Delivering the Senex strategy

Ian Davies, Managing Director
RIU Good Oil Conference
Fremantle, 4 September 2012
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Reserves

Unless otherwise indicated, the statements contained in this presentation about Senex’s reserves estimates have been prepared by Dr Steven Scott BSc (Hons), PhD, who is General Manager – Exploration, a full time employee of Senex, in accordance with the definitions and guidelines in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers (SPE PRMS). Dr Scott consents to the inclusion of the reserves estimates in the form and context in which they appear. Senex’s reserves are consistent with the SPE PRMS.
Material asset position in conventional oil, unconventional gas and coal seam gas
Strong business fundamentals

✓ Strong and growing independent Cooper Basin oil business
  ▪ 2011/12 net oil production of over 600,000 barrels
  ▪ Targeting net production of one million barrels of oil for 2012/13 (up 66% on 2011/12) with more than 20 wells planned to be drilled
  ▪ Extensive 3D seismic survey underway to identify next generation of conventional oil and gas targets

✓ Material unconventional gas resource potential in the SA Cooper Basin
  ▪ Over 100 Tcf gas-in-place resource estimate\(^1\) in PEL 516 (Senex 100%) from shales and coals alone, with other Senex held permits also highly prospective
  ▪ 12-well campaign planned over next 18 months on the strength of successful exploration during 2012/13 in PEL 516

✓ Valuable CSG position in the LNG feedstock region of Queensland’s Surat Basin
  ▪ Joint venture partners with two LNG project proponents - BG Group and Arrow
  ▪ Strong independently certified coal seam gas reserves position

✓ Experienced leadership team in place with successful track record
✓ Fully funded work programs with over $180 million cash at hand

\(^1\) Source: MHA Petroleum Consultants LLC
Senex share price continues to outperform

Share price performance 1 July 2011 to 31 August 2012, rebased

<table>
<thead>
<tr>
<th>Movement to 31 August 2012</th>
<th>SXY</th>
<th>WPL</th>
<th>STO</th>
<th>OSH</th>
<th>AWE</th>
<th>KAR</th>
<th>AUT</th>
<th>BPT</th>
<th>DLS</th>
<th>ASX200</th>
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<tbody>
<tr>
<td>3 month</td>
<td>(20%)</td>
<td>7%</td>
<td>(6%)</td>
<td>10%</td>
<td>(17%)</td>
<td>(17%)</td>
<td>(5%)</td>
<td>7%</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>6 month</td>
<td>(32%)</td>
<td>(8%)</td>
<td>(22%)</td>
<td>8%</td>
<td>(17%)</td>
<td>(34%)</td>
<td>0%</td>
<td>(24%)</td>
<td>(2%)</td>
<td>0%</td>
</tr>
<tr>
<td>9 month</td>
<td>19%</td>
<td>5%</td>
<td>(14%)</td>
<td>20%</td>
<td>10%</td>
<td>(15%)</td>
<td>(3%)</td>
<td>(15%)</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>From 1 July 2011</td>
<td>97%</td>
<td>(16%)</td>
<td>(17%)</td>
<td>14%</td>
<td>16%</td>
<td>(24%)</td>
<td>(6%)</td>
<td>31%</td>
<td>235%</td>
<td>(6%)</td>
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</table>

Source: IRESS, rebased at 1 July 2011
A focused and compelling strategy…

1. Grow the oil business to generate cash flow
   - Record production in 2011/12
   - Successful exploration and appraisal in 2011/12, with substantial oil reserves upgrade achieved in April 2012
   - Targeting one million barrels of net oil production in 2012/13 with major western flank drilling program

2. Unlock a world class unconventional gas resource
   - Commenced definition of material gas resource
   - 12 well program sanctioned over coming 18 months
   - Sasanof-1 exploration well drilled and fracture stimulated – >200 mcfd peak rate achieved during testing
   - Talaq-1 exploration well cased and suspended awaiting hydraulic fracture stimulation, Skipton-1 drilling ahead

3. Appraise and develop Surat Basin coal seam gas
   - Significant 3P reserves position of 314 PJ (net), with a material 2P reserves increase to 138 PJ (net) in 2012
   - Commenced 17 well campaign for 2012/13 to further increase 2P reserves, de-risk and add value to permits
...with excellent success to date on all key metrics
Oil production generating solid cash flows...

- Strong oil pricing (Brent)
- High net back of ~A$70 per barrel\(^1\)
- Major land position with operatorship
- Net 2P oil reserves of 8.1 mmbbl with peak production of over 6,000 bopd
- Fast drill and tie-in with high flow rates
- Pipelines under construction to increase production and secure delivery
- Low risk exploration on 3D seismic
- New 790km\(^2\) Cordillo 3D seismic program underway
- Aggressive exploration & appraisal programs underway to boost oil production and cash flow

Note \(^1\) At Brent oil price of A$100/barrel, with delivered opex
...following a year of strong project execution and delivery in 2011/12

- 2011/12 production of over 600,000 net barrels of oil despite weather impacts
- Eight successful appraisal and development wells drilled at Growler and Snatcher oil fields as part of the 2011/12 program
- Six exploration wells drilled as part of the 2011/12 program with new oil fields discovered at Spitfire and Mustang
- Commenced 790 km² Cordillo 3D seismic program
- Construction being finalised on critical pipeline infrastructure to reduce weather related delays and reduce costs
- Material investment in oil production facilities at key sites
Production and cash flow growth to continue in 2012/13…

- 2012/13 production target of one million net barrels of oil, ▲66% on 2011/12 result
- Western flank oil fields to contribute full year production
- Pipeline infrastructure to come online to reduce weather related production risks

Oil business profitable and self-funding. Oil exploration, appraisal, development and infrastructure capital expenditure to be funded by oil cash flows

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* CAGR: Compound Annual Growth Rate, assuming 2012/13 target production is achieved
...with extended western flank exploration footprint

- 20+ well drilling campaign in the western flank and its northern extension
- Mixture of exploration and appraisal drilling
- Seismic programs planned to extend existing 3D coverage over western flank fairway
- Facility investment in line with production growth
- New oil field discoveries at Spitfire and Mustang
Domestic growth in gas consumption fuelled by gas fired power generation

LNG provides material additional demand and access to oil-linked pricing

Brownfields expansion of sanctioned LNG Projects in Gladstone provides potential for major gas off-take

Gas prices trending to $6 to $9 per gigajoule

Source: Core Energy Group
Permits adjacent to Gladstone LNG project CSG developments

2011/12 work programs successfully targeted material reserves upgrades

Upgrades announced in May 2012:
- Net 2P reserves $75\%$ to 138 PJ
- Net 3P reserves $26\%$ to 314 PJ
- More than 500 PJ of net CSG reserves and resources\(^1\)

2012/13: focus on 2P reserves growth through further exploration and appraisal
- 17 well program across eastern and western Surat Basin permits
- Commence field development planning ahead of pilot production programs in FY14

\(^1\) Source: MHA Petroleum Consultants LLC
Over 1.2 million acres of prospective Cooper Basin unconventional gas acreage

- Strong potential across multiple permits in both the north and south of the South Australian Cooper Basin
- Close to existing gas infrastructure
- PEL 516: Net gas-in-place resource of over 100 Tcf
- Demonstrated liquid hydrocarbon production potential

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Source: MHA Petroleum Consultants LLC, shales and coals in PEL 516 (Senex 100%)
Material unconventional gas potential across tight sands, shales and coals

Tight sands
- Toolachee, Epsilon and Patchawarra tight sand / coal sequences
- Basin centred gas plays
- North American analogues

Shales
- Thick, mature Roseneath and Murteree shales
- North American analogues

Coals
- Thick, mature Toolachee and Patchawarra coals

Over 100 Tcf of gas-in-place resource\(^1\) in Senex’s southern Cooper Basin permits, with heavy gases and condensate present

\(^1\) Source: MHA Petroleum Consultants LLC, shales and coals in PEL 516 (Senex 100%)
Senex achieves successful 2011/12 unconventional gas exploration program

**Focused exploration program in PEL 516:**

- **Detailed desktop studies:**
  - Historic wells in surrounding area, with North American analogues reviewed
- **Vintage Crop-1** – cored, full desorption analysis, rock mechanics and mineralogy testing
- **Allunga Trough-1** – diagnostic fracture injection testing successful
- **Sasanof-1** – drilled and fracture stimulated, with flow testing underway:
  - >200 mcfd peak flow rate achieved to date
  - Liquid hydrocarbon production potential demonstrated
- **Talaq-1** – drilled, cased, and suspended awaiting hydraulic fracture stimulation
  - High gas readings with liquid hydrocarbons demonstrated
- **Skipton-1** – drilling underway
- **Kingston Rule-1 (PEL 115: Senex 55%, Orca Energy 20%)** – drilling after Skipton-1
Sasanof-1 production testing continuing

- **Sasanof-1** large scale fracture stimulation successfully completed
  - Fracture stimulation intervals in both Roseneath and Murteree shales
  - Two fracture stimulation intervals in Patchawarra tight gas sands
- Liquids rich gas flow during clean-up of over 200 mcf/d
- Clean up continuing at Sasanof-1 with Senex operations staff continuing to test the well
- Gas analysis undertaken on gas flows confirm the presence of heavy gases and condensate ($C_2$-$C_{10}$)
12 well campaign planned over ~18 months following early success at Sasanof-1 and Talaq-1

Primary focus on PEL 516, with early exploration of Senex’s northern Cooper Basin permits

Focus on resource definition and deliverability to improve speed and cost of well delivery

Secure new rigs in country with larger campaign commitment

Building momentum in Senex’s unconventional gas business

Exploration Appraisal Pilot Testing

Resource definition Deliverability Commerciality

**Southern Cooper Basin**

2011/12 program:
- 3 wells drilled, cored and fracture-stimulated
- Targeting 2C resource booking in 2012/13

2012/13+ program:
- 10+ wells
- Limited coring
- Focus on flow testing
- Pilot program to follow a successful appraisal program

**Northern Cooper Basin**

2012/13 program:
- 2 wells drilled, cored and fracture-stimulated
### 2012/13 strategic priorities through a fully funded work program

<table>
<thead>
<tr>
<th>Segment</th>
<th>Key Strategies</th>
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| **Conventional oil**  | Build on the momentum of 2011/12 to strengthen the oil business and grow production  
                         |   - Maturation of western flank oil fields, focusing on exploration and appraisal drilling, facilities and production support  
                         |   - Optimisation of non-western flank, mature oil fields  
                         |   - New oil field exploration, including new 3D seismic programs  
                         | Oil capex requirements to be funded by oil cash flows |
| **Unconventional gas**| Accelerate appraisal of Senex’s Cooper Basin unconventional gas acreage  
                         |   - Campaign appraisal drilling of PEL 516 following on from Sasanof, Talaq, Skipton and Kingston Rule (10 wells)  
                         |   - Initial exploration of northern Cooper Basin permits (2 wells)  
                         |   - Investment in skilled people and equipment to expedite understanding of play |
| **Coal seam gas**     | Increase 2P reserves coverage through ongoing appraisal in preparation for pilot production in 2013/14  
                         |   - 17 well campaign underway; planning 2014 pilot program |