

ASX Announcement

Release Date: 20 August 2019



FY19 full year results and reserves statement

Senex Energy Ltd (Senex, ASX: SXY) today announced its FY19 full year results, with strong operating performance across the business and exceptional performance in its Surat Basin developments.

Strong FY19 operating performance

- Total production up 43% to 1.2 mmmboe: A near five-fold increase in Surat Basin gas production, with Roma North daily production exceeding 8 terajoules in the fourth quarter
- Sales revenue up 34% to \$94 million
- Underlying EBITDAX up 49% to \$39 million
- Strong cash flow generation with \$45 million operating cashflow (FY18: \$5 million)

Exceptional performance in Surat Basin project developments

- Every Surat Basin development milestone achieved: Regulatory approvals, low cost financing, Final Investment Decisions, drilling and construction contracts awarded, commencement of the ~110 well drilling campaign, and commencement of construction at Project Atlas and Roma North
- \$50 million sale of Roma North gas compressor station to Jemena agreed
- Project Atlas gas compressor station and pipeline construction well under way
- Project Atlas gas sales agreements to high quality industrial customers with more contracts to come
- Award of Artemis domestic gas block

Senex Managing Director and Chief Executive Officer, Ian Davies said the FY19 results are the first instalment in Senex's transformation to a material producer of natural gas into the Australian east coast gas market.

"FY19 was a strong year with production up 43%, largely due to increasing gas production at Roma North.

"During the year we achieved every milestone we set for ourselves, continuing to demonstrate the growth trajectory ahead as we deliver our Surat Basin natural gas developments at Roma North and Project Atlas.

"FY20 will see around \$150 million in Surat Basin natural gas capital invested¹, setting the platform for a sharp rise in production, cashflow and earnings from FY21.

"We will largely complete our Surat Basin drilling campaign in FY20, steadily increasing production as wells are connected, to our initial target plateau flow rate of ~18 petajoules a year² by the end of FY21", Mr Davies said.

¹ Within original capex guidance of \$220 - \$250 million disclosed at FID – refer ASX release dated 29 October 2018

² FY21 target exit flow rate of 48 TJ/day

Annual reserves statement

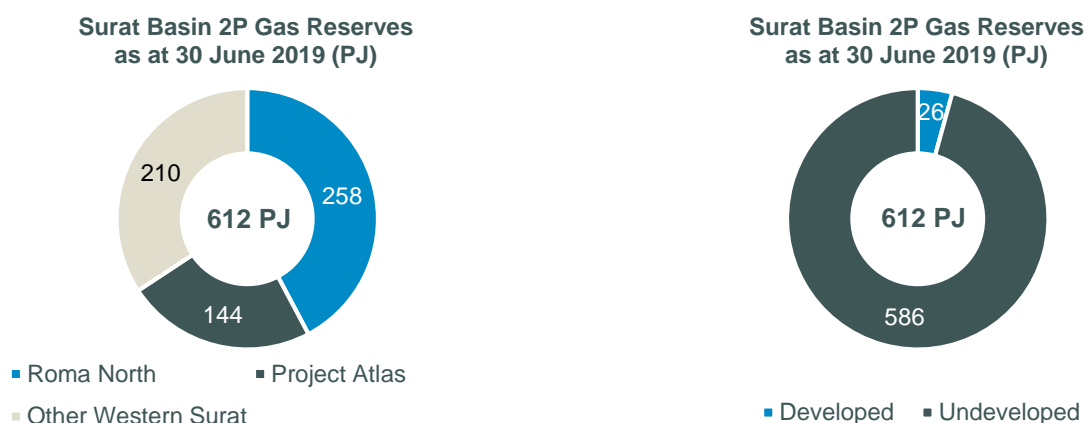
The following is a summary of Senex’s reserves and contingent resources as at 30 June 2019.

mmboe (net to Senex)	FY18	FY19	Change
1P reserves	20.2	19.3	(4%)
2P reserves	113.2	111.4	(2%)
2C contingent resources	5.3	8.3	+57%

Note: Reserves or contingent resources are not currently reported for the recently awarded Artemis domestic gas block
Further information is contained in Appendices A and B

- As at 30 June 2019 Senex reported aggregate 1P oil and gas reserves of 19.3 mmboe and aggregate 2P oil and gas reserves of 111.4 mmboe.
- Minor reserves movements in FY19 after allowing for production, following a strong year of reserves growth in FY18, and ahead of material gas developments now underway in FY20.
- Growth in 2C contingent resources following the Gemba gas discovery and north-east extension of the Growler oil field in the Cooper Basin.

Surat Basin 2P gas reserves as at 30 June 2019.



Commenting on the reserves statement, Mr Davies said: “In FY20 our focus is on executing our major Surat Basin development plan safely and effectively to bring our high-value undeveloped reserves through to production, cashflow and earnings.”

RESULTS WEBCAST

Senex Managing Director and Chief Executive Officer Ian Davies and Chief Financial Officer Gary Mallett will hold a webcast today to discuss the full year results:

Time: 10.00am AEST

Date: Tuesday, 20 August 2019

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: <https://webcast.openbriefing.com/5441/>. A recording of the webcast will be available from 5pm AEST via the same link.

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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 A – NOTES TO THE ANNUAL RESERVES STATEMENT

Senex prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System published by the Society of Petroleum Engineers (SPE PRMS 2018). Unless otherwise stated, all references to reserves and resources in this statement relate to Senex's economic interest in those reserves and resources. All estimates of petroleum reserves reported by Senex are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator. To ensure the integrity and reliability of data used in the reserves estimation process, the raw data is reviewed and quality controlled by senior professional production, reservoir, petrophysical and geological staff at Senex. Access to the substantiated data is then restricted to authorised staff members. During each petroleum reserves review, this data is updated, analysed and checked against the previous year's data.

This reserves and resources statement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator, Mr David Spring BSc (Hons). Mr Spring (Head of Exploration) is a member of the Society of Petroleum Engineers and a full-time employee of Senex and has approved this statement as a whole and has provided written consent to the form and context in which the estimated reserves, resources and supporting information are presented.

External assessment and evaluation date

Senex engaged the services of DeGolyer and MacNaughton (D&M) and Netherland Sewell Associates (NSAI) to independently assess the data and assess reserves and resources prior to Senex reporting any updated estimates. D&M and NSAI are independent resource estimating firms with considerable experience in the Cooper Basin and the Surat Basin, respectively. Senex reviews and updates its oil and gas reserves position on an annual basis and reports the updated estimates as of 30 June each year.

Calculation methods, factors, ratios and reference points

Petroleum reserves and contingent resources are aggregated by arithmetic summation by category. The arithmetic method does not account for 'portfolio effects'. The deterministic method was used to prepare the estimates of reserves, and the probabilistic method was used to prepare the estimates of resources in this statement.

In converting petajoules to million barrels of oil equivalent, Senex has applied the following conversion rates: Surat Basin gas: 1 mmboe = 5.880 PJ, Cooper Basin gas: 1 mmboe = 5.815 PJ.

The reference point for the Cooper Basin is the central processing plant at Moomba, South Australia. Fuel, flare and vent consumed to the reference point are included in reserves estimates (c. 6% of 2P oil reserves estimates may be consumed as fuel in operations depending on operational requirements). For the Surat Basin, the reference point is the Wallumbilla gas hub, Queensland. Fuel, flare and vent consumed to the reference point are excluded from reserves estimates (c. 10% of 2P gas reserves estimates have been assumed to be consumed as fuel in operations).

Standard engineering and geoscience methods, or a combination of methods, including volumetric analysis, analogy, and reservoir modelling, were used. Much of these reserves are for undeveloped locations and are based on estimates of reservoir volumes and recovery efficiencies along with analogy of properties with similar geologic and reservoir characteristics.

APPENDIX B – NET RESERVES AND CONTINGENT RESOURCES

Proved Reserves (1P)

(mmboe)	Oil	Gas & gas liquids	Total	Developed	Undeveloped	Total
Surat Basin	-	17.1	17.1	4.3	12.8	17.1
Cooper Basin	2.2	0.0	2.2	2.0	0.2	2.2
Total 1P reserves	2.2	17.1	19.3	6.3	13.0	19.3

Proportion of total Proved Reserves that are unconventional (coal seam gas): 89%

Proved plus Probable Reserves (2P)

(mmboe)	Oil	Gas & gas liquids	Total	Developed	Undeveloped	Total
Surat Basin	-	104.1	104.1	4.4	99.6	104.1
Cooper Basin	7.3	0.0	7.3	3.1	4.3	7.3
Total 2P reserves	7.3	104.1	111.4	7.5	103.9	111.4

Proportion of total Proved plus Probable Reserves that are unconventional (coal seam gas): 93%

2C Contingent Resources

(mmboe)	Oil	Gas & gas liquids	Total
Surat Basin	-	-	-
Cooper Basin	5.9	2.4	8.3
Total 2C Contingent Resources	5.9	2.4	8.3

Reserves and Contingent Resources Movement

(mmboe)	30 June 2018	Production	Acquisitions / divestments	Revisions	30 June 2019	Change
1P reserves	20.2	1.1	-	0.2	19.3	(4%)
2P reserves	113.2	1.1	-	(0.6)	111.4	(2%)
2C resources	5.3	-	-	3.0	8.3	57%

Numbers presented may not add due to rounding