

3 February 2017

Mr Michael Callaghan
PRRT Review
The Treasury
Langton Crescent
PARKES ACT 2600
Via email: PRRTReview@treasury.gov.au

Dear Mr Callaghan

RE: Review of the Petroleum Resource Rent Tax - Issues Note

Senex welcomes the opportunity to provide a submission to Treasury in relation to the "Review of the Petroleum Resource Rent Tax - Issues Note" (PRRT Review).

The Australian Petroleum Production and Exploration Association (APPEA) and Queensland Resources Council have undertaken consultation with industry in relation to the PRRT Review, and Senex fully supports and endorses the views expressed in their respective submissions.

We believe the PRRT regime is operating as intended and that companies such as Senex contribute to Government revenue in many other ways, including through the payment of state-based royalties. From an onshore perspective, we understand it was recognised at the time of the extension of the PRRT to onshore activities in 2012 that the royalty regime would continue to be the primary resource taxation mechanism for onshore petroleum production. We therefore strongly encourage Treasury to leave the PRRT regime unaltered.

As an ASX listed small-medium Australian oil and gas exploration and production company operating onshore in both South Australia and Queensland, we see a clear need for Treasury to continue to focus on stabilising the fiscal compliance environment. In a challenging macro-economic environment, Senex remains focused on delivering oil and gas to market and providing returns to our investors, which in turn will generate revenue for governments. Project economics and investor returns are heavily dependent on fiscal parameters. That is, fiscal stability will enable small-medium companies such as Senex to continue oil and gas exploration and development in Australia, and in particular, support east-coast gas exploration, development and production to deliver additional gas into the structurally short east coast gas market.

Fiscal stability will also assist in easing the regulatory burden on small-medium companies such as Senex.

In the event that the PRRT Review results in recommended changes to the PRRT regime, we strongly encourage Treasury to ensure that any changes are prospective only and involve consultation with small-medium companies like Senex. Any retrospective changes would significantly impact the economic feasibility or return on investment of in-progress and proposed projects and the compliance burden, further impacting future revenue returns to government.

Yours sincerely



Ian Davies
Managing Director and
Chief Executive Officer