

## Transfer of Lattice Energy unconventional gas free-carry to western flank oil assets

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**Senex Energy Limited (Senex, ASX: SXY) today announced that it and Beach Energy Limited (ASX:BPT) had reached agreement to transfer up to \$43 million free-carry commitment on the joint venture's unconventional gas project to the Senex operated Cooper Basin western flank oil assets.**

### Key points:

- Beach Energy's recent acquisition of Lattice Energy included the commitment to free-carry Senex for up to \$43 million of investment, exploring for unconventional gas in the Cooper Basin
- This agreement will transfer the commitment to lower-risk, high-return oil opportunities on western flank permits ex-PEL104 and ex-PEL111 (Senex 60% and operator, Beach 40%)
- Material FY19 western flank free-carried oil work program targeting reserve and production adds
- The Lattice Energy earned interest in the unconventional gas acreage will revert to Senex in full

Commenting on the agreement, Managing Director and CEO Ian Davies said the agreement was an excellent outcome for both Senex and Beach.

"This is a win-win transaction for Senex and Beach, enabling us to focus on our highest ranking joint opportunities in the Cooper Basin western flank oil assets. The significant untapped potential in this prolific oil region is evidenced by the success we have already achieved this year on the Marauder and Growler fields. Senex and Beach are aligned in our objectives to increase reserves and production from the acreage.

"The agreement also supports the results of Senex's recent asset portfolio review, and our commitment to focus on our suite of core assets. This agreement provides for material growth capital for our Cooper Basin western flank oil assets, and allows Senex to concentrate on delivering on the potential of our Queensland gas assets," Mr Davies said.

The joint venture will commence an agreed work program in early FY19 that includes at least three horizontal development wells and seven exploration wells, and associated infrastructure, over approximately 18 months.

Senex continues to see significant gas prospectivity in its Cooper Basin unconventional gas acreage given the opportunities that exist for new long-term supply in the east coast gas market. Following completion of this agreement, Senex will hold 100% of the Unconventional Gas South acreage and up to 87.5% of the Unconventional Gas North acreage (dependent on the exercise of Planet Gas pre-emptive rights). This position will give Senex maximum flexibility to progress the longer-dated unconventional gas opportunity in the future.

## FURTHER INFORMATION

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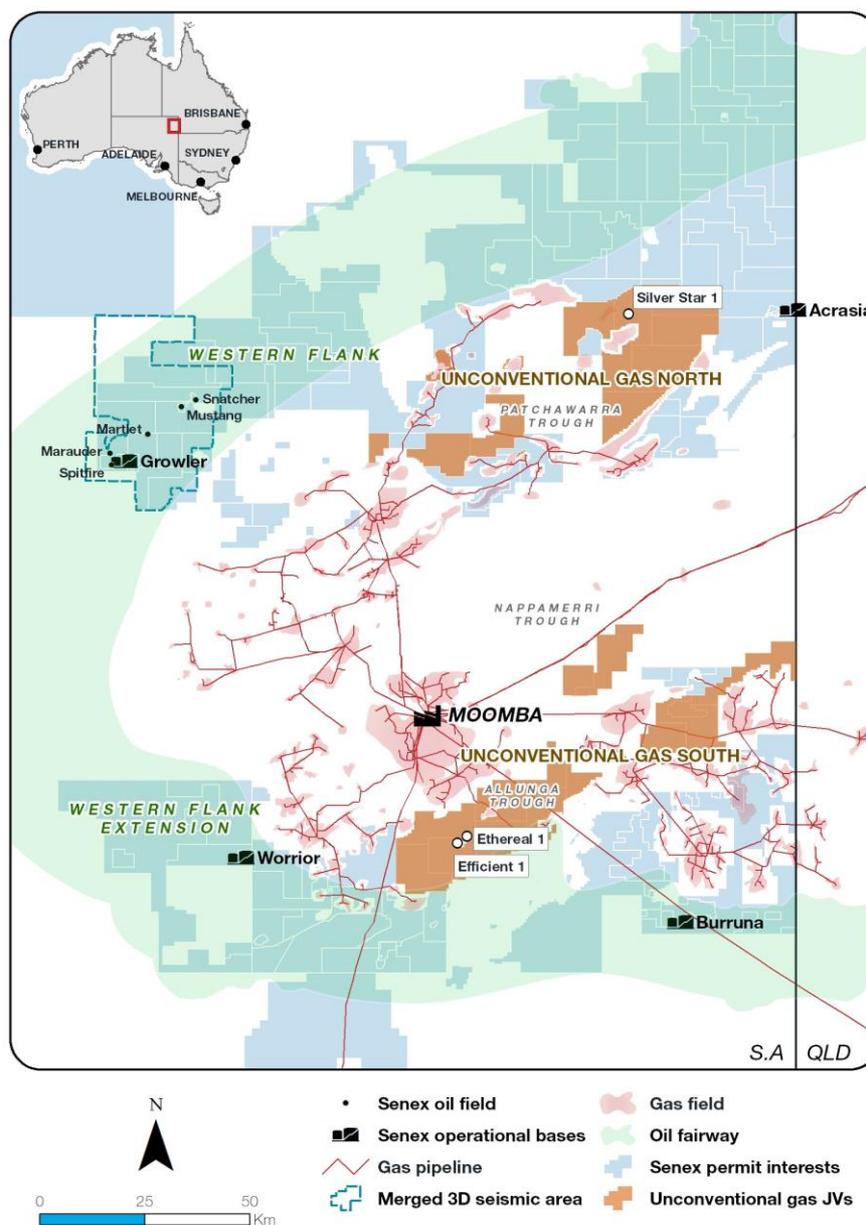
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**Figure 1: Senex Cooper Basin western flank and unconventional gas permits**



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