

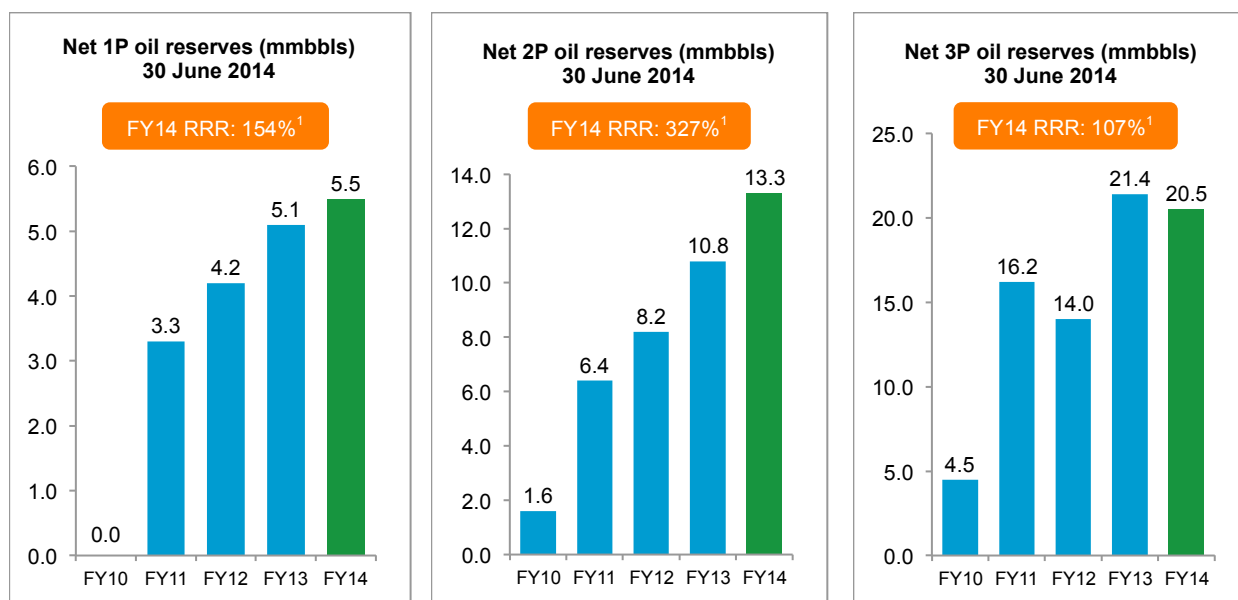
## 2P oil reserves upgraded by 4.5 mmbbls to 13.3 mmbbls

Release Date: 28 July 2014

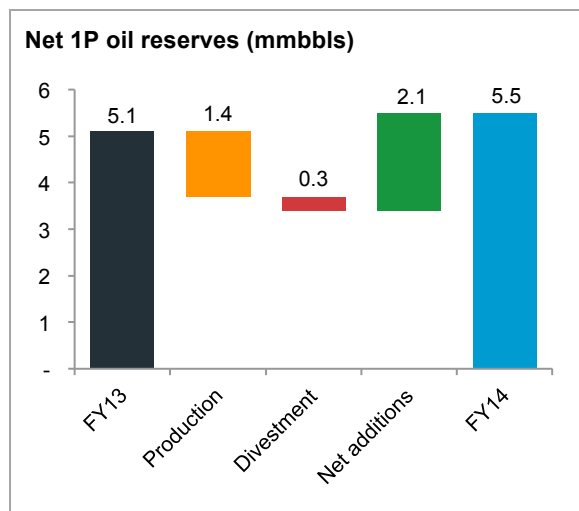
### Key points

- 2P oil reserves replacement ratio (**RRR**)<sup>1</sup> of 327%
- Independently assessed by DeGolyer and MacNaughton (**D&M**)
- Net proved (**1P**) oil reserves up by 2.1 million barrels (**mmbbls**) to 5.5 mmbbls<sup>2</sup>
- Net proved and probable (**2P**) oil reserves up 4.5 mmbbls to 13.3 mmbbls<sup>2</sup>
- Net proved, probable and possible (**3P**) reserves additions of 1.4 mmbbls resulted in net 3P oil reserves of 20.5 mmbbls<sup>2</sup>

**Senex Energy Limited (Senex, ASX: SXY) has upgraded its proved and probable oil reserves as at 30 June 2014 following a review of the Company's assets in the South Australian Cooper-Eromanga Basin by Senex and independent evaluators D&M.**



- 1 Reserves replacement ratio is calculated as the sum of estimated reserves additions and revisions divided by estimated oil production for the period 1 July 2013 to 30 June 2014, before acquisitions and divestments.
- 2 After accounting for FY14 estimated full year oil production of 1.4 mmbbls, acquisitions, divestment and revisions.

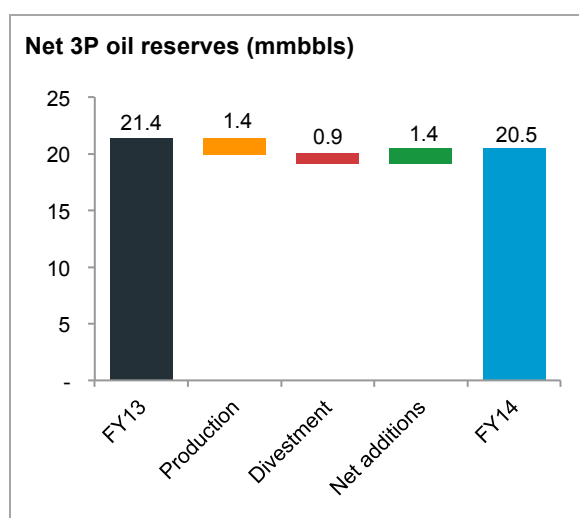
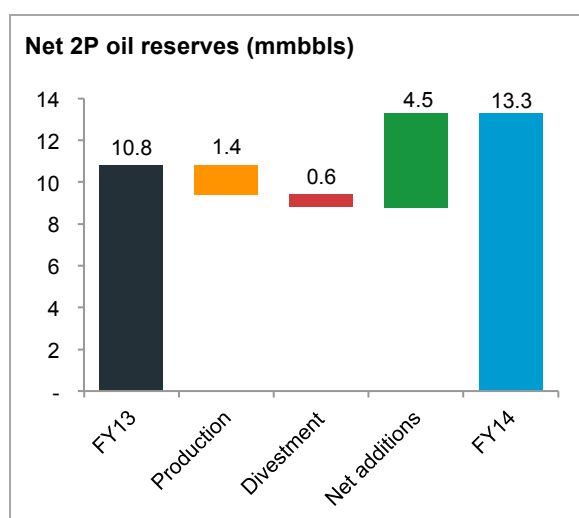


**FY14 WORK PROGRAM DELIVERS OIL RESERVES UPGRADE**

This oil reserves upgrade is the result of a detailed review of production and exploration data from Senex’s portfolio of oil assets in the South Australian Cooper-Eromanga Basin. Senex reserves estimates were independently assessed by Dallas-based evaluators D&M.

**Key points**

- Reserves upgraded at Growler, Spitfire and Mustang oil fields on the western flank.
- Approximately 30% of net 2P reserves attributed to non-western flank assets as a result of successful drilling in northern and southern provinces in FY14.
- The Burruna oil discovery in PPL 251 delivered most south-easterly Namur and Birkhead discoveries in the South Australian Cooper-Eromanga Basin.
- Reserves additions achieved at Worrior oil field following the discovery of oil in the Patchawarra Formation.
- 3P reserves replacement ratio of 107%, with net decrease due to the divestment of Senex’s 15% equity interest in Cuisinier oil field (ATP 752P and PL 303) for \$20 million which was executed in FY13 but was completed in December 2013.
- Major emphasis on new exploration planned for FY15 drilling program.
- 2P reserves of 13.3 mmbbls include undeveloped reserves of 7.8 mmbbls, proportionally in line with peers<sup>1</sup>.



<sup>1</sup> Source: Company reports for Santos Limited, Beach Energy Limited and AWE Limited.

### Scope and method

The scope of this reserves upgrade encompassed Senex oil assets in the South Australian Cooper-Eromanga Basin, including oil fields on the western flank oil fairway as well as mature oil fields and discoveries in the northern and southern oil provinces (refer Figure 1).

Undeveloped 2P reserves will continue to be developed in coming years in line with approved development plans for each field within the Senex oil portfolio.

Senex reserves estimates are compiled annually by a qualified evaluator. Senex engages a qualified external party each year to independently assess reserves. D&M is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. D&M does not have any financial interest, including share ownership, in Senex. Fees paid to D&M were not contingent on the results of the review of reserves estimates.

Senex and D&M used the deterministic method to prepare reserves estimates. The method of aggregation used in calculating estimated reserves was the arithmetic sum by category of reserves. The reference point for assessing and measuring estimated reserves is the central processing plant at Moomba, South Australia. Due to portfolio effects of arithmetic aggregation, the aggregate 1P estimate may be conservative and the aggregate 3P estimate optimistic.

Senex is an existing oil producer within the South Australian Cooper-Eromanga Basin, with established and mature operations. The FY14 reserves upgrade is based on the economic conditions underpinning the existing oil business and internal Senex oil price assumptions.

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### Qualified petroleum reserves and resource evaluator statement

Information about Senex's reserves and resources estimates has been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. The information is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr James Crowley BSc (Hons), who is General Manager Exploration, and has consented to the inclusion of this information in the form and context in which it appears. Mr Crowley is a qualified petroleum reserves and resources evaluator, a member of the Society of Petroleum Engineers and a full time employee of Senex.

**1P** means 'proved' (developed plus undeveloped) in accordance with the SPE-PRMS.

**2P** means 'proved' plus 'probable' in accordance with the SPE-PRMS.

**3P** means 'proved' plus 'probable' plus 'possible' in accordance with the SPE-PRMS.

Figure 1 – Senex Cooper-Eromanga Basin oil assets

