



23 July 2020

Committee Secretary  
Economics and Governance Committee  
Parliament House  
BRISBANE QLD 4000

(via Email: [egc@parliament.qld.gov.au](mailto:egc@parliament.qld.gov.au))

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Dear Committee Secretary

**RE: Economics and Governance Committee Inquiry into the Royalties Legislation  
- Amendment Bill 2020**

Senex Energy Limited (**Senex**) welcomes the opportunity to make a submission in response to the Economics and Governance Committee's (committee) inquiry into the Royalties Legislation Bill 2020 (Bill). Senex is committed to working with the Queensland Government to ensure its operations continue to positively contribute to the Queensland economy, including by paying state-based royalties that help fund nurses, police and schools in Queensland. Senex is also committed to ensuring Queensland business and residents benefit from a secure and stable gas supply from our operations.

Senex supports the Australian Petroleum Production & Exploration Association's ("APPEA") submission to the committee, as the peak industry body representing the petroleum industry.

From Senex's perspective, the Bill removes key impediments identified during the implementation consultation process (consultation) which the industry and Senex deemed critical, and in turn provides certainty to industry on issues such as:

- Excluding GST in determining the sales revenue;
- Recognising and addressing the commercial reality of gas location swap transactions; and
- Preserving the existing exemptions available on gas flared or vented for production testing.

In conjunction with the APPEA submission, Senex further acknowledges and thanks the Queensland Government and the Treasurer for their engagement with petroleum producers, including Senex, during the consultation process.

If you have any question regarding this submission, you may wish to call our General Manager of Finance and Business Services, Toni Hawkins on [REDACTED], in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Mark McCabe", written in a cursive style.

Mark McCabe  
Chief Financial Officer  
**Senex Energy Limited**

From: Ian Davies

Sent: Tuesday, 28 July 2020 10:38 AM

To: Linus Power

Cc: [REDACTED]

Subject: Further comments following Senex Energy's Royalties Bill Submission

Dear Chair,

Further to Senex Energy's submission in respect of the Royalties Bill, I note there may be some discussion about developing marginal oil and gas fields in Queensland.

I thought it may be helpful to briefly outline our experience and our view that the model would pose no impediment to further development of such fields. By way of particular example, Senex has successfully developed the Roma North natural gas field in western Queensland, including the construction of greenfields gas infrastructure, and at a cost of more the \$200 million.

We are actively progressing internal approvals for a material expansion of this field, and I can confirm that the proposed royalty regime which is the subject of this Bill will not negatively impact this investment decision, and in fact the certainty offered by the 5 year rate freeze offers significant certainty. Nor would the proposed royalty regime have negatively impacted the original investment decision should it have applied at that time.

I note also that one or more particular Submissions will relate to south-west Queensland oil exploration and operations. Senex does not have operations in this region, and I have therefore cc'd Tracey Winters of Santos who may wish to comment.

Please do not hesitate to contact me if I can be of assistance.

Kind regards

Ian

Ian Davies  
Managing Director and CEO



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