

FY16 oil price hedging program

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Senex Energy Limited (Senex, ASX: SXY) has entered into a series of oil price hedges for the 2016 financial year.

The oil price hedging program provides revenue protection over one million barrels of oil sales in FY16 through a combination of put options and collars. The hedged volume of one million barrels of oil approximates FY16 expected production from existing well stock¹.

These facilities have the effect of guaranteeing Brent oil floor prices over the twelve month period, and are cost effective. The total premium payable for this protection is US\$1.7 million.

The details of the hedging program are as follows:

Period	Put option strike price (floor price)	Call option strike price (ceiling price)	Volume (bbls)
July 2015 – June 2016	US\$55 / bbl	n/a	315,000
July – December 2015	US\$60 / bbl	US\$68 / bbl	410,000
January – June 2016	A\$70 / bbl	A\$103 / bbl	275,000
Total			1,000,000

Senex Managing Director Ian Davies said the implementation of these facilities provides downside risk protection and allows the Company to allocate capital with confidence in FY16.

“Senex will maintain its strong financial position and has further moved to protect its balance sheet in this volatile oil price environment,” he said.

FURTHER INFORMATION

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ABOUT SENEX ENERGY

Senex is an S&P/ASX 200 exploration and production Company with significant oil and gas acreage in Australia's Cooper and Surat Basins. Senex currently produces over 1 million barrels of oil each year, and has successfully diversified its business with the commencement of gas sales in 2014 and initiation of the Western Surat Gas Project.

¹Base production from existing well stock before contribution from future wells.