Quarterly Report

for the period ended 30 June 2015

BEACH ENERGY

HIGHLIGHTS

FINANCIAL

- Sales volumes of 2.6 MMboe, up 16% on prior quarter due to higher production and increased customer demand for sales gas
- FY15 full year sales volumes of 10.5 MMboe, marginally below FY14 record volumes
- Total sales revenue of $170 million, up 30% on prior quarter due to higher sales volumes and oil prices; FY15 full year sales revenue of $728 million
- Capital expenditure of $69 million, down 13% on prior quarter and consistent with the revised FY15 program
- Cash reserves of $170 million (up $5 million from prior quarter), undrawn debt facility of $150 million and drawn debt of $150 million
- Material corporate cost reductions identified for FY16

OPERATIONS

- Quarterly production of 2.3 MMboe, up 8% on prior quarter due to higher Western Flank oil and non-operated gas production
- FY15 full year production of 9.2 MMboe, at upper end of revised guidance range
- Increased Egypt production of 61 kboe post commissioning of the El Salmiya gas pipeline
- 16 wells completed with a success rate of 94%

CORPORATE

- Transfer of Block 28 interest to complete exit from Romania
- Sale process for Egypt assets progressing
- Woodside exit from the Lake Tanganyika South Block, Tanzania
- Completion of strategy phase of whole-of-organisation review; outcomes from review of strategy to be communicated prior to release of full year results

SUBSEQUENT EVENTS

- Initiation of long term gas sales agreement with Origin Retail
- Acquisition of joint venture partner in EP 126 in the Bonaparte Basin
- FY16 production guidance of 7.8 – 8.6 MMboe
- FY16 capital expenditure guidance of $240 – $270 million

KEY STATISTICS

	June Q4 FY14	March Q3 FY15	June Q4 FY15	Qtr on Qtr Change	Full Year FY15
Production (kboe)	2,332.6	2,106.5	2,267.7	8%	9,159.2
Sales Volumes (kboe)	2,809.0	2,212.5	2,562.2	16%	10,507.4
Sales Revenue ($ million)	263.6	130.7	170.2	30%	727.7
Oil Price ($/bbl)	122.6	71.0	83.5	18%	89.6
Cash ($ million)	411.3	164.6	170.3	3%	170.3

NB. Financial data presented in this report is preliminary and subject to audit

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Managing Director
29 July 2015

Ref: #039/15

FINANCIAL

SALES

Sales volumes increased 16% to 2,562 kboe due to higher operated oil production, increased Egypt production, increased customer demand for sales gas and lower downtime at the Moomba gas processing facility following planned maintenance in Q3 FY15. For FY15, total sales volumes of 10,507 kboe were broadly in line with the prior financial year (10,769 kboe).

Sales		June Q4 FY14	March Q3 FY15	June Q4 FY15	Qtr on Qtr Change	Full Year FY15
Oil (kbbl)	Cooper and Eromanga Basins - Own Production	1,347.8	1,047.3	1,127.5	8%	4,595.6
	Cooper and Eromanga Basins - Third Party	389.8	276.0	337.1	22%	1,283.4
	Total Cooper Oil	**1,737.6**	**1,323.3**	**1,464.6**	**11%**	**5,879.0**
	Egypt	12.6	38.0	48.6	28%	135.0
	Total Oil	**1,750.2**	**1,361.3**	**1,513.2**	**11%**	**6,014.0**
Gas and Ethane (PJ)	Cooper Basin - Own Product	4.4	3.6	4.0	14%	18.6
	Cooper Basin - Third Party	0.6	0.7	0.9	29%	3.2
	Egypt	-	-	0.1	-	0.1
	Total Gas and Ethane	**5.0**	**4.3**	**5.0**	**18%**	**21.9**
LPG (kt)	Cooper Basin - Own Product	13.8	9.0	12.1	34%	46.9
	Cooper Basin - Third Party	0.4	0.3	0.2	(20%)	1.2
	Total LPG	**14.2**	**9.3**	**12.3**	**33%**	**48.1**
Condensate (kbbl)	Cooper Basin - Own Product	74.3	39.2	80.7	106%	331.3
	Cooper Basin - Third Party	3.1	2.0	1.6	(22%)	8.6
	Total Condensate	**77.4**	**41.2**	**82.3**	**100%**	**339.9**
Total Oil and Gas Sales (kboe)		**2,809.0**	**2,212.5**	**2,562.2**	**16%**	**10,507.4**
Total – Own Product (kboe)		2,306.1	1,811.3	2,066.4	14%	8,658.9
Total – Third Party (kboe)		502.9	401.2	495.8	24%	1,848.5

REVENUE

Total sales revenue increased 30% to $170 million, due to a combination of higher realised oil prices and higher sales volumes. The average realised Australian dollar oil price increased to $83/bbl (from $71/bbl), representing an 18% increase from the prior quarter.

Sales Revenue ($ million)	June Q4 FY14	March Q3 FY15	June Q4 FY15	Qtr on Qtr Change	Full Year FY15
Oil	**214.6**	**96.7**	**126.3**	**31%**	**538.9**
Sales Gas and Ethane	27.4	24.9	29.6	19%	124.3
LPG	12.9	6.1	7.4	21%	34.8
Condensate	8.7	3.0	6.9	128%	29.7
Sales Gas and Gas Liquids	**49.0**	**34.0**	**43.9**	**29%**	**188.8**
Total Oil and Gas	**263.6**	**130.7**	**170.2**	**30%**	**727.7**
Total – Own Product	212.7	107.0	137.7	29%	592.0
Total – Third Party	50.9	23.7	32.5	37%	135.7
Average Realised Prices	**June Q4 FY14**	**March Q3 FY15**	**June Q4 FY15**	**Qtr on Qtr Change**	**Full Year FY15**
All Products ($/boe)	**93.9**	**59.1**	**66.4**	**12%**	**69.3**
Oil ($/bbl)	122.6	71.0	83.5	18%	89.6
Sales Gas and Ethane ($/GJ)	5.5	5.8	5.9	0%	5.7
LPG ($/t)	906.0	659.2	602.2	(9%)	722.9
Condensate ($/bbl)	112.4	73.4	83.7	14%	87.5

CAPITAL EXPENDITURE

Capital expenditure of $69 million represented a 13% decrease from the prior quarter and a 52% reduction from the prior corresponding period. This reduction is consistent with the revised H2 FY15 capital expenditure program announced in January 2015, and primarily attributable to lower SACB and SWQ JVs expenditure and deferral of certain discretionary items.

Beach has announced a major reduction in expected capital expenditure for FY16, driven by lower exploration and development expenditure in the SACB and SWQ JVs and minimal spend on international permits. Minimal spend on NTNG is also expected as Stage 2 scope is determined, with re-partnering to be pursued in FY16. These reductions have been balanced with continuing expenditure in the higher returning Western Flank permits to best support future production levels. Capital expenditure guidance is also consistent with Beach's objective to fully fund the FY16 program from cash reserves and operating cash flows. Details of the FY16 capital expenditure program and guidance are included in the Beach announcement of 29 July 2015.

Capital Expenditure ($ million)	June Q4 FY14	March Q3 FY15	June Q4 FY15	Qtr on Qtr Change	Full Year FY15
Exploration and Appraisal	59.1	22.6	16.2	(29%)	130.7
Development, Plant and Equipment	85.2	56.9	52.6	(7%)	285.4
Total	**144.3**	**79.5**	**68.8**	**(13%)**	**416.1**

LIQUIDITY

Cash reserves were $170 million at quarter end, representing a $5 million increase from the prior period. The increase in cash reserves was primarily attributable to higher sales volumes and realised oil prices, continuing reductions in exploration and development expenditure, and reductions in operating and corporate costs.

The increase in cash reserves demonstrates Beach's ability to preserve financial strength against the backdrop of volatile oil prices. As part of Beach's ongoing active financial management practices, corporate cost reductions of approximately 15% have been identified for FY16, which primarily relate to contractors, external consultants and discretionary expenditure. Review of corporate costs will continue as part of Beach's broader organisational review, further details of which are contained in the Corporate section on page 10.

CAPITAL STRUCTURE

Capital Structure	March Q3 FY15	June Q4 FY15	Qtr on Qtr Change
Fully Paid Ordinary Shares	1,300,149,513	1,300,149,513	-
Unlisted Employee Rights	5,777,763	5,777,763	-

HEDGING

Beach's policy is to hedge up to 80% of oil production and corporate costs by securing floors to protect against downside oil price scenarios, while retaining upside potential. This approach continued during the June quarter, with the following hedges in place as at 30 June 2015.

Period	Floor $45 per bbl (Brent)	Floor $65 per bbl (Brent)	Floor $70 per bbl (Brent)	Total Hedged Volumes (bbl)
FY16	1,297,500	472,500	225,000	1,995,000
FY17	382,500			382,500
Total	**1,680,000**	**472,500**	**225,000**	**2,377,500**

Activities at Callawonga

OPERATIONS

PRODUCTION

Production of 2,268 kboe was 8% higher than the prior quarter, predominantly due to:

- Tie-in of three Bauer Field pad wells following commissioning of expanded water handling capacity at the Bauer facility;
- Increased sales gas production due to higher well capacity, with 23 wells brought online; and
- Increased production from Egypt following commissioning of the El Salmiya gas pipeline.

Production		June Q4 FY14	March Q3 FY15	June Q4 FY15[1]	Qtr on Qtr Change	Full Year FY15
Oil (kbbl)	Cooper Basin	1,269.7	1,034.2	1,092.9	6%	4,497.0
	Egypt	12.4	38.2	51.4	35%	139.1
	Total Oil	**1,282.2**	**1,072.4**	**1,144.3**	**7%**	**4,636.1**
Sales Gas and Ethane (PJ)	Cooper Basin	5.0	5.1	5.5	8%	22.1
	Egypt	-	-	0.1	-	0.1
LPG (kt)	Cooper Basin	12.0	9.6	10.5	8%	44.3
Condensate (kbbl)	Cooper Basin	89.5	79.7	82.1	3%	354.0
Total Oil and Gas (kboe)		**2,332.6**	**2,106.5**	**2,267.7**	**8%**	**9,159.2**

[1] *Preliminary data provided for Egypt and ex PEL 104 / 111*

Cooper Basin

Ex PEL 91

(Beach 40% and operator, Drillsearch 60%)

Oil production increased 22% to 447 kbbl (net) due to the tie-in of three Bauer Field pad wells (Bauer-16, -17 and -18) following commissioning of expanded water handling capacity at the Bauer facility. The expansion included four new separators, which have increased capacity to 75,000 bfpd (+25,000 bfpd). The remaining four Bauer Field pad wells (Bauer-20 to -23) will be progressively brought online during Q1 FY16. Trucking of volumes beyond pipeline capacity also contributed to higher quarterly production.

Infrastructure installations and upgrades continued and are expected to sustain gross production in excess of 12,000 bopd through to the end of calendar year 2015. These activities included:

- Completion of the Stunsail facility, with installation of three separators and three production tanks providing capacity of 20,000 bfpd. Commissioning of the facility and trucking of first oil occurred in July 2015.
- Construction of the Pennington facility, which will comprise three separators and three production tanks providing capacity of 20,000 bfpd. Commissioning of the facility and trucking of first oil is expected by the end of Q1 FY16.

Earthworks and construction at the Pennington facility in ex PEL 91

- Trunkline installation to connect the Stunsail and Pennington facilities to the Bauer to Lycium network. Commissioning of the Stunsail shipping pump is expected in late Q1 FY16, followed by commissioning of the Pennington shipping pump in early Q2 FY16. The trunklines will alleviate the need for trucking of oil from Stunsail and Pennington to the Bauer facility.
- Completion of connections at Chiton-3, Hanson-2 and Balgowan-1, with all wells expected online in Q1 FY16.

Ex PEL 92

(Beach 75% and operator, Cooper 25%)

Oil production decreased 4% to 250 kbbl (net). Natural field decline was partially offset by installation of additional flowlines enabling improved deliverability, and improved facility performance following a separator cleaning campaign.

Ex PEL 106

(Beach 50% and operator, Drillsearch 50%)

Sales gas and LPG production decreased 7% to 62 kboe (net) and condensate production decreased 6% to 7.5 kboe, with reductions attributable to natural field decline. Engineering and design of several projects have commenced, including completion and connection of Ralgnal-1 and Canunda-2, and a compression project.

Kenmore and Bodalla

(Beach 100%)

Oil production of 42 kbbl (gross and net) was in line with the prior quarter.

Ex PEL 104 / 111

(Beach 40%, Senex 60% and operator)

Oil production decreased 8% to 143 kbbl (net) due to natural field decline. The second Namur Sandstone oil discovery, Martlet North-1, and Growler-14 are expected online in Q1 FY16.

SACB and SWQ JVs

Sales gas and gas liquids production increased 9% to 1,044 kboe (net) due to higher well capacity, and less downtime at the Moomba gas processing facility following completion of planned maintenance in Q3 FY15. Oil production decreased 1% to 210 kbbl (net), with natural field decline offset by new wells and in-wellbore projects brought online.

Egypt - Abu Sennan Concession

(Beach 22%, KEE 50% and operator, Dover 28%)

Production increased 60% to 61 kboe (net entitlement), due primarily to commissioning of the gas pipeline from the El Salmiya Field. The pipeline alleviates production constraints previously encountered due to gas flaring restrictions, and enables approximately 2,900 boepd of gross additional production (split between oil (52%) and gas (48%)). Production was also assisted by the Al Jahraa-4 appraisal well, which contributed its first full quarter of production.

DEVELOPMENT

Cooper Basin

Ex PEL 92

(Beach 75% and operator, Cooper 25%)

Callawonga-10 was the first of a two-well development and appraisal campaign in the Callawonga Field. The Callawonga Field, located in PPL 220, is a low relief anticlinal structure on the western flank of the Patchawarra Trough, located approximately 85 kilometres west of Moomba. Following reprocessing of previously acquired 3D datasets, the campaign was undertaken to appraise and accelerate oil production from the southern flank of the field. Callawonga-10 intersected a 3.3 metre gross oil column in the target Namur Sandstone and a 1.5 metre gross reservoir interval in the overlaying McKinlay Member, and was cased and suspended as a future producer.

South Australian Gas – SACB JVs

(Patchawarra East Joint Venture: Beach 17.14%, Santos 72.32% and operator, Origin 10.54%)

A three-well pad development campaign was completed in the Coonatie Field, located approximately 80 kilometres north-east of Moomba. The field is historically a gas and gas liquids producer from the Toolachee and Epsilon formations, however, recent reservoir studies and simulations identified potential for development of the Patchawarra Formation and Tirrawarra Sandstone. Coonatie-23, the last well of the campaign, was cased and suspended as a future producer following intersection of reservoir columns in the target zones. Campaign results were in line with pre-drill gas pay estimates and provide encouragement for assessment of further down-dip locations.

(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

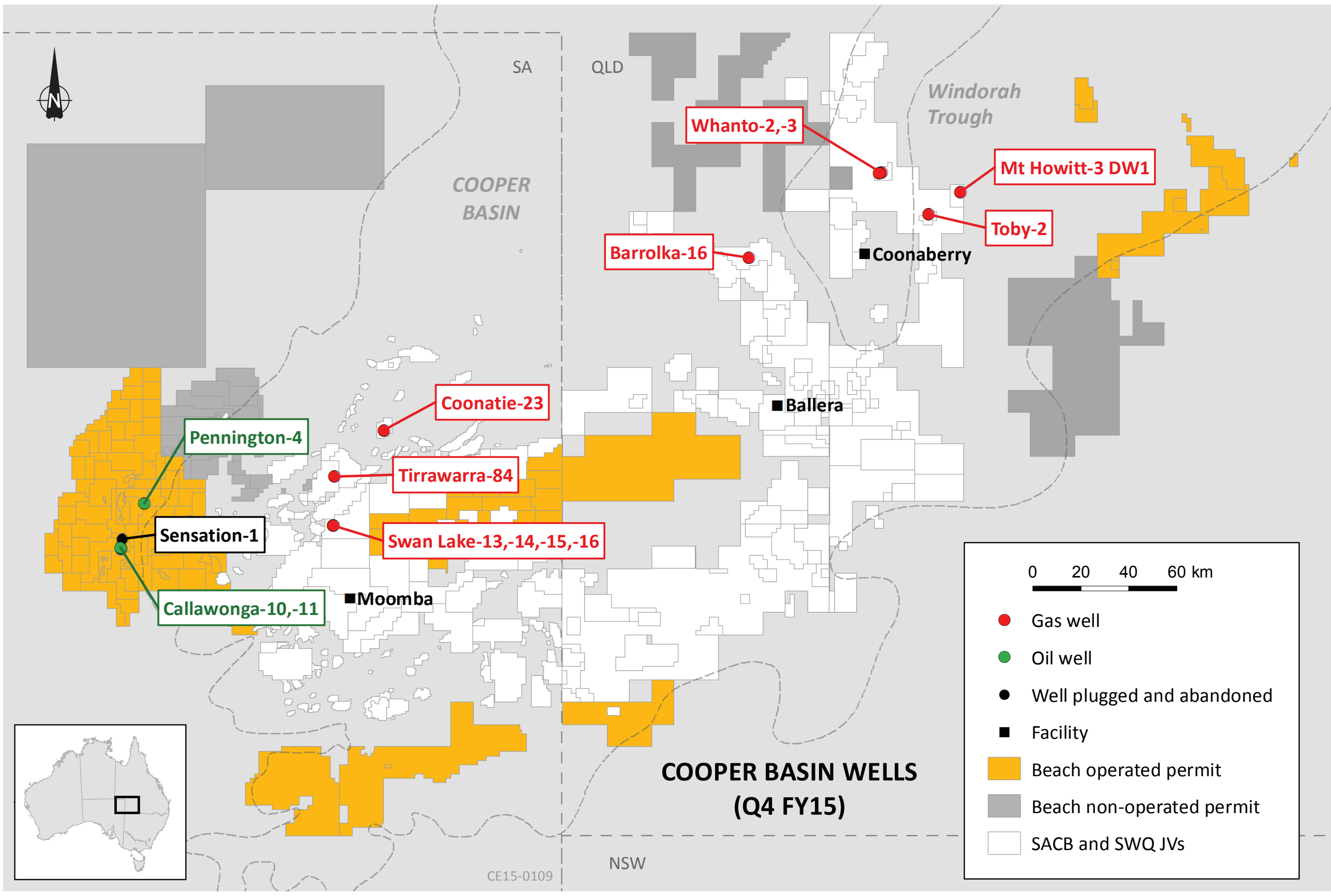
An evaluation of the Swan Lake Field, located approximately 30 kilometres north of Moomba, was undertaken in 2014 to assess current well performances, booked development and appraisal locations, and updated static and volumetric analyses. As a result of this review, a five-well campaign targeting the Patchawarra Formation is currently underway, which includes three crestal development wells and two down-dip appraisal wells. Swan Lake-13 and -16, the first two development wells in the campaign, were cased and suspended as future producers, with results in-line with pre-drill gas pay estimates. Swan Lake-14, the third development well in the campaign, reported low-side gas pay outcomes, with difficulties encountered interpreting initial logging results. The well was cased and suspended with further interpretation of results to occur pre-completion.

A six-well campaign in the Tirrawarra and Gooranie fields has commenced, targeting gas and gas liquids in the Patchawarra Formation. The campaign is being undertaken as a result of past drilling, which highlighted significant remaining potential within both gas and oil reservoirs, and findings from the detailed Patchawarra Formation study undertaken in 2011. Tirrawarra-84 is the first well in the campaign and was cased and suspended following intersection of gas pay in line with pre-drill estimates.

Queensland Gas – SWQ JVs

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

The 2015 Windorah-Marama development and appraisal program comprises a five-well development campaign, including two wells in the Whanto Field, two wells in the Mt Howitt Field and one well in the Toby Field. A five-well near-field exploration campaign will also be undertaken to test simple four-way dip closures, as well as potential for stratigraphic trap and basin centred gas plays across a large geographical area of the Windorah Trough. The 2015 program also includes pipeline installation from these fields to the existing Coonaberry gathering system, allowing existing wells to be brought online and additional capacity for development and near-field exploration drilling outcomes.



Whanto-2 and -3, located approximately 110 kilometres north-northeast of the Ballera gas processing plant in PL 148, are the first two wells of the five-well development campaign. The wells targeted the Toolachee and Patchawarra formations and were cased and suspended following intersection of gas pay in line with pre-drill estimates. Toby-2, located approximately 100 kilometres northeast of the Ballera plant in PL 145, also targeted the Toolachee and Patchawarra formations and was cased and suspended following a high-side gas pay outcome. Mt Howitt-3 DW1, the fourth well of the campaign, is located approximately 110 kilometres northeast of the Ballera plant in PL 141. The well was side-tracked after experiencing hole instability and subsequently cased and suspended, with a low-side gas pay outcome. Following a review of Mt Howitt-3 DW1 results, the drilling of Mt Howitt-4 has been deferred.

EXPLORATION AND APPRAISAL

Cooper Basin

Pennington-4, located in PRL 163, was an appraisal well drilled to assess upside potential of the Namur and Mid Namur reservoirs in the Pennington Field, with assessment of the lower Birkhead Formation a secondary objective. The well was drilled to appraise and develop the southern part of the oil bearing anticlinal structure, as intersected by Pennington-1 and Pennington-2. The well was cased and suspended as a future producer following intersection of a 2.5 metre net oil column in the target Namur Sandstone, and a 4.2 metre gross oil bearing interval in the overlaying McKinlay Member.

Processing of the Solidus 3D seismic survey (covering 492 km^2) and associated reprocessing (for total 3D seismic survey coverage of 950 km^2) continued. Interpretation of results is expected to commence later in Q1 FY16. Processing of the Caseolus 3D seismic survey for the inversion project, which covers 509 km^2 in the ex PEL 91 permit, was completed. Interpretation of results will commence in Q1 FY16, with a focus on identifying Birkhead Formation leads.

Ex PEL 92

(Beach 75% and operator, Cooper 25%)

Callawonga-11 was the second well of a two-well development and appraisal campaign in the Callawonga Field, as detailed previously. Callawonga-11 intersected a 2.4 metre net oil column in the target Namur Sandstone and a 1.8 metre gross oil bearing interval in the overlaying McKinlay Member and was cased and suspended as a future producer.

The Sensation-1 exploration well, located in PRL 98, was drilled to test the mapped crest of an anticlinal structure located approximately three kilometres north of the Callawonga Field. The Namur Sandstone was targeted, however no pay was intersected and the well was plugged and abandoned.

Processing of the Caseolus 3D seismic survey inversion project, which covers 164 km^2 in the ex PEL 92 permit, was completed. Interpretation of results will commence in Q1 FY16, with a focus on identifying Birkhead Formation leads.

South Australian Gas – SACB JVs

(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

The Swan Lake Field campaign comprises two down-dip appraisal wells, which follow the drilling of Swan Lake-11 in 2014 and the previously mentioned studies. Swan Lake-11 intersected undepleted gas sands in the Patchawarra Formation and Tirrawarra Sandstone and proved the extension of the field into the adjacent fault block. Swan Lake-15, the first appraisal well of the campaign, was cased and suspended as a future producer, with gas pay outcomes in line with pre-drill estimates. Beach has elected not to participate in the second appraisal well (Swan Lake-12).

Queensland Gas – SWQ JVs

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

A four-well development and appraisal campaign was completed in the Barrolka Field, located approximately 55 kilometres north of the Ballera plant. The primary objectives of the campaign were to convert undeveloped reserves on the main culmination to developed reserves, and to de-risk future development drilling. Barrolka-16, the final well of the campaign, was cased and suspended. The campaign proved successful with all wells cased and suspended, gas pay outcomes in-line with expectations and the presence of gas sands identified, which may lead to further development drilling on the Barrolka North and Barrolka Northeast culminations.

Australia – Otway Basin

T/49P – Offshore Otway

(Beach 30%, 3D Oil 70% and operator)

Processing of data from the 974 km^2 Flanagan 3D seismic survey was completed, with identification of prospects expected during Q1 FY16.

International – Egypt

Abu Sennan Concession

(Beach 22%, KEE 50% and operator, Dover 28%)

The ASA-3 ST1 oil appraisal well is located 0.5 kilometres southeast from ASA-1 ST3, and approximately one kilometre north of the El Salmiya Field. The well reached total depth of 3,290 metres, with logging indicating six metres of net pay in the Abu Roash "E" Formation. This zone was subsequently completed and is now producing.

International – Tanzania

Lake Tanganyika

(Beach 100%)

Processing and interpretation of data from the 2D seismic survey in the prospective East African Rift was completed. Incorporating 1,333 line kilometres of marine survey and 107 line kilometres of marine-land transition survey, the seismic surveys were programmed to verify drilling options identified from aeromagnetic and gravity surveys flown in 2010, and the 2,080 line kilometres of 2D seismic acquired in August 2012. An onshore drilling opportunity has been identified, with work continuing to identify drilling solutions for both the onshore and offshore prospects.

WELL RESULTS

Area	Category	Wells Spudded	Wells Completed	Successful Wells	Success Rate	Successful Well Name
Cooper Basin	Gas – Exploration	-	-	-	-	
	Gas – Appraisal	2	2	2	100%	Barrolka-16; Swan Lake-15
	Gas – Development	9	9	9	100%	Coonatie-23, Mt Howitt-3 DW1; Swan Lake-13, -14, -16; Tirrawarra-84; Toby-2: Whanto-2, -3
	Oil – Exploration	1	1	-	0%	
	Oil – Appraisal	2	2	2	100%	Pennington-4, Callawonga-11
	Oil – Development	1	1	1	100%	Callawonga-10
Egypt	Oil – Exploration	-	-	-	-	
	Oil – Appraisal	-	1	1	100%	ASA-3 ST1
Total		**15**	**16**	**15**	**94%**	
All Exploration Wells		1	1	-	0%	
All Appraisal Wells		4	5	5	100%	
All Development Wells		10	10	10	100%	

CORPORATE

Romania

Beach Petroleum (CEE) s.r.l., a wholly owned subsidiary of Beach, transferred its 30% interest in Block 28 Est Cobalcescu to the operator, Petroceltic Romania B.V., a wholly owned subsidiary of Petroceltic International plc (AIM: PCI), for nominal consideration. The transaction was approved by the National Agency for Mineral Resources of Romania. Beach has no further commitments in Romania.

Egypt

The sale process in relation to Beach's Egyptian assets is progressing. Beach expects to be in a position to provide a transaction update in Q1 FY16.

Tanzania

Woodside Tanzania Limited advised of its decision not to enter into the next period of the exploration program relating to the Lake Tanganyika South Production Sharing Agreement ("LTS PSA") in Tanzania, with Woodside's interest in the permit returning to Beach. Beach has preserved its right to proceed into the next exploration period under the LTS PSA and is currently assessing all options for the permit.

Organisational review

A whole-of-organisation review commenced during the quarter, with a plan developed that includes a review of: 1. strategic direction, 2. organisational model, and 3. organisational capability.

The first phase of the plan – review of strategic direction – has been completed and outcomes will be communicated prior to the release of full year results. The next phases of the review are underway and will take into account the revised strategy, as well as benchmarking against peers. Outcomes of these phases of the review will be communicated during H1 FY16.

SUBSEQUENT EVENTS

Gas sales agreement

On 1 July 2015 Beach commenced deliveries of sales gas under the long term sales gas agreement with Origin Retail (announced 10 April 2013). Key benefits to Beach from the agreement include attractive oil-linked pricing with other parameters, and expected delivery of significant sales gas volumes over an initial eight year period (total volumes of up to 139 PJ), with a two year extension available to Origin Retail (for total volumes of up to 173 PJ over the full ten year period). It is expected that sales gas delivery under the long term GSA will increase over the course of FY16, while legacy contracts continue to be serviced.

Bonaparte Basin

Beach completed the acquisition of TOAG, which delivered to Beach TOAG's 45% interest in EP 126. While the transaction is immaterial to Beach, terms of the transaction remain confidential. Beach has a resulting 100% interest in the permit and is reviewing options for future activities, which may include farm-down to a suitable partner to fund further appraisal and development efforts.

FY16 Guidance

Guidance in relation to FY16 production volumes and capital expenditure was provided on 29 July 2015. Production guidance of 7.8 to 8.6 MMboe (net of fuel usage) reflects:

- Natural field decline, particularly with respect to operated and non-operated oil permits;
- Curtailed drilling activity due to the industry-wide focus on preserving cash reserves and liquidity;
- Timing of new wells and facilities coming online; and
- No impact from potential weather related events, other unforeseen operational delays, exploration successes or corporate activity.

Despite lower expected production in FY16, gas sales volumes in FY16 are expected to be higher than FY15 levels as a result of likely drawdown from storage.

The FY16 capital expenditure program has been prepared under the assumption of a continuing lower oil price environment, with a focus on preserving cash reserves and maintaining liquidity. The guidance range of $240 – $270 million comprises:

- Development expenditure of $190 – $210 million; and
- Exploration expenditure of $50 – $60 million.

GLOSSARY

3D Oil	3D Oil Ltd
$	Australian dollars
ASX	Australian Securities Exchange
ATP	Authority to Prospect
bbl	barrels
Beach	Beach Energy Ltd
bcf	billion cubic feet
bfpd	barrels of fluid per day
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
bopd	barrels of oil per day
Cooper	Cooper Energy Ltd
Cooper Basin	Includes both Cooper and Eromanga basins
Dover	Dover Investments Ltd
Drillsearch	Drillsearch Energy Ltd
EP	Exploration permit
Ex PEL 91	Replaced by Petroleum Retention Licences 151 to 172
Ex PEL 92	Replaced by Petroleum Retention Licences 85 to 104
Ex PEL 104 / 111	Replaced by Petroleum Retention Licences 136 to 150
Ex PEL 106	Replaced by Petroleum Retention Licences 129 and 130
Ex PEL 218	Replaced by Petroleum Retention Licences 33 to 49
FY	financial year
GJ	gigajoule
GSA	gas sales agreement
kbbl	thousand barrels of oil
kboe	thousand barrels of oil equivalent
kt	thousand tonnes
KEE	Kuwait Energy Egypt Ltd
LPG	liquefied petroleum gas
MMbbl	million barrels of oil
MMboe	million barrels of oil equivalent
MMscfd	million standard cubic feet of gas per day
NTNG	Nappamerri Trough Natural Gas
Origin	Origin Energy Ltd
Origin Retail	Origin Energy Retail Ltd
pcp	prior corresponding period
PEL	Petroleum Exploration Licence
PRL	Petroleum Retention Licence
PJ	petajoule
Qtr	quarter
SACB JV	South Australian Cooper Basin Joint Venture, which includes the Fixed Factor Area (Beach 20.21%, Santos 66.6%, Origin 13.19%) and the Patchawarra East Block (Beach 17.14%, Santos 72.32% and Origin 10.54%)
SACB and SWQ JVs	The Delhi operations, which incorporate the SACB JV and the SWQ JVs
Santos	Santos Ltd
Senex	Senex Energy Ltd
SWQ JVs	South West Queensland joint ventures
TOAG	Territory Oil and Gas Pty Ltd
Woodside Tanzania	Woodside Energy (Tanzania) Ltd