

Senex and GLNG agree amendments to Western Surat Gas Project gas sales arrangements

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Senex Energy Limited (Senex, ASX: SXY) and GLNG have agreed separate gas sales arrangements to progress an initial development area of the Western Surat Gas Project (Roma North), paving the way for a Final Investment Decision of an initial 16 terajoule per day gas development, with expansion potential.

In September 2015, Senex and GLNG agreed terms for the sale of up to 50 terajoules per day (**TJ/day**) of sales gas from the Western Surat Gas Project, subject to Senex taking a Final Investment Decision (**FID**) by September 2020 (the **2015 Agreements**). Under the 2015 Agreements, upon Senex reaching FID, all gas from the Western Surat Gas Project would become exclusive to GLNG for the term of the gas sales agreement (approximately 20 years).

Senex and GLNG have now moved to separate these arrangements into two separate agreements (the **2018 Agreements**): the first for what will now be referred to as Roma North, comprising the Glenora, Eos, Mimas and Tethys blocks (refer Figure 1), and the second for the remainder of the Western Surat Gas Project.

Accordingly, upon Senex reaching FID for a gas development relating to Roma North, only gas from Roma North becomes exclusive to GLNG for the term of the gas sales agreement (approximately 20 years), with terms (including price) consistent with those originally agreed.

Gas sales to GLNG from the remainder of the Western Surat Gas Project remain subject to a future FID, with the expiry date for making such decision extended by two years to September 2022, with GLNG having the last right of refusal to any further volumes marketed.

Commenting on the 2018 Agreements, Senex Managing Director Ian Davies said:

“We are pleased to have negotiated gas sales arrangements with GLNG which provide flexibility and optionality for the development of Roma North and the remaining Western Surat Gas Project acreage.

“With our immediate focus on an initial 16 terajoule per day gas development from the Glenora and Eos blocks within Roma North, separate gas sales arrangements will allow Senex to produce these new volumes as early as possible, while retaining our ability to develop the remaining Western Surat Gas Project acreage in the future and at an appropriate commercial return.

“These arrangements with GLNG will help to maximise ultimate gas recovery from the Western Surat Gas Project and support our goal of sustainable shareholder value creation.

“We look forward to reaching FID in respect of Roma North in the near term and delivering material gas volumes to GLNG”, Mr Davies said.

Other relevant information

Senex has received all primary approvals (State and Commonwealth) to commence development of the Western Surat Gas Project (refer to the ASX release dated 14 August 2018). Further, Senex has entered into a A\$150 million debt facility commitment with ANZ to fund the development of its Surat Basin gas projects (refer to the ASX release dated 31 July 2018).

As at 30 June 2018, Proved and Probable (2P) gas reserves of 260 PJ were recognised for the Glenora, Eos, Mimas and Tethys blocks (now referred to as Roma North). Refer to the ASX release dated 31 July 2018 for further reserves information.

Prior to delivery of first sales gas under a Roma North Gas Sales Agreement (following a Final Investment Decision in respect of Roma North gas development), current production will continue to be sold to GLNG under a separate raw gas arrangement at a competitive price.

FURTHER INFORMATION

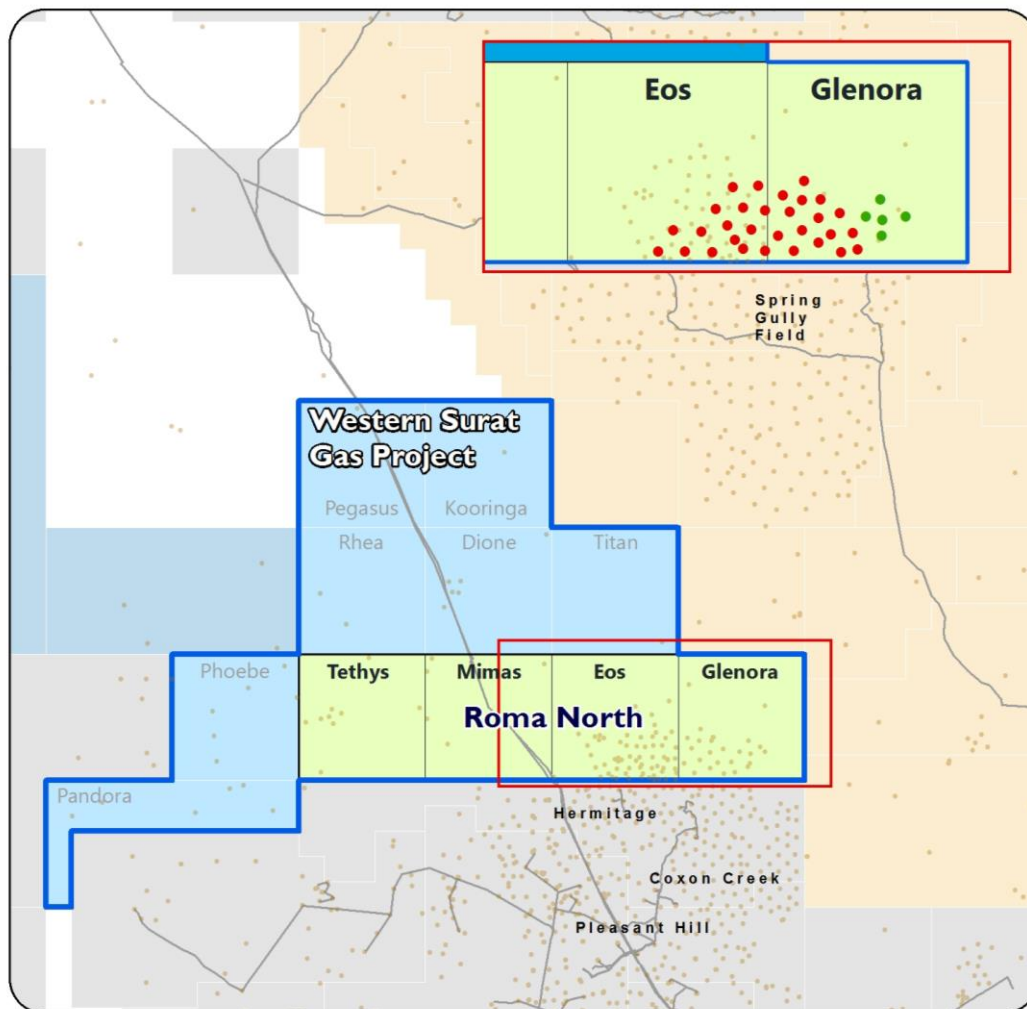
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ABOUT SENEX

Senex is an ASX-listed, growing and independent Australian oil and gas company with a 30-year history. We manage a strategically positioned portfolio of onshore oil and gas assets in Queensland and South Australia, with access to Australia's east coast energy market. Senex is focused on creating sustainable value for shareholders by leveraging our capability as a low cost, efficient and safe explorer and producer.

Figure 1 – Roma North and remaining Western Surat Gas Project acreage



- Existing Wells
- WSGP Phase 1 Wells
- WSGP Phase 2 Wells
- Roma North
- Western Surat Gas Project
- Gas Pipelines
- Senex Energy
- Santos GLNG
- Australia Pacific LNG



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