

ASX Announcement

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Surat Basin operations and hedging program update

Senex Energy Ltd (Senex, ASX: SXY) has successfully completed the current Roma North drilling campaign with industry leading cycle times and well costs achieved. Senex is in a very strong financial position with around two thirds of oil production hedged at US\$70/bbl (A\$95/bbl)¹.

Key points:

- Current Roma North campaign completed; 35 wells drilled at industry leading cycle times and well costs.
- Easternwell Rig 27 re-mobilising to Atlas; drilling to re-commence this week with campaign to be completed by the end of FY20.
- Surat Basin gas production continues to outperform and track towards initial plateau production of 18 PJ/year; number of wells required to reach initial plateau production under review with potential for reduction.
- Strong financial position and oil revenue outlook; \$123 million of cash reserves as at 31 December 2019 and around two thirds of oil production hedged at an average price of US\$70/bbl (A\$95/bbl)¹.
- More than 300,000 barrels of FY21 oil production hedged at an average price of US\$67/bbl (A\$90/bbl).

Managing Director and CEO Ian Davies said Senex's work programs and project execution remain firmly on track despite a volatile market backdrop.

"We are very pleased to have successfully completed the current Roma North drilling campaign. With production nearing the plant's initial capacity of 16 TJ/day, we are currently reviewing requirements for future drilling.

"We are now focused on completing the Atlas drilling campaign by the end of FY20. Atlas production continues to ramp, with 95% of expected volumes for calendar year 2020 contracted to high quality customers at fixed prices.

"Senex is in a very strong financial position, with revenue well protected from oil price declines through a proactive and material oil hedging program strong fixed price gas contracts from Atlas," Mr Davies said.

Oil Hedging Program

Oil swaps	H2 FY20 (Jan–Jun)	FY21
Volume (kbbbl)	199	318
Weighted average swap price (US\$/bbl)	70	67
Weighted average swap price (A\$/bbl)	95	90

¹ At midpoint of FY20 guidance

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About Senex

Senex is a growing Australian oil and natural gas explorer and producer. We are focused on creating sustainable value for all stakeholders through low-cost, efficient and safe operations in the Surat and Cooper basins. Senex is helping to meet the energy challenge on the east coast of Australia through natural gas development projects which include Atlas, Australia's first dedicated domestic gas acreage.