

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Senex Energy Limited

ABN

50 008 942 287

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | a) fully paid ordinary shares (Shares) issued
b) unlisted performance rights (Rights) exercised
c) unlisted Rights granted
d) unlisted FY19 Retention Rights granted
e) unlisted FY18 Retention Rights lapsed
f) unlisted FY19 Retention Rights lapsed
g) unlisted Strategic Business Milestone Rights (SBM Rights) granted |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 70,000 Shares issued
b) 70,000 Rights exercised
c) 4,755,732 Rights granted
d) 2,076,090 FY19 Retention Rights granted
e) 149,810 FY18 Retention Rights lapsed
f) 176,090 FY19 Retention Rights lapsed
g) 3,000,000 SBM Rights granted |

+ See chapter 19 for defined terms.

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- 3 Principal terms of the ⁺securities (e.g. if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)
- | |
|---|
| <p>a) fully paid ordinary shares</p> <p>b) FY17 STI Rights exercised</p> <p>c) FY19 LTI Rights granted
Annexure 2 to this announcement is a summary of the Rights Plan.</p> <p>d) FY19 Retention Rights granted without performance condition but subject to service ending 31/12/2020
Annexure 2 to this announcement is a summary of the Rights Plan.</p> <p>e) FY 18 Retention Rights lapsed</p> <p>f) FY19 Retention Rights lapsed</p> <p>g) SBM Rights granted
Annexure 2 to this announcement is a summary of the Rights Plan. Other terms specific to the SBM Rights are set out in the Notice of Meeting and Explanatory Memorandum (lodged with ASX on 11 October 2018).</p> |
|---|

⁺ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new Shares rank equally in all respects with other fully paid ordinary shares in the Company.</p>
5	Issue price or consideration	<p>70,000 Shares were issued to Senex Energy Employee Share Trust to provide 70,000 Shares due to Rights holder upon exercise of 70,000 FY17 STI Rights without payment or further consideration.</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>See paragraph 5 above.</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>not applicable</p>
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	<p>not applicable</p>
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	<p>not applicable</p>
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>not applicable</p>

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6f	Number of ⁺ securities issued under an exception in rule 7.2	not applicable				
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	not applicable				
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	not applicable				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	not applicable				
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	a) Shares issued 24/06/2019 b) Rights exercised 20/06/2019 c) FY 19 LTI Rights granted on 26/09/2019 d) FY19 Retention Rights granted 26/09/2019 e) FY 18 Retention Rights lapsed on 13/05/2018, 15/12/2018 & 30/12/2018. f) FY19 Retention Rights lapsed 30/03/2019, 28/04/2019 & 4/05/2019. g) SBM Rights granted on 27/09/2018				
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>1,453,069,535</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	⁺ Class	1,453,069,535	Fully paid ordinary shares
Number	⁺ Class					
1,453,069,535	Fully paid ordinary shares					

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	1,024,911 Rights	Vested FY17 STI Rights subject to exercise
	-----	-----
	18,581,598 Rights	Rights under Rights Plan still subject to vesting conditions
	-----	-----
	8,885,485 SARs	Vested FY16 LTI SARs subject to exercise
	-----	-----
	9,647,616 SARs	SARs under SARs Plan still subject to vesting conditions
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The company has not yet established a dividend policy	

Part 2 - Pro rata issue

Items 11 to 33 are not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

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- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

not applicable

39 +Class of +securities for which quotation is sought

not applicable

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

not applicable

41 Reason for request for quotation now

not applicable

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		not applicable	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

+
Sign here:  Company secretary

Date: 25 June 2019

Print name: David Andrew Pegg

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

NOT APPLICABLE

Appendix 3B – Annexure 2

Summary of Senex Employee Performance Rights Plan (Rights Plan)

What are contingent performance rights?

A contingent performance right (**Right**) is a right granted to an eligible employee of Senex Energy Limited (**Company**) or any Senex subsidiary (**Group Company**) under the Company's Employee Performance Rights Plan (**Rights Plan**)

A Right is an equity security that, subject to satisfaction of a performance condition and a vesting condition, confers on an employee a right to a reward, and the value of the reward is calculated by reference to the value of a Senex share on the date that the employee exercises the vested Right. If the employee exercises vested Rights, the Company provides the reward to the employee in the form of Senex shares (which may be existing shares or newly issued) unless the Company elects to provide part or all of the reward in cash. Even when both the performance condition and the vesting condition are satisfied, the value of the vested Right is only the value of the Company's shares when the Right is exercised.

Background

Under Rights Plan rules (**Rules**) the Board can determine how certain key concepts operate for each grant of Rights. For the Rights granted on 6 September 2017 (**Grant Date**), the Board determined that these important concepts would operate as follows:

- **Maturity Value** means the value of an exercised Right, being the Maturity Price.
- **Maturity Price** means the market price of a Senex share when a Vested Right is exercised.
- **Participation Price** is the market price of a Senex share on Grant Date.
- **Performance Condition** is the Board's determination of the outcome of specified performance requirements at the end of specified performance periods.
- **Vested Rights** are Rights that have vested in favour of a Participant but have not yet been exercised by that Participant.

Summary

The Company may grant Rights under the Rights Plan to eligible employees (**Participants**) subject to Performance Conditions and other conditions determined by the Board.

If:

- the Board determines that the Performance Conditions for a Right are satisfied on the testing date set by the Board; and
- the Participant is an employee of the Company on the vesting date set by the Board (**Vesting Condition**);

then that Right will vest in favour of the Participant and become a Vested Right. The extent to which Performance Conditions are met may mean some, but not all, Rights will vest on the vesting date (the balance will lapse).

A Participant is entitled to exercise Vested Rights within the Exercise Period (which commences on the vesting date and ends on the expiry date set by the Board) to receive their Maturity Value. The Maturity Value may be cash or equity-settled at the Board's discretion. The Board's current intention is that exercised Rights will be equity settled.

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The number of Senex shares that the Participant will receive (**Award Shares**) will be calculated as follows:

Award Shares = Number of exercised Rights x Maturity Value / Maturity Price

Grant of Rights

Under the Rules the Company may, at the discretion of the directors, grant Rights to an employee or the employee's associate. An employee or associate to whom Rights are granted is a Participant in the Rights Plan. A Participant is not required to pay for the grant of Rights.

Under the Rules the Board determines the **Participation Price** of Rights – the price that determines the number of Rights to be granted to each Participant on a particular grant date. For the FY18 Rights granted 6 September 2017, the Board determined that the Participation Price was \$0.267, the VWAP of Senex shares traded in the 10 trading days before Grant Date, which were the 10 trading days following release of the company's FY17 full year results on 22 August 2017 (the 10 trading days from 23 August to 5 September 2017 inclusive).

Under the Rules the Board determines the number of Rights to be granted to eligible employees.

No shareholder rights

A Participant is not entitled to vote or receive dividends and has no other rights of a shareholder in respect of a Right or in respect of shares the subject of a Right. A Participant only acquires the rights of a shareholder if shares are issued or transferred to the Participant upon exercise of vested Rights, and only has those rights in respect of shares that the Participant holds.

Lapse of Rights

A Participant's Rights may lapse if the employee ceases employment with a Group Company (subject to some exceptions), if a Performance Condition applicable to those Rights is not satisfied at the end of the Performance Period, or if the Board determines that a Right should lapse. If a Right lapses, it is immediately cancelled and is not capable of vesting. Vested Rights lapse on the expiry of the Exercise Period if not exercised or deemed to be exercised earlier. The Board determined that the **Expiry Date** for FY18 Rights granted 6 September 2017 is the seventh anniversary of Grant Date.

Vesting

A Right confers an entitlement to receive cash or shares (at the Board's discretion) upon exercise. A Right can only be exercised if it has vested. A Right only vests if:

- the Board determines that the performance conditions for that Right are satisfied on the testing date (set by the Board); and
- the Participant is an employee of Senex group on the vesting date (set by the Board);

The Board may determine, in its discretion, that unvested Rights (or a percentage of them) may vest earlier in certain circumstances (such as bona fide retirement, ill health, or termination by the Company without cause).

Exercising Vested Rights

A Participant may elect to exercise some or all of their Vested Rights at any time in the Exercise Period, which commences on the vesting date and ends on the Expiry Date. The exercise of a Vested Right in effect liquidates that Vested Right into a right to receive either cash or Senex shares (at the Board's discretion). It is the Board's current intention that exercised Rights will be equity settled.

+ See chapter 19 for defined terms.

On the date that a Vested Right is exercised, unless the Board elects to cash settle the exercised Right, the Participant becomes entitled to receive the number of **Award Shares** calculated as shown above.

Performance Conditions

Under the Rights Plan the Board can impose one or more Performance Conditions that must be satisfied before a Right vests.

Change of Control and corporate events

If a Change of Control occurs, (unless any Takeover Bid to which the Change of Control relates also includes an equivalent offer to the Participant to acquire all or a substantial portion of their Rights) all unvested Rights will either vest or lapse on the basis set out in below and all Vested Rights (including those that vest on Change of Control) will be deemed to have been exercised at the time the Change of Control occurs.

Unvested Rights will vest on Change of Control on the following basis:

- unvested Rights that are subject only to a Vesting Condition will immediately vest at the time the Change of Control occurs;
- unvested Rights that are subject to a Performance Condition other than a Vesting Condition will be tested under Test #1 and Test #2 at the time the Change of Control occurs.

For each Participant:

- the number of their unvested Rights in each tranche eligible to Vest under Test #1 or the number of their unvested Rights in that tranche eligible to Vest under Test #2 (whichever the greater) shall immediately vest at the time the Change of Control occurs;
- the number of their unvested Rights in each tranche not eligible to vest under Test #1 or the number of their unvested Rights in that tranche not eligible to vest under Test #2 (whichever the lesser) will lapse at the time the Change of Control occurs; and
- the Board may exercise an overriding discretion to vest or increase vesting of unvested Rights in each tranche at the time the Change of Control occurs.

Test #1:

- the number of Rights in each tranche eligible to vest is reduced pro rata to the extent of the Performance Period elapsed (reduced period); and
- the performance hurdle against which performance over the reduced period is tested is reduced in the same proportion.

Test #2:

- the number of Rights in each tranche eligible to vest is tested against the original performance hurdle, regardless of the extent of the Performance Period elapsed and the number eligible to vest is only reduced pro rata if and to the extent that the original performance hurdle is not satisfied.

Amendment

The Board may amend the Rights Plan at any time. However, any change that is prejudicial to the rights of Participants requires Participant consent.

+ See chapter 19 for defined terms.