



**FY12 Full Year Results**

## Disclaimer

- This presentation contains forward looking statements that are subject to risk factors associated with oil, gas, geothermal and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.
- All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. References to “Beach” may be references to Beach Energy Limited or its applicable subsidiaries.
- Unless otherwise noted, all references to reserves and resources figures are as at 30 June 2012 and represent Beach’s share.

## Competent Persons Statement

- This presentation contains information on Beach’s Reserves and Resources which have been compiled by Mr Gordon Moseby, who is a full time employee of Beach, is qualified in accordance with ASX listing rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.



## FY12 Highlights

**Reg Nelson, Managing Director**



## Financial

- Record sales revenue of \$619 million, up 25%
- NPAT of \$164 million, up \$262 million
- Underlying NPAT of \$122 million, up 190%
- \$345 million capital raising

## Corporate

- Renegotiation of Exxon Mobil royalty
- On-market takeover of Adelaide Energy

## Operational

- Production of 7.5 MMboe, up 14%
- Excellent results from first four unconventional vertical wells in PEL 218
- Bauer oilfield discovered and production initiated
- First operated gas and gas liquids production in PEL 106B
- First Egyptian oil production and three discoveries
- Reserves increase to 93 MMboe, up 20%





## Financial results

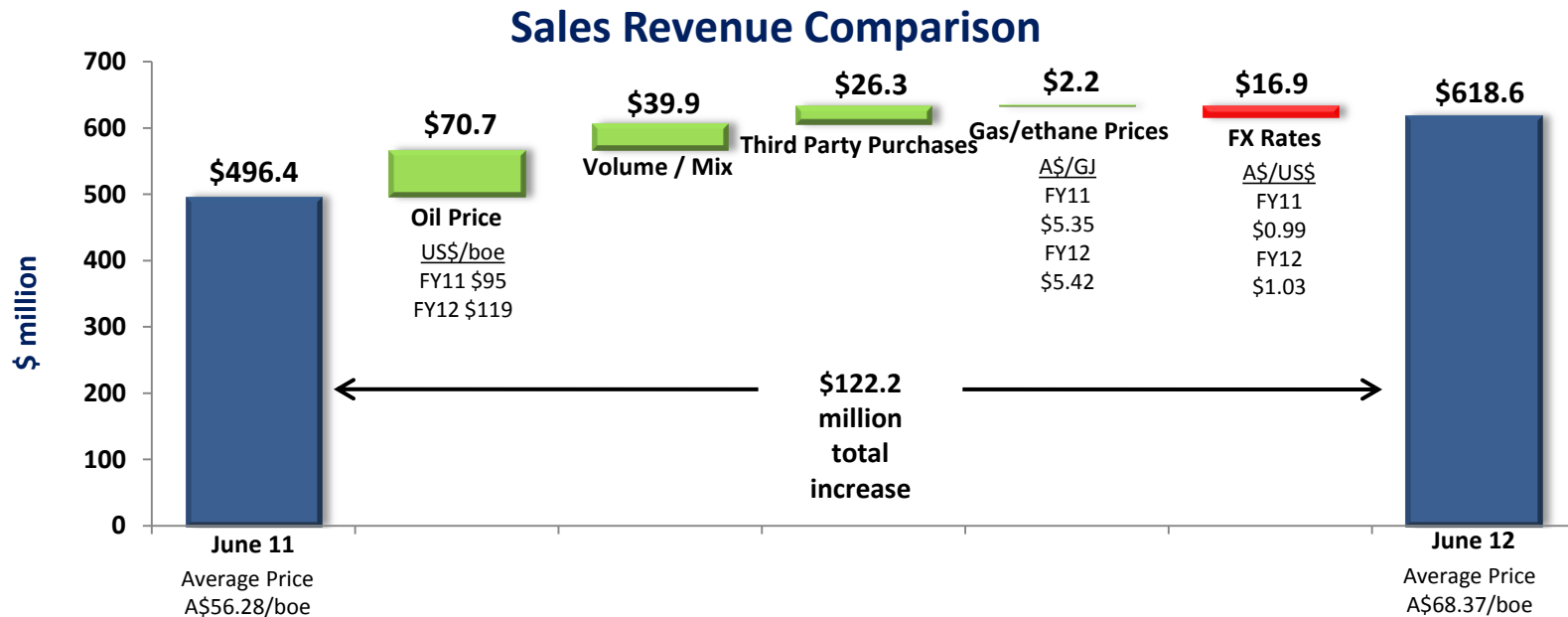
**Kathryn Presser, Chief Financial Officer**

# FY12 Full Year results overview

	FY12	FY11	Change
Production (MMboe)	7.5	6.6	↑ 14%
Sales volume (MMboe)	9.0	8.8	↑ 3%
Sales revenue (\$ million)	618.6	496.4	↑ 25%
Cash flow from operations (\$ million)	218.2	184.5	↑ 18%
Net profit /(loss) after tax (\$ million)	164.2	(97.5)	↑ n/a
Underlying net profit after tax (\$ million)	122.1	42.1	↑ 190%
Total dividends declared (cents per share)	2.25	1.75	↑ 29%

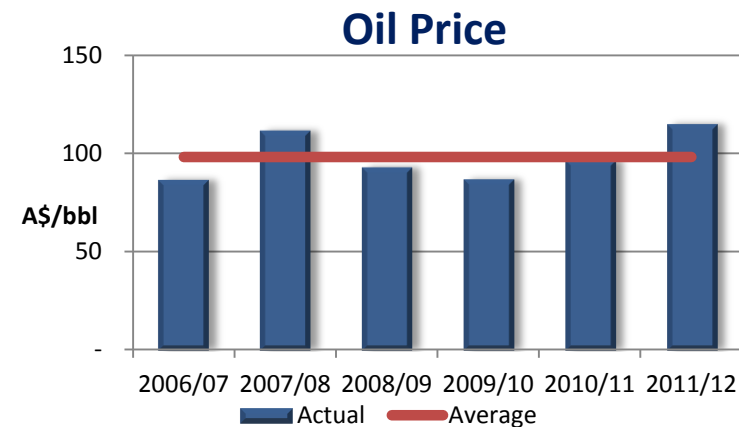
- Record Underlying profit after tax of \$122 million, up 190%
- Successful capital raising of \$345 million
- Strong cash position of \$379 million
- Multi-option financing facility of \$150 million available
- Final dividend declared of 1.5 cent per share fully franked in addition to 0.75 cent per share fully franked dividend at half year

# Sales revenue up 25%

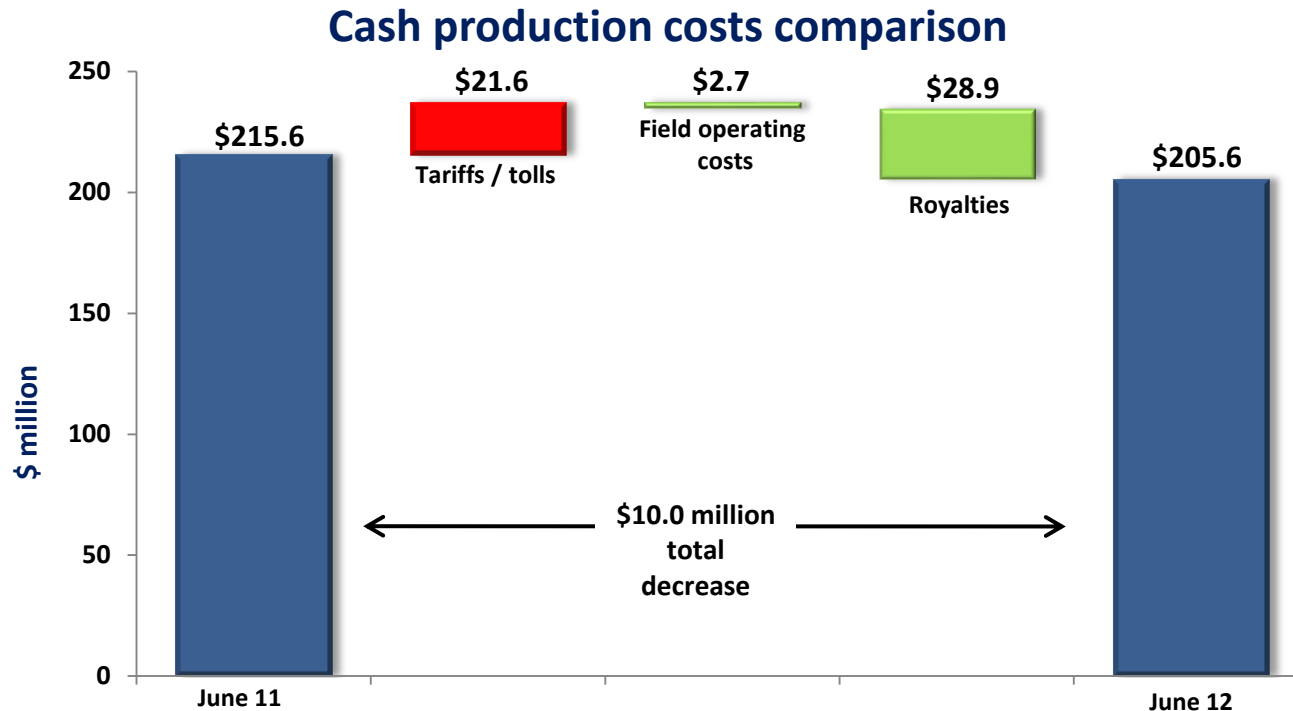


Sales revenue increased 25%, mainly driven by:

- Higher oil, gas and gas liquids prices (A\$ oil price received was \$115/bbl, up from \$97/bbl);
- Higher oil in the sales product mix; and
- Increased sales volumes from 8.8 MMboe to 9.0 MMboe



# Cash production costs down 5%



Lower cash production costs, mainly due to:

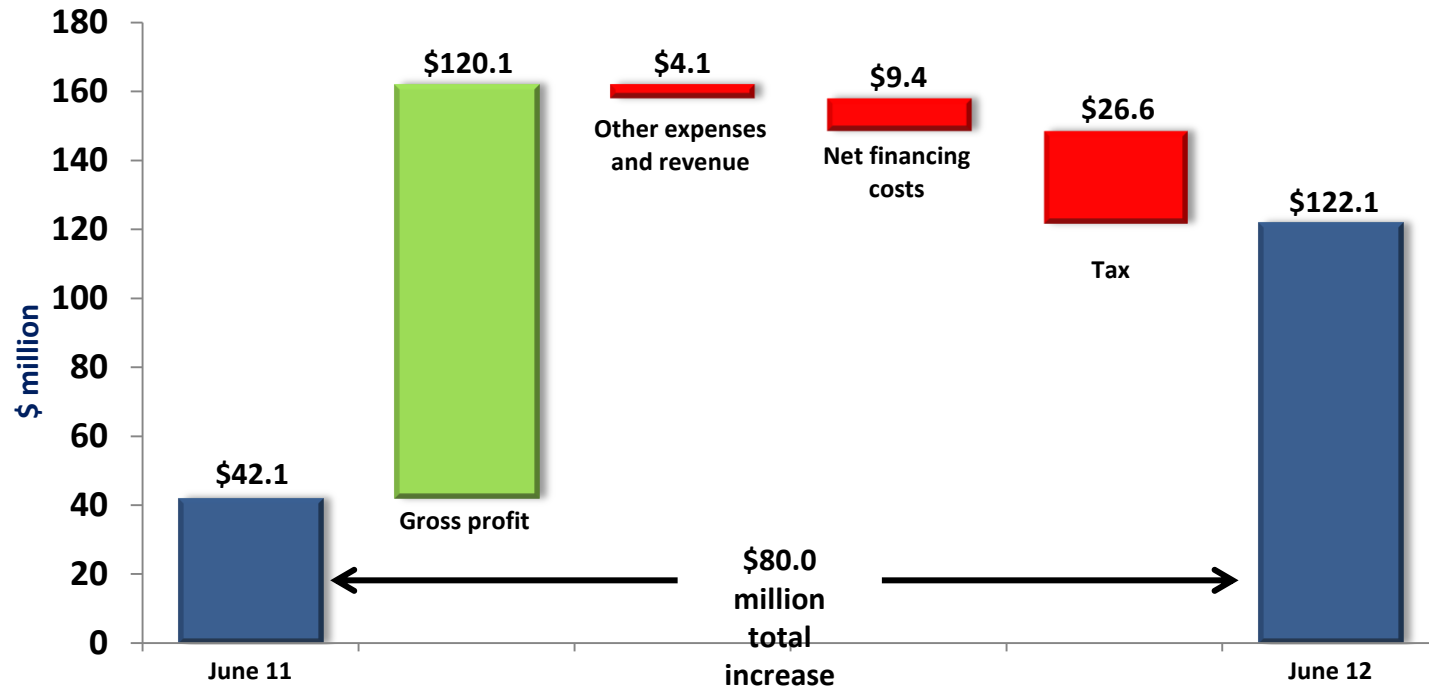
- Lower royalties payments following the renegotiation of the Exxon Mobil royalty; partly offset by
- Higher production volumes and increased trucking, resulting in increased transportation costs



# Reconciliation to Underlying NPAT

	FY12 \$'000	FY11 \$'000
<b>Net profit (loss) after tax</b>	<b>164,225</b>	<b>(97,450)</b>
Adjusted for:		
Unrealised hedging (gains) / losses	(3,184)	(1,583)
Revaluation of assets	-	(13,568)
Asset sales	(11,527)	(10,748)
Impairment of assets	18,111	157,940
Legal settlement	-	12,796
BMG non-production phase	-	29,629
Gain on acquisition/divestment of subsidiary	(11,616)	(1,143)
Gain on convertible note derivative	(21,564)	-
Takeover costs	2,149	1,500
Tax impact of above changes	10,363	(51,818)
Tax benefit from consolidation of subsidiary	(24,898)	(10,405)
Impact of PRRT adjustment	-	26,909
<b>Underlying net profit after tax</b>	<b>122,059</b>	<b>42,059</b>

## Underlying net profit after tax comparison



Underlying NPAT increased, mainly due to:

- Gross profit, primarily resulting from:
  - Increased sales (driven by production), higher oil and gas prices, reduced inventory drawdowns and the renegotiation of the Exxon Mobil royalty; partly offset by
  - Higher third party purchases due to increased third party oil processed through Moomba



## Operational results

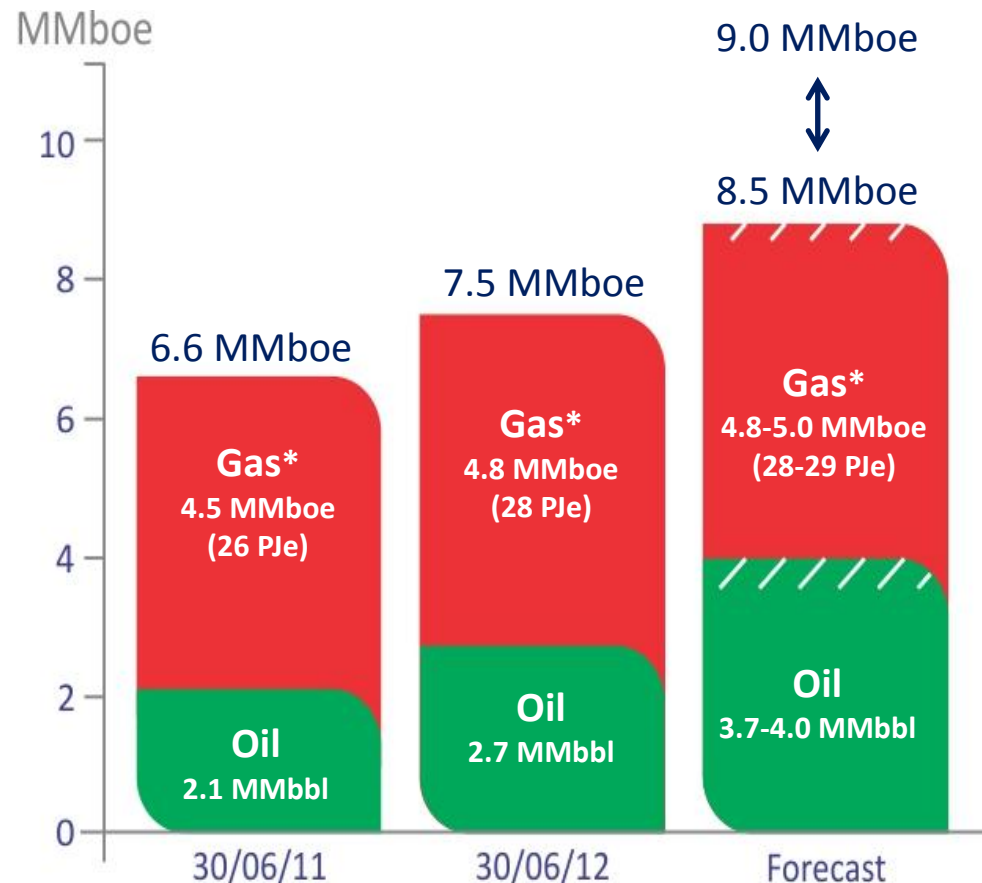
**Neil Gibbins, Chief Operating Officer**

- Production of 7.5 MMboe, up 14% on the prior year
- Participation in 89 wells, up 128%, with a success rate of 79%
- Holdfast-1 and Encounter-1 (Beach 100%) unconventional exploration wells both flow tested at around 2 MMscfd
- Moonta-1 (Beach 100%) deeper unconventional exploration well gas saturated over 1,000 metres of Permian target zone
- Bauer oil field in PEL 91 (Beach 40%) discovered and production initiated
- First operated gas and gas liquids production from PEL 106B (Beach 50%)
- Growler oil field expansion in PRL 15 (Beach 40%)
- Oil pipelines connecting the Cooper Basin Western Flank with Moomba nearing completion
- Three Egyptian oil discoveries in Abu Sennan (Beach 22%) and first oil from North Shadwan (Beach 20%)
- Reserves increase to 93 MMboe, up 20%
- Subsequent to year end:
  - Completion of 2,080 km Tanzanian 2D seismic survey (Beach 100%)
  - Moomba-191 unconventional vertical well flowed gas at a stable rate of 2.6 MMscfd (Beach 20.21%)



- FY12 production of 7.5 MMboe up by 14% on prior year, mainly due to:
  - Better operational access following Cooper Basin floods
  - Successful Western Flank development drilling with quick tie-ins
  - Increased trucking operations for Western Flank crude oil
  - First Beach operated gas and condensate sales to the SACB JV
  - First oil production in Egypt
- FY13 production guidance of 8.5 - 9.0 MMboe, expected to be driven by:
  - Increased oil production from Western Flank fields
  - Increased Egyptian oil production

## Actual and forecast production

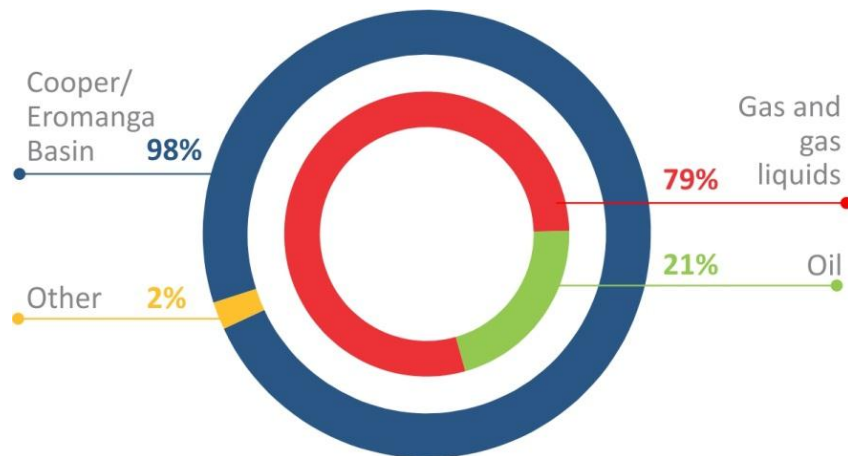


\* Gas and gas liquids

**New Western Flank oil pipelines to underpin forecast FY13 production increase**

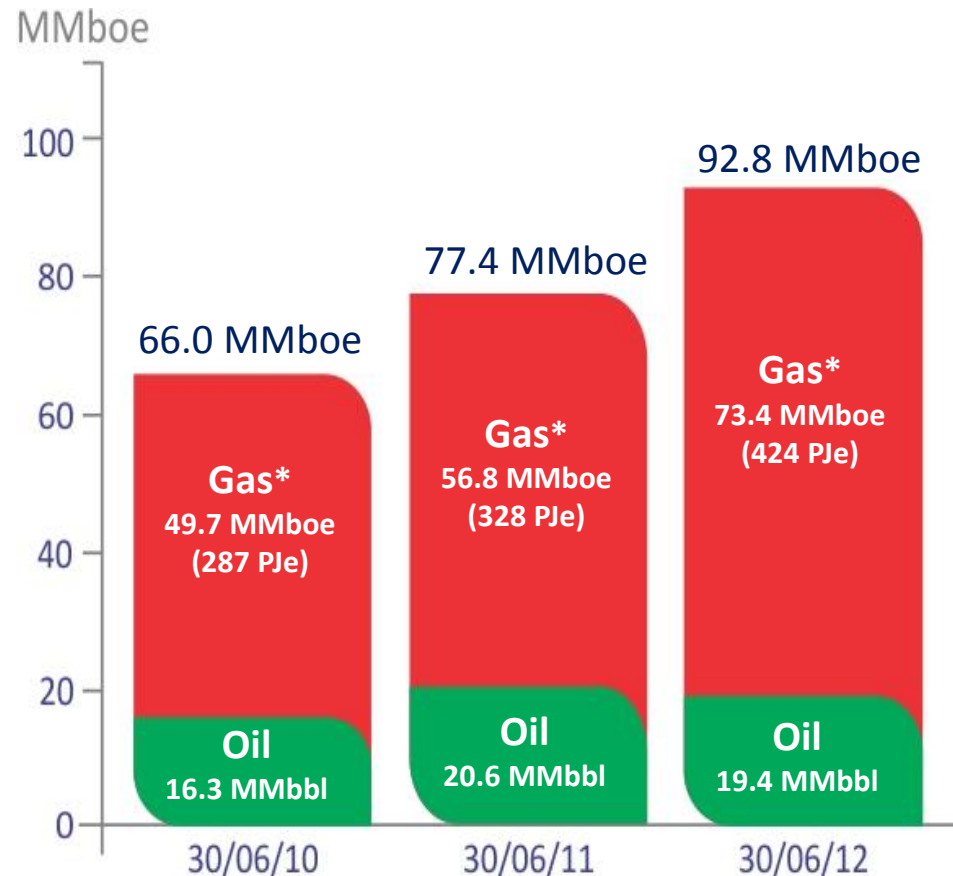


- Conventional reserves and resource approach validated by RISC
- Reserves growth continues the recent historic trend
- Reserves growth drivers:
  - SACB JV infill drilling program
  - Western Flank exploration and appraisal
  - Wet gas discoveries in PEL 106B



\* As at 30 June 2012

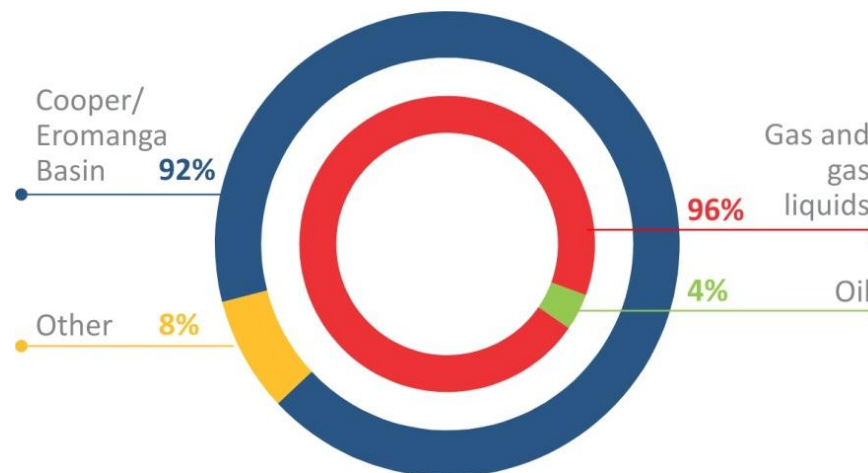
## 2P Reserves – 93 MMboe\*



**2P reserves up 20% on prior year**

- Unconventional resource independently assessed by DeGolyer and McNaughton
- Beach has adopted new SPE Petroleum Reserves Management System guidelines for booking unconventional resource volumes
- New approach allows for 1C, 2C and 3C contingent resource booking
- Previous: 2C = 100 km<sup>2</sup> around each well
- New 2C approach:
  - 28 km<sup>2</sup> around each well for sandstones; and
  - 41 km<sup>2</sup> for shales
- No change to gas in place estimate of 300+ Tcf for PEL 218

## 2C Contingent resource – 466 MMboe\*



\* As at 30 June 2012

	1C Resource Tcf	2C Resource Tcf	3C Resource Tcf
Beach Operated Unconventional Resource <sup>1</sup>	0.6	1.3	2.6

<sup>1</sup> Based on Holdfast-1 and Encounter-1 only

## Large resource base to build reserves

# FY13 Capital expenditure guidance



	FY13 Forecast Capex (\$M)	FY13 Forecast Wells	FY13 Forecast Seismic		Forecast reserves additions
			2D - km	3D – km <sup>2</sup>	MMbbl
<b>DEVELOPMENT</b>					
Cooper Basin – non-SACB JV	50 – 60	15-20	–	–	–
Cooper Basin – SACB JV and SWQ JV	100 – 130	35-45	–	–	10.0
International	5 – 10	2-4	–	–	–
<b>Total Development</b>	<b>155 – 200</b>	<b>Up to 69</b>	<b>–</b>	<b>–</b>	<b>10.0</b>
<b>EXPLORATION</b>					
Cooper Basin – non-SACB JV	30 – 40	16-21	250	1,500	3.3
Cooper Basin – SACB JV and SWQ JV	15 – 20	5-10	–	–	0.4
Other Australasia	5	2-3	–	–	1.7
Unconventional	120 – 150	10-15	670	–	–
International	20 – 30	3-5	2,100	–	1.3
New Ventures and Other	5	–	–	–	–
<b>Total Exploration</b>	<b>195 - 250</b>	<b>Up to 54</b>	<b>3,020</b>	<b>1,500</b>	<b>6.7</b>
<b>TOTAL</b>	<b>350 – 450</b>	<b>Up to 123</b>	<b>3,020</b>	<b>1,500</b>	<b>16.7</b>

# Key FY13 operational activities



Project	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Outcomes
Operated - Cooper Basin unconventional gas	2 vertical wells, mobilise Ensign 965 drill rig	2 vertical wells, 1 horizontal well, frac 3 vertical wells	3 vertical and 2 horizontal wells, frac 2 horizontal and 4 vertical wells, EFT of vertical wells		Book significant 2C contingent resource
SACB JV	Continued infill drilling to convert 2C contingent resource to 2P reserves				Conversion of approximately 10 MMboe resource to reserves
Western Flank oil pipelines	Tie-in of Bauer-Lycium, Growler-Lycium and Lycium-Moomba operated pipelines and Snatcher-Charo pipeline in Q4 2012				Increased oil production of 9,000 to 10,000 bpd net to Beach
Operated - Western Flank oil	12 exploration and 10 development wells				Increased production and 2P reserves, 22 new wells
Operated - Western Flank gas and gas liquids	PEL 106B - Four exploration wells and tie-in of Canunda PEL 107 - One exploration well				Increased production and 2P reserves, five new wells and tie-in of two new discoveries
Non-operated - Cooper Basin Western Flank	Seven exploration and seven development wells				Increased production and 2P reserves, 14 new wells
Egypt: Abu Sennan	3 exploration wells and EPT's on existing discoveries		Workover and assessment of discoveries		New and increased oil production, 2P reserve additions
Tanzania: Lake Tanganyika	2D Seismic acquisition	Process and interpret 2D seismic data, identify prospects and leads		Assess farm-down options	Initial prospects and leads, potential farm-down

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