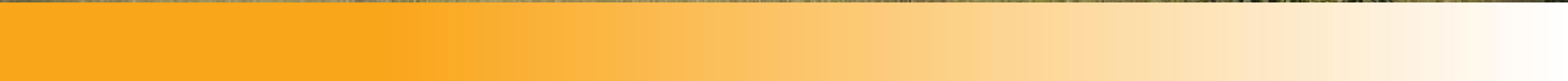


Upstream spotlight: Cultivating Unconventional Gas



Ian Davies, Managing Director and CEO
DUG Australia Conference, Brisbane, 29 July 2015



Agenda

Senex overview

Market opportunity

**Surat Basin
coal seam gas**

Exploration, appraisal & development

**Cooper Basin
unconventional gas**

Exploration



Inspections at Senex acreage in the Surat Basin

Senex overview

A growth focused oil and gas exploration and production company

- Australian S&P/ASX 200 energy company
- 30 years operating experience
- Two operating regions: Cooper-Eromanga and Surat Basins
- Diversified portfolio of conventional and unconventional plays
- Large pipeline of growth assets: high quality, high equity, Senex operated



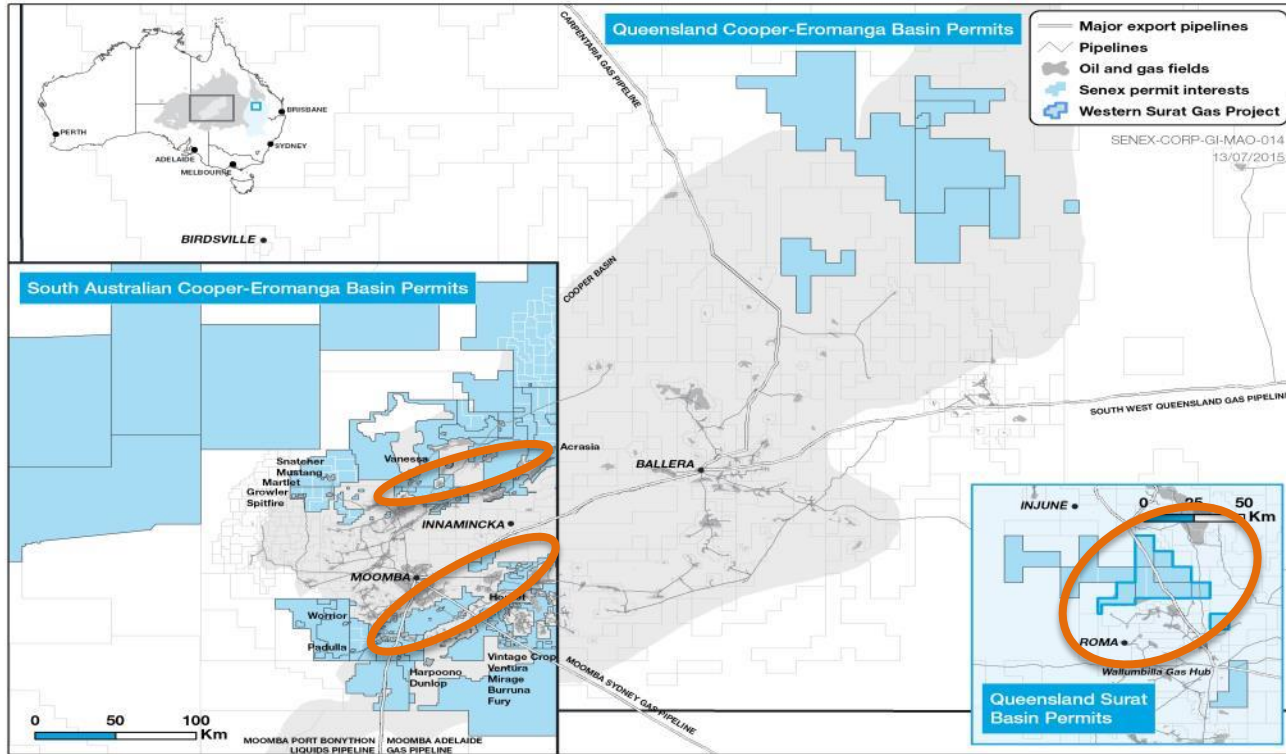
At a glance¹

FY15 annual production	1.39 mmboe
2P reserve base	96 mmboe
Employees	~185

(1) Net production FY2015; reserves as at 30 June 2014 with uplift from QGC JV asset swap announced 10 September 2014; mmboe = million barrels of oil equivalent

Senex overview | Extensive acreage position

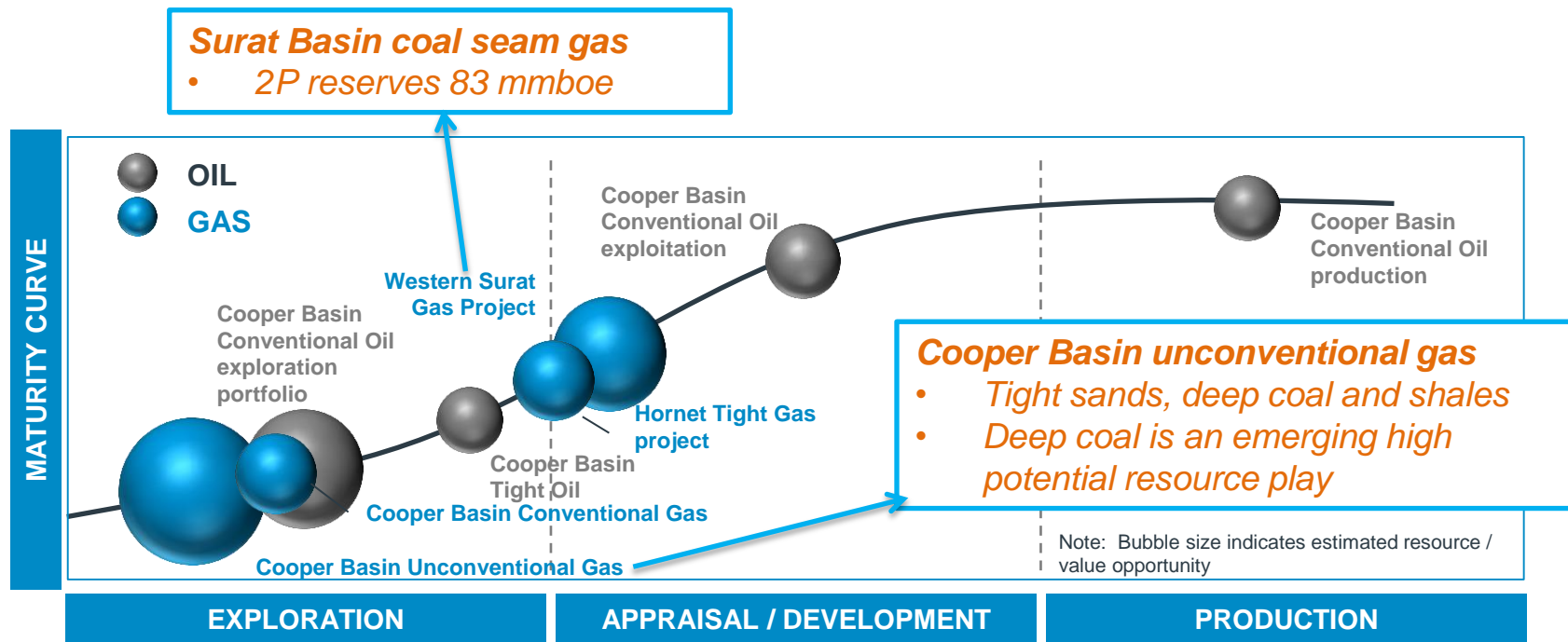
~70,000 square kilometres with majority operatorship



Today's focus areas

Senex overview | A material growth pipeline

Moving material unconventional gas assets along the maturity curve

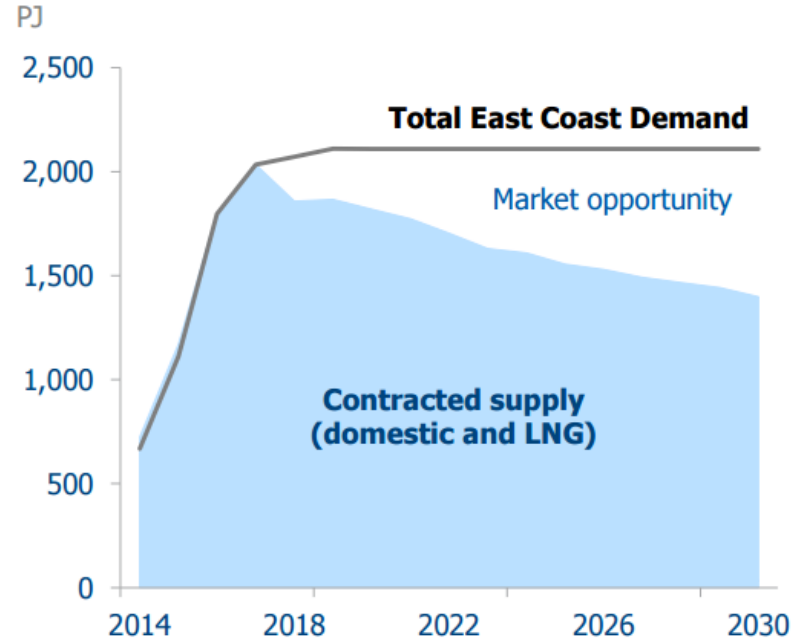


Market opportunity

East coast market remains strong

- Potential demand from domestic and export customers
- Unprecedented demand growth from new LNG plants
- Supply pressures expected to place sustained upward pressure on gas prices

Eastern Australia contracted supply and demand



Source: Core Energy Group 2014, Eastern Australia Gas Outlook 2035 (Santos Investor Presentation April 2015)



Surat Basin

Coal seam gas

Exploration, appraisal & development

Surat Basin coal seam gas | Why?

Material long-term supply opportunity in a short market

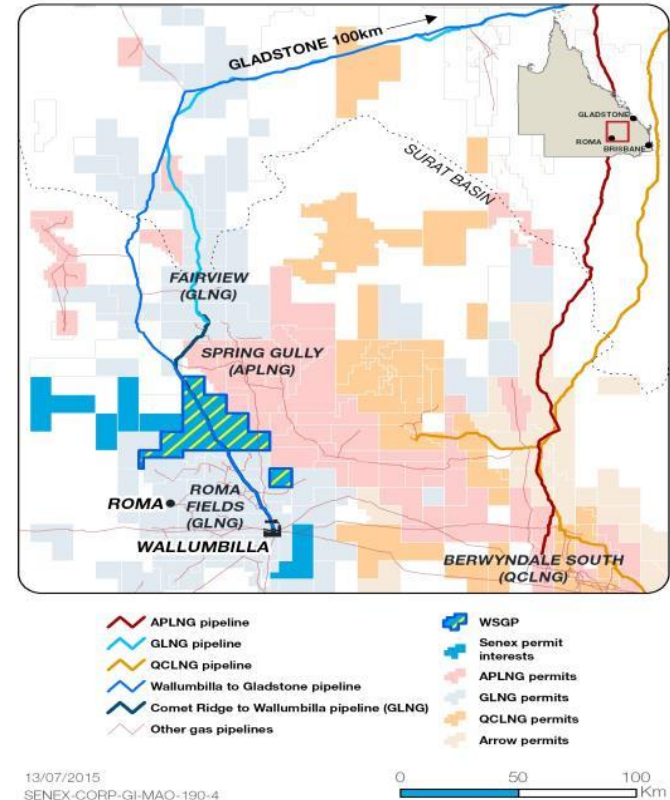
- Strong market dynamics
- Well-located permits de-risk project, with prior development and adjacent infrastructure
- Scarcity of remaining available tenure
- Service providers offer significant experience
- Few non-LNG upstream players
- Ability to learn from more advanced projects



Methane Rita Andrea LNG tanker (photo courtesy of QCLNG)

Western Surat Gas Project | Summary

- Senex permits over 2,000 km²
- ~990 km² defined as the Western Surat Gas Project area
- Strategically located, close to existing infrastructure and transmission facilities
- Early planning work underway
- Target production plateau rate between 35 and 50 TJ/day
- First gas production by end of 2017 (target)



Western Surat Gas Project | Project credentials

Resource

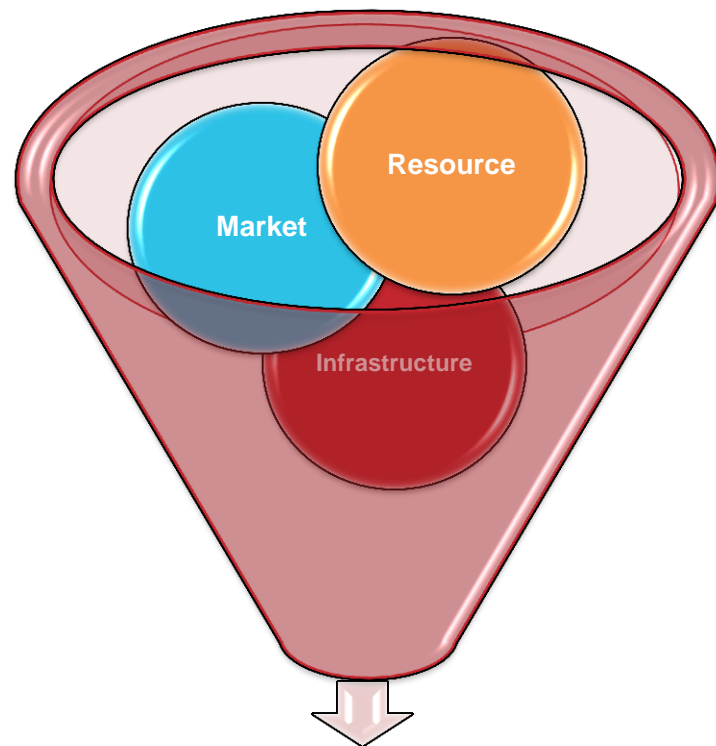
- ✓ Geology relatively well understood with pilots to test reservoir performance
- ✓ Encouraging peer results in neighbouring acreage

Market

- ✓ Multiple commercialisation and funding options given project timing and location
- ✓ Opportunity to take advantage of short market
- ✓ Few non-LNG upstream players

Infrastructure

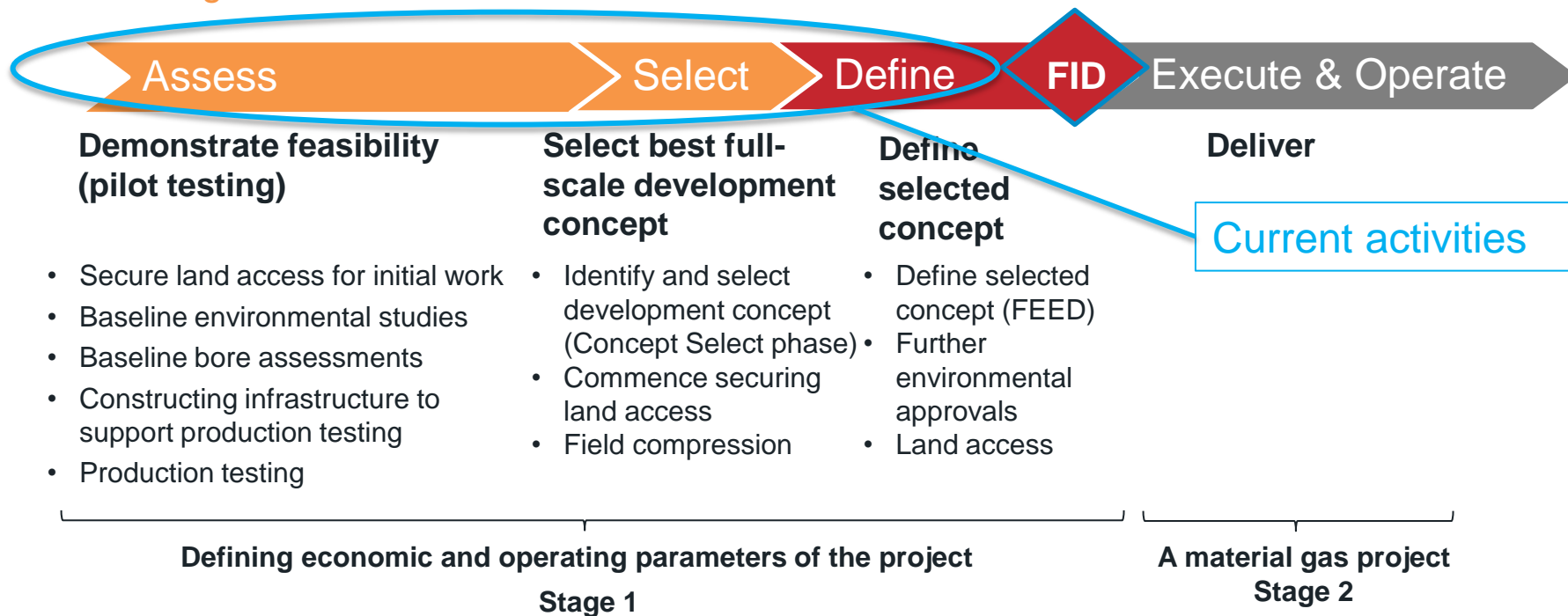
- ✓ Proximity to infrastructure and existing transmission facilities
- ✓ Further appraisal to achieve optimal development strategy ahead of Final Investment Decision



Our most material and advanced gas project

Western Surat Gas Project | Forward plan

Achieving an investment decision

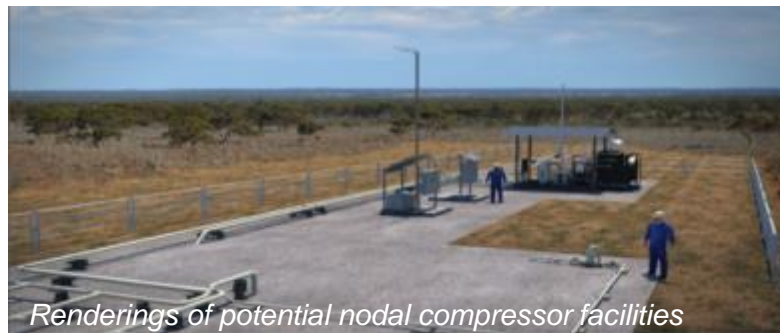


- Pursuing commercialisation and funding options (gas offtake / project partner) during Stage 1

Western Surat Gas Project | Development approach

Targeting low cost field development

- 'Manufacturer's mindset' – low cost, repeatability
- Entry into FEED in FY16
- Initial Concept Select study has delivered initial surface facility design and planning recommendations
- Early indications that cost savings will be achievable through:
 - Incorporating best practices from low cost examples in the global gas industry
 - Utilising learnings from similar project developments
 - Modularising equipment as far as practicable to reduce site construction time and expense
 - Designing equipment and facilities to ensure flexibility to accommodate changing field operating conditions

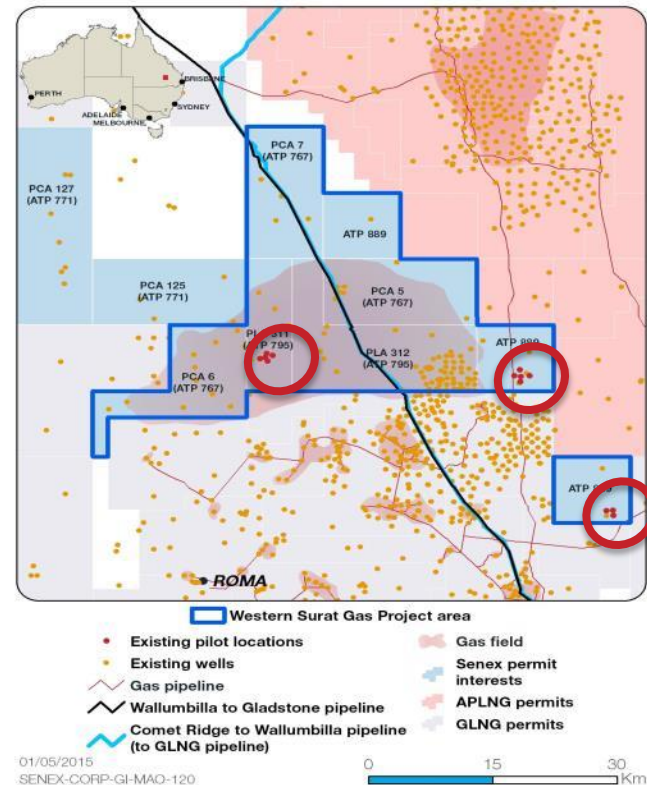


Renderings of potential nodal compressor facilities

Western Surat Gas Project | Pilot production testing

Enhancing understanding of the reservoir

- Bring existing pilot locations online during FY16
- Data is used confirm development planning assumptions:
 - Drilling (locations, completion design)
 - Project size (surface facilities, optimal plateau production rates)
 - Water disposal (facilities options)
- Pilots to be utilised during the development phase of project





Seismic survey vehicles as part of the Senex-Origin Energy Joint Venture work program to explore for unconventional gas

Cooper Basin

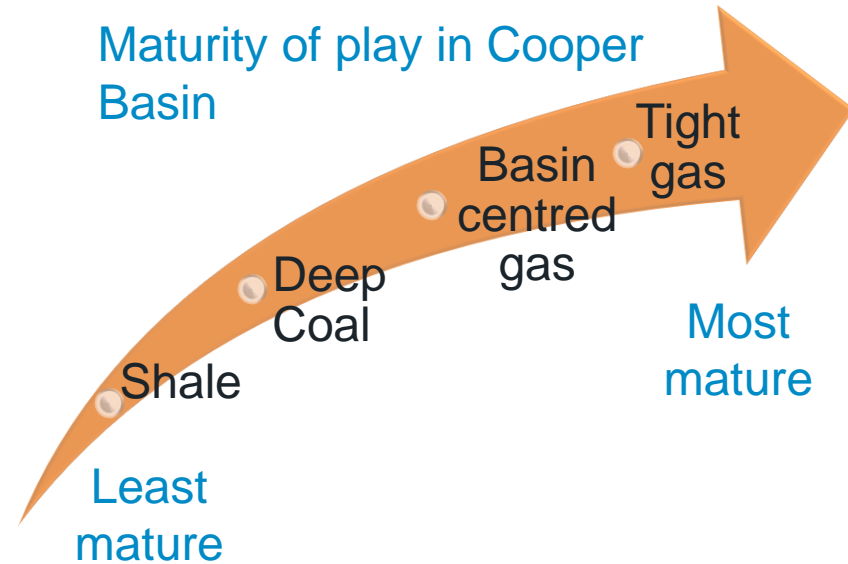
Tight gas / basin centred gas / deep coal

Exploration

Cooper Basin unconventional gas | Why?

Material long-term supply opportunity in a short market

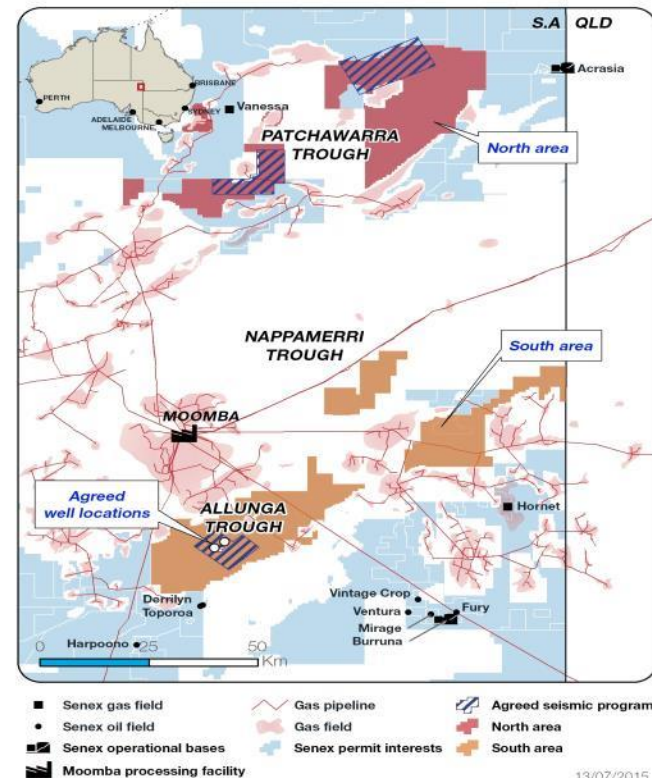
- Significant resource prospectivity
- Strong east coast gas market and technology provides support for previously uneconomic play types
- Tight gas prospects are most mature unconventional play type
- Basin centred gas prospects are most material unconventional play type
- Materiality and scale (running room) are key



Cooper Basin unconventional gas | Summary

Exploring in a proven basin with Origin Energy

- Joint venture with Origin Energy - a partner with a long history and understanding of the Cooper Basin
- Permit areas provide exposure to strong East Coast gas market, access to infrastructure in a proven basin
- Stage 1 work program (\$105m) is focused on:
 - Achieving gas flows from large and continuous gas accumulations
 - Prioritising tight gas and basin centred gas plays
 - A de-risking approach that targets a range of play types across multiple horizons
- Separate Joint Ventures in the North (including Planet Gas) and South, targeting different play types

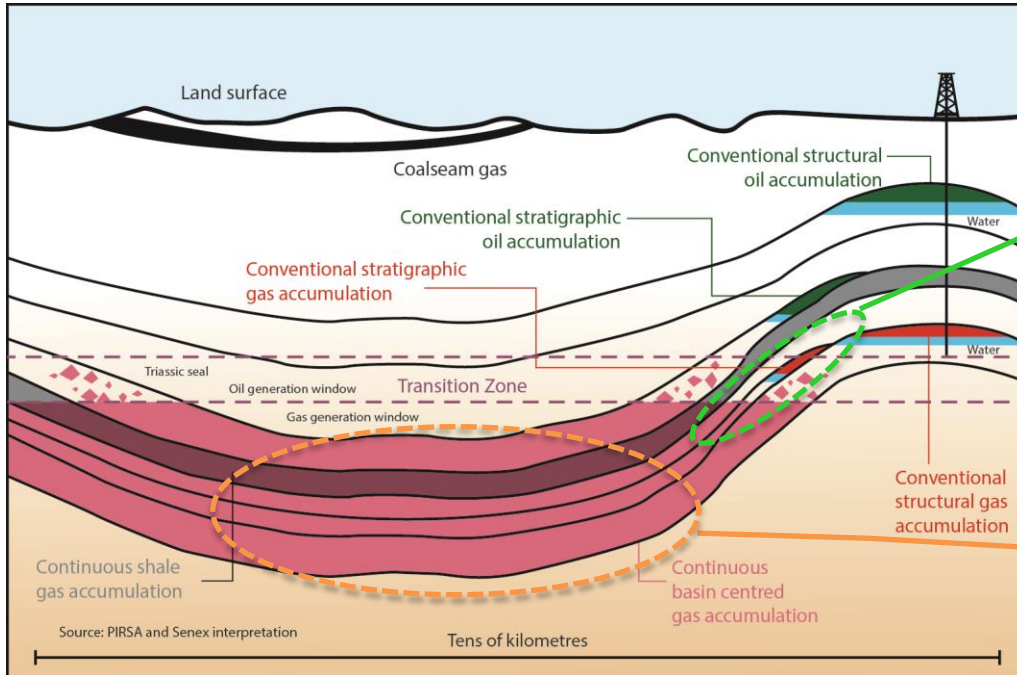


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Cooper Basin unconventional gas | Play types

Targeting tight gas and basin centred gas plays



Tight gas:

- Structural or stratigraphic
- Potentially regionally extensive
- Fracture stimulation required
- Focus for south area of project

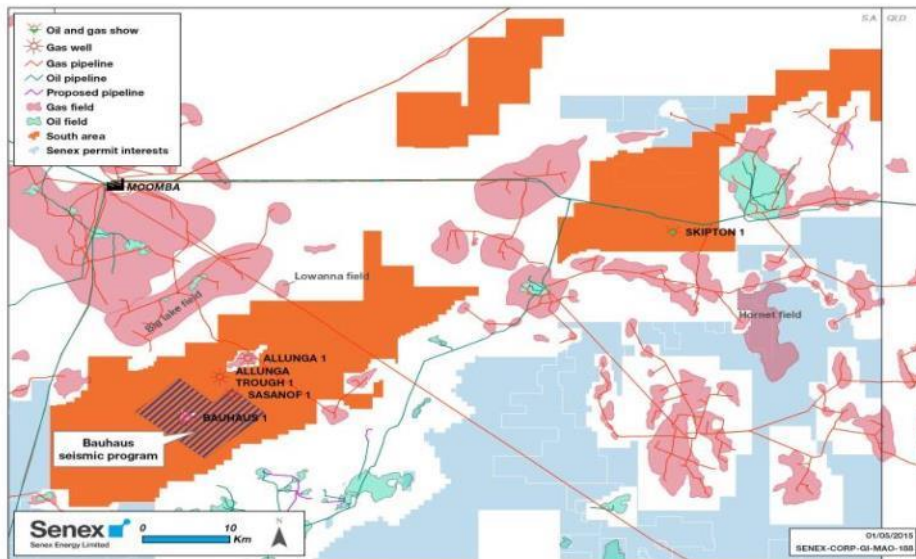
Basin centred gas:

- Regionally extensive
- Reservoir typically requires more extensive fracture stimulation
- Focus for north area of project

- Drilling locations will be targeting multiple horizons in the Permian section with vertical wells, increasing the size of potential resource

Cooper Basin unconventional gas | Southern play

Chasing potential stratigraphic extensions to existing discoveries



Allunga Trough play characteristics:

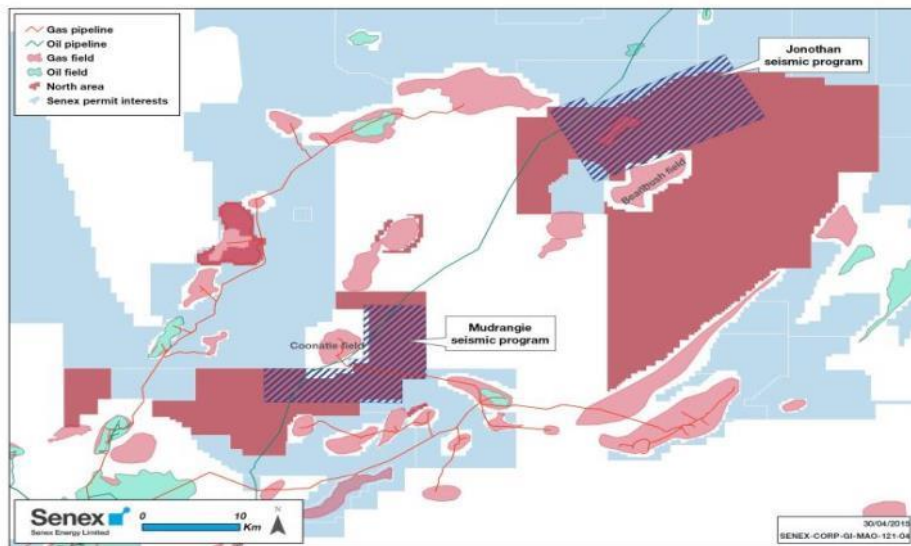
- *Shallower and lower temperature than the Nappamerri Trough*
- *Gas, liquids and condensate potential in line with neighbouring fields*
- *Prospective play locations are close to infrastructure*

Work program update:

- Seismic survey completed
- Two drilling prospects agreed by the joint venture for planned drilling in H1 FY16
- Close to nearby discovery Bauhaus-1: 150 metres of net pay and flow rates of 800 mscf/d on drill stem test

Cooper Basin unconventional gas | Northern play

Chasing basin centred gas and stratigraphic traps



Patchawarra Trough play characteristics:

- *Lower temperature and lower pressure than the Nappamerri Trough*
- *Gas, liquids and condensate potential*
- *Very material potential resource base*

Work program update:

- Processing of seismic surveys commenced
- Two drilling prospects to be identified following seismic interpretation – target drilling in H2 FY16
- Proximity to existing hydrocarbon accumulations proves the existence of regional reservoir and source rock

Conclusion

Cultivating unconventional gas

- Surat and Cooper Basins well positioned to meet gas market demand
- Materiality and scalability of unconventional assets are key
- Senex assets are well located in proximity to existing infrastructure and transmission facilities
- Different stages of maturity provides near term material supply opportunity



Questions



Image: Senex led the launch of the first night-vision capable helicopter in the Cooper Basin in 2014, supporting workers and community in remote South Australia.



Senex Energy Limited

Registered Office

Level 14, 144 Edward Street

GPO Box 2233

Brisbane, Queensland 4000 Australia

Telephone +61 7 3335 9000

Web www.senexenergy.com.au

Disclaimer and supporting information for estimates

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Information about Senex's reserves and resources estimates has been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. This information is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, qualified petroleum reserves and resource evaluators.

The relevant qualified reserves and resources evaluator statements can be found :

- In respect of the Cooper Basin, at page 17 of the Senex annual report released to the ASX company announcements platform on 26 August 2014 (in the reserves and resources statement); and
- In respect of the Surat Basin, in the ASX announcement titled "Completion of Surat Basin gas asset swap" on 16 December 2014.

With respect to each of the announcements, Senex confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates in the announcement continues to apply and has not materially changed.