

10 October 2014

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2014 Annual General Meeting – Wednesday, 19 November 2014

**The Grand Ballroom, Stamford Plaza
Corner Edward & Margaret Streets
Brisbane Queensland 4000**

9.30am (Brisbane time)

Dear Shareholder

I am pleased to provide notice of meeting and an explanatory memorandum for the Company's 2014 annual general meeting (AGM), which will be held at 9.30am (Brisbane time) Wednesday, 19 November at the Grand Ballroom in the Stamford Plaza Brisbane, corner Edward and Margaret Streets. I urge you to look at these materials, consider the board's recommendations and participate in the Company's decision on them, either by attending and voting at the AGM yourself or by appointing a proxy to attend and vote on your behalf.

To appoint a proxy you must either:

- complete and submit the enclosed proxy form (by fax or by the enclosed reply paid envelope); or
- login to the website for our share registry, Link Market Services, and appoint your proxy electronically.

In either case please follow the instructions on the enclosed proxy form closely to ensure your appointment is valid. Your appointment should either direct your proxy how to vote on each resolution or authorise them to vote as they see fit.

Link Market Services – online services

I encourage you to visit Link's website at www.linkmarketservices.com.au. Through Link's secured website, you will be able to access a range of holding information, make some changes online for your own holding, or download forms to authorise other changes. You will also be able to lodge your proxy form for the AGM online.

You can access this online facility via a security login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (this must be the postcode recorded on your holding record).

If you would like further information on this facility or on your holding in general please do not hesitate to contact Link on 1300 554 474 (Toll free within Australia) or +61 1300 554 474 (International). You can also email Link at registrars@linkmarketservices.com.au.

I look forward to seeing you at the annual general meeting on 19 November.

Yours faithfully



Denis F Patten
Chairman



ABN 50 008 942 827

**Notice of annual general meeting
Explanatory memorandum
Proxy form**

Date of meeting

Wednesday, 19 November 2014

Time of meeting

9.30am

(Brisbane time)

Place of meeting

The Grand Ballroom, Stamford Plaza
Corner Edward & Margaret Streets, Brisbane

Head Office

Notice of annual general meeting

Senex Energy Limited ABN 50 008 942 827

Notice is given that the annual general meeting of Senex Energy Limited (**Company**) will be held at:

Location	The Grand Ballroom, Stamford Plaza, corner of Edward & Margaret Streets, Brisbane
Date	Wednesday, 19 November 2014
Time	9.30am (Brisbane time)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2014.

Resolution 1 – Election of Ms Debbie Goodin

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Ms Debra Lyn Goodin, who was appointed to the Board on 26 May 2014 in accordance with rule 57 of the Constitution, be elected as a director of the Company under rule 57 of the Company's constitution.'

Note: Information about Ms Goodin appears in the Explanatory Memorandum.

Resolution 2 – Re-election of Dr Ralph Craven

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Dr Ralph Howard Craven, who retires by rotation under rule 58 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about Dr Craven appears in the Explanatory Memorandum.

Resolution 3 – Re-election of Mr Ben McKeown

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Mr Benedict Martin McKeown, who retires by rotation under rule 58 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about Mr McKeown appears in the Explanatory Memorandum.

Resolution 4 – Directors’ remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

‘That the remuneration report of the directors for the financial year ended 30 June 2014 be adopted.’

Note: This resolution will be decided as if it were an ordinary resolution, but under section 250R(3) *Corporations Act* the vote on this resolution is advisory only and does not bind the directors or the Company.

Voting exclusion

The Company will disregard any votes cast on this resolution:

- by key management personnel whose remuneration details are contained in the remuneration report (and their closely related parties) in accordance with section 250R(4) *Corporations Act*; or
- as proxy by a member of key management personnel (or any closely related party of key management personnel).

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with a voting direction on the Proxy Form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Special business

Resolution 5 – Approval of future issues of securities under the employee performance rights plan

To consider and, if in favour, to pass the following as an ordinary resolution:

“That the issue of securities in the Company under the employee performance rights plan be approved for the purposes of the ASX Listing Rule 7.2, exception 9.”

Voting exclusion

The Company will disregard any votes cast on this resolution:

- by Mr Ian Davies or any associate of Mr Ian Davies; or
- as proxy by a member of key management personnel (or any closely related party of key management personnel).

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with a voting direction on the Proxy Form; or
 - it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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Resolution 6 – Approval of proposed issue of FY15 LTI Rights under the Managing Director’s remuneration package

To consider and, if in favour, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.14, approval be given for the issue of 707,351 FY 15 LTI Rights under the Senex employee performance rights plan to Mr Ian Davies, Managing Director and Chief Executive Officer, or his nominee on the terms described in the Explanatory Memorandum.”

Note: If approval is obtained under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 10.11.

Voting exclusion

The Company will disregard any votes cast on this resolution:

- by Mr Ian Davies, his nominee or any associate of either of them; or
- as proxy by a member of key management personnel (or any closely related party of key management personnel).

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with a voting direction on the Proxy Form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 7 – Amendment of constitution – insertion of proportional takeover approval provision

To consider and, if in favour, to pass the following resolution as a special resolution under section 136(2) Corporations Act:

“That pursuant to sections 136(2) and 648G of the Corporations Act 2001 (Cth), the Company’s constitution be amended by inserting new rule 26A in the form set out in the Explanatory Memorandum.”

Note: The Chairman intends to vote all undirected proxies in favour of this resolution. To authorise the Chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

Dated: 10 October 2014

By order of the Board



Francis Leo Connolly
Secretary

Important note regarding proxies

The laws that apply to voting on resolutions in relation to the remuneration of key management personnel have changed in recent years. Certain categories of persons (including Directors and the Chairman of the meeting) are now prohibited from voting on such resolutions, including as proxy in some circumstances.

If you are appointing a proxy, to ensure that your vote counts, please carefully read the voting exclusions, the notes below and the instructions on the Proxy Form.

Notes

- (a) A shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** Proxy Form.
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, under the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00pm (Sydney time) on Monday 17 November 2014.
- (f) If you have any queries on how to cast your votes call Link Market Services on 1300 554 474 during business hours.

Explanatory memorandum

Senex Energy Limited ACN 008 942 827 (**Company**)

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting (**AGM**). In addition, the Company's constitution provides for these reports to be received and considered at the meeting.
 - 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the AGM on the financial statements and reports.
 - 3 Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports. Any shareholders with questions for the Chairman are encouraged to use the Question Form attached to this notice of meeting and should send it to the address listed on the Question Form so it is delivered on or before 5.00pm, Monday 10 November 2014.
 - 4 In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's auditor, Ernst & Young, if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.
 - 5 Written questions for the auditor must be delivered on or before Monday 10 November 2014. Please send any written questions for Ernst & Young to the address listed on the Proxy Form attached to this notice of meeting.
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Resolution 1 – Election of Ms Debbie Goodin

- 1 Resolution 1 is for election of Ms Debbie Goodin as a director.
 - 2 Rule 57 of the Company's constitution allows the directors to appoint any person as an additional director of the Company. A director appointed under rule 57 will hold office until the end of the next AGM of the Company and may be re-elected at that meeting, unless the director is an executive director and the ASX Listing Rules do not require that director to be subject to retirement as set out in rule 57.
 - 3 Ms Debbie Goodin was appointed on 26 May 2014 in accordance with a resolution of the directors under rule 57 authorising and approving her appointment. As a result, Ms Goodin will hold office only until the AGM and will stand for election at the meeting.
 - 4 Ms Goodin joined the Senex Board in May 2014. She has more than 20 years' senior management experience with professional services firms, government authorities and ASX listed companies across a broad range of industries and service areas. Her executive experience in finance, operations, corporate strategy and mergers and acquisitions included service as Chief Operating Officer for an Australian and New Zealand subsidiary of Downer EDI Limited, and as Acting Chief Financial Officer and Head of Mergers and Acquisitions, and then Global Head of Operations, at Coffey International Limited where she led geosciences, project management and international development businesses.

Ms Goodin is an experienced company director and audit committee chair. She is currently a Non-executive Director of Adelaide based Beyond Bank Australia and Victorian government owned City West Water and a member of the Finance Committee for Melbourne's Royal Women's Hospital. Ms Goodin is a member of the Senex audit and risk committee and the remuneration and nominations committee.
 - 5 The directors (other than Ms Goodin) recommend that you vote in favour of resolution 1.
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Resolution 2 – Re-election of Dr Ralph Craven

- 1 Resolution 2 is for re-election of Dr Ralph Craven as a director.
- 2 Rule 58 of the Company's constitution requires that, at the end of every AGM, one-third of the directors (excluding the managing director) must retire from office and may stand for re-election. Where the number of directors is not a multiple of three, then the number nearest to but not more than one third of the directors (not including any director appointed as an additional director, but not yet elected) must retire.
- 3 The directors to retire under rule 58 are those who have been in office the longest since being last elected. As between directors who were elected on the same day, the directors to retire are (in default of agreement between them) determined by ballot.
- 4 The Board determined that Dr Craven will retire from office at the conclusion of the 2014 AGM under rule 58 of the Company's constitution. Dr Craven will offer himself for re-election at the meeting.
- 5 Dr Craven joined the Senex Board in September 2011. He is an energy sector specialist with respected credentials in energy and resources. Before becoming a professional director in 2007, Dr Craven held senior executive positions with energy companies in Australia and New Zealand. He was formerly Chief Executive Officer of Transpower New Zealand Ltd, Executive Director with NRG Asia-Pacific and General Manager with Shell Coal Pty Ltd.

Dr Craven is a Non-executive Director of a number of listed and unlisted public companies including Invion Ltd (ASX: IVX), AusNet Services Ltd (ASX: AST), Mitchell Services Ltd (ASX: MSV), Windlab Ltd and Genex Power Ltd. His previous Non-executive Director roles include Chairman of Ergon Energy Corporation Limited, Chairman of Tully Sugar Limited and Deputy Chairman of coal seam gas company Arrow Energy Limited. Dr Craven chairs the Senex audit and risk committee and is a member of the remuneration and nominations committee.
- 6 The directors (other than Dr Craven) recommend that you vote in favour of resolution 2.

Resolution 3 – Re-election of Mr Ben McKeown

- 1 Resolution 3 is for re-election of Mr Ben McKeown as a director.
- 2 Rule 58 of the Company's constitution requires that, at the end of every AGM, one-third of the directors (excluding the managing director) must retire from office and may stand for re-election. Where the number of directors is not a multiple of three, then the number nearest to but not more than one third of the directors (not including any director appointed as an additional director, but not yet elected) must retire.
- 3 The directors to retire under rule 58 are those who have been in office the longest since being last elected. As between directors who were elected on the same day, the directors to retire are (in default of agreement between them) determined by ballot.
- 4 The Board determined that Mr McKeown will retire from office at the conclusion of the 2014 AGM under rule 58 of the Company's constitution. Mr McKeown will offer himself for re-election at the meeting.
- 5 Mr McKeown joined the Senex Board in December 2008. He is a Chartered Engineer with more than 25 years' experience in the petroleum and mining sectors, including technical and commercial roles with BP and Total. During the past 14 years, Mr McKeown has been involved in private equity investments primarily in the energy and mining sectors. He is currently a partner with The Sentient Group, an independent private equity investment firm specialising in the global resources industry, whose funds are shareholders in Senex.

Mr McKeown serves on a number of Boards in the natural resources sector. He is Chairman of Ferrous Resources Ltd and Chairman of Jordan Energy and Mining Ltd. He was previously Chairman of Rincon Lithium Ltd. Mr McKeown is a member of the Senex remuneration and nominations committee.
- 6 The directors (other than Mr McKeown) recommend that you vote in favour of resolution 3.

Resolution 4 – Directors’ remuneration report

- 1 Resolution 4 is for adoption of the section of the directors’ report dealing with remuneration of directors and other key management personnel (**Remuneration Report**). It is proposed because the Corporations Act requires that the Remuneration Report be put to a vote of shareholders for adoption.
- 2 The resolution of shareholders is advisory only and not binding on the Company. However, if more than 25% of the votes cast on this resolution are against the adoption of the remuneration report, the remuneration report for the following year must either address any comments received from shareholders or explain why no action has been taken in response to those comments. If, at the following AGM, the remuneration report is again voted against by 25% or more of votes cast, a ‘spill resolution’ will be put to shareholders. If at least 50% of the votes cast are in favour of the ‘spill resolution’ a special meeting of the Company will be held within 90 days at which the directors in office at the time of the second AGM (other than a managing director) must resign and stand for re-election.
- 3 The Remuneration Report is in the annual report. It is also available on the Company’s website (www.senexenergy.com.au). It:
 - (a) explains the Board’s policies in relation to the nature and level of remuneration paid to directors, senior executives and other key management personnel within the Company group;
 - (b) discusses the link between the Board’s policies and the Company’s performance;
 - (c) sets out the remuneration details for each director and for each member of the Company’s senior executive management team; and
 - (d) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.
- 4 The Chairman will give shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.
- 5 The directors recommend that you vote in favour of resolution 4.

Note: If you appoint the Chairman as your proxy, and you do not provide voting directions, you must mark the box in Step 3 of the Proxy Form to authorise the Chairman to cast your undirected proxy vote in accordance with his stated intentions, even though this resolution is connected with the remuneration of a member of key management personnel, otherwise your vote will not be counted. The Chairman intends to vote all available proxies in favour of this resolution.

If you appoint another director or member of the key management personnel as your proxy, you MUST direct your proxy how to vote on this resolution, otherwise your vote will not be counted. Follow the instructions on the Proxy Form to direct your proxy how to vote.

Resolution 5 – Approval of future issues of securities under the employee performance rights plan

- 1 Resolution 5 is for renewal of approval of the Senex employee performance rights plan (**EPRP**) so that securities issued or agreed to be issued under the EPRP in the period from the date of the 2014 AGM up to the third anniversary of the 2014 AGM (19 November 2017) will not be counted in the 15% restriction under Listing Rule 7.1. The approval is sought in accordance with exception 9 in Listing Rule 7.2.
- 2 ASX Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue equity securities if the number to be issued, when aggregated with all other equity securities the entity issued or agreed to issue in the previous 12 months, exceeds 15% of the number of ordinary shares that were on issue 12 months before the date of issue or agreement to issue the new securities.

- 3 ASX Listing Rule 7.2 provides a number of exceptions to Listing Rule 7.1, and in particular exception 9 in Listing Rule 7.2 says that Listing Rule 7.1 does not apply to securities issued by the listed entity under an employee incentive scheme if the issue of securities under the scheme, and under exception 9 in Listing Rule 7.2, was approved by shareholders within three years before the issue date of those securities.
- 4 Under the EPRP the Company offers performance rights (**Rights**) to eligible employees. Each Right is an equity security that confers on the employee an entitlement to receive a share in the Company on the vesting date for that Right provided the performance conditions for that Right are satisfied. The employee is not required to pay for the grant of Rights, and for each Right that vests the employee is entitled to receive one share in the Company without payment.
- 5 At the Company's 2011 AGM shareholders approved future issues of securities under the EPRP as issues under an employee incentive scheme and under exception 9 in Listing Rule 7.2. By proposing resolution 5 at the 2014 AGM, the Board seeks renewal of that shareholder approval so that securities issued or agreed to be issued under the EPRP in the period from the date of the 2014 AGM up to the third anniversary of the 2014 AGM (19 November 2017) will not be counted in the 15% restriction under Listing Rule 7.1.
- 6 Offers of securities under the EPRP to the Company's senior managers fall under an exemption in part 6D.2 of the Corporations Act. On 20 October 2011, the Australian Securities and Investments Commission (**ASIC**) granted the Company relief from the disclosure provisions of the Corporations Act for offers under the EPRP made to persons other than senior managers. Under this relief, the aggregate of:
- (a) the number of shares to be issued on vesting of Rights; plus
 - (b) the number of shares that would be issued if every outstanding offer of shares, units of shares or options to acquire unissued shares under any employee share scheme for the Company (including the EPRP) was accepted, vested or exercised; plus
 - (c) the number of shares issued during the previous 5 years under any employee share scheme for the Company (including the EPRP)

must not exceed 5% of the Company's total issued shares. Offers under exemptions in part 6D.2 of the Corporations Act do not count towards this 5% limit.

- 7 At the date of this explanatory memorandum:
- (a) a maximum of 3,632,576 shares may be issued under the offers of Rights made to the Company's senior managers as part of their performance incentives for the year ending 30 June 2015 (including the 707,351 FY 15 LTI Rights offered to Mr Davies, the Managing Director, which are the subject of resolution 6 at the 2014 AGM);
 - (b) a maximum of 17,405,325 shares would be issued if every other outstanding offer of shares, units of shares or options to acquire unissued shares under any employee share scheme for the Company (including the EPRP) was accepted, vested or exercised;
 - (c) 28,704,223 shares were issued during the previous 5 years under the Company's employee share schemes (including the EPRP); and
 - (d) 57,482,869 shares is 5% of the Company's 1,149,657,377 total issued shares.

However the Company offered:

- (e) all of the 3,632,576 Rights referred to in paragraph (a); and
- (f) 9,324,622 of the 12,072,325 Rights and all of the 5,333,000 options referred to in paragraph (b); and
- (g) 13,468,153 of the 28,704,223 shares referred to in paragraph (c);

under exemptions in part 6D.2 of the Corporations Act, so they do not count towards the 5% limit under ASIC relief.

- 8 Rights are granted and issued under the EPRP at the discretion of the directors. The terms of the EPRP may be updated or amended from time to time at the absolute discretion of the directors.
- 9 The directors have made some changes to the EPRP since shareholders approved future issues of securities under the EPRP at the 2011 AGM. The changes relate to the circumstances in which certain Rights granted on or after 26 August 2013 will vest in the event of change of control of the Company. A summary of the terms of the EPRP is contained in schedule 1 of this Explanatory Memorandum. There was no change to the number or terms of the securities to be issued, the mechanism for pricing or payment or any other material terms of the scheme.
- 10 The Company granted Rights to employees under the EPRP in accordance with the approval for future issues of securities under the EPRP given by shareholders at the 2011 AGM. At the date of this explanatory memorandum:
23,062,785 Rights have been granted since the 2011 AGM, of which:
 - (a) 7,246,314 Rights have vested (and shares have been issued for them);
 - (b) 4,144,146 Rights have lapsed; and
 - (c) 11,672,325 Rights remain subject to one or more performance conditions (including vesting conditions).
- 11 The Company expects to grant Rights to employees in respect of the year ending 30 June 2015.
- 12 The directors (other than Mr Davies) recommend that you vote in favour of resolution 5.
- 13 The Chairman intends to vote all available proxies in favour of resolution 5. To authorise the Chairman to vote as your proxy in accordance with his intentions, please follow the instructions on the proxy form carefully and mark the appropriate box.

Resolution 6 - Approval for proposed issue of FY15 LTI Rights under the Managing Director's remuneration package

Background and reasons for proposal

- 1 Resolution 6 is for approval to issue 707,351 FY 15 LTI Rights to Mr Davies or his nominee under the EPRP. The approval is sought in accordance with Listing Rule 10.14.
- 2 The material terms of the contract under which the Company employs Mr Ian Davies as Managing Director and Chief Executive are set out in the 2014 Remuneration Report. The Remuneration Report is in the Company's annual report, and it is also available on the Company's website (www.senexenergy.com.au). Under Mr Davies' employment contract the Board reviews each year, in line with the Company's financial year (**Performance Year**), Mr Davies' performance, the Company's performance under his management, and his remuneration.
- 3 Under Mr Davies' employment contract the Company provides each Performance Year (and the Board reviews at the end of each Performance Year) a total remuneration package (**TRP**) consisting of:
 - (a) total fixed remuneration (**TFR**) for the year, including salary and superannuation, which is not at-risk; plus
 - (b) an offer of short-term incentive remuneration (**STI**) for the year; plus
 - (c) an offer of long-term incentive remuneration (**LTI**) for the year.

- 4 This TRP structure offers a combination of fixed remuneration and variable or 'at risk' remuneration that is only paid or provided if pre-determined performance conditions are satisfied. It is consistent with the key objectives for remuneration under the Company's Remuneration Policy:
- (a) to align remuneration to business outcomes that deliver shareholder value;
 - (b) to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
 - (c) to ensure remuneration is competitive in the employment market to attract, motivate and retain executive talent.
- 5 For the Performance Year ended 30 June 2014 (**FY 14**) the Company offered to Mr Davies a TRP comprising:
- (a) TFR of \$850,000 per annum
 - (b) an STI that offered an uplift of up to 100% of Mr Davies' FY 14 TFR (ie a maximum STI of \$850,000), subject to achievement of four measures of corporate performance for FY 14, and for part of the STI, a vesting condition; and
 - (c) an LTI that offered an uplift of up to 60% of Mr Davies' FY 14 TFR (ie a maximum LTI of \$510,000) subject to satisfaction of a performance condition and a vesting condition over the three year period ending 30 June 2016
- 6 The Company agreed, subject to shareholder approval at the 2013 AGM, to issue to Mr Davies or his nominee rights to equity securities, namely contingent performance rights (**Rights**) under the Senex employee performance rights plan (**EPRP**), for part (50%) of the maximum STI offered to him for FY 14 (**FY 14 STI Rights**) and all (100%) of the maximum LTI offered to him for FY 14 (**FY 14 LTI Rights**). Those Rights, subject to the performance conditions and the vesting conditions, were issued to Mr Davies' nominee after shareholders approved the issue at the 2013 AGM.
- 7 In the 2014 Remuneration Report the Board advised the outcome of the FY 14 STI for the Company's senior executives including Mr Davies and the outcome of their review of the remuneration to be offered to the Company's senior executives including Mr Davies for FY 15. The Board determined there would be no overall increase in TFR, STI or LTI offered to the Company's senior executives including Mr Davies for the Performance Year ending 30 June 2015 (**FY 15**).
- 8 Accordingly, the Company agreed to provide the following TRP to Mr Davies for FY 15:
- (a) TFR of \$850,000
 - (b) an STI that offers an uplift of up to 100% of Mr Davies' FY 15 TFR (ie a maximum STI of \$850,000), subject to achievement of four measures of corporate performance for FY 15, with 50% of any STI award for FY 15 (if any) payable in August 2015 and the other 50% deferred until 1 July 2016; and
 - (c) an LTI that offers an uplift of up to 60% of Mr Davies' FY 15 TFR (ie a maximum LTI of \$510,000) subject to satisfaction of a performance condition and a vesting condition over the three year period ending 30 June 2017.
- 9 The split of Mr Davies' TRP for FY15 between TFR, STI and LTI means that 61.5% of his TRP is at risk, being subject to performance conditions (38.4% for short term performance, 23.1% for long term performance) and vesting conditions (19.2% deferred until August 2015, 19.2% deferred until 1 July 2016, 23.1% deferred until 1 July 2017).
- 10 The Company also agreed, subject to shareholder approval at the 2014 AGM, to issue 707,351 Rights to Mr Davies or his nominee with a grant date of 1 July 2014 (**Grant Date**) for all (100%) of the maximum LTI offered to him for FY 15 (**FY 15 LTI Rights**). The FY 15 LTI Rights will be subject to the FY 15 LTI performance condition and vesting condition.

- 11 The STI and LTI offered to Mr Davies for FY 15 will be subject to clawback. In the event that any measure of performance is subsequently discovered to have been misstated, the Board will have a right at its discretion to clawback out of any unvested entitlements (including unvested rights) that Mr Davies holds at that time or subsequently the amount or value of any incentive remuneration (eg the number of Rights, if any) that vested incorrectly in reliance on the misstated level of performance.
- 12 The Board believes that the amount, terms and structure of the TRP, TFR, STI and LTI offered to Mr Davies for FY 15, including the number of FY15 LTI Rights to be issued, are appropriate in the circumstances. The Board obtained advice from an independent remuneration consultant regarding the Managing Director's STI and LTI.

Shareholder approval

- 13 Listing Rule 10.14 requires a listed company to obtain shareholder approval (by ordinary resolution) prior to the issue of securities under an employee incentive scheme to a director of the company. Further, Listing Rule 10.11 requires a listed company to obtain shareholder approval (by ordinary resolution) prior to the issue of securities to a related party of the company. If shareholders approve the issue of securities under Listing Rule 10.14, the Company is not required to obtain shareholder approval for the issue under Listing Rule 10.11 or 7.1 and the securities issued will not be counted in the 15% restriction under Listing Rule 7.1.
- 14 Mr Davies, as Managing Director, is a related party of the Company. Accordingly, shareholder approval is sought in accordance with Listing Rule 10.14 for the issue of 707,351 FY 15 LTI Rights to Mr Davies or his nominee under the EPRP.¹
- 15 The Company will issue the FY15 LTI Rights within one month after the meeting at which shareholders approve the issue of those Rights.
- 16 In the event that shareholders do not at the 2014 AGM approve the issue of 707,351 FY15 LTI Rights to Mr Davies, the Company will on the Vesting Date for FY15 LTI Rights pay in cash the value of the FY15 LTI Rights (if any) that would have vested on that Vesting Date if shareholders had approved the issue of those Rights at the 2014 AGM.

The proposal – issue of FY 15 LTI Rights

- 17 The FY 15 LTI Rights will be granted under and subject to the terms of the EPRP. Further information on the EPRP is set out in the schedule to this explanatory memorandum.
- 18 The FY15 LTI Rights will be subject to satisfaction of a Stretch level performance condition and a vesting condition over a three year performance period. The Stretch level performance condition will require absolute total shareholder return (TSR) of at least 20% per annum compound growth from 30 June 2014 to 30 June 2017 (an increase of at least 72.8% over the performance period). The vesting condition will require Mr Davies to be an employee of Senex group on 1 July 2017 (**Vesting Date**).
- 19 Performance for the TSR condition will be measured by the increase in value of a Senex share over the three years ending 30 June 2017 principally by comparing the volume weighted average price (**VWAP**) of Senex shares traded on ASX in the last 20 trading days up to the end of June 2017 with the 20 day VWAP of Senex shares traded up to the end of June 2014 (which was \$0.721). Satisfaction of the 20% per annum compound share price growth performance condition would require a 20 day VWAP of \$1.246 up to the end of June 2017. Where TSR achieved is below Stretch level, vesting (if any) of the Managing Director's FY 15 LTI Rights will be at Board's discretion, and the Managing Director will have no entitlement to vesting of any Rights.

¹ Approval is not required under Listing Rule 10.11 if shareholders approve the issue under Listing Rule 10.14.

- 20 Absolute TSR was chosen as the performance measure because it is a primary measure of corporate performance and shareholder value and it aligns the interests of executives with the interests of shareholders. The Board considered but did not adopt a test of relative TSR or relative share price performance for all or part the Managing Director's FY 15 LTI. The Board did not believe the identified peer group provided suitable comparison or a sufficient benchmark for this purpose. The Board also wished to retain an absolute discretion to determine whether (and to what extent) any LTI rights vest if shareholders do not receive the TSR over the performance period that the performance test requires.
- 21 Consistent with the Company's practice in granting contingent Rights since adopting the EPRP, the FY15 LTI Rights have been priced at the commencement of the performance period. So FY15 LTI Rights have been priced at Grant Date at the 20 day VWAP of Senex shares up to the end of June 2014, which was \$0.721 per share.
- 22 The 707,351 FY15 LTI Rights granted as at 1 July 2014 (subject to shareholder approval) will therefore represent at Grant Date the maximum FY 15 LTI of \$510,000 that the Company offered to Mr Davies, subject to performance and vesting (equal to 60% of his FY 15 TFR).

Board discretion

- 23 The Board will determine in its sole discretion whether and to what extent the performance condition for the FY 15 LTI is satisfied, and where the performance condition has not been satisfied in full, the extent (if any) to which the Company will award the FY 15 LTI to Mr Davies.
- 24 If, in the Board's discretion, the performance condition is wholly or partly satisfied, and any FY 15 LTI Rights vest, Mr Davies will be entitled to receive, without payment, on the Vesting Date, one fully paid ordinary share in the Company ranking pari passu with existing ordinary shares for each vested FY 15 LTI Right.
- 25 To the extent that the Board determines that the performance condition for the FY 15 LTI Rights is not satisfied (in full or in part), part or all of the FY 15 LTI Rights will lapse.

Effect of the proposal - Managing Director's current shareholding and dilutionary effect

- 26 At the date of this explanatory memorandum Mr Davies holds, directly or indirectly:
- (a) 1,830,953 fully paid ordinary shares
 - (b) 5,333,000 unlisted options, and
 - (c) 4,308,594 contingent Rights

Mr Davies acquired these equity interests in the following ways:

Shares	710,178	shares Mr Davies purchased on market
FY 12 STI Shares	443,775	shares received from the Company for his performance in achieving FY 12 STI performance targets
FY 12 LTI Shares	677,000	shares received on exercise of 677,000 FY 12 LTI Options
FY 11 LTI Options	4,000,000	unlisted options granted as LTI remuneration for FY 11 with shareholder approval
FY 12 LTI Options	1,333,000	unlisted options granted as LTI remuneration for FY 12 with shareholder approval (Mr Davies has already exercised another 677,000 FY 12 LTI Options)
FY 13 LTI Rights	3,000,000	Rights granted as LTI remuneration for FY 13 with shareholder approval and subject to satisfaction of a performance condition and a vesting condition over the three year period ending 30 June 2015

FY 14 STI Rights	371,094	Rights granted as STI remuneration for FY 13 with shareholder approval and subject to satisfaction of performance condition and a vesting condition (another 410,156 FY 14 STI Rights lapsed on 22/08/2014 to the extent that performance conditions were not satisfied)
FY 14 LTI Rights	937,500	Rights granted as LTI remuneration for FY 14 with shareholder approval and subject to satisfaction of a performance condition and a vesting condition over the three year period ending 30 June 2016

27 If resolution 6 is approved, Mr Davies will hold, directly or indirectly:

- (a) 1,830,953 fully paid ordinary shares
- (b) 5,333,000 unlisted options, and
- (c) 5,015,945 contingent Rights

28 The following table demonstrates the dilution of all other shareholders' holdings in the Company if all of the FY15 LTI Rights to be issued to Mr Davies under resolution 6 vest:

Shares on issue at the date of this explanatory memorandum	1,149,657,377
Shares currently held, directly or indirectly, by Mr Davies	1,830,953
% of shares currently held, directly or indirectly, by Mr Davies	0.16%
Maximum shares to be issued assuming vesting of all FY 15 LTI Rights to be issued under resolution 6	707,351
Total Shares on issue assuming vesting of all FY 15 LTI Rights to be issued under resolution 6 ²	1,150,364,728
Shares that would be held, directly or indirectly, by Mr Davies, assuming vesting of all FY 15 LTI Rights to be issued under resolution 6 ³	2,538,304
% of shares that would be held, directly or indirectly, by Mr Davies, assuming vesting of all FY 15 LTI Rights to be issued under resolution 6 ⁴ .	0.22%

Value of the securities

29 While the grant of FY15 LTI Rights is intended to encourage Mr Davies to continue as Managing Director and incentivise high performance over the long-term performance period, the value of the FY15 LTI Rights at the date of this explanatory memorandum and the likely value of the FY 15 LTI Rights at the Vesting Date is inherently uncertain because of uncertainty as to whether any FY15 LTI Rights will vest, what number may vest, and what the value of Senex shares may be at the time the FY15 LTI Rights (if any) may vest.

30 The FY15 LTI Rights have been priced at Grant Date at the 20 day VWAP of Senex shares up to the end of June 2014, which was \$0.721 per share.

² Excludes any shares to be issued after the date of this explanatory memorandum as a result of the exercise of options, the vesting of performance rights or otherwise, other than those shares to be issued on the vesting of the performance rights that are the subject of Resolution 6.

³ Excludes any shares to be issued after the date of this explanatory memorandum as a result of the exercise of options, the vesting of performance rights or otherwise, other than those shares to be issued on the vesting of the performance rights that are the subject of Resolution 6.

⁴ Excludes any shares to be issued after the date of this explanatory memorandum as a result of the exercise of options, the vesting of performance rights or otherwise, other than those shares to be issued on the vesting of the performance rights that are the subject of Resolution 6.

- 31 In order for Mr Davies to receive the maximum number of shares potentially available in respect of the FY15 LTI Rights, both the 20% per annum compound share price growth performance condition and the vesting condition would have to be satisfied in full at the end of the three year performance period.⁵ Satisfaction of the 20% per annum compound share price growth performance condition would require a 20 day VWAP of \$1.246 for Senex shares up to the end of June 2017. The closing price of Senex shares traded on ASX on 9 October 2014 was \$0.55.

Other information

- 32 The only director who is eligible to participate in the EPRP is the Managing Director, Mr Davies. No other director is eligible to participate in any employee incentive scheme offered by the Company.
- 33 Other than the FY 15 LTI Rights that are the subject of resolution 6 and the FY 13 Rights and FY 14 Rights approved by shareholders at the 2012 AGM and 2013 AGM (refer to paragraph 26 above), no other securities have been issued under the EPRP to persons referred to in ASX Listing Rule 10.14 since the EPRP was last approved by shareholders at the 2011 AGM.
- 34 The FY15 LTI Rights will be granted for nil consideration and as such no funds will be raised by the issue of the Rights nor will any loan be made in connection with the Rights. If, in the Board's discretion, the performance condition is wholly or partly satisfied, and any FY 15 LTI Rights vest, Mr Davies will be entitled to receive, without payment or other consideration, on the Vesting Date, one fully paid ordinary share in the Company for each vested FY 15 LTI Right.

Recommendation

- 35 Mr Davies has an interest in the resolution and therefore does not make a recommendation. The other directors unanimously recommend that you vote in favour of resolution 6.

Resolution 7 – Amendment of the Constitution – insertion of proportional takeover approval provision

1. Resolution 7 is a special resolution to amend the constitution of the Company by inserting a proportional takeover approval provision. It requires a majority of at least 75% of votes cast by shareholders entitled to vote on the resolution.

Background

2. Under the Corporations Act, a company may include a proportional takeover approval provision in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by shareholders.
3. A proportional takeover is a takeover bid where an offer is made to all shareholders for the acquisition of their shares, but the offer made to each shareholder is only for a specified proportion of that shareholder's shares (and the proportion is the same for all shareholders).

⁵ FY 15 LTI Rights may vest earlier or automatically in certain circumstances - see the Schedule.

Proposed new rule 26A

4. The proposed proportional takeover approval provision (new rule 26A) is set out below:

“Rule 26A – Approval of proportional takeover bids

26A.1 If offers are made under a proportional takeover bid for securities in the Company:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (in this Rule referred to as an Approving Resolution) to approve the proportional takeover bid is passed in accordance with this rule 26A;*
- (b) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class securities is entitled to vote on an Approving Resolution;*
- (c) an Approving Resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution. The meeting to vote on the Approving Resolution must be held at least 14 days before the last day of the bid period for the proportional takeover; and*
- (d) an Approving Resolution that has been voted on in accordance with this rule is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.*

26A.2 This rule ceases to apply on the third anniversary of its adoption or last renewal.”

Effect of proposed new rule

- 5. If a proportional takeover bid is made for the Company, the existence of the new rule 26A would require a meeting to be convened, at least 14 days before the close of the proportional takeover bid, for shareholders to vote on a resolution to approve the takeover bid.
- 6. The inclusion of the new rule 26A is intended to assist shareholders in receiving proper value for their shares in the circumstances of a proportional takeover.
- 7. The new rule 26A will permit shareholders in general meeting to vote on any proportional takeover offer. Each shareholder will have one vote for each fully paid share held. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, no transfer will be registered and the offer will be taken to have been withdrawn. If the bid is approved all valid transfers must be registered.
- 8. The new rule 26A will, if approved by shareholders, apply until it lapses on the third anniversary of the 2014 AGM (19 November 2017) but the Board may ask shareholders to renew the rule at or before that time. The rule will not apply to full takeover bids.

Reasons for proposing the resolution

- 9. The directors consider it is in the interests of shareholders to include rule 26A in the Constitution of the Company for the maximum period permitted by law (being 3 years from the date of insertion into the Constitution).

Potential advantages and potential disadvantages

- 10. The Corporations Act requires this explanatory memorandum to discuss the potential advantages and disadvantages of the insertion of the rule for both directors and shareholders.
- 11. The directors consider that the proportional takeover provisions set out in proposed new rule 26A have no potential advantages or disadvantages for them and they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

12. The potential advantages of the new rule 26A for shareholders include:
 - (a) shareholders have the right to decide by majority vote whether to accept a proportional takeover bid;
 - (b) it may help shareholders avoid being locked in as a minority
 - (c) it may help avoid the bidder acquiring control of the Company without paying an adequate control premium;
 - (d) it may enhance shareholders' bargaining position and may assist in ensuring that any proportional takeover bid is adequately priced; and
 - (e) knowing the view of the majority of shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover bid and form an opinion on whether to accept or reject an offer under the bid.
13. The potential disadvantages of the rule for shareholders include:
 - (a) proportional takeover bids for shares in the Company may be discouraged;
 - (b) shareholders may lose an opportunity to sell some of their shares at a premium; and
 - (c) the likelihood of a proportional takeover succeeding may be reduced.
14. The directors do not believe the potential disadvantages outweigh the potential advantages of the rule.

Present acquisition proposals

15. As at the date of this Notice of Meeting, no director of the Company is aware of any current proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company or to announce a takeover offer for shares in the Company.

Directors' recommendation

16. The directors recommend that you vote in favour of resolution 7.
-

Schedule

Summary of Senex employee performance rights plan

What are performance rights?

A performance right is a right (**Right**) granted to an eligible employee of Senex Energy Limited (**Company**) or any Senex subsidiary (**Group Company**) under the Company's Employee Performance Rights Plan (**EPRP**). Under the rules of the EPRP (**Rules**), each Right confers on the employee an entitlement to receive a share in the Company on the vesting date for that Right (**Vesting Date**), provided the performance conditions for that Right (**Performance Conditions**) are satisfied on the testing date for those Performance Conditions (**Testing Date**). The employee is not required to pay for the grant of Rights, and for each Right that vests the employee is entitled to receive one share in the Company without payment.

Grant of Rights

Under the Rules the Company may, at the discretion of the directors, grant Rights to an employee or the employee's associate. If an employee or their associate is granted Rights the employee becomes a participant in the EPRP (**Participant**).

No shareholder rights

A Participant is not entitled to vote, to receive dividends, or to have any other rights of a shareholder in relation shares the subject of a Right. A Participant only acquires the rights of a shareholder if Company shares are issued or transferred to the Participant, and only has those rights in respect of shares that the Participant holds.

Lapse of Rights

A Participant's Rights may lapse if the employee ceases employment with a Group Company (subject to some exceptions), if a Performance Condition applicable to those Rights is not satisfied by the Testing Date, or if the Board determines that a Right should lapse. If a Right lapses, it is immediately cancelled and is not capable of vesting.

Vesting

A Right only confers an entitlement to receive a Share upon vesting (**Vesting**).

A Right only Vests if:

- the Performance Conditions (if any) applicable to that Right are fulfilled on the Testing Date, and
- the Participant is still an employee of a Group Company on the Vesting Date for that Right.

The Board may determine, in its discretion, that unvested Rights (or a percentage of them) may Vest earlier in certain circumstances (such as bona fide retirement, ill health, termination by the Company without cause).

Performance Conditions

Under the EPRP the Board can impose a Performance Condition on a Right. The Performance Condition is a condition that must be satisfied before the Performance Right Vests. The terms of any Performance Conditions imposed on a Participant's Rights are notified in a certificate, which is issued as soon as practicable after the Rights are granted.

Change of Control and corporate events

If Change of Control occurs (for example, a takeover) all Rights granted before 26 August 2013 will immediately Vest. However, no immediate vesting will occur if the Change of Control does not involve a significant change in the identity of the ultimate shareholders of the Company.

If Change of Control occurs all Rights granted on or after 26 August 2013 will Vest as set out below on the occurrence of Change of Control:

- (a) unvested Rights that are subject only to the condition that the employee be an employee of a Group Company on the Vesting Date (**Vesting Condition**), will immediately Vest;
- (b) unvested Rights that are subject to a Performance Condition, other than a Vesting Condition, will be assessed under the tests set out below:

1. Test #1

Under Test #1, the number of rights that may vest is reduced pro rata to the period elapsed, so no more than the reduced number can vest. At the same time the performance target is also reduced pro rata to the period elapsed.

2. Test #2

Under Test #2, the number of Rights eligible to vest is reduced pro rata to the extent to which the original performance hurdle is achieved.

For Rights referred to in (b) above (subject to the overriding discretion of directors to Vest or increase Vesting of unvested Rights):

- (c) either the number of unvested Rights that satisfy Test #1 or the number of unvested Rights that satisfy Test #2 (whichever the greater) will immediately Vest; and
- (d) the number of unvested Rights that fail Test #1 or the number of unvested Rights that fail Test #2 (whichever the lesser) will lapse one month after the Change of Control.

If the Company has a bonus issue, rights issue or a reconstruction, the Board will determine whether any amendments are required to Rights.

Amendment

The Board may amend the EPRP at any time. However, any change that is prejudicial to the rights of Participants requires Participant consent.



By mail:
Senex Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



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PROXY FORM

I/We being a member(s) of Senex Energy Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at 9:30am on Wednesday, 19 November 2014 at The Grand Ballroom, Stamford Plaza, corner of Edward & Margaret Streets, Brisbane (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

RESOLUTIONS

Ordinary Business

	For	Against	Abstain*
1 Election of Ms Debbie Goodin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Dr Ralph Craven	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Ben McKeown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Directors' remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

	For	Against	Abstain*
5 Approval of future issues of securities under the employee performance rights plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of proposed issue of FY15 LTI Rights under the Managing Director's remuneration package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Amendment of constitution - insertion of proportional takeover approval provision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

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HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:30am on Monday, 17 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

Senex Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**



Senex Energy Limited

ACN 008 942 827

LODGE YOUR QUESTIONS



ONLINE >

www.linkmarketservices.com.au



By mail:
Senex Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



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Please use this form to submit any questions about Senex Energy Limited ("the Company") that you would like us to respond to at the Company's 2014 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by 5:00pm (Brisbane Time) on Monday, 10 November 2014.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

Question(s)

My question relates to (please mark the most appropriate box)

- Performance or financial reports
Remuneration Report
My question is for the auditor
A resolution being put to the AGM
Sustainability/Environment
Future direction
General suggestion
Other

Form area with horizontal lines for writing the question.

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