Beach Energy

FY15 Half Year Results

23 February 2015

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 2014 and represent Beach's share.

Competent Persons Statement

The reserves and resources information in this presentation is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Reservoir Engineering Manager). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The reserves and resources information in this presentation has been issued with the prior written consent of Mr Lake in the form and context in which it appears.

Highlights

Reg Nelson

Managing Director

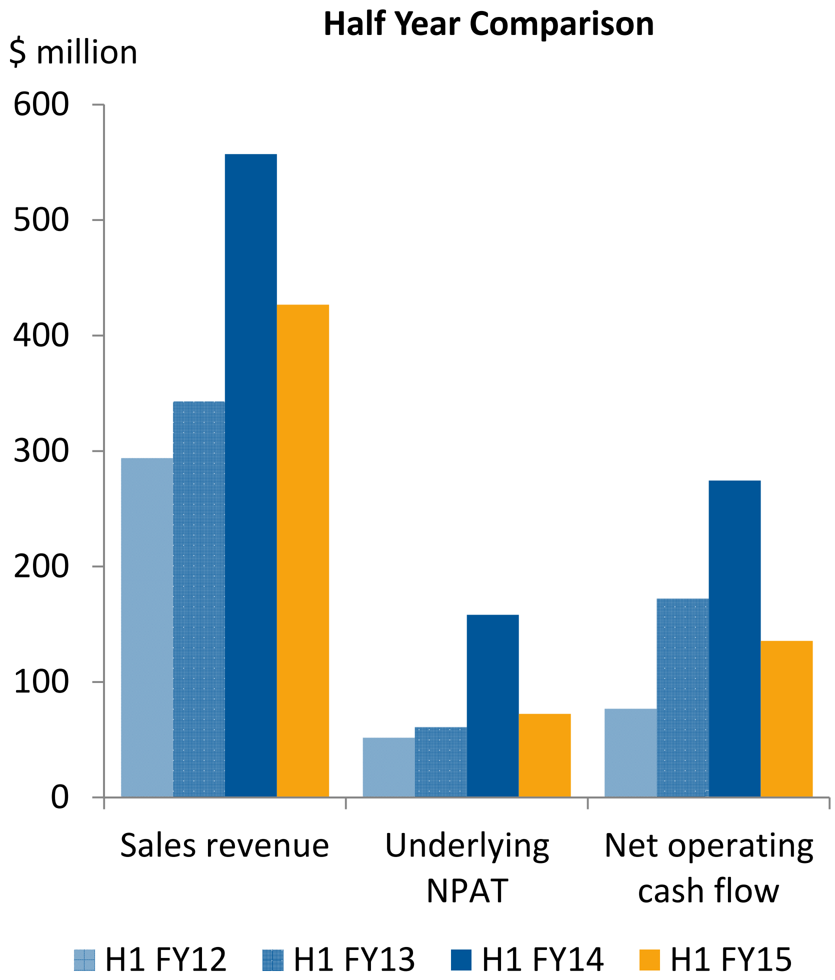
H1 FY15 highlights

Financial

- Record sales volumes of 5.7 MMboe
- Sales revenue of $427 million, down 23% from previous corresponding period (PCP)
  - Average realised oil price of A$101/bbl, down 22% from PCP
- Underlying NPAT of $72 million, down 54% from record PCP
- Cash reserves of $249 million
- Interim dividend of 1.0 cent per share (cps)

Corporate

- Farm-out to Woodside of Tanzania interest[1]
- Farm-in with Drillsearch to ATP 924 in the Cooper Basin
- 30% interest acquired in Otway Basin (T49/P)



1. Subject to Tanzanian Government consent

H1 FY15 highlights

Operations

- Production of 4.8 MMboe, down 3% from record PCP
- Bauer Field four-well pad development campaign; results better than expected
- New oil discoveries in PEL 91 at Balgowan-1 and Burners-1
- First Namur Sandstone discovery in PEL 104 / PEL 111 at Martlet-1
- Intersection of an 82 metre oil column at El Salmiya-6, Egypt

Subsequent Events

- Completion of NTNG Stage 1 exploration program
- Revised FY15 production and capital expenditure guidance

Well Type	Wells	Successes	Success Rate
Exploration	13	6	46%
Appraisal	11	8	73%
Development	47	46	98%
Total	**71**	**60**	**85%**

Strong operational results from sustained production levels and drilling successes

FY15 outlook

- Production guidance of 8.9 – 9.4 MMboe
- Capital expenditure guidance reduced to $430 – $470 million
  - ~20% cut to H2 FY15 spend
- New Bauer Field pad development drilling
- Improved sales gas margins expected from oil-linked contracts with other parameters
- Processing and interpretation of seismic surveys
- Further portfolio review progress expected
  - Divestment process for Egyptian interests commenced
    - Discussions underway and data room opened

Core focus on prime Cooper Basin acreage

Financials

Kathryn Presser

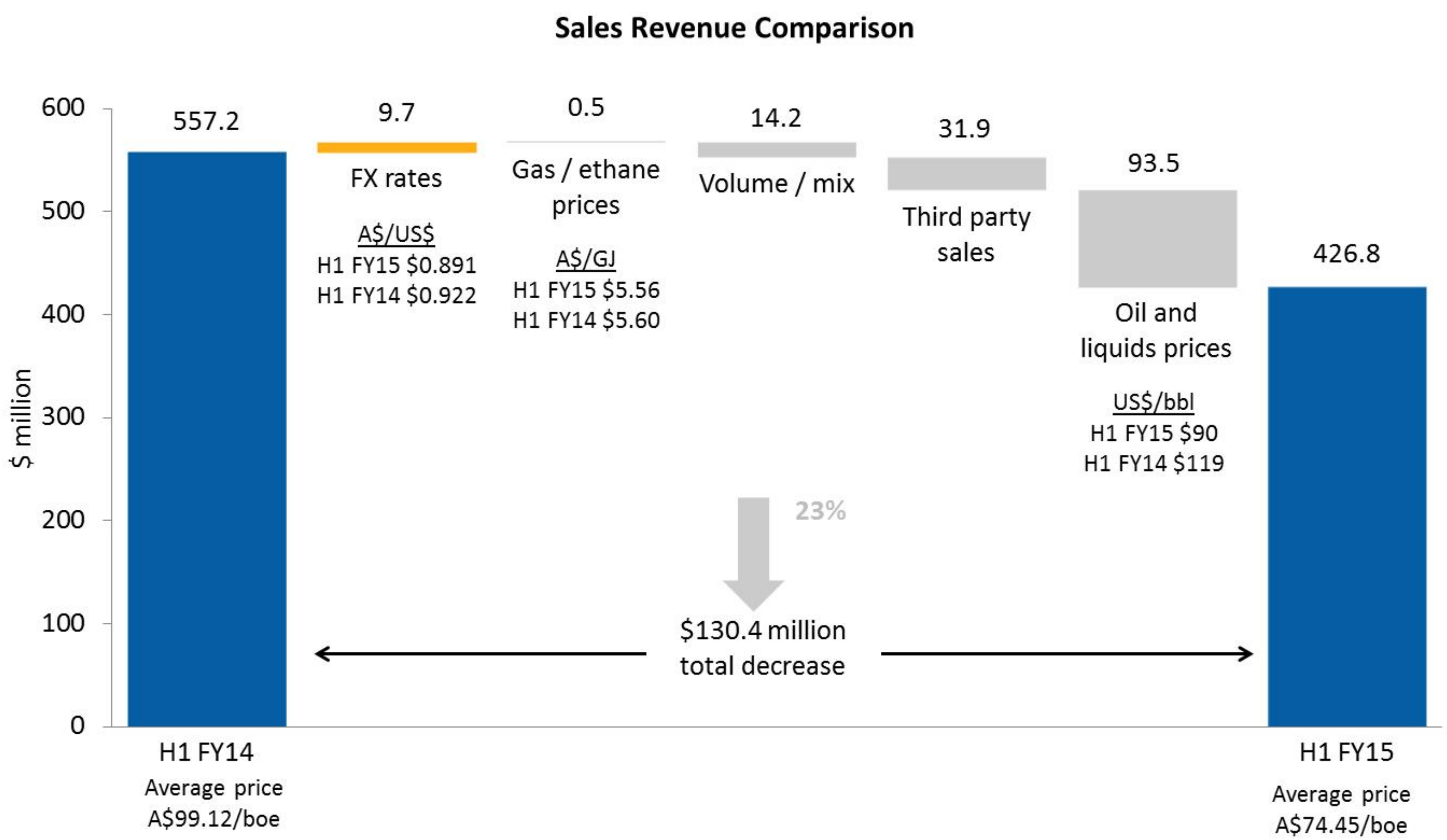
Chief Financial Officer

Summary financial results

	H1 FY15	H1 FY14	Change
Sales volumes (MMboe)	5.7	5.6	2%
Sales revenue ($ million)	426.8	557.2	(23%)
Operating cash flow ($ million)	135.6	274.5	(51%)
NPAT ($ million)	(79.1)	160.5	(149%)
Underlying NPAT ($ million)	72.4	158.1	(54%)
Cash balance ($ million)	248.6	411.3[1]	(40%)
Dividends announced (cps)	1.0	2.0	(50%)

1. As at 30 June 2014

Sales revenue

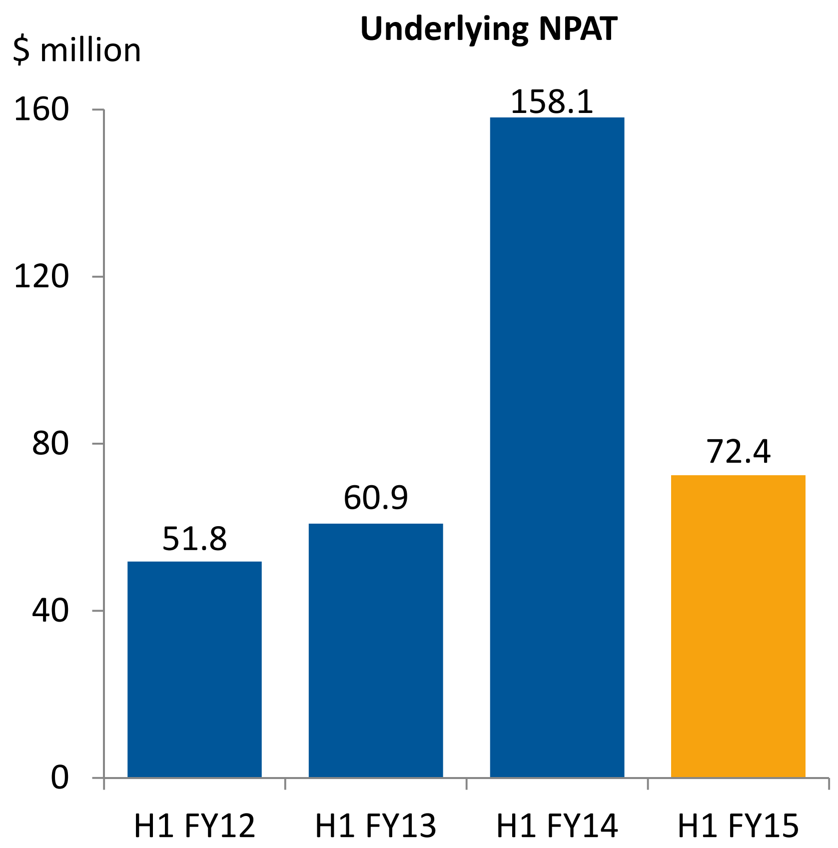


Decline primarily attributable to lower oil prices and third party sales, partly offset by exchange rate movements

Underlying NPAT

- Underlying NPAT of $72.4 million, down 54% from record PCP, mainly due to:
  - Lower realised A$ oil prices;
  - Lower third party sales volumes; and
  - Higher depreciation charges,
  - Partly offset by lower cash production costs
- Underlying NPAT exceeded H1 FY12 and H1 FY13, despite lower realised A$ oil prices
  - Technology and innovation driving cost efficiencies

Diverse and low cost business model mitigates volatile oil prices



Average Realised A$ Oil Price / bbl			
112	110	123	101

Impairments

- Area of interest approach for impairment testing
- Cooper Basin impairments primarily relate to non-operated oil, gas and gas liquids
  - Western Flank oil assets continue to out-perform
  - No impairment to NTNG carrying value
- Romanian interests written down to nil
  - Partly a whole of portfolio review outcome
- Net depreciation and amortisation effect not likely to be material

Non-Cash Impairments ($ million)	Before Tax	After Tax
Cooper Basin interests	194	136
Romanian interests	30	30
Total	**224**	**166**

Assumptions (calendar years)	Oil (Brent)	US$/A$ Rate
2015	US$55/bbl	0.80
2016	US$70/bbl	0.80
2017	US$80/bbl	0.80
2018+	US$90/bbl	0.80

Comparison of Underlying NPAT

$ million	H1 FY15	H1 FY14
NPAT	**(79.1)**	**160.5**
Adjusted for:		
Unrealised hedging	(7.0)	0.0
Mark to market of convertible note derivative	(13.3)	8.8
Asset sales	-	(13.6)
Impairment of assets	223.8	0.0
Tax impact of above adjustments	(52.0)	2.3
Underlying NPAT	**72.4**	**158.1**

Operations

Neil Gibbins

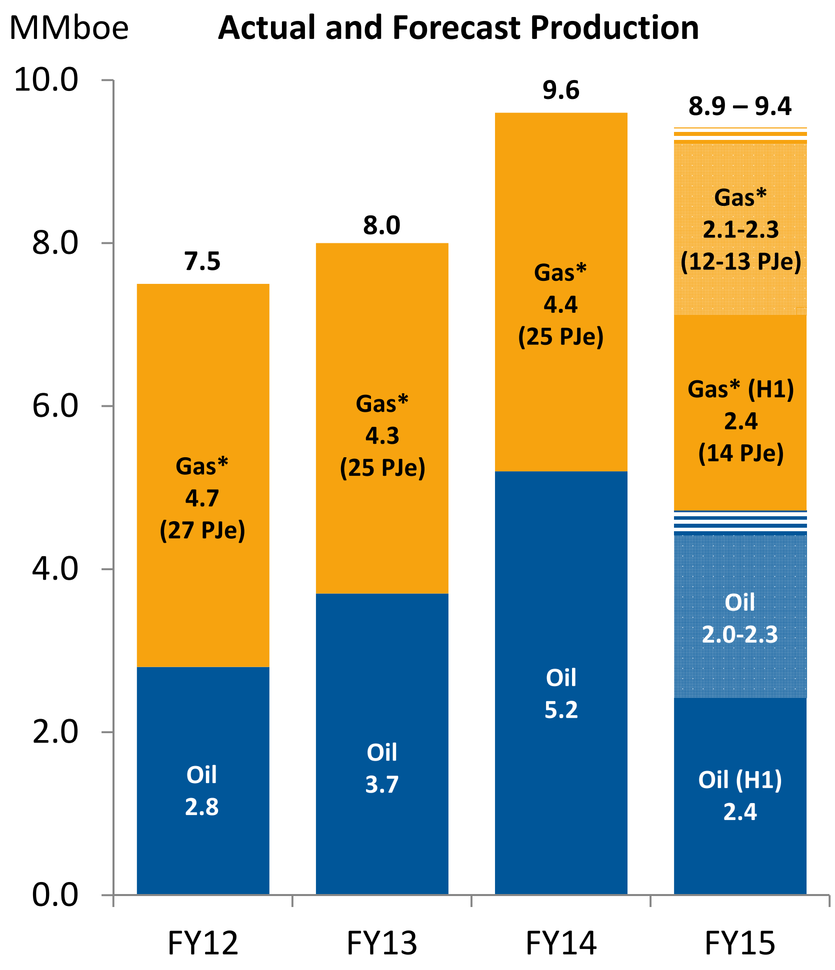
Chief Operating Officer

Production by area

	Area	H1 FY15	H1 FY14	Change
Oil (kbbl)	Cooper / Eromanga basins	2,370.2	2,603.9	(9.0%)
	Egypt	49.5	32.7	51.4%
	Total oil	**2,419.7**	**2,636.6**	**(8.2%)**
Sales gas and ethane (PJ)	Cooper Basin	11.5	11.0	4.4%
LPG (kt)	Cooper Basin	24.2	25.9	(6.7%)
Condensate (kbbl)	Cooper Basin	198.9	225.2	(11.7%)
	Total gas / liquids (kboe)	**2,365.6**	**2,314.9**	**2.2%**
Total oil, gas and gas liquids (kboe)		**4,785.3**	**4,951.5**	**(3.4%)**

Operating results

- Production of 4.8 MMboe, down 3% from record PCP
  - Natural field decline offset by better than expected production from Bauer Field
- Production mix: 51% oil / 49% gas and gas liquids
- Western Flank average net oil production of 9,848 bopd
  - Ongoing well tie-ins, development drilling and infrastructure upgrades
- 71 wells drilled
  - 85% overall success rate
  - 58% development / appraisal well success rate



* Gas and gas liquids

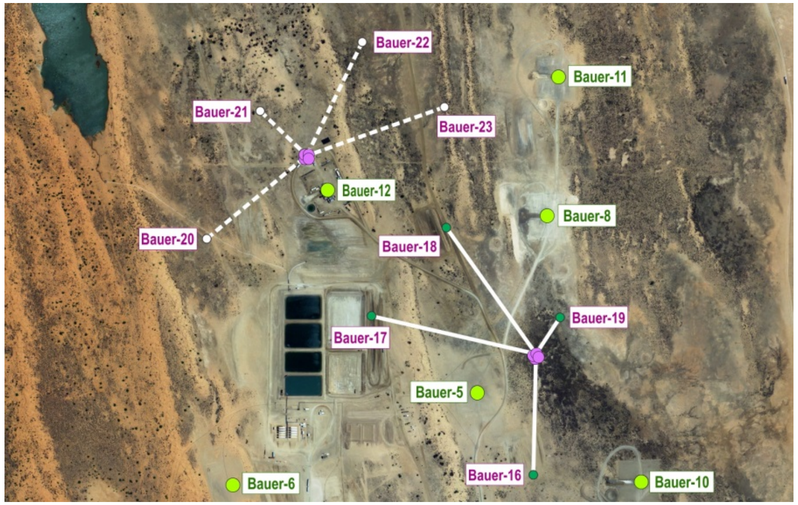
FY15 revised capital expenditure guidance

FY15 Revised Capital Expenditure Guidance ($ million)	Original	Revised
DEVELOPMENT		
Cooper Basin (non-SACB and SWQ JVs)	55 – 60	50 – 55
Cooper Basin (SACB and SWQ JVs)	270 – 300	260 – 275
International	10	10 – 15
Total Development	**335 – 370**	**320 – 345**
EXPLORATION		
Cooper Basin (non-SACB and SWQ JVs)	40 – 45	35 – 45
Unconventional	50 – 55	55 – 60
International	20 – 25	15
Other Australia	5	5
Total Exploration	**115 – 130**	**110 – 125**
TOTAL	**450 – 500**	**430 – 470**

Bauer Field development

- Bauer-16 to -19 development well pad drilling completed
- Results high to prognosis
  - 2P reserves increase expected
- Pad drilling achieved time and cost savings
  - Sideways walk from Bauer-16 to -17 completed in two hours
  - 34-day drilling campaign for all wells
- Bauer-20 to -23 development well pad drilling commenced February 2015
- Pad wells expected online late FY15 / early FY16

Pad drilling techniques yielding significant time and cost savings



Well	High / (Low) to Prognosis[1]	Namur Sandstone Net Pay[1]	McKinlay Member Interval[2]
Bauer-16	(1.1)	3.5	4.5
Bauer-17	3.1	5.5	4.2
Bauer-18	0.7	6.6	4.2
Bauer-19	4.2	8.7	3.9

1. Metres; 2. Gross pay, metres

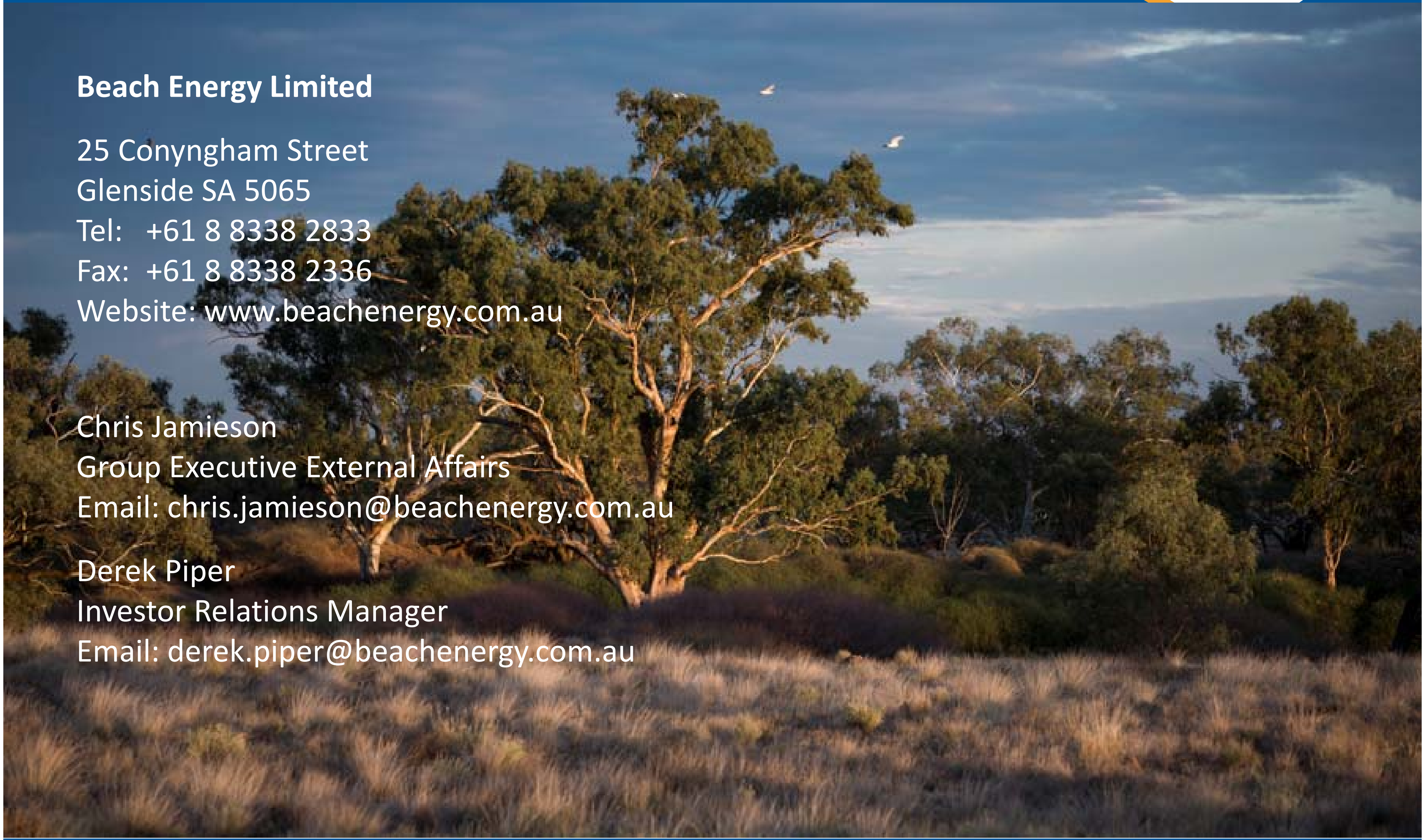
NTNG Stage 1 exploration program

Stage 1 exploration program complete; all Beach technical objectives met

Key Objectives		Key Highlights
1.	Geographically and vertically delineate target zones	✓ 18 wells drilled across permits
2.	Test fracture stimulation techniques and technologies for optimal design	✓ 16 wells fracture stimulated
3.	Identify and prioritise play types for future appraisal activities	✓ Daralingie Formation and Patchawarra Sand plays identified
4.	Flow gas and test deliverability	✓ All stimulated wells flowed gas to surface
5.	Increase 2C contingent resource booking	✓ 276 MMboe contingent resources[1]

1. As reported in Beach's 2014 Annual Report; no new information or data has come to hand which would materially alter this estimate or its underlying assumptions

Contact information



Beach Energy Limited

25 Conyngham Street
Glenside SA 5065
Tel: +61 8 8338 2833
Fax: +61 8 8338 2336
Website: www.beachenergy.com.au

Chris Jamieson
Group Executive External Affairs
Email: chris.jamieson@beachenergy.com.au

Derek Piper
Investor Relations Manager
Email: derek.piper@beachenergy.com.au