

## 2016 full year results

**Release Date:** 23 August 2016

**Senex Energy Limited (ASX:SXY, Senex) has today announced its 2016 full year results, which demonstrate a strong defensive response to volatile market conditions, and material progress on strategic growth projects.**

Key points FY16:

- **Record safety performance**, with Total Recordable Injury Frequency Rate improved by 71% to 1.8
- **Production** down 27% to 1.01 mmboe, on limited capital investment
- **Sales revenue** down 40% to \$69.3 million, on lower volumes and lower oil prices received
- **Operating cost per barrel** (excluding royalties) reduced by 14% to \$28 per barrel of oil produced
- **EBITDAX** up 28% to \$63.6 million
- **Underlying net profit after tax** of nil, down from \$5.6 million
- **Statutory net loss after tax** of \$33.2 million, reduced by 59% from a \$80.6 million loss
- **2P oil and gas reserves** of 83.4 mmboe, up 15% from 72.4 mmboe (net of the Maisey block sale)
- **Strong financial position** with cash balance of \$102 million and total liquidity of \$180 million

Senex has announced an underlying net profit of nil for the full year ended 30 June 2016, with material reductions in operational costs offset by a lower average realised oil price on lower volumes. Senex posted a statutory net loss of \$33.2 million after allowing for one-off items incurred during the first half. The Company recognised a \$38.2 million gain on sale of the Maisey block to Santos GLNG in the Surat Basin, offset by a non-cash impairment of \$69.7 million recognised in the first half on certain of the Company's longer-dated Cooper Basin exploration assets and taken in response to the lower oil price environment.

Commenting on 2016 full year performance, Senex Managing Director and Chief Executive Officer, Ian Davies, said, "Senex demonstrated a strong defensive response to deteriorating market conditions during the financial year.

"Oil production was solid given the low level of investment, and was delivered at our lowest ever operating cost. Combined with a well-timed hedging program we maintained healthy margins from oil sales. As a business we acted decisively to minimise capital expenditure throughout the year, and focus our resources on creating internal efficiencies to set stronger foundations for recovery and growth.

"At the same time, we made major progress on our Western Surat Gas Project, which is now appraisal ready, with on-ground civil works commenced. The binding 20 year gas sales agreement signed with the Santos GLNG joint venture partners early in the financial year has underwritten and de-risked the maturation of this material project. Improved confidence in the project as a whole is reflected in first time proven (1P) reserve bookings, and proven and probable (2P) reserve upgrades in the Surat Basin.

"Senex enters 2017 well prepared to navigate continued volatility in the global energy markets, with a strong financial position and material business improvements made during the downturn. This will be a foundation year for future growth and our business priorities have been set accordingly," Mr Davies said.

## FY17 outlook

As previously advised, Senex will increase activity during FY17, whilst maintaining financial strength and liquidity.

Key points FY17:

- **Commencement of Western Surat Gas Project appraisal**, targeting wells online by end 2016
- **Continuing to manage the Cooper Basin business for cash generation** with continued low operating costs and measured ramp up in exploration and development activities
- **Capital expenditure guidance of \$60 - \$70 million**, with potential for further deployment of capital in the Cooper Basin in the event of a sustained oil price recovery. Additional capital will be deployed to further unconventional gas opportunities in the Cooper Basin (Senex free carried by Origin Energy)
- **Net production guidance of 800,000 – 1,000,000 barrels of oil equivalent (boe)**, with production growth limited by the reduced rate of capital investment deployed since January 2015. The Vanessa gas field is anticipated to be online in Q3 FY17, following infrastructure upgrades in the Cooper Basin, and is included in guidance on that basis
- **Continued assessment of new venture opportunities** in oil and gas fields across the east coast of Australia and nearby, where they align with strategy, operating capability and financial capacity

Mr Davies noted, "As the operating environment improves we are committed to delivering against our strategy while maintaining the discipline and efficiency we have demonstrated during the downturn. Senex has a differentiated investment proposition and is strongly positioned for growth."

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## RESULTS WEBCAST

Senex Managing Director and Chief Executive Officer Ian Davies and Chief Financial Officer Graham Yerbury will hold a webcast today to discuss the full year results and outlook:

Time: 9.00am AEST  
Date: Tuesday 23 August 2016

The webcast will be streamed live at this time and can be accessed via the Senex website ([www.senexenergy.com.au](http://www.senexenergy.com.au)) or through the following link: <http://webcast.openbriefing.com/2960/>

A recording of the webcast will be available from 5pm AEST via the same link.

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## FURTHER INFORMATION

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## ABOUT SENEX ENERGY

*Senex is a growth focused exploration and production company based in Brisbane. With a 30-year operating history, Senex holds extensive onshore oil and gas acreage in the Cooper and Surat Basins. Senex operates the majority of its assets, produces around one million barrels of oil annually, and is successfully developing a gas business including the Western Surat Gas Project in Queensland.*

## APPENDIX

1. **Underlying net profit** can be reconciled to statutory net profit / (loss) as follows:

	FY16 \$ million	FY15 \$ million
<b>Statutory net profit / (loss) after tax</b>	<b>(33.2)</b>	<b>(80.6)</b>
<i>Add/(less):</i>		
Gain on sale of Maisey block	(38.2)	-
Impairment of exploration assets and in-field consumables	69.7	62.2
Impairment of oil properties	-	34.8
Restructuring	1.8	-
Tax (benefit)/expense	-	(10.7)
<b>Underlying net profit / (loss) after tax</b>	<b>0.0</b>	<b>5.6</b>

Underlying net profit is a non-IFRS measure

*Numbers may not add precisely to totals provided due to rounding.*

2. **EBITDAX** (earnings before interest, tax, depreciation, amortisation, impairment and exploration expense) can be reconciled to the statutory net profit/(loss) as follows:

	FY16 \$ million	FY15 \$ million
<b>Statutory net profit / (loss) after tax</b>	<b>(33.2)</b>	<b>(80.6)</b>
<i>Add/(less):</i>		
Net interest	1.2	0.7
Tax	-	(10.7)
Amortisation and depreciation	23.6	24.7
Impairment	69.7	97.0
<b>EBITDA</b>	<b>61.3</b>	<b>31.1</b>
<i>Add/(less):</i>		
Oil and gas exploration expense	2.3	18.4
<b>EBITDAX</b>	<b>63.6</b>	<b>49.5</b>