

Morgan Stanley Australian Next Leaders Conference

September 2015



Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with oil, gas 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 2015 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.

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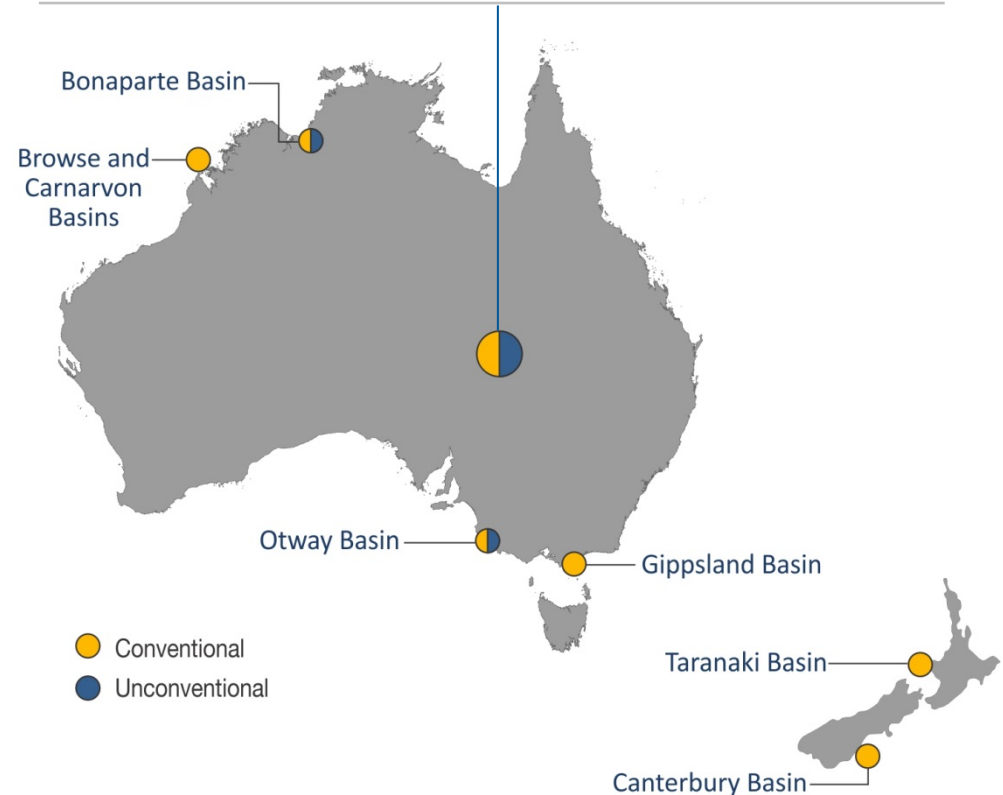
Company Overview



A re-aligned focus closer to home

- Diversified hydrocarbon explorer and producer; core expertise in the Cooper and Eromanga basins
 - Australia's largest onshore oil producer
- Owner of strategic infrastructure linking key energy markets
- Executing strategy to become Australia's premier upstream oil and gas company
- Market capitalisation ~\$700 million¹
- Fully funded FY16 exploration program anticipated

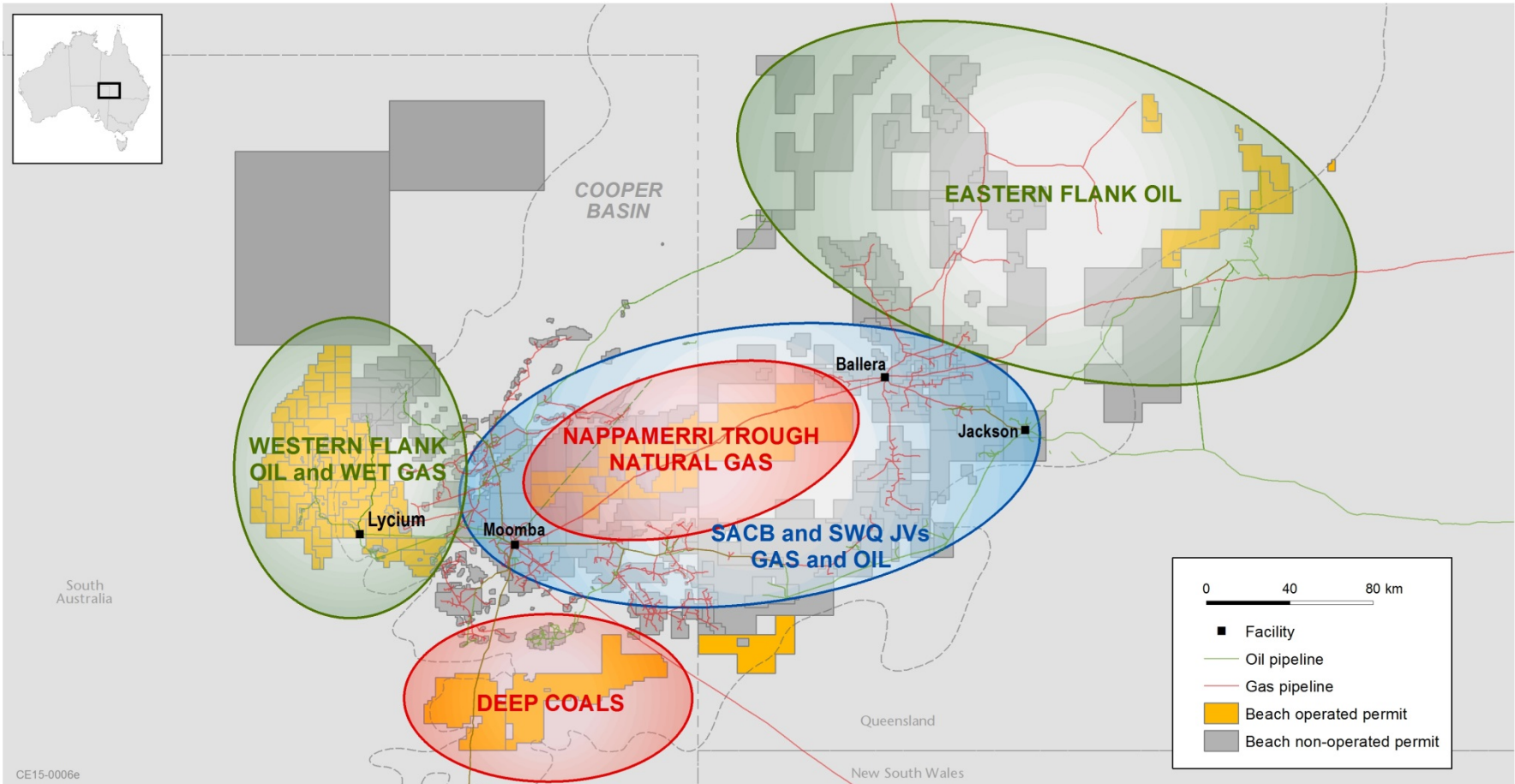
Cooper and Eromanga Basins				
	Oil	Gas	Gas Liquids	Tight Gas
Operated	✓	✓	✓	✓
Non-operated	✓	✓	✓	✓



1. As at 19 September 2015

Multi-play Cooper Basin acreage

Australia's most prolific onshore hydrocarbon basin, with gross acreage of c.50,000 km²



Our refreshed vision, purpose and values

Vision

- To be Australia's premier multi-basin upstream oil and gas company

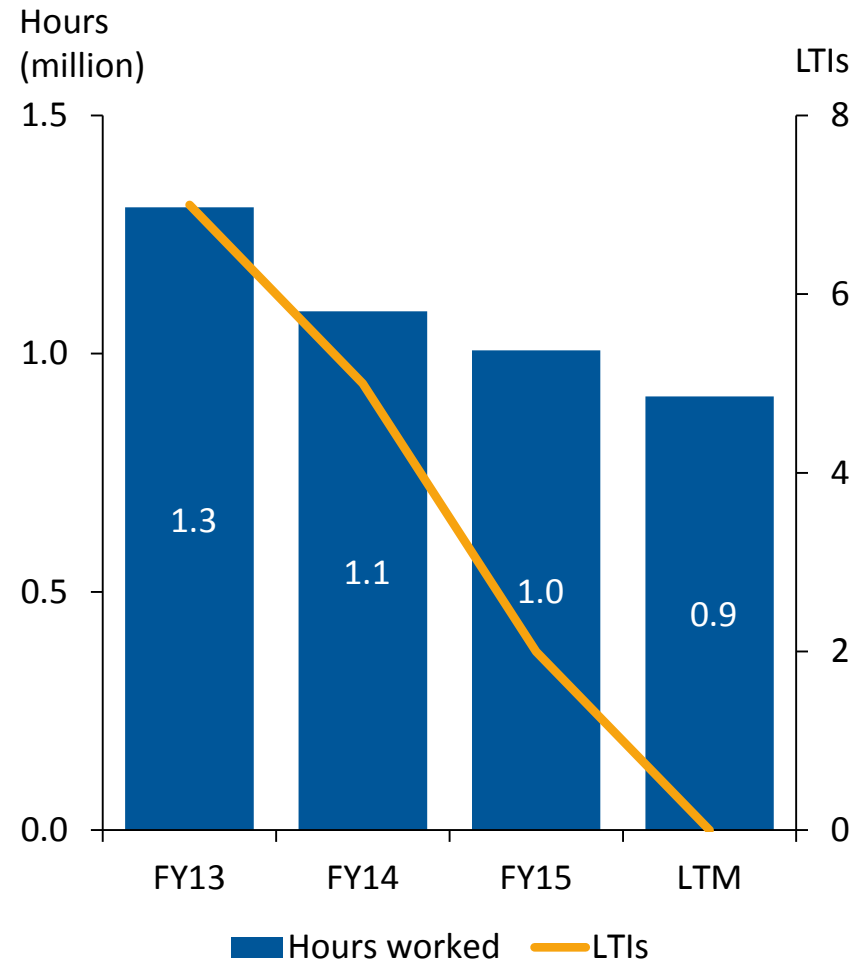
Purpose

- To deliver sustainable growth in shareholder value

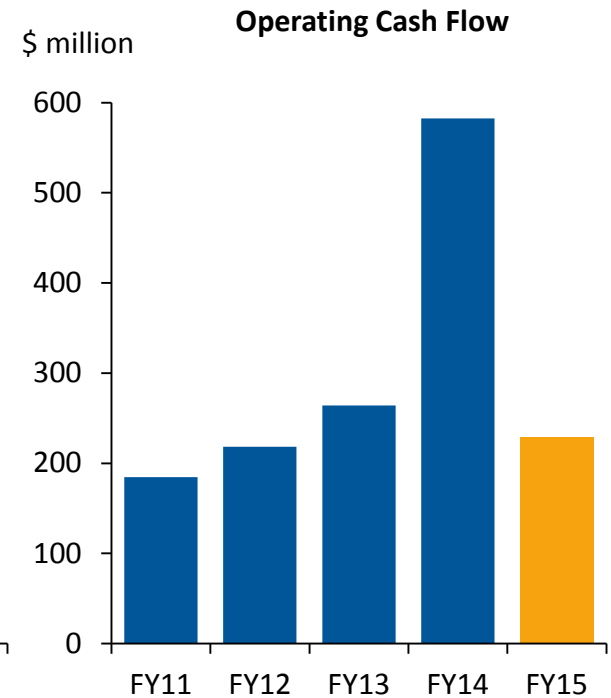
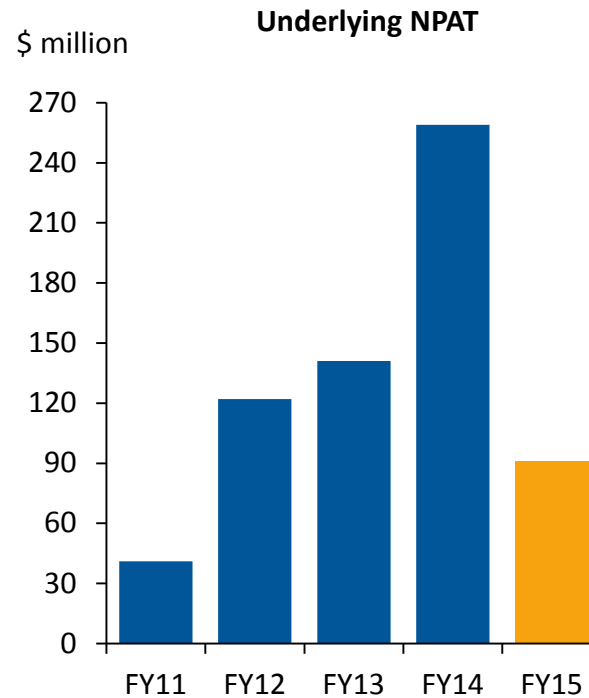
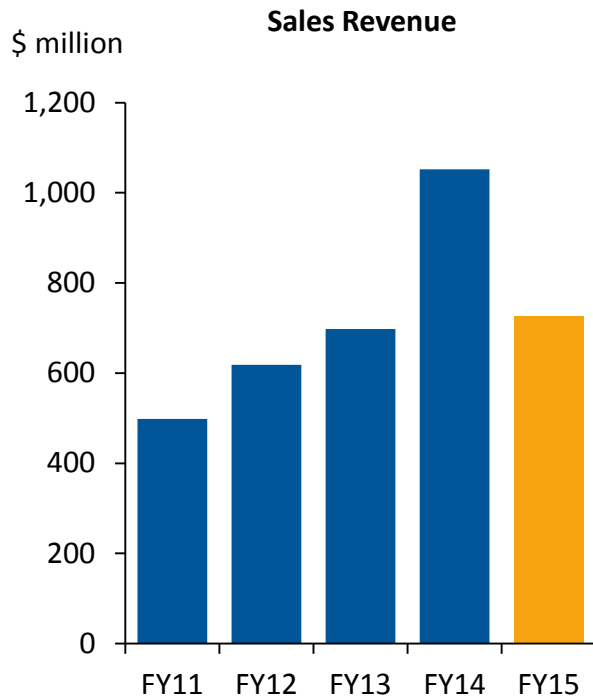
Values

- **Safety:** Takes precedence in everything we do
- **Creativity:** Continuously explore innovative ways to create value
- **Respect:** For each other, our communities and the environment
- **Integrity:** Be honest with ourselves and others
- **Performance:** Strive for excellence and deliver on promises
- **Teamwork:** Help and challenge each other to achieve our goals

Hours Worked and Lost Time Injuries



Financial overview



FY15 financial results

- Sales revenue of \$728 million
- Underlying NPAT of \$91 million
- Operating cash flow of \$229 million
- Cash balance of \$170 million; net cash of \$20 million
- Undrawn \$150 million secured debt facility
- Full year dividends of 1.5 cents per share

Production profile

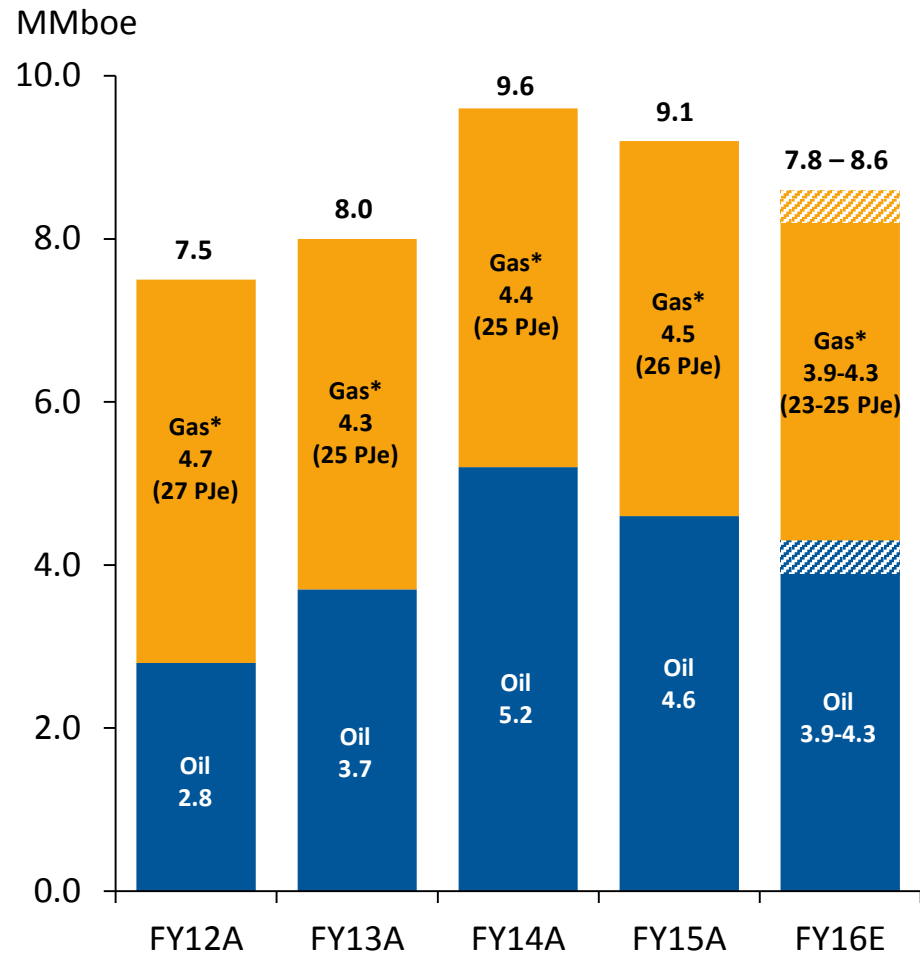
Financial year ended 30 June 2015

- Production of 9.15 MMboe
 - 51% oil; 49% gas and gas liquids
- Operated oil production driven by:
 - Bauer facility upgrade;
 - Six of 10 Bauer Field development wells online; and
 - Flowlines at maximum capacity
- 121 wells completed
 - 88% overall success rate
 - 52% exploration success rate
 - 82% appraisal success rate

Financial year ending 30 June 2016

- Production guidance of 7.8 – 8.6 MMboe

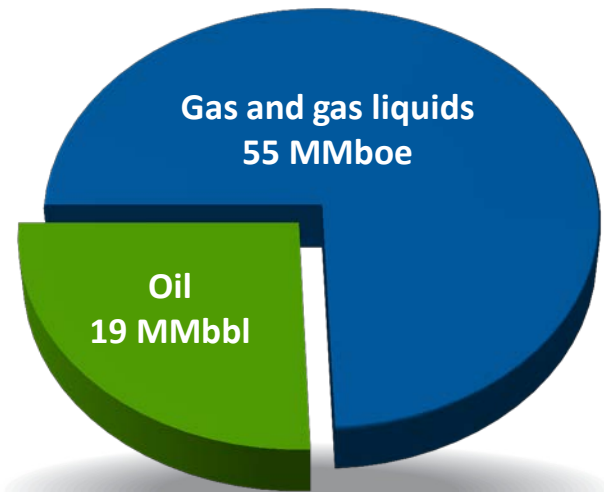
Actual and Forecast Production



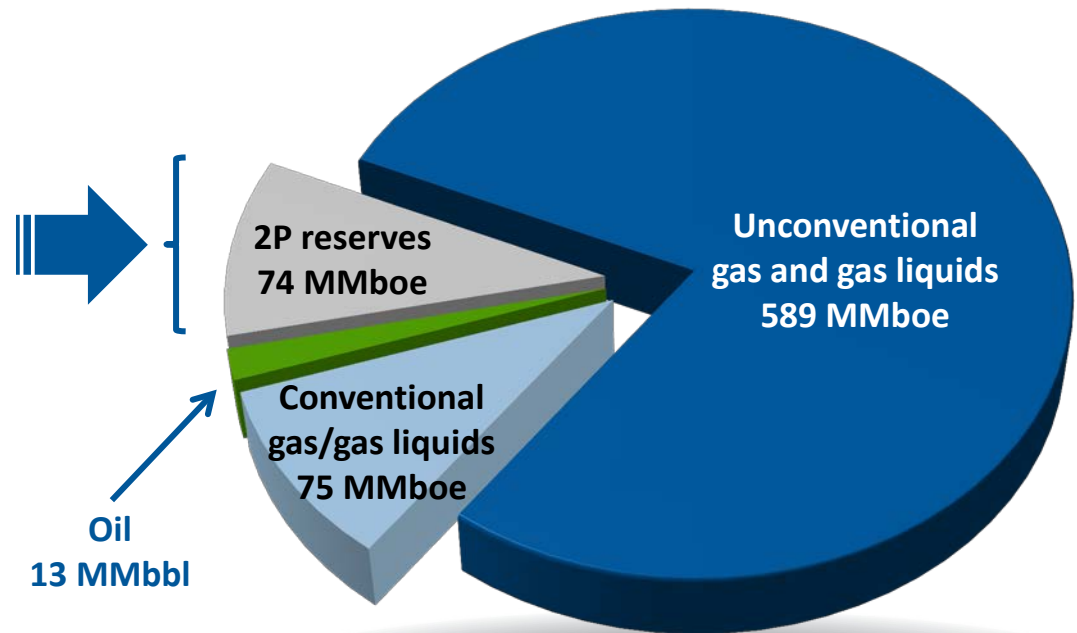
* Gas and gas liquids; totals may not sum due to rounding

Reserves and contingent resources¹

2P: 74 MMboe



2P and 2C: 751 MMboe



1. As per announcement to the Australian Securities Exchange on 24 August 2015; no new information has subsequently come to hand which would materially alter estimates or underlying assumptions

FY16 capital expenditure guidance

	Capital Expenditure (\$ million)	Expected Wells	Other Major Activities
DEVELOPMENT			
Cooper Basin	45 – 50	7 – 8	Bauer facility upgrade; Middleton gas compression
Cooper Basin (SACB and SWQ JVs)	145 – 160	28 – 30	Connection of Windorah-Marama area development
Total Development	190 – 210	Up to 38	
EXPLORATION			
Cooper Basin	30 – 35	10 – 12	PEL 87 / 424 seismic
Cooper Basin (SACB and SWQ JVs)	5 – 10	5 – 10	SACB JV coal fracs
Other Australia	5	2 ¹	Manta business case review
Unconventional	5	–	Bonaparte well test ¹ ; NTNG review
International	5	–	New Zealand work programs
Total Exploration	50 – 60	Up to 24	
TOTAL	240 – 270	Up to 62	

1. Otway conventional wells and Bonaparte well test both subject to farm-down

Strategic Outlook



Four-pillar strategy



**Optimise our core
in the Cooper
Basin**



Growth in core
business through
organic and inorganic
opportunities



**Build a
complementary
gas business in
east coast basins**



Establish gas business
in east coast basins to
benefit from increasing
demand from east
coast markets



**Pursue other
compatible growth
opportunities in
Australia and
nearby**



Disciplined approach
to mature current
opportunity set,
identify prospective
basins and execute
growth opportunities



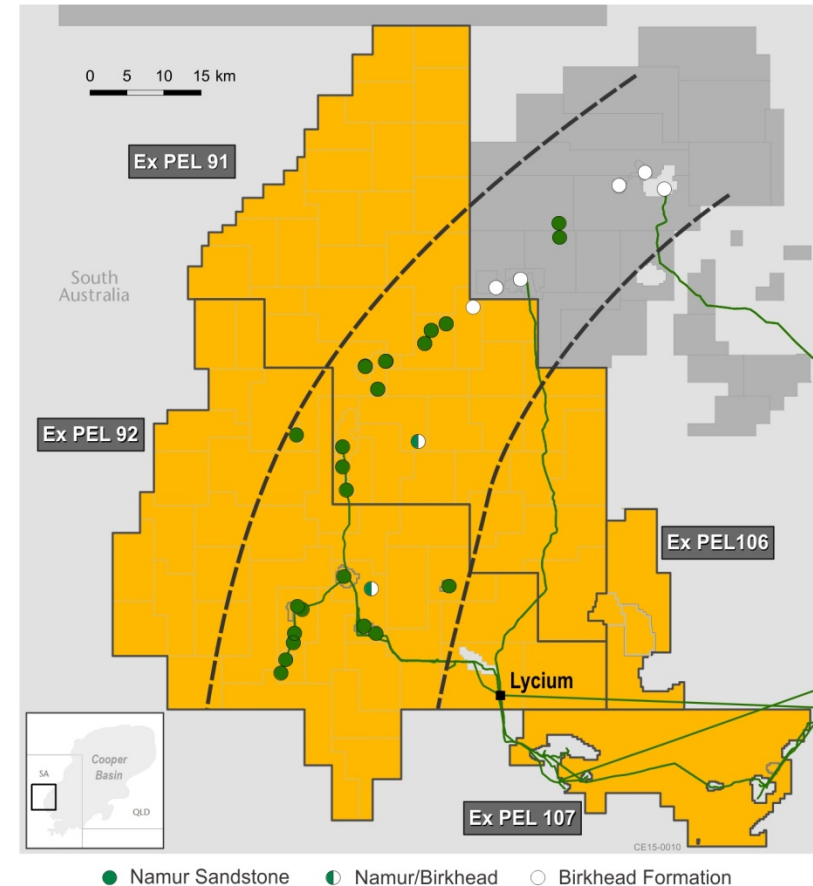
**Maintain
financial strength**



Supporting exploration,
growth options and
objective to achieve
sustainable growth in
shareholder value

Broad opportunity set in Cooper Basin

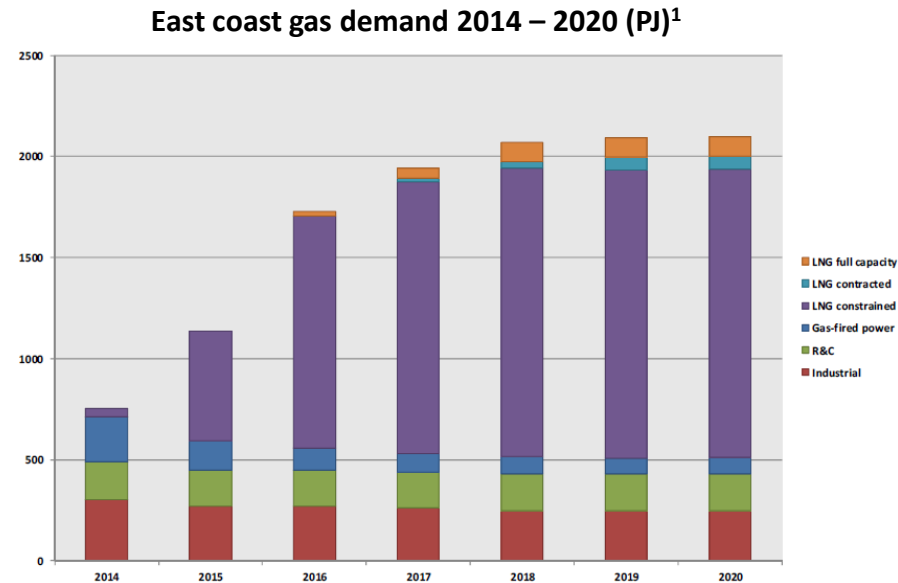
- **Maximise returns from existing assets**
 - Safety improvements
 - Operating efficiencies
 - Facility upgrades and optimisation
- **Re-invigorate exploration**
 - Comprehensive basin analysis
 - Unlock new play types
 - Technological advancements
- **Basin adjacencies**
 - Consolidation
 - Farm-ins
 - Gazettal opportunities



Re-focus on secondary targets is one aspect of re-invigorating exploration

Compelling east coast gas market thematic

- Three Queensland LNG plants at various stages of completion
 - QCLNG first cargo in January 2015
 - GLNG and APLNG first cargo expected in H2 CY15¹
- Potential coal seam gas feedstock shortfall for LNG export requirements
- Domestic gas shortage expected as LNG production ramps up
- Beach well positioned as an independent upstream gas supplier
 - Quality existing acreage accessing multiple markets
 - Prime unconventional acreage with step change potential

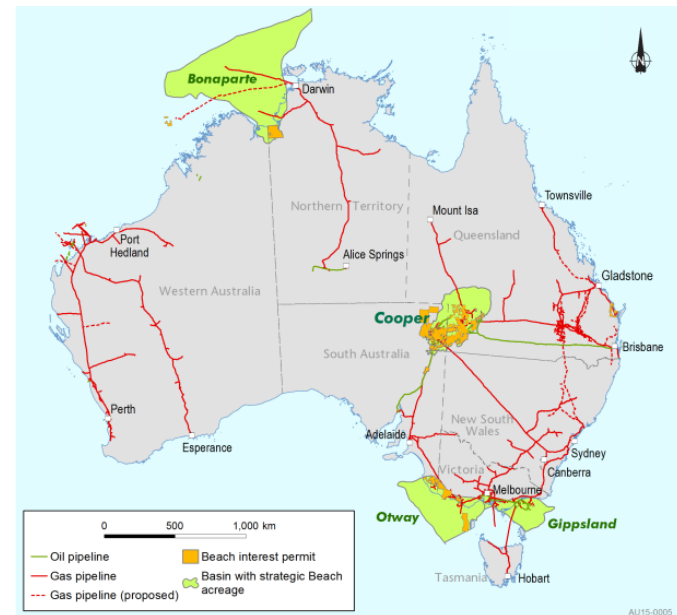


1. Source: EnergyQuest, March 2015

Transformational change for the Australian east coast gas market; higher gas prices driven by offshore LNG demand and increased finding and development costs

Multi-basin production

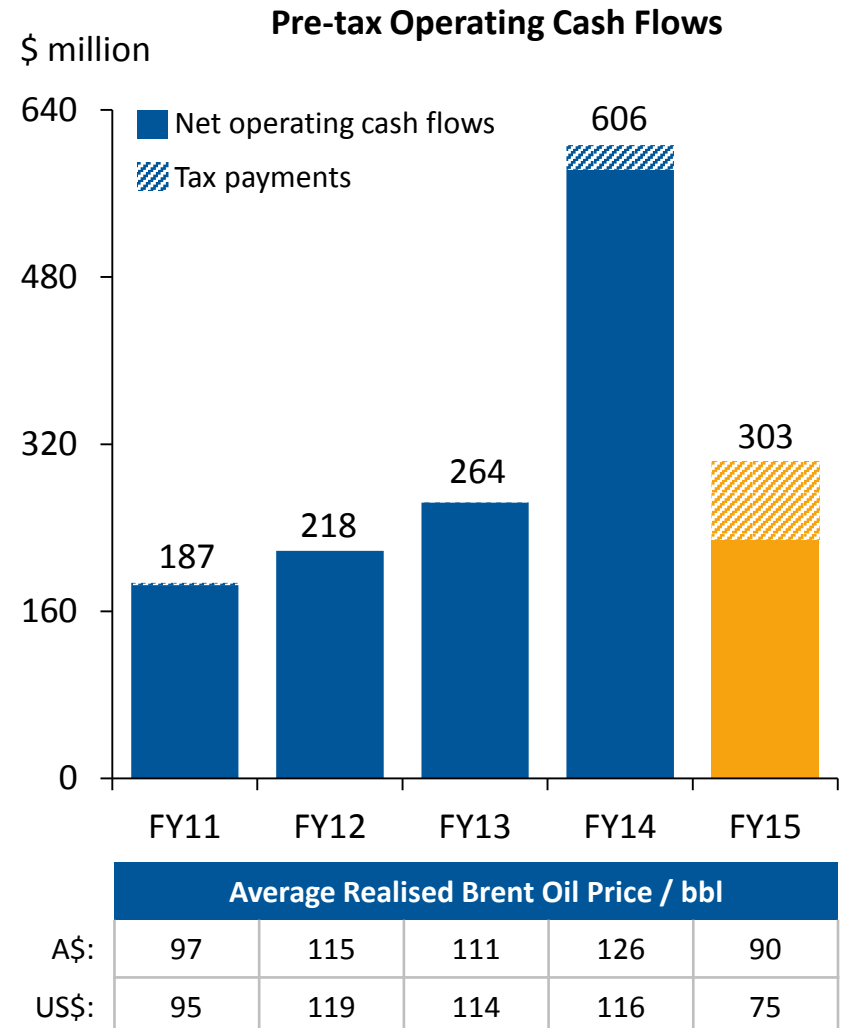
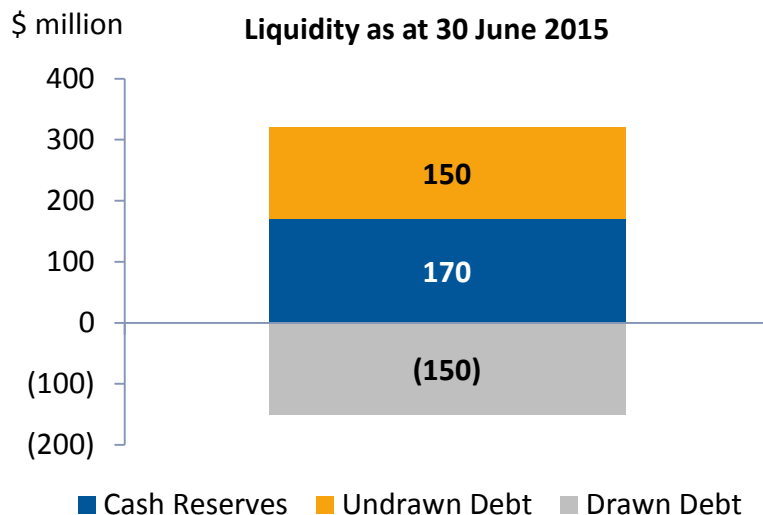
- Existing footprint beyond Cooper Basin provides established platform for expansion
 - Otway, Gippsland and Bonaparte basins; New Zealand
- Inorganic opportunities may include farm-ins, joint ventures and acquisitions



Multi-basin production a core element of Beach's vision

Robust financial position

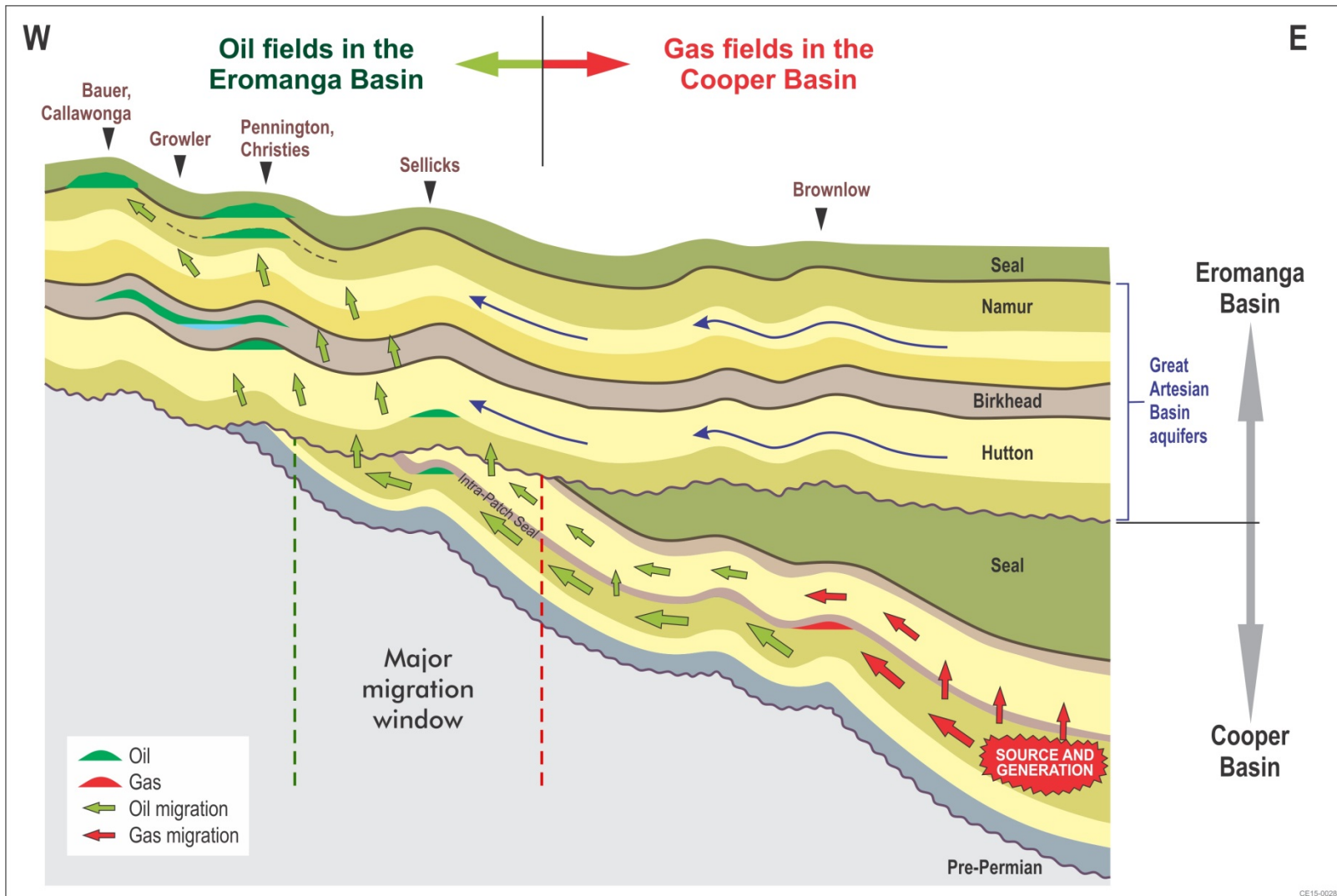
- Operating cash flows of \$303 million in FY15 (pre-tax)
 - Underpinned by high margin Western Flank oil operations
- FY15 cash flows framed FY16 capital expenditure program
- Year-end liquidity of \$320 million



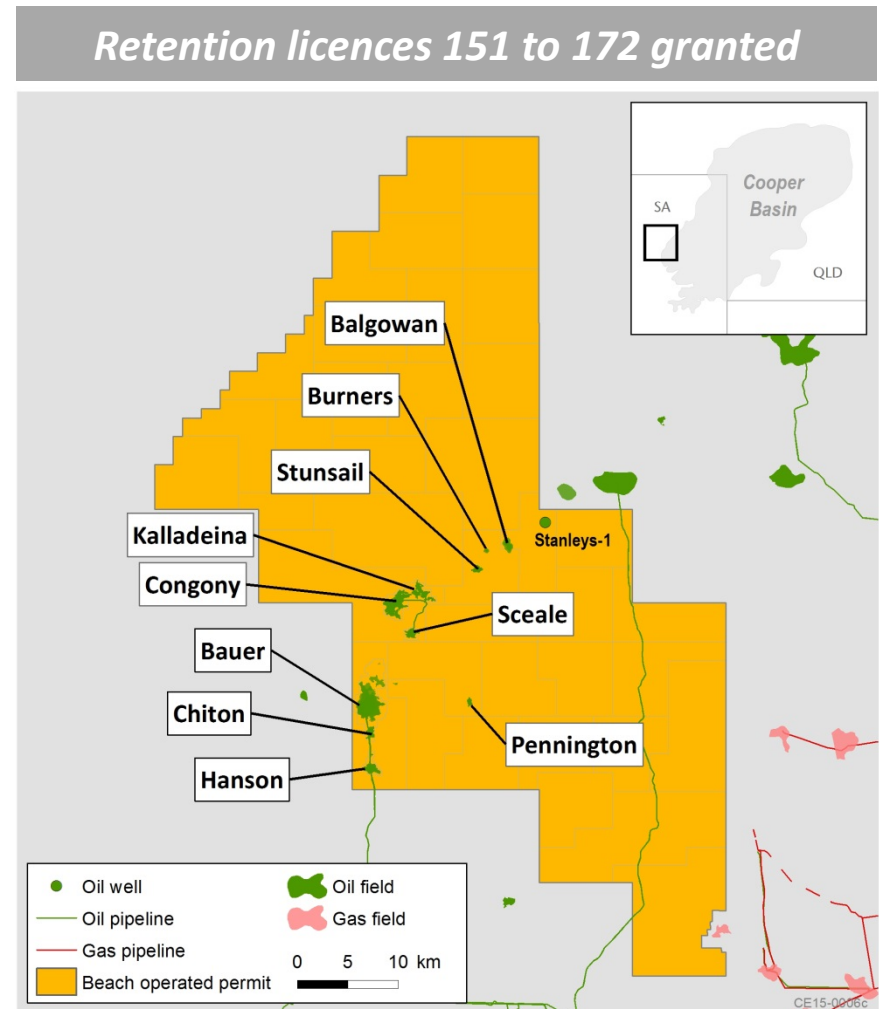
Cooper Basin: Western Flank



Western Flank oil migration path



- Beach 40% and operator, Drillsearch 60%
- FY15 gross production of 4.1 MMbbl (11,263 bopd)
- FY15 successes include:
 - Balgowan and Burners discoveries, confirming north-eastern extension of fairway;
 - Ten development wells in the Bauer Field, adding 2.7 MMbbl of net 2P reserves; and
 - Bauer facility expansion to 75,000 bfpd (+25,000 bfpd)
- Solidus 3D and associated re-processing ongoing (900 km²)



Bauer Field evolution

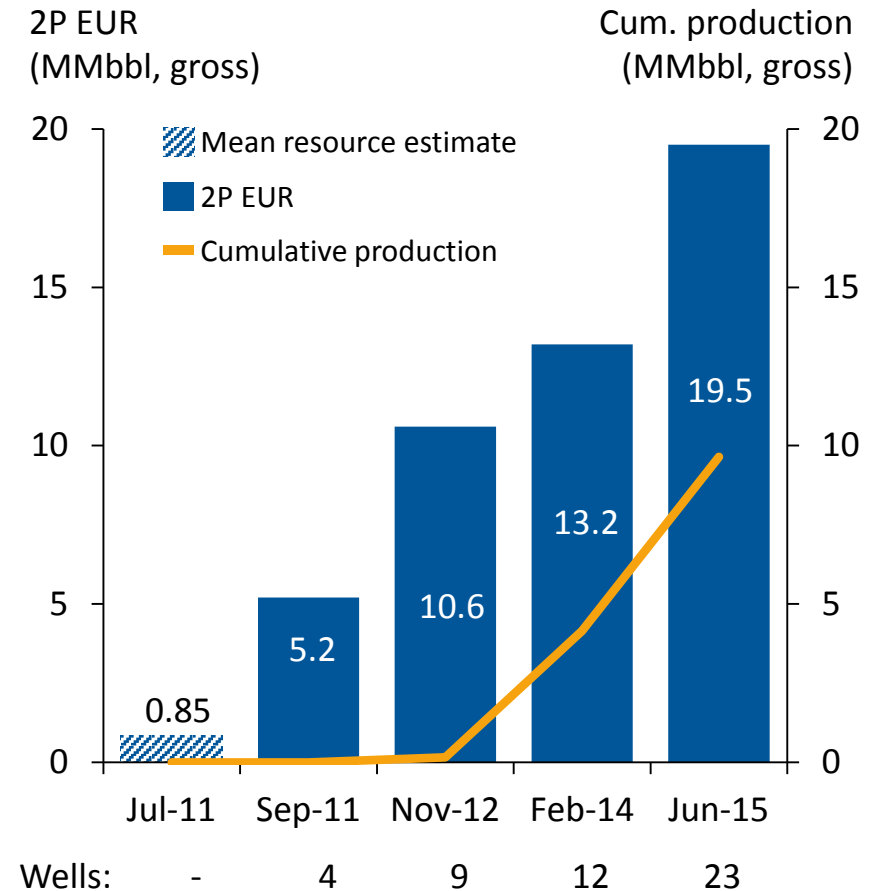
July 2011

- Bauer-1 targeted closure of 0.7 km² area and 6.0 metre height
- Mean prospective resource of 850 kbbl
- Mapped on Modiolus 3D seismic

June 2015

- 23 wells drilled, including two four-well pads
- 19.5 MMbbl 2P estimated ultimate recovery (gross)
- 75,000 bfpd handling capacity from associated infrastructure
- Approximate average peak flow rate from first 15 wells of 3,200 bopd

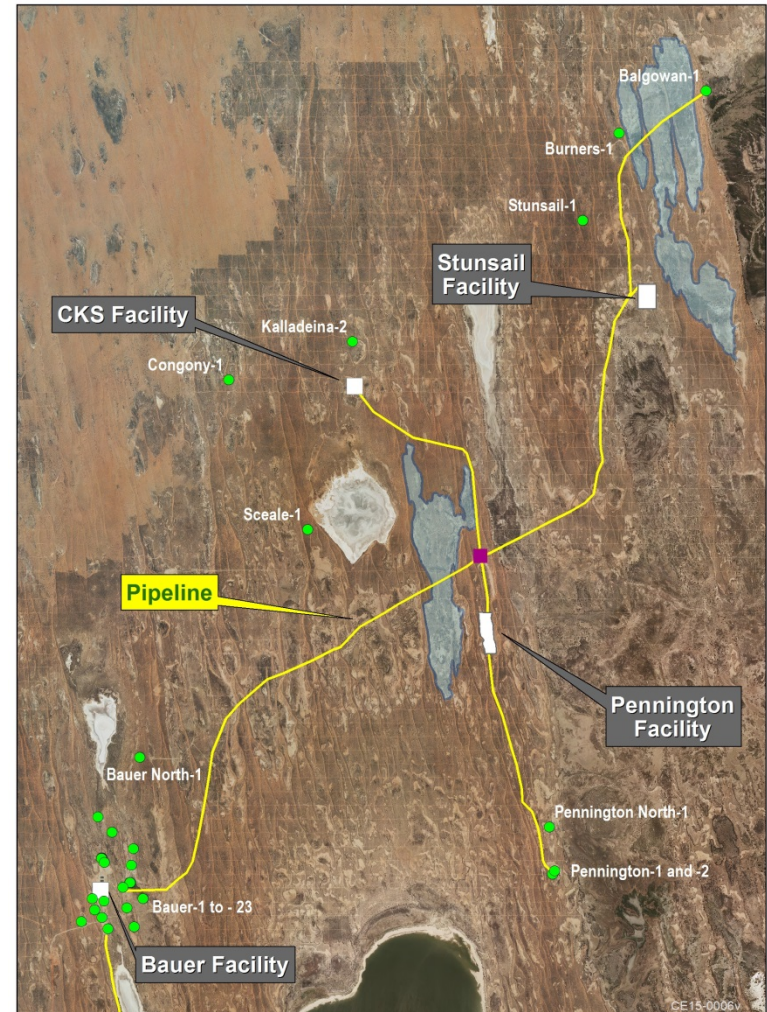
Bauer Field



Ex PEL 91 activities in FY16

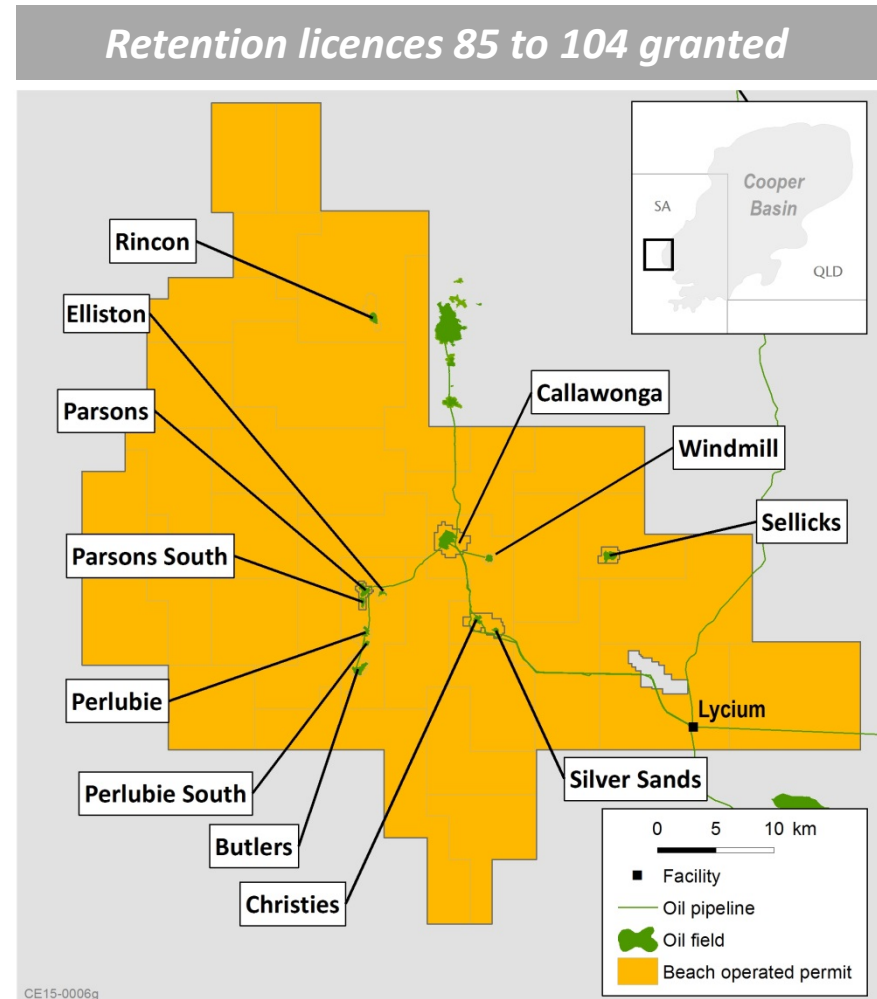
- Facility commissioning
 - Stunsail and Pennington facilities, each with 20,000 bfpd handling capacity
 - Pipelines to Bauer-Lycium network
- Facility upgrades
 - Bauer facility upgrade to 133,000 bfpd (+58,000 bfpd), subject to approvals
- Seven-well drilling campaign
 - Bauer and Hanson fields
 - Mix of exploration, appraisal and development wells

*Gross production in excess of
12,000 bopd expected into 2016*



- Beach 75% and operator, Cooper Energy 25%
- FY15 gross production of 1.5 MMbbl (4,110 bopd)
- FY15 successes include:
 - Two-well appraisal / development campaign in Callawonga Field;
 - Additional flowlines and separator cleaning campaign; and
 - Inversion of existing 3D seismic
- Four-well exploration / development campaign planned for FY16

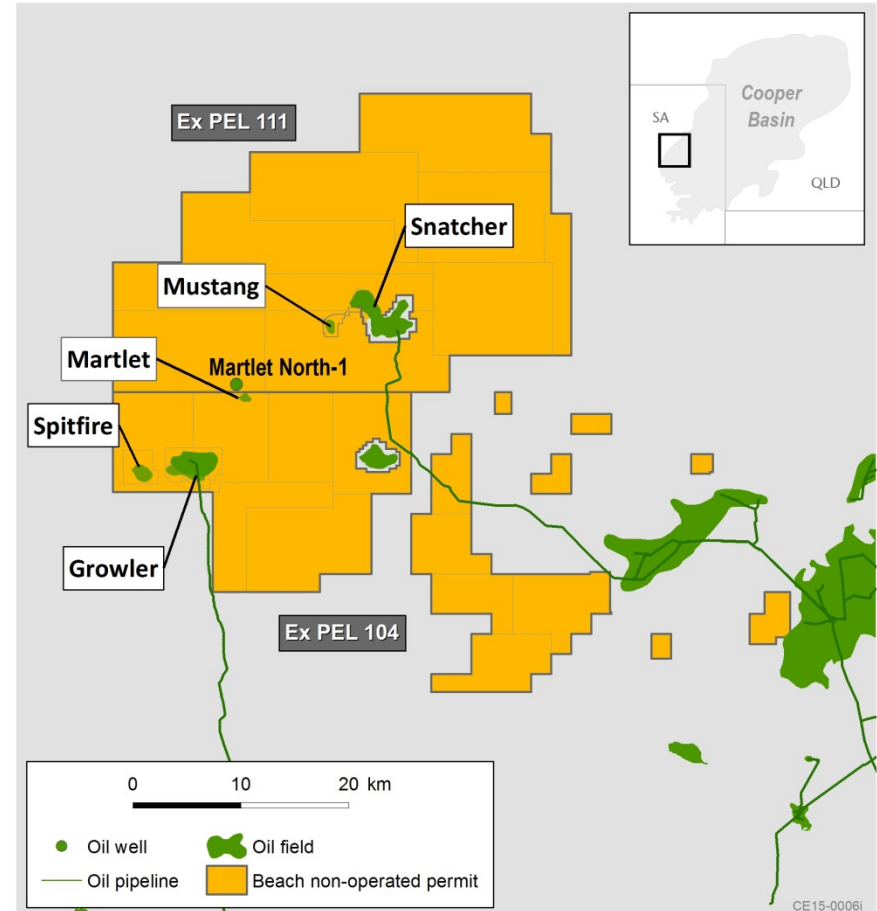
Seismic reprocessing and inversion to drive future exploration / appraisal drilling



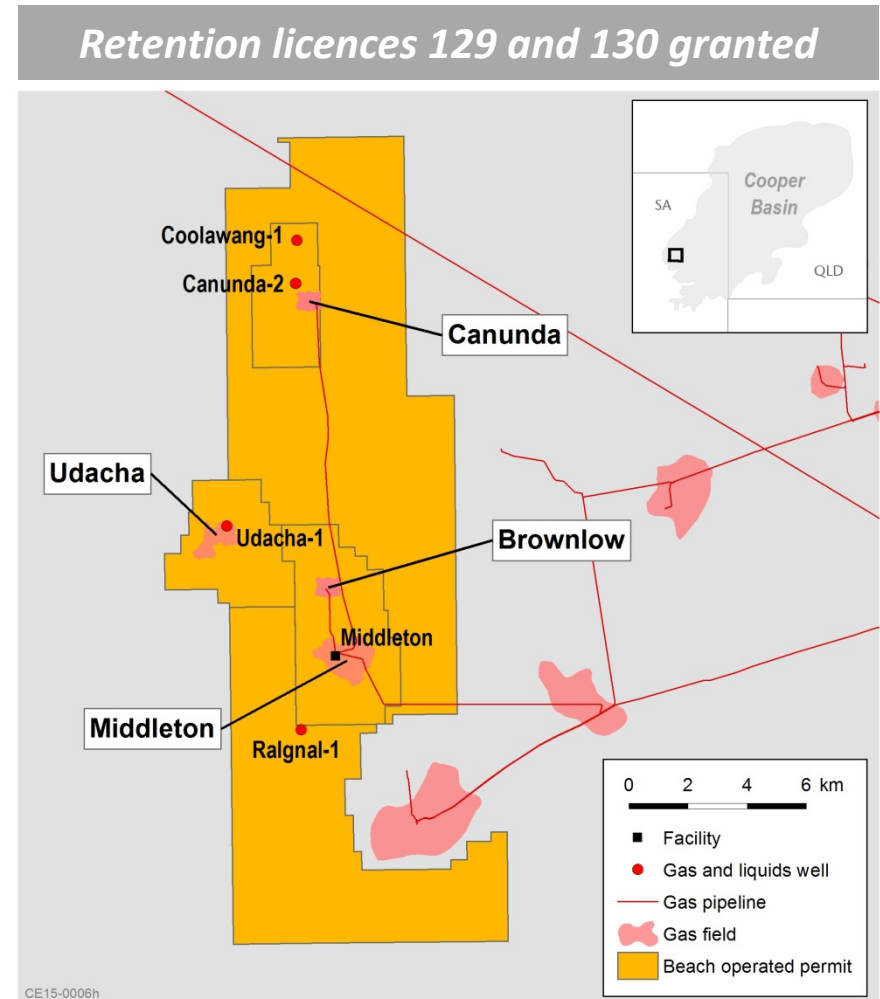
- Beach 40%, Senex 60% and operator
- FY15 gross production of 1.6 MMbbl (4,502 bopd)
- FY15 successes include:
 - Martlet-1 and Martlet North-1 Namur Sandstone oil discoveries; and
 - Production growth, with strong performance from Spitfire Field
- Historical focus on Birkhead Formation, but Namur discoveries provide a new play
- Up to four exploration / appraisal wells planned for FY16

Recent Namur Sandstone discoveries present new play type to be pursued

Retention licences 136 to 150 granted



- Beach 50% and operator, Drillsearch 50%
- FY15 gross production of 0.7 MMboe (1,794 boepd)
- Two of five exploration wells cased and suspended in FY15
- Planned FY16 activities include:
 - Two exploration wells;
 - Well completions and testing;
 - Four existing wells online; and
 - Compression project at Middleton
- Gas sales agreement with SACB JV to March 2016

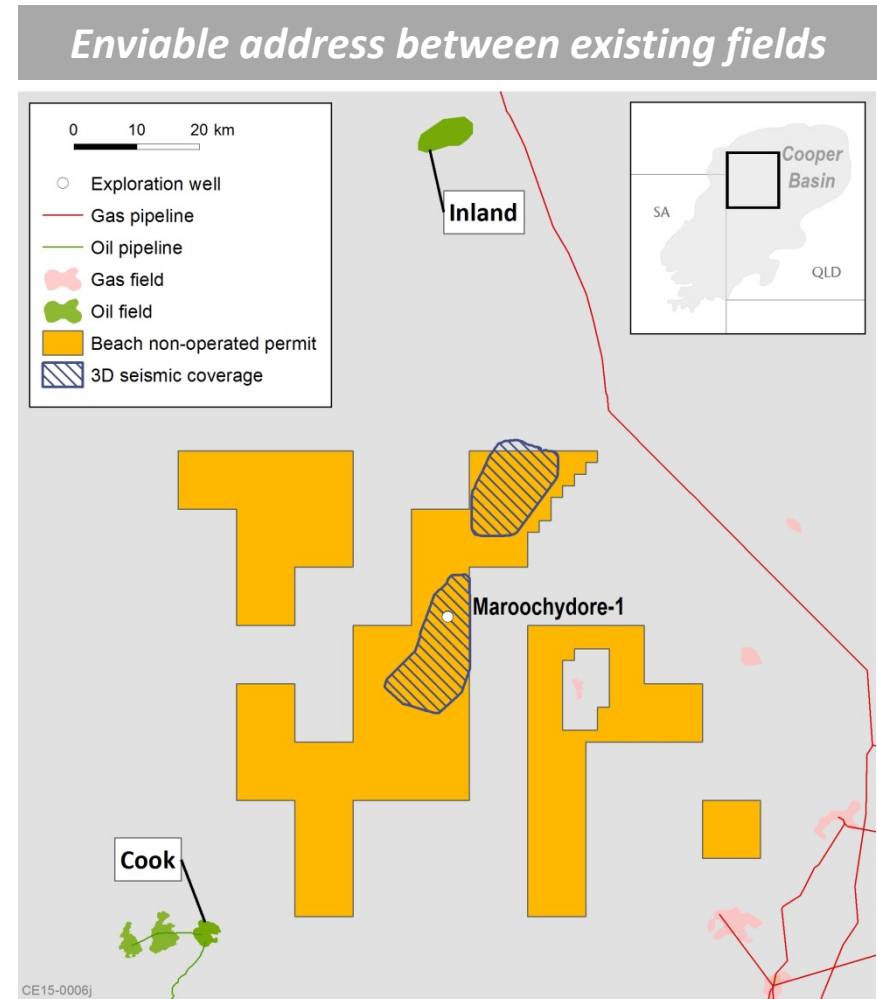


Cooper Basin: Eastern Flank

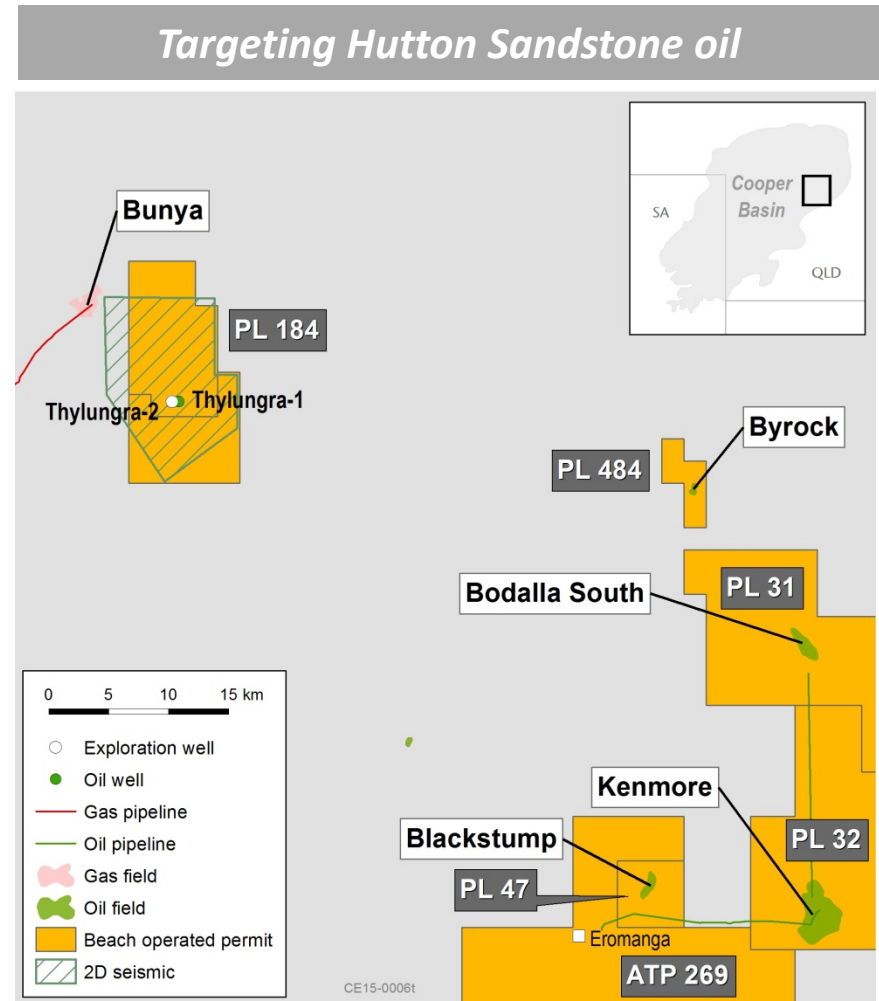


ATP 924: Maroochydore-1

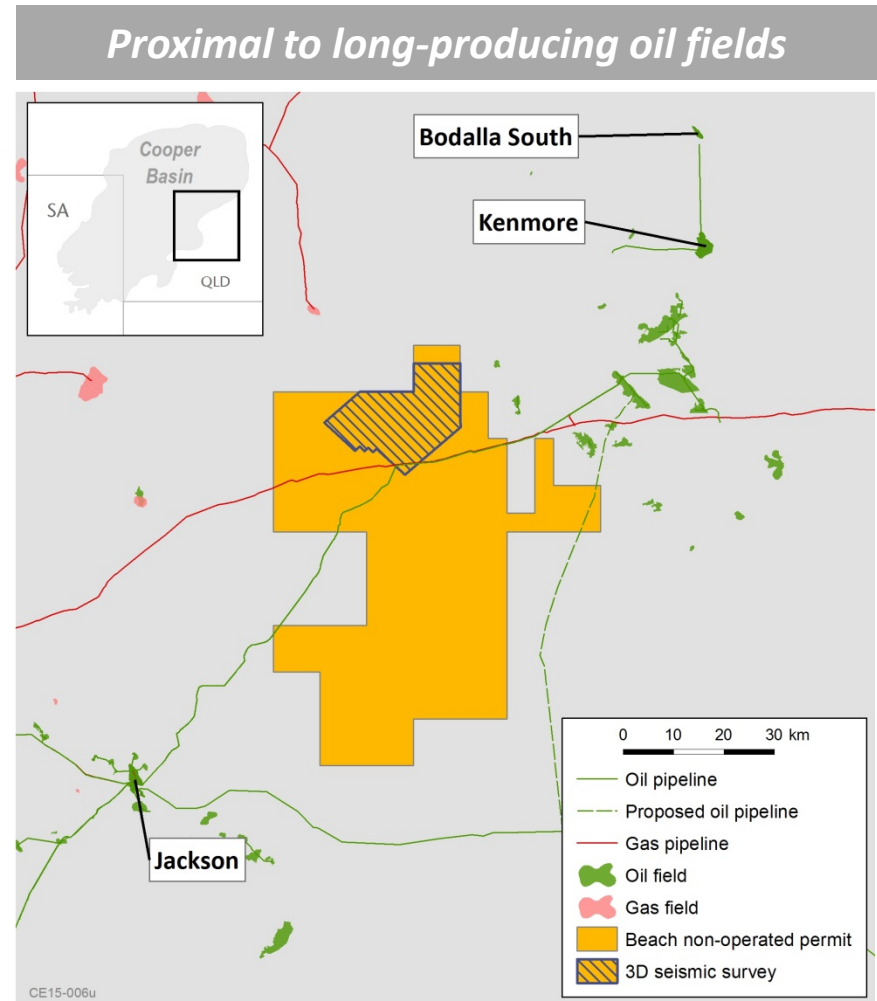
- Farming-in 45% with Drillsearch
- Located ~250 kilometres north-east of Moomba
 - Enviaible address between Inland and Cook oil fields
- Targeting Jurassic oil and Permian gas reservoirs on large structural ridges
- Agreement to drill up to two wells and acquire 3D seismic covering 150 km²
 - Acquisition, processing and interpretation of Hurrion 3D seismic complete
- Maroochydore-1 exploration well to be drilled in early Q2 FY16



- Beach 80.4% and operator, Australian Gas Fields 19.6%
- Thylungra-1 drilled in 1995; encountered oil shows in the Hutton Sandstone and Basal Jurassic Formation (BJF)
- Thylungra-2 to be drilled 15 metres up-dip of Thylungra-1
 - Targeting Hutton Sandstone, with BJF a secondary target
 - Also testing gas potential of Toolachee and Patchawarra formations
 - Structure well defined on 2D seismic
- Drilling in Q2 FY16 targeted



- Farming-in 50% with Bengal Energy
- Enviaible address proximal to long-producing oil fields
- Nassarius 3D seismic covering 306 km² acquired in 2014
- Seismic processing complete and interpretation underway
 - Excellent data quality
- Targeting Birkhead / Hutton reservoirs beneath and adjacent to meteorite disturbance
- Drilling in Q4 FY16 targeted

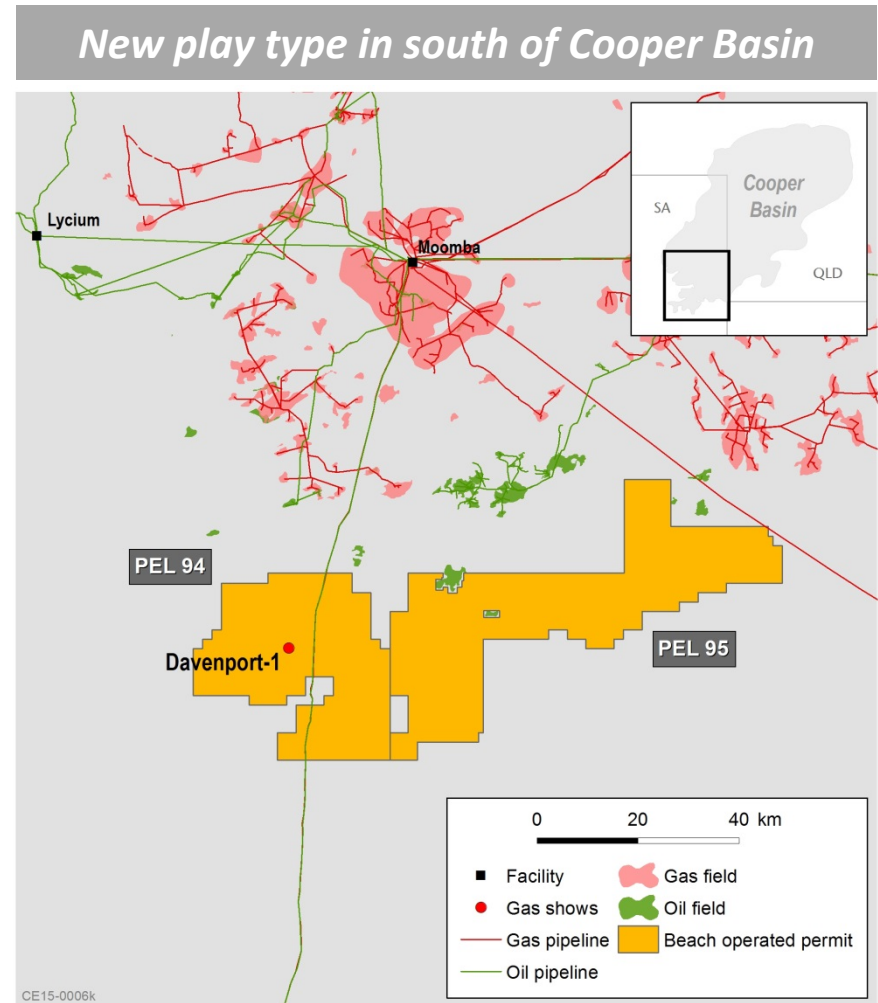


Cooper Basin: Other Operated Assets



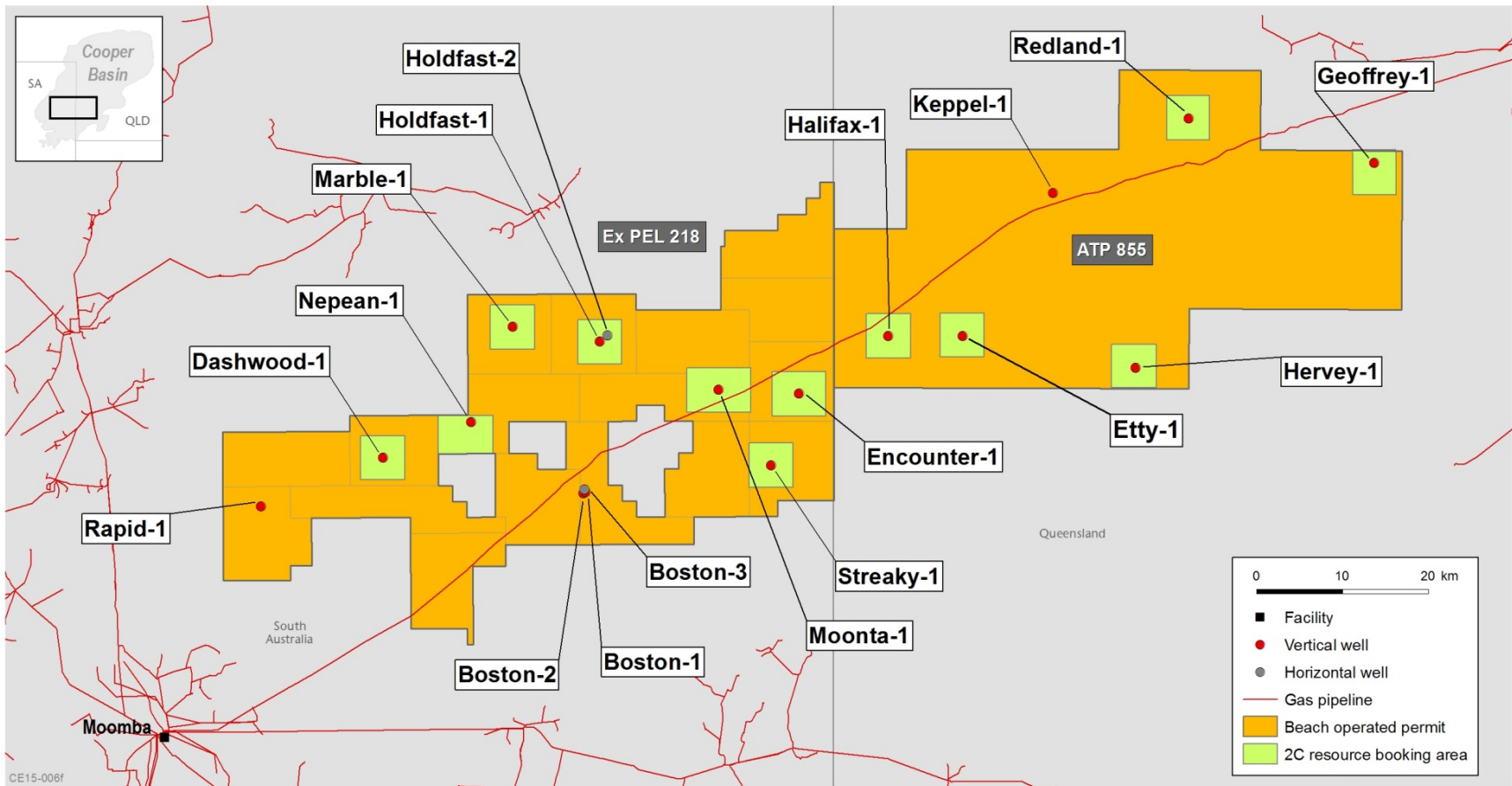
Deep Coals: PEL 94 / 95

- PEL 94: Beach 50% and operator, Strike Energy 35%, Senex Energy 15%
- PEL 95: Beach 50% and operator, Strike Energy 50%
- Targeting deep coals at 1,500 metres – 2,000 metres depth in PEL 94
- Well costs of ~\$3 million
- Davenport-1 gas exploration well:
 - Fracture stimulated over a lower zone in the VU Patchawarra coal; upper VM3 Patchawarra coal perforated
 - Fracture stimulation flow-back indicated good permeability
 - Proven gas content in core
 - Testing to continue in FY16



Nappamerri Trough Natural Gas

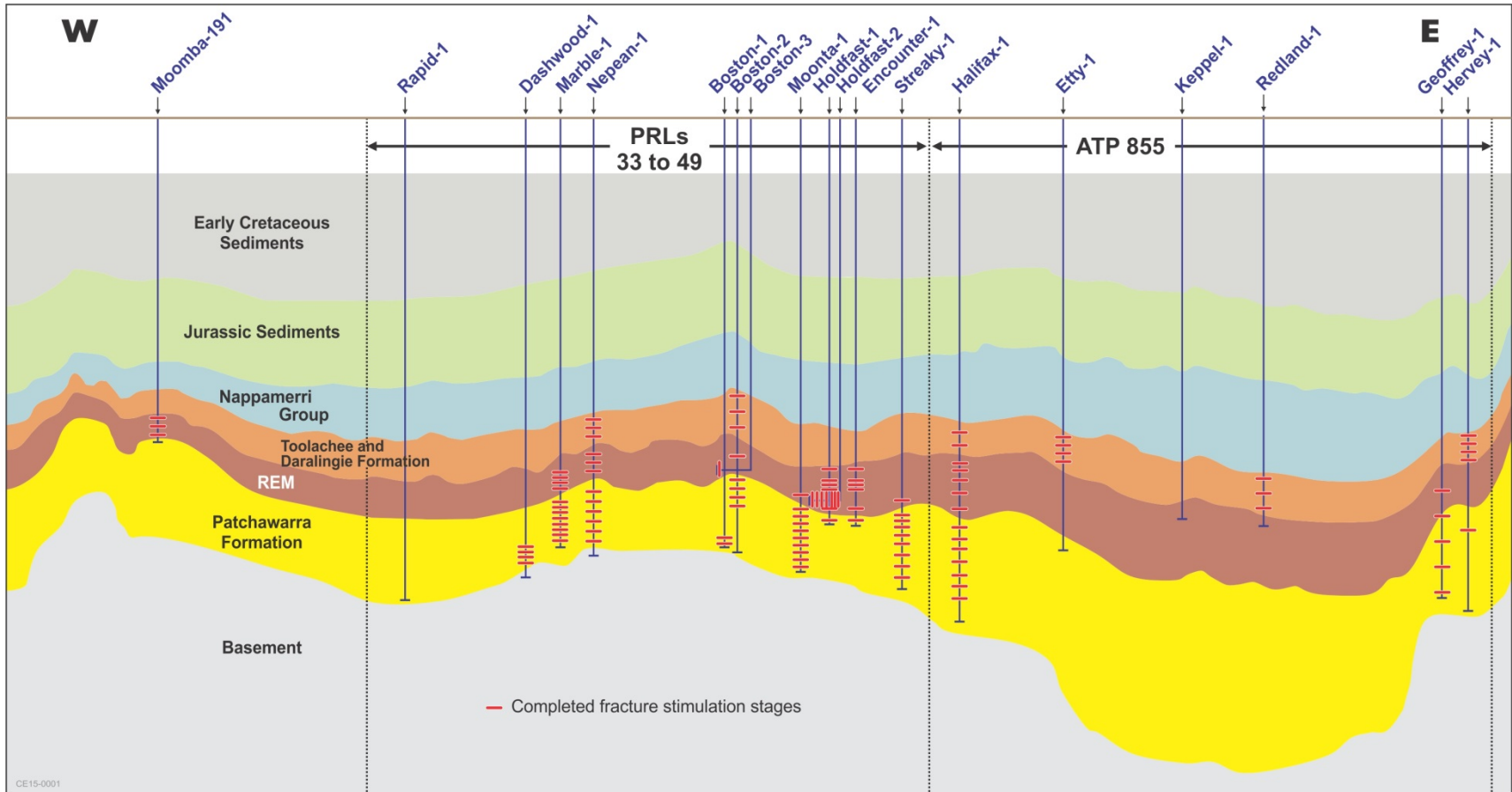
An aerially extensive resource, with permits covering more than 800,000 acres



Ex PEL 218 (PRLs 33 to 49) – Beach 100%; ATP 855 – Beach 64.9% and operator, Icon Energy 35.1%

NTNG Permian cross-section

In excess of 1,000 metres of gas saturated section across entire permit areas



NTNG Stage 1 exploration phase

Stage 1 exploration phase complete – all 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	✓ 495 MMboe contingent resources ¹

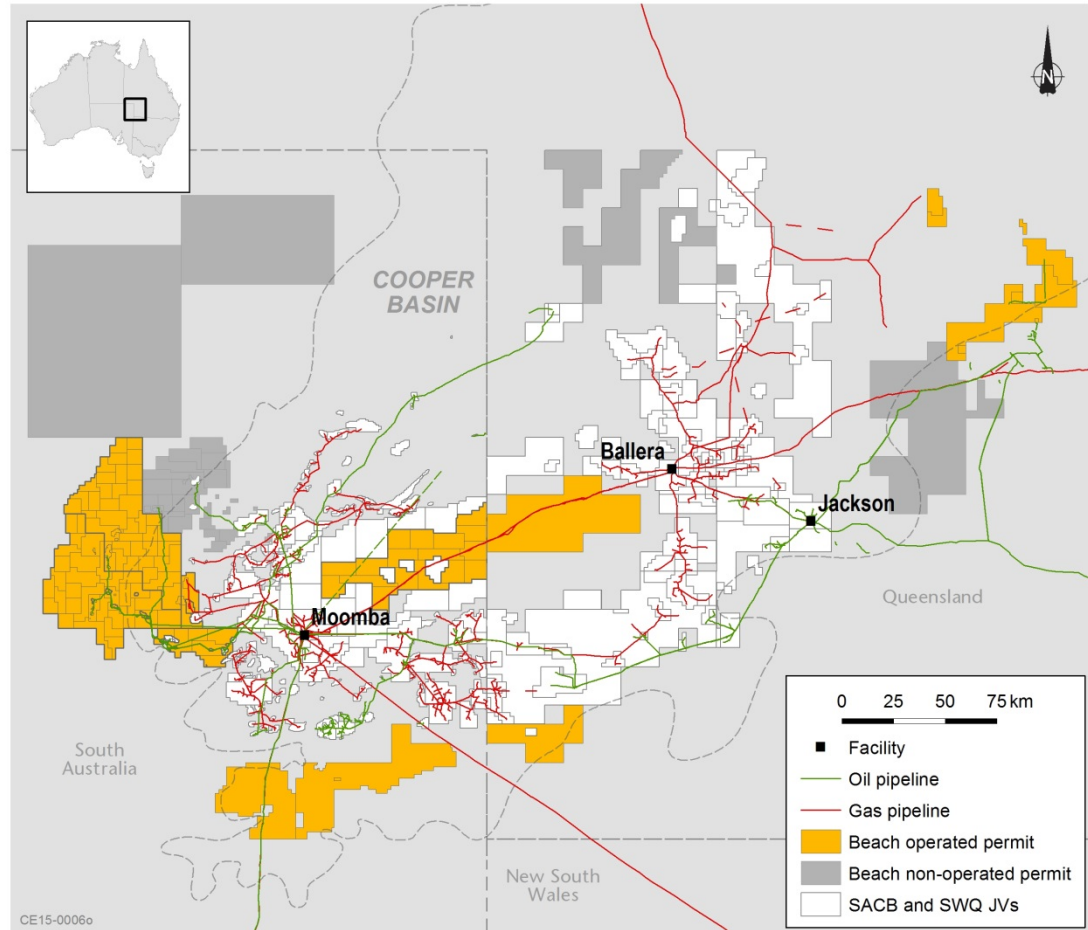
1. As announced to the Australian Securities Exchange on 21 August 2015; no new information has subsequently come to hand which would materially alter estimates or underlying assumptions

Cooper Basin: Delhi (SACB and SWQ JVs)



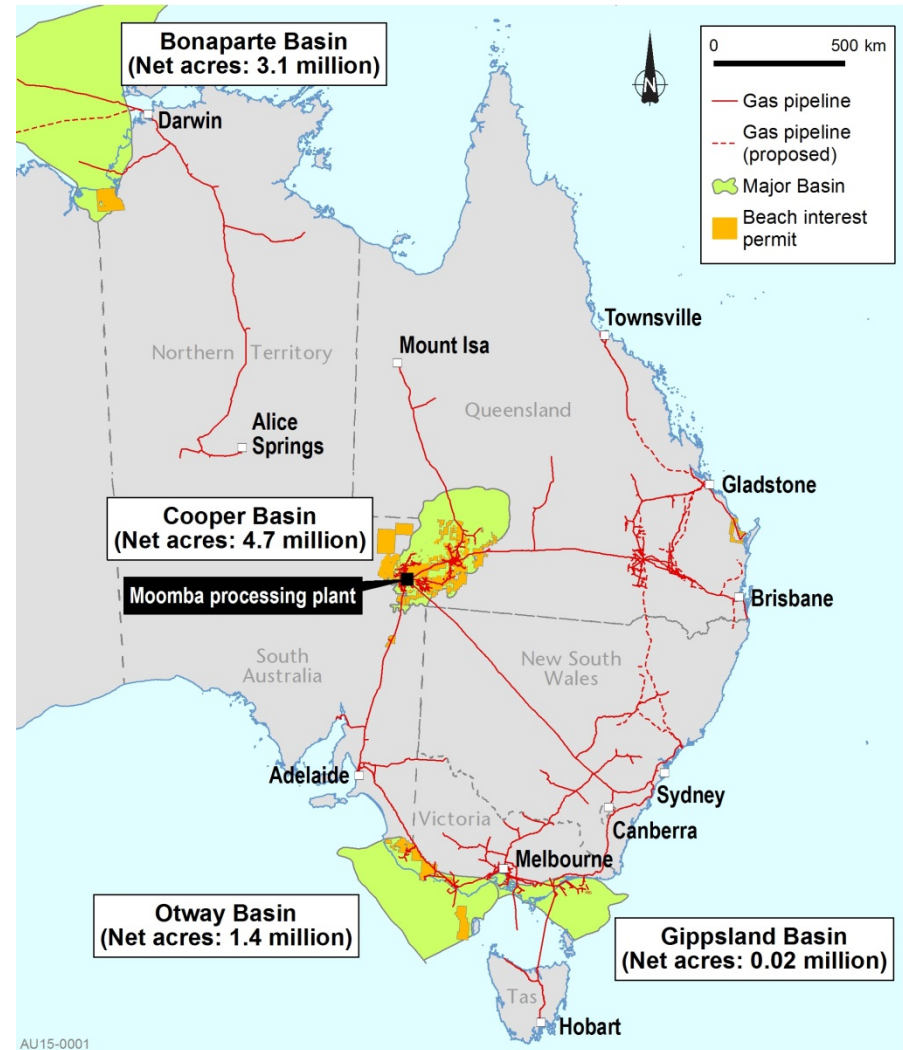
Delhi – SACB and SWQ JVs

- Significant acreage with strategic infrastructure
- Gross joint venture area of ~26,800 km² (~6.6 million acres)
- ~6,000 kilometres of flowlines
- Primary processing and transportation facilities
- Upside from shale and basin centred gas plays
- Beach ownership interests:
 - SACB JVs – ~17% and ~20%
 - SWQ JVs – ~20% to ~40%



Strategic infrastructure servicing key markets

- Strategic infrastructure interlinking key energy markets
- Moomba facility (Beach 20.21%) daily processing capacity of:
 - 375 TJ gas;
 - 35 kbbl oil / condensate; and
 - 600 tonnes LPG
- Moomba to Port Bonython flowlines
 - ~48 kbbl daily capacity (oil and gas liquids)
- Gas storage capacity of ~75 PJ
- Working with joint venture partners to drive asset operating efficiencies and assess monetisation options



Key Delhi gas transactions



- Origin gas sales agreement
 - Signed April 2013
 - 139 PJ over eight years; potential to extend to 173 PJ over ten years
 - Supply commenced 1 July 2015
- Transitional GSA for 2.3 PJ to 30 June 2015



- PEL 106B – SACB JV raw gas sales agreement
 - Signed March 2013
 - Minimum of 10 Bcf



- Chevron Nappamerri Trough joint venture agreement
 - Partnered for NTNG Stage 1 exploration
 - Significant investment by Chevron in program
 - All Stage 1 technical objectives met

High value opportunities

Exposure to oil linked gas prices with other parameters

Quality counterparties

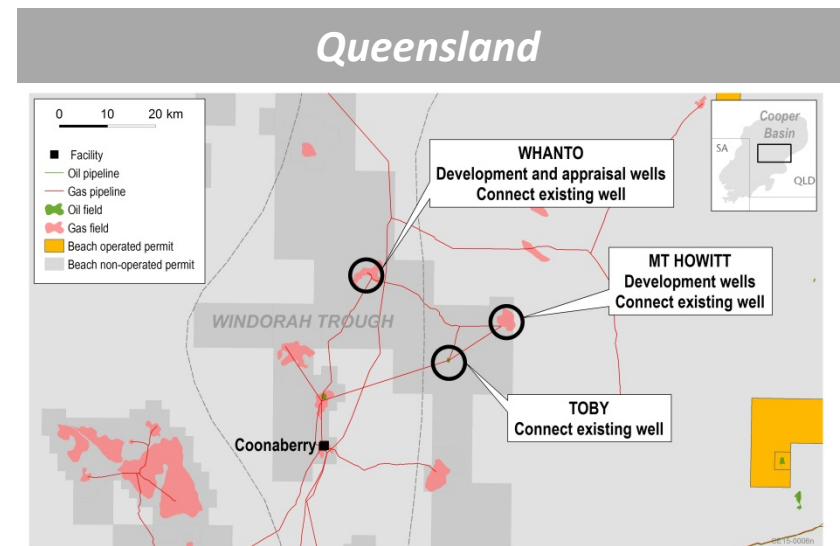
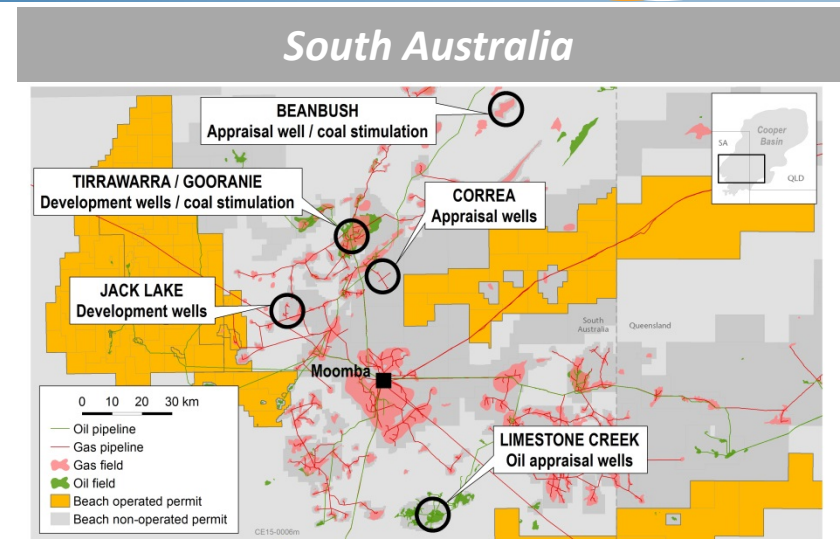
Diversified options

Positioned for future growth

2P reserves bookings underpin contracts

Delhi drilling program

- Reduced drilling activities in FY16, with c.40 wells planned
 - Three rigs currently drilling
- More appraisal / near-field exploration activities relative to past infill drilling
 - SACB JVs: Focus on liquids-rich fields; Permian source rock plays
 - SWQ JVs: Focus on under-appraised and low CO₂ content fields
- Infrastructure upgrades include connection of stranded fields in Queensland
- FY16 capital expenditure of c.\$160 million
 - Approximately one quarter allocated to maintenance expenditure



Appendix



Financial results year-on-year

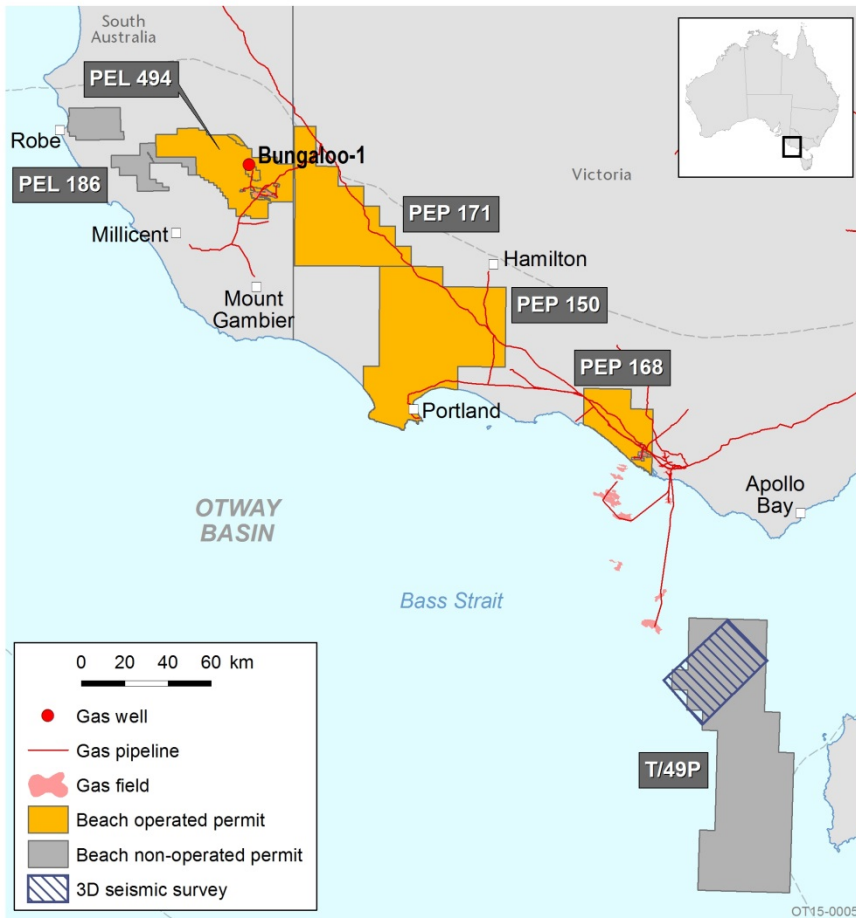
	FY14	FY15	Change
Sales volumes (MMboe)	10.8	10.5	(2%)
Sales revenue (\$ million)	1,052.1	727.7	(31%)
Operating cash flow (\$ million)	582.6	228.5	(61%)
NPAT (\$ million)	101.8	(514.1)	(605%)
Underlying NPAT (\$ million)	259.2	90.7	(65%)
Cash balance (\$ million)	411.3	170.2	(59%)
Total dividends (cps)	4.0	1.5	(63%)

FY15 production by area

	Area	FY14	FY15	Change
Oil (kbbbl)	Cooper / Eromanga basins	5,148	4,490	(13%)
	Egypt	61	132	117%
	Total oil	5,209	4,622	(11%)
Sales gas and ethane (PJ)	Cooper Basin	21.0	22.1	5%
	Egypt	–	0.1	–
LPG (kt)	Cooper Basin	48.6	44.3	(9%)
Condensate (kbbbl)	Cooper Basin	405	361	(11%)
	Total gas / liquids (kboe)	4,392	4,524	3%
Total oil, gas and gas liquids (kboe)		9,601	9,146	(5%)

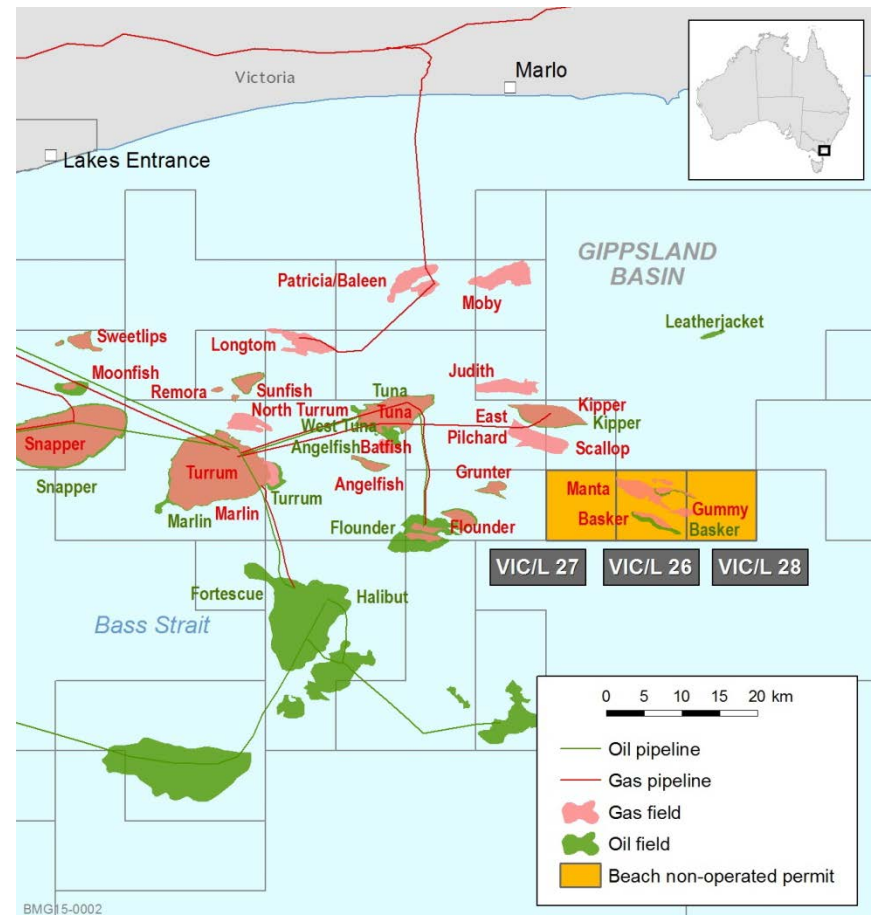
Other Australian interests

Otway Basin



Various Beach interests, from 30% to 75%

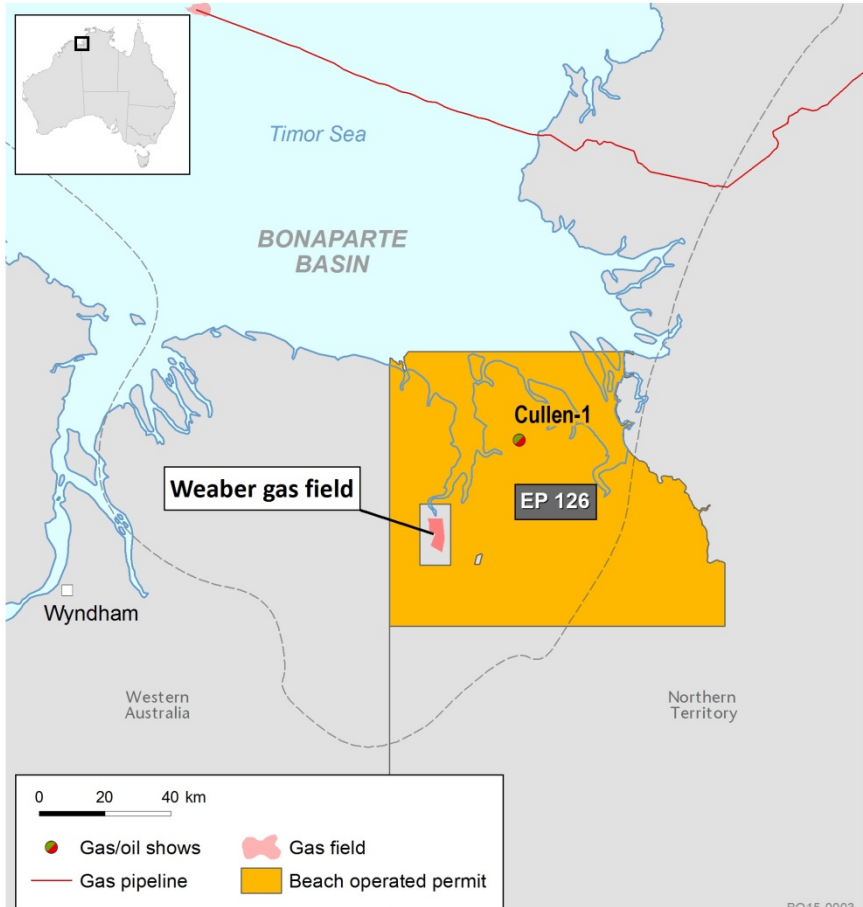
Gippsland Basin



Beach 35%, Cooper Energy 65% and operator

Other Australian interests

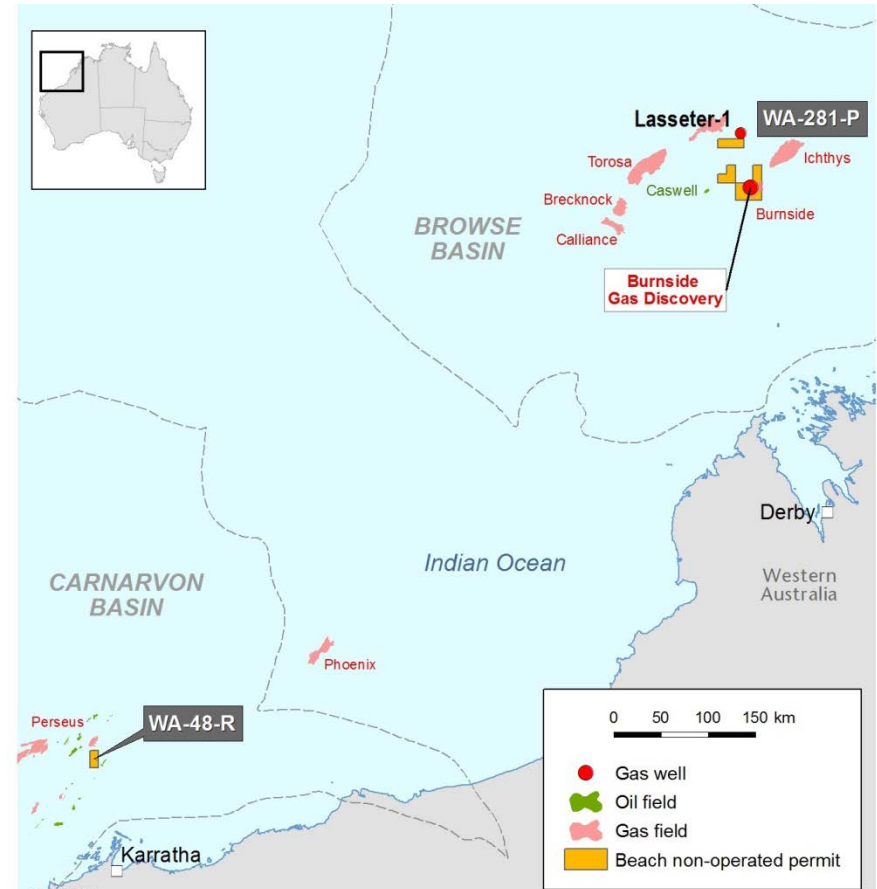
Bonaparte Basin



BO15-0003

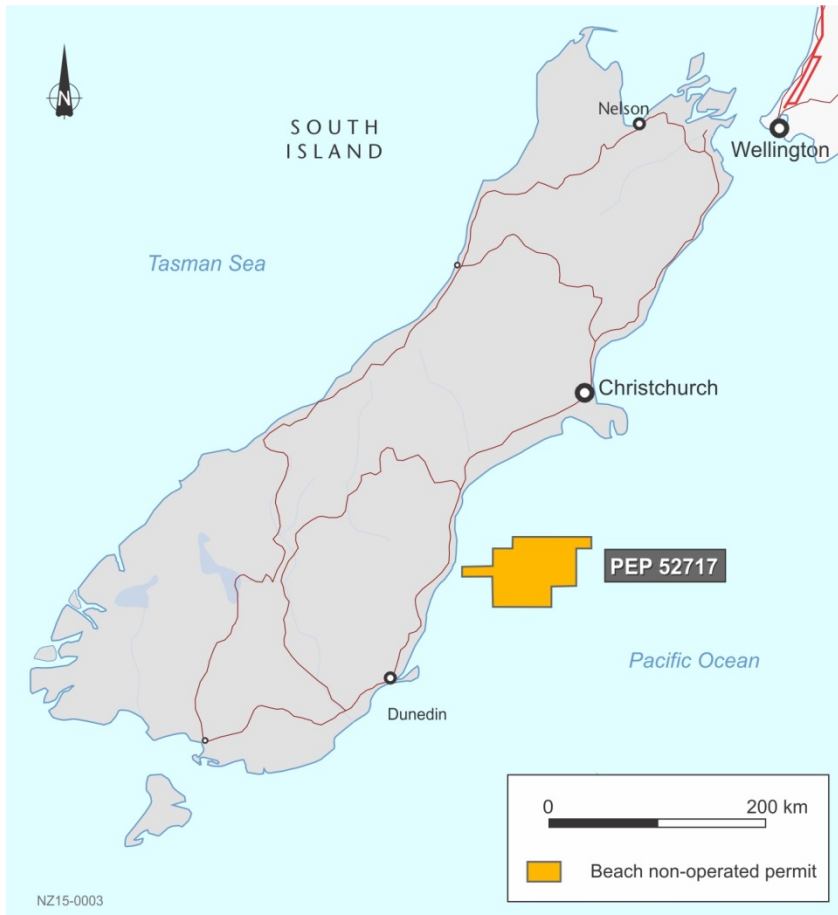
Beach 100%

Browse and Carnarvon Basins



Browse Basin: Beach 7.34%, Santos 47.83% and operator, Chevron 24.83%, Inpex 20.0%
 Carnarvon Basin: Beach 10.0%, Santos 37.33% and operator, APACHE 34.03%, Eni 18.66%

South Island – Canterbury Basin



Beach 50%, NZOG Energy 50% and operator

North Island – Taranaki Basin

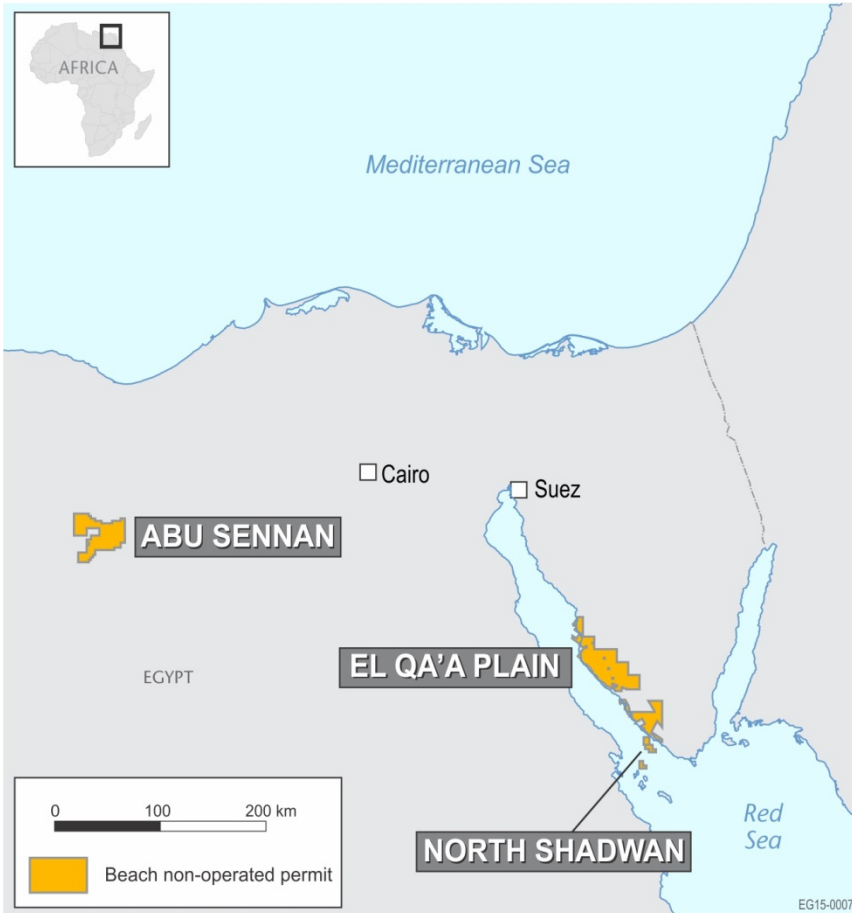


PEP 57080: Beach 50%, Todd Energy 50% and operator

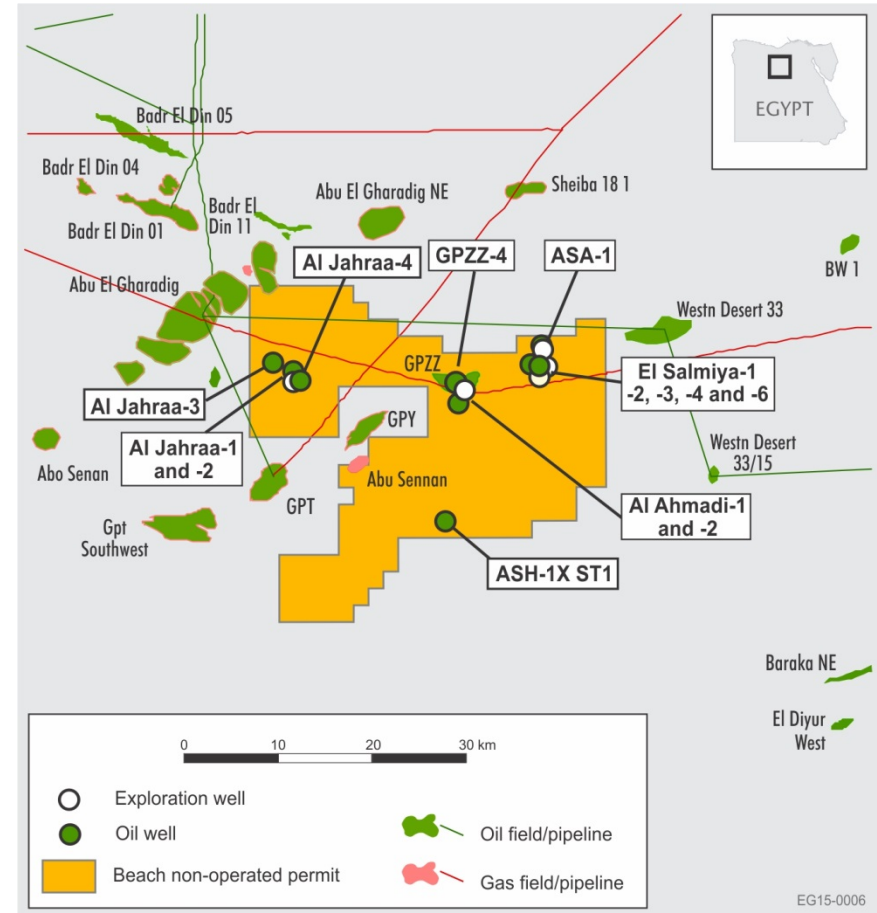
PEP 52181: Beach 25%, NZOG Energy 35% and operator, TAG 40%

Egypt – Sale process underway

Egypt Permit Interests



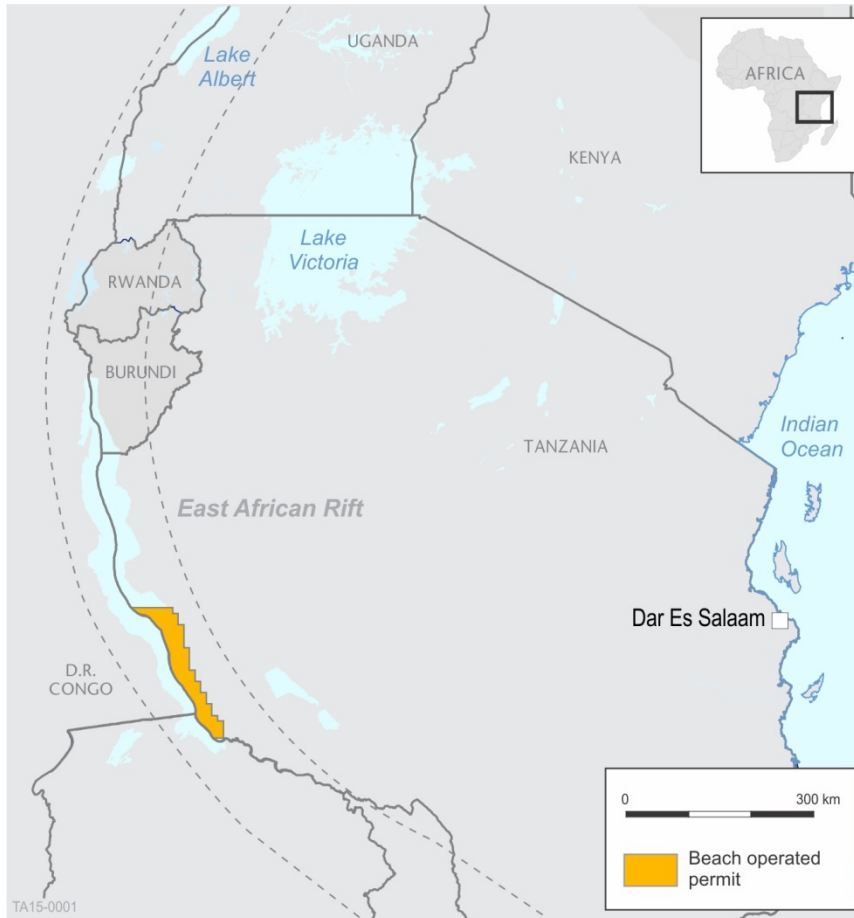
Abu Sennan Concession



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

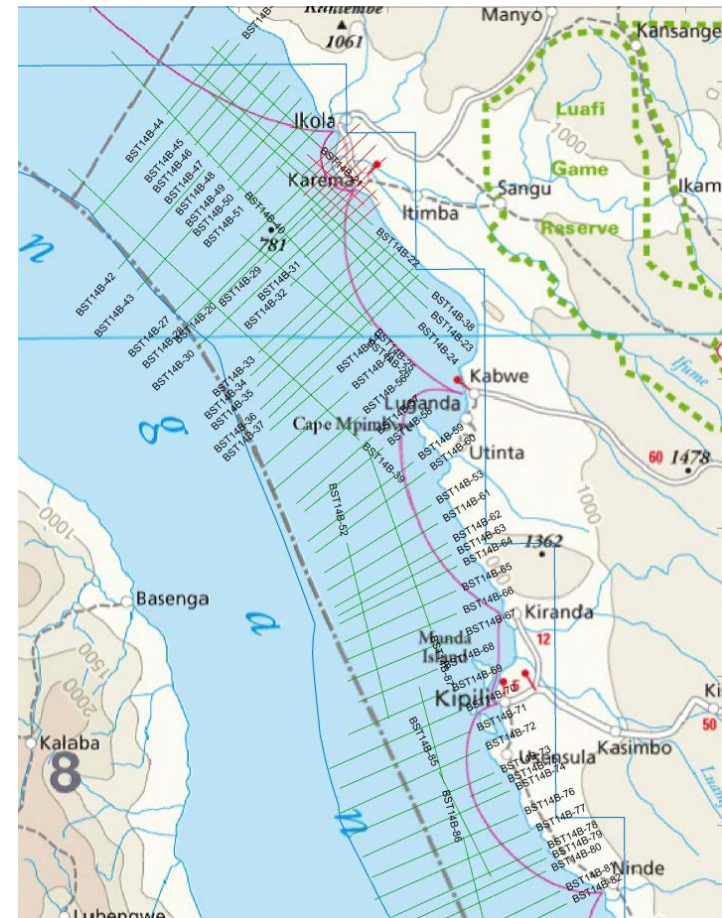
Tanzania – Farm-down underway

Lake Tanganyika South Block



Beach 100%

Seismic Surveys



Contact information



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