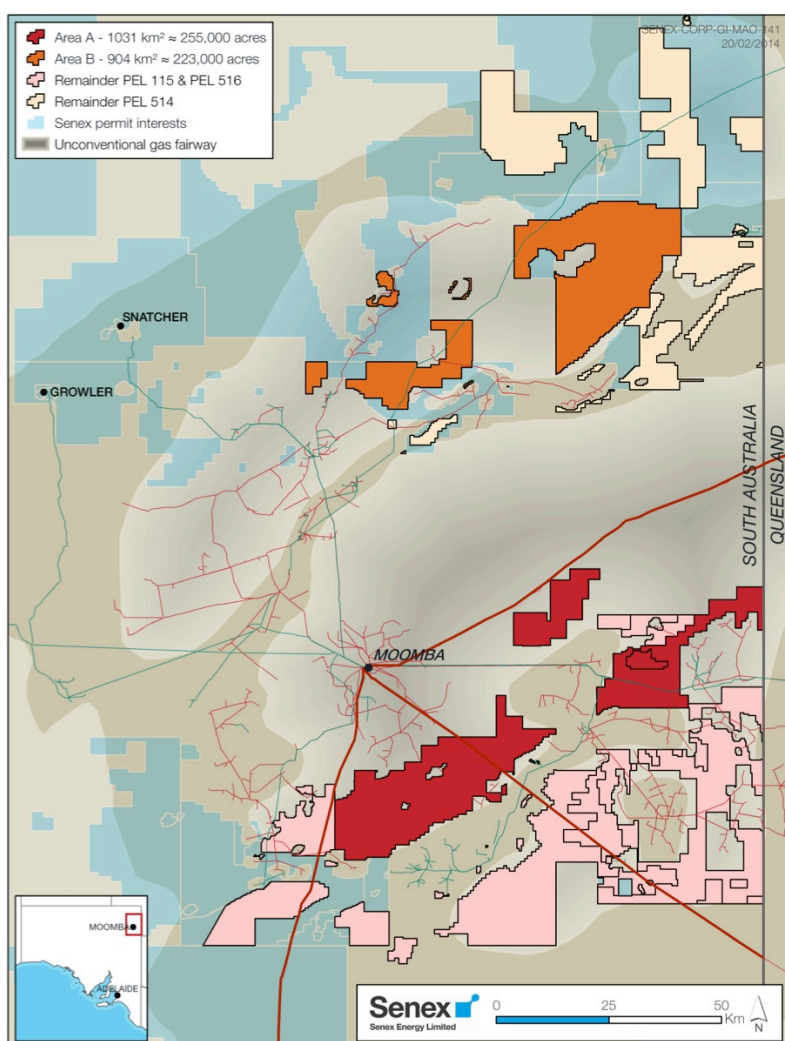


27 of 30 wells planned for FY14 drilled in the nine months to 31 March 2014



2D and 3D seismic surveys are key to the planned unconventional gas work program

ORIGIN ENERGY GAS FARM-IN AND WORK PROGRAM



On 24 February 2014, Senex and Origin Energy agreed to evaluate tight gas sands in two key areas of South Australia's Cooper-Eromanga Basin, involving a work program of up to \$252 million. Completion of the transaction is expected by 30 June 2014.

The areas, shown in the adjacent map, provide exposure to tight gas sands as well as shale and deep coal plays:

- Area A: 36% of total areas of PEL 516 and PEL 115 (Senex 100%)
- Area B: 47% of total area of PEL 514, Deeps only (Senex 80% and operator, Planet Gas Limited (Planet, ASX: PGS) 20%)

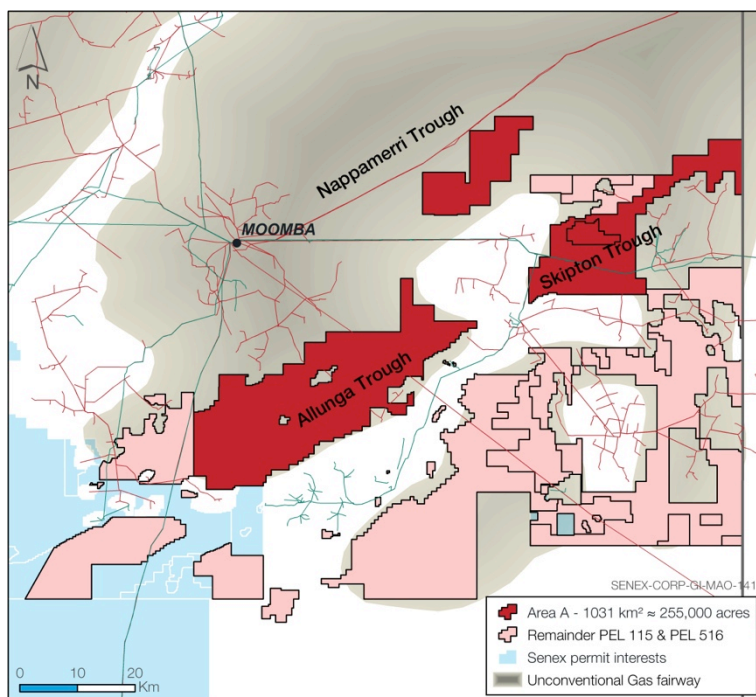
Financial implications

The joint venturers may invest up to \$252 million in a two-stage work program involving the drilling of at least 15 wells and substantial 2D and 3D seismic acquisition programs. Senex is free carried for its share of the first \$185 million of the work program, with Senex, Origin and Planet having the option to contribute a further \$67 million on a participating interest basis.

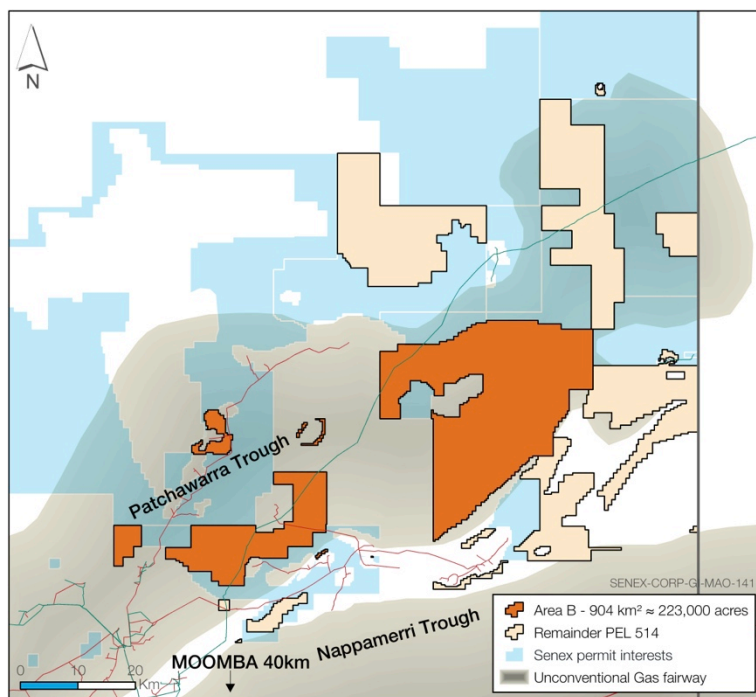
Transaction details

	AREA A	AREA B	TOTAL
Total petroleum exploration licence (PEL) areas	2,876 km ² (PEL 516 and PEL 115)	1,917 km ² (PEL 514)	
Farm-out areas	1,031 km ² (255,000 acres) (36% of total PEL areas)	904 km ² (223,000 acres) (Deeps only, 47% of total PEL area)	
Stage 1 work program¹	\$65 million	\$40 million	\$105 million
Participating interest earned by Origin	40%	30%	
Stage 2 work program¹	\$40 million	\$40 million	\$80 million
Participating interest earned by Origin	10%	10%	
Additional Area B work program	N/A	\$67 million	\$67 million
Stage 1 and 2 work program (equity basis)			
Total work program	\$105 million	\$147 million	\$252 million

¹ Senex 100% free carried



Location of Area A in relation to PEL 516 and PEL 115



Location of Area B in relation to PEL 514



Work programs

The two-stage work program is focused on evaluating the potential of the Permian tight gas sands in the Cooper-Eromanga Basin:

- The first stage will evaluate the potential of the tight gas sands and provide proof of concept. Work on significant seismic campaigns is expected to commence in the 2014 calendar year, and drilling is expected to begin early in 2015.
- The second stage will evaluate the commerciality of the gas resource by undertaking extended flow testing through separate pilot programs.

Area A – PEL 516 and PEL 115

Area A comprises a 1,008 square kilometre portion of PEL 516 and a 23 square kilometre portion of PEL 115 in the southern South Australian Cooper Basin. This will allow operations to focus on the tight gas prospectivity of the Allunga, Skipton and Nappamerri troughs.

The Area A work programs will involve a 300 line kilometre 2D seismic survey, the drilling of up to eight exploration and appraisal wells, fracture stimulation and flow testing. The first well is expected to be drilled early in calendar 2015.

Area B – PEL 514 (Deeps only)

Area B comprises a 904 square kilometre portion of the Permian system of PEL 514 (Deeps) in the Patchawarra Trough in the northern South Australian Cooper Basin. Senex retains its interests in the oil prone sequences above the Permian (Shallows).

The Area B work programs will involve a 250 square kilometre 3D seismic survey, the drilling of up to seven exploration and appraisal wells, fracture stimulation and flow testing.

In Area B, the joint venture parties may elect to fund an additional work program, subject to operating committee approval, totalling \$67 million. This will involve additional exploration and appraisal work during both stages.

HORNET GAS SALES AGREEMENT



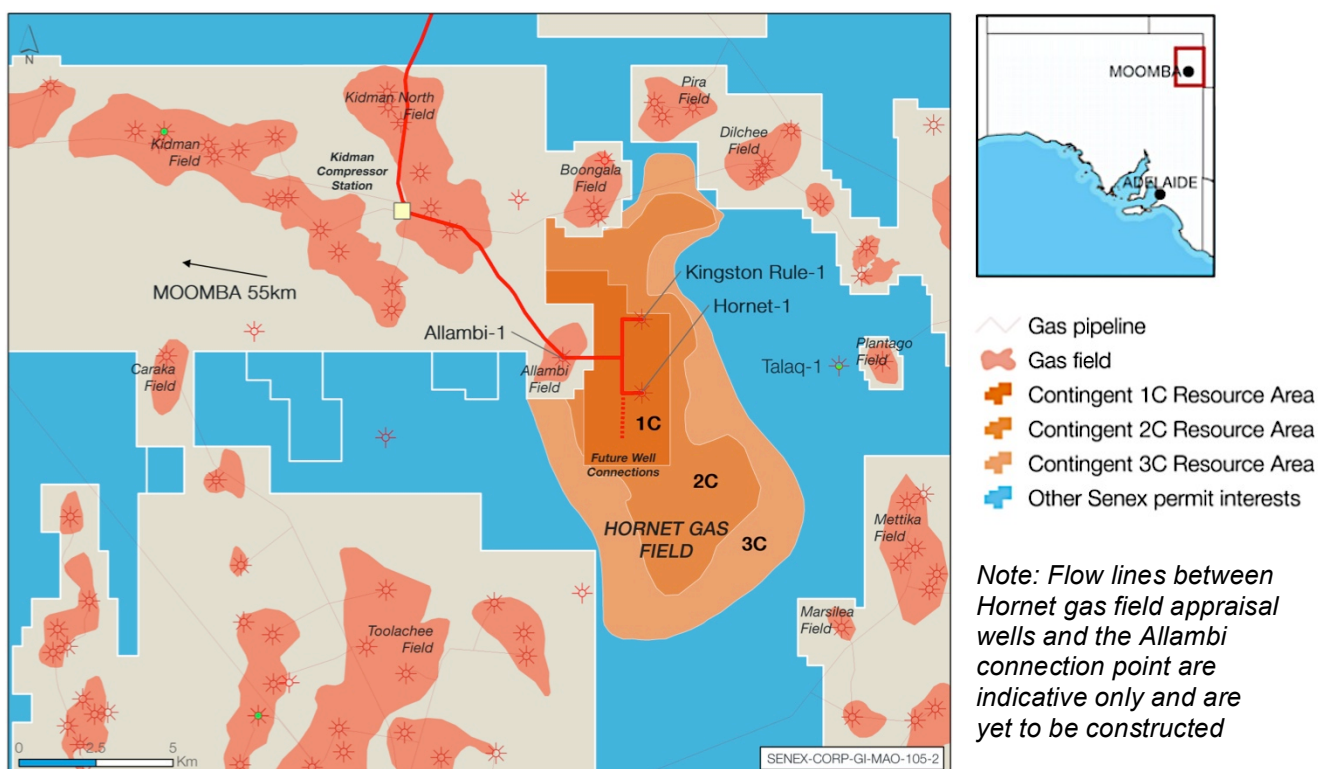
Hornet gas field in the southern Cooper-Eromanga Basin: The Hornet-1 exploration well is shown in the foreground with Kingston Rule-1 in the background

On 3 March 2014, Senex announced a gas sales agreement (**GSA**) with the Santos-operated SACB JV for the supply of unprocessed raw gas over two years from the Hornet gas field in the southern Cooper-Eromanga Basin.

The GSA provides Senex the flexibility to monetise gas during the appraisal stage without the risk of penalties for non-delivery, with gas to be supplied on a discretionary basis from the Hornet gas field in PEL 115 (Senex 100%), commencing in the September quarter of the 2014 calendar year.

The raw gas comprises natural gas, condensate and LPG, and Senex will be paid for each component. Pricing for condensate and LPG will be linked to international product pricing, less transport and processing charges. Pricing for natural gas is confidential.

Senex is currently planning for the installation of water, condensate and gas separation equipment to enable raw gas sales from Hornet, connecting to the SACB JV network at Allambi gas field, approximately six kilometres away, as shown in the map below.



OIL BUSINESS

Oil production

Senex delivered net oil production of 0.30 mmbbls for the three months to 31 March 2014, bringing total production for the nine months to 0.95 mmbbls.

The quarterly production result was impacted by lower than expected production from Growler oil field (Senex 60% and operator) where pressure has declined earlier than expected. A plan is being developed to undertake water injection to increase reservoir pressure support and lift field production in FY15.

Further, Senex and its joint venture partners deferred the drilling of exploration prospects on the western flank and in northern permits until the completion of thorough analysis and interpretation of 3D seismic data from newly acquired surveys covering more than 4,000 square kilometres of prospective acreage, expected in the coming months.

Notwithstanding lower than expected March quarter production, June quarter production has increased and will continue to rise in FY15. The current best estimate for full year production (net to Senex) is at the lower end of the guidance range provided for FY14 of 1.4 mmbbls to 1.6 mmbbls.

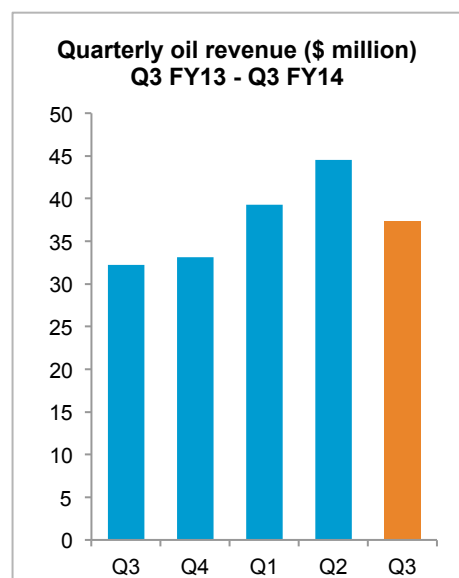
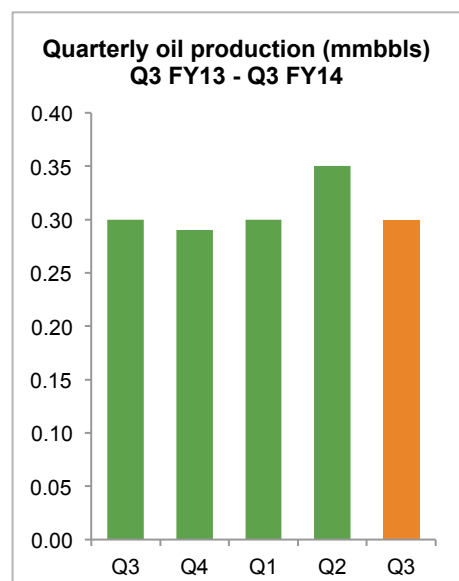
Oil revenue

Revenue for the three months to 31 March 2014 of \$37.3 million represents a 15.8% increase on PCP. This revenue result was underpinned by a strong US dollar Brent oil price and a favourable AUD/USD exchange rate, which saw the average oil price reach A\$129 a barrel.

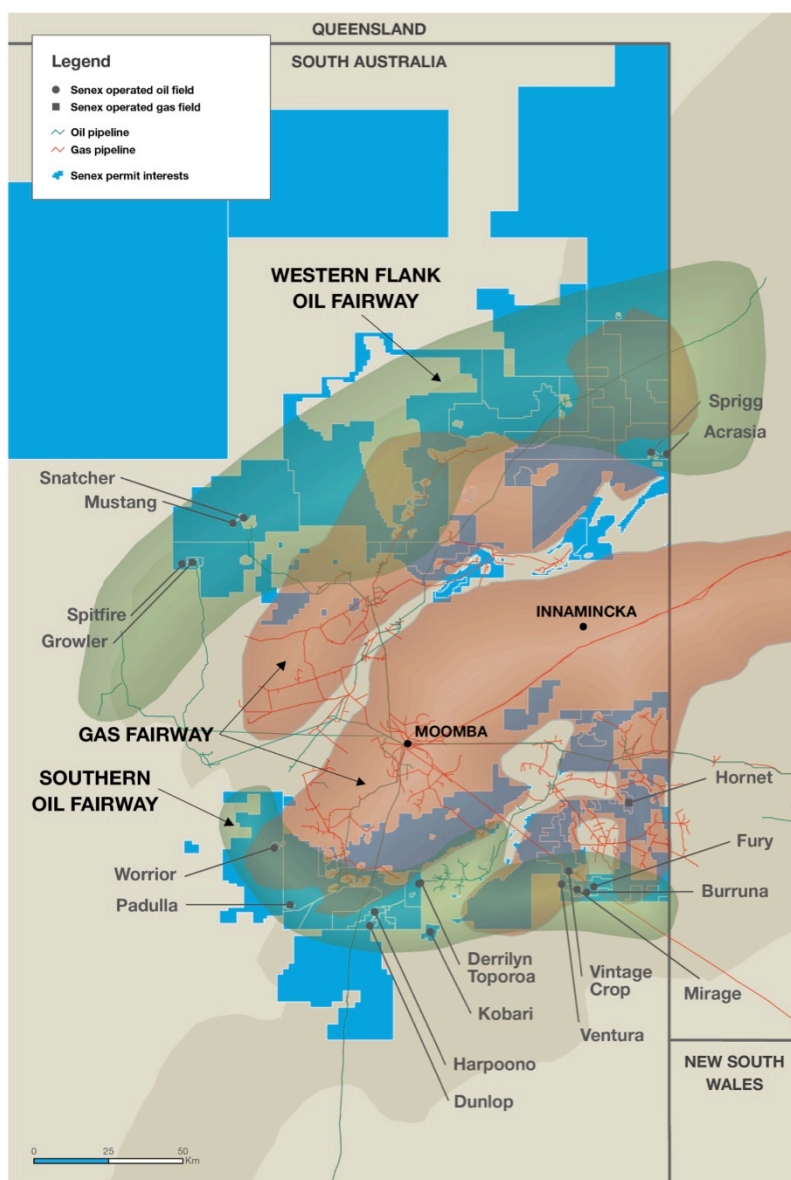
Oil exploration, appraisal and development

During the March quarter, Senex and its joint venture partners drilled 12 oil wells in the Cooper-Eromanga Basin as part of the 30-well program of predominantly appraisal and development drilling. All of those wells have been cased and suspended for future testing and oil production, continuing the drilling success of the December quarter.

In the nine months to 31 March 2014, a total of 27 oil wells have been drilled and 25 of those have been cased and suspended for future testing and oil production. Senex plans to drill a series of exploration wells on the western flank, commencing in the June quarter. Details of all wells drilled in FY14 to date are provided on page 10 of this report.



Drilling at Acrasia oil field



Production outlook

Net Senex production is increasing in the June quarter as planned, as wells drilled in the March quarter are brought on line right across Senex's interests in the South Australian Cooper-Eromanga Basin.

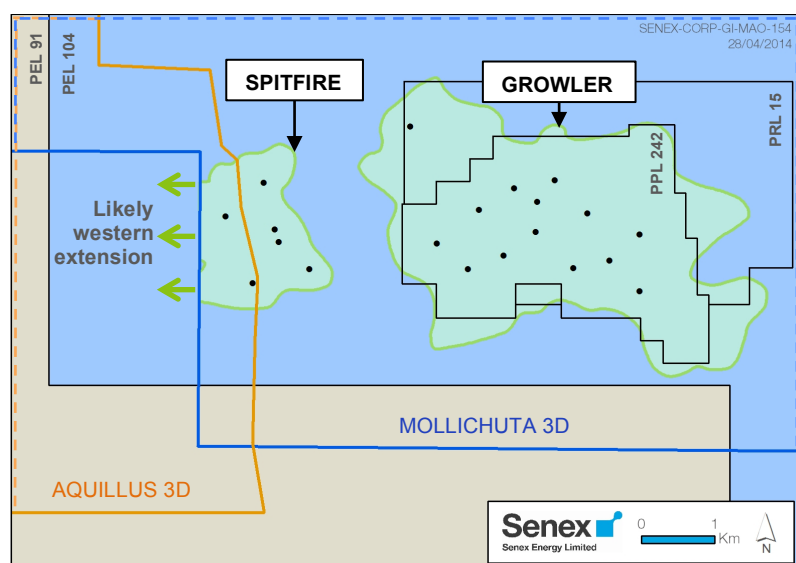
WESTERN FLANK

Spitfire (PEL 104, Senex 60%)

Senex and joint venture partner Beach Energy Limited (Beach, ASX: BPT) drilled the Spitfire-3, Spitfire-4, Spitfire-5 and Spitfire-6 wells in the March quarter with all four wells cased and suspended as future Birkhead oil producers.

The locations of these four wells were selected following analysis and interpretation of reprocessed Mollichuta 3D seismic data. Spitfire-3, Spitfire-4 and Spitfire-6 intersected thicker, better quality sands than were previously encountered at the Spitfire-2 well, with Spitfire-4 intersecting in excess of 20 metres sand in the Birkhead Formation. Senex has interpreted 13.8 metres of net pay in the Birkhead Formation, which is the largest oil column at Spitfire oil field.

The Spitfire-4 well has already been placed on production and plans are well advanced to connect the remaining Spitfire wells in the June quarter.

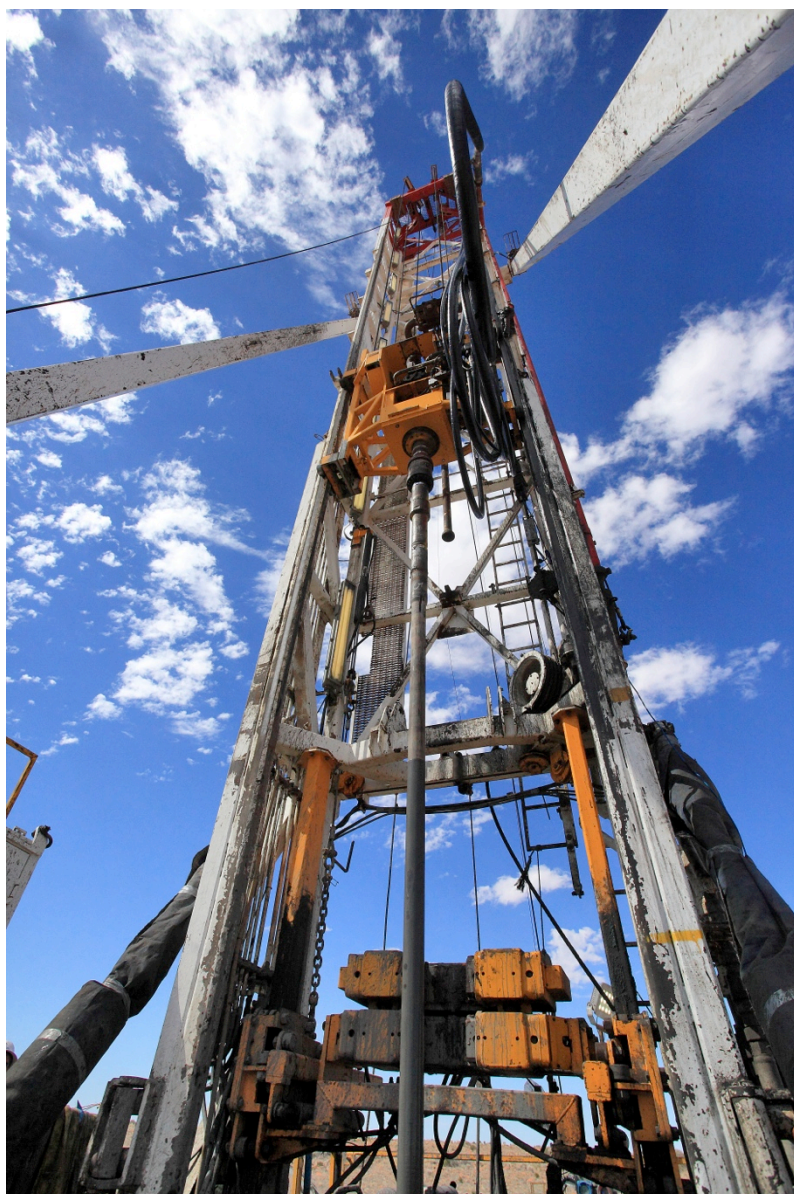


Location of Spitfire oil field in relation to 3D seismic surveys

Recent drilling suggests a western extension of the Spitfire oil field is likely, as illustrated in the adjacent map. The Aquillus 3D seismic data will be reprocessed and interpreted to identify further well locations for the Spitfire field.

New western flank exploration wells

Senex is planning to drill a series of exploration wells on the western flank in the June quarter following analysis of the Lignum 3D seismic survey.



Ensign Rig 48 drilled two wells at Burruna oil field in FY14



Extended production testing scheduled for the June quarter at Worrior oil field following positive exploration results in the Patchawarra Formation

NORTHERN PERMITS

Acrasia (PPL 203, Senex 100%)

The Acrasia-6 appraisal well and Acrasia-8 development well were successfully completed during the March quarter and production testing is now underway.

SOUTHERN OIL FIELDS

In the March quarter, Senex reprioritised drilling in the southern fields for development and appraisal, with a view to the long-term exploitation of these assets.

Burruna (PEL 115, Senex 80%)

The Burruna-2 oil discovery is now online following the successful installation of an electric submersible pump. It is anticipated that the Burruna-3 appraisal well will be brought online in the June quarter once artificial lift equipment is installed.

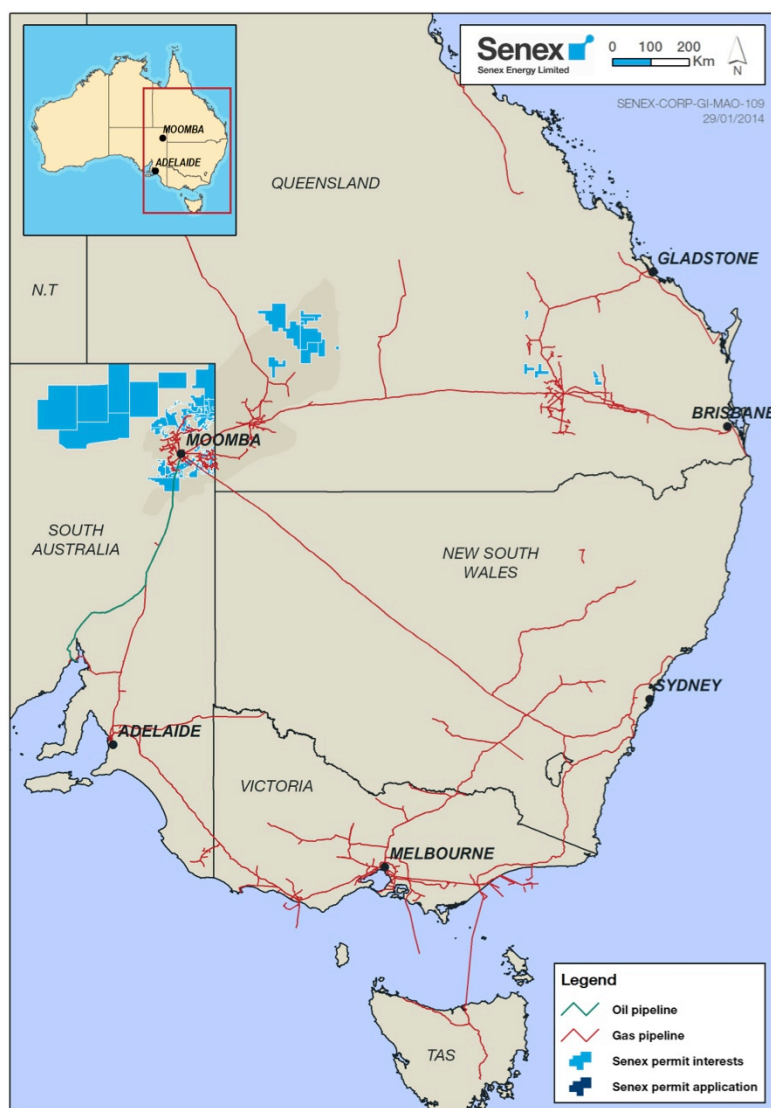
Vintage Crop (PEL 516, Senex 100%)

Vintage Crop-3 is now online and two other successful appraisal wells (Vintage Crop-4 and Vintage Crop-5) are expected to be brought online in the June quarter.

Worrior (PPL 207, Senex 70%)

Following positive exploration results in the Patchawarra Formation with Worrior-8 and Worrior-10, Senex and its joint venture partner elected to optimise ultimate recovery by running an extended flow-back test commencing in the June quarter. Work on this program as well as the reprocessing of 3D seismic is expected to be completed in the June quarter.

FOCUSED ON MONETISATION OF SURAT BASIN ASSETS



Senex is focused on deriving maximum value from its strategically located coal seam gas interests in Queensland's Surat Basin. Work is continuing across the company's western and eastern permits to enhance the value of the assets by increasing reserves and resources.

Western permits

During the March quarter, Senex continued with analysis of data resulting from a four core hole program across its western Surat Basin coal seam gas permits ATP 593P and ATP 771P (both Senex 45% and Operator).

Senex and its consultants will undertake a reserves and resources review across both permits in the June quarter.

Eastern permits

Senex expects work to commence later in calendar year 2014 on the six planned wells in the QGC-operated eastern Surat Basin permits PL 171 and ATP 574P (Senex 20% and 30% respectively).

Three ground water monitoring wells were drilled in ATP 574 during the March quarter.

FINANCIAL INFORMATION

At the end of the March quarter, Senex was in a strong financial position with \$91 million in cash and no debt. All current programs are fully funded.

Major expenditure categories for the period are shown below.

Expenditure	March 2014 Quarter (\$ million)	December 2013 Quarter (\$ million)	Quarter on quarter change
Exploration and appraisal	22.0	20.7	6.3%
Development, plant and equipment	11.0	27.6	(60.1%)
Subtotal	33.0	48.3	(31.7%)
Acquisitions of additional JV interests	0.0	4.7	(100.0%)
Total	33.0	53.1	(37.9%)

DRILLING REGISTER

A summary of exploration, appraisal and development drilling undertaken by Senex and its joint venture partners during FY14 is provided below.

Oil

Well	Location	Spud date	Type	Result*
Worrior-8	PPL 207	22-Jun-2013	Development	Net pay of up to 18 metres in the McKinlay, Namur, Birkhead and Patchawarra
Worrior-9	PPL 207	04-Jul-2013	Exploration	Plugged and abandoned
Burruna-2	PEL 115	06-Aug-2013	Exploration	5.3 metres of net pay in the Namur, 3,600 bopd during testing
Acrasia-7	PPL 203	24-Aug-2013	Development	7.1 metres of net pay in the Hutton, Poolowanna, Tinchoo and Arrabury
Ventura-2	PPL 214	28-Aug-2013	Development	13.4 metres of net pay in the Murta and McKinlay
Kobari-2	PEL 516	14-Sep-2013	Exploration	Oil shows over 22 metres
Pirie-1 ¹	PEL 105	30-Sep-2013	Exploration	Moderate oil shows in the Birkhead Formation
Dunlop-1	PEL 113	01-Oct-2013	Exploration	Approx 3 metres of net pay in the McKinlay, 1,200 bopd during drill stem testing
Moothandella-4 ²	ATP 794P	05-Oct-2013	Appraisal	10 metres of net pay in the Murta, Namur and Westbourne
Sprigg-1	PEL 514	06-Oct-2013	Exploration	No net pay calculated with a gas show in the Paning Member. Well suspended pending evaluation of test results
Pirraminta-2	PEL 514	22-Oct-2013	Exploration	Residual oil. Cased and suspended as a future water well
Burruna-3	PEL 115	08-Nov-2013	Appraisal	Interpreted net pay of approximately 3 metres in the lower Birkhead
Acrasia-6	PPL 203	14-Nov-2013	Appraisal	32.8 metres of net pay in the Hutton, Poolowanna and Tinchoo
Vintage Crop-3	PPL 241	24-Nov-2013	Appraisal	4.2 metres of net pay in the Murta and Birkhead
Growler-13	PPL 242	27-Dec-2013	Exploration	Oil-saturated interval intersected
Acrasia-8	PPL 203	30-Dec-2013	Development	29.8 metres of net pay in the Birkhead, Hutton, Poolowanna and Tinchoo
Mirage-5	PPL 213	04-Jan-2014	Appraisal	12.1 metres of net pay in the Murta
Spitfire-4	PEL 104	09-Jan-2014	Appraisal	13.8 metres of net pay in the Birkhead
Growler-12	PRL 15	17-Jan-2014	Appraisal	Intersected an oil saturated interval
Snatcher-11	PPL 240	31-Jan-2014	Appraisal	Approximately 4.5 metre oil-saturated interval intersected in the Birkhead
Mirage-6	PPL 213	01-Feb-2014	Appraisal	11.6 metres of net pay in the Murta
Vintage Crop-4	PEL 516	21-Feb-2014	Appraisal	2.5 metres of net pay in the McKinlay 8.0 metres of net pay in the Murta

Well	Location	Spud date	Type	Result*
Warrior-10	PPL 207	27-Feb-2014	Appraisal	4.5 metres of net pay in the Patchawarra 4.9 metres of calculated net pay in the Murta
Vintage Crop-5	PEL 104	23-Mar-2014	Appraisal	4.3 metres calculated net pay in the Murta 5.0 metres of porous sand with oil land gas shows in the McKinlay Member
Spitfire-5	PEL 104	23-Mar-2014	Development	7.2 metres of net pay in the Birkhead
Spitfire-3	PEL 104	24-Mar 2014	Appraisal	6.1 metres of net pay in the Birkhead
Spitfire-6	PEL 104	04-Apr-2014	Development	8.9 metres of net pay in the Birkhead

* Net pay figures represent the latest calculations and may differ from originally published numbers

Gas

Well	Location	Spud date	Type	Result
Paradise Downs-10 ³	PL 171	13 Aug-2013	Appraisal	Cased and suspended
Kato-3 ⁴	ATP 593P	13-Oct-2013	Exploration	Plugged and abandoned after testing
Kato-4 ⁴	ATP 593P	27-Oct-2013	Exploration	Plugged and abandoned after testing
Indy-3 ⁴	ATP 771P	22-Nov-2013	Exploration	Plugged and abandoned after testing
Indy-4 ⁴	ATP 771P	09-Dec-2013	Exploration	Plugged and abandoned after testing

1 Operated by Tellus Resources

2 Operated by Bridgeport Energy

3 Operated by QGC

4 Core hole not designed for gas production

GLOSSARY

\$ means Australian dollars unless otherwise stated

1P means proved (developed plus undeveloped) reserves in accordance with the SPE PRMS

2P means proved plus probable reserves in accordance with the SPE PRMS

3P proved, probable plus possible reserves in accordance with the SPE PRMS

ASX means the Australian securities exchange operated by ASX Limited ACN 008 624 691

ATP means authority to prospect granted under the *Petroleum Act 1923* (Qld) or the *Petroleum Gas (Production and Safety) Act 2004* (Qld)

Barrel/bbl means the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons

boe means barrels of oil equivalent. 1 boe = 6,000 standard cubic feet. Conversion of the gas reserves and resources from petajoules (PJ) into boe may vary due to differences in gas composition

bopd means barrels of oil per day

Cooper Basin means the sedimentary geological basin of upper Carboniferous to middle Triassic age in north east South Australia and south west Queensland

Cooper-Eromanga Basin means the Cooper Basin and the overlying Eromanga Basin within the limits of the Cooper Basin

CSG means coal seam gas where gas is stored within coal deposits or seams

DST means drill stem test

FY means financial year

Eromanga Basin means the Mesozoic sedimentary basin covering parts of Queensland, the Northern Territory, South Australia and New South Wales

Exploration means drilling, seismic or technical studies to identify and evaluate regions or prospects with the potential to contain hydrocarbons

Gross pay means the overall interval in which pay sections occur

mmbbls means a million barrels

mmscfd means million standard cubic feet of gas per day

Net pay means the smaller portions of the gross pay that meet local criteria for pay, such as porosity, permeability and hydrocarbon saturation

PEL means petroleum exploration licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA)

PELA means an application for a PEL

PJ means petajoule

PL means a petroleum lease granted under the *Petroleum Act 1923* (Qld) or the *Petroleum Gas (Production and Safety) Act 2004* (Qld)

PPL means petroleum production licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA)

PRL means petroleum retention licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA)

Reserve means commercially recoverable resources which have been justified for development, as defined in the SPE PRMS

Senex means Senex Energy Limited ABN 50 008 942 827

SPE PRMS means the Petroleum Resources Management System 2007, published by the Society of Petroleum Engineers

Surat Basin means the sedimentary geological basin of Jurassic to Cretaceous age in southern Queensland and northern New South Wales

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