

# ASX Announcement

Release Date: 3 November 2020



## Senex announces sale of Cooper Basin business

**Senex Energy Ltd (Senex, ASX: SXY) today announced that it had entered into a binding agreement with Beach Energy Ltd (Beach, ASX: BPT) to sell its South Australian Cooper Basin assets for \$87.5 million cash consideration.**

The sale will result in Senex's exit from the Cooper Basin after more than 20 years, and will support plans to accelerate the development of its Surat Basin natural gas assets, increasing the supply of natural gas to the east coast to support manufacturing and jobs.

Having successfully delivered Senex's \$400 million Surat Basin natural gas developments, the sale will further strengthen Senex's balance sheet, with a proforma net cash position of approximately \$30 million.<sup>1</sup>

Together with strong and increasing cash flow generation from its low-cost, high-margin natural gas assets, Senex is well positioned to materially enhance shareholder value through its suite of Surat Basin natural gas production acceleration and expansion opportunities, and resultant capital management initiatives.

Managing Director and CEO Ian Davies said the sale of Senex's Cooper Basin assets represents a milestone in the evolution of Senex, and strengthens its position as an important and independent supplier of natural gas to the east coast market.

"The sale of our Cooper Basin assets will strengthen Senex's balance sheet to accelerate the development of our material Surat Basin natural gas asset position.

"Senex is uniquely positioned to increase supply of affordable natural gas to the domestic market. Our hub-and-spoke infrastructure operating model is established in the Surat Basin, and we have a diverse portfolio of low-risk, high-return investment opportunities to pursue from our extensive gas reserves position.

"The sale of our Cooper Basin assets follows a deliberate and considered strategic review of Senex's asset portfolio. Beach's existing operations and experience in the Cooper Basin, including as joint venture partner in our western flank oil assets, means it is ideally placed to acquire these assets and ensure a smooth transition and ongoing stewardship, as well as providing a number of ongoing employment opportunities," Mr Davies said.

The sale is effective from 1 July 2020 with completion expected in early 2021. The sale is subject to customary conditions, including Senex financier consents and regulatory approvals. Senex expects final sale proceeds to approximate the book value of assets at completion, with rehabilitation obligations associated with the Cooper Basin assets to transfer on completion.

Senex will provide information with respect to changes to FY21 guidance and outlook as a result of this transaction at its scheduled Investor Briefing on Thursday, 5 November 2020.

Senex is advised by Rothschild & Co (financial adviser) and Allens (legal adviser) in relation to the sale.

<sup>1</sup> As at 30 September 2020 and before transaction completion adjustments

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## Conference call details

Senex Managing Director and CEO Ian Davies and Chief Financial Officer Mark McCabe will host a conference call to discuss the sale of the Cooper Basin business.

**Date:** Tuesday, 3 November 2020

**Time:** 10.00am AEST (Brisbane) / 11.00am AEDT (Sydney, Melbourne)

The conference call can be accessed via the Senex company page on the Open Briefing website:

<http://www.openbriefing.com/OB/4013.aspx>

A recording of the conference call will be available via the same link.

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