

ASX Announcement

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Senex announces Roma North expansion FID

Senex Energy Ltd (Senex, ASX: SXY) today announced the Final Investment Decision (FID) for expansion of natural gas production at Roma North by 50% to 24 TJ/day (~9 PJ/year), expected to be online in Q1 FY22.

Key highlights:

- Capital expenditure of \$20 million net to Senex on natural gas wells, gas gathering infrastructure and water management infrastructure, to be funded through existing cash reserves
- Jemena intends to construct and fund Roma North compression facility expansion, with commissioning expected in Q1 FY22
- 50% increase in production capacity to 24 TJ/day (~9 PJ/year), with a >15% reduction in the unit cost gas processing tariff payable by Senex
- Existing 15-year gas sales agreement in place with GLNG for additional volumes at oil-linked gas prices with significant down-side protection
- Low-cost, high-return, long-life investment: IRR >60% with 32-year 2P reserves life at 24 TJ/day

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

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

"Senex and Jemena have proven ability to partner to efficiently deliver natural gas projects, with the Roma North expansion representing our first investment to accelerate development of Senex's significant Surat Basin natural gas reserves.

"Senex is committed to contributing to Australia's gas-fired recovery from the COVID-19 recession, with this Roma North expansion project the first example of our high-quality investment opportunities," Mr Davies said.

Under the terms of the Roma North agreement, Jemena will procure and install two additional compression units to take capacity to 24 TJ/day (~9 PJ/year), having already placed orders for all long-lead items. Commissioning of the facility is expected in Q1 FY22.

Senex will drill up to 15 additional natural gas wells commencing in late FY21, install gas and water gathering systems and expand the existing Senex-owned Roma North water infrastructure.

Natural gas production from the Roma North expansion will continue to be delivered to GLNG under the existing 15-year gas sales agreement (GSA). The GSA provides Senex with oil-linked gas prices, significant down-side protection at low oil prices and exposure to a future recovery in oil prices.

As at 30 June 2020, Roma North had booked Proved and Probable (2P) gas reserves of 283 PJ, with an additional 222 petajoules of 2P gas reserves booked in the broader Western Surat acreage.¹



Roma North gas processing facility at 16 TJ/day (~6 PJ/year) nameplate capacity; footings in place (highlighted) ready for expansion to 24 TJ/day (~9 PJ/year)

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About Senex

Senex is a growing Australian oil and natural gas explorer and producer. We are focused on creating sustainable value for all stakeholders through low-cost, efficient and safe operations in the Surat and Cooper basins. Senex is helping to meet the energy challenge on the east coast of Australia through natural gas development projects which include Project Atlas, Australia's first dedicated domestic gas acreage.

¹ For further information, refer to the ASX announcements dated 14 July 2020 and 21 September 2020; there have been no material changes to information or assumptions contained in those announcements

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