

17 August 2021



Senex announces FID for Atlas expansion project

Senex Energy Ltd (Senex, ASX: SXY) today announced the Final Investment Decision (FID) has been taken for the \$40 million expansion of natural gas production at Atlas by 50% to 18 PJ/year

Key points:

- Atlas to be expanded by 50% to 18 PJ/year (48 TJ/day firm capacity) from 12 PJ/year (32 TJ/day)
- Low-cost, low-carbon, high-return and long-life investment to support increased domestic natural gas supply to Australian manufacturers and other domestic users
- Capital expenditure of around \$40 million for natural gas wells, gas gathering and water management infrastructure, funded from existing cash reserves
- Finalising arrangements with Jemena to construct and fund the Atlas processing facility expansion under an extension of existing tolling arrangements, with commissioning expected in Q1 FY23
- Drilling program expected to commence September 2021 in conjunction with Roma North program
- 15-year remaining reserve life with existing Atlas 2P reserves of 270 PJ
- Atlas expansion supported by recent domestic manufacturer gas sales agreements, including with metals processor Nyrstar and construction materials company Adbri Limited¹
- Latest investment in Senex's drive to its 60 PJe/year annual production target by the end of FY25

Senex Managing Director and CEO Ian Davies said the Atlas expansion project is yet another example of the low-risk, high-return organic growth opportunities available to Senex with its established hub-and-spoke infrastructure operating model.

"Atlas is a high-quality development, providing material and reliable supplies of natural gas to Australian manufacturers, supporting the economy and jobs in local communities.

"This investment follows strong project execution and natural gas production performance at Atlas, with reservoir performance and well availability continuing to excel.

"The Atlas expansion project will inject around \$15 million into regional communities, supporting more than 100 jobs during construction", Mr Davies said.

The progression of Atlas to 18 PJ/year is the next phase of growth to drive Senex towards its stated annual production target of more than 60 PJe/year by the end of FY25. With development drilling to start in September, Senex is on track to deliver a material increase in gas sales in the next 12 months.

Senex natural gas portfolio and organic growth plans

This investment decision for the Atlas expansion project will take the production capacity of Senex's portfolio to 27 PJ/year², realising annual EBITDA of more than \$130 million per year at prevailing prices³.

¹ Refer to ASX statements of 20 July 2021 and 22 July 2021 respectively

 $^{^{2}}$ 18 PJ/year at Atlas, 9 PJ/year at Roma North before further expansions

³ Sales gas of 27 PJ/year expected from Q2 FY23, assumes A\$8.50/GJ average gas sales price; not guidance or forecast

Outside of Atlas, the Roma North area holds 2P gas reserves of 497 PJ. This large reserve base supports a master development plan to continue expanding production at Roma North to up to 36 PJ/year (from 9 PJ/year currently) with a 2P remaining reserve life of 14 years.

The expansion of the existing Roma North processing facility to 9 PJ/year represents the completion of the *first stage* of this wider Roma North development⁴, with Senex expected to take the Final Investment Decision for the *second stage* of expansion (*Roma North Stage 2*) to 18 PJ/year in the coming months.

Planning for the *third stage* of expansion (*Roma North Stage 3*) has already commenced, which is targeting annual Roma North production of 27 PJ/year, with additional appraisal to be undertaken concurrently.

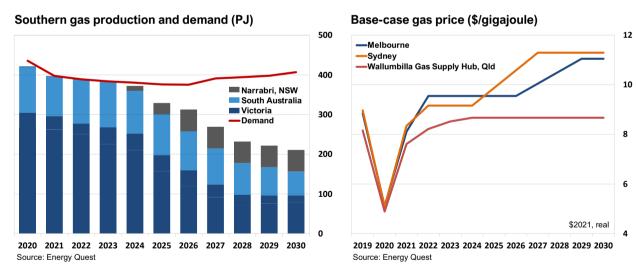
Each stage of expansion in the Roma North area provides valuable subsurface and production data, de-risking future expansion decisions.



Tightening east coast gas market

Since 2019, Senex has signed almost 60 PJ of natural gas sales agreements with a range of household names including CSR Building Products, Orora, Visy Glass, CleanCo Queensland and Southern Oil Refining. This Atlas expansion has been supported by recent domestic manufacturer gas sales agreements, including with metals processor Nyrstar and a long-term contract to 2030 with construction materials company Adbri Limited. Additional gas sales agreements are currently under negotiation.

Senex has substantially contracted its existing gas supply for calendar years 2021 and 2022, with material uncontracted supply from calendar year 2023, coinciding with a materially tightening southern gas market and increasingly supportive pricing.

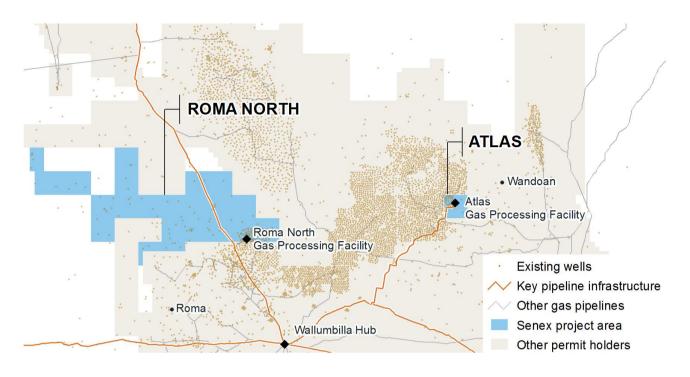


"Senex is a producer that continues to grow its natural gas production in a tightening east coast gas market, supporting the economy and jobs, providing affordable and reliable gas supply for industry as Australia transitions to a lower carbon future", Senex Managing Director and CEO, Ian Davies said.

⁴ FID Taken in October 2020, refer ASX statement dated 13 October 2020, commissioned August 2021

⁵ Future investment decision not yet taken and subject to future appraisal and final internal approvals

Senex Surat Basin development area



Reserves disclosure

This ASX statement refers to Senex's booked Surat Basin natural gas reserves position. For further information see ASX statement dated 9 August 2021. There has been no material change to information or assumptions contained in that statement.

Authorised by:

Ian Davies

Managing Director and CEO
Senex Energy Ltd
Phone: +61 7 3335 9000

Investor and media enquiries:

Mark McCabe Chief Financial Officer Senex Energy Ltd Phone: +61 7 3335 9000 Paul Larter Communications Manager Senex Energy Ltd Phone: +61 400 776 937

About Senex

Senex is an established, rapidly growing and low-carbon Australian natural gas producer. Our long-life Surat Basin assets contribute around 20 petajoules of natural gas per year into the east coast gas market to support our customers. Senex is focused on sustainably delivering balance sheet strength, resilient cashflows, growing dividends to support Australia's energy needs as it transitions to a lower carbon future.