

# ASX Announcement

Release Date: 19 February 2019



## 2019 Half year results

**Senex Energy Ltd (Senex, ASX: SXY) today reported its 2019 Half year results, with continuing growth in production, earnings and cash flow, and major milestones achieved across the Surat and Cooper basins. Key highlights include:**

- **49% increase in production to 557 kboe** (H1 FY18: 374 kboe) from new oil wells online and higher gas volumes.
- **33% second quarter ramp-up in Roma North gas production**, with half year production of 134 kboe (H1 FY18: 18 kboe).
- **44% increase in sales revenue to \$43 million** (H1 FY18: \$30 million) on higher production and prices.
- **74% increase in EBITDAX to \$17 million** (H1 FY18: \$10 million) from leverage to increasing production and prices, and continuing focus on strict cost control.
- **\$20 million turnaround in operating cash flow to \$14 million** (H1 FY18: -\$6 million), demonstrating underlying strength of business.
- **Financial close of \$150 million debt facility** to fund Surat Basin gas development projects.
- **Final Investment Decisions for Project Atlas and Roma North** to deliver gas production of 48 TJ/d (~3 mboe per annum), with expansion potential, by the end of FY21.
- **Major Surat Basin project milestones**, including WSGP environmental approvals, Roma North civil works and pipeline, and Project Atlas environmental submissions.
- **Gemba-1 gas flow rates of 8 mmscfd on test**, indicating a potential new Cooper Basin gas resource.

**Comments from Managing Director and CEO, Ian Davies:** "Senex achieved continuing growth in production, earnings and cash flow in the first half of this financial year.

"This is highlighted by a 74 per cent increase in EBITDAX and a \$20 million turnaround in operational cash flow as gas production ramps up ahead of expectations.

"We've continued to reach milestones that keep us on schedule for first gas from our Surat Basin growth developments. Successful execution of Roma North and Project Atlas will boost annual gas production to 3 mboe (48 TJ/day) by the end of the 2021 financial year.

"And in the Cooper Basin, we've delivered further drilling success.

"As we execute our strategy right across the business, 2019 will prove to be a game-changer for Senex."

## Results Webcast

Senex Managing Director and CEO Ian Davies and Chief Financial Officer Gary Mallett will hold a webcast to discuss these results.

Date: Tuesday, 19 February 2019

Time: 11.00am AEDT (Sydney, Melbourne) / 10.00am AEST (Brisbane)

The webcast will be streamed live and can be accessed via the Senex company page on the Open Briefing website: <https://webcast.openbriefing.com/5086/>

A recording of the webcast will be available from 5.00pm AEST via the same link.

## Contact 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.

## Appendix

1. **EBITDAX** (earnings before interest, tax, depreciation, amortisation, impairment and exploration expense) can be reconciled to the statutory net loss as follows:

	H1 FY19 \$ million	H1 FY18 \$ million
<b>Statutory net loss after tax</b>	<b>(4.5)</b>	<b>(82.3)</b>
<i>Add/(less):</i>		
Net interest and finance costs	0.3	0.1
Tax	-	-
Amortisation and depreciation	11.5	9.1
Impairment	-	79.9
<b>EBITDA</b>	<b>7.3</b>	<b>6.8</b>
<i>Add/(less):</i>		
Oil and gas exploration expense	10.1	3.2
<b>EBITDAX</b>	<b>17.4</b>	<b>10.0</b>

2. **Reconciliation of loss after tax from ordinary activities to underlying profit/(loss) after tax:**

	H1 FY19 \$ million	H1 FY18 \$ million
<b>Statutory net loss after tax</b>	<b>(4.5)</b>	<b>(82.3)</b>
<i>Add/(less):</i>		
Loss/(gain) on sale of exploration assets	-	(0.4)
Impairment expense	-	79.9
Net impact of Beach Energy transaction	5.9	-
Tax (benefit)/expense	-	-
<b>Underlying net profit/(loss) after tax</b>	<b>1.4</b>	<b>(2.8)</b>

Underlying net profit/(loss) is a non-IFRS measure. Items removed from underlying net profit/(loss) after tax are:

### Net impact of Beach Energy transaction

In April 2018 Senex entered into an agreement with Beach Energy Limited to terminate the Senex-Beach joint venture unconventional gas project with consideration of up to \$43 million transferred as a free-carry commitment to the mutually owned Senex-operated Cooper Basin western flank oil assets. This agreement resulted in the recognition of a gain of \$16.9 million in the second half of the year ended 30 June 2018. The net expense of \$5.9 million recognised in the period ended 31 December 2018 relates to:

- A gain of \$1.6 million from additional agreed contingent free-carry activity as a result of drilling results during the period. Further additional activity may be agreed as drilling results are appraised.
- An expense of \$6.0 million relating to unsuccessful free carried wells. This has been removed from underlying net profit/(loss) in order to consistently present the gains and losses from the Beach Energy transaction period on period.
- To facilitate the Beach Energy Limited transaction, Senex entered into an agreement with Planet Gas Limited in September 2018 to acquire and relinquish additional interests in the Cooper Basin where Planet Gas and the Group were in a joint venture. Senex has expensed the remaining capitalised value of the associated assets of \$1.5 million to the profit and loss.