

SENEX ENERGY LIMITED
ABN 50 008 942 827

Registered Office
Level 14, 144 Edward Street
Brisbane Qld 4000

Postal Address
GPO Box 2233
Brisbane Qld 4001

T +61 7 3837 9900
F +61 7 3837 9999
E info@senexenergy.com.au
W www.senexenergy.com.au

Securities Exchange
ASX: SXY

Share Registry
Link Market Services

ABOUT SENEX

Senex is a rapidly growing, independent oil and gas company focused on operating and developing valuable energy sources in Australia's Cooper, Eromanga and Surat Basins.

Senex generates revenue from operated oil fields in the Cooper-Eromanga Basin and is aggressively expanding by acquiring, exploring and developing oil and gas assets across its extensive portfolio.

QUALIFIED EVALUATOR

Information about Senex's reserves and resources estimates have 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 has consented to the inclusion of this information in the form and context in which it appears in this report. Mr Crowley is a qualified petroleum reserves and resources evaluator, a member of Society of Petroleum Engineers and full time employee of Senex.

PERFORMANCE SUMMARY

Corresponding period	Q4 FY14	Q4 FY13	Change
Production (mmbbls)	0.43	0.29	48.3%
Sales (mmbbls)	0.42	0.28	50.0%
Sales revenue (\$ million)	49.8	33.1	50.5%

Quarterly comparison	Q4 FY14	Q3 FY14	Change
Production (mmbbls)	0.43	0.30	43.3%
Sales (mmbbls)	0.42	0.29	44.8%
Sales revenue (\$ million)	49.8	37.3	33.5%

Year on year comparison	FY14	FY13	Change
Production (mmbbls)	1.38	1.24	11.3%
Sales (mmbbls)	1.35	1.21	11.6%
Sales revenue (\$ million)	170.9	137.3	24.5%

Record quarterly oil production and revenue

- June quarter oil production up 43.3% on the previous quarter to a new high of 0.43 million barrels (mmbbls)
- Oil revenue up 33.5% quarter on quarter to a new record of \$49.8 million
- Average Australian dollar oil price of \$119 per barrel

Drilling success lifts production

- 30 oil wells drilled in FY14
- New oil wells placed on production at Spitfire, Mustang, Burrunga and Acrasia oil fields in South Australia's Cooper-Eromanga Basin

Oil reserves upgraded

- Net proved (1P) oil reserves additions of 2.1 mmbbls lifted net 1P reserves to 5.5 mmbbls
- Net proved and probable (2P) oil reserves additions of 4.5 mmbbls lifted net 2P reserves to 13.3 mmbbls
- Net proved, probable and possible (3P) oil reserves additions of 1.4 mmbbls delivered net 3P reserves of 20.5 mmbbls

Gas farm-ins completed with Origin

- Completed farm-in agreements with Origin Energy Limited (Origin, ASX: ORG) and Planet Gas Limited (Planet, ASX: PGS) enabling focused unconventional gas exploration with expenditure of up to \$252 million

Strong financial position

- \$76.6 million cash balance and no debt at 30 June 2014

A STRONG FOURTH QUARTER FOR FY14

The June quarter was a strong end to the financial year for Senex. We achieved solid growth in our South Australian oil business and completed key gas transactions that will allow us to progress with extensive exploration programs for unconventional gas in our Cooper-Eromanga Basin acreage.

In the period, the team at Senex delivered record oil production, revenue and oil reserves additions on the back of a successful 30-well drilling campaign. Year on year, we have consistently improved our production and reserves position, demonstrating our commitment to continuous improvements in shareholder value.

At the same time, Senex completed gas farm-in transactions with Origin and Planet involving two-stage exploration programs across almost 2,000 square kilometres of our South Australian permits. Planning work will shortly commence with our joint venture partners for seismic acquisition in calendar 2014 and drilling in 2015.

FY15 is shaping up to be a defining year for Senex as we focus on intensive exploration of our oil and gas assets, targeting sustained growth over the long term.

Ian Davies
Managing Director and CEO

CORPORATE

Independent Director appointed

In May, Senex appointed Ms Debbie Goodin to the Board as an independent Non-Executive Director. Ms Goodin is an experienced company director and business leader with diverse management experience in private and public sector corporations. In a career spanning more than two decades, Ms Goodin has held senior executive roles with professional services firms, government authorities and ASX listed companies including Downer EDI and Coffey International.

Chief Operating Officer appointed

Subsequent to the end of the quarter, Senex announced the appointment of Mr Craig Stellan as Chief Operating Officer. Mr Stellan is a senior executive with extensive experience in Australia's oil and gas industry. He is currently General Manager Upstream South Australia for Santos Limited and will commence with Senex in August 2014, assuming responsibility for Senex operations in South Australia.



The 30-well oil drilling campaign was completed on schedule in FY14



Connecting Spitfire oil field to the Growler Bulk Storage Facility



Seismic acquisition for unconventional gas work programs to commence in 2014

OIL BUSINESS

Oil production

In the June quarter, Senex delivered record net oil production of 0.43 mmbbls, up 48.3% on the corresponding period in FY13 and up 43.3% on the March quarter result. Production for the FY14 financial year was 1.38 mmbbls (net to Senex), which represents an 11.3% improvement on the FY13 full year result.

The quarterly production result was due to a sharp increase in daily production at Senex-operated oil fields in the South Australian Cooper-Eromanga Basin as new wells were brought online at Spitfire, Mustang, Burruna and Acrasia oil fields.

Oil revenue

Oil revenue for the three months to 30 June 2014 of \$49.8 million (net to Senex) represents a 50.5% increase on the previous corresponding period. Full year oil revenue of \$170.9 million (net to Senex) was up 24.5% on the FY13 result of \$137.3 million.

Senex oil sales for the June quarter were 0.42 mmbbls, up 44.8% on the March quarter. The full year result of 1.35 mmbbls (net to Senex) was an 11.6% improvement on FY13. These results were underpinned by a strong US dollar Brent oil price and a favourable AUD/USD exchange rate, which delivered an average oil price of A\$119 a barrel.

Oil exploration, appraisal and development drilling

In the June quarter, Senex completed the 30 well drilling program for FY14 on schedule.

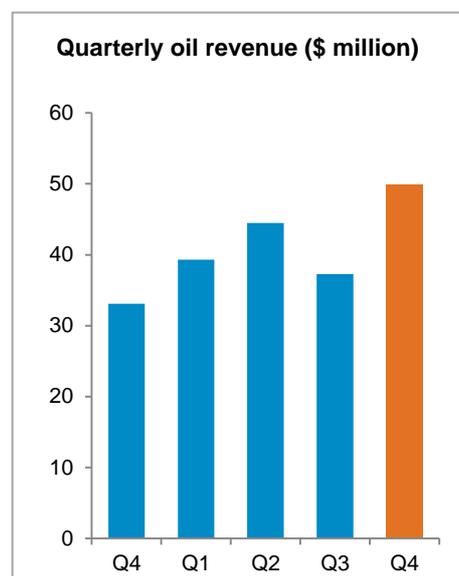
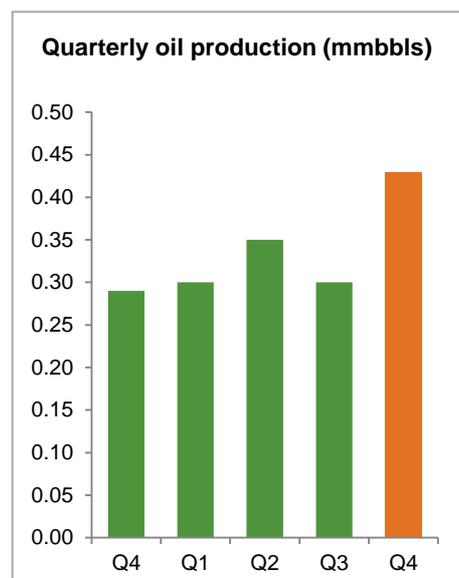
During the June quarter, Senex and Beach Energy Limited (Beach, ASX: BPT) drilled 4 oil wells on the western flank of the Cooper-Eromanga Basin. Two of those wells were brought online as mid-Birkhead oil producers in June 2014:

Spitfire-6 development well (PEL 104: Senex 60% and operator)

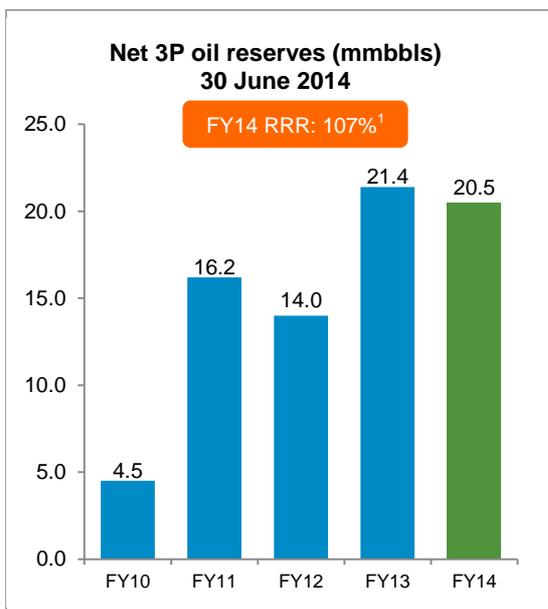
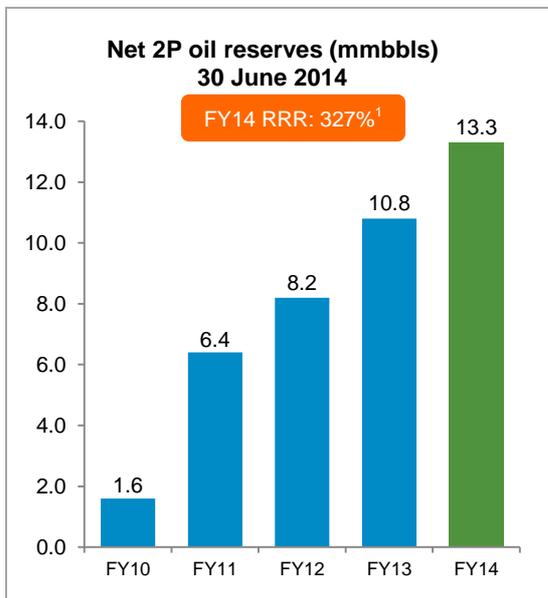
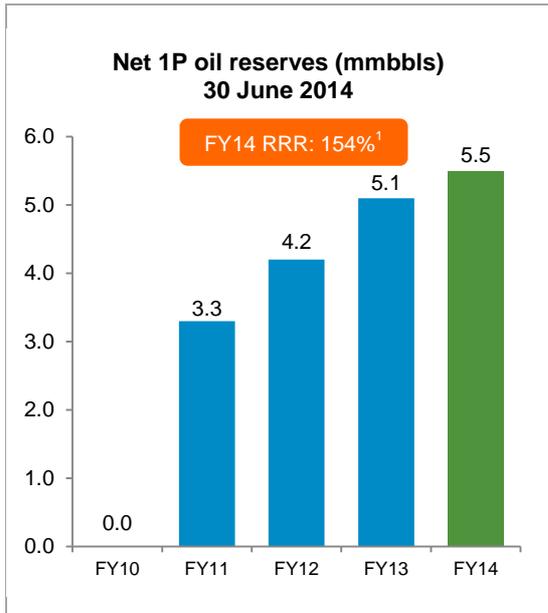
Spitfire-6 was drilled to a total depth of 1,826 metres to act as an additional drainage point for oil in the mid-Birkhead reservoir as part of an integrated appraisal and development plan for the field. The well intersected 8.9 metres of excellent quality sands in the mid-Birkhead reservoir.

Mustang-2 appraisal well (PEL 111: Senex 60% and operator)

Mustang-2 was drilled to a total depth of 1,915 metres to evaluate the oil bearing potential of the mid-Birkhead Formation. The well intersected 6.4 metres of net pay updip of the Mustang-1 oil discovery. The well intersected 12 metres of gross sand, which is almost twice the thickness of the reservoir at Mustang-1.



Pump installation at Spitfire



Oil reserves upgrade

Following analysis of the results from the FY14 30-well drilling campaign and the performance of existing fields, Senex upgraded its proved, probable and possible oil reserves as at 30 June 2014 across its portfolio of assets in the South Australian Cooper-Eromanga Basin.

Key points

- 2P oil reserves replacement ratio (RRR) of 327%¹
- Net 1P oil reserves up by 2.1 mmbbls to 5.5 mmbbls²
- Net 2P oil reserves up by 4.5 mmbbls to 13.3 mmbbls²
- Net 3P reserves additions of 1.4 mmbbls delivered net 3P oil reserves of 20.5 mmbbls²

Key features of the upgrade are as follows:

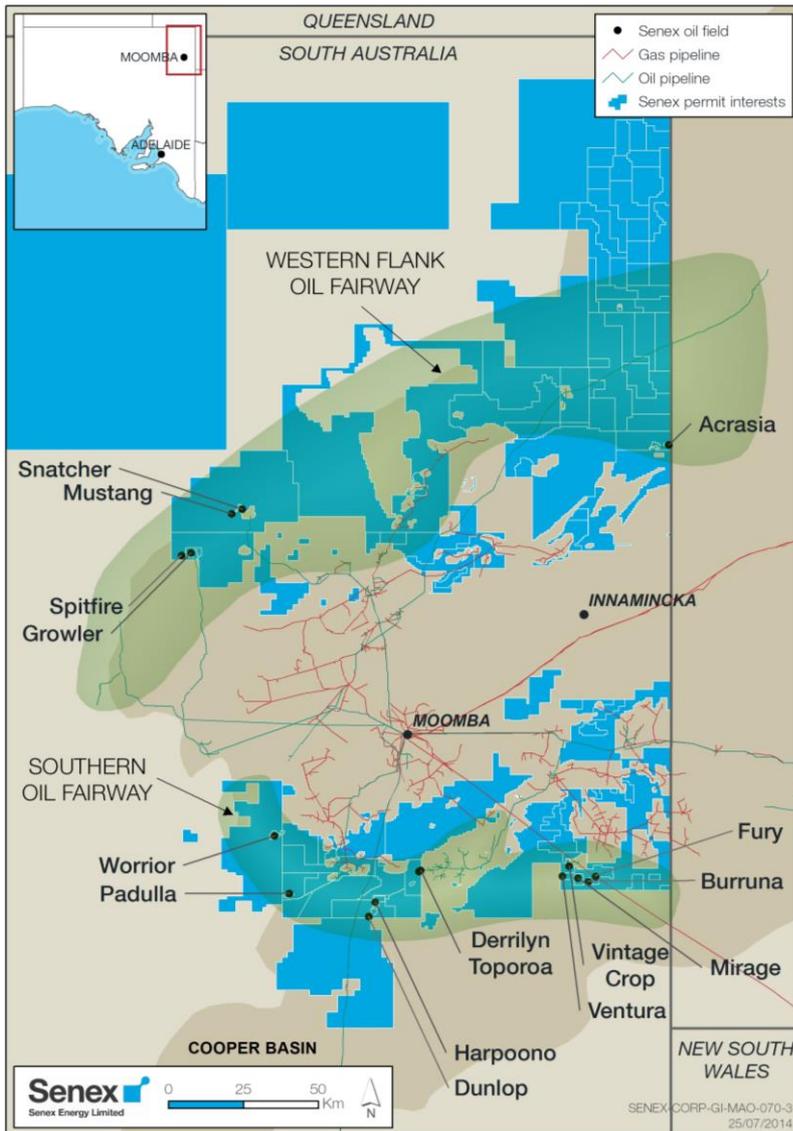
- Reserves upgraded at Growler, Spitfire and Mustang oil fields on the western flank.
- Approximately 30% of net 2P reserves attributed to non-western flank assets as a result of successful drilling in northern and southern provinces in FY14.
- The Burruna oil discovery in PPL 251 delivered most south-easterly 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 RRR 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 peers³.

An independent assessment of Senex reserves estimates was undertaken by reserves evaluators DeGolyer MacNaughton. Further information on the oil reserves upgrade was released to the ASX on 28 July 2014.

1 Calculated as the sum of estimated reserves and revisions divided by estimated oil production for the period 1 July 2013 to 30 June 2014, before acquisitions and divestments.

2 After production, acquisitions, divestment and revisions.

3 Source: Company reports for Santos Limited, Beach Energy Limited and AWE Limited.



Senex oil fields and oil and gas fairways in South Australia



In the second half of FY14, Senex drilled, completed and brought four oil wells on production at Spitfire oil field and completed a trunkline connecting the field to the Growler Bulk Storage Facility

Field development

The Senex team continued an extensive program of new well completions in the June quarter.

WESTERN FLANK

Spitfire (PEL 104, Senex 60%)

Production at Spitfire oil field increased significantly during the quarter as successful wells were brought online. A trunkline was constructed and commissioned to connect Spitfire oil field to the Bulk Storage Facility at Growler and work is underway to further appraise a likely western extension of the Spitfire oil field.

Mustang (PEL 111, Senex 60%)

Mustang-2 was placed online at the tail end of the June quarter.

NORTHERN PERMITS

Acrasia (PPL 203, Senex 100%)

The Acrasia-6 appraisal well and Acrasia-8 development well were placed on production in the June quarter.

SOUTHERN OIL FIELDS

Burruna (PPL 251, Senex 80%)

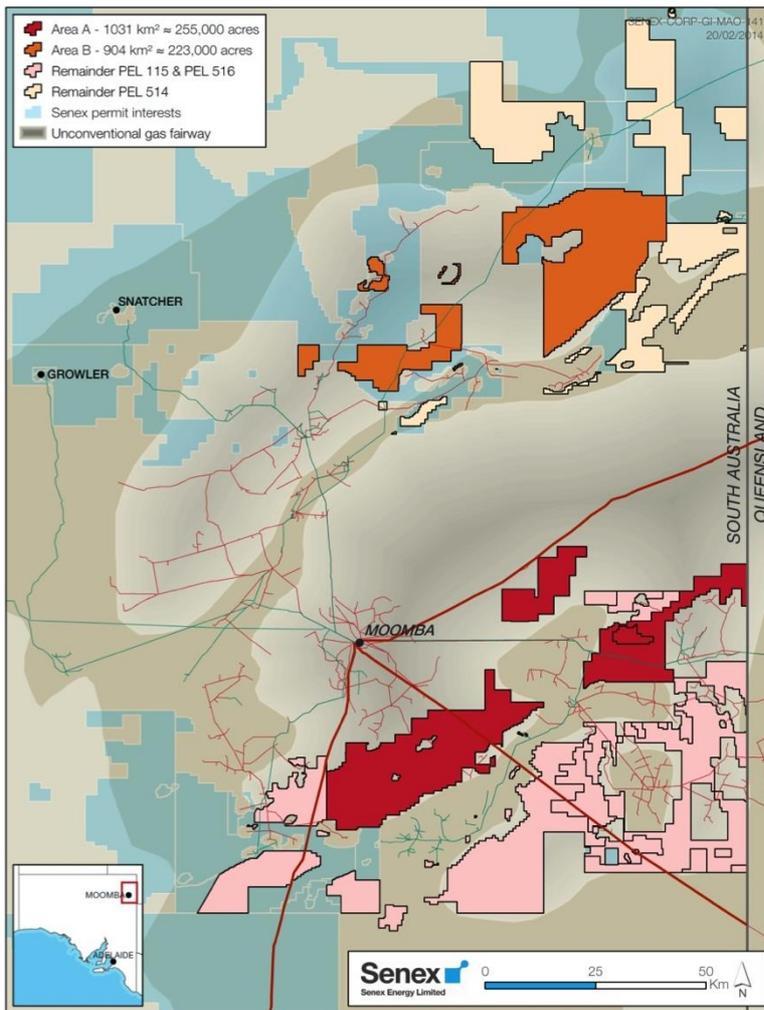
In conjunction with Orca Energy Limited (ASX: OGY, 20%) the Burruna-3 appraisal well was brought online in the June quarter following the installation of artificial lift equipment.

Vintage Crop (PEL 516, Senex 100%)

Vintage Crop-4 is expected to be brought online in July 2014 once surface facilities are completed.

Worrior (PPL 207, Senex 70%)

Senex and Cooper Energy Limited (ASX: COE, 30%) expect to commence flow testing on Worrior-10 in August 2014. Completion operations and surface construction activity associated with the extended production test of the Patchawarra Formation at the well is ongoing.



COOPER BASIN GAS BUSINESS

On 30 June 2014, Senex and Origin completed unconventional gas farm-in transactions announced in February 2014 focused on evaluating tight gas sands in two key areas of South Australia's Cooper-Eromanga Basin (refer adjacent map).

Also on 30 June, Senex and Origin reached agreement with Planet for Senex and Origin to increase their respective interests in the Area B Deeps joint venture by funding Planet's share of associated expenditure.

Work programs

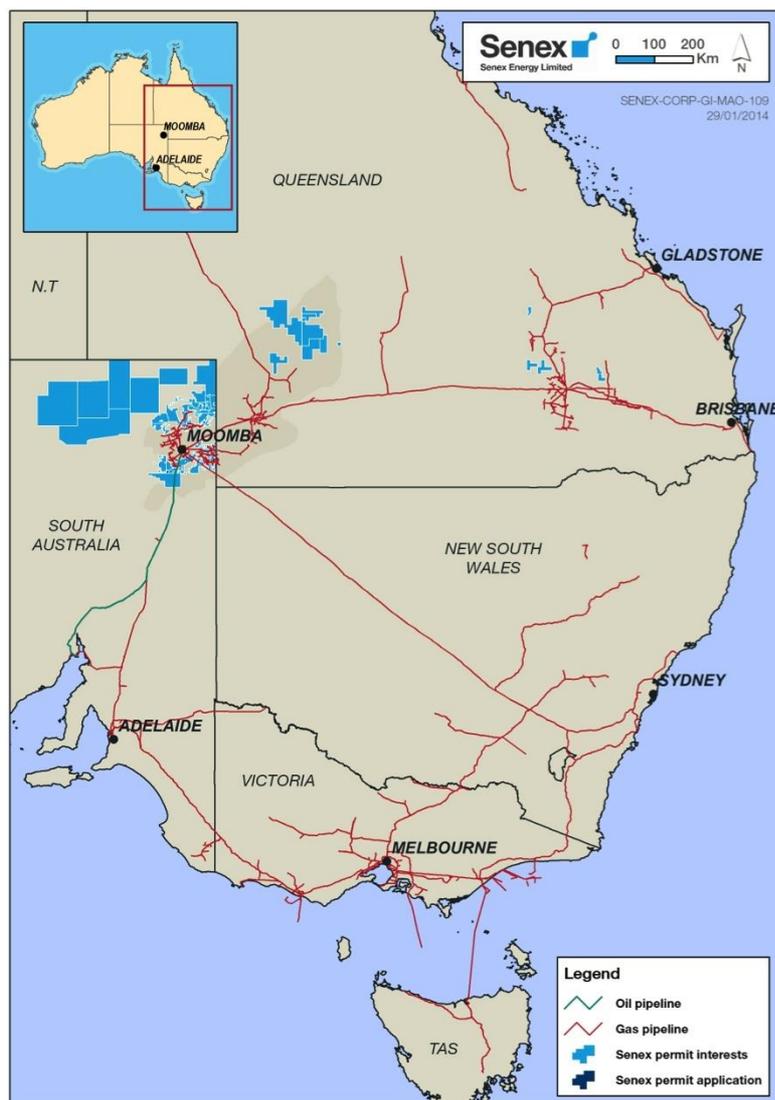
The joint venturers may invest up to \$252 million in work programs involving substantial 2D and 3D seismic acquisition programs and the drilling of up to 15 wells. Senex is free carried for the vast majority of its share of the two-stage work programs, with Senex, Origin and Planet having the option to contribute a further \$67 million on a participating interest basis.

Details of the transaction are presented below.

Transaction details

	AREA A	AREA B	TOTAL
Petroleum exploration licence (PEL)	PEL 637 (excised from PEL 516) and PRL 106 (excised from PEL 115)	PEL 638 – Deeps (excised from PEL 514)	
Area	1,031 km ² (255,000 acres)	904 km ² (223,000 acres)	
Stage 1 work program	\$65 million	\$40 million	\$105 million
Funding and participating interests	Senex: Free carried (60% and operator) Origin: \$65 million (40%)	Senex: \$4 million ¹ (53.75% and operator) Origin: \$36 million (33.75%) Planet: Free carried (12.5%)	
Stage 2 work program	\$40 million	\$40 million	\$80 million
Funding and participating interests	Senex: Free carried (50% and operator) Origin: \$40 million (50%)	Senex: \$4 million ¹ (45% and operator) Origin: \$36 million (45%) Planet: Free carried (10%)	
Additional Area B work program	N/A	\$67 million	\$67 million
Stage 1 and 2 work program (equity basis)			
Total work program	\$105 million	\$147 million	\$252 million

¹ Senex share of funding for Planet's share of Area B work programs. Refer Planet announcement of 30 June 2014.



SURAT BASIN GAS BUSINESS

Senex remains focused on deriving maximum value from its strategically located coal seam gas interests in Queensland's Surat Basin.

Western permits

Senex and its consultants continued data analysis of the four core hole program undertaken across its western Surat Basin coal seam gas permits ATP 593P and ATP 771P (both Senex 45% and Operator).

Eastern permits

Senex expects work to commence later in calendar year 2014 on the six planned wells in the QGC-operated eastern Surat Basin permits PL 171 and ATP 574P (Senex 20% and 30% respectively).

No drilling was undertaken in the June quarter.

FINANCIAL INFORMATION

At the end of the June quarter, Senex was in a strong financial position with \$76.6 million in cash and no debt. All current programs are fully funded.

Major expenditure categories for the period are shown below.

Expenditure	June 2014 Quarter (\$ million)	March 2014 Quarter (\$ million)	Quarter on quarter change
Exploration and appraisal	10.2	22.0	(53.6%)
Development, plant and equipment	22.2	11.0	101.8%
Subtotal	32.4	33.0	(1.8%)
Acquisitions of additional JV interests	0.1	0.0	100.0%
Total	32.5	33.0	(1.8%)

Exploration expense (statutory)	FY14 (\$ million)	FY13 (\$ million)	Year on year change
Exploration expense (statutory)	16.8 ¹	12.8	31.0%

¹ Estimated, subject to final audit

GLOSSARY

\$ means Australian dollars unless otherwise stated

1P means proved (developed plus undeveloped) reserves in accordance with the SPE PRMS

2P means proved plus probable reserves in accordance with the SPE PRMS

3P proved, probable plus possible reserves in accordance with the SPE PRMS

ASX means the Australian securities exchange operated by ASX Limited ACN 008 624 691

ATP means authority to prospect granted under the *Petroleum Act 1923* (Qld) or the *Petroleum Gas (Production and Safety) Act 2004* (Qld)

Barrel/bbl means the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons

boe means barrels of oil equivalent. 1 boe = 6,000 standard cubic feet. Conversion of the gas reserves and resources from petajoules (PJ) into boe may vary due to differences in gas composition

bopd means barrels of oil per day

Cooper Basin means the sedimentary geological basin of upper Carboniferous to middle Triassic age in north east South Australia and south west Queensland

Cooper-Eromanga Basin means the Cooper Basin and the overlying Eromanga Basin within the limits of the Cooper Basin

CSG means coal seam gas where gas is stored within coal deposits or seams

DST means drill stem test

FY means financial year

Eromanga Basin means the Mesozoic sedimentary basin covering parts of Queensland, the Northern Territory, South Australia and New South Wales

Exploration means drilling, seismic or technical studies to identify and evaluate regions or prospects with the potential to contain hydrocarbons

Gross pay means the overall interval in which pay sections occur

mmbbls means a million barrels

mmscfd means million standard cubic feet of gas per day

Net pay means the smaller portions of the gross pay that meet local criteria for pay, such as porosity, permeability and hydrocarbon saturation

PEL means petroleum exploration licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA)

PELA means an application for a PEL

PJ means petajoule

PL means a petroleum lease granted under the *Petroleum Act 1923* (Qld) or the *Petroleum Gas (Production and Safety) Act 2004* (Qld)

PPL means petroleum production licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA)

PRL means petroleum retention licence granted under the *Petroleum and Geothermal Energy Act 2000* (SA)

Reserve means commercially recoverable resources which have been justified for development, as defined in the SPE PRMS

Senex means Senex Energy Limited ABN 50 008 942 827

SPE PRMS means the Petroleum Resources Management System 2007, published by the Society of Petroleum Engineers

Surat Basin means the sedimentary geological basin of Jurassic to Cretaceous age in southern Queensland and northern New South Wales

For further information contact:

Ian Davies
Managing Director
Senex Energy Limited
Phone: (07) 3837 9900

Andrew Price
Chief Financial Officer
Senex Energy Limited
Phone: (07) 3335 9777