BEACH ENERGY

March 2013

Compliance statements

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 Tony Lake, 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.

General overview

Company overview

- ASX 100 oil and gas explorer and producer, market capitalisation ~A$1.8 billion
- Strong balance sheet – cash of A$343 million (at 31 December 2012) and undrawn debt facility of A$150 million
- 1H FY13: underlying NPAT $61 million, operating cash flow $172 million
- FY13 capex forecast $400-450[1] million
- FY13 production guidance of 8.1-8.5 MMboe

Key global operations

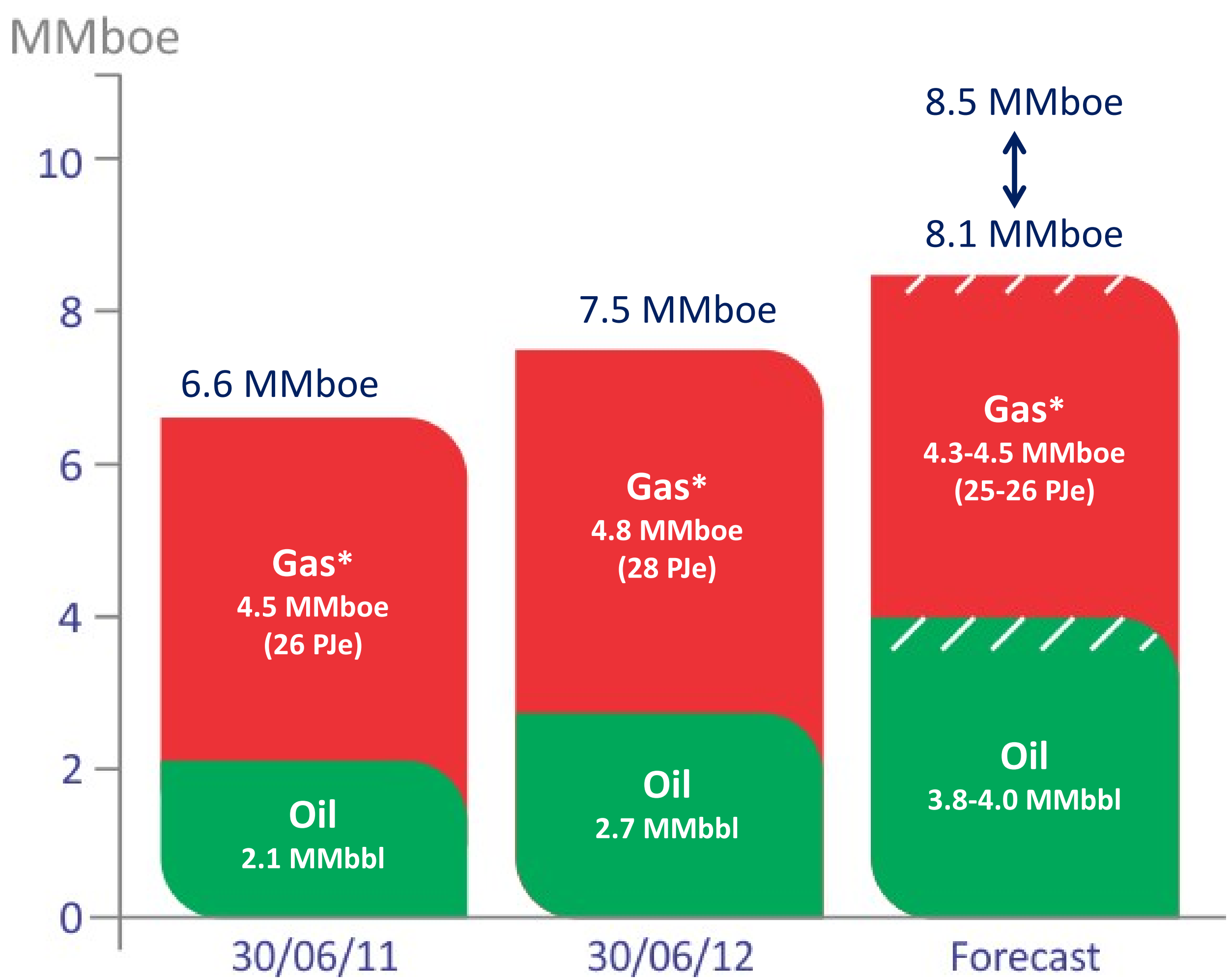
(1) Excludes payments to Beach from Chevron farm-out of PEL 218 and ATP 855

Fully funded capex program primarily focused on the Cooper Basin

Key FY13 operational activities

Project	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Outcomes
Operated - Cooper Basin unconventional gas	1 vertical well, mobilise Ensign 965 drill rig ✓	4 vertical wells, 1 horizontal well, stimulate 3 vertical wells		2 V wells, 1 H well, stimulate 3 V & 1 H well, EFT of V wells	**Book significant 2C contingent resource**
SACB JV	Continued infill development drilling program, to convert 2C contingent resource to 2P reserves, and unconventional exploration program				**Conversion of approximately 10 MMboe resource to reserves**
Operated Western Flank oil flowlines	Tie-in of Growler-Lycium and Lycium-Moomba flowlines ✓		Tie-in of Bauer-Lycium flowline		**Increased WF oil production of 9,000 to 10,000 bpd net to Beach**
Operated - Western Flank oil	1 exploration and 7 dev and app wells ✓	3 exploration and 2 development/ appraisal wells ✓	9 exploration and 2 development wells		**Increased production and 2P reserves**
Operated - Western Flank gas and gas liquids	PEL 106B - 1 exploration well		PEL 106B - Up to 3 exploration wells and tie-in of Canunda		**Increased production and 2P reserves, tie-in of two new discoveries**
Non-operated - Cooper Basin Western Flank	2 exploration and 3 development wells ✓	1 exploration and 2 development/ appraisal wells ✓	Up to 2 exploration/ development wells		**Increased production and 2P reserves**
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**

Actual and forecast production



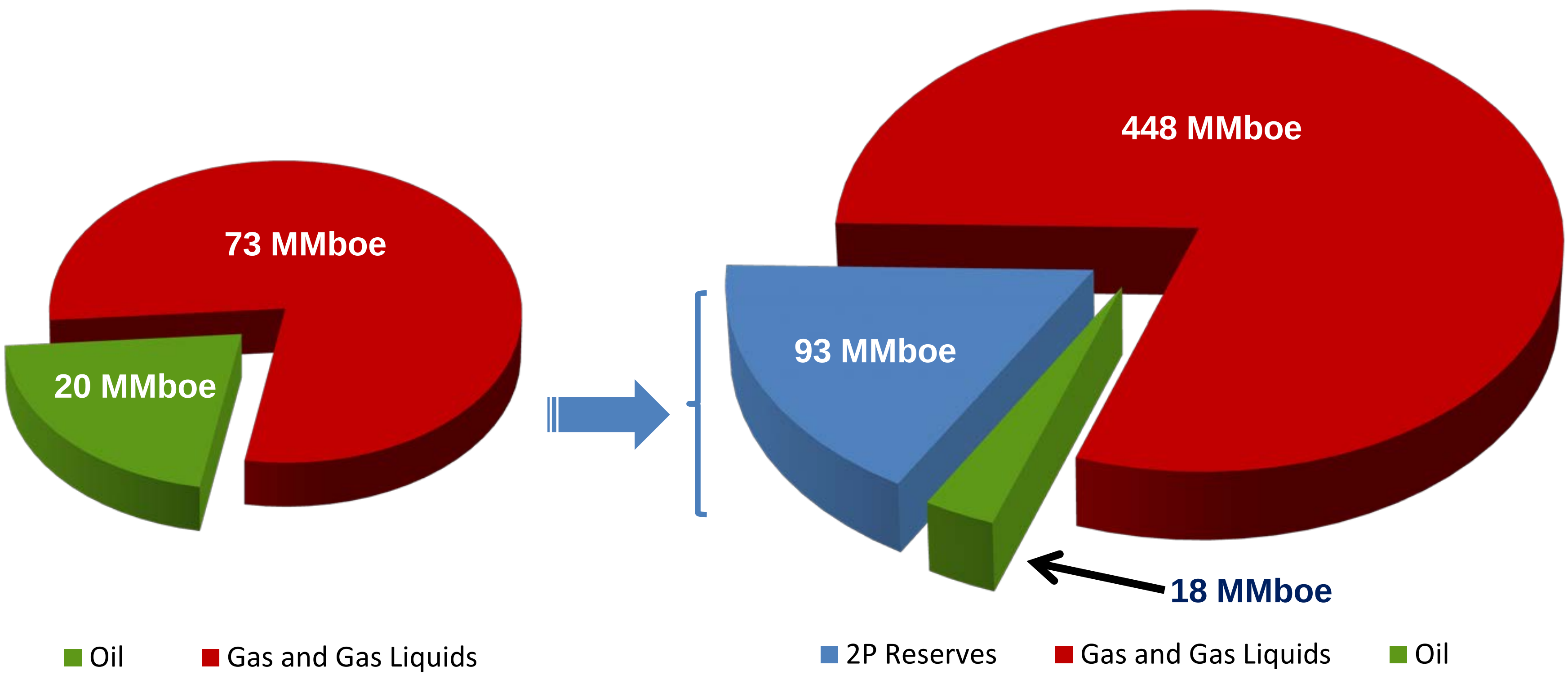
* Gas and gas liquids

FY13 production guidance underpinned by Western Flank oil flowlines

2P reserves and 2C contingent resources

2P: 93 MMboe

2P and 2C: 559 MMboe



Large reserve and resource base driving production growth profile

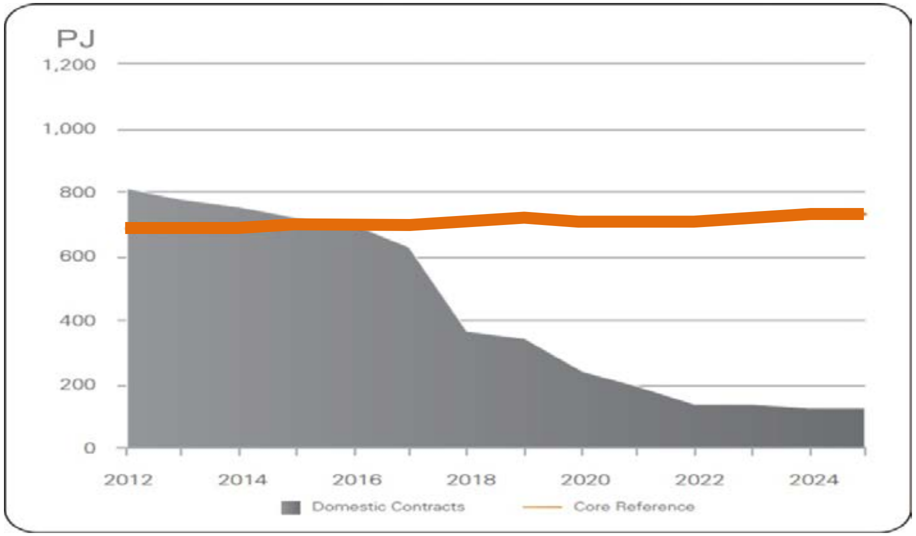
FY13 Capital expenditure guidance

	1H FY13 Actuals ($M)	FY13 Forecast ($M) (1)	FY13 Forecast Wells	FY13 Forecast Seismic		Forecast reserves additions
				2D – km	3D – km^2	MMboe
DEVELOPMENT						
Cooper Basin – non-SACB JV	37	50 – 55	12 – 15	–	–	–
Cooper Basin – SACB/SWQ JV	79	140 – 145	45 – 55	–	–	10.0
International	2	5 – 10	2 – 4	–	–	–
Total Development	**118**	**195 – 210**	**Up to 74**	**–**	**–**	**10.0**
EXPLORATION						
Cooper Basin – non-SACB JV	20	30 – 40	16 – 21	250	1,500	3.3
Cooper Basin – SACB/SWQ JV	4	15 – 20	5 – 10	–	–	0.4
Other Australasia	3	5	2 – 3	–	–	1.7
Unconventional	71	135 – 145	10 – 15	670	–	–
International	10	15 – 25	3 – 5	2,100	–	1.3
New Ventures and Other	2	5	–	–	–	–
Total Exploration	**110**	**205 – 240**	**Up to 54**	**3,020**	**1,500**	**6.7**
TOTAL	**228**	**400 – 450**	**Up to 128**	**3,020**	**1,500**	**16.7**

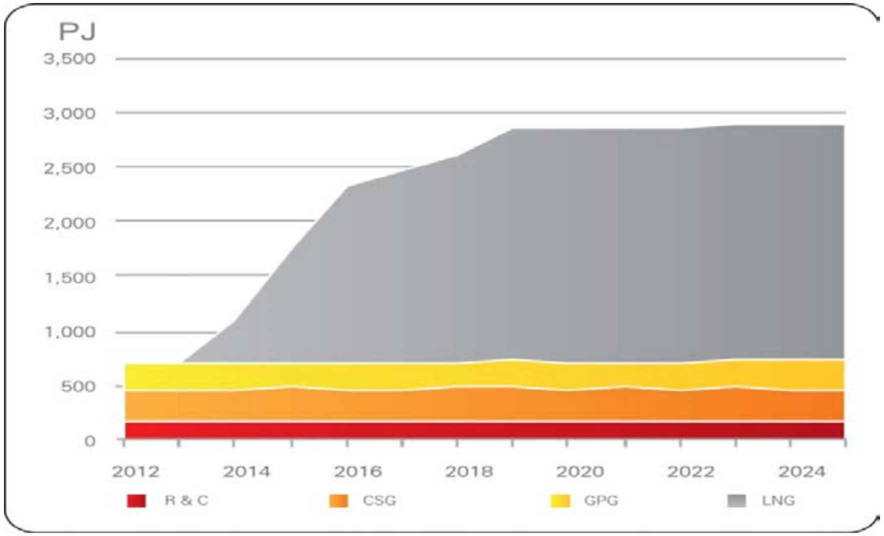
(1) Excludes payments to Beach from Chevron farm-out of PEL 218 and ATP 855

Eastern Australian gas markets are growing

Existing domestic east coast contracts



Projected east coast total demand

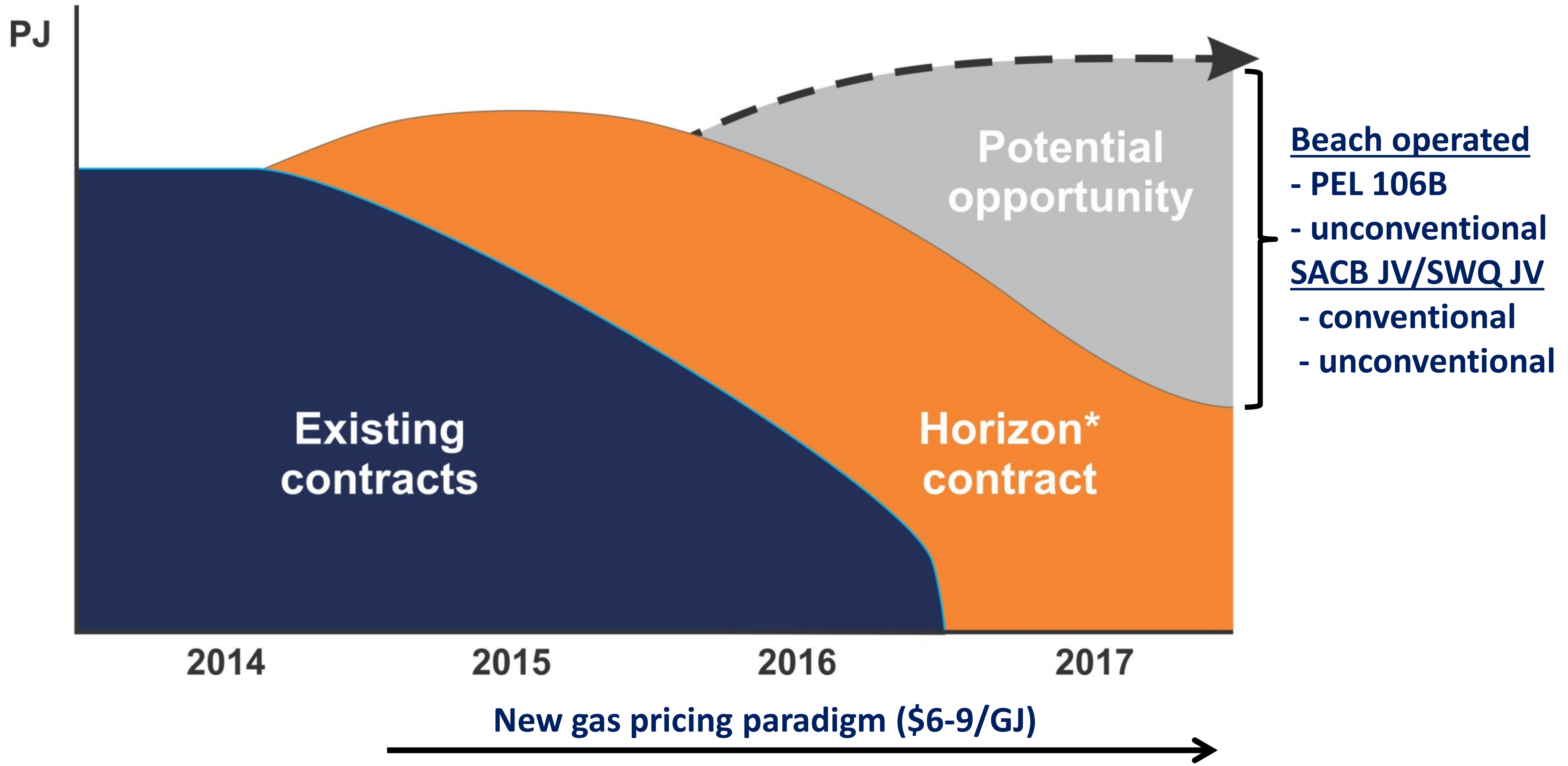


Source: Core Energy Group, July 2012

- The 'clean energy future' is likely to incorporate a larger role for natural gas
- By 2025 gas demand for domestic market and LNG projects expected to be almost 3,000 PJ
- 2015+ opens up various domestic and export linked opportunities

Industry commentators suggesting gas prices trending toward $6-9/GJ

Beach projected gas opportunities



- Legacy gas contracts expiring over the next couple of years
- Horizon* contract relates to Beach's equity share of SACB JV and SWQ JV production

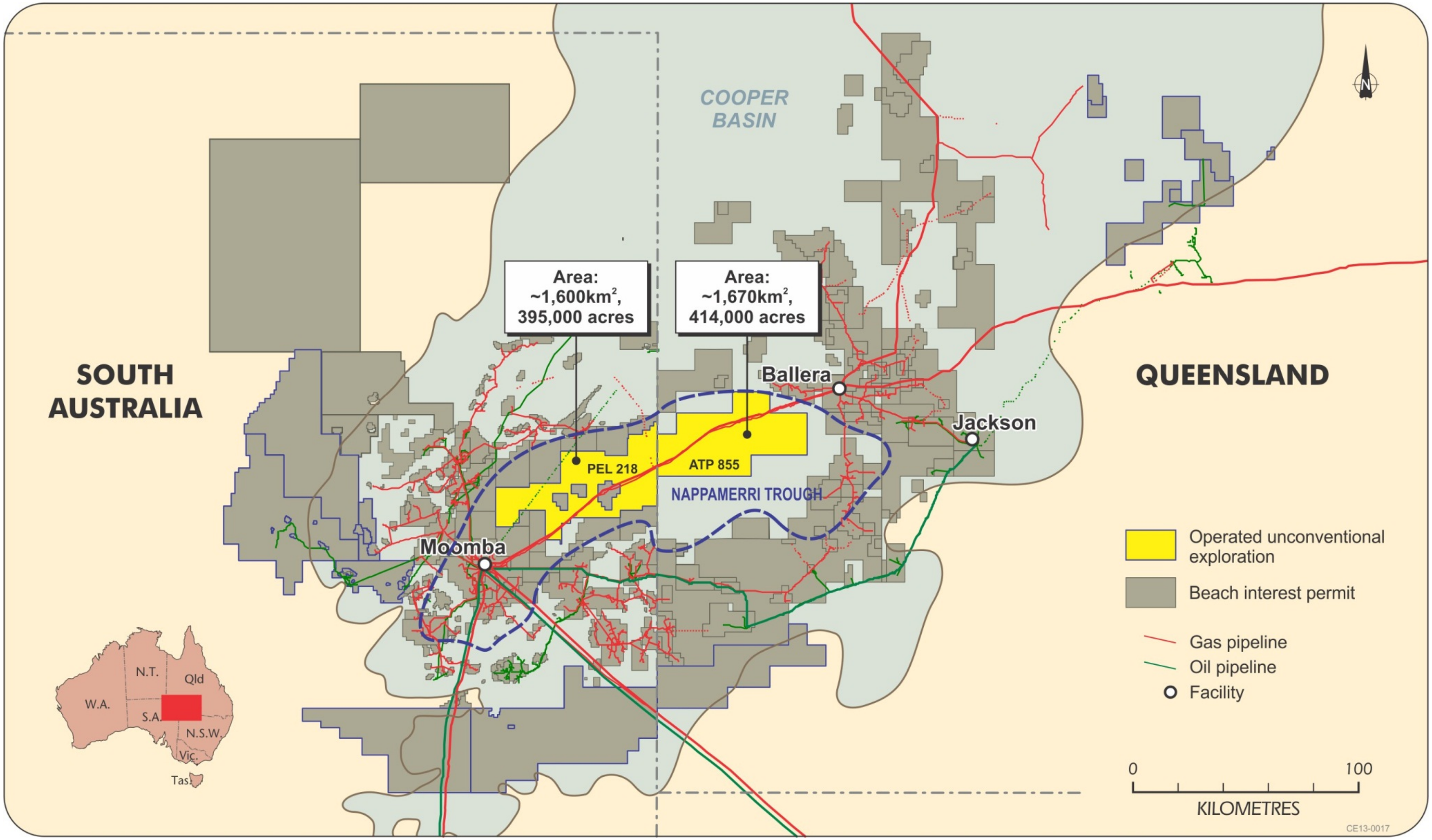
Note: The above schematic is for illustrative purposes only and is not to scale

* Under negotiation

~240 PJ Horizon* contract expected to underpin gas sales for 15 years

PEL 218 and ATP 855 farm-out to Chevron

PEL 218 and ATP 855 farm-out to Chevron



World class JV partner reinforces SA and Qld Cooper Basin gas potential

Background and rationale

- Beach has led the way in Nappamerri Trough unconventional exploration
  - Early identification of the potential of PEL 218 and ATP 855
  - Initial success with off-structure exploration wells and flow tests
- Significant advancement in the program
  - PEL 218 activities:
    - Moonta-1, Streaky-1, Marble-1, Boston-1 and Nepean-1 vertical wells
    - Holdfast-2, the first horizontal well of this program, underway
  - ATP 855 activities:
    - Halifax-1, the first exploration well drilled and currently flow testing
- Commercialisation will require significant capital and additional technical expertise for a successful development
- Beach strategy is to participate in ultimate commercialisation and development

Transaction highlights and overview

- The introduction of a world class joint venture partner with:
  - Global experience and leading technical capability
  - A long and successful history in Australian exploration and gas development
- Beach to transfer up to 60% of its interests in PEL 218 (100%) and ATP 855 (60%) to Chevron
- Envisaged two stage work program in PEL 218 and ATP 855, with Beach to potentially receive payments totalling US$349 million
- Chevron withdrawal rights at the end of each stage
- Post-completion of the staged farm-in, Beach will support Chevron to become operator(2)
- Deal completion at satisfaction of usual regulatory approvals

Note: (1) Final exploration budgets subject to joint venture approval of work programs
(2) At the election of respective joint ventures

Beach positioned for the next evolution of Cooper Basin gas development

Transaction consideration summary

- Subject to joint venture approvals, the key work program elements envisaged across the two permits involve an initial exploration program to be followed by pilot production programs

PEL 218 – potential payments

Stage 1 (initial 30%) (1)

- US$36 million cash
- US$95 million carry

Stage 2 (additional 30%)

- US$41 million cash
- US$47 million carry

- Commitment bonus payment of US$35 million

ATP 855 – potential payments

Stage 1 (initial 18%)

- US$59 million cash

Stage 2 (additional 18%)

- US$36 million cash

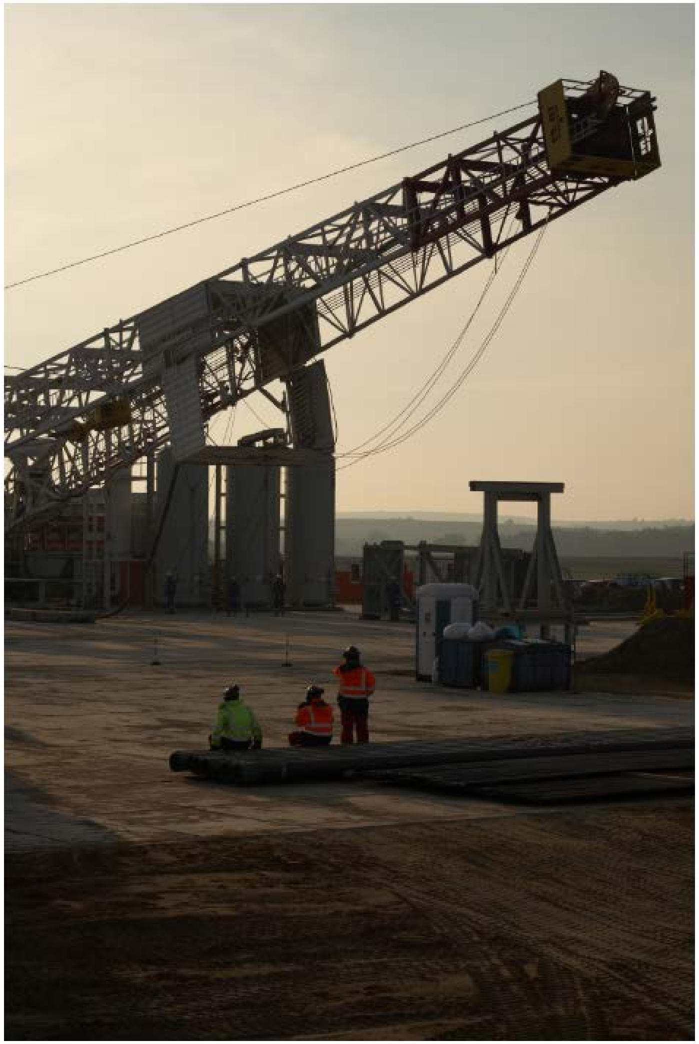
(1) Vertical wells exclude Holdfast-1 and Encounter-1

Note: Chevron has the option to continue or withdraw at the end of each stage

Envisaged US$349 million payment to Beach over several years

Why Chevron?

- Unconventional resource experience
  - USA and Canada (Duvernay, Marcellus, Utica, Wolfcamp)
  - Poland, Romania, China, Lithuania and Argentina
  - Exposure to >7 million net acres
- Technical capability and gas development expertise
- Outstanding exploration track record in Australia
- Largest Australian E&P investor
  - North-west shelf project
  - Gorgon project (operator)
  - Wheatstone project (operator)
- Gas commercialisation/financial capability
  - Natural gas production more than 4.9 Bcf/d
  - US$225 billion market cap (as at 21 Feb 2013)
- 57,000 employees

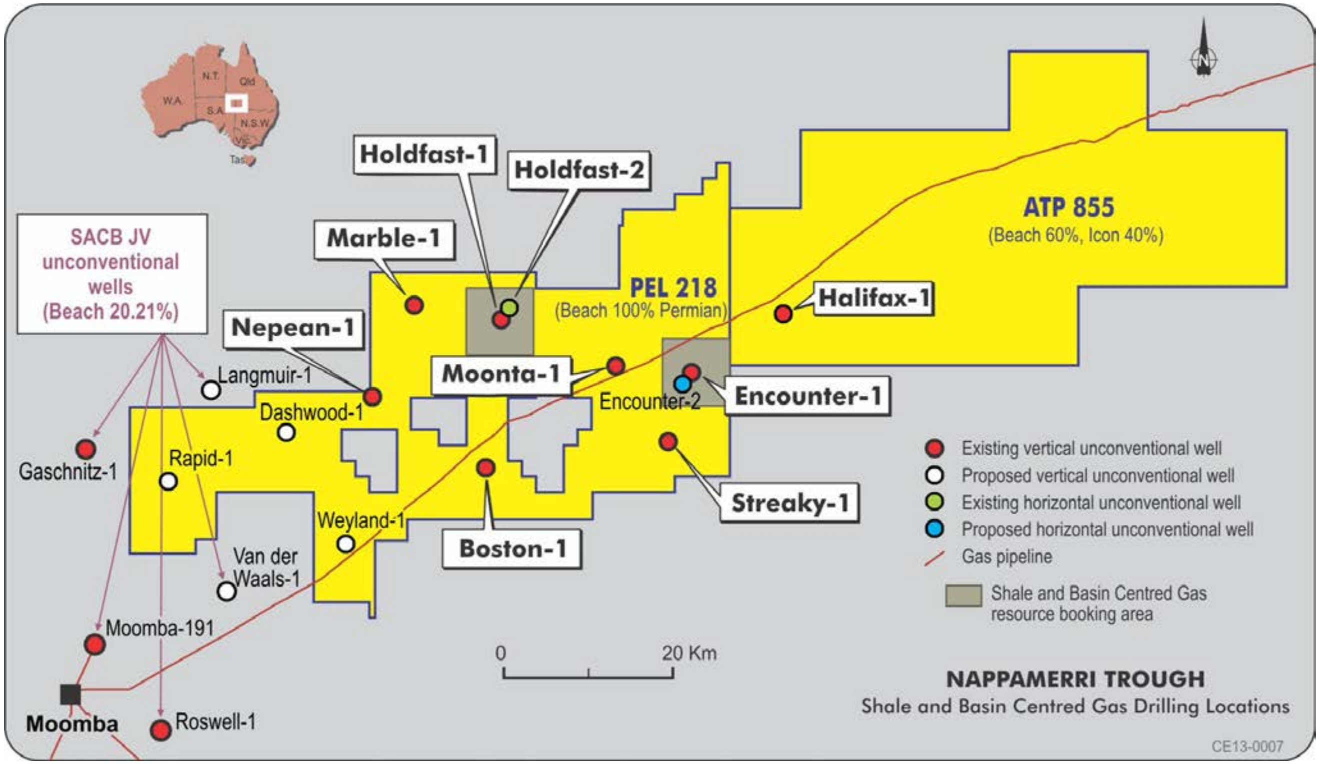


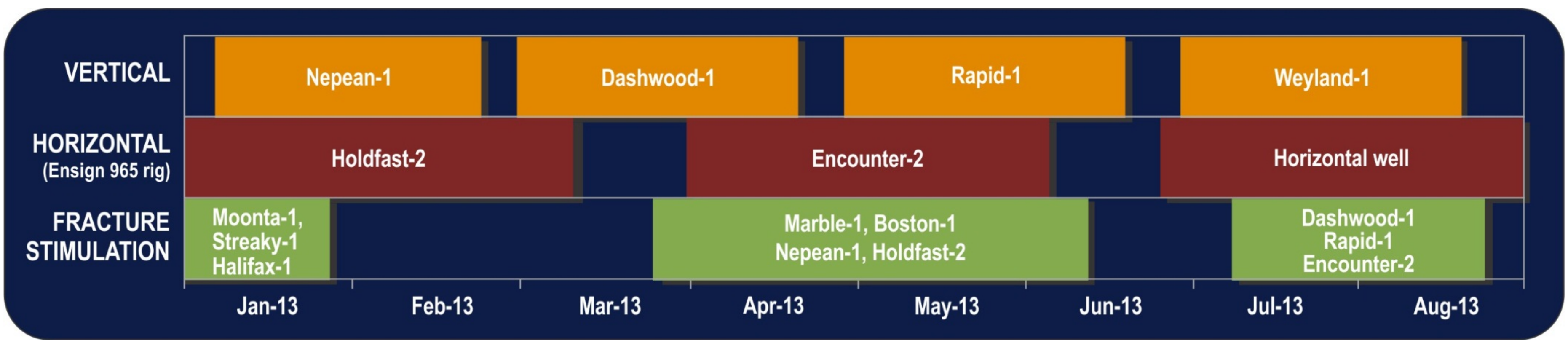
Poland shale exploration (courtesy Chevron)

Chevron brings technical excellence, global capability to SA and Qld gas resources

Cooper Basin
Unconventional exploration

Unconventional acreage and timeline





Unconventional gas program

PEL 218 ~1,600 km²

- Beach 100% (Permian)
- Six vertical wells drilled, two being drilled (one horizontal)
- Gas flow from first three wells in excess of 2 MMscfd per well

ATP 855 ~1,670 km²

- Beach 60% (operator), Icon Energy 40%
- Halifax-1 initial constrained rate of 2.2 MMscfd

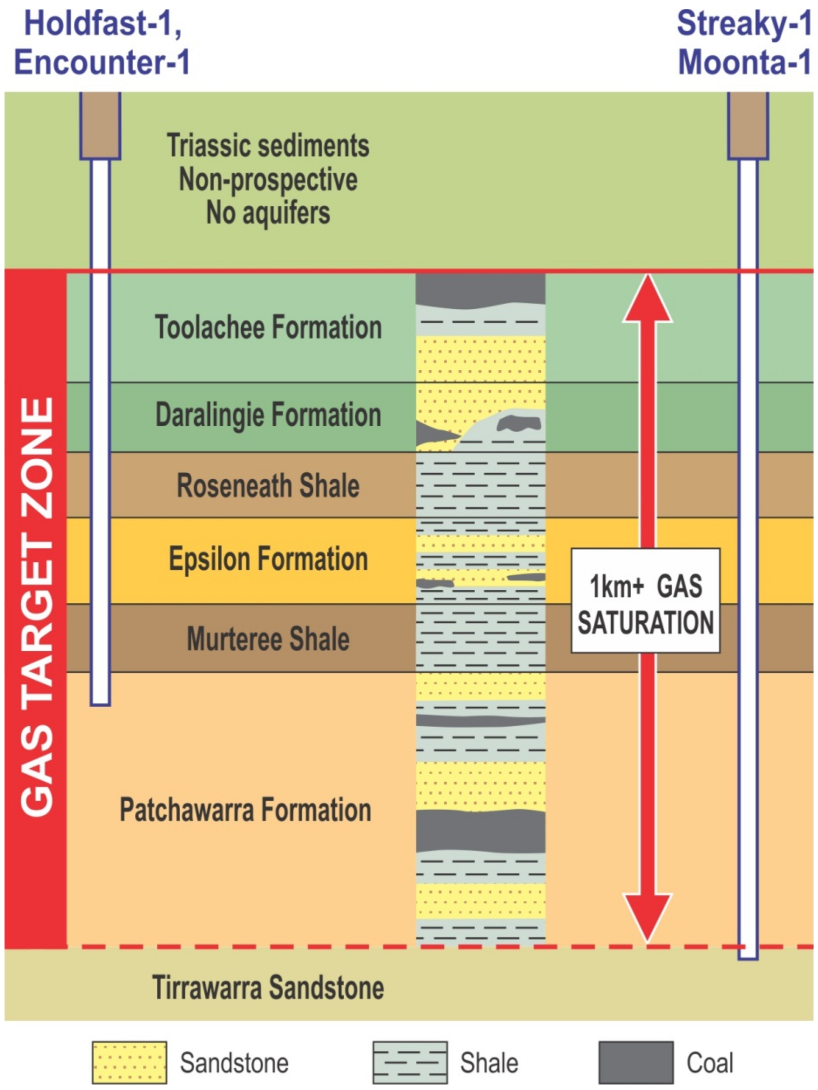
SACB JV ~7,100 km²

- Beach 20.21%, Santos 66.6% (operator), Origin Energy 13.19%
- Moomba-191 flowed gas at in excess of 3 MMscfd and tied-in

SACB JV's Moomba-191 shale well connected to Moomba infrastructure

Program highlights to date

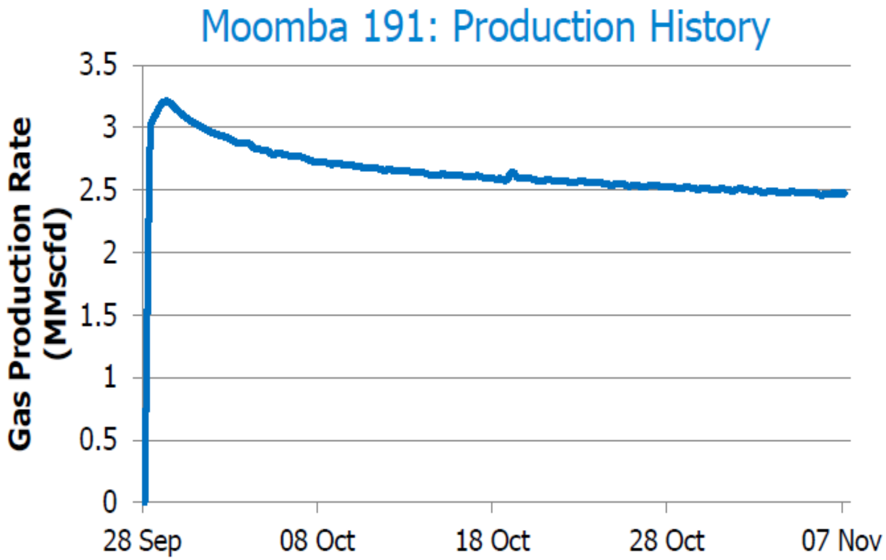
- Holdfast-1, Encounter-1 proved up the shale play with flow rates at up to 2.1 MMscfd
- Moonta-1 proved up the basin centred gas concept throughout the Patchawarra, with gas flow rates at up to 2.6 MMscfd
- Holdfast-2 horizontal well drilling ahead laterally though the Murteree Shale
- March/April batch stimulation to include Streaky-1, Boston-1, Marble-1, Nepean-1 and Holdfast-2
- Halifax-1 vertical exploration well in ATP 855 reached total depth at ~4,300 metres
- Initial constrained gas flows from Halifax-1 at 2.2 MMscfd through a 24/64” choke



300+ Tcf of gas in place estimated for PEL 218

Moomba-191

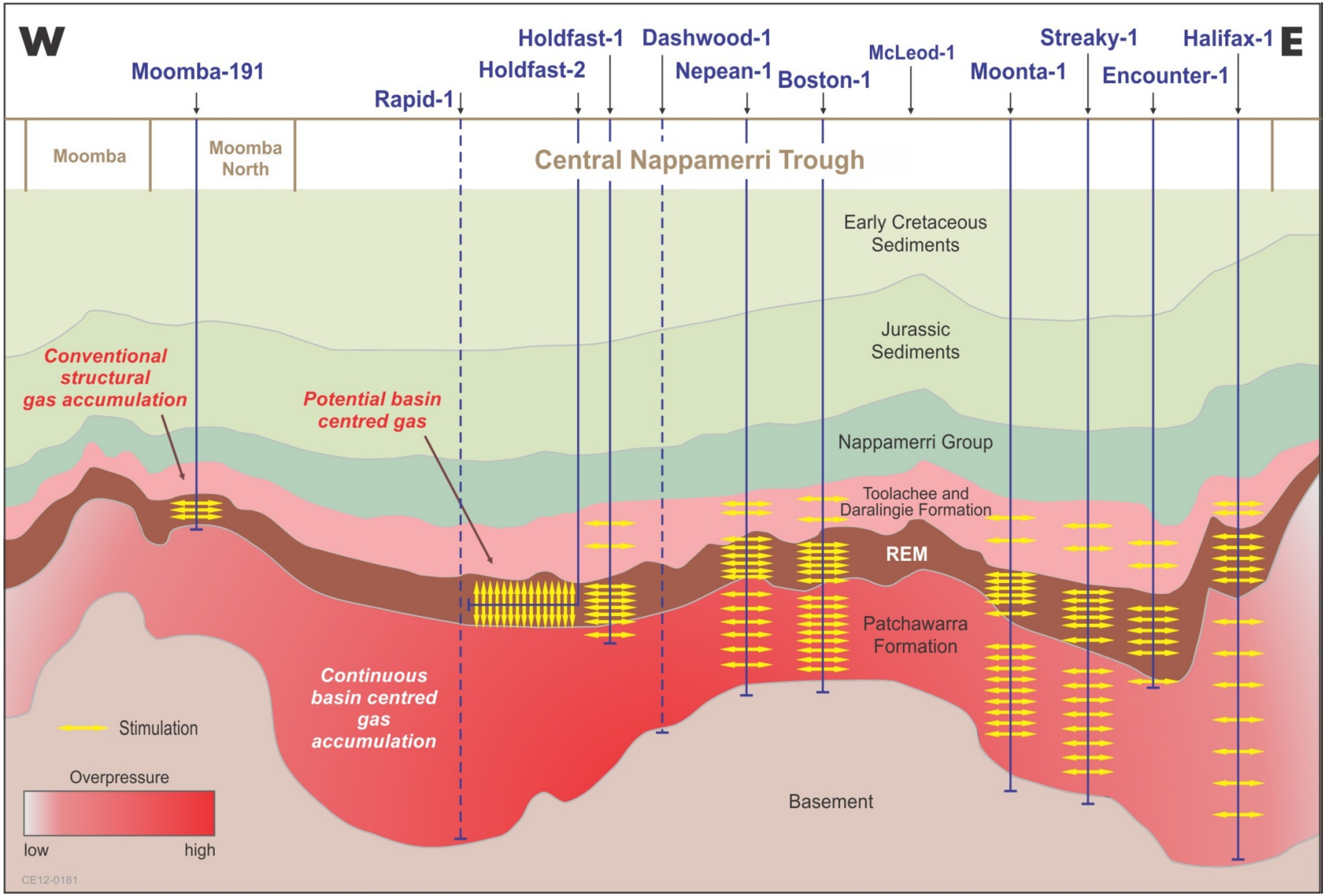
- Initial flow rate > 3 MMscfd
- Average flow rate over first month ~2.7 MMscfd, and ~2.5 MMscfd at year end
- Early stage recovery estimates are > 1.5 bcf
- Indicates continuation of unconventional gas trending West of PEL 218 in the Nappamerri Trough



Moomba-191 gas flare

Source: Santos

Fracture stimulation stages



Cooper Basin

Western Flank

Western Flank oil

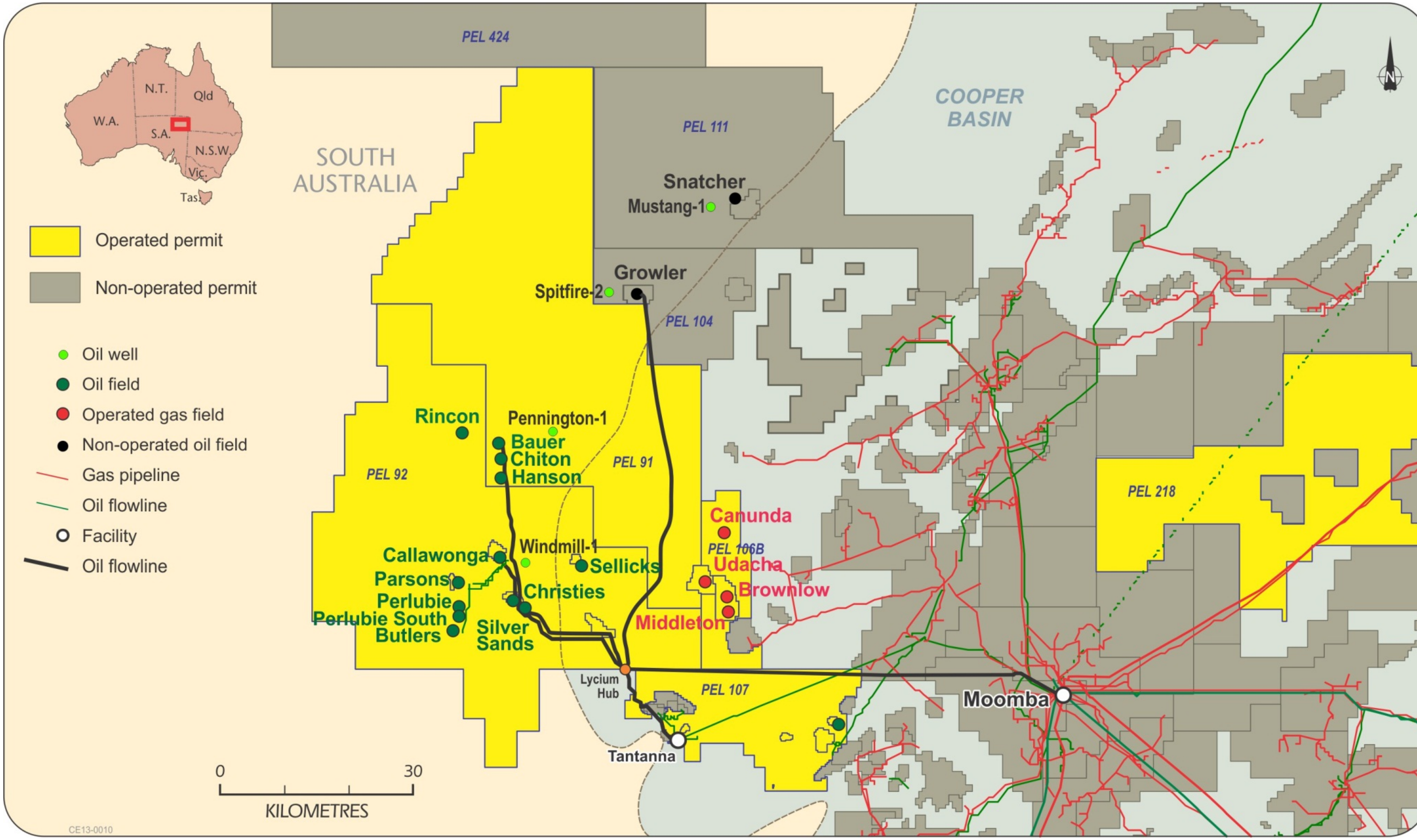
Western Flank oil is a core contributor to Beach due to:

- Sales in Brent
- High net back per barrel of ~ A$85* (including opex, royalties and transportation costs)
- Strong equity positions in significant and prospective acreage
- Quick drill and tie-in periods
- Multiple play types with high flow rates
- Excellent understanding of the geology resulting in high success rates
- 11 operated wells drilled in FY13 to date, 10 successful
- Established and proposed pipeline infrastructure to increase production rates

*Assumes Brent oil price of A$110 per barrel

A highly prospective oil province

Investment in infrastructure



Net production of 9,000 to 10,000 bopd from the Western Flank expected in Q2 2013

Western Flank exploration

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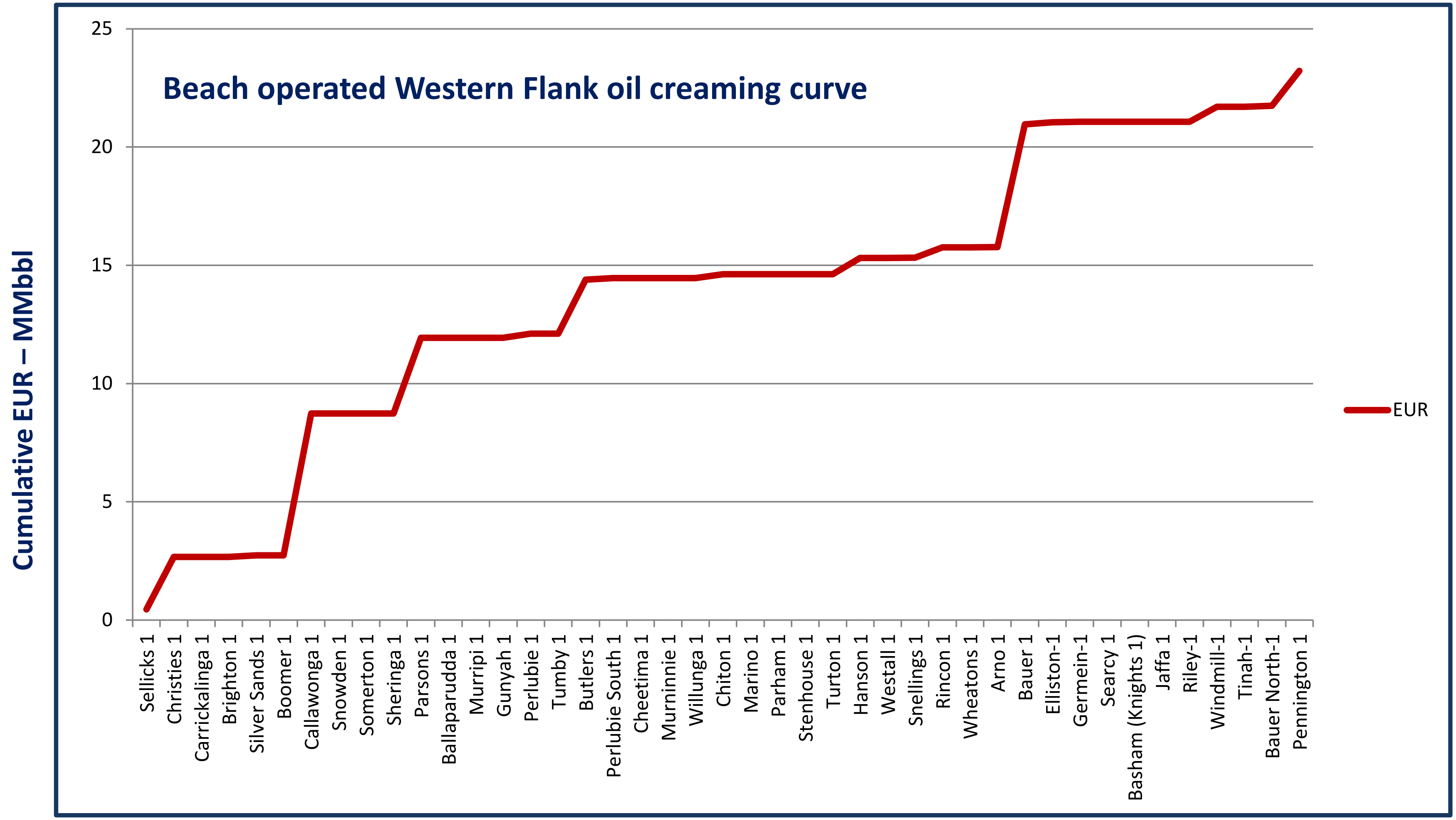


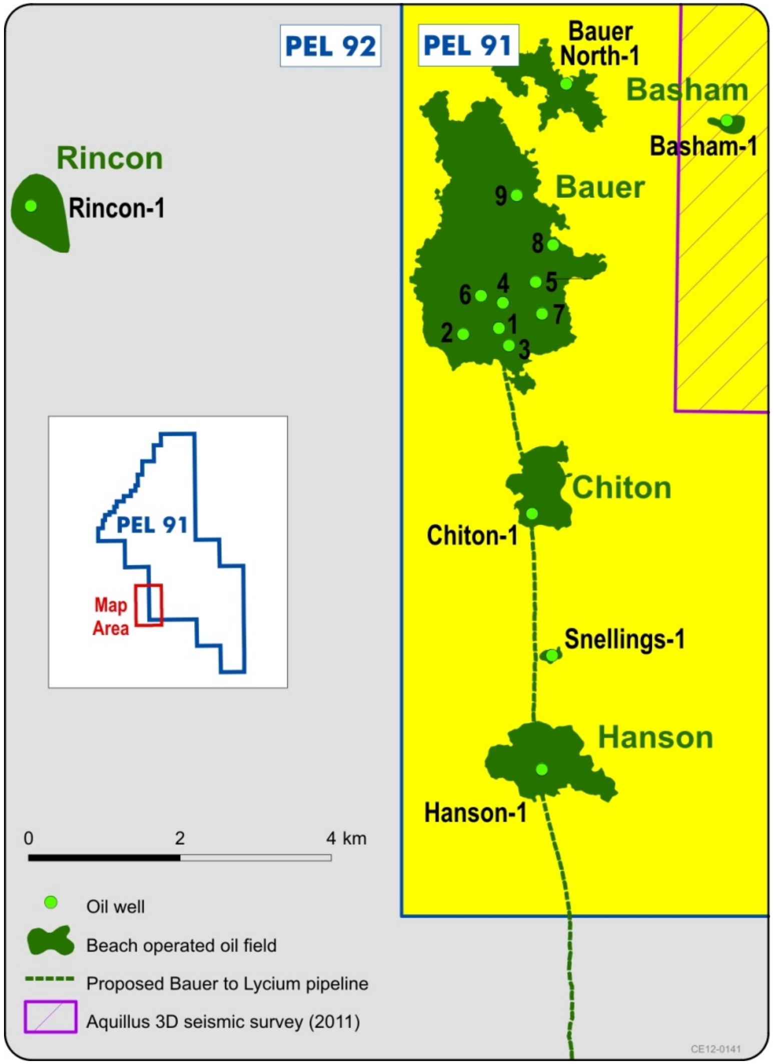
Recent additions largest to date after 10 years of exploration

PEL 91

- Beach 40% (operator), Drillsearch 60%
- Bauer potential recoverable oil of 10+ MMbbls
- Current production of ~3,200 bopd (gross) from two wells
- Targeting ~10,000 bopd (gross) in Q2 2013 when Bauer-Lycium flowline operational
- Seven wells drilled in FY13 to date:
  - Pennington-1 exploration well encountered stacked targets; and
  - Six appraisal/development wells in and next to Bauer

FY13 capital program

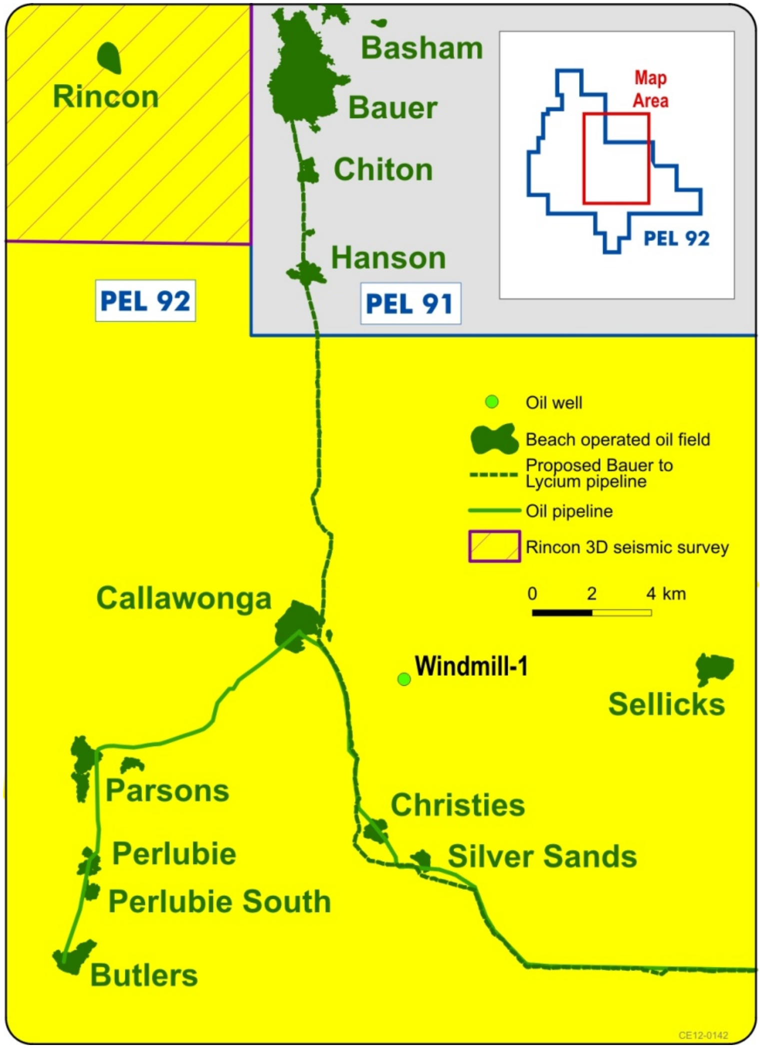
- Five exploration and seven development wells, expected net cost $20 million
- Bauer-Lycium flowline expected net cost of $6 million



FY13 program to date of ~2 MMbbls reserve increase net to Beach

PEL 92

- Beach 75% (operator), Cooper Energy 25%
- Current gross production of ~5,200 bopd
- Gross production expected to reach ~7,000 bopd in Q2 2013
- Rincon 3D to delineate the Rincon discovery and evaluate additional exploration prospects
- Four wells drilled in FY13 to date:
  - Two Butlers development wells; and
  - New field oil discovery at Windmill-1, with Tinah-1 plugged and abandoned



FY13 capital program

- Seven exploration and three development wells, expected net cost (including seismic) $31 million
- Acquisition of 295 km^2 of the Irus multi-permit 3D completed

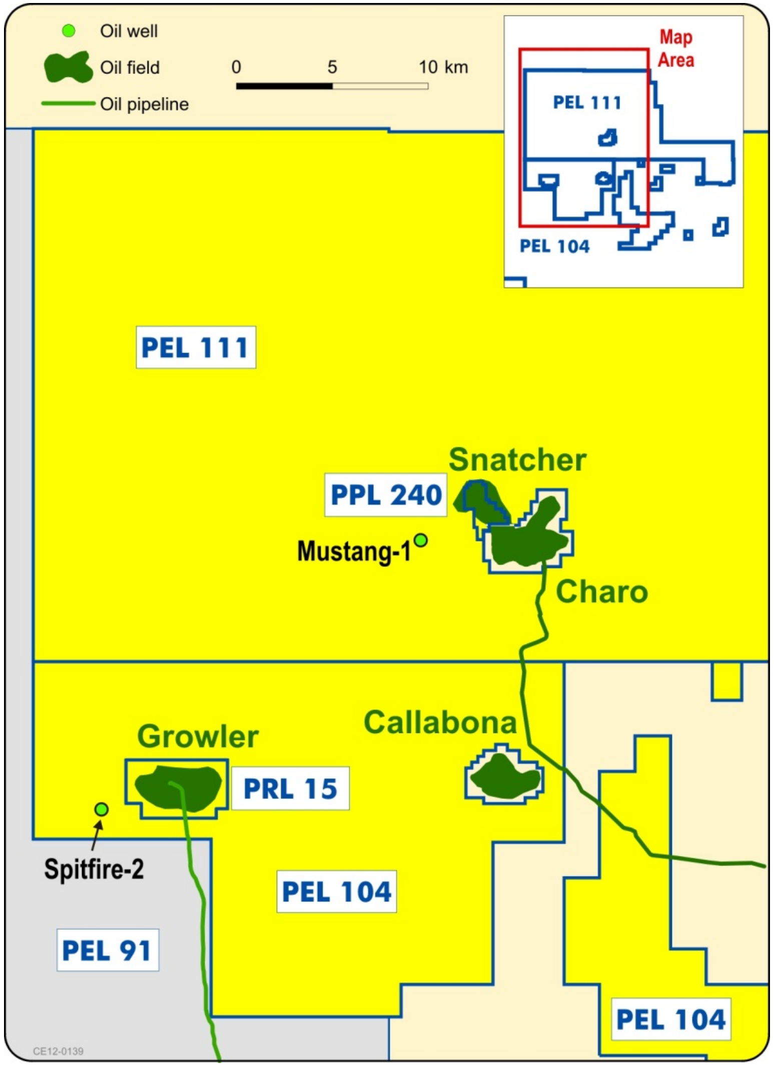
FY13 program targeting a gross reserves addition of 1 MMbbl

PRL 15, PEL 104 and PEL 111

- Beach 40%, Senex Energy 60% (operator)
- Focus on the Birkhead formation
- Current gross production of ~3,500 bopd from Growler and ~600 bopd from Snatcher
- Eight wells drilled in FY13 to date:
  - Five appraisal development wells drilled in FY13, Snatcher-6 to -10, extending the Snatcher field to both the North and South;
  - Two exploration successes with Spitfire-2 (oil column up-dip of Spitfire-1) and Mustang-1; and
  - Tomcat-1 plugged and abandoned

FY13 capital program

- Five exploration and seven development wells, expected net cost (including flowline infrastructure) $29 million
- Growler-Lycium and Lycium-Moomba flowlines completed at net cost of $21 million (over FY12 and FY13)



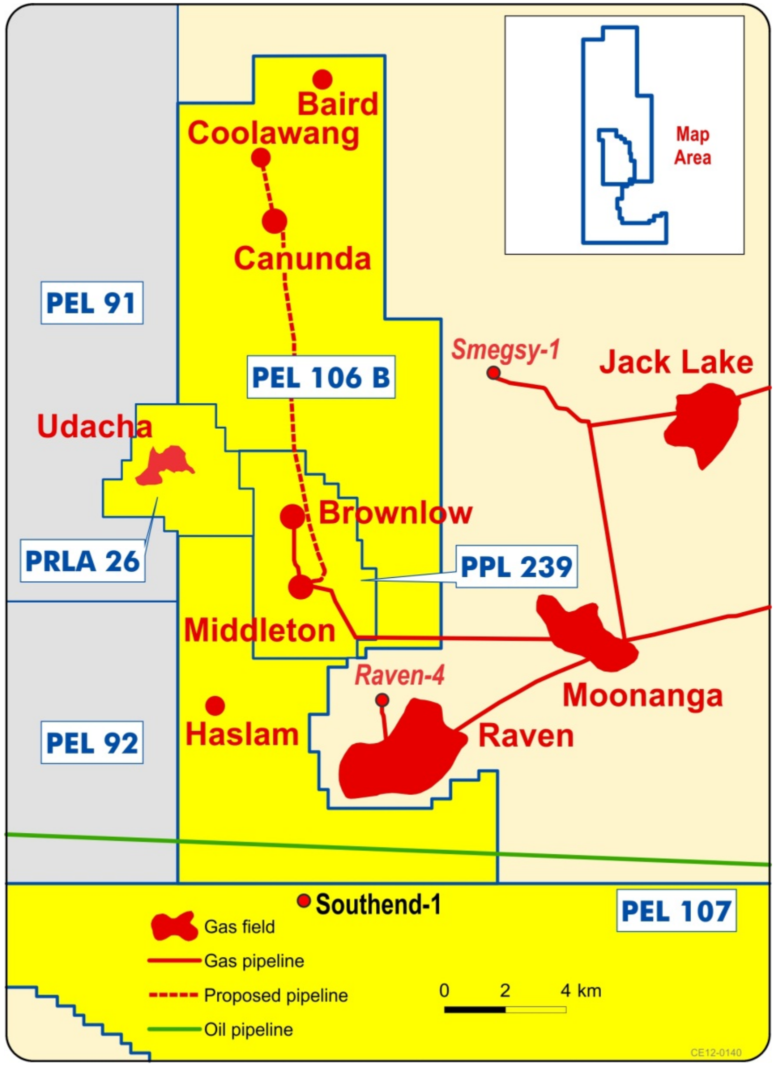
FY13 program targeting a gross reserves addition of 2.5 MMbbl

PEL 106B and PEL 107

- PEL 106B – Beach 50% (operator), Drillsearch 50%
- First production in FY12 from the Middleton/Brownlow production licence
- Initial gross flow rates of 25 MMscfd (15 TJd sales gas and 325 bbld LPG and condensate)
- Production under current contract shut-in in accordance with customer's rights under interruptible GSA
- Commercial discussions underway for extended gas sales beyond April 2013

FY13 capital program

- PEL 106B – Up to four exploration wells, expected net cost $7 million, net cost of development (incl. Canunda tie-in) expected at $5 million

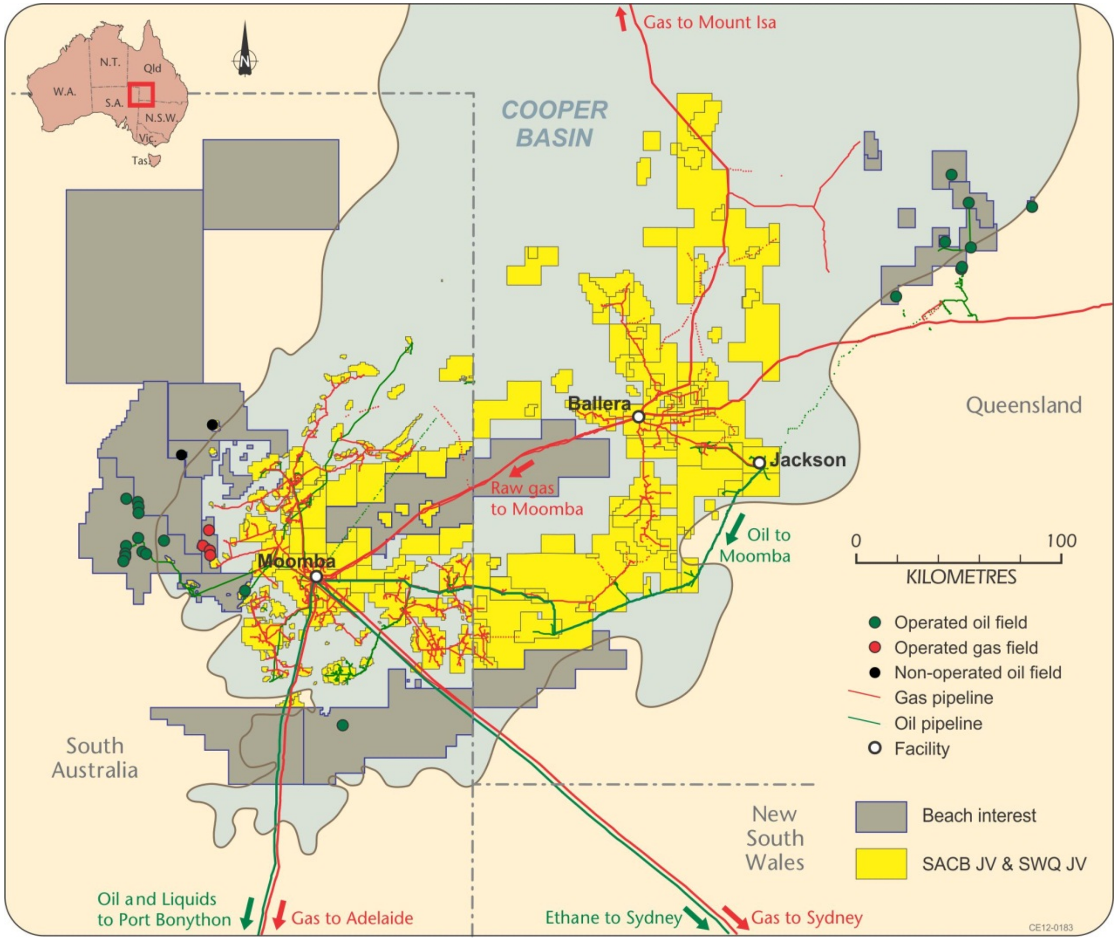


The first Beach operated gas and gas liquids production

SACB JV & SWQ JV's
and
Infrastructure

SACB JV and SWQ JV's

- Significant equity interest in the SACB JV (Beach 20.21%) and SWQ JV's (Beach 20-40%)
- Area covered by JV's ~26,800 km^2
- JV's equity interests include:
  - Moomba and Ballera processing facilities
  - All gathering systems within JV acreage
  - Ballera to Moomba raw gas pipeline (~180 kilometres)
  - Moomba to Port Bonython oil pipeline (659 kilometres)
  - Port Bonython oil facility
  - Jackson oil facility



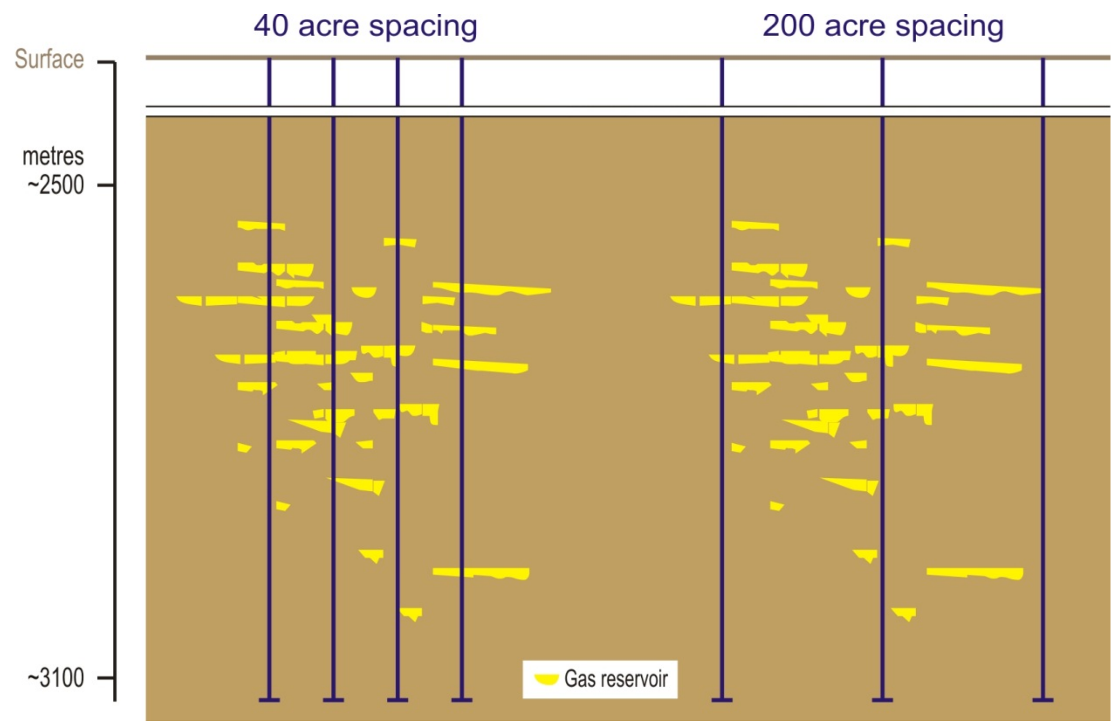
Moomba facility cumulative gross production to date of ~6 Tcf

SACB JV infill drilling program

Resource to reserve conversion drivers:

- Infill drilling with denser well spacing moving towards 40 acres
- More focused fracture stimulation of individual zones
- More efficient wellbore hydraulics, resulting in lower abandonment pressures and improved recovery
- Shale and deep coals accessible via existing wellbores
- Beach anticipates ~10 MMboe (net) resource to reserve conversion per annum for coming years

Infill drilling – 40 vs 200 acre spacing



~20 MMboe (net) converted from resource to reserve in 2011

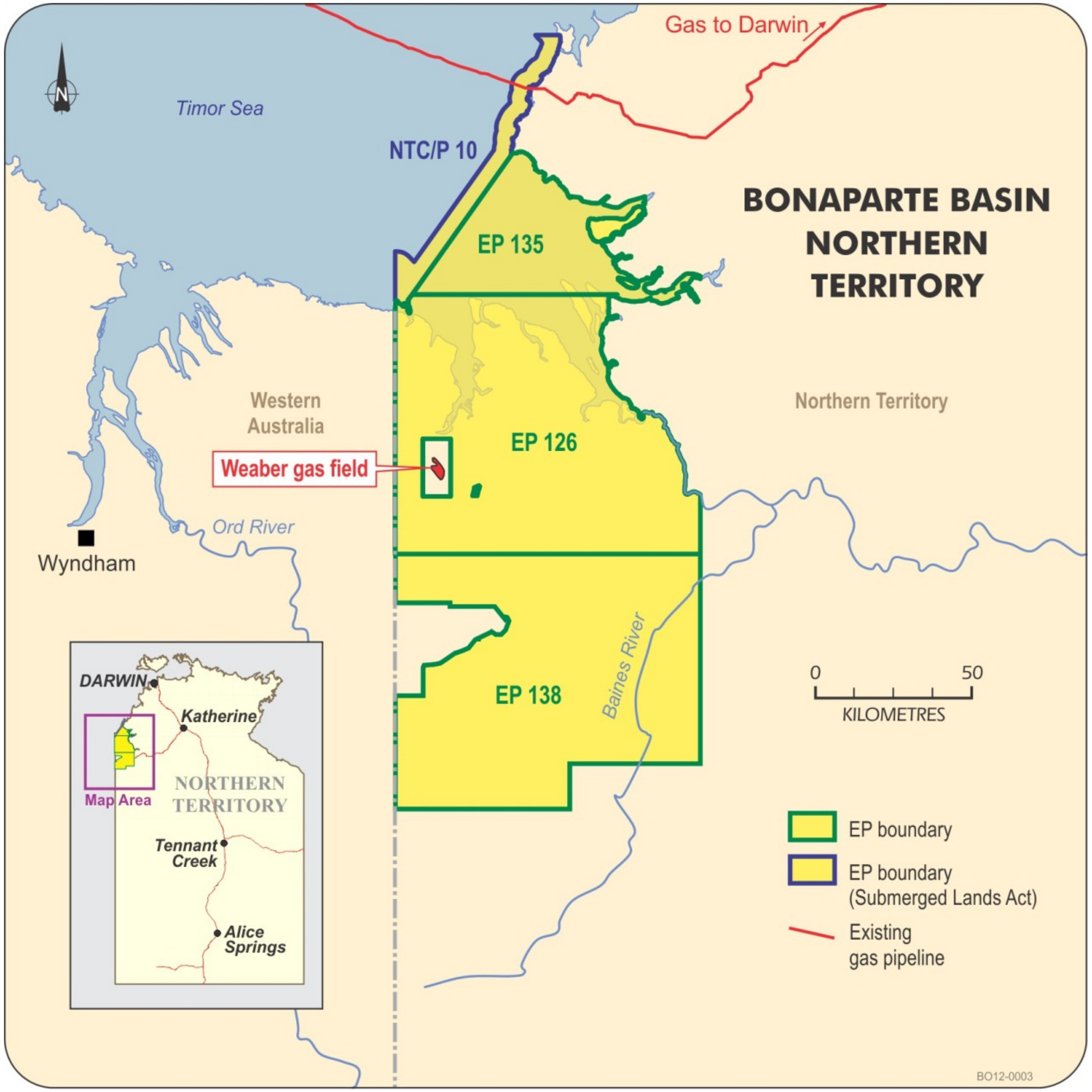
Other Australia

Bonaparte Basin

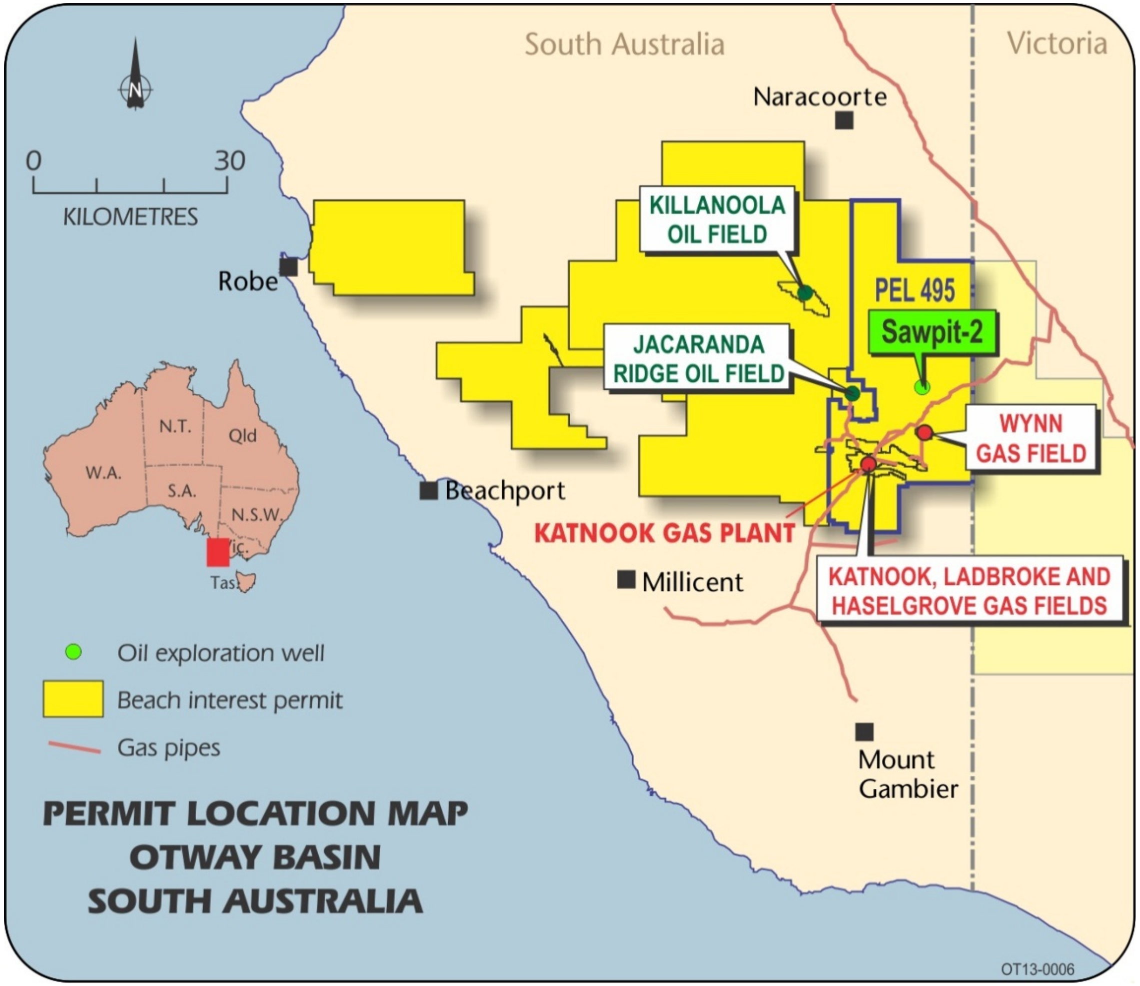
Otway Basin

Bonaparte Basin

- Beach earning up to 90% of onshore and up to 50% of offshore areas
- Underexplored to date due to lack of quality modern seismic
- Conventional and deep unconventional targets
- Highly prospective as a result of:
  - Working petroleum systems identified
  - Oil seeps at surface
  - Oil staining in mineral cores
  - Weaber gas field adjacent to acreage
- Beach commitment of $5 - $36 million dependent on options
- 15,000 line kilometre aeromag and gravity survey 50% complete



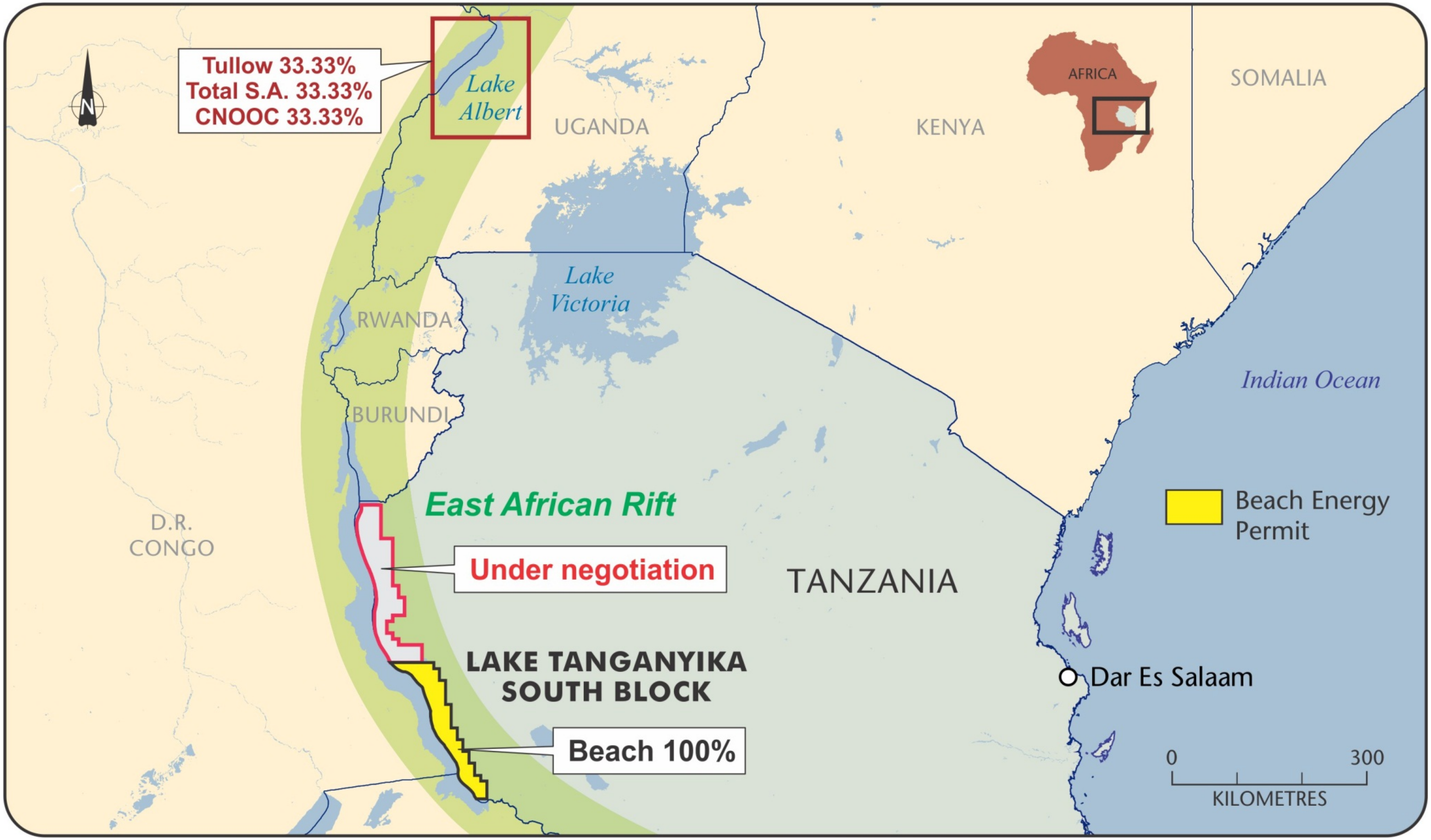
- Beach paying 70% of Sawpit-2 well costs to earn 35%
- Spudded 19 February 2013
- Located in the Penola Trough/Otway Basin
- Two main targets:
  - Oil in the Sawpit Sandstone
  - Unconventional potential of the Lower Sawpit Shale and Casterton Formation
- Jacaranda Ridge and Killanoola flowed oil from the Sawpit Sandstone
- Unrisked mean oil potential of Sawpit-2 is 1.0 MMbbls



International assets

- Tanzania
- Egypt
- Romania

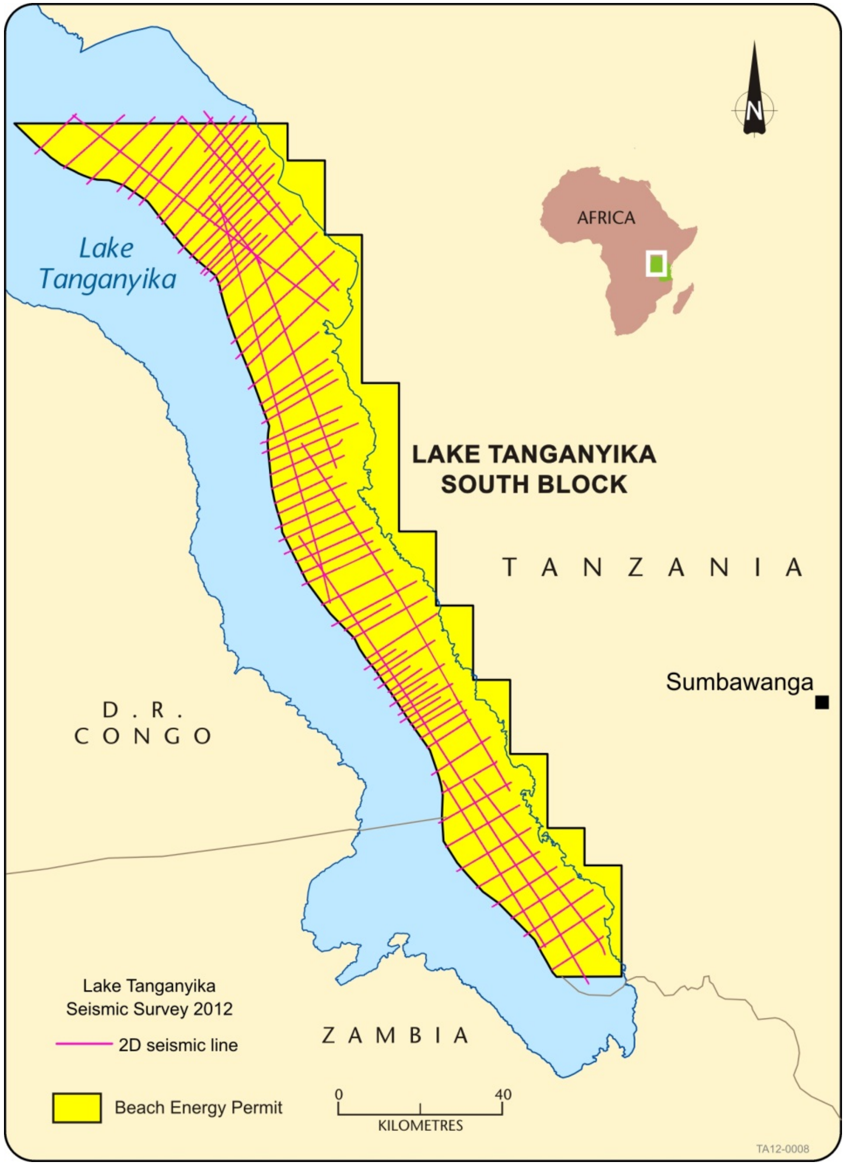
Tanzania – Lake Tanganyika South Block



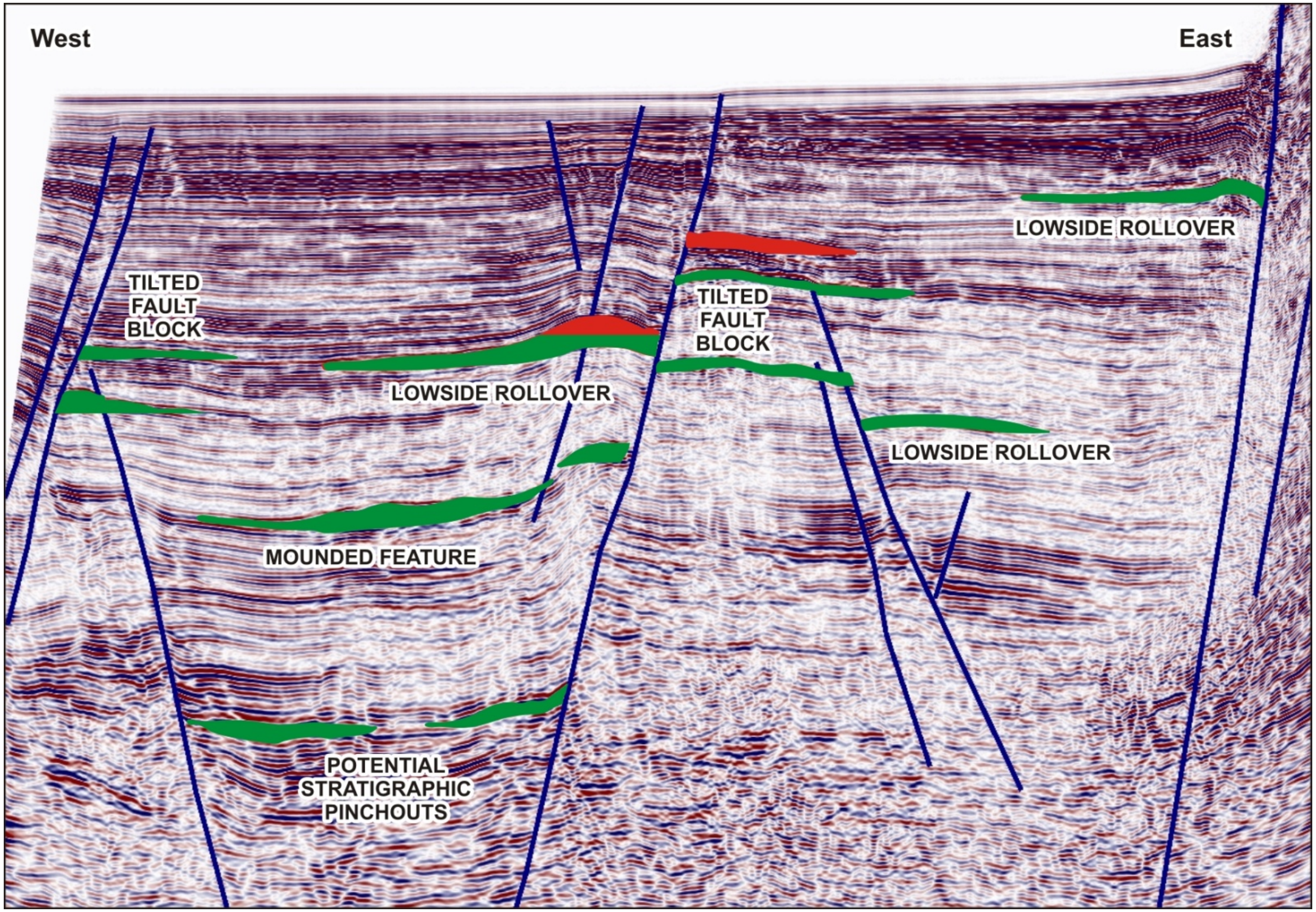
A significant acreage position in the prospective East African Rift

2D seismic survey

- Natural oil seeps in Lake Tanganyika indicate a working petroleum system
- South block area ~7,200 km^2
- Potential for large discoveries (> 200 MMbbl)
- Airborne gravity and hi-resolution aeromag data acquired in 2010
- 2,080 kilometre 2D seismic survey completed in August 2012
- Preliminary results confirm extensive structuring, similar to Lake Albert in Uganda
- Indications of hydrocarbons over tilted fault blocks, low-side rollovers and mounded features



Lake Tanganyika South Block potential play types



Potential targets from recently acquired 2D seismic, red = gas, green = oil

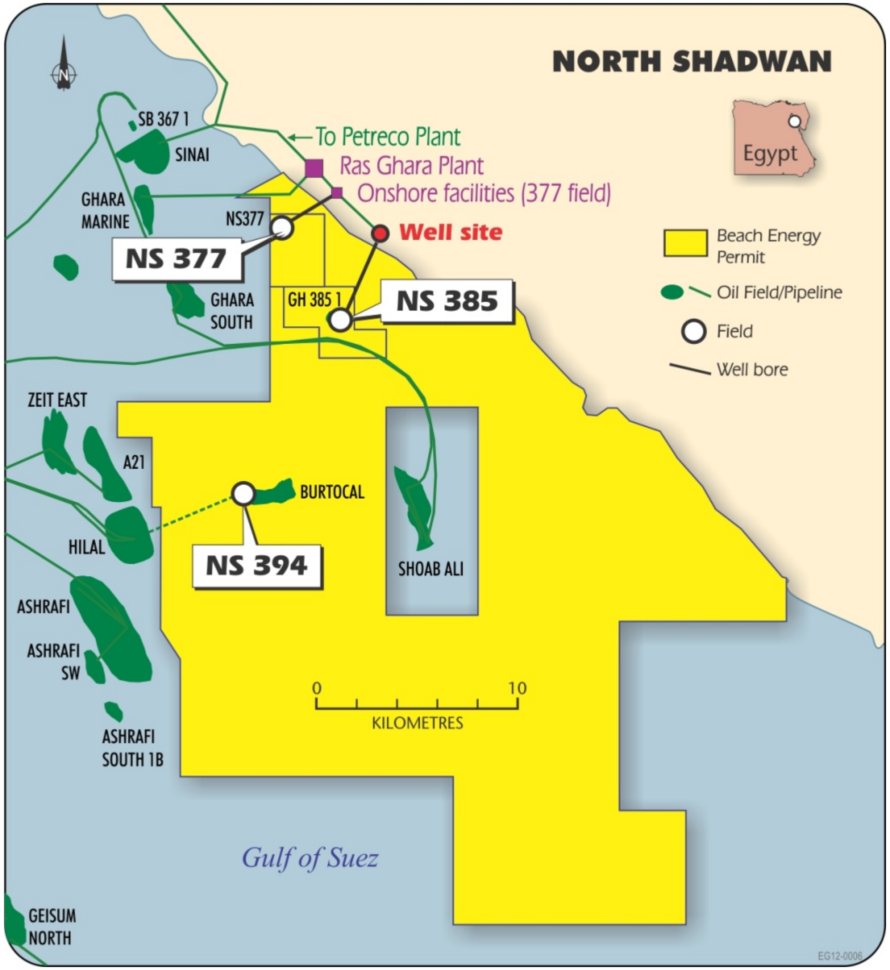
Direct hydrocarbon indicators consistent with an active petroleum system

Egypt

A balanced portfolio of assets with growing oil production

North Shadwan concession

- Beach 20%, BP 50% (operator), Tri Ocean 30%
- On-shore to off-shore developments
- NS 377-3 intersected 145 metre oil column and cased as first production well for field
- NS 377-5 intersected 107 metre oil column in better quality reservoir and cased as a production well, artificial lift installed
- Trucking to replace pipeline export during 2013 with rate expected to increase to 2,500 bopd from both fields
- NS 385-1 field development well completed



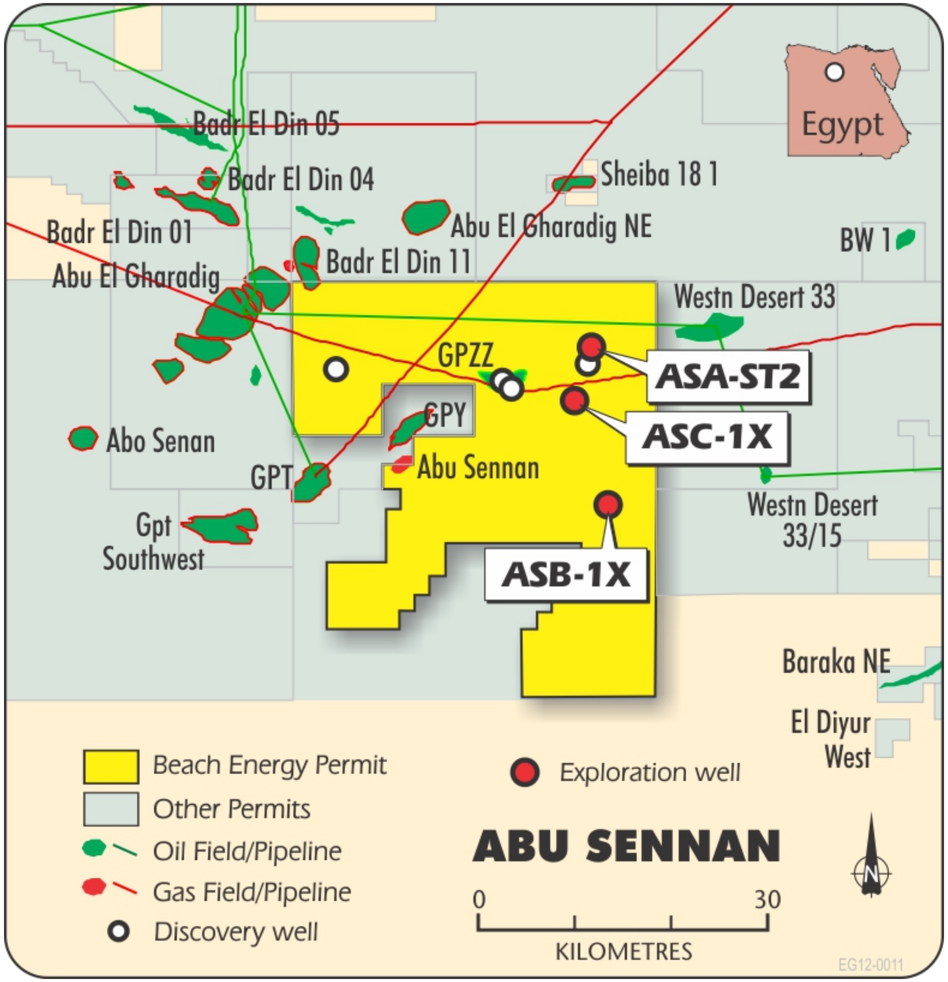
Located in the prolific Gulf of Suez with near term development opportunities

Abu Sennan concession

- Beach 22%, Kuwait Energy 50% (operator), Dover Investments 28%
- Four exploration wells successful
- New three well exploration program approved:
  - First well, ASA-ST2, reached TD of 3,576 metres
  - Second well, ASC-1X drilling ahead at ~3,300 metres

Extended production tests

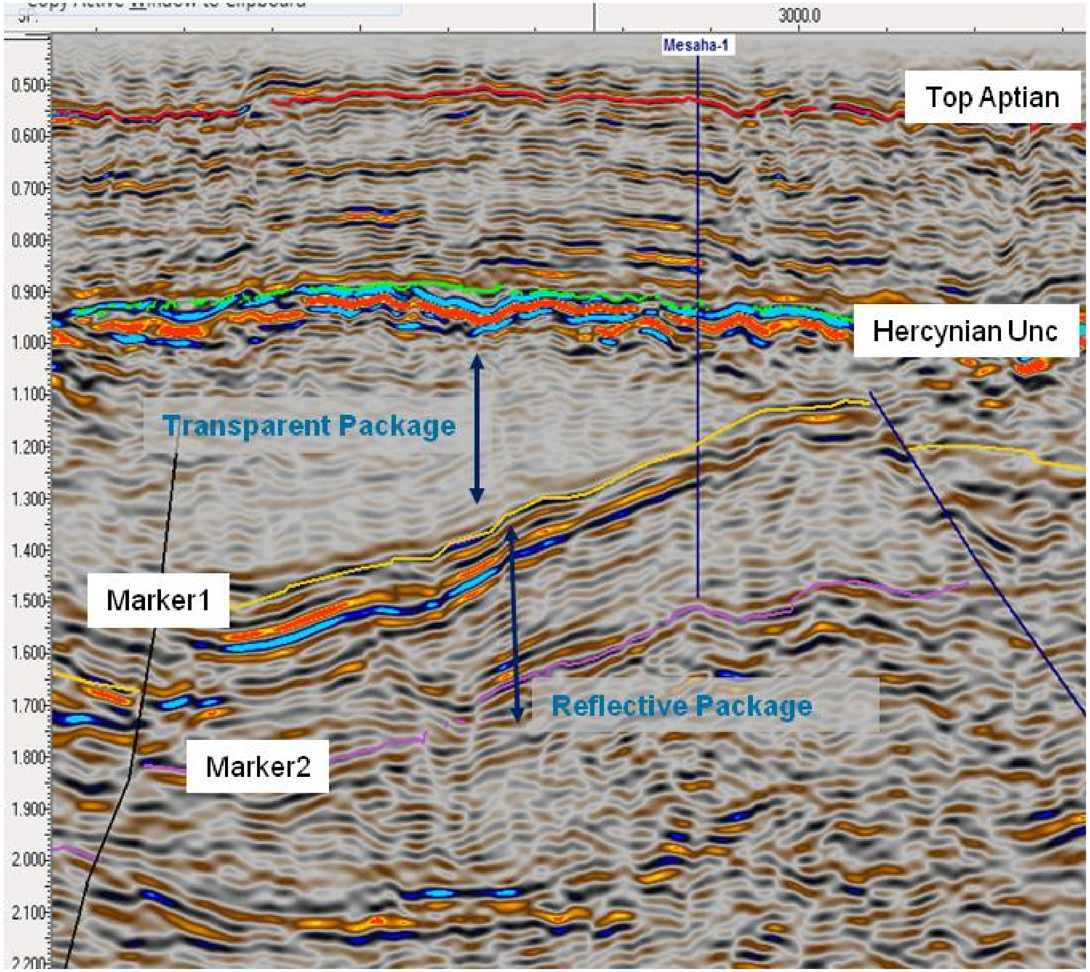
- EPTs on four discoveries over six months
- Initial test flows up to 2,400 bopd, with associated gas
- EPTs choked back and producing ~700 bopd, with associated gas



67% exploration success to date in the highly prospective Western Desert

Mesaha concession

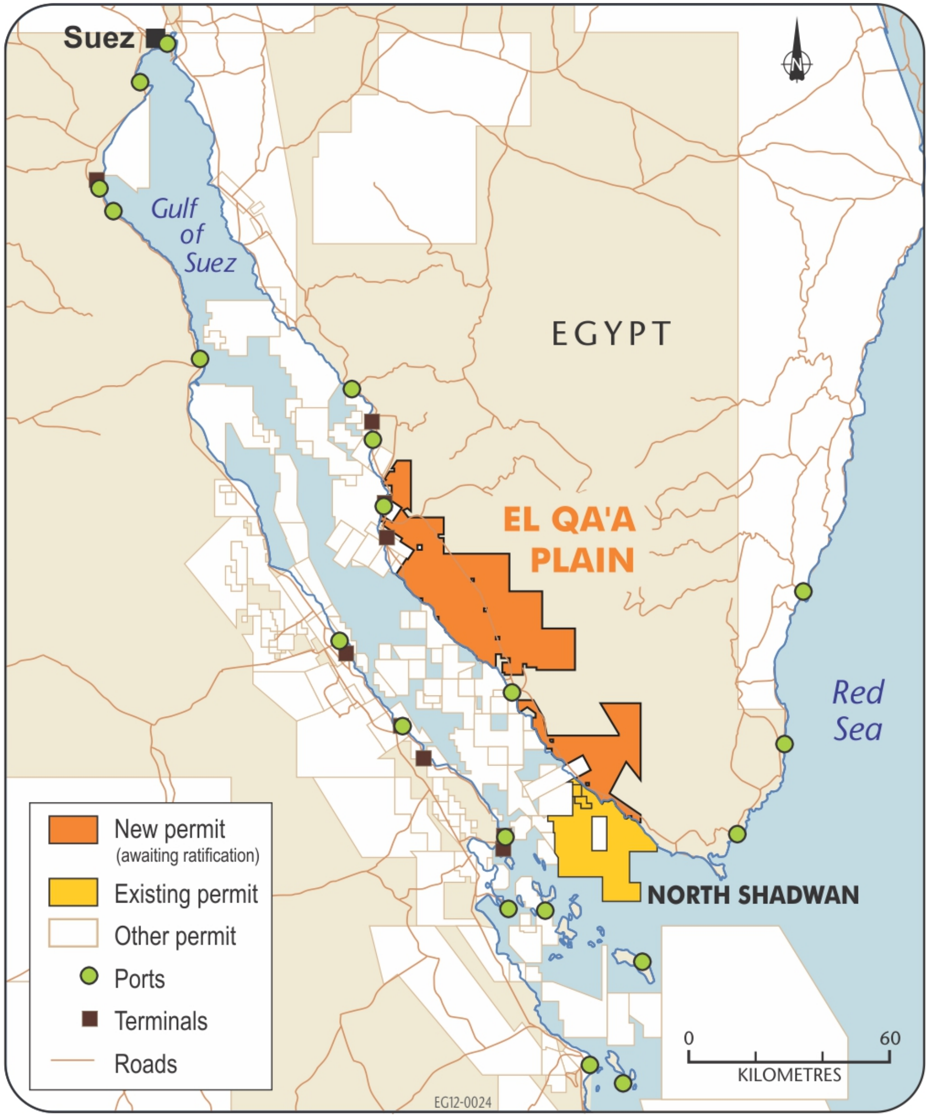
- Beach 15%, Melrose 40% (operator), Hellenic 30%, Kuwait Energy 15%
- The largest concession area in Egypt at 42,700 km^2
- Potential for large oil fields (>100 MMbbl+)
- 2,885 kilometres of regional and infill 2D seismic acquired and interpreted
- First exploration well, Mesaha-1, plugged and abandoned
- Data assessment being undertaken to determine a forward plan



Wildcat acreage with rift graben potential

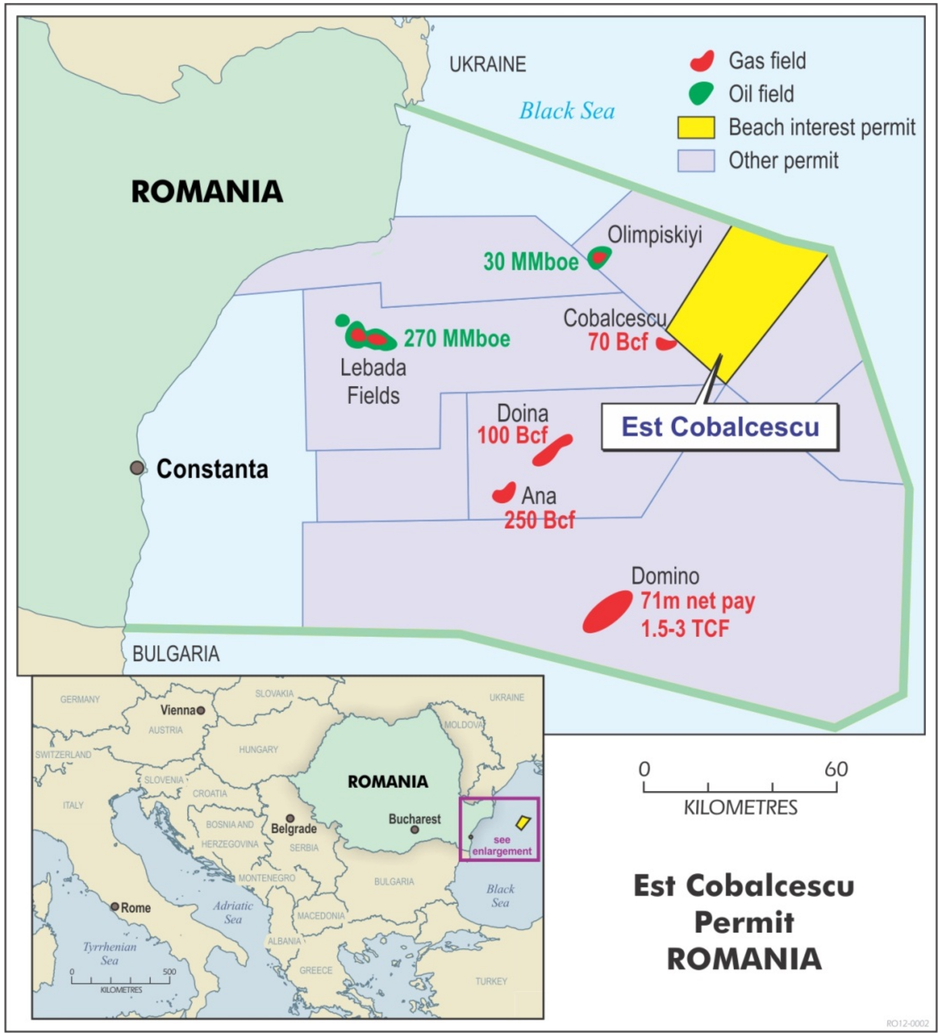
EGPC international bid round 2011

- El Qa'a Plain bidding group: Beach 25%, Dana Petroleum (operator) 37.5% and Petroceltic 37.5%
- Total area of 1,823 km^2
- 1,519 kilometres of 2D seismic by BP and Conoco in early '80s
- 11 wells drilled between 1965 and 1984 (two with oil shows)
- Two prospects and 3 leads at Nubia level mapped on old data, largest up to 18 km^2 with potential for 50–100 MMbbls
- Deepest part of El Qa'a sub-basin is ~4,400 metres, mature source rock likely downdip from prospects and leads
- Exploration term four + two years, 3D seismic and one well commitment



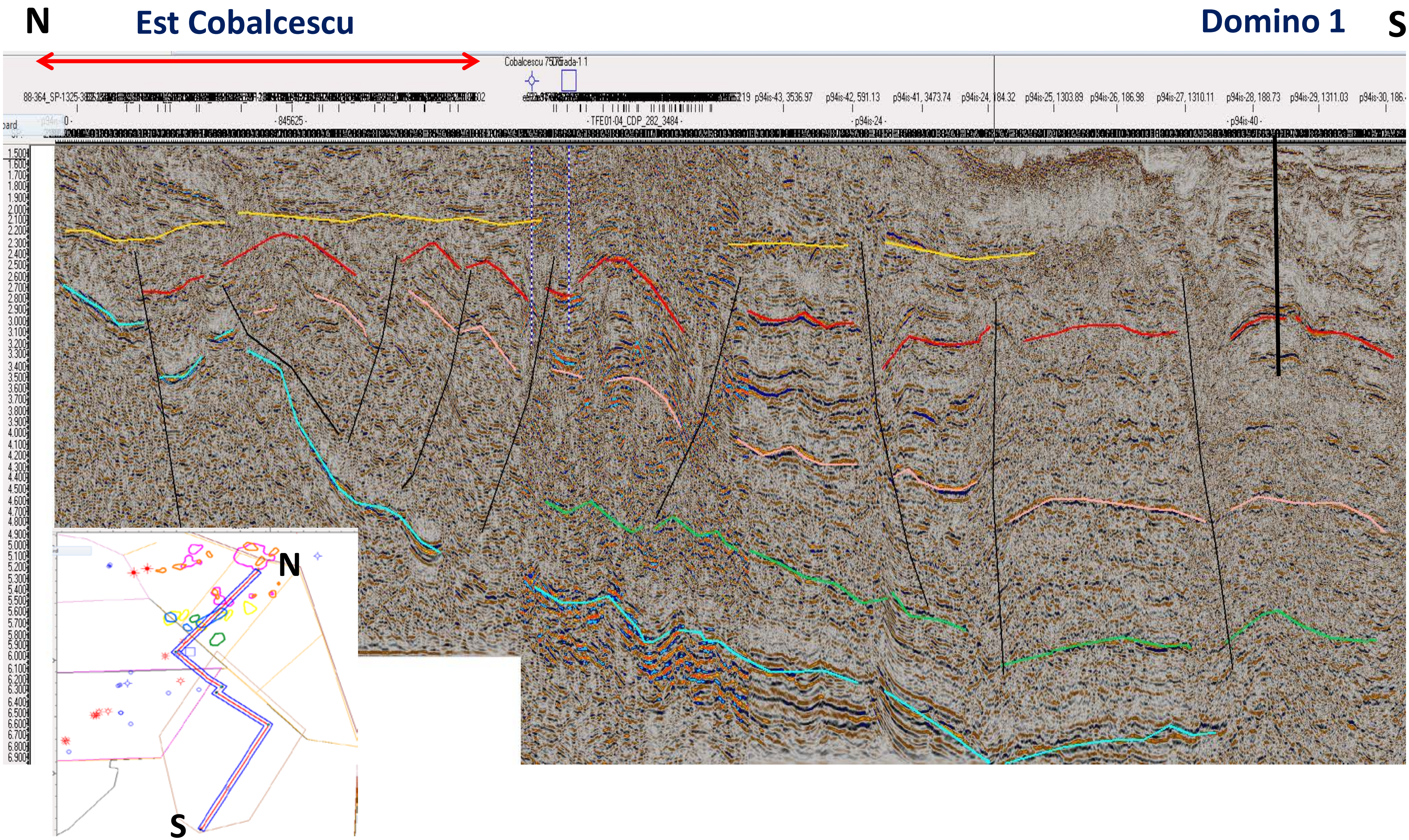
Romania – Est Cobalcesu block

- Post Beach farm-in: Beach 30%, Melrose 40% (operator), Petromar 30%
- Est Cobalcescu block is 1,000 km^2, with 3D seismic over block being processed
- Water depth <100 metres
- Potential for both oil and gas plays
- Significant leads identified on available data
- Adjacent to Exxon-Mobil deepwater block with a 2012 discovery estimated at 3 Tcf
- Strategically aligned with local company Petromar
- Attractive royalty based fiscal regime and farm-in terms



Newly available acreage with proven petroleum systems and multiple targets

ExxonMobil Domino-1 discovery



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