



ASX Release

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MEDIA RELEASE

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Record year boosts Beach Energy

Record sales revenue and underlying net profit after tax (NPAT) have combined to set Beach Energy up for yet another strong year, ahead of rapid growth in crude oil production and a likely major boost in natural gas resources from an expanded unconventional gas exploration program.

Beach generated NPAT of \$164 million in the year to 30 June 2012, up \$262 million on the prior year.

The profit came from record sales revenue of \$619 million, up 25% from the previous year.

Beach also generated record underlying NPAT of \$122 million, up 190%, while cash flow of \$218 million from the company's operations was 18% higher than in the previous year.

At year end, Beach had cash on hand of \$379 million, a very strong balance sheet and a \$150 million multi-option financing facility available to it.

Beach Managing Director, Reg Nelson, said, "Beach's financial and operational performance has been exceptionally strong and there is every reason to believe that this year will demonstrate a similarly powerful performance. Our crude oil production from the Western

Flank of the Cooper Basin is expected to reach approximately 10,000 barrels a day by the end of FY13 and we have high expectations that our unconventional gas exploration efforts will continue to yield excellent results.”

Beach’s record year was highlighted by the renegotiation of Delhi Petroleum’s Exxon Mobil royalty, and a \$345 million capital raising, consisting of \$195 million of equity funding and \$150 million of convertible notes.

Beach also completed the takeover of Adelaide Energy and divested a 55.44% interest in Somerton Energy Limited into the Cooper Energy Limited takeover of Somerton.

Beach’s oil, gas and gas liquids production for the year totalled 7.5 MMboe, up 14% from the 6.6 MMboe produced in FY11. This production rate is expected to climb sharply in the current year as new crude oil pipelines are connected between Beach’s Western Flank oil fields to the Moomba processing facility.

During the year Beach’s first two unconventional gas exploration wells, Holdfast-1 and Encounter-1, each yielded combined flow rates of around 2 MMscfd. In addition, the Moonta-1 deeper unconventional gas exploration well hit more than 1,000 metres of gas saturated Permian target zone, providing spectacular support for Beach’s earlier unconventional drilling success.

In the year, Beach participated in drilling 89 wells, up 128% on the prior year, with a success rate of 79%. One of these success was the Bauer oil field in PEL 91 in the Cooper basin (Beach 40%), along with three oil discoveries in Abu Sennan (Beach 22%) and first commercial oil production from North Shadwan project in Egypt (Beach 20%).

Subsequent to year end, Beach completed a 2,100 kilometre 2D seismic survey on its highly promising Tanzanian exploration areas covering Lake Tanganyika South, with the Moomba-191 unconventional vertical well in the Cooper basin (Beach 20%) flowing gas at a stable rate of 2.6 MMscfd.

Mr Nelson said, "Beach had an outstanding year with strong production and exploration success that delivered a set of financial results that should be very pleasing to all shareholders. We believe Beach is in a strong position, both technically and financially, to continue to offer shareholders exposure to a number of exciting plays within the company's portfolio which have the potential to deliver significant share price growth."

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