

Senex partners with Jemena to bring Project Atlas gas to the domestic market in late 2019

Release Date: 18 June 2018

Senex Energy Limited (Senex, ASX: SXY) today announced it has executed agreements with major infrastructure operator Jemena to partner on the accelerated development of Project Atlas.

Key points:

- Following the successful conclusion of a competitive bid process, Senex has partnered with major infrastructure operator Jemena to deliver first gas to the domestic market by late 2019
- Jemena will build, own and operate a gas processing facility with an initial capacity of 40 terajoules per day (32 terajoules per day of firm service at plateau) and an approximately 60 kilometre pipeline (the **downstream infrastructure**) to process and transport gas from Project Atlas via the Darling Downs Pipeline to the Wallumbilla hub
- Jemena will fund capital expenditure of approximately A\$140 million associated with the design, construction and commissioning of the downstream infrastructure
- Senex will pay an agreed tariff for delivery of sales gas to the domestic market over a 25 year term

Senex Managing Director and CEO Ian Davies said the agreement was an important step forward for Project Atlas.

“We are extremely pleased to be partnering with Jemena to develop Project Atlas. Jemena operates significant gas infrastructure across the east coast and their involvement in Project Atlas will allow us to focus our efforts and capital on the upstream, delivering gas to domestic customers from late 2019.

“This transaction delivers a material component of Senex’s overall funding requirement, and we are on track to finalise the remaining corporate and development financing in mid-2018. With our financing in place and our path to market established we will then engage with potential domestic gas customers.

“We are systematically bringing together all the critical elements for a successful project to deliver first gas to the domestic market in 2019 – a major achievement for a greenfield gas development,” he said.

Jemena Managing Director Paul Adams said that Jemena was delighted to have been selected as the infrastructure provider to work alongside Senex to develop Project Atlas.

“We are excited to be partnering with Senex to build strategic infrastructure providing a long-term physical connection from this highly productive area of the Surat Basin directly into the Wallumbilla Gas Hub for the benefit of the east coast domestic gas market,” he said.

The following table summarises the agreements between Senex and Jemena:

Agreement details	
Downstream infrastructure	<ul style="list-style-type: none"> To comprise a gas processing facility with an initial capacity of 40 terajoules per day (32 terajoules per day of firm capacity, and 8 terajoules per day of reserve capacity) and an approximately 60 kilometre pipeline connecting the facility to the existing Jemena-owned Darling Downs Pipeline, north-east of the Wallumbilla Gas Hub Facility design contemplates expansion capacity for Senex or other third parties Jemena to build, own and operate the downstream infrastructure, to be commissioned by late 2019 Jemena to fully fund the downstream infrastructure, expected to cost approximately A\$140 million Senex to deliver raw gas into the downstream infrastructure, and Jemena to deliver sales specification gas into the Wallumbilla Gas Hub, at multiple delivery points
Tariff structure	<ul style="list-style-type: none"> Senex to pay a tariff to Jemena for approximately 220 petajoules of firm capacity over a term of 25 years Capacity-based tariff payments fixed in-line with an agreed profile (15 year plateau at 32 terajoules per day followed by a diminishing production tail) 32 terajoules per day of firm capacity able to be increased for additional volumes

FURTHER INFORMATION

Senex Investor and Media Enquiries:

Ian Davies
Managing Director
Senex Energy Limited
Phone: (07) 3335 9000

Tess Palmer
Head of Investor Relations
Senex Energy Limited
Phone: (07) 3335 9719

Jemena Enquiries:

Michael Pintabona
Manager Media and External Affairs
Jemena
Phone: (03) 9173 8124

CONFERENCE CALL

Senex Managing Director and Chief Executive Officer Ian Davies will hold a conference call to discuss this announcement, as follows:

Time: 10.00am AEST

Date: Monday 18 June 2018

The webcast will be streamed live at this time and can be accessed via the Senex website (www.senexenergy.com.au) or through the following link: <http://www.openbriefing.com/OB/2921.aspx>. A recording of the webcast will be available from 5pm AEST via the same link.

ABOUT PROJECT ATLAS

In September 2017, following a competitive tender the Queensland Government awarded Senex 58 square kilometres of natural gas acreage near Miles to be developed for the Australian domestic gas market. The high quality acreage contains P50 recoverable gas volumes of 201 PJ¹ and is capable of sustaining production rates of more than 30 terajoules per day at plateau. First gas is targeted for 2019.

¹ Estimated by SRK Consulting Pty Ltd as part of tender process

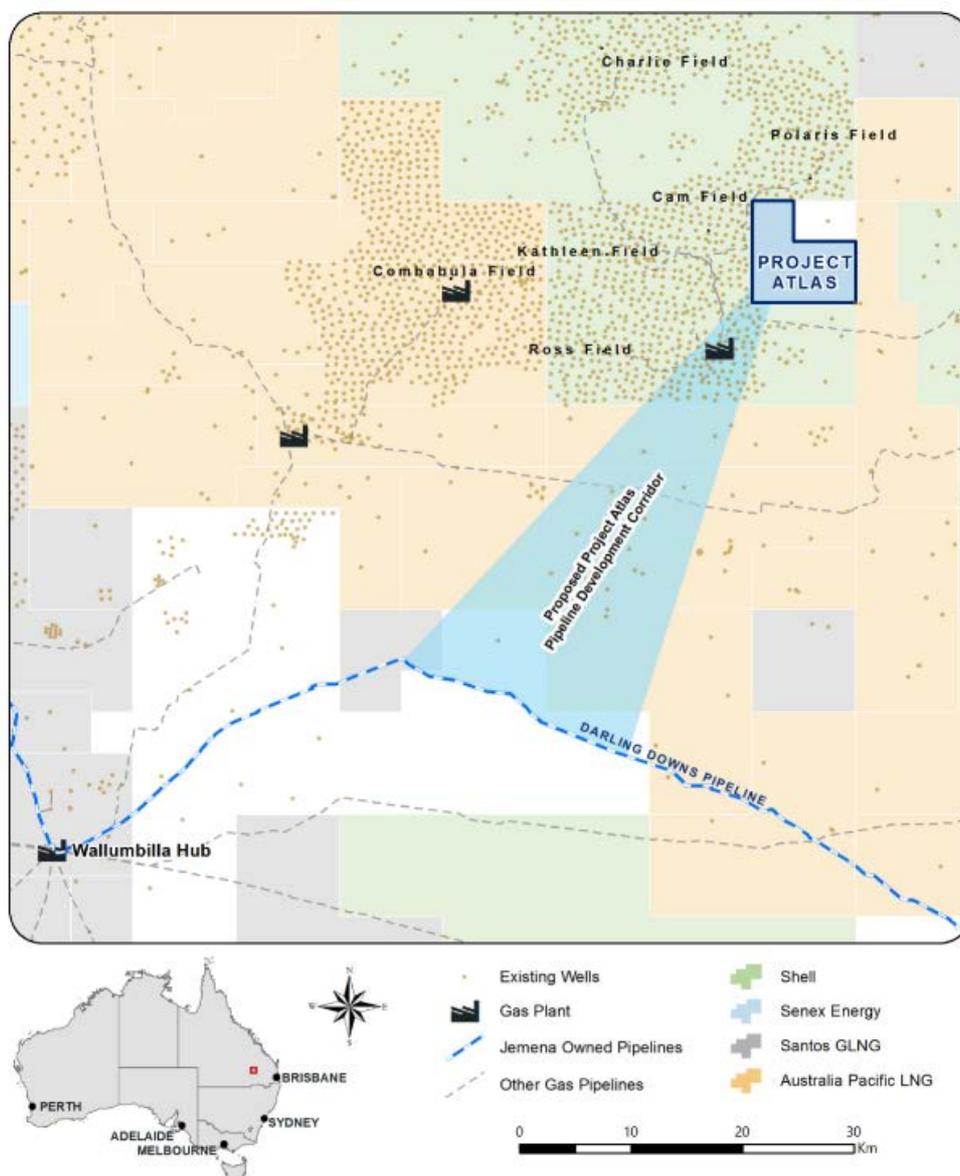
ABOUT SENEX ENERGY

Senex is an ASX listed oil and gas exploration and production company focused on generating shareholder value by growing reserves and production. It holds extensive onshore oil and gas acreage in the Cooper and Surat Basins, two of Australia's most prolific onshore energy regions. Senex is well capitalised and has built strong operating credentials over its 30 year history. Senex operates low cost oil producing assets in the Cooper Basin and is progressing a portfolio of gas projects including the Western Surat Gas Project and Project Atlas in Queensland

ABOUT JEMENA

Jemena owns and operates a diverse portfolio of energy and water transportation assets across the east coast of Australia. With more than \$10.5 billion worth of major utility infrastructure, Jemena supplies millions of households and businesses with these essential services every day.

Figure 1: Location of Project Atlas, Surat Basin Queensland



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