

ASX Announcement

18 March 2021



EGM address by the Chairman

Senex Energy Ltd (Senex, ASX: SXY) will hold its Extraordinary General Meeting (EGM) virtually today from 9.30am Brisbane time (10.30am Sydney/Melbourne time).

The purpose of the EGM is to seek shareholder approval for consolidation of Senex's issued share capital through conversion of eight (8) fully paid ordinary shares into one (1) fully paid ordinary share.

Earlier this month Senex announced significant increases in production, earnings and cashflow that supported the acceleration of our inaugural dividend to shareholders. The completion of the sale of Senex's Cooper Basin business triggered an additional special dividend, also to be paid on 7 April.

Managing Director and CEO Ian Davies said Senex was committed to maintaining a strong balance sheet, accelerating growth and delivering enhanced shareholder returns.

"This is an exciting time for Senex as we continue to deliver strongly and consistently on our promise as a low-cost, high-growth natural gas producer.

"Senex's expanding Surat Basin operations are already producing the equivalent of around 10 per cent of Queensland's natural gas demand and we have an ambitious program to grow.

"We have a significant 2P reserves position of 780 petajoules (PJ) and our target is to produce 60 PJ a year, or more than 10 million barrels of oil equivalent, by the end of FY25.

"Our range of growth options, together with the project development and operational capabilities that we continue to demonstrate, put Senex in a very strong position for the future," Mr Davies said.

Attached to this release is the address to be presented by the Chairman at the EGM.

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Chairman's Address to the Extraordinary General Meeting 2021

Ladies and gentlemen,

Today marks another important step for Senex as we focus on maintaining a strong balance sheet, delivering enhanced shareholder returns and accelerating growth from our natural gas portfolio.

Senex continues to deliver on its promises. Last time we met, at the AGM in November, Senex reiterated its promise to start paying dividends no later than the end of FY22.

Last month, earlier than promised, we announced this significant milestone in Senex's growth. Senex's first dividends will be paid in three weeks, on 7 April. This comprises an inaugural interim dividend and a special dividend. The Board took this decision on the back of our excellent project delivery performance and resilient production and cashflow outlook.

Our recent half-year results showed that Senex continues to deliver strong production growth and a material step change in earnings and cashflow. The sale of our Cooper Basin business to Beach Energy, completed just over two weeks ago, has provided additional strength to our balance sheet and enabled the special dividend.

We now have a pro-forma net cash position of \$33 million, and when combined with growth options in our portfolio, this puts Senex in a very strong position.

Senex holds 780 petajoules of proved and probable reserves within its 100 per cent owned natural gas portfolio, and we have announced a 2025 production target of more than 60 petajoules a year, which is more than triple current production.

We have delivered exceptional project execution over the past two years and created the foundation for our low-cost, high-growth natural gas business as demonstrated in our production earnings and cash flow growth for the half, and the commencement of dividend distributions.

This is just the beginning.

Today, Senex is seeking approval from you, our shareholders, for the company to consolidate its issued share capital through the conversion of every eight fully paid ordinary shares into one fully paid ordinary share.

All other things being equal, the effect of the consolidation on the share price should be that the shares trade at eight times the price at which the shares previously traded.

There are two main reasons for the consolidation.

The first is that the consolidation will provide more flexibility for smaller adjustments to be made in the quantum of dividend payments, which have now begun.

The second is that the effect of the consolidation on the company's share price may appeal to a wider range of domestic and international investors.

Importantly, there will be no impact on the underlying value of Senex and it will have no material effect on the percentage interest of each individual shareholder.

ASX Announcement: EGM address by the Chairman

Ladies and gentlemen, Senex has been successfully transformed into a low-cost, high growth natural gas producer, committed to paying a regular dividend.

We will continue to work closely with a wide range of stakeholders to ensure all parties benefit from our purpose – to provide energy that sustains and improves people's lives.

On behalf of the Board, we are proud of the Senex team and thank you, our shareholders, for your continuing support.

ENDS