



ASX Release

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For Immediate Release – 29 January 2015
Ref. #004/15

ASX Ltd / SGX Singapore Exchange Ltd
Companies Announcement Office
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Dear Sir,

REVISED FY15 PRODUCTION AND CAPITAL EXPENDITURE GUIDANCE

- **Revised production guidance range of 8.9 – 9.4 MMboe**
 - **Weighted towards higher end of original guidance**
- **Initial H2 FY15 capital expenditure cuts of up to \$55 million (~20%)**
 - **Revised FY15 guidance range reduced to \$430 – \$470 million**

Beach Energy Limited (ASX: BPT, "Beach") advises of the following revisions to production and capital expenditure guidance for the 2015 financial year ("FY15").

Production

Beach has revised its FY15 production guidance range to **8.9 – 9.4 MMboe** (from 8.6 – 9.4 MMboe).

While Beach has retained production guidance within the range originally announced, there is an expectation that full year production will be weighted towards the upper end of the original range. Production for the second half is expected to be lower than the first half, predominantly due to a conservative approach taken in relation to expectations for non-operated production.

Capital Expenditure

Beach has undertaken a detailed review of its capital expenditure program as a result of the current environment of lower oil prices. Within the constraints of existing contracts and committed expenditure, some projects have been identified for deferment. This will provide an initial reduction in estimated H2 FY15 capital expenditure of up to \$55 million (~20%). Final 2015 calendar year guidance is yet to be received from Santos in relation to the SACB and SWQ JVs, with Santos continuing to flag significant cuts across its business. It should be noted that Beach has a large exposure to SACB and SWQ JVs capital expenditure. On receipt of the final estimates from Santos, Beach will provide further guidance in relation to its FY15 capital expenditure. Pending this, Beach has conservatively revised its FY15 guidance range down to **\$430 – \$470 million**, as summarised below.

(\$ million)	Low	High
Original FY15 guidance	450	500
Less: Initial H2 FY15 reductions ¹	(45)	(55)
Plus: H1 additions ²	25	25
Revised FY15 guidance	430	470

1. Certain reductions are still subject to joint venture approval
2. Approved expenditure in relation to T/49P and ATP 924 farm-in expenditure (predominantly seismic survey costs), SACB and SWQ JVs oil projects and ATP 855 fracture stimulation

The initial reduction in H2 FY15 capital expenditure primarily relates to SACB and SWQ JVs gas projects and deferment of certain drilling and infrastructure projects. Components of the revised FY15 capital expenditure guidance are summarised below.

Revised FY15 Capital Expenditure Guidance (\$ million)	H1 (Actual)	H2 (Revised)	FY15 (Revised)
Development expenditure	175	145 – 170	320 – 345
Cooper Basin (non-SACB and SWQ JVs)	20	30 – 35	50 – 55
Cooper Basin (SACB and SWQ JVs)	150	110 – 125	260 – 275
International	5	5 – 10	10 – 15
Exploration expenditure	93	17 – 32	110 – 125
Cooper Basin (non-SACB and SWQ JVs)	30	5 – 15	35 – 45
Unconventional	50	5 – 10	55 – 60
International	10	5	15
Other Australia	3	2	5
Revised FY15 Capital Expenditure Guidance	268	162 – 202	430 – 470

Beach had \$249 million of cash reserves as at 31 December 2014 and an undrawn \$300 million secured loan facility. The FY15 capital expenditure program remains fully funded and our low cost production in the Western Flank supports ongoing free operating cash generation in a volatile oil price environment.

Yours sincerely,



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