

Quarterly Report

Period ending 31 March 2014

HIGHLIGHTS

OPERATIONS

- FY14 revenue on target for \$1 billion
- Western Flank net oil production maintained above 10,000 bopd
- Record quarterly operated Cooper Basin oil production
- FY14 total net oil production on track for 5 MMbbl
- Strong production of 2.3 MMboe, 7% down on the previous quarter, due to lower production of most products, and 28% up on the previous corresponding period (pcp)
- Sales volumes of 2.3 MMboe, 15% down, mainly due to lower seasonal gas demand and timing of shipments, and 21% up on the pcp
- Total revenue of \$231 million, 19% down, mainly due to lower sales volumes and a reduction in commodity prices across most products, and 49% up on the pcp
- Retention licenses offered over PEL 218
- Oil appraisal success at Chiton-3 and Bauer-12 in PEL 91, Spitfire-3 and -4 in PEL 104
- Oil exploration success at Stunsail-1 in PEL 91
- Etty-1 reached total depth in ATP 855
- Snubbing unit operational, completed Holdfast-2, Dashwood-1, Nepean-1 in PEL 218
- Participation in 29 wells, with a success rate of 87%

CORPORATE

- Discussions taking place with respect to the Lake Tanganyika farm-out process
- Divestment of non-core Surat Basin and Maryborough Basin permits

SUBSEQUENT EVENTS

- NTNG – Nepean-1 recently commenced flowback
- FY14 production expected at the upper end of 9.2-9.6 MMboe guidance range
- FY14 capital expenditure anticipated to be in the vicinity of \$500 million

FINANCIAL

- Continued strong balance sheet, with cash reserves up 6% to \$428 million and undrawn \$300 million debt facility

	Mar 2013 Quarter	Dec 2013 Quarter	Mar 2014 Quarter	Qtr on Qtr Change	YTD
Production (kboe)	1,811.1	2,493.7	2,324.6	(7%)	7,274.6
Sales (kboe)	1,935.6	2,755.3	2,338.8	(15%)	7,960.2
Revenue (\$ million)	155.6	286.8	231.3	(19%)	788.5
Oil Price (\$ per bbl)	112.0	129.8	124.8	(4%)	127.7
Cash (\$ million)	245.0	404.3	427.9	6%	427.9

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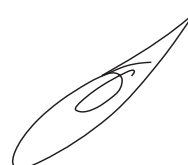
John Butler

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29 April 2014

Ref: #027/14

OPERATIONS

PRODUCTION

Total net production remained strong at 2.3 MMboe, which was down 7% on the previous quarter mainly due to:

- Decreased oil production of 4% when compared to the record December quarter, however, this was up 43% when compared with the pcq;
- Lower gas volumes due to natural field decline; and
- Lower LPG and condensate due to natural field decline and the shut-in of the Middleton facility due to Moomba downtime.

Cooper Basin – operated

Net oil production was 10,004 bopd, slightly up on the previous record quarter. On the Western Flank, the majority of pipelines remained close to maximum available capacity for the quarter, with 90% of oil transported via flowlines and the remainder trucked into Moomba.

PEL 91

Gross oil production of 1.13 MMbbl (452 kbbl net to Beach), was slightly lower than the previous record quarter. The Bauer-9, -10, -11 and Chiton-2 wells were recently connected and expected to maintain the Bauer to Lycium pipeline close to maximum capacity for the majority of this calendar year. This will be complimented by the Bauer facility expansion, which will increase fluid capacity (of both oil and water) from 33,000 bpd to 50,000 bpd, and new additional connections in Q3 2014.

PEL 92

Gross oil production of 544 kbbl (408 kbbl net) was up 3% when compared with the previous quarter, mainly driven by four new wells brought on-line in late December 2013.

PEL 106

Gross production of 172 kboe (86 kboe net) was down 34% on the previous quarter, due to natural field decline and the frequent shut-in of the Middleton facility due to downtime at Moomba.

Kenmore/Bodalla

Production of 40 kbbl was slightly down on the previous quarter.

Cooper Basin – non-operated

PEL 104/111

Gross oil production of 356 kbbl (142 kbbl net) from the Senex operated permits was down 13% on the previous quarter.

SACB JV and SWQ JVs

Sales gas production was 6% lower than the previous quarter, due to a higher level of planned field and plant maintenance activities in preparation for new contracts commencing in FY15. Gas production capacity continued to be added during the quarter with six new gas wells brought on-line. LPG production of 9.2 tonnes was down 12% and condensate production of 79 kbbl was down 8%, both due to natural field decline and maintenance downtime at Moomba.

The first of the pad drilling programs in the Cowralli field is producing gas from the Patchawarra Formation.

PRODUCTION		Mar 2013 Quarter	Dec 2013 Quarter ³	Mar 2014 Quarter ⁴	Qtr on Qtr Change	YTD
Oil (kbbl)	Cooper & Eromanga Basins	865.8	1,324.1	1,270.6	(4%)	3,873.0
	Egypt ¹	30.9	14.3	15.4	8%	48.1
	Williston Basin ²	2.5	–	–	–	–
	Total Oil	899.2	1,338.4	1,286.0	(4%)	3,921.1
Sales Gas and Ethane (PJ)	Cooper Basin	4.5	5.5	5.0	(8%)	16.0
LPG (kt)	Cooper Basin	8.5	12.7	10.6	(17%)	36.4
Condensate (kbbl)	Cooper Basin	72.8	108.1	88.3	(18%)	299.0
TOTAL OIL AND GAS (kboe)		1,811.1	2,493.7	2,324.6	(7%)	7,274.6

¹ Egyptian production recognised on a net entitlement basis in FY14

² USA interests divested

³ Final reconciled figures

⁴ Preliminary data provided for SACB JV and SWQ JVs

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Egypt

Gross Egyptian oil production was 154 kbbl (15 kbbl net), 8% up on the previous quarter.

SALES

Sales volumes were down 15% to 2.3 MMboe for the quarter, mainly due:

- Timing of shipments;
- Lower production as detailed above; and
- Lower sales gas demand over summer.

SALES		Mar 2013 Quarter	Dec 2013 Quarter	Mar 2014 Quarter	Qtr on Qtr Change	YTD
Oil (kbbl)	Cooper & Eromanga Basins – own product	844.9	1,368.6	1,193.2	(13%)	3,820.1
	Cooper & Eromanga Basins – third party	214.2	440.0	363.8	(17%)	1,169.7
	Total Cooper & Eromanga Basins	1,059.1	1,808.6	1,557.0	(14%)	4,989.8
	Egypt ¹	29.8	13.2	12.3	(7%)	43.9
	Williston Basin ²	4.1	–	–	–	(0.1)
	Total Oil	1,093.0	1,821.8	1,569.3	(14%)	5,033.6
Sales Gas and Ethane (PJ)						
	Cooper Basin – own product	4.4	3.8	3.2	(16%)	11.8
	Cooper Basin – third party	–	0.5	0.5	2%	1.8
	Total Sales Gas and Ethane	4.4	4.3	3.7	(14%)	13.6
LPG (kt)						
	Cooper Basin – own product	10.2	12.5	7.0	(44%)	33.3
	Cooper Basin – third party	0.1	0.5	0.3	(36%)	1.3
	Total LPG	10.3	13.0	7.3	(43%)	34.6
Condensate (kbbl)						
	Cooper Basin – own product	0.9	79.6	72.9	(8%)	300.7
	Cooper Basin – third party	0.5	4.8	2.0	(58%)	12.6
	Total Condensate	1.4	84.4	74.9	(11%)	313.3
TOTAL OIL AND GAS (kboe)		1,935.6	2,755.3	2,338.8	(15%)	7,960.2
Total – own product		1,680.7	2,226.5	1,888.3	(15%)	6,461.7
Total – third party		254.9	528.8	450.5	(15%)	1,498.5

¹ Egyptian production recognised on a net entitlement basis in FY14

² USA interests divested



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REVENUE

Beach is on target to achieve FY14 total sales revenue of approximately \$1 billion, which has been driven mainly by the strong operating performance of the oil business and realised commodity prices year to date. This estimate assumes that, for the remainder of the year, an oil price of A\$115 per barrel and production guidance is maintained. The timing of shipments may also impact the final sales revenue estimate.

Total sales revenue for the quarter of \$231.3 million, was down 19% on the previous record quarter, mainly due to:

- Lower sales volumes as detailed above; and
- Lower averaged realised prices across most products.

REVENUE	Mar 2013 Quarter A\$000	Dec 2013 Quarter A\$000	Mar 2014 Quarter A\$000	Qtr on Qtr Change	YTD A\$000
Oil	122,414	236,426	195,870	(17%)	642,741
Sales Gas and Ethane	23,604	25,858	19,070	(26%)	74,642
LPG	9,378	14,367	8,216	(43%)	35,552
Condensate	238	10,119	8,151	(19%)	35,580
Gas and Gas Liquids	33,220	50,344	35,437	(30%)	145,774
TOTAL OIL AND GAS	155,634	286,770	231,307	(19)%	788,515
Total – own product	131,104	226,800	182,599	(19%)	628,060
Total – third party	24,530	59,970	48,708	(19%)	160,455

AVERAGE REALISED PRICE	Mar 2013 Quarter	Dec 2013 Quarter	Mar 2014 Quarter	Qtr on Qtr Change	YTD
All products (A\$/boe)	80.4	104.1	98.9	(5%)	99.1
Oil (A\$/bbl)	112.0	129.8	124.8	(4%)	127.7
Sales Gas & Ethane (A\$/GJ)	5.4	6.0	5.1	(14%)	5.5
LPG (A\$/t)	910.5	1,109.0	1,122.2	1%	1,026.5
Condensate (A\$/bbl)	169.7	119.9	108.8	(9%)	113.6

CAPITAL EXPENDITURE

March quarter capital expenditure decreased by 12% over the previous quarter, as a result of:

- Reduced development capital, mainly consisting of timing of infrastructure payments relating to the Moomba facility; partly offset by
- Increased exploration and appraisal activity from:
 - Completion costs in PEL 218;
 - Jolly-1 drilling in the Otway Basin; and
 - New Zealand 3D seismic survey recorded earlier than originally planned.

CAPITAL EXPENDITURE	Mar 2013 Quarter A\$ million	Dec 2013 Quarter A\$ million	Mar 2014 Quarter A\$ million	Qtr on Qtr Change	YTD A\$ million
Exploration and Appraisal	74.5	46.0	61.6	34%	140.3
Development, Plant and Equipment	47.3	98.3	65.4	(33%)	222.3
TOTAL	121.8	144.3	127.0	(12%)	362.6

DEVELOPMENT

AUSTRALIA – Cooper/Eromanga Basins

Beach remains active in its recording and gathering of 3D seismic data throughout the Cooper Basin. The Caseolus 3D seismic survey, completed in June 2013 and covering PELs 91 and 92, is now processed and currently being interpreted.

The Irus 3D seismic survey, covering PELs 91, 92, 106 and PRLA26, was completed and the data processed. Final data arrived in early January and is currently undergoing interpretation for prospects and leads, which are expected to be generated in Q2 2014.

The Nassarius 3D seismic survey in ATP 732 is now complete and the data processed. Interpretation of the data is ongoing with drilling from this data expected toward the end of the calendar year.

Operated

PEL 91

(Beach 40%, Drillsearch 60%)

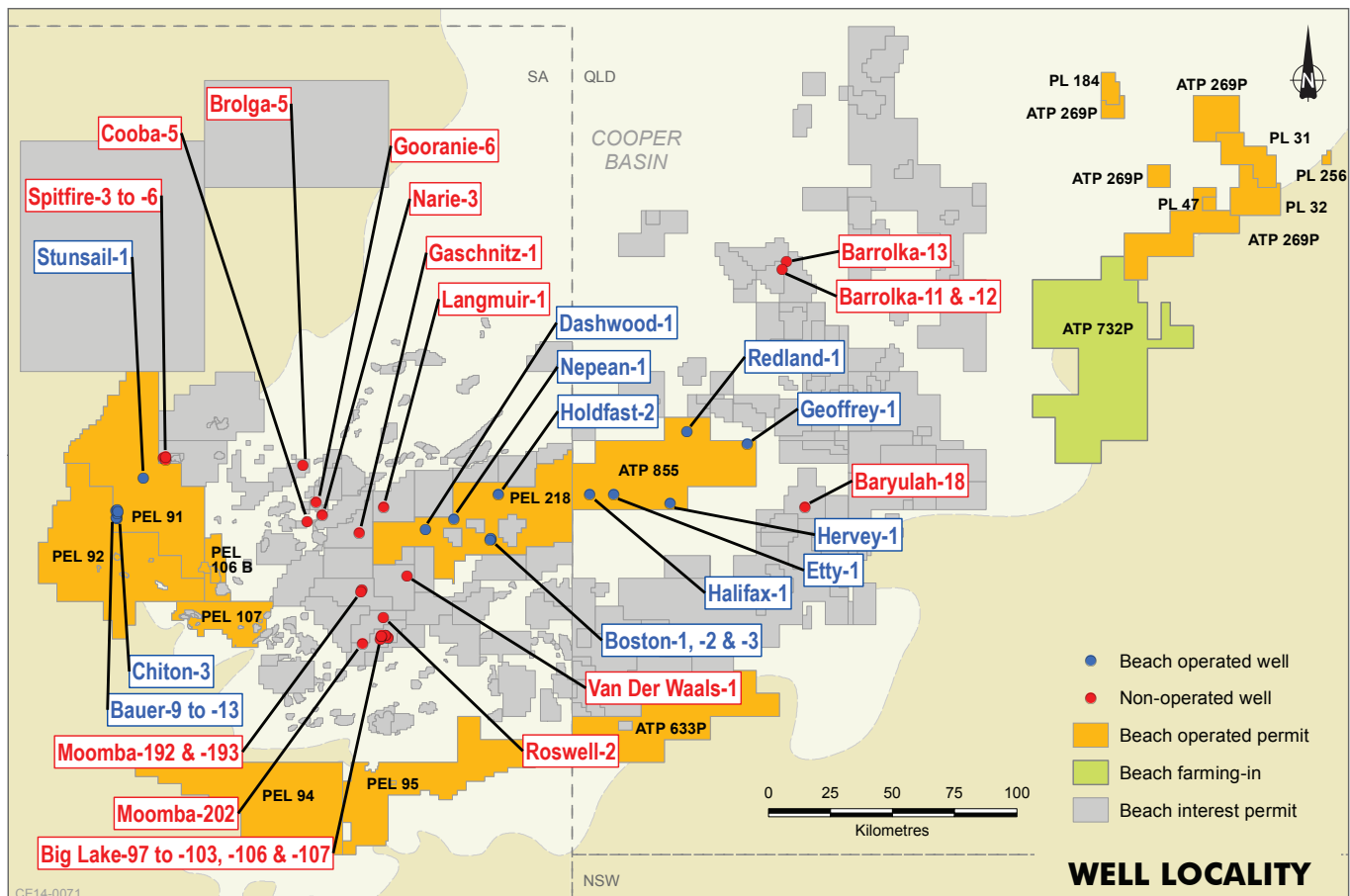
The Bauer-13 development well, drilled in the south west of the Bauer oil field, intersected a 13 metre oil column in the Namur Sandstone, eight of which was net pay. The well will be completed for production and, as part of the field development, is expected to be another high initial oil rate producer.

Non-operated

PEL 104

(Beach 40%, Senex 60%)

The Spitfire-5 development well was drilled to the south of the field and targeted a seismic signature interpreted to be indicative of high porosity. Spitfire-5 was cased and suspended as a future oil producer based on strong oil



shows in the target Mid-Birkhead Formation, with seven metres of net oil pay interpreted by the operator.

Cooper Gas Growth

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

The first Big Lake gas development pad drilling program, consisting of five wells, was completed with the drilling of Big Lake-97, -98 and -99. These wells reached a total depth of 3,053 metres, 3,129 metres and 3,079 metres respectively and were cased and suspended as future Patchawarra and Tirrawarra gas wells.

Big Lake-100, a stand-alone vertical development well in the northern sector of the Big Lake field, reached a total depth of 3,031 metres and was cased and suspended as a Toolachee, Daralingie, Epsilon, Patchawarra, Tirrawarra and Merrimelia gas well.

Two further gas development pad drilling programs commenced in the northern sector of the Big Lake field. The first two wells of the first four-well pad program, Big Lake-102 and Big Lake -103, were drilled to a total depth of 3,074 metres and 3,278 metres, respectively. Both wells were cased and suspended as Patchawarra and Tirrawarra gas wells.

Big Lake-106 and -107, the first wells of the second four-well pad development program, reached a total depth of 3,117 metres and 3,089 metres, respectively, and were cased and suspended as Patchawarra and Tirrawarra gas wells.

Narie-3 was drilled to a total depth of 2,816 metres and cased and suspended as a Toolachee, Patchawarra and Tirrawarra gas well.

The Moomba-202 vertical development well, located on the south of the Moomba field, reached a total depth of 3,091 metres and was cased and suspended as a Toolachee, Daralingie, Epsilon and Patchawarra gas producer.

The Cooba-5 well reached a total depth of 3,139 metres and was cased and suspended as a Toolachee, Epsilon, Patchawarra and Tirrawarra gas producer.

Gooranie-6 and Brolga-5 reached a total depth of 3,118 metres and 2,967 metres, respectively, and will be cased and suspended as Patchawarra and Tirrawarra gas wells.

Queensland gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.5%, Australian Pacific LNG 0.24%),

A three well gas development program in the Barrolka field re-commenced. During November and December 2013, surface holes were drilled to approximately 880 metres depth for Barrolka-11, -12 and -13. Subsequent to this, a higher capacity rig commenced drilling the production hole in these wells, with the program completed with the drilling

of the Barrolka-13. All of Barrolka-11, -12, and -13 were cased and suspended as Toolachee gas wells.

The Baryulah-18 gas development well reached a total depth of 2,622 metres and was cased and suspended as a Toolachee, Epsilon and Patchawarra producer.

EXPLORATION

AUSTRALIA – Cooper/Eromanga Basins

Operated

PEL 91

(Beach 40%, Drillsearch 60%)

The Chiton-3 appraisal well, located approximately 600 metres north of Chiton-2, was drilled to a total depth of 1,788 metres. The well intersected a 6.5 metre oil column, with net oil pay of 3.5 metres in the Namur Sandstone and three metres in the McKinlay Member. The well has extended the field to the north and was cased and suspended as a future production well.

Bauer-12 was an aggressive step out appraisal well in the north west of the Bauer oil field. The well intersected the primary Namur Sandstone target three metres high to prognosis, with five metres of net oil pay. An additional four metre intersection in the overlying McKinlay Member was also encountered, with preliminary mapping adding 2.5 million barrels of oil to the 2P reserves of the Bauer field.

The Stunsail-1 exploration well discovered oil in stacked pay over the McKinlay/Top Namur, Mid-Namur and Birkhead reservoirs. The well intersected the McKinlay/Namur at a depth of 1,367 metres with a ten metre column, six metres of which was within the highly productive Namur Sandstone. A four metre oil column was also penetrated in the mid-Namur at a depth of 1,403 metres. Additional oil shows were encountered in the deeper Birkhead Formation, with two intervals tested. The first drill stem test ("DST") tested a gross 15 metre section, at a top depth of 1,709 metres (measured depth), and recovered 46 barrels of oil and three barrels of filtrate over a four hour period. This equated to a test rate in excess of 250 barrels of oil per day. The second DST tested a gross 11.5 metre section, with a top depth of 1,652 metres (measured depth), with only water recovered.

The Bales-1 well was drilled to target the McKinlay/Namur reservoir Sandstone formations. After intersecting good quality reservoir with no oil column the well was plugged and abandoned. Oil shows were detected in the secondary target Birkhead Formation, however, reservoir development at this level was absent.

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Nappamerri Trough Natural Gas

PEL 218

(Beach 70%, Chevron 30%)

The Joint Venture received offers for Petroleum Retention Licences over the whole of PEL 218, to secure tenure initially for up to 15 years. The offers from the South Australian Government were in recognition of the work undertaken to date in proving up the continuous nature of the basin centred gas and shale gas plays, and the proven gas flows from multiple sections of the Permian target zone. If the project proceeds to development, tenure could be further extended by conversion to Production Licences.

The first two fracture stimulation stages in the lower Patchawarra Formation of the Boston-1 vertical exploration well experienced a mechanical issue with a casing joint in the shallower section of the well. Options for flow testing this well, and potential additional fracture stimulation, are being evaluated. The stimulation of the Boston-2 vertical well is being considered as a means to gain information on the intervals in the Boston area in the short term.

Mechanical issues were also encountered during the first stimulation stage at Boston-3, the second horizontal exploration well in the program. The Joint Venture is planning to flow test the single stage in Boston-3 while options are evaluated to undertake further stimulation in the well later in the year.

The recent introduction of a snubbing unit to the program has improved operational efficiencies. This fit for purpose equipment has assisted with well completions and workovers in Holdfast-2, Dashwood-1 and Nepean-1.

The gas flow back from Holdfast-2 was heavily constrained for reservoir management trials and initially flowed at 0.3 MMscfd on a 20/64" choke. The well was shut-in to monitor the pressure build up response, which peaked at 3,140 psi, as part of the assessment of fracture stimulation effectiveness. Upon re-opening the well after the first pressure build up, it flowed at 0.4 MMscfd, with the well currently shut-in for a longer term build up.

Flow testing of the Dashwood-1 vertical well was in progress at the end of the period. The stimulation undertaken in late 2013 targeted a variation in lithology and log response in the lower section of the Patchawarra Formation. Flow test data has indicated this interval is an anomaly with high CO₂ and potential formation water deep in the section. This confirmed the Joint Venture interpretation of the interval. As a result, the test will be concluded shortly, with the results used to assist in determining targets for future activities. The well will likely be fracture stimulated in the shallower sections

later in the calendar year to test a number of other specific target zones.

Subsequent to period end, the Nepean-1 well was cleaning up through a separator. The well is being choked back through a 18/64" choke setting and flowing at 1.2 MMscfd while recovering significant volumes of fracture stimulation fluid. Once the fracture stimulation fluid recovery recedes, and flow stabilises, a more reliable gas flow rate will be determined.

ATP 855

(Beach 46.9%, Icon 35.1%, Chevron 18%)

A new contract for fracture stimulation and completion of the four wells in ATP 855 was awarded to Condor Energy Services Limited, a newly established Australian company with new equipment from North America. Condor personnel have experience both in the Cooper Basin and internationally. The stimulation campaign with Condor is scheduled to commence in July 2014.

The Redland-1 vertical exploration well reached a total depth of 3,804 metres on 23 January 2014 and was cased and suspended for future evaluation. Fracture stimulation of Redland-1 will target the Toolachee and Daralingie Formations.

The sixth and final vertical exploration well, Etty-1, was spudded on 9 February 2014. Etty-1 is located approximately nine kilometres east of Halifax-1 and targeted the basin centred gas potential of the Permian Formations in the southern part of the Nappamerri Trough. Etty-1 reached a total depth of 3,807 metres in the top of the Patchawarra Formation on 23 March 2014, with preliminary interpretation of wireline logs indicating the target interval to be gas saturated. As a result, Etty-1 will be cased and suspended for fracture stimulation and production testing in a campaign that will include Redland-1, Geoffrey-1, and Hervey-1. The final fracture stimulation program is pending Joint Venture approval.

Non-operated

PEL 104

(Beach 40%, Senex 60%)

The Spitfire-3 appraisal well was drilled in the north of the field, targeting a seismic signature interpreted to be indicative of high porosity. The Spitfire-3 well will be cased and suspended as a Mid-Birkhead Formation oil production well, with initial log interpretation by the operator of six metres of net oil pay.

The Spitfire-4 appraisal well, located 500 metres north of Spitfire-2, targeted an intra-birkhead sand that drives

production in the adjacent Growler oil field. The well intersected a thick 21 metre sand in the Birkhead Formation, with 12 metres of net oil pay. This is one of the largest oil columns in the Birkhead Formation and has the potential to extend into PEL 91 to the south.

Growler-12, an appraisal well to the north of the Growler oil field, was cased and suspended by the operator. Beach did not interpret any reservoir in this well and elected not to participate.

PEL 111

(Beach 40%, Senex 60%)

The Snatcher-11 oil appraisal well was cased and suspended by the operator. Beach did not interpret any reservoir in this well and elected not to participate.

SACB JV Conventional gas

(Beach 20.21%, Santos 66.6%, Origin 13.19%)

Big Lake-101, a step-out gas appraisal well in the north east of the Big Lake field, reached a total depth of 3,131 metres and was cased and suspended as a Toolachee, Daralingie, Epsilon, Patchawarra and Tirrawarra gas well.

SACB JV Unconventional gas

(Beach 20.21%, Santos 66.6%, Origin 13.19%)

REM

The Moomba-193 ST1 horizontal well was drilled to a measured depth of 3,996 metres, with a 900 metre lateral drilled in the Murteree Shale. The well will be fracture stimulated over ten stages mid-year 2014, with micro-seismic monitoring to also be undertaken from the Moomba-192 vertical well. Moomba-192 and Moomba-193 ST1 are part of the Aurora Project, focusing on the Roseneath Shale, Epsilon Formation, Murteree Shale and Patchawarra Formation.

In the Fortuna Project, construction work is currently underway to connect in the Moomba-194 vertical well to production infrastructure.

The Roswell-2 horizontal well was drilled to a total depth of 3,481 metres, with a 550 metre lateral in the Roseneath Shale. A five stage fracture stimulation of this section was completed and monitored using a surface micro-seismic array. Roswell-2 was flow tested for 28 days, achieving a stable rate of approximately 0.75 MMscfd generated through a 48/64" choke.

Basin Centred Gas

The Basin Centred Gas appraisal program is focused on gas accumulation through the entire Permian section, from the Toolachee Formation to the deeper Tirrawarra Sandstone. Three vertical wells have been drilled to date, namely Langmuir-1, Gaschnitz-1ST1 and Van der Waals-1, with the data from these wells under review as part of the forward planning process.

The Langmuir-1 well was fracture stimulated over ten stages and was flowed for clean up. A peak flow rate of 1.5 MMscfd was recorded, with further zones expected to be perforated in Q2 2014, after which the completion will be run and further testing undertaken.

The Van der Waals-1 well experienced operational issues following two fracture stimulation stages in the lower Patchawarra Formation. These issues have now been resolved, with the remaining stimulation stages to be completed in Q2/Q3 2014.

AUSTRALIA – Otway Basin

PEL 495

(Beach 70% and operator, Cooper Energy 30%)

The Jolly-1 ST1 vertical well in PEL 495, the first well of a two well exploration program in the South Australian part of the Otway Basin, reached a total depth of 4,026 metres. The well intersected thick sections of shales and sandstones, with elevated gas readings identified in the Lower Sawpit Shale and Casterton Formation from a depth of 3,430 meters. Approximately 27 metres of core was retrieved from the Lower Sawpit Shale and 51 metres of core from the Casterton Formation. These core samples will be analysed for porosity, permeability and gas content. The well was plugged and abandoned, with the rig currently mobilising to Bungaloo-1 well site, 13 kilometres north west of Jolly-1.

EGYPT

Abu Sennan Concession

(Beach 22%, Kuwait Energy 50% and operator, Dover 28%)

El Salmiya-3, an oil appraisal well targeting the El Salmiya-1 oil discovery in the lower Cretaceous Kharita Formation, intersected eight metres of net oil pay in the Abu Roash "C". A six metre interval was perforated and flow tested through a 64/64" choke at a rate of 4,800 barrels per day and six MMscfd, with no water. The well encountered problems when drilling at the 8 1/2" casing point, preventing it from reaching its primary target in the Kharita Formation. As a result, the well was completed as a Cretaceous Abu Roash "C" Formation producer.

This result confirmed the stacked potential of the El Salmiya field, which is now producing from the Abu Roash “C”, the Abu Roash “E” and the Kharita Formation.

The El Salmiya-4 appraisal well was designed to identify the extent of the Abu Roash reservoirs, and the Bahariya and Kharita Formation discoveries. The well is drilling ahead at ~3,900 metres through an 8 ½” hole in the Abu Roash “G” Member. The Kharita Formation is the primary target for this well, however, 13 metres of interpreted gross oil pay (nine metres net) was encountered at the Abu Roash “C” level, the thickest pay zone yet encountered in this reservoir at the El Salmiya field.

The Al Jahraa-2 appraisal well is drilling ahead in a 17 ½” hole at ~2,200 metres. The well is designed to appraise the Abu Roash “E” discovery made by the Al Jahraa-1 well and explore for the Abu Roash “C”, which was faulted out at the Al Jahraa-1 well location, and the Bahariya Formation. These target zones are updip of oil shows in the Al Jahraa-1 well.

CORPORATE

The due date for offers to be submitted for the farm-out of Lake Tanganyika ended at quarter end, with discussions currently taking place.

Non-core acreage in the Surat and Maryborough Basins were divested. The Surat Basin was relinquished, with the Maryborough blocks ATP 674 and ATP 733 sold to Blue Energy Ltd for total consideration of \$2.5 million.

SUBSEQUENT EVENTS

Due to the continued strong production performance of Beach from its operated oil business in the Cooper Basin, Production for the full year is expected to come in at the higher end of the guidance range of 9.2-9.6 MMboe.

In relation to capital expenditure guidance of \$450-\$500 million, Beach anticipates capital expenditure will be in the vicinity of \$500 million.

WELL RESULTS

Beach participated in 29 oil and gas wells for the quarter, with an 87% success rate.

Area	Category	Wells spudded	Wells completed	Successful wells	Success Rate	Successful Well Name
Cooper Basin	Exploration – gas	1	1	0	0%	
	Unconventional exploration – gas	1	2	2	100%	Etty-1, Moomba-193 ST1
	Appraisal – oil	6	6	4	67%	Bauer-12, Chiton-3, Spitfire-3, -4
	Development – gas	14	16	16	100%	Big Lake-97, -98, -99, -100, -102, -103, -106, -107, Baryulah-18, Gooranie-6, Narie-3, Cooba-5, Moomba-202, Barrolka-12, -13, Brolga-5
	Exploration – oil	2	2	1	50%	Stunsail-1
	Appraisal – gas	1	1	1	100%	Big Lake-101
	Development – oil	2	2	2	100%	Bauer-13, Spitfire-5
Egypt	Development – oil	2 ¹	0	0	n/a	
	Total	29	30	26	87%	

¹ Al Jahraa-2 and El Salmiya-4 still drilling

FINANCIAL INFORMATION

CASH AND EQUITY

The balance sheet strengthened over the quarter, with cash reserves up by 6% to \$428 million, supported by a secured undrawn \$300 million loan facility and a \$20 million letter of credit facility. The increase in cash was mainly due to strong oil sales, partly offset by capital and operating expenditure.

OIL HEDGING

The following hedges were entered into during the quarter:

- A\$65/bbl Brent crude oil put (floor) from October 2014 – September 2015 for 45,000 bbl/month.

CAPITAL STRUCTURE	Dec 2013 Quarter	Mar 2014 Quarter	Qtr on Qtr Change
Fully paid ordinary shares	1,278,348,742	1,289,179,060	1%
Unlisted employee options	2,258,977	2,258,977	0%
Unlisted employee rights	12,980,225	8,087,963	(38%)

	OIL HEDGED AT		
Period	Brent Floors		Total Hedged Volumes (bbl)
	Floor A\$60/bbl	Floor A\$65/bbl	
Remaining FY14	150,000	405,000	555,000
FY15	–	1,755,000	1,755,000
FY16	–	135,000	135,000
Total	150,000	2,295,000	2,445,000

GLOSSARY

\$	Australian dollars	GJ	Gigajoule
1P	Proved	kbbbl	thousand barrels of oil
2P	Proved and probable	kboe	thousand barrels of oil equivalent
ATP	Authority to prospect	kt	thousand tonnes
bbl	barrels	Kuwait Energy	Kuwait Energy Egypt Ltd
bcf	billion cubic feet	LNG	Liquefied natural gas
Beach	Beach Energy Limited	LPG	Liquefied petroleum gas
boe	barrels of oil equivalent - the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy. (For example, 1 bcf of gas equals approximately 0.18 million boe, the exact conversion being dependent on the gas composition)	MMbbl	Million barrels of oil
bopd	barrels of oil per day	MMboe	Million barrels of oil equivalent
BP	BP Exploration (Delta) Limited	MMscfd	Million standard cubic feet of gas per day
capex	Capital expenditure	NTNG	Nappamerri Trough Natural Gas program
Chevron	Chevron Exploration Australia 1 Pty Ltd	PEL	Petroleum exploration license
Cooper Energy	Cooper Energy Ltd	Petroceltic	Petroceltic Romania SA
Dover	Dover Investments Ltd	Petromar	Petromar Resources SA
Drillsearch	Drillsearch Energy Ltd	PJ	Petajoule
DST	Drill stem test	REM	Roseneath Shale, Epsilon Formation, Murteree Shale
EGPC	Egyptian General Petroleum Corporation	SACB JV	South Australian Cooper Basin Joint Venture
EPT	Extended production test	SWQ JVs	South West Queensland Joint Ventures
FY	Financial year	tcf	trillion cubic feet of gas
		TJ	Terajoule
		Tri-Ocean	Tri-Ocean Energy Company
		YTD	Year to date