Beach Energy Investor Morning

Demonstrating resilience in a challenging market

5 November 2015

Compliance statements

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.

Welcome

Time	Topic	Presenter
9.00 – 9.05	Welcome	Derek Piper
9.05 – 9.15	Investor Relations Update	Chris Jamieson
9.15 – 9.25	Overview	Neil Gibbins
9.25 – 9.40	Proposed Drillsearch Merger	Neil Gibbins
9.40 – 10.10	Operational Outlook	Mike Dodd
10.10 – 10.20	Q&A	
10.20 – 10.45	Morning Tea	
10.45 – 11.00	Gas Market Update	Rod Rayner
11.00 – 11.20	Infrastructure Projects	Mike Bangerter
11.20 – 11.40	Basin Reviews	Andrew Krassay
11.40 – 11.50	Q&A	
11.50 – Midday	Close	Neil Gibbins

Investor Relations Update

Chris Jamieson – Group Executive External Affairs

Our refreshed vision, purpose and values

Vision

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

Purpose

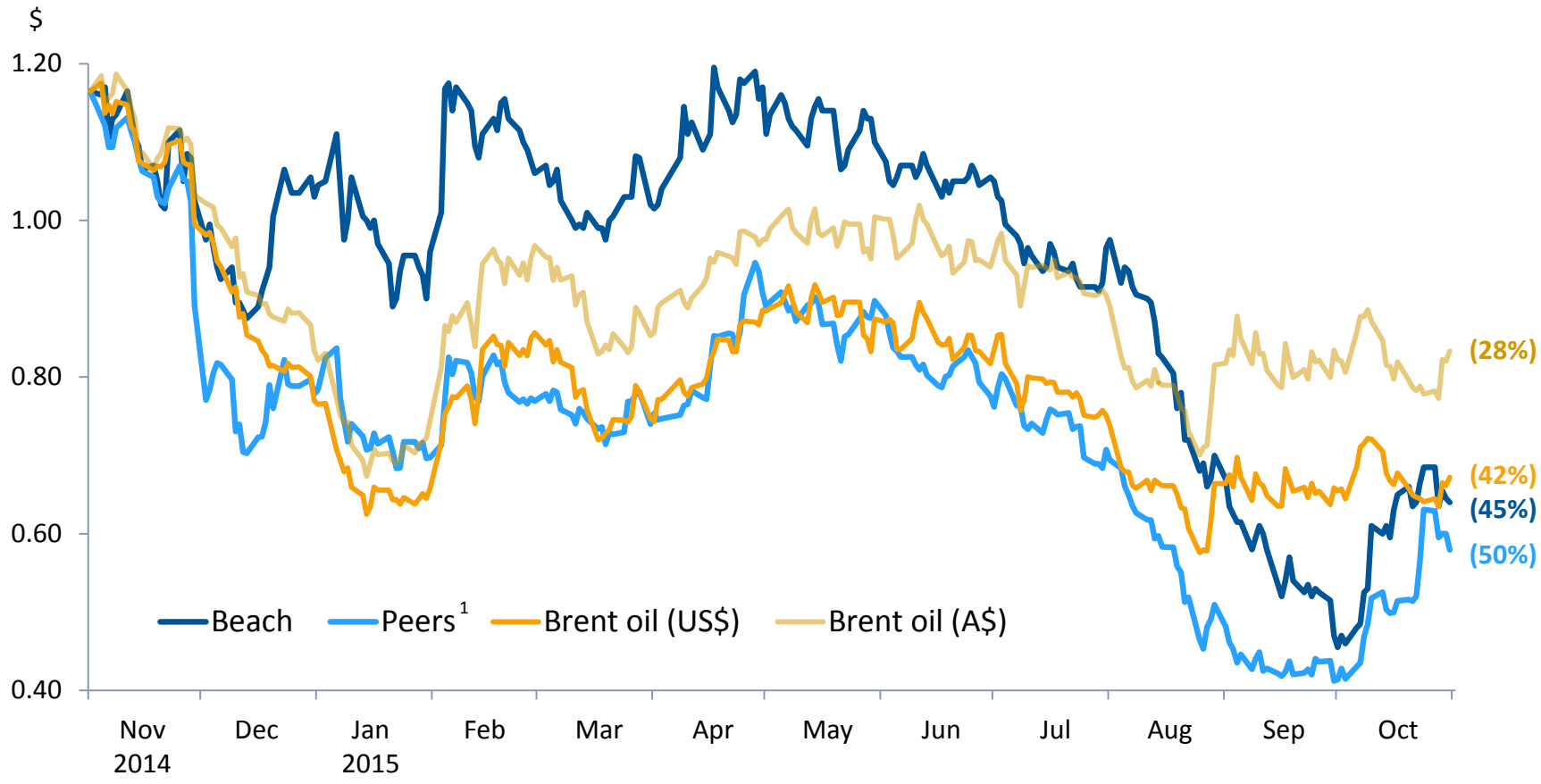
- To deliver sustainable growth in shareholder value

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

Share price performance

A challenging year across the sector

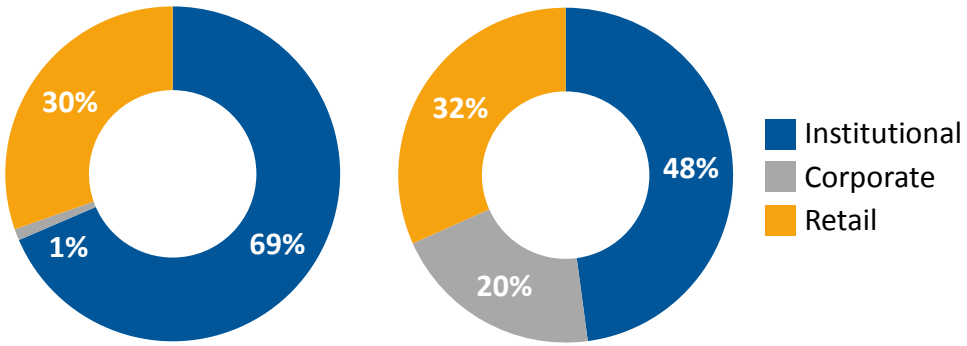


NB. Chart data from 31 October 2014 to 30 October 2015; Brent oil and peers re-based to BPT share price; Source: EIS, Bloomberg

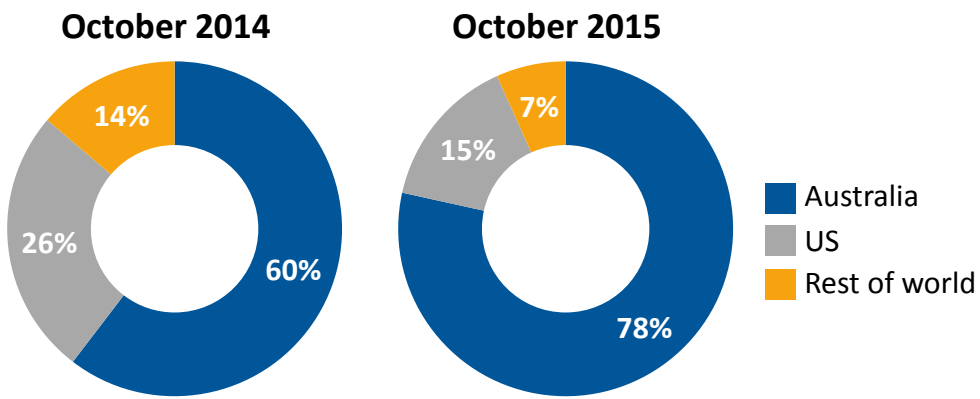
1. Equal-weighted index comprising Cooper Energy, Drillsearch Energy, Santos and Senex Energy

Shareholder register perspectives

Investor Type



Geography



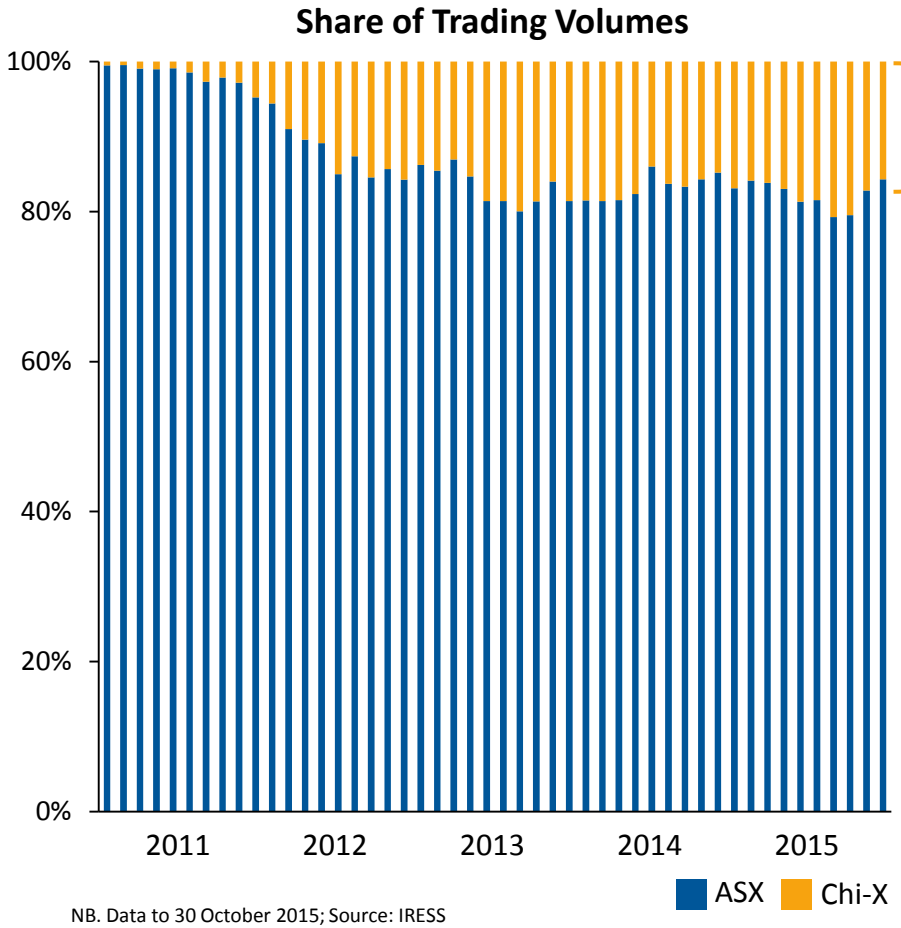
Business model leveraged to oil recovery

- ✓ Low cost / high margin operated oil
- ✓ Increasing exposure to oil-linked gas pricing
- ✓ Balanced FY16 drilling campaign
  - Approximately one third exploration / appraisal
- ✓ Strong Balance Sheet
- ✓ Clearly articulated strategy

Resilient business recognised by investment community

Liquidity trends

Chi-X platform accounting for a material portion of total trading volumes



Average Daily Trading Volumes (million)	ASX	Chi-X	Total	% of Issued Capital[1]
Last 3 months	9.2	2.0	11.2	0.9%
Last 6 months	7.0	1.6	8.6	0.7%
Last 12 months	7.5	1.5	9.0	0.7%
Last 24 months	6.4	1.3	7.8	0.6%

NB. Data to 30 October 2015; Source: IRESS

1. Based on 1,302,877,977 total shares on issue

Overview

Neil Gibbins – Acting Chief Executive Officer

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

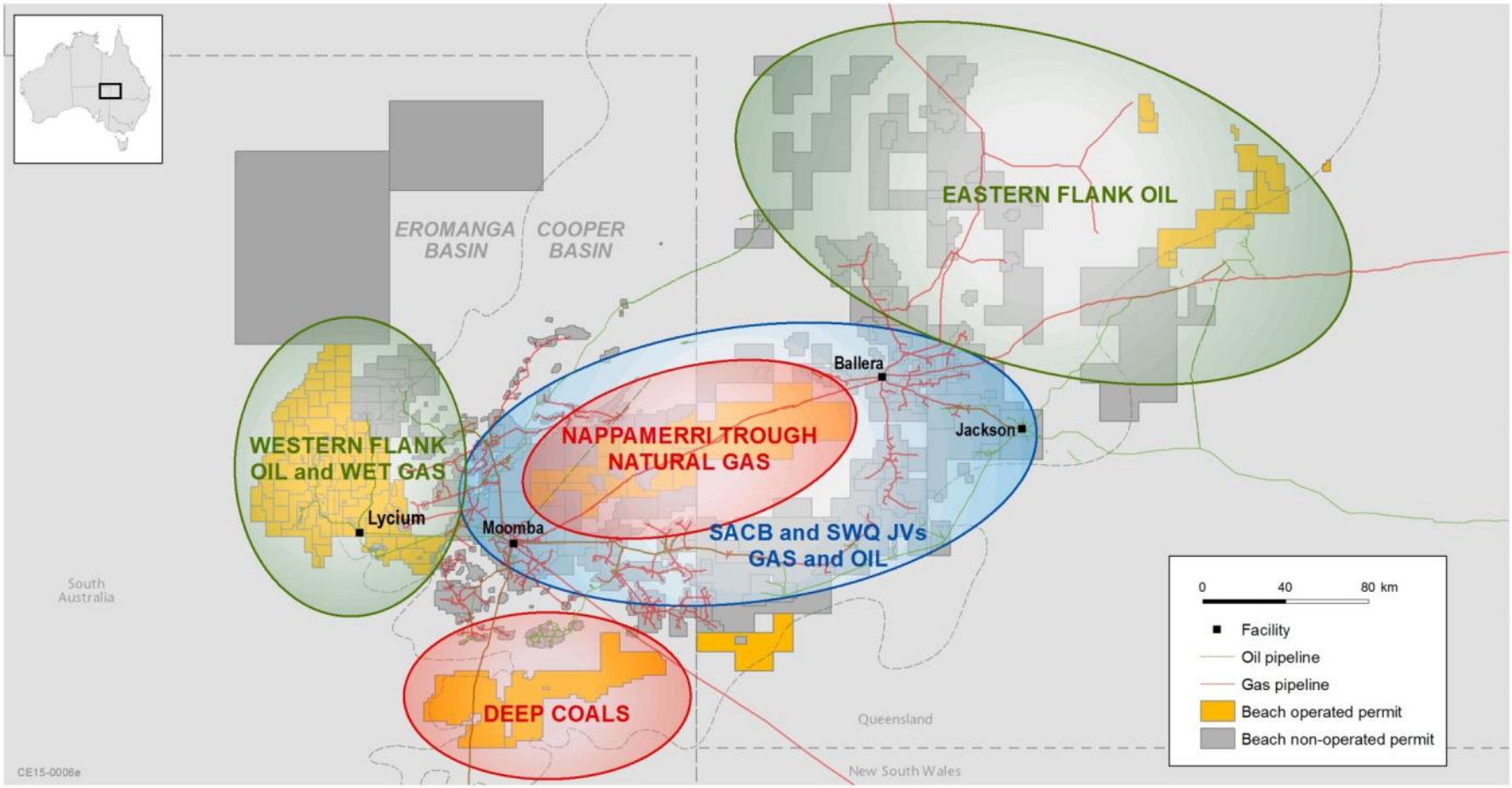
Maintain financial strength

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

Roadmap to deliver step-change in production and 2P reserves

Cooper Basin acreage

A prolific onshore hydrocarbon basin, with Beach gross acreage of c.50,000 km²

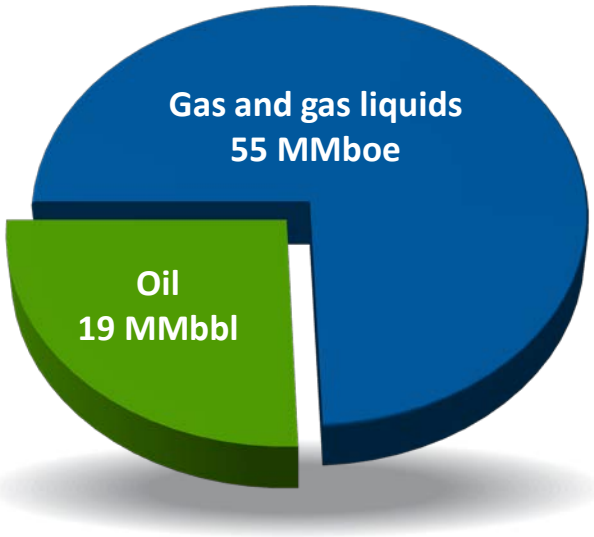


Broad opportunity set in Cooper Basin

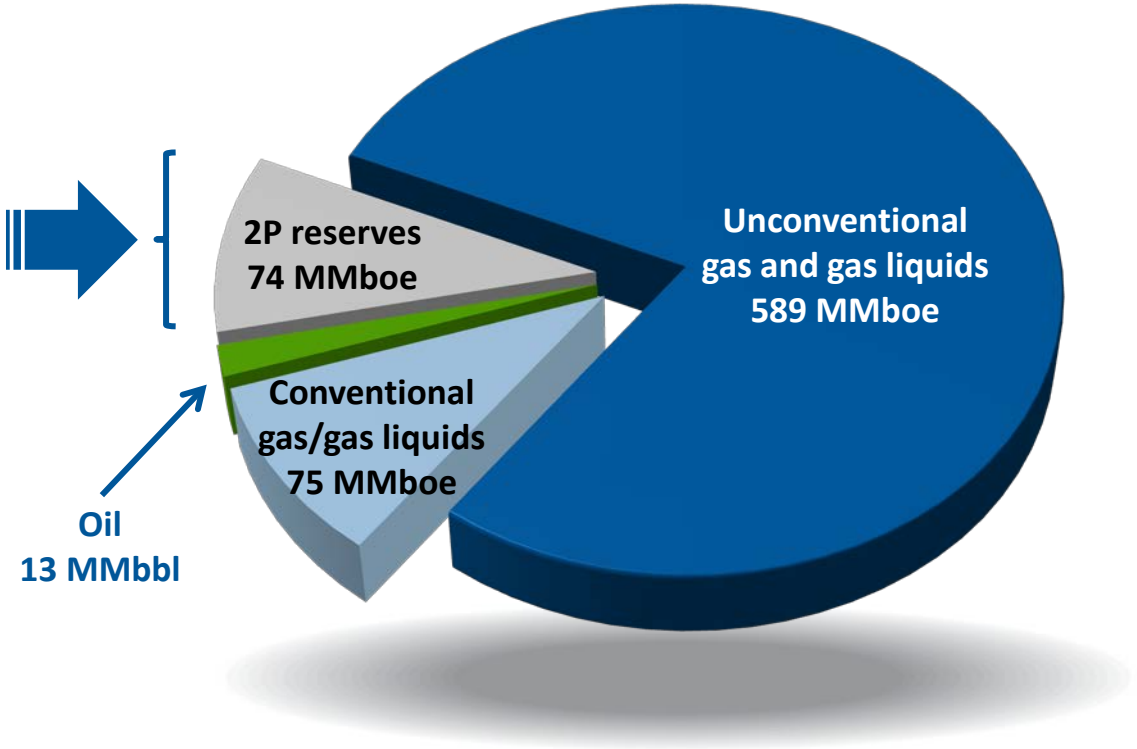
- **Maximise returns from existing assets**
  - Safety improvements
  - Operating efficiencies
  - Facility upgrades and optimisation
- **Re-invigorate exploration**
  - Comprehensive basin analysis
  - Unlock new play types
  - Technological advancements
- **Basin adjacencies**
  - Consolidation
  -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

Reserves and contingent resources[1]

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

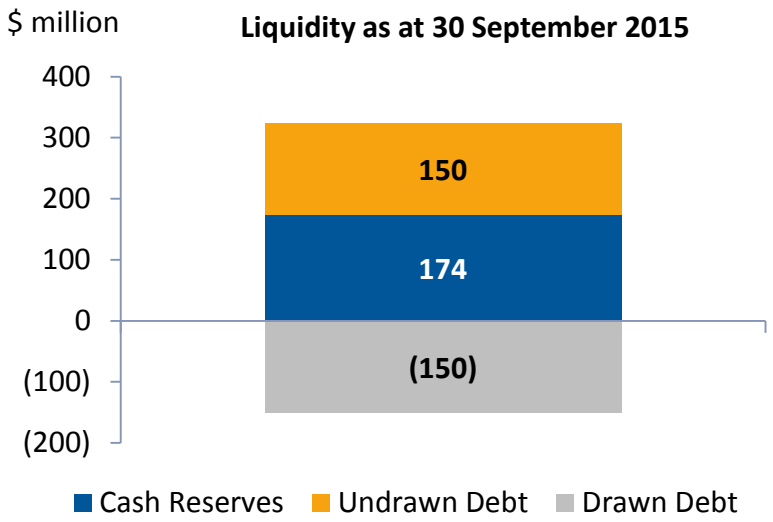
FY16 capital expenditure guidance

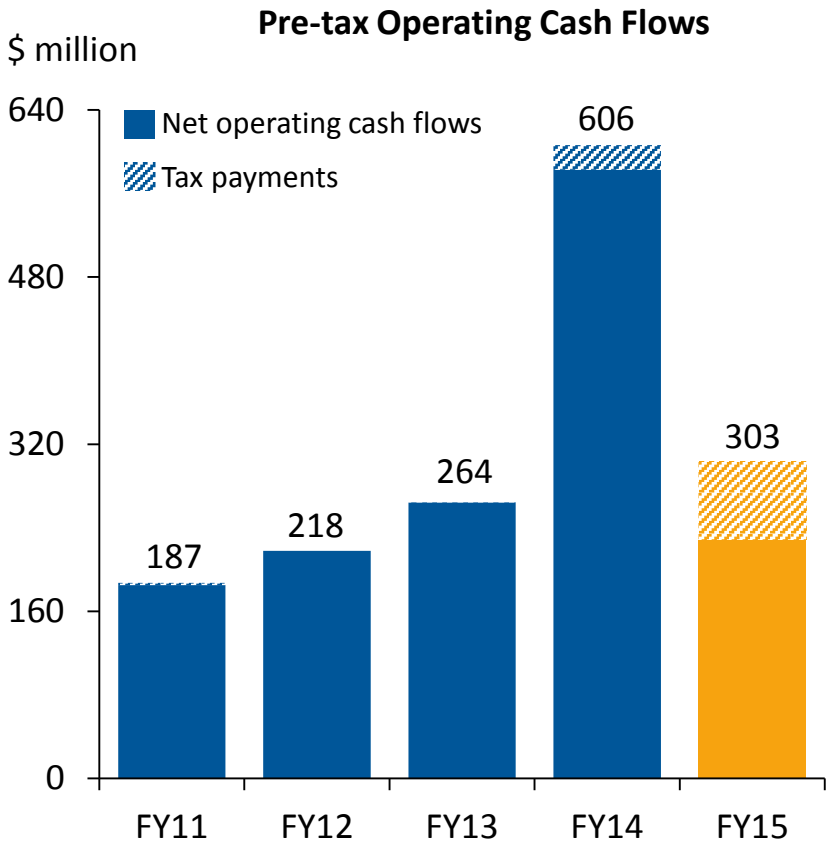
	Capital Expenditure ($ million)	Expected Wells	Other Major Activities
DEVELOPMENT			
Cooper Basin	45 – 50	7 – 8	Bauer facility upgrade; Middleton gas compression
Cooper Basin (SACB and SWQ JVs)	145 – 160	28 – 30	Connection of Windorah-Marama area development
Total Development	**190 – 210**	**Up to 38**	
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

Financial strength underpins operations

- 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
- Q1 FY16 liquidity of $324 million





Average Realised Brent Oil Price / bbl					
A$:	97	115	111	126	90
US$:	95	119	114	116	75

Proposed Drillsearch Merger

Neil Gibbins – Acting Chief Executive Officer

Merger benefits

Primed to pursue growth opportunities

- Creating a business based on expertise and a track record of growth
- Balance Sheet strength allowing new opportunities to be pursued
- A clear strategy and the ability to execute

Significant benefits for both sets of shareholders

- Both shareholders retain exposure to existing portfolios and gain new opportunities
- Potential value accretion for both sets of shareholders as synergies are realised
- Greater relevance for investors and potential for improved liquidity, re-rating and dividends

Synergies from two complementary businesses

- Strategies aligned around Cooper Basin core, east coast gas and other nearby basins
- Existing shared values and a track record of joint venture success

Australia's largest onshore oil producer

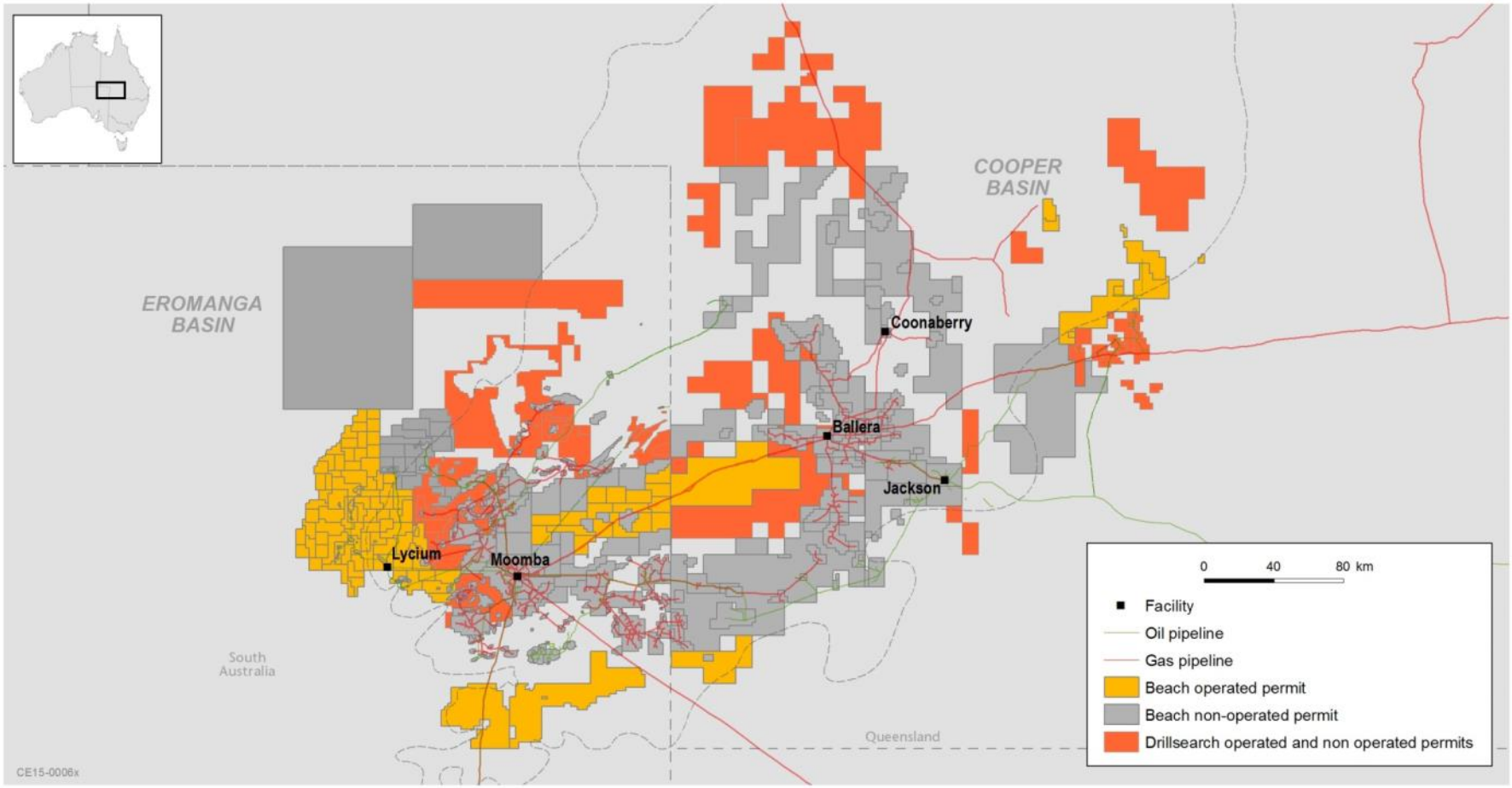
- Premier Western Flank position, with broad exposure across the Cooper Basin
- Potential to generate greater efficiencies in the Cooper Basin

Set for east coast gas market opportunity

- 4.8 MMboe gas and gas liquids production in FY15 on a merged pro forma basis
- Infrastructure, existing production, new Cooper Basin discoveries, Otway Basin

Combined Cooper Basin acreage

Proposed merger with Drillsearch would increase gross acreage to c.69,000 km²

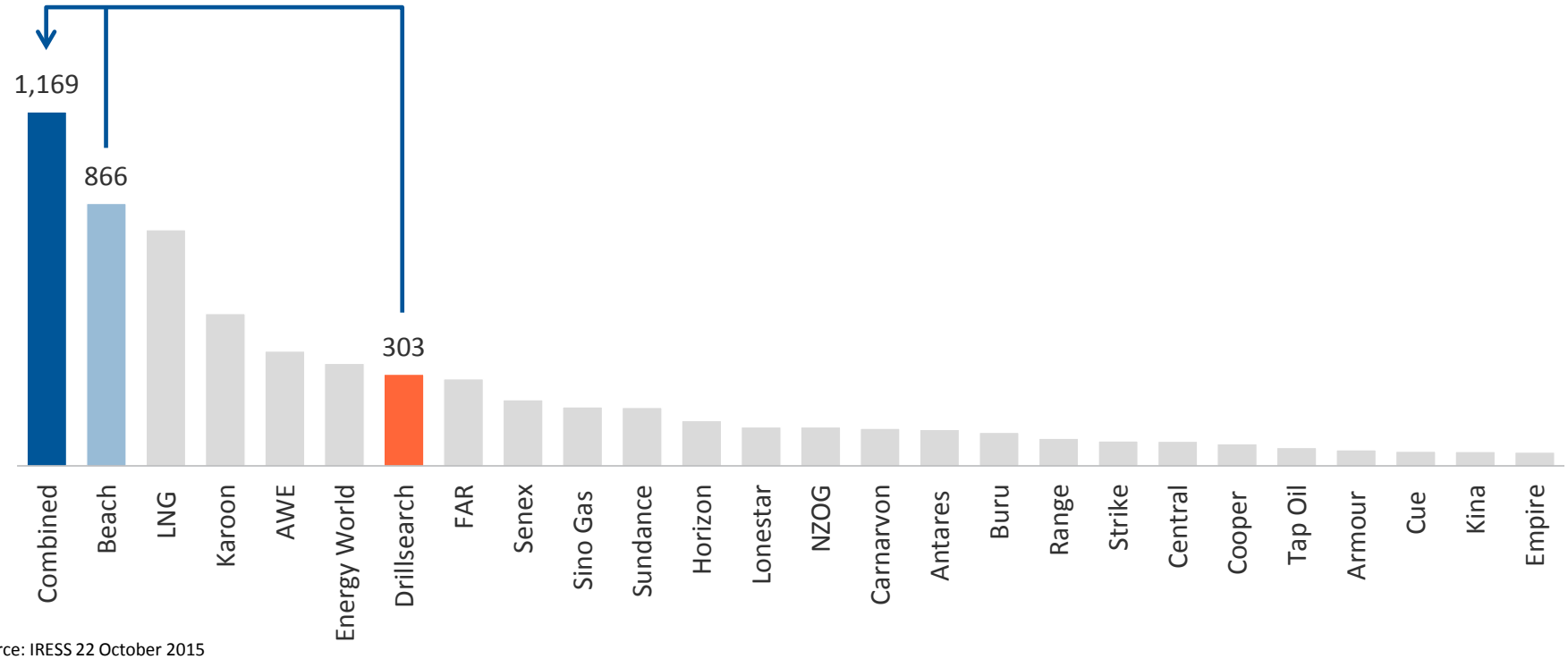


Leading ASX mid-cap oil and gas company

Enhanced scale with capacity to pursue organic and inorganic growth options

- Potential for improved liquidity, possible market re-rating and dividend potential – *good for shareholders*
- $313m in FY15 pro-forma operating cash flow, strong balance sheet – *good platform for business growth*

Market capitalisation ($ million)[1]



Source: IRESS 22 October 2015

1. Market capitalisation based on last closing share prices as at 22 October 2015, the last trading day prior to announcement of the scheme

Targeting synergies and operating efficiencies

Pre-tax synergies of ~$20 million per annum within two years[1]

1 Operational

- Blending the best talent from both companies
- Optimisation of technical and field activities
- Opportunities to high-grade the exploration portfolio

2 Overheads

- Elimination of duplicated technical efforts on overlapping assets
- Reduced compliance, listing and corporate costs
- Economies of scale, moving to a single platform

3 Commercial

- Stronger balance sheet and greater funding capabilities
- Infrastructure ownership
- Broader universe of strategic opportunities
- Enhanced value proposition for investors

1. Targeted synergies exclude one-off integration costs, and are in addition to Drillsearch's targeted cost base reduction of $10 - $15 million p.a., as announced by Drillsearch on 19 February 2015

Indicative timetable

Event	Date
ASX announcement of scheme	23 October 2015
First Court Date	Early December 2015
Despatch Beach Notice of Meeting to Beach shareholders (if required)	Early December 2015
Despatch Explanatory Booklet to Drillsearch shareholders and lodge with ASX	Mid December 2015
Beach shareholder meeting (if required)	Mid January 2016
Drillsearch shareholder meeting to vote on the scheme	Late January 2016
Second Court Date	Mid February 2016
Scheme Effective Date	Mid February 2016
Beach issues scheme consideration to Drillsearch shareholders	Late February 2016

Operational Outlook

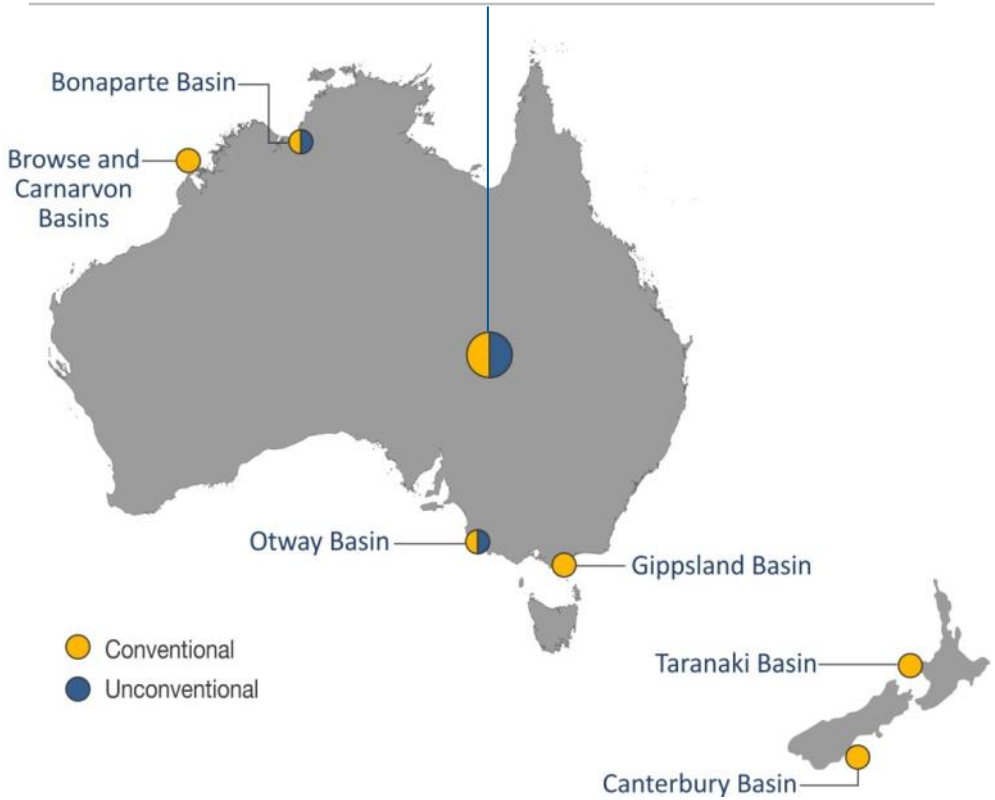
Mike Dodd – Acting Chief Operating Officer

Existing footprint across multiple basins

A re-aligned focus closer to home

- Diversified hydrocarbon explorer and producer
- Core expertise in the Cooper and Eromanga basins
- Existing presence across other Australian and New Zealand basins
- Owner of strategic infrastructure linking key energy markets
- Fully funded FY16 exploration program anticipated
- Executing strategy to optimise Cooper Basin core and achieve multi-basin production

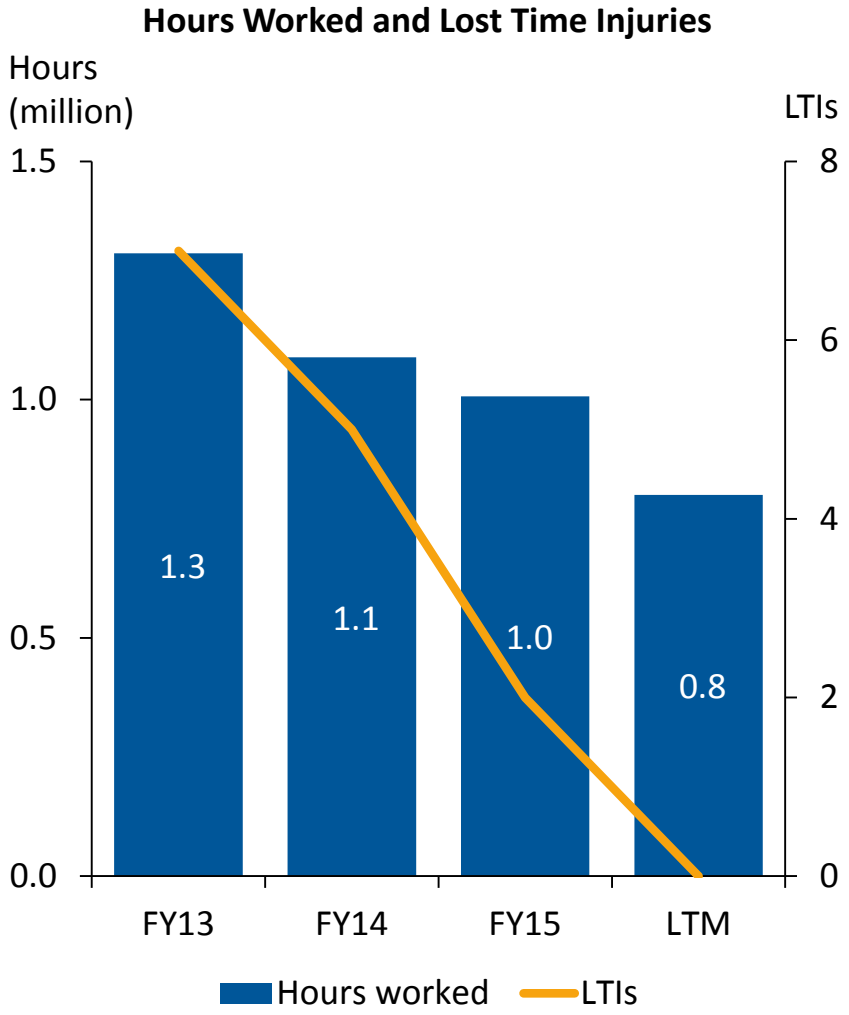
Cooper and Eromanga Basins				
	Oil	Gas	Gas Liquids	Tight Gas
Operated	✓	✓	✓	✓
Non-operated	✓	✓	✓	✓



Safety takes precedence

Continual focus on safety, with over 12 months of LTI-free operations

- Ongoing safety communications with Beach employees and contractors
- Review and refinement of HSE strategy
  - Emergency response training
  - Risk reporting framework
- Recent investment in:
  - HSE data management;
  - Safety leadership programs; and
  - Contractor accreditation
- Commitment to health and wellbeing of Beach employees and contractors



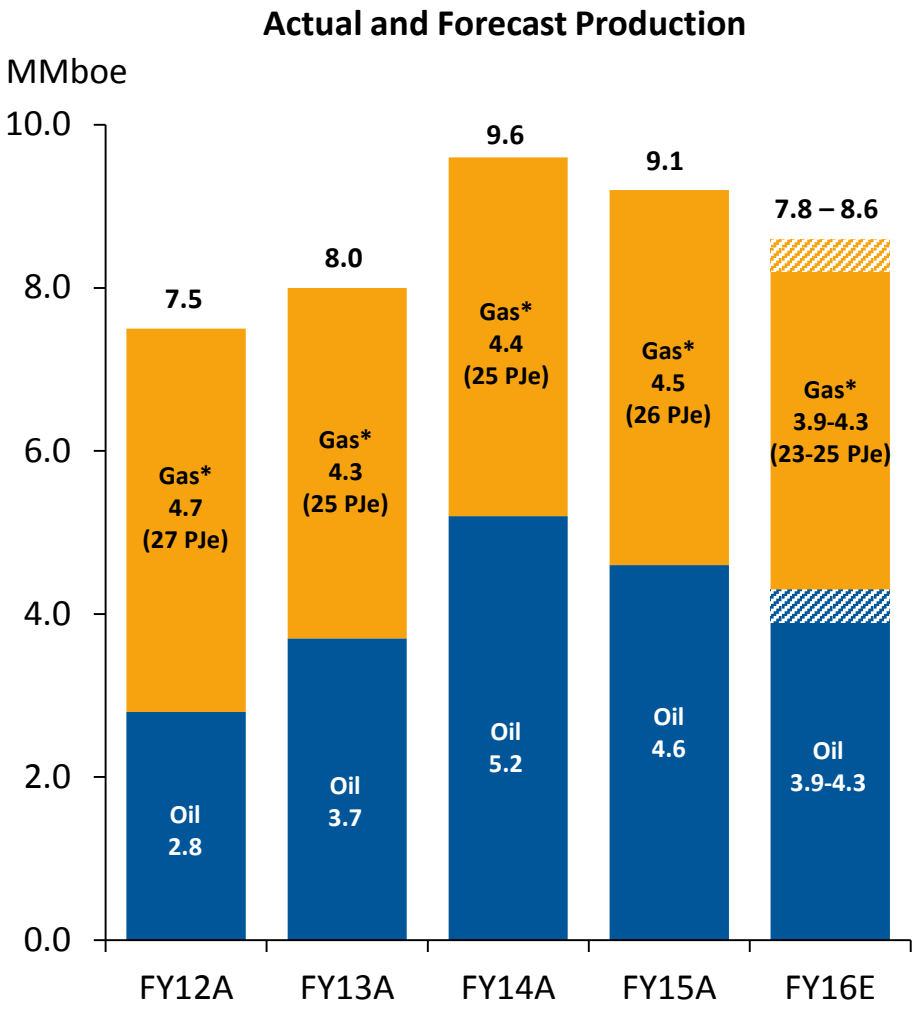
Operations overview – Q1 FY16

First quarter ended 30 September 2015

- Production of 2.3 MMbbl
  - 50% oil; 50% gas and gas liquids
- Stunsail and Pennington facilities commissioned
  - 20,000 bfpd each
- Lycium to Moomba pipeline upgrade
  - 21,000 bopd peak capacity
- Initiation of oil-linked gas sales contract with Origin Retail
- 14 wells completed with a 93% success rate

Financial year ending 30 June 2016

- Production guidance of 7.8 – 8.6 MMboe

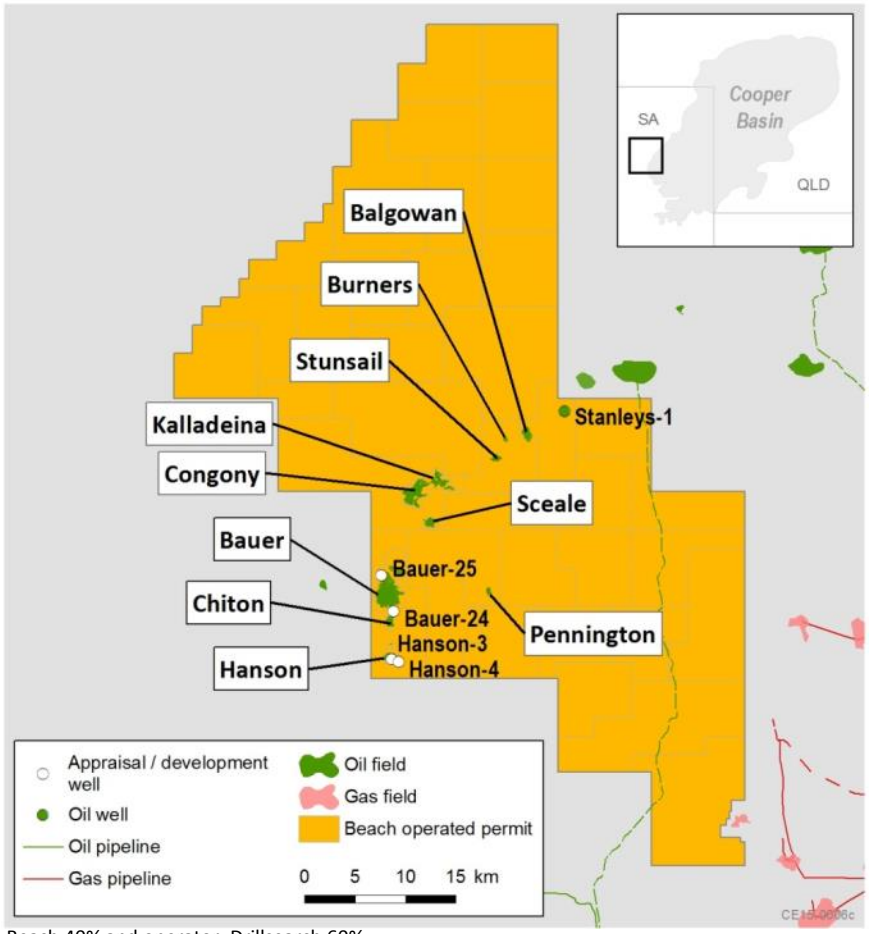


* Gas and gas liquids; totals may not sum due to rounding

Western Flank
Ex PEL 91

- FY15 gross production of 4.1 MMbbl (11,263 bopd)
- Up to seven exploration, appraisal and development wells in FY16
  - Bauer appraisal wells in Q2 FY16 to test northern and southern extensions
- Bauer facility increase to 133,000 bfpd (+58,000 bfpd) underway
  - First separator delivered
- Pennington and Stunsail facilities commissioned in Q1 FY16 (20,000 bfpd capacity each)
- Solidus 3D and associated re-processing ongoing (900 km^2)

Retention licences 151 to 172 granted

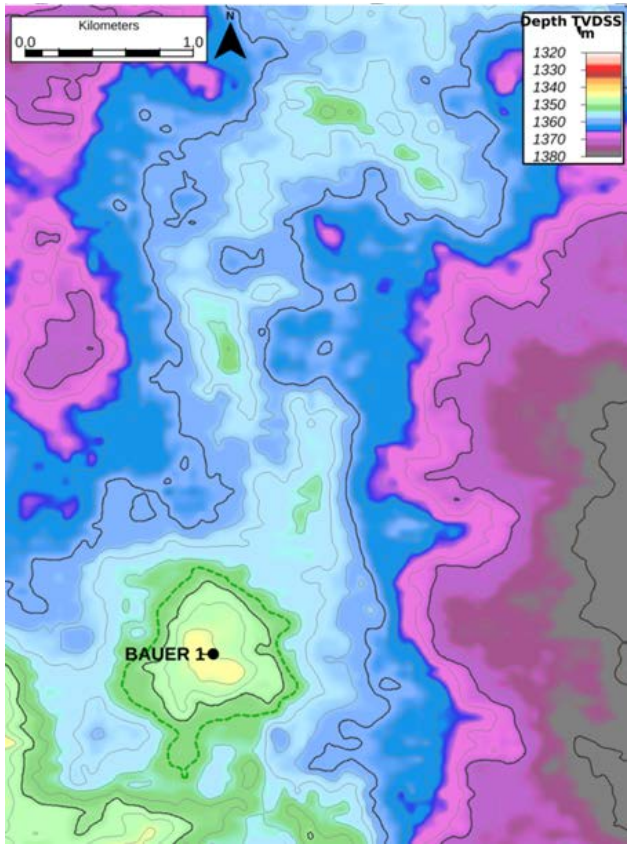


Beach 40% and operator, Drillsearch 60%

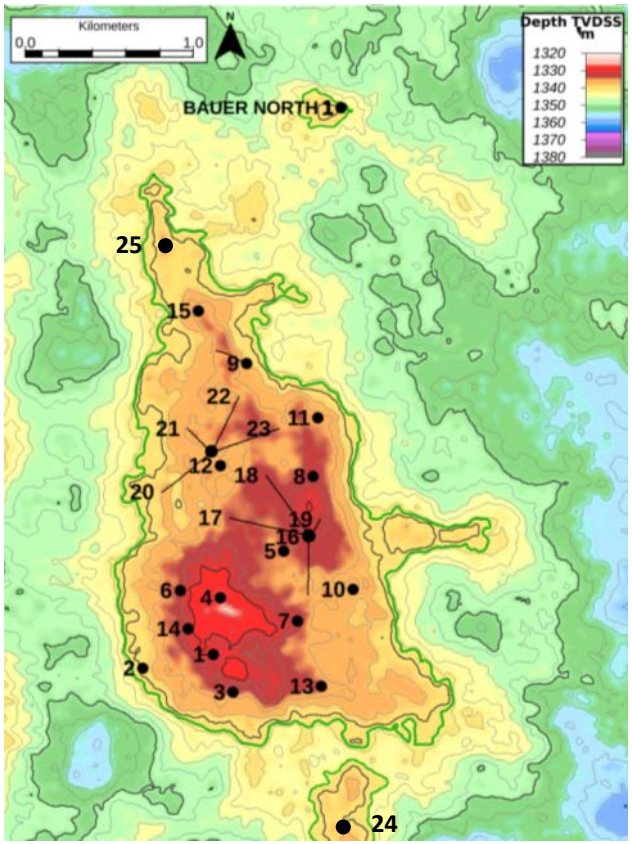
Western Flank
Continuing evolution of the Bauer Field

Pre-drill July 2011	June 2015
• Target six metre column height	• Gross oil column of 17 metres
• Good quality fluvial sandstone reservoir identified	• Permeability up to 13.6 Darcy
• Estimated recovery factor of ~60%	• Recovery factor of 75%
• No infrastructure	• 75,000 bfpd capacity, increasing to 133,000 bfpd

Pre-drill – July 2011



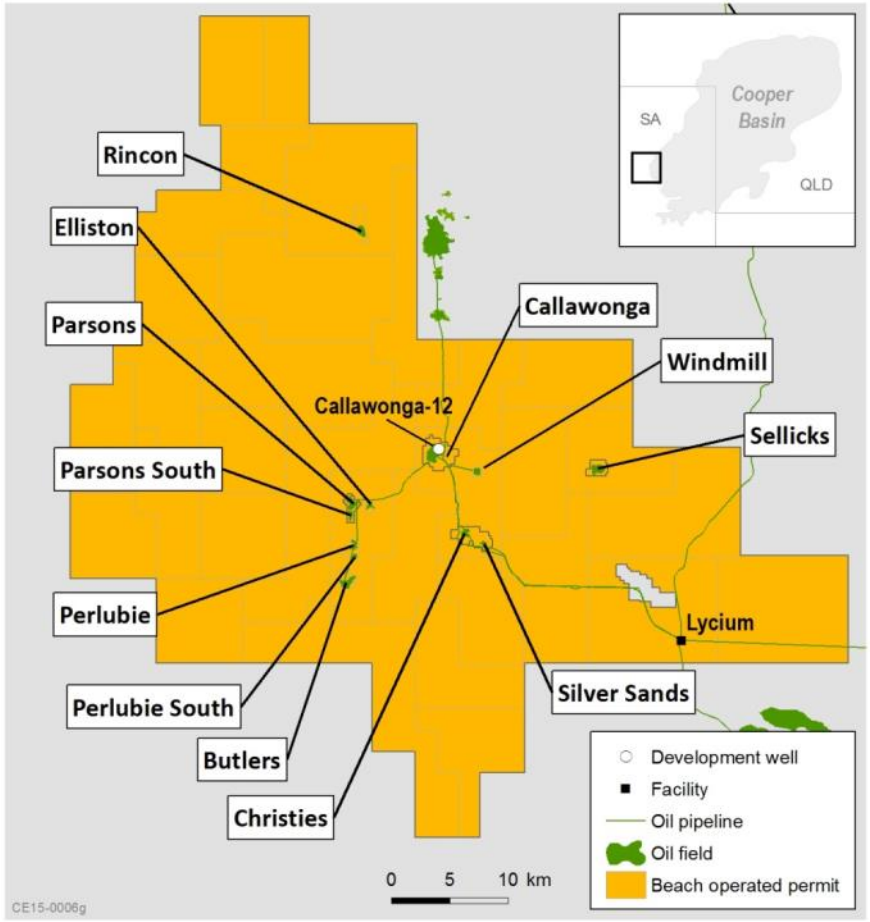
June 2015



Western Flank
Ex PEL 92

- 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
- Callawonga facility de-bottlenecking and optimisation projects to be undertaken
- Ongoing seismic reprocessing and inversion

Retention licences 85 to 104 granted



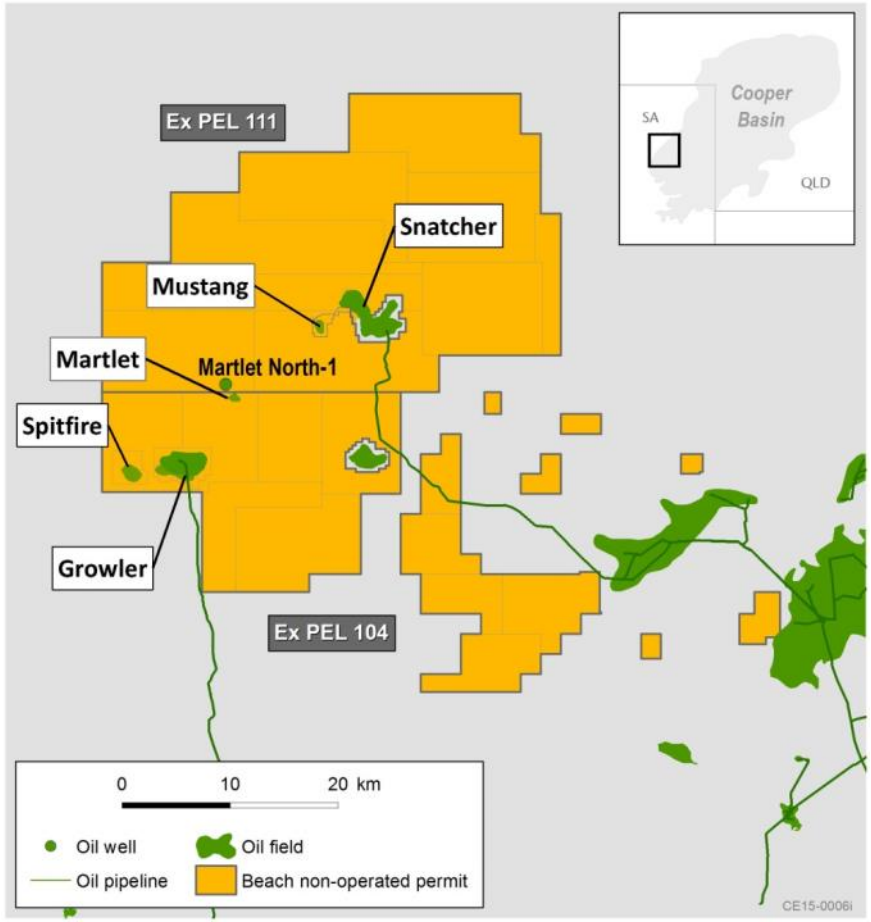
Beach 75% and operator, Cooper Energy 25%

Western Flank
Ex PEL 104 / 111

- 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, with Namur discoveries providing 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

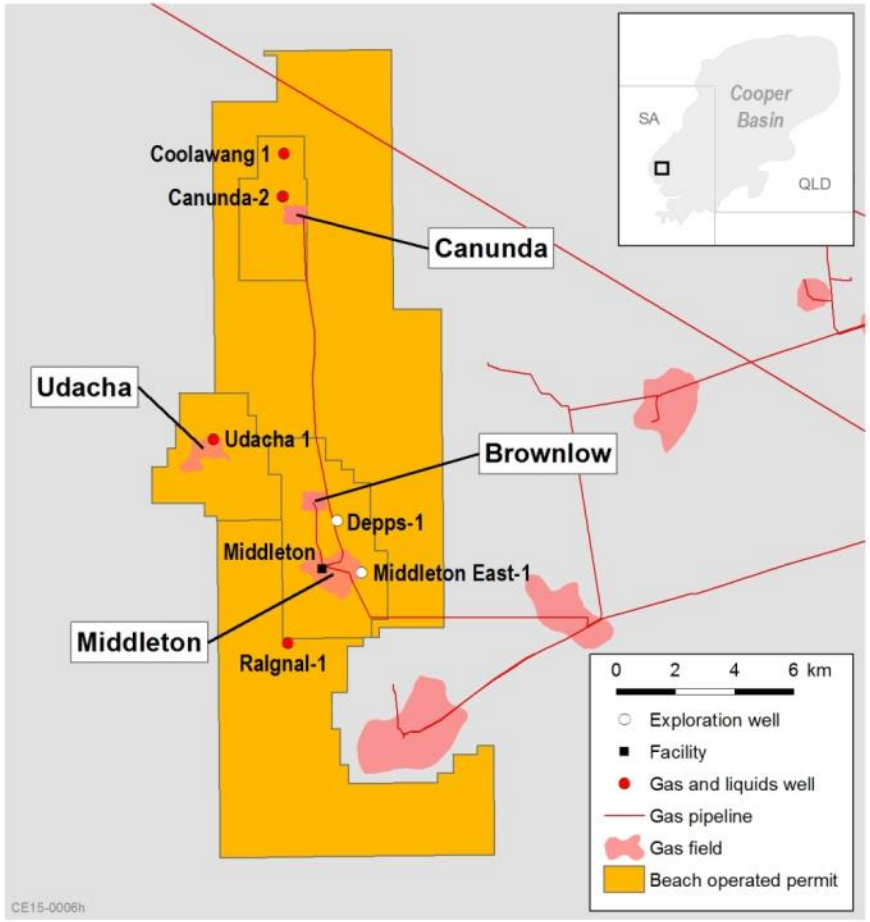


Beach 40%, Senex 60% and operator

Western Flank
Ex PEL 106

- FY15 gross production of 0.7 MMboe (1,794 boepd)
- Two exploration wells in FY16, testing stacked stratigraphic traps in liquids-rich play
  - Drilling planned for Q3 FY16
- Ralgnal-1 extended production test underway, with encouraging early results
  - >8 MMscfd initial single zone flow through 44/64” choke over 30 hour test; >1,100 psi tubing-head pressure
- Four wells to be brought online post completions and testing
- Middleton compression project underway
  - Expected production post completion and tie-ins of ~25 MMscfd (+15 MMscfd)

Retention licences 129 and 130 granted



Beach 50% and operator, Drillsearch 50%

Western Flank
Technologies assisting new play types

- ***Conventional seismic***

  Reflection amplitudes associated with formation boundaries

  – Enables structural interpretation

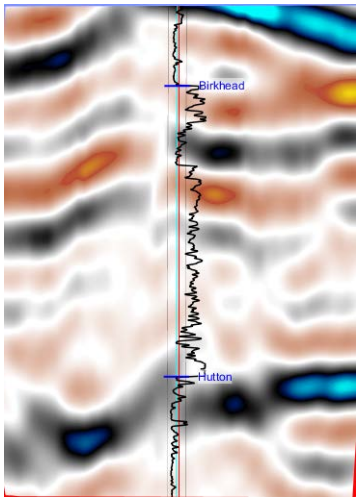
- ***Inverted seismic***

  Transforms reflection data into quantitative rock properties

  – Inverted data identifies lithology variations (acoustic / shear impedance; density)

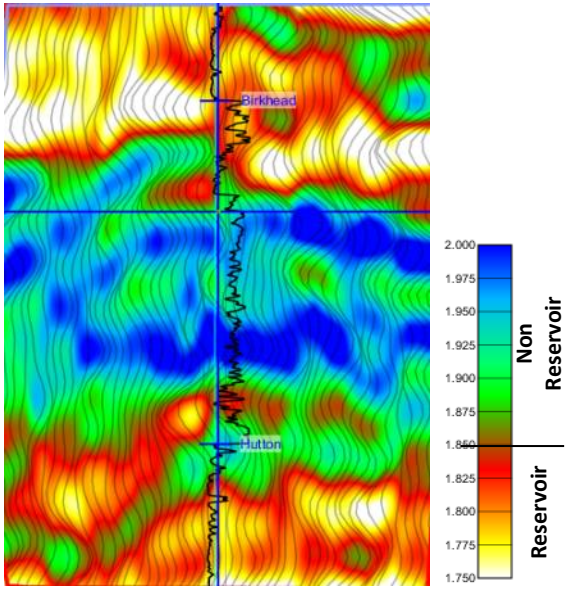
  – Improves stratigraphic interpretation

  – Undertaken using proprietary mathematical techniques



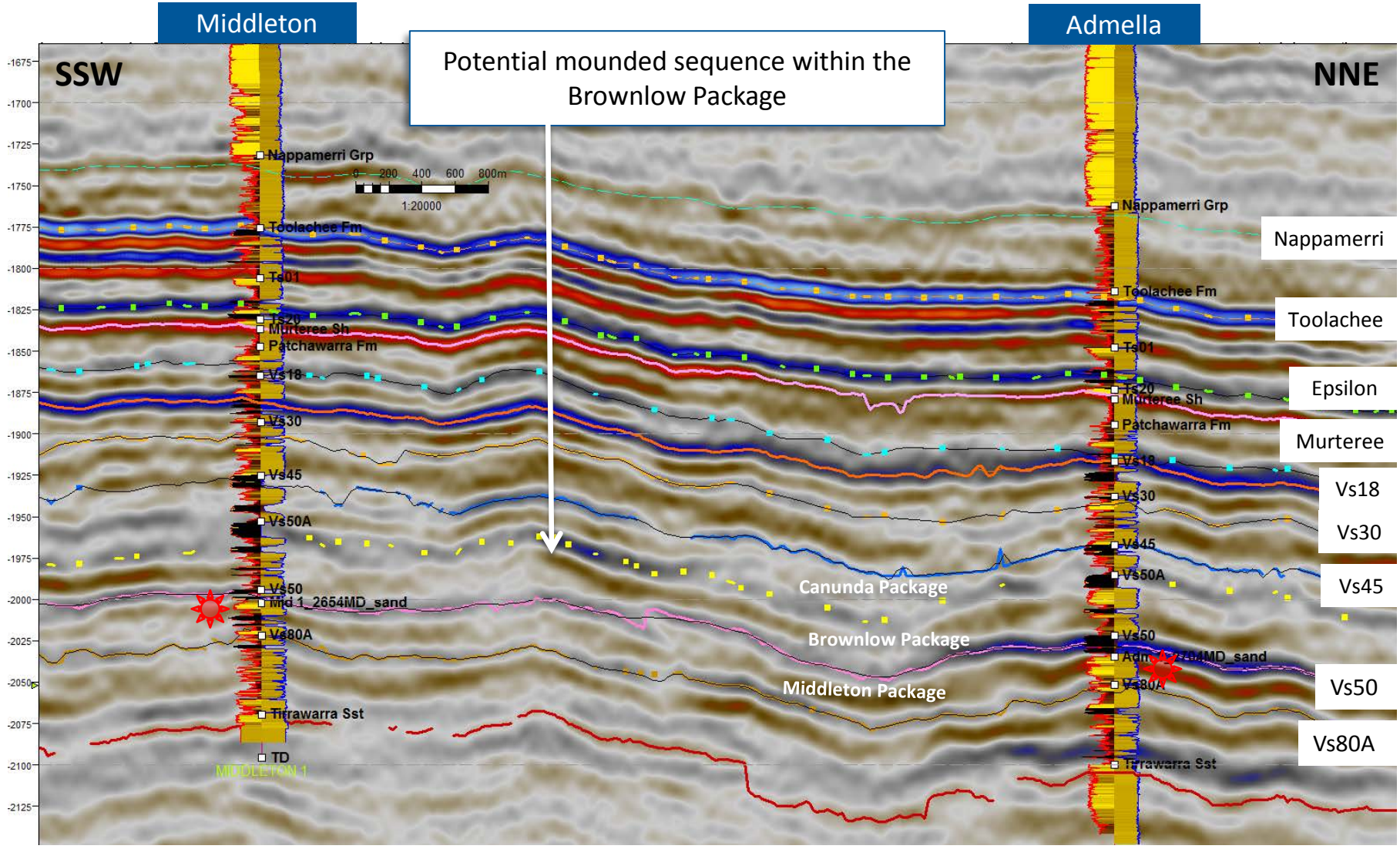
Conventional seismic

Inverted seismic

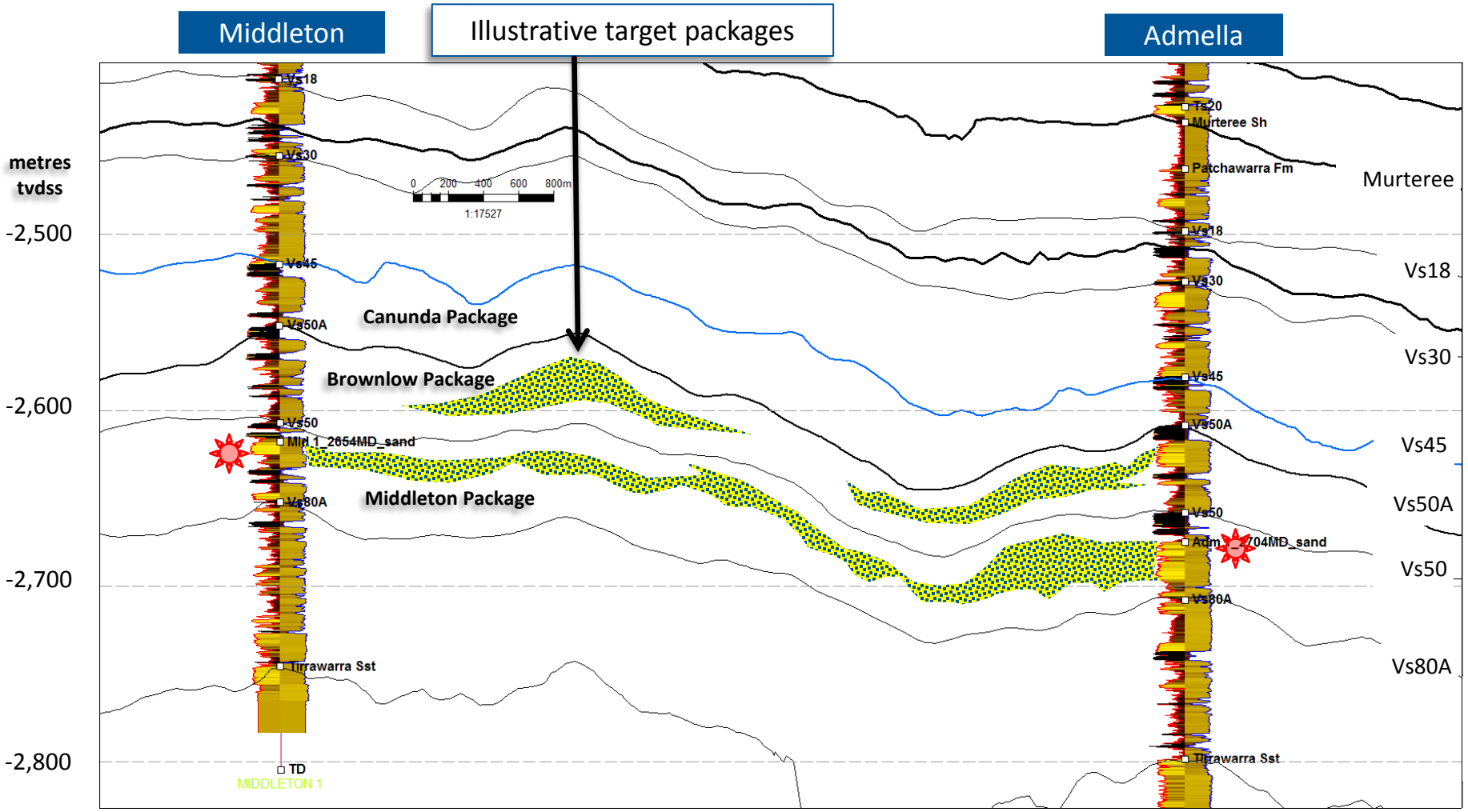


Proven inversion success with interpretation of Birkhead Formation in ex PEL 91 / 92

Western Flank
Ex PEL 106 3D seismic interpretation



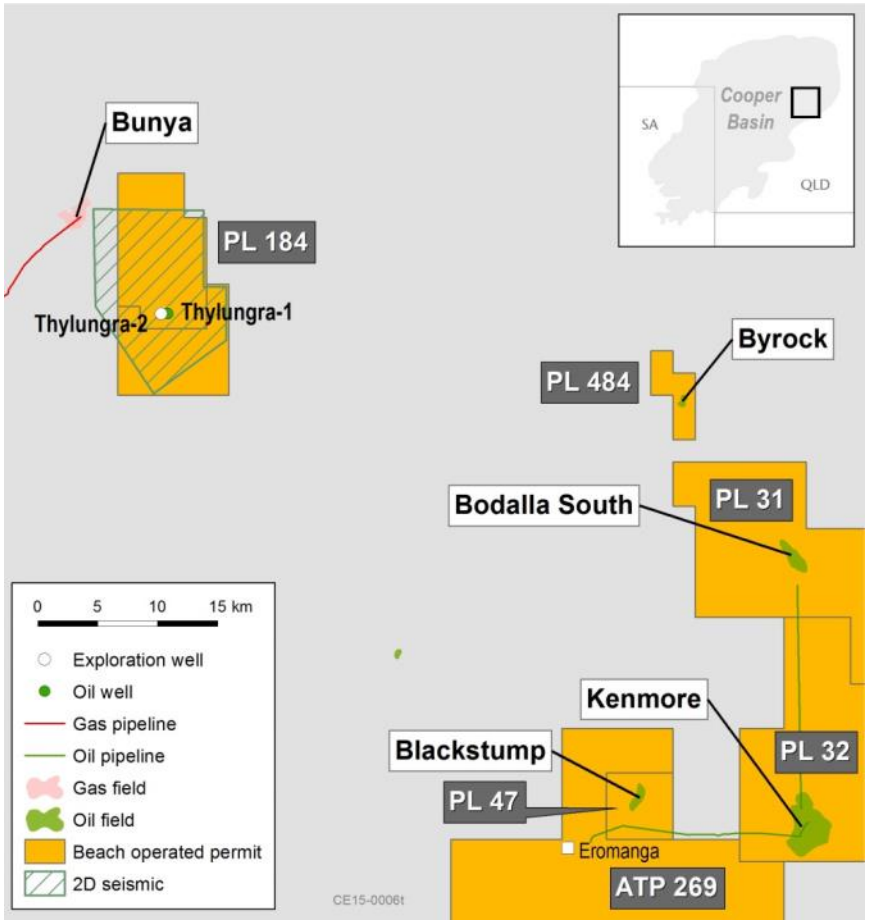
Western Flank
Resultant exploration targets identified



Eastern Flank
PL 184: Thylungra-2

- 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

Targeting Hutton Sandstone oil



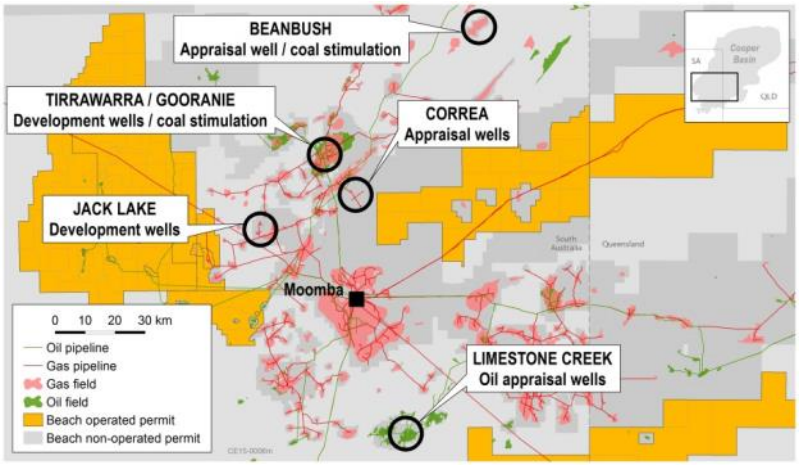
Beach 80.4% and operator, Australian Gas Fields 19.6%

Cooper Basin Gas
SACB and SWQ JVs drilling program

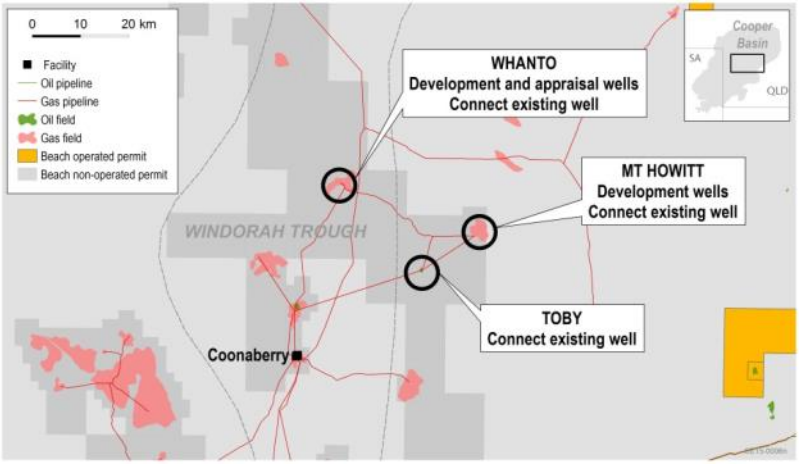
- Reduced drilling activities in FY16, with up to 40 wells planned
  - Three rigs currently drilling
- More appraisal / near-field exploration activities relative to past infill drilling
  - SACB JVs: Focus on liquids-rich fields; deep coal add-on plays
  - SWQ JVs: Focus on under-appraised and low CO_2 content fields
- Infrastructure upgrades include connection of stranded fields in Queensland
- FY16 capital expenditure of c.$160 million

A balanced drilling program, despite significant reduction in capital expenditure

South Australia



Queensland



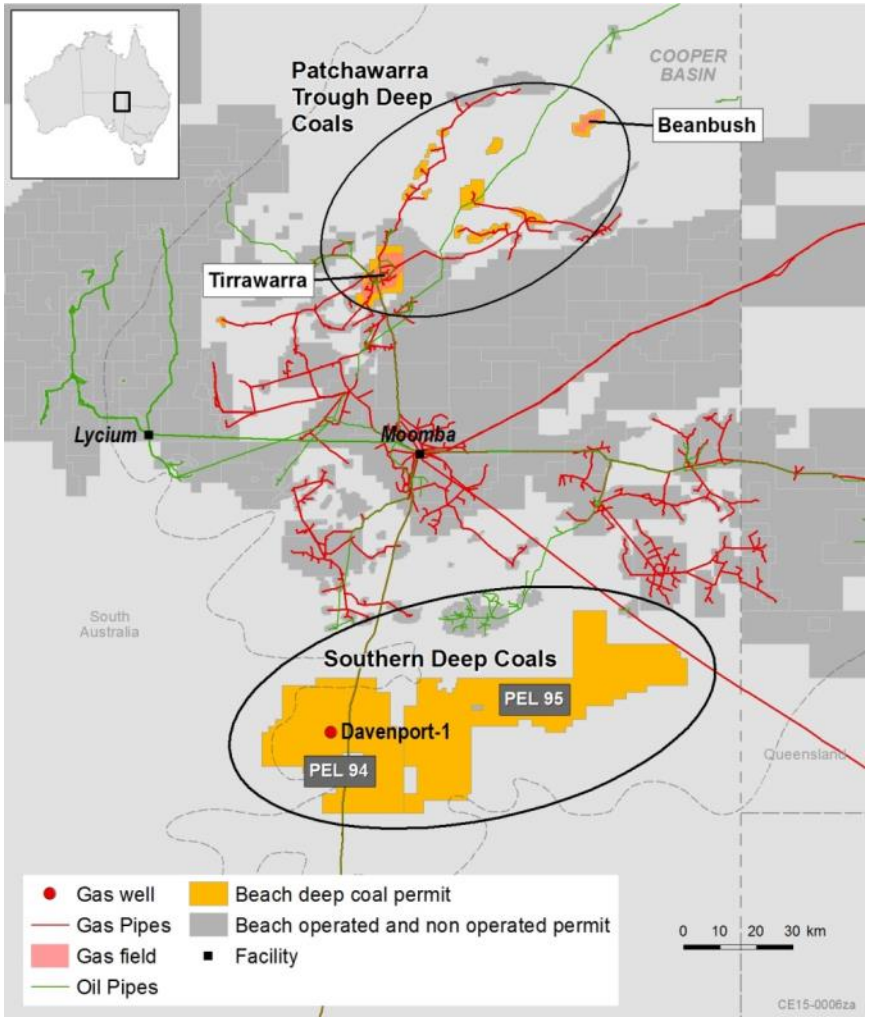
Cooper Basin Gas
Deep Coals

Southern Deep Coals

- Targeting coals at 1,500 – 2,000 metres depth
- Well costs of ~$3 million
- Davenport-1 exploration well indicated good permeability and gas content in core
- Extended production test expected late FY16

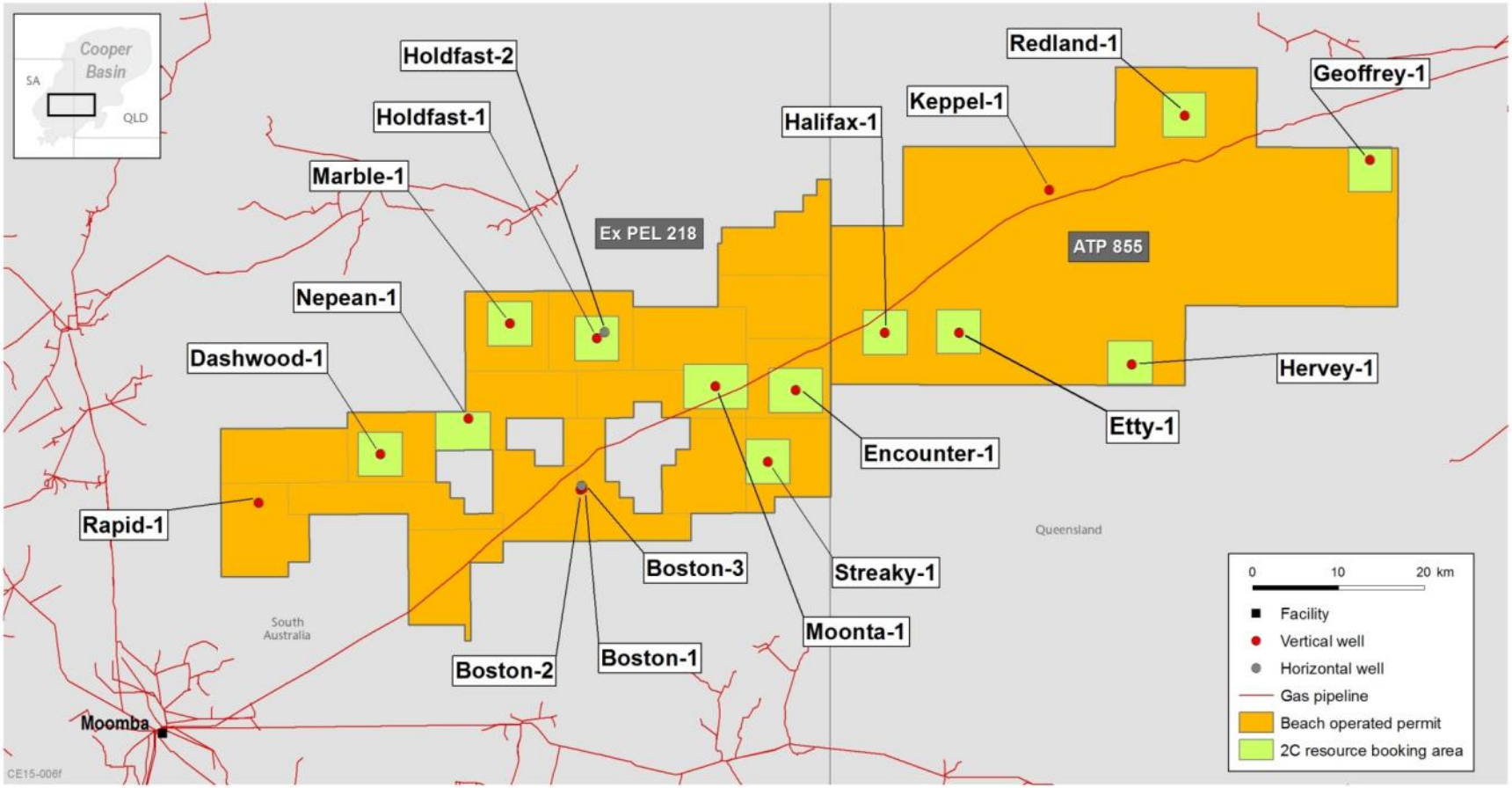
Patchawarra Trough Deep Coals

- Thick coals present in Toolachee, Epsilon and Patchawarra formations
- Tirrawarra and Beanbush fields identified for deep coal fracture stimulation
- Add-on play to test incremental well productivity



Southern Deep Coals: PEL 94 - Beach 50% and operator, Strike 35%, Senex 15%; PEL 95 - Beach 50% and operator, Strike 50%; Patchawarra Trough: Beach 17.1%, Santos 72.3% and operator, Origin 10.5%

Cooper Basin Gas
Nappamerri Trough Natural Gas



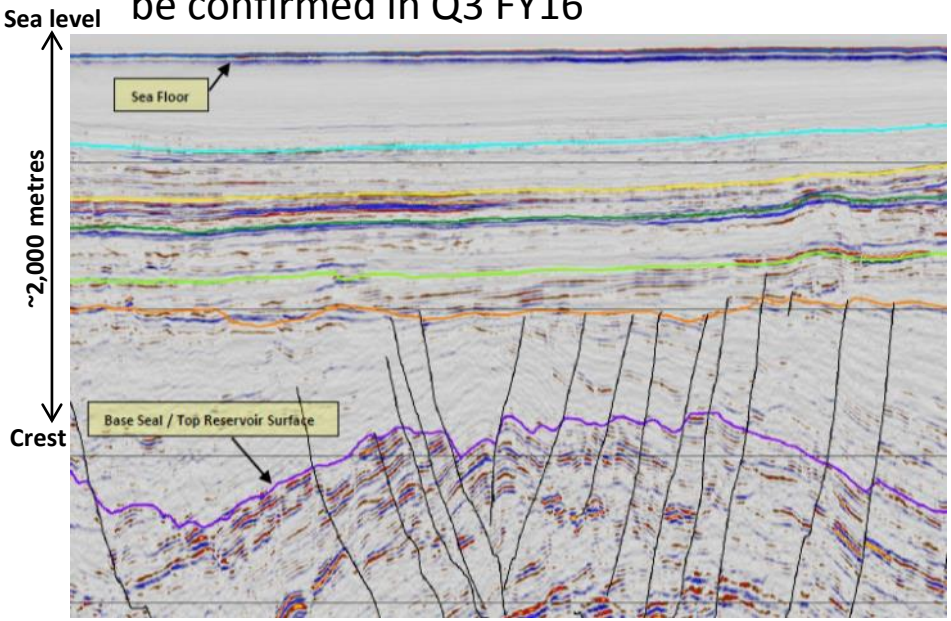
- 18 wells drilled across permits; 16 fracture stimulated
- 495 MMboe contingent resources[1]
- Farm-out process expected in 2016

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

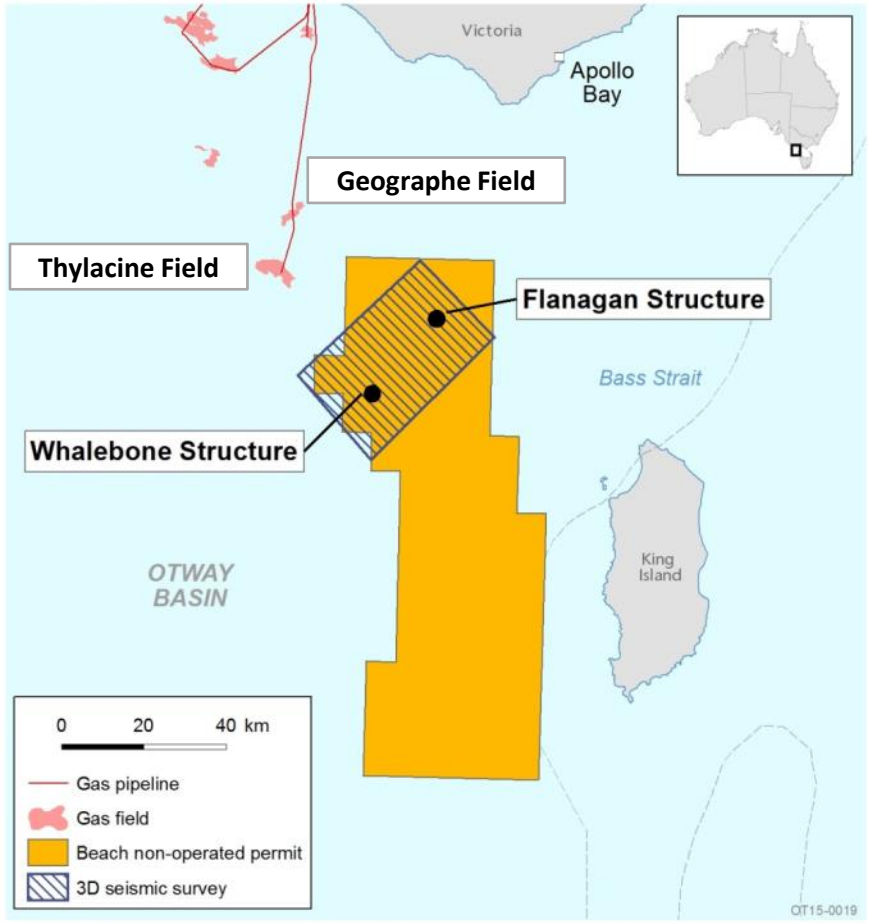
1. As announced to the Australian Securities Exchange on 21 August 2015; no new information has subsequently come to hand which would materially alter estimates or underlying assumptions

Offshore Otway Basin
3D seismic survey

- Permit adjacent to producing Thylacine and Geographe gas fields
- Proximal to existing infrastructure
- Two larges structures confirmed in north of permit area (Flanagan and Whalebone)
- Detailed mapping underway; next steps to be confirmed in Q3 FY16



Offshore Otway – T/49P



Beach 30%, 3D Oil 70% and operator

International
New Zealand

Canterbury Basin (PEP 52717)

- Farm-down process underway
- Seeking extension to April 2016 well commitment
- Further studies underway to determine optimum well location

Taranaki Basin (PEP 52181)

- No current activities
- Seeking extension to May 2016 well commitment

Taranaki Basin (PEP 57080)

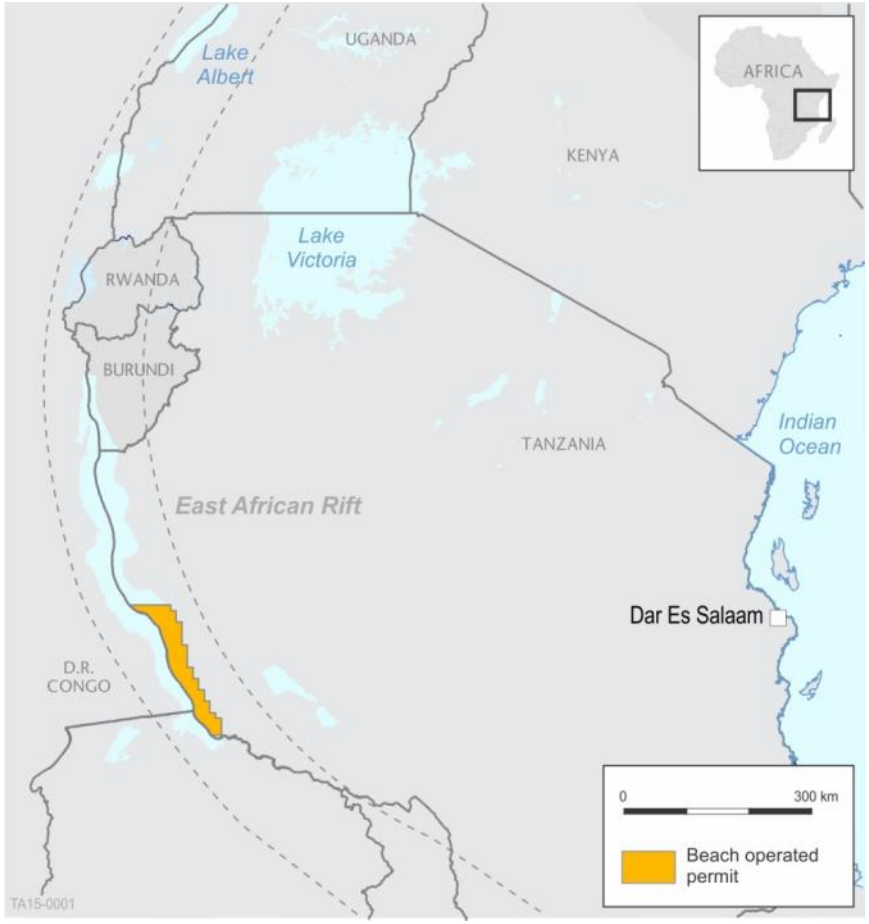
- Review of seismic data ongoing
- No well or seismic acquisition in 2016

Prospective exploration acreage

PEP 57080: Beach 50%, Todd Energy 50% and operator
PEP 52181: Beach 25%, NZOG Energy 35% and operator, TAG 40%
PEP 52717: Beach 50%, NZOG Energy 50% and operator

International
Africa

Tanzania – Farm-down underway



Egypt – Sale process underway

Q&A

Gas Market Update

Rod Rayner – Group Executive Commercial

Eastern Australia gas market

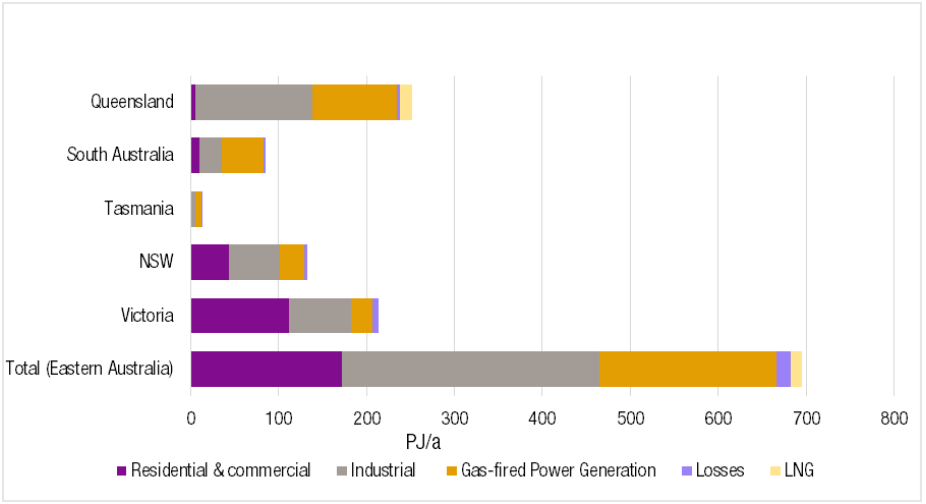
Demand to triple in five years

- 2013 consumption: ~700 PJ
- 2018 consumption (forecast) ~2,100 PJ
  - 70% attributable to LNG

Expanded transport infrastructure connectivity

- Allowing supply to access Queensland LNG
- Moomba-Adelaide pipeline and Moomba-Sydney pipeline upgraded for reverse flow
- Queensland-SA-NSW interconnect compression upgrade

Eastern Australia Gas Market Composition – 2014



Source: AEMO, December 2014

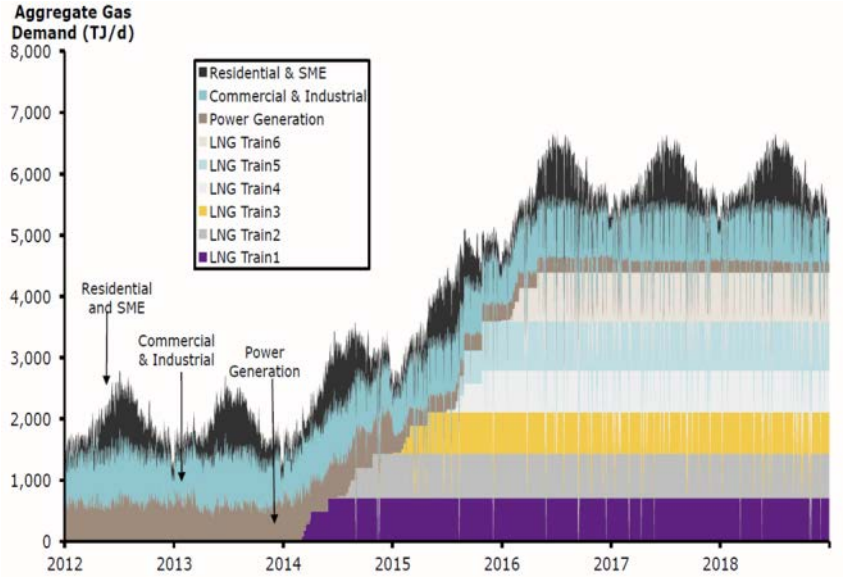
A market in transition as LNG gas demand ramps up

Eastern Australia gas market

Domestic gas now exposed to global LNG market dynamics

- Domestic gas consumers competing with export markets
- LNG demand ramp up coinciding with expiry of legacy Cooper and Gippsland basin contracts
- Increased base price and oil-linked pricing reflect export market linkage
- Future market pricing influenced by LNG supply / demand positions

Forecast Eastern Australia Gas Demand



Source: AGL

As LNG plants ramp up, medium term supply to 2020 is tight

Eastern Australia gas supply

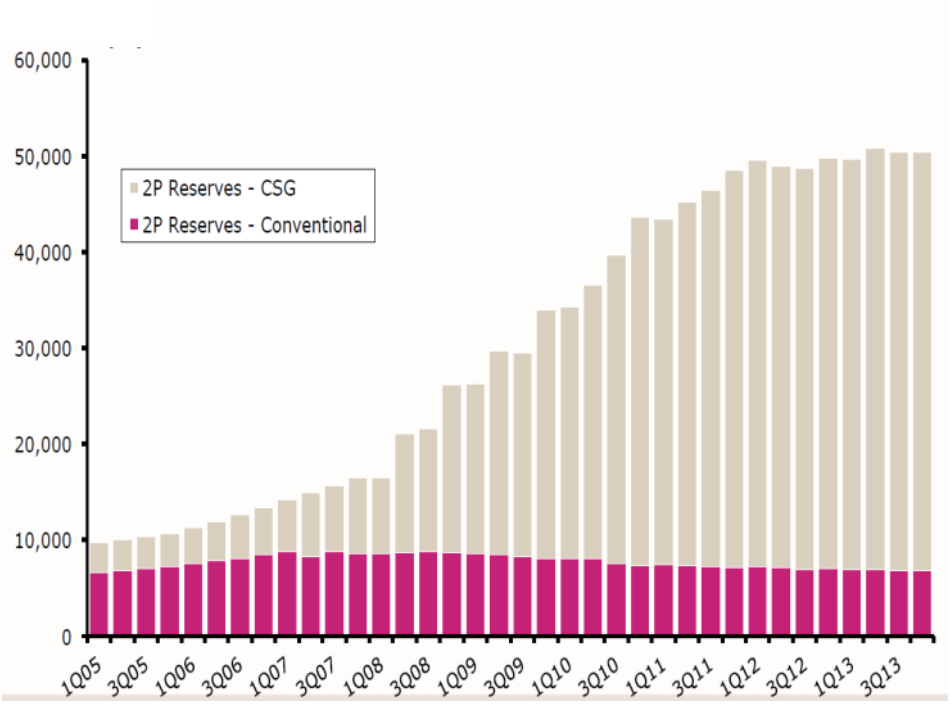
Conventional gas

- Regional market dynamics prevailed
- Historically able to meet seasonality in demand
- Recent decline hindered gas demand growth

CSG

- Major increases in 2P reserves, mainly Queensland becoming dominant source of gas supply
- LNG demand and prices offered long-term and large commercialisation pathway for CSG
- High load factor and minimal seasonality of LNG suits CSG
- CSG high load factors limiting the availability of seasonal flexibility sought by domestic market
- Market value of flexibility offered by storage facilities increasingly recognised (QIC's Iona purchase)

Eastern Australia 2P Gas Reserves (PJ)

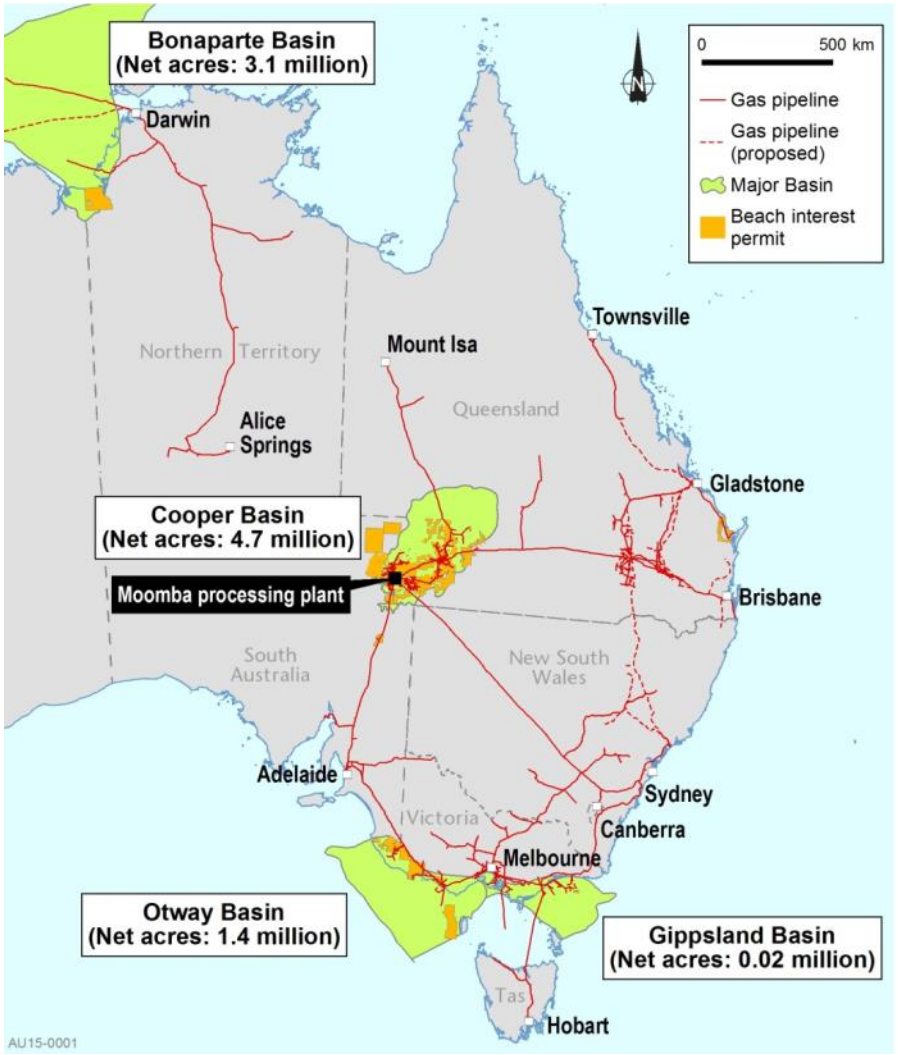


Source: EnergyQuest

Ongoing performance of CSG crucial to market forecasts

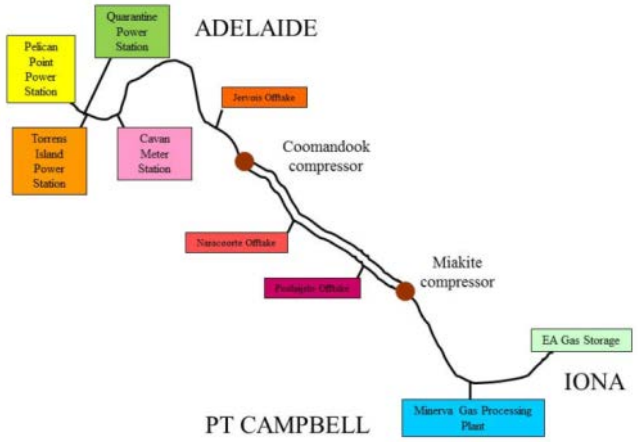
Opportunities for Cooper Basin gas

- Cooper Basin ideally situated adjacent to transport infrastructure to eastern and southern markets
  - Able to supply domestic and LNG export markets
- Existing Beach gas sale contracts provide exposure to domestic and LNG export markets, without associated midstream costs
- Strong demand for additional gas continues to support exploration activities
- New discoveries immediately marketable
- Moomba plant accessible for new discoveries



Otway and Gippsland basins

- Existing exploration acreage proximal to regional transportation and processing infrastructure, supplying eastern Australia markets
- Gas production able to be supplied to southern and LNG markets via SEAgas and EGP pipelines
- Premium gas pricing for seasonal flexibility from storage facilities or plant operations
- Discovered gas resources may be commercialised relatively simply, particularly if minimal processing (e.g. low CO_2)
- Interconnected market means export pricing influences exist, even though remote from Queensland LNG projects



Beach acreage proximal to existing infrastructure

Infrastructure Projects

Mike Bangerter – Team Leader, Facilities Engineering

Facilities Engineering

Key functions

- Design, procure, construct and commission surface plant and equipment for processing, custody metering, storage and transportation of oil and gas fluids from wellhead to customer delivery
- Telemetry / SCADA, remote operations
- Infrastructure: camps, roads, airstrips, workshops, materials and fuels storage, bridges, flood mitigation
- Reliability focused maintenance management
- Vehicle fleet procurement and management
- Support to production operations

Key activities

- Facilities engineering
- Asset integrity and reliability
- Production measurement
- Process control
- Project management
- Construction management
- Design and 3D modelling
- Document control
- Fleet vehicle, camp and communications management

Operated Cooper Basin infrastructure

Cooper Basin	Fields	Producing Wells	Facilities
South Australia – Oil	24	78	15
South Australia – Gas	6	3	1
Queensland – Oil	6	42	7
Total	**36**	**123**	**23**

23 facilities servicing 123 wells across 36 fields

Oil processing facilities – General approach

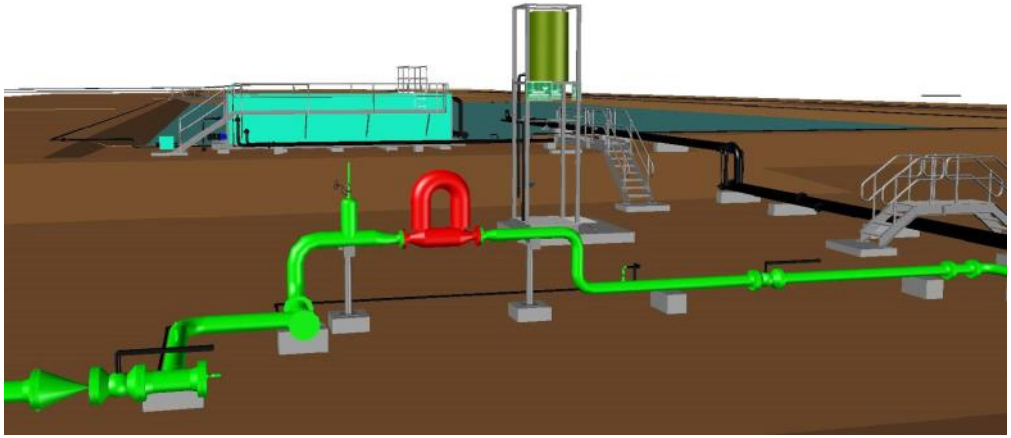
Modular design approach

- Modular approach of pre-fabricated equipment and assemblies reduces on-site construction time and costs
- Template design concept developed to reduce design time and maintain consistency to aid operators
- Collaboration between engineers, operators and construction has resulted in an efficient and versatile processing plant design

Pennington facility under construction

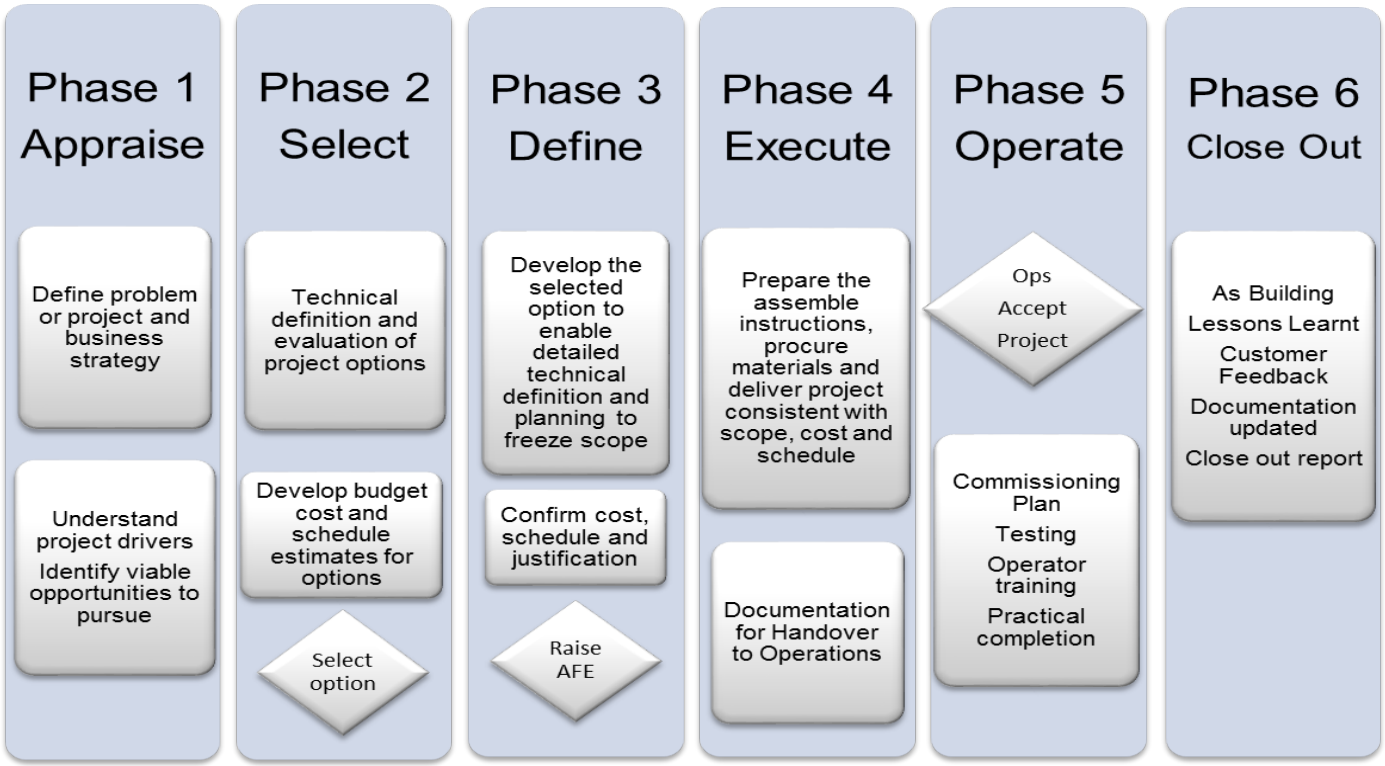
Oil processing facilities – 3D modelling

- 3D CAD design introduced late 2014 to improve design and construction implementation
- Allows better visualisation of how the facility will look and operate
- Assists HAZOP, risk assessments and HSE compliance
- Significant benefits in accuracy have led to reductions in construction costs and time



Project execution – Process overview

Projects divided into phases with approval gates



- Phases 1, 2, 3 and 5 performed by Beach
- Phases 4 and 6 outsourced if required

Project execution – Oil processing facilities

Each development is different and requires careful evaluation

- During the Appraise and Select phases, facility processing requirements and engineering solutions are developed
- Considerations for the development of each processing facility include:

  Reservoir production profile: Timing and extent of water cut for field; design to accommodate

  Fluid properties: Reservoirs vary and must be treated accordingly

  Fluid temperatures: Temperature specific equipment required to ensure prevention of waxing

  Future development options: Will artificial lift be required and, if so, its impact on equipment selection

  Transportation and storage: Quantum of oil storage and the most economically viable method of transport

  Contaminants: Removal, if required, to meet export specification

Project execution – Timeline

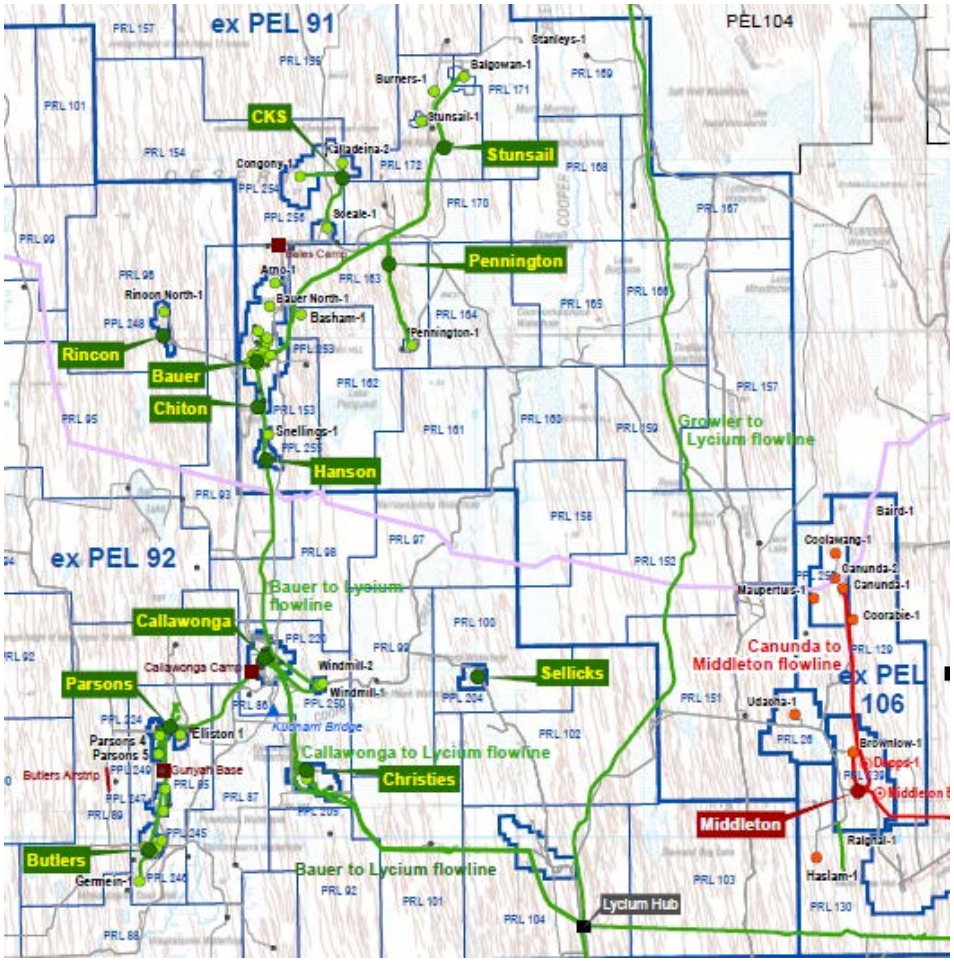
Timelines vary depending on complexity, capacity and content of project

Stunsail facility

- 20,000 bfpd processing capacity
- 2,500 bopd storage
- 19 kilometre export pipeline and end of line facilities
- Multiple well flowline connections

Indicative lead times

Western Flank pipelines



- Pipeline network installed between 2008 and 2015
  - 280 kilometres of oil pipelines
  - 72 kilometres of gas pipelines
- Delivers improved efficiency and reduced costs
  - Uninterrupted production during times of flooding
  - Less reliance on trucking
- Composite material now used
  - Corrosion resistant
  - Low maintenance, resulting in lower operating expenditure

A complete network of corrosion resistant pipelines

Western Flank pipelines

Spoolable composite pipe

- High pressure capability
- Immune to corrosion, with few joints
- Rapid installation, resulting in lower costs
- Minimal environmental impact

Installation of Stunsail to Bauer oil pipeline with direct plough technique

Western Flank pipelines

Stick glass reinforced epoxy (GRE) pipe material

- Manufactured with glass fibre filament windings in an epoxy resin
- High strength and corrosion resistant, with low installation costs
- Improved flow capacity and long service life

Pipe assembly of 200 nominal bore Lycium to Moomba pipeline with hydraulic spinner

Best practice asset management

- Value engineering analysis and life of asset considerations factored into each development
- Skid mounted equipment reduces on-site installation and enables re-use at other locations
- Equipment selected to have commonality across all assets
  - Provides familiarity for operator and reduction in spares inventory
- New pipeline and facility technologies aim to:
  - Reduce maintenance and operating costs;
  - Utilise low energy devices, such as solar powered systems; and
  - Lower environmental disturbance

Minimising costs, creating efficiencies and reducing environmental impact

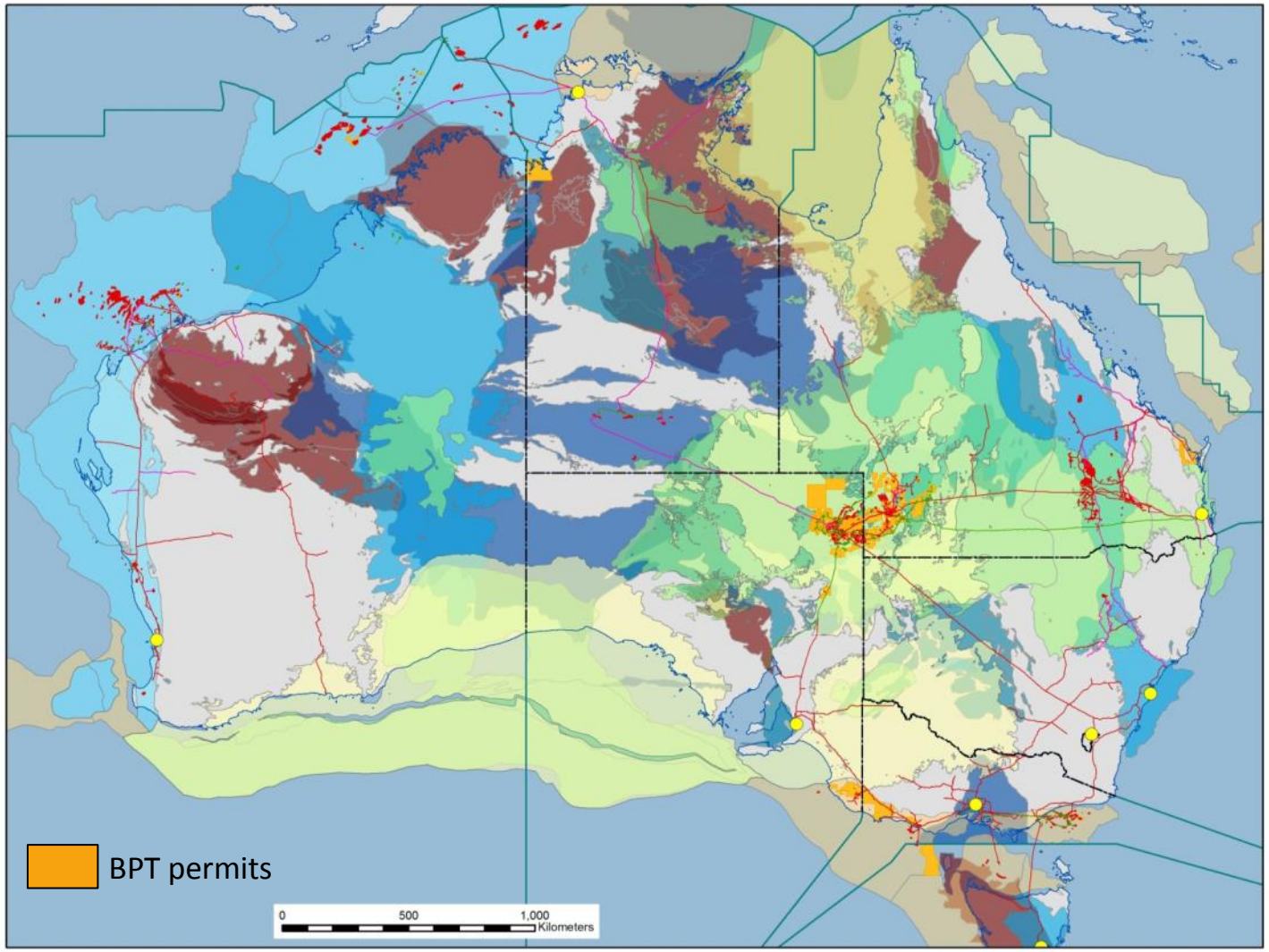
Approach to Basin Reviews

Andrew Krassay – Senior Geologist, New Ventures

Australian basins – Regional geology

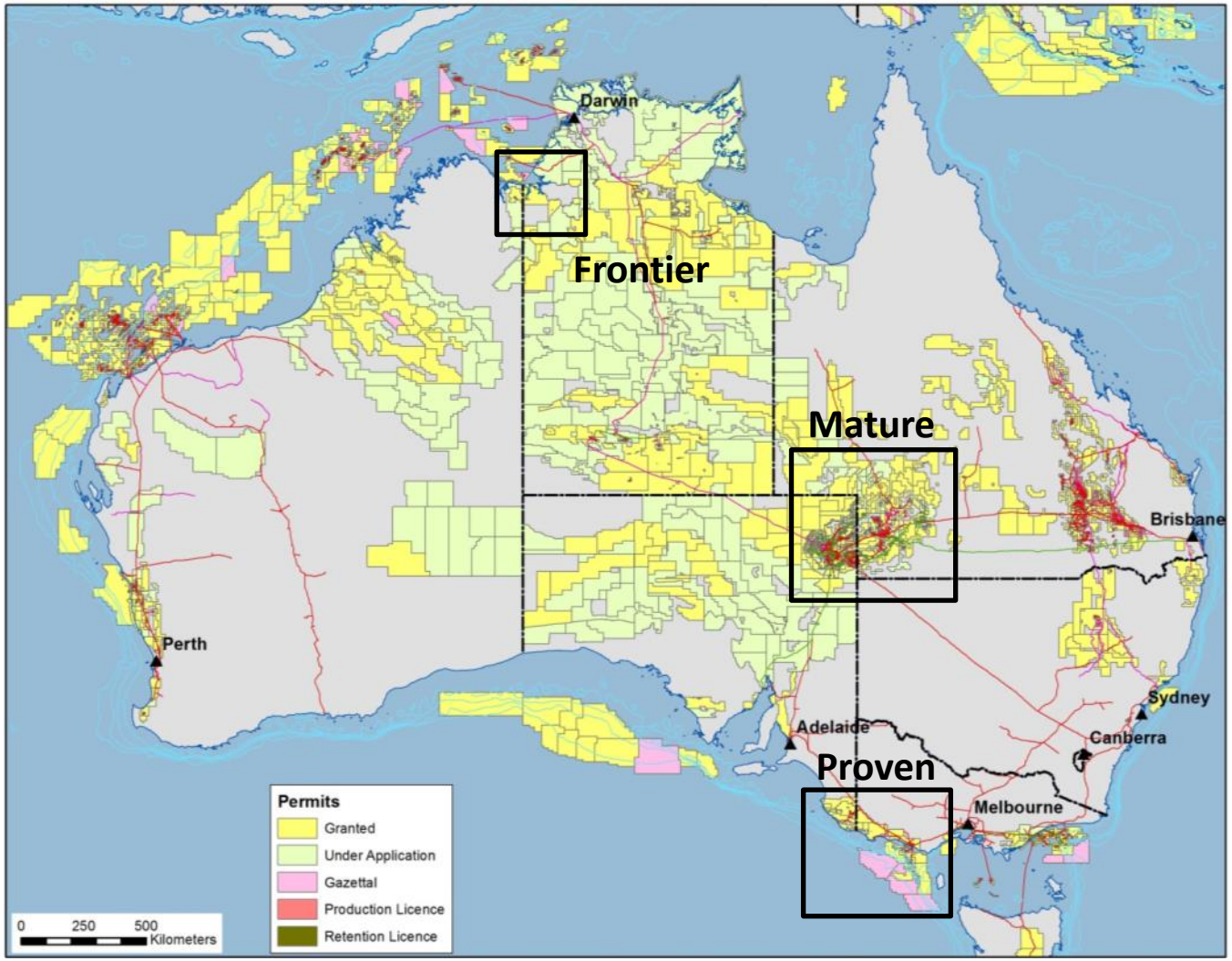
Australian basins by Age

- Cenozoic
- Mesozoic-Cenozoic
- Mesozoic
- Paleozoic-Cenozoic
- Paleozoic-Mesozoic
- Paleozoic
- Neoproterozoic-Paleozoic
- Archean-Proterozoic



Australian basins – diverse, old, stacked and complex

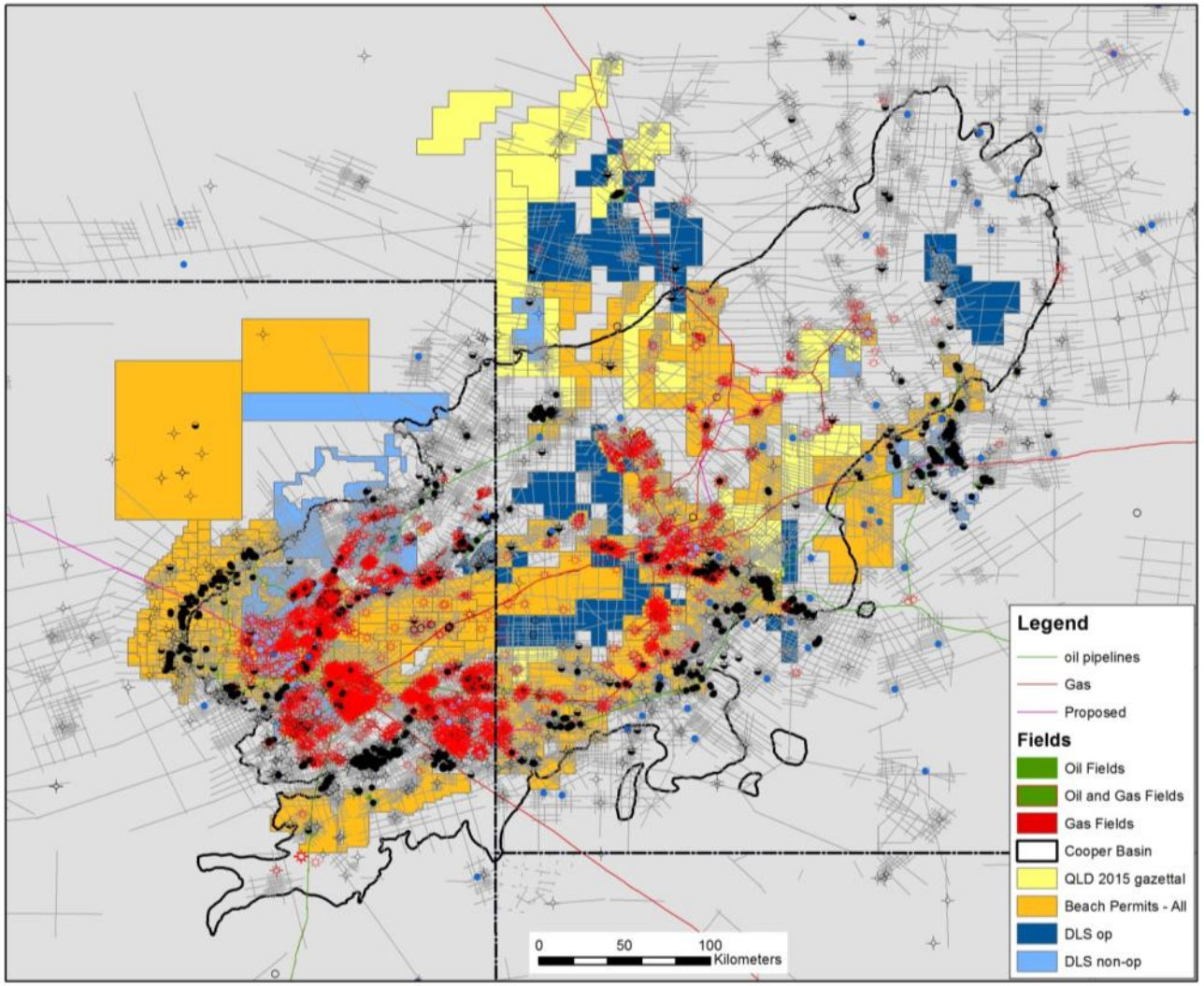
Australian basins – Overview



Case 1: Mature – Cooper / Eromanga basins

Mature area

- ~4,000 wells
- Good regional 2D seismic coverage
- Significant 3D seismic
- ~500 oil and gas fields
- Pipelines
- Facilities
- Excellent access to markets
- Clear understanding of cost structures and commercial hurdles



1:3 million scale

Case 1: Mature – Cooper / Eromanga basins

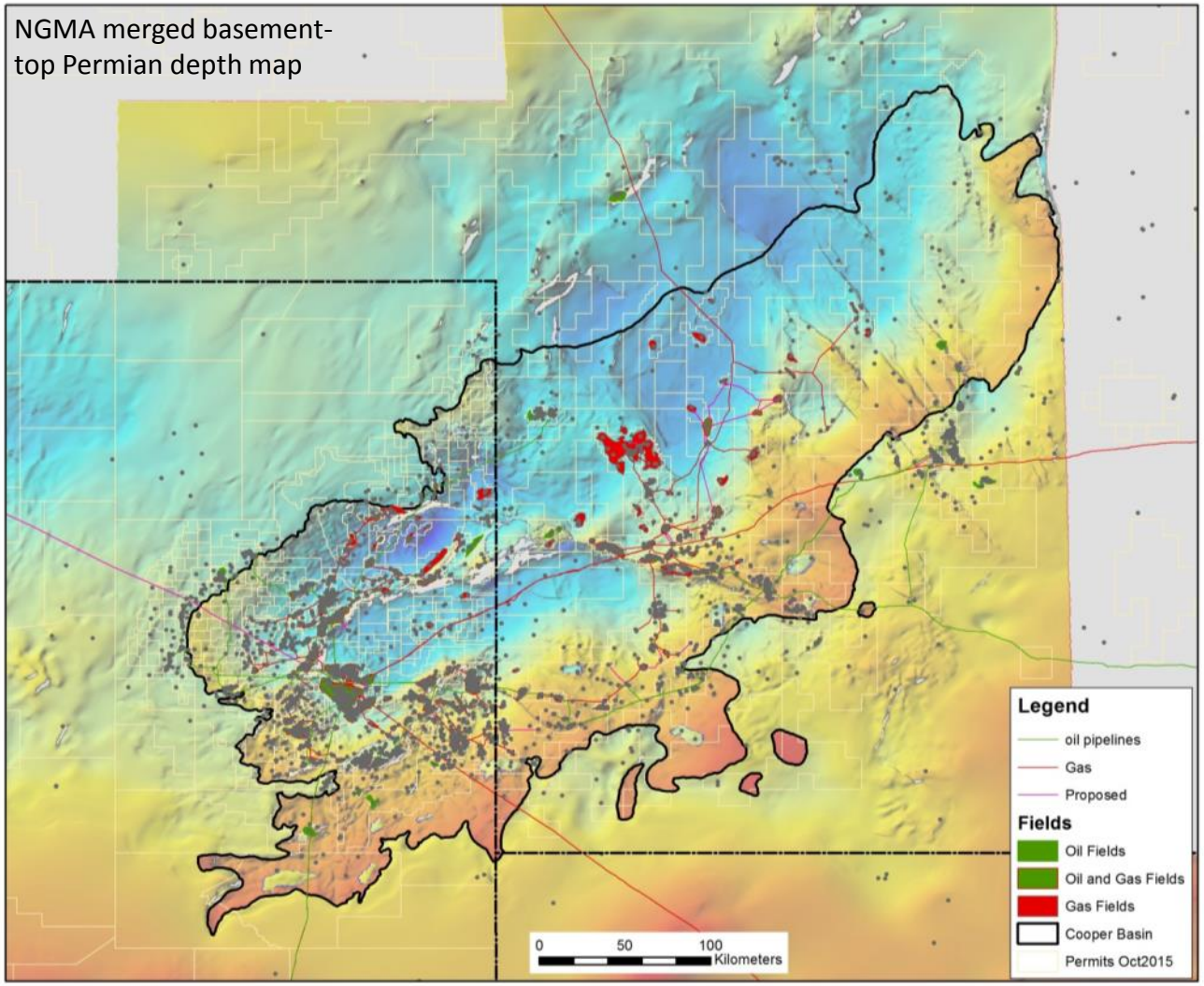
Mature area

- Extensive mapping and databases available
- Good understanding of regional geology
- Known structure and stratigraphy

Basin review focus

- Review of key datasets
- Defining play fairways and extensions
- Looking for new plays
- Mapping migration pathways
- Quantitative modeling

1:3 million scale



Case 1: Mature – Cooper / Eromanga basins

Wells

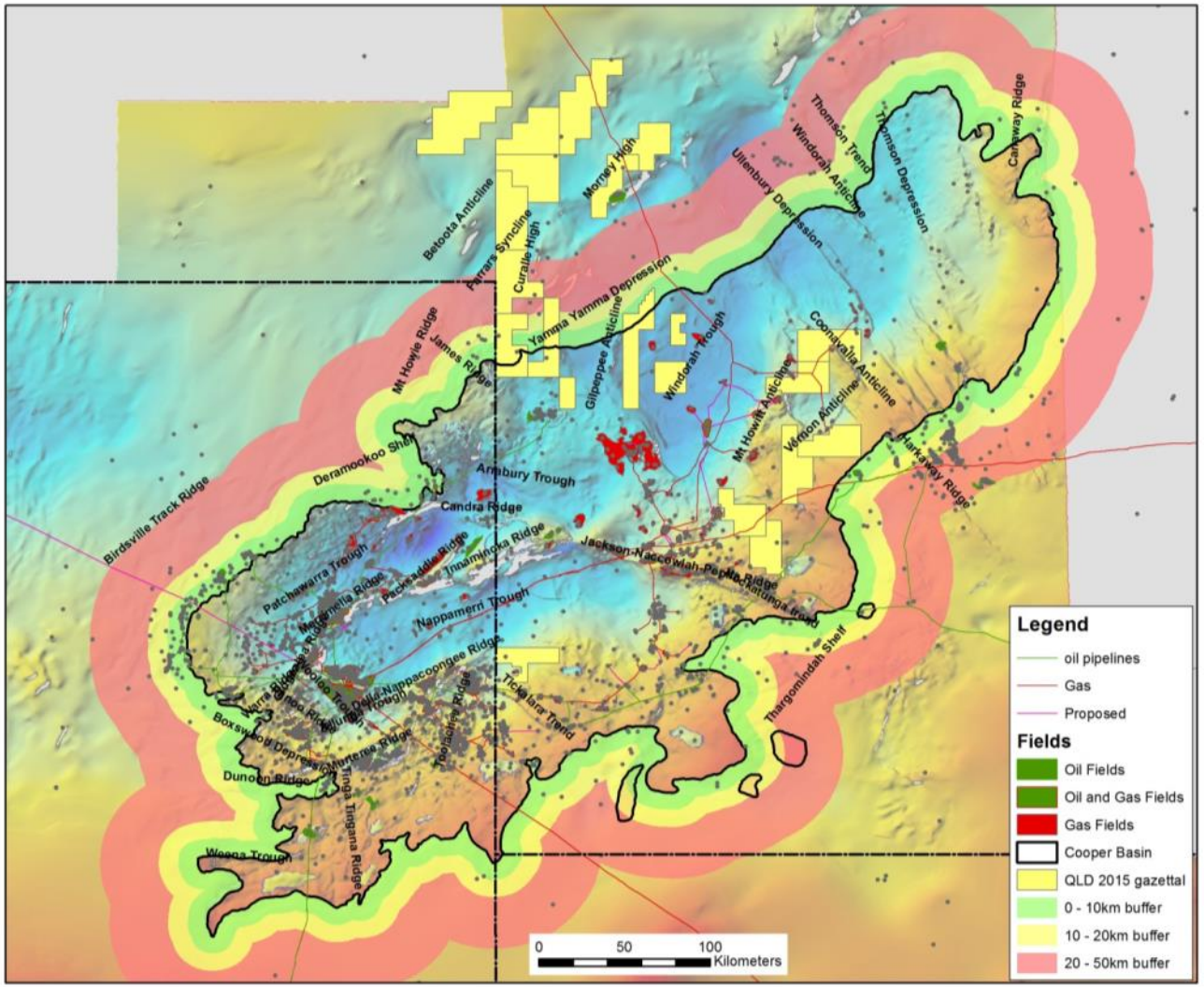
- 3,760 wells within 50 kilometres of Permian edge

Oilfields (n=206)

- 74% within the Permian Basin
- Only seven oilfields (3%) >25 km

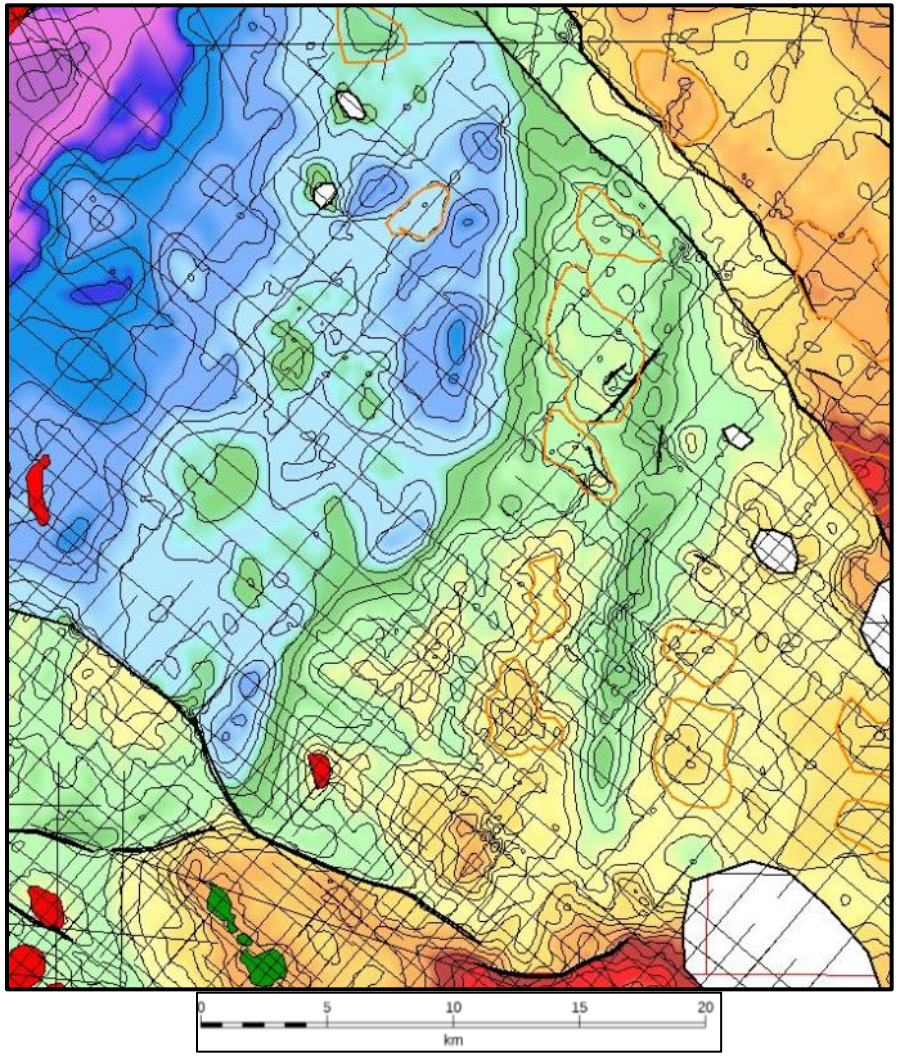
Gasfields (n = 269)

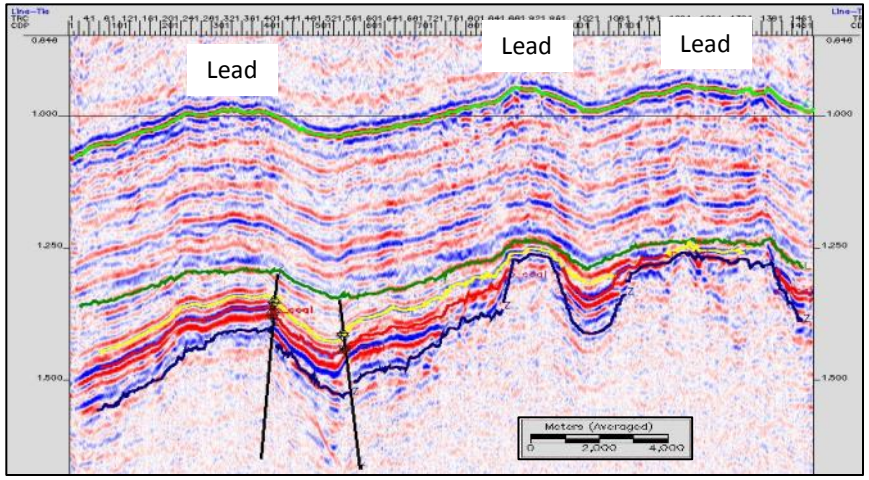
- 99.6% within Permian Basin



1:3 million scale

Case 1: Mature – Cooper / Eromanga basins





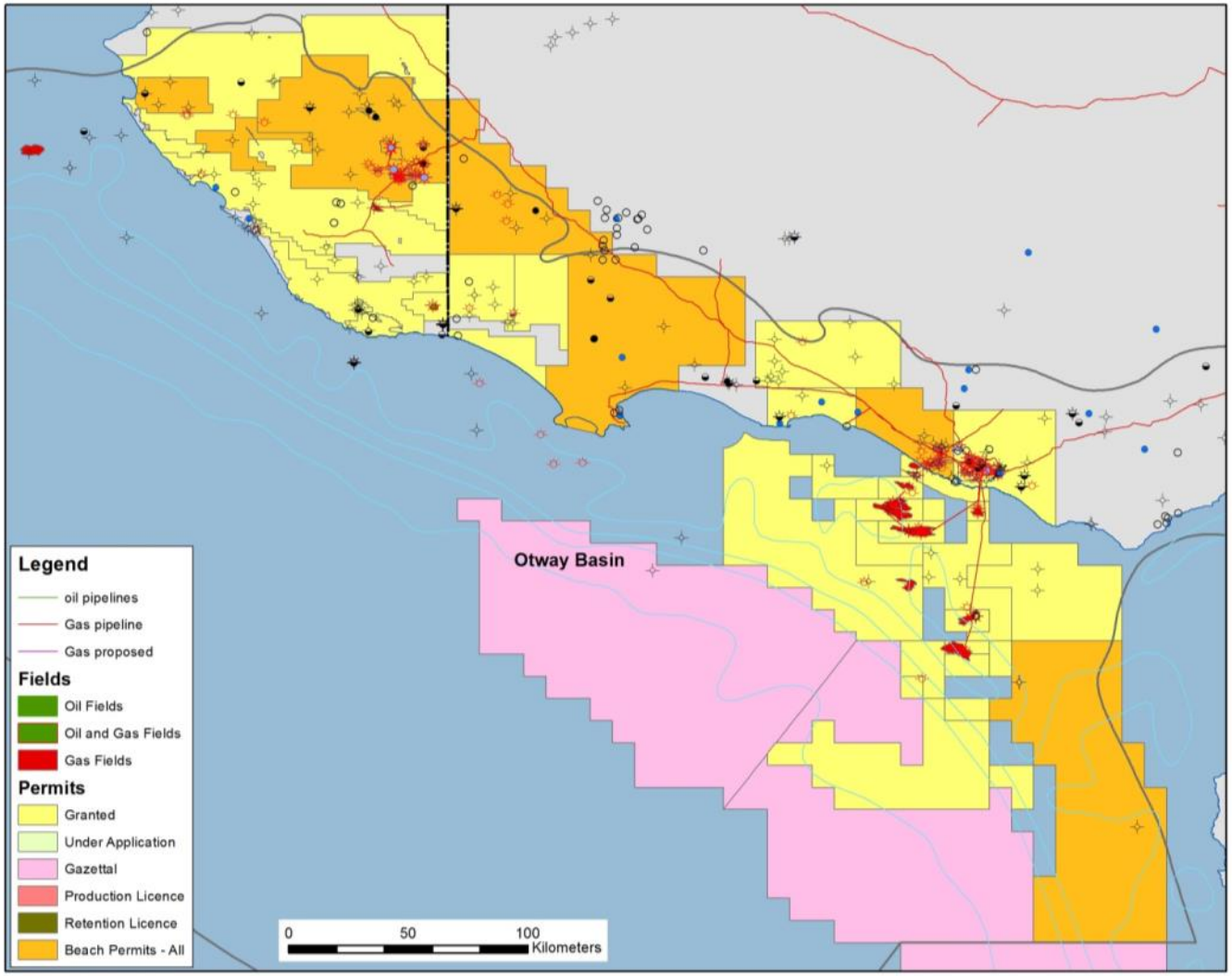
Basin review

- Refining source, charge, migration models
- Well failure analysis
- Play fairway mapping
- Seismic mapping in time and depth
- Developing P&L inventory
- Risking and volumetric modelling

Case 2: Proven – Otway Basin

Proven basin with frontier areas

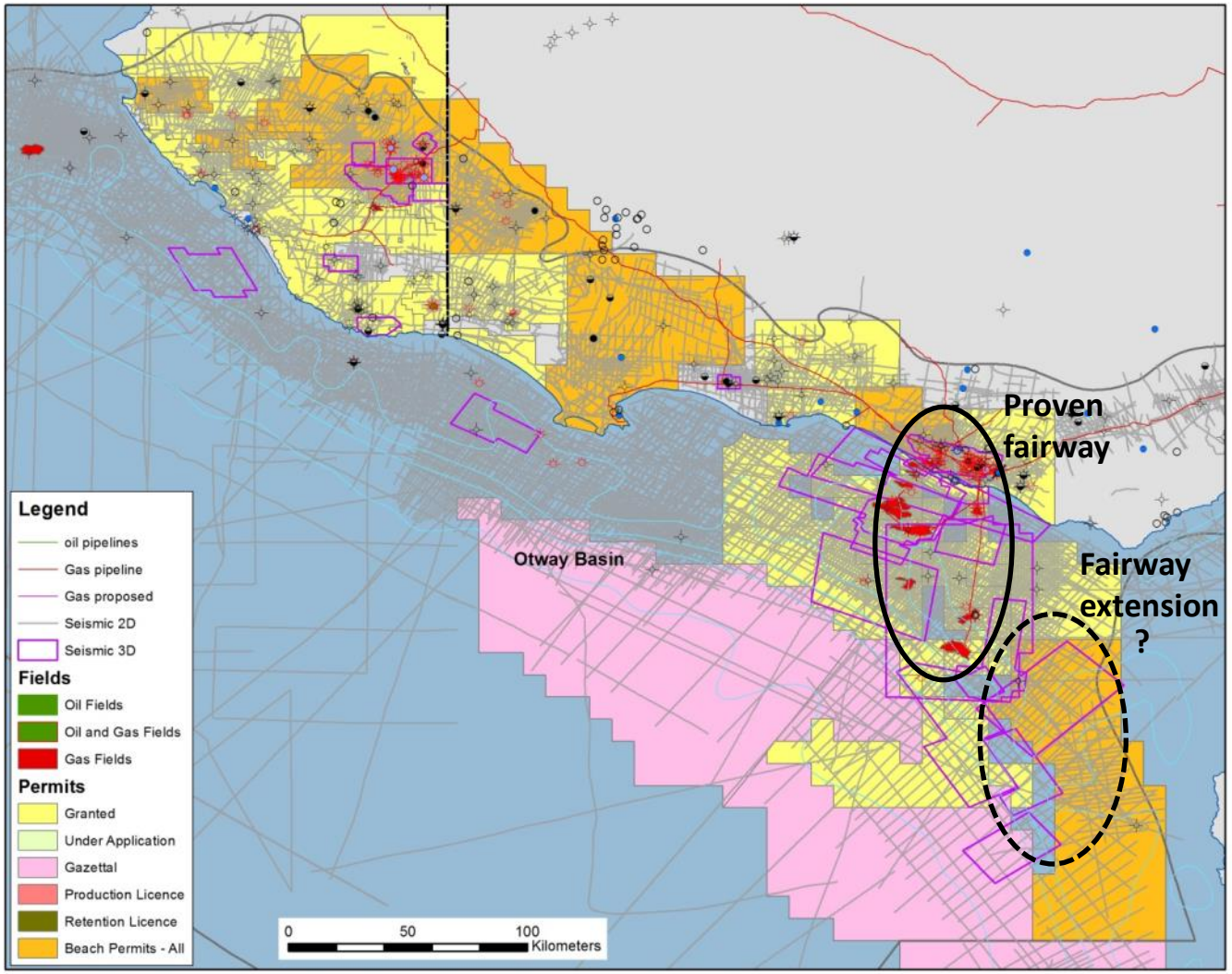
- ~250 wildcat wells
- Good regional 2D seismic coverage
- Extensive 3D seismic over main producing areas
- ~50 gas fields
- Pipelines and facilities localised to hubs
- Excellent access to markets



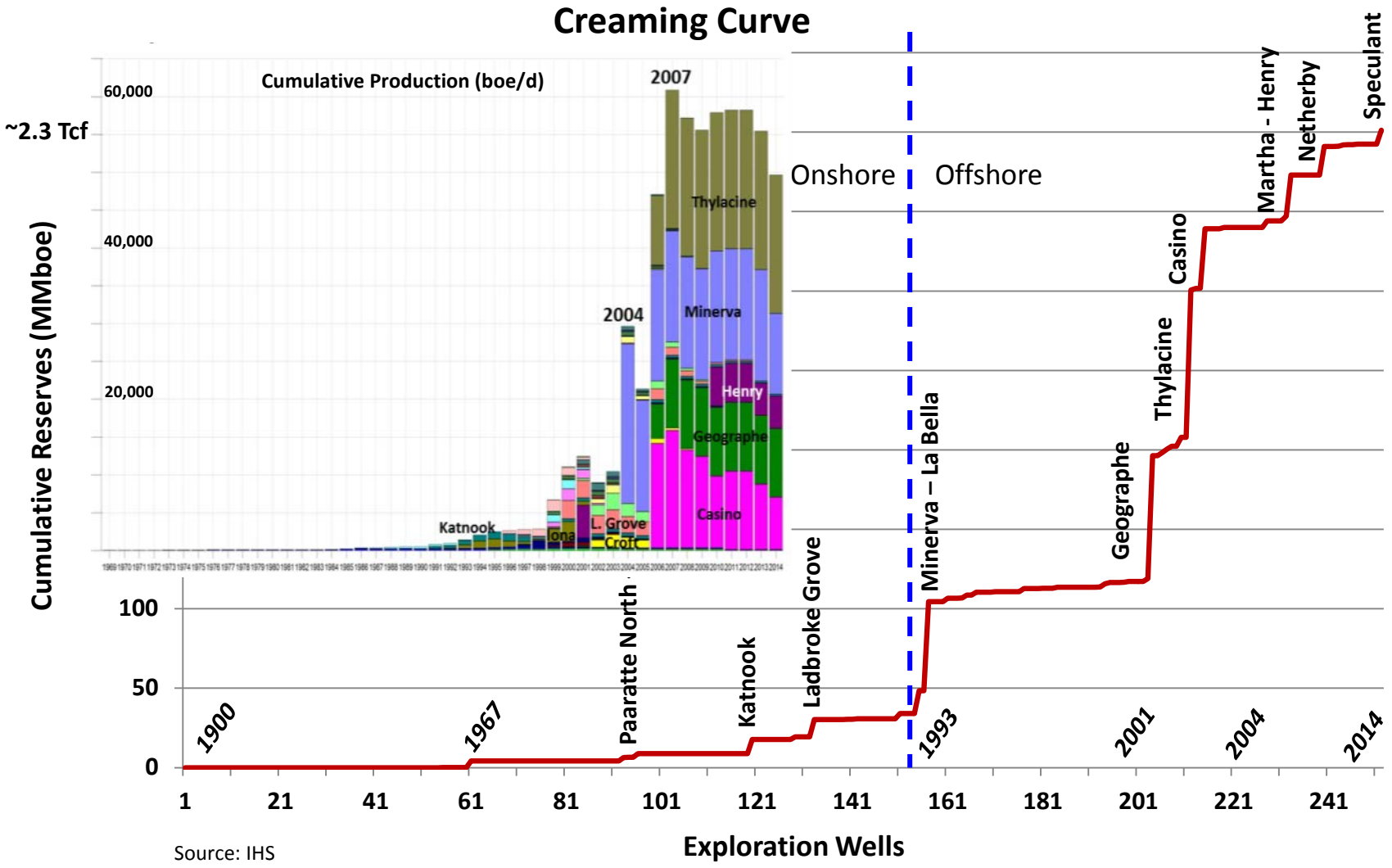
Case 2: Proven – Otway Basin

Basin Review

- Well failure analysis
- Play fairway mapping
- New high quality seismic acquisition
- Structural model
- Detailed seismic mapping and AVO analysis
- Use of analogues
- Looking to extend known proven plays = Eumeralla - Waarre structural play

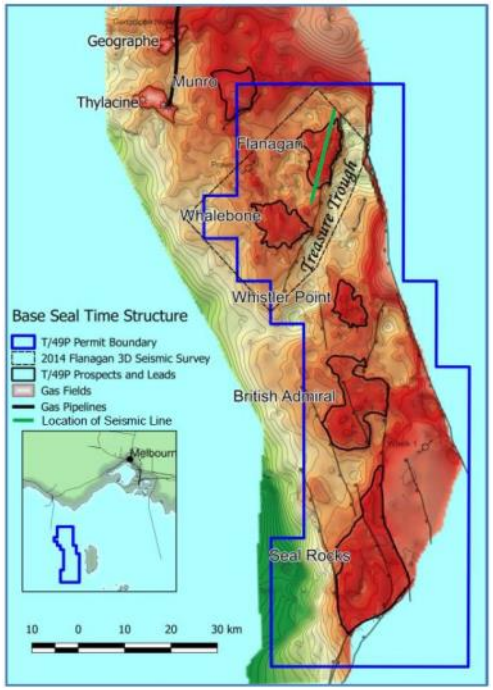


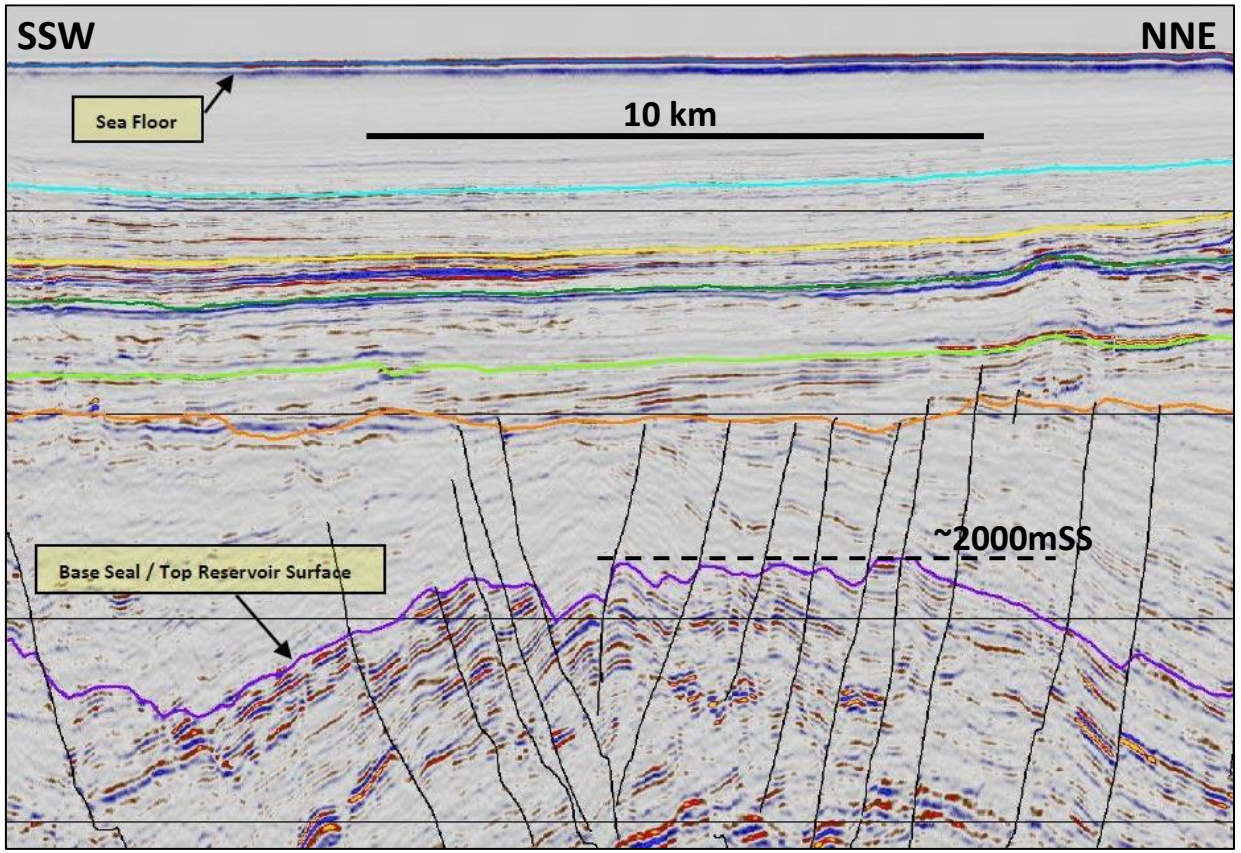
Case 2: Proven – Otway Basin



Source: IHS

Case 2: Proven – Otway Basin





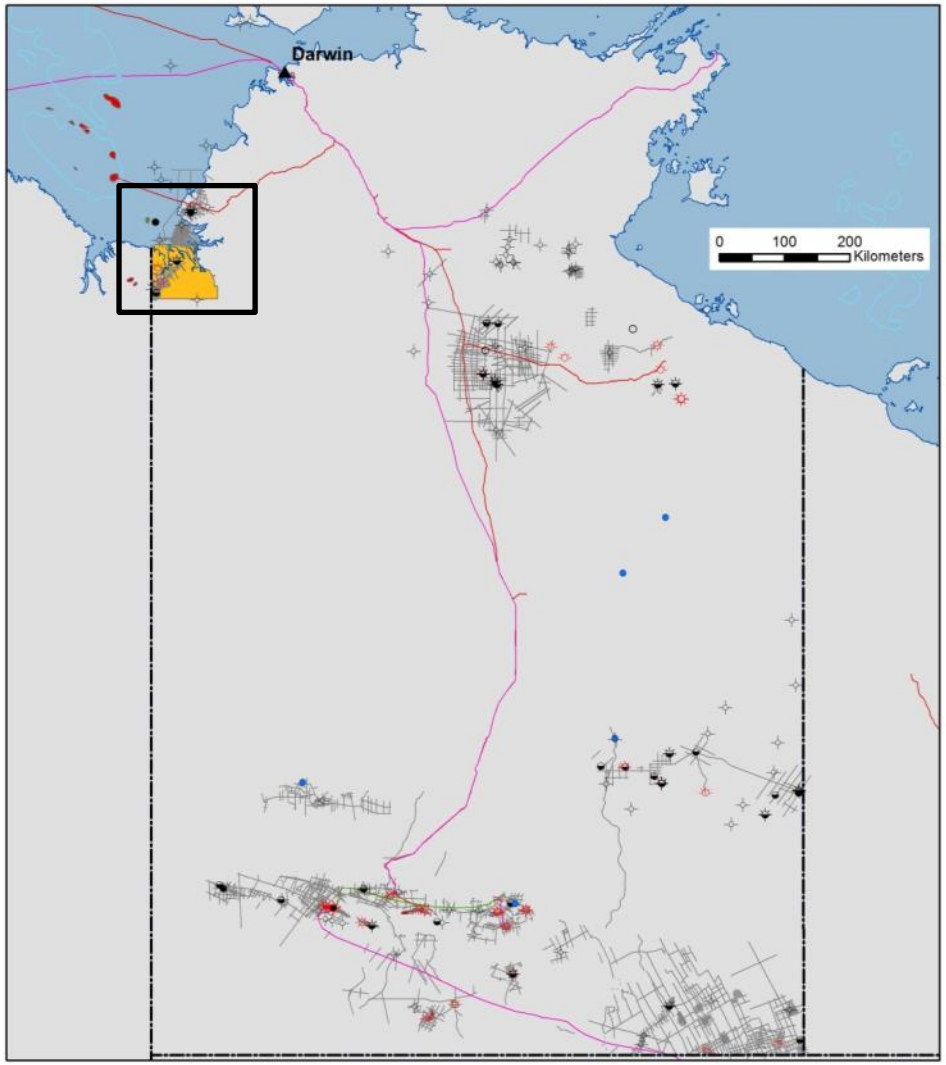
3D Oil interpretation

- Key to unlocking remaining potential in this basin is 3D seismic with inversion
- Potential to extend the Shipwreck Trough play fairway is encouraging
- Detailed mapping to understand structural style, seal units and fluids via amplitudes are critical

Case 3: Frontier – Northern Territory

Frontier areas

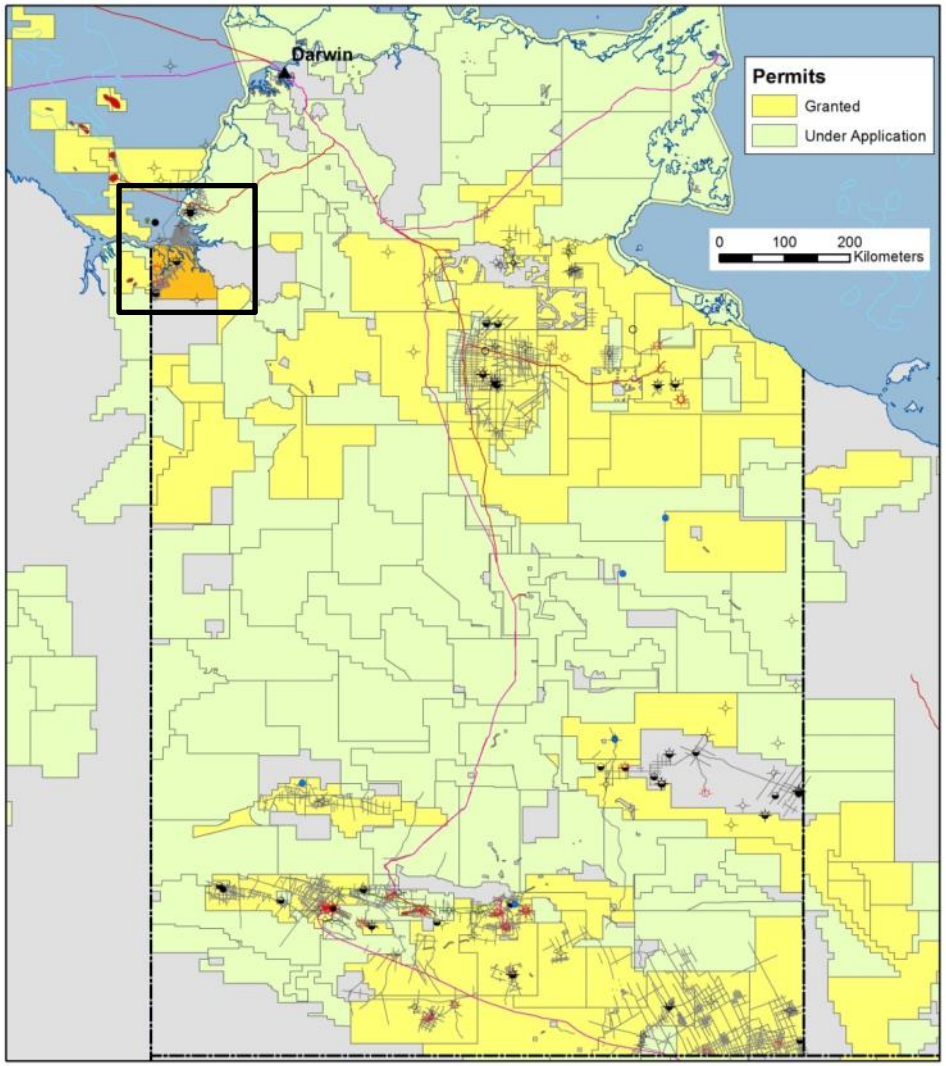
- Stacked, mostly old basins
- Two currently in production – Amadeus and Bonaparte basins
- Only 152 petroleum exploration wells
- Sparse 2D seismic coverage
- Few existing fields
- Localised infrastructure
- Market access limited to specific areas



Case 3: Frontier – Northern Territory

Frontier areas

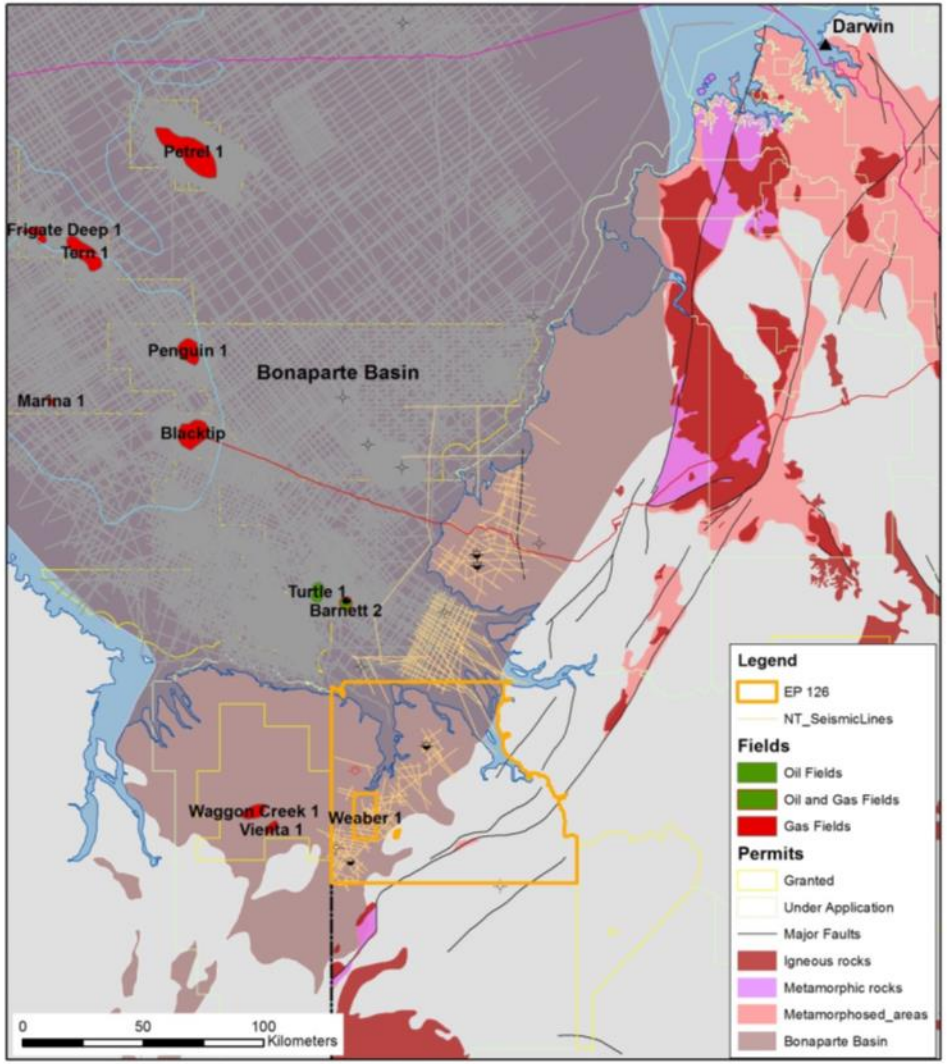
- Nearly all of NT under application or covered by existing exploration permits
- Regional geological assessment suggests vastly varying prospectivity and exploration risks
- Basin review relies on fundamental datasets and ‘old school’ interpretation
  - Gravity and magnetics
  - Surface geology and mapping
  - Interpolation from sparse well and seismic data
  - Need to understand basics of depth to basement, thickness and maturity
  - Mostly qualitative



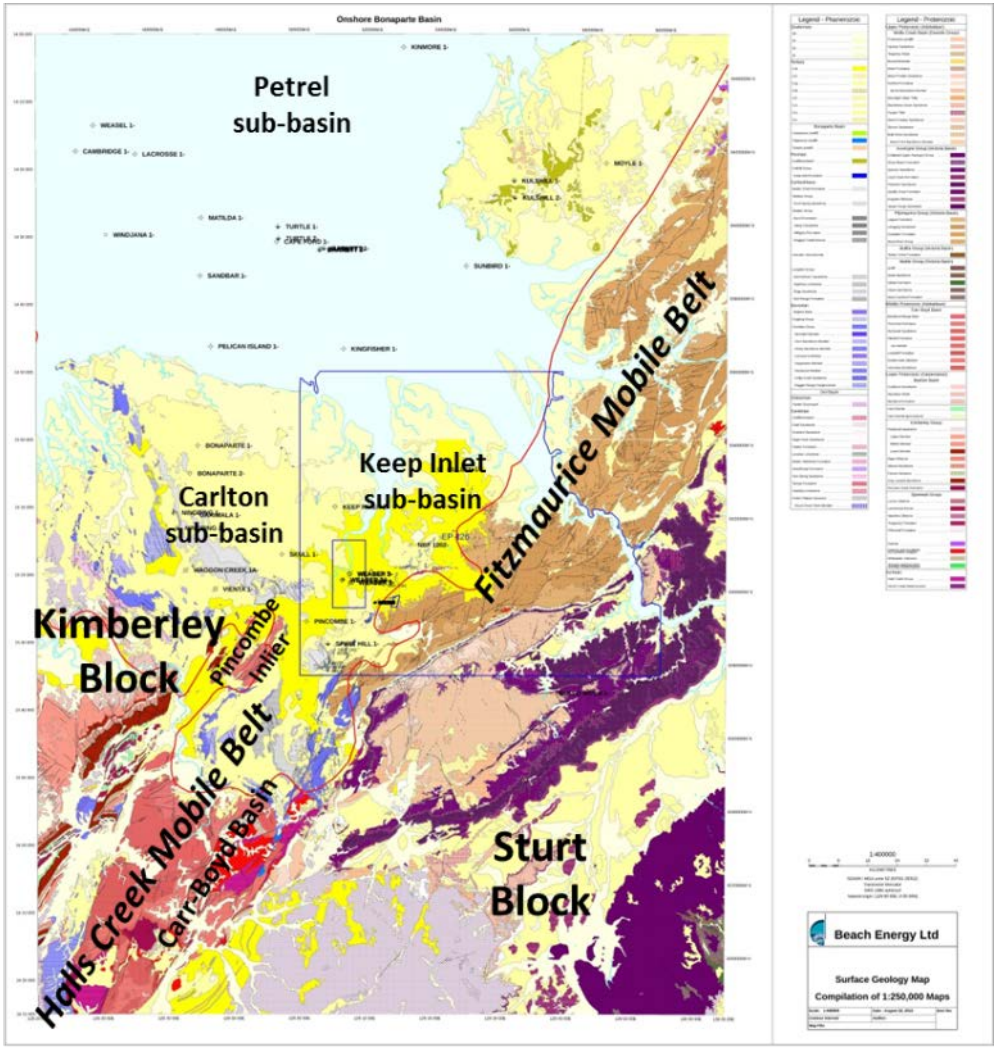
Case 3: Frontier – Northern Territory

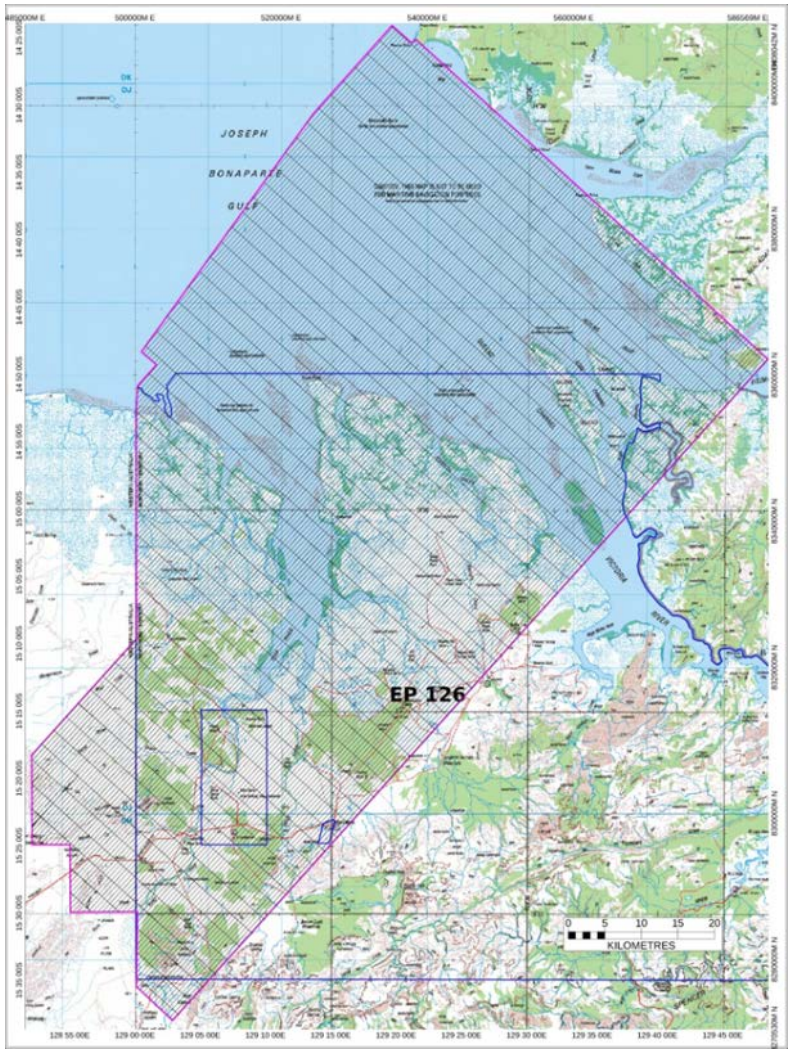
Bonaparte Basin

- One of two producing basins in the NT
- Basin review suggested proven offshore plays extended onshore in Petrel Sub-basin
  - Beach took a position in this acreage
- Drilled Cullen-1 to test these plays
- Interpretation of three valid plays:
  - Shale gas play
  - Fractured carbonate gas play
  - Shallow oil play
- Detailed gravity data acquisition and integration with 2D seismic was critical to define the source kitchen and structural trends

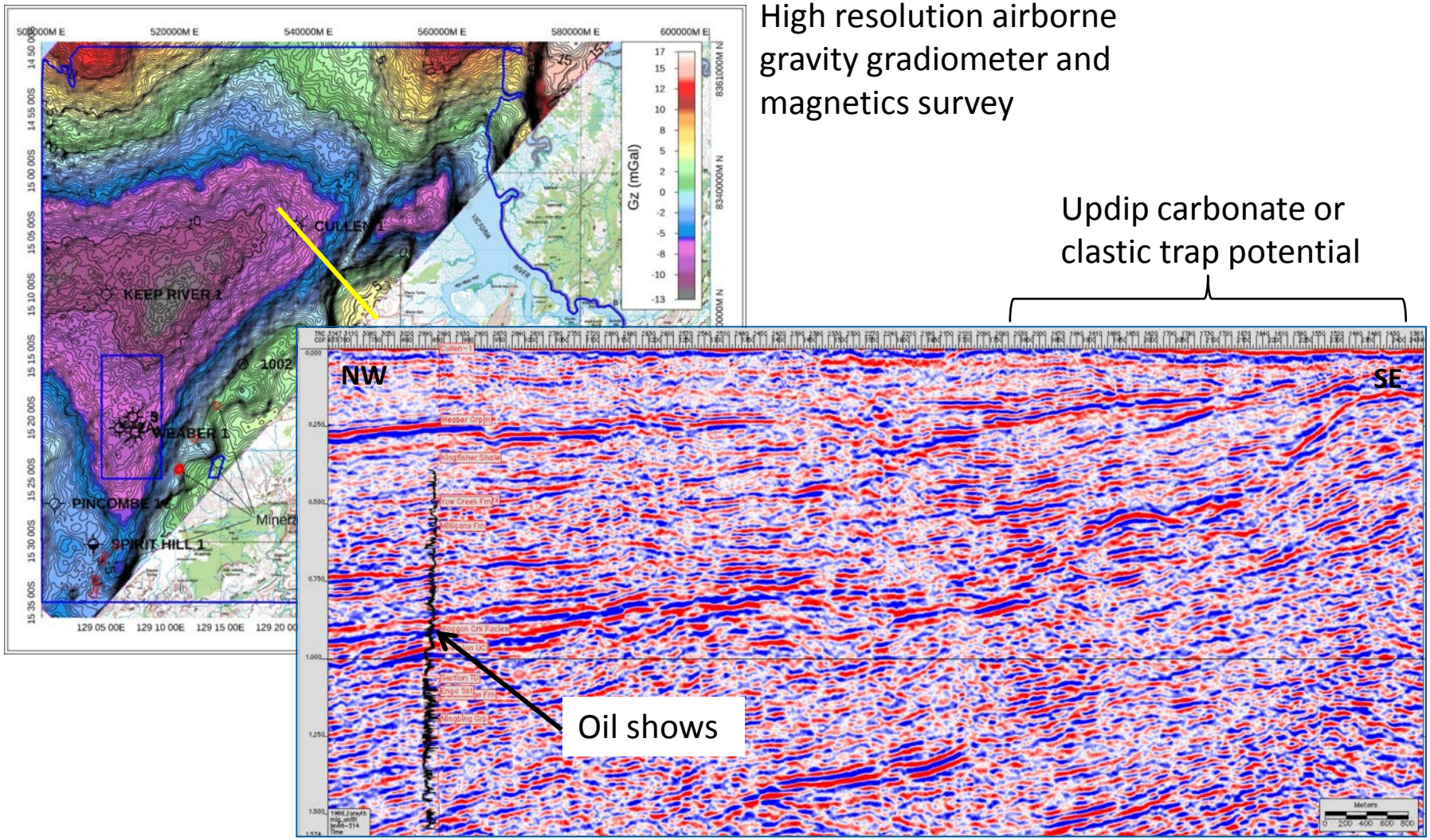


Case 3: Frontier – Northern Territory





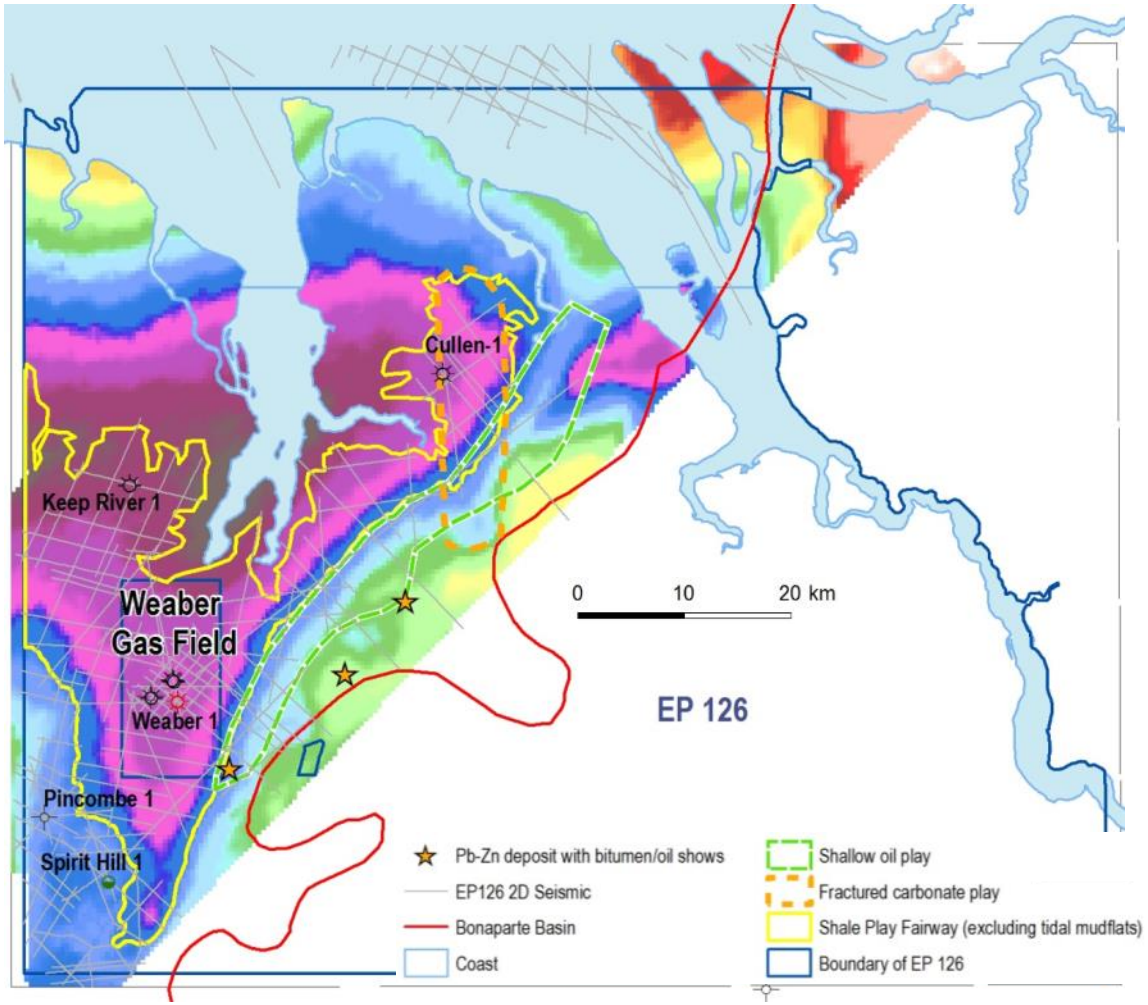
Case 3: Frontier – Northern Territory

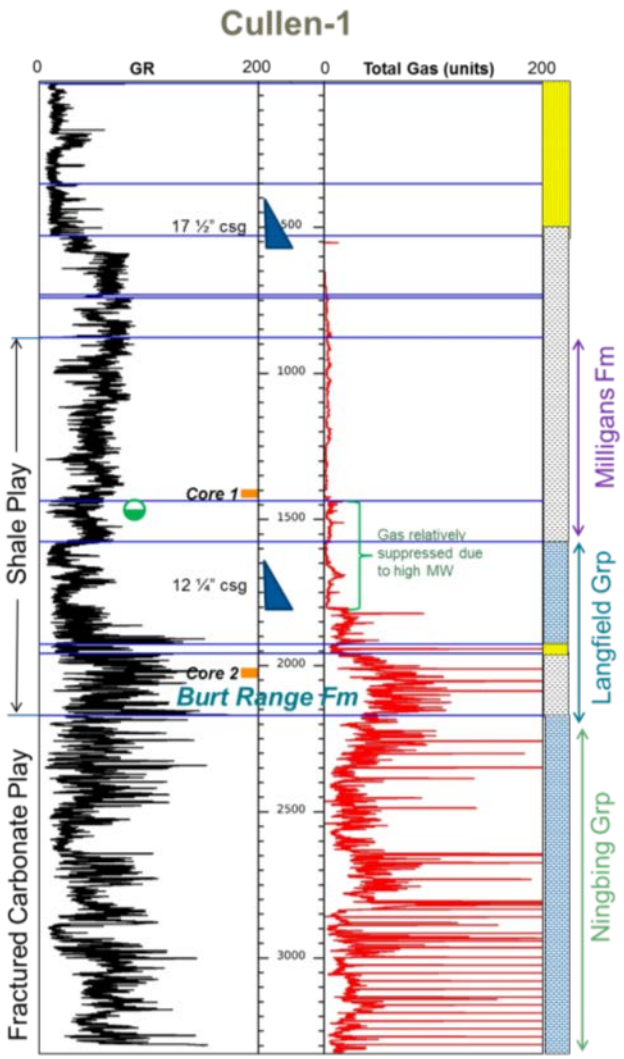


High resolution airborne gravity gradiometer and magnetics survey

Case 3: Frontier – Northern Territory

Petrel Sub-basin gravity + play map





Key technical questions for basin reviews

- Shape, depth and thickness of the basin
- Nature of the basin-fill
- Age and thermal history of the basin
- Data coverage and confidence
- Exploration maturity
- Evidence for presence of active petroleum system(s)
- Main source rocks and reservoir-seal pairs
- Play types
- Extent of play fairways
- Events chart and critical moment
- Relevant basin, play or field analogues
- P&L inventory, does the basin have running room
- Sub-surface risks (source, charge, reservoir, trap, seal)
- Data availability for probabilistic modelling

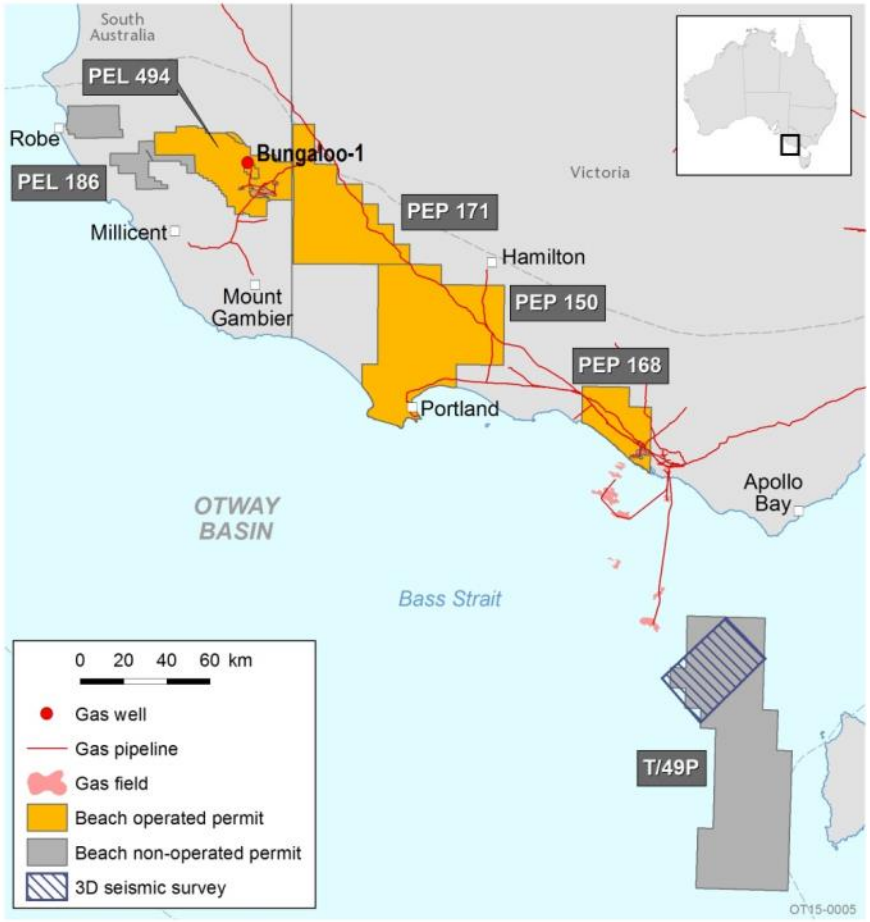
Close

Neil Gibbins – Acting Chief Executive Officer

Appendix

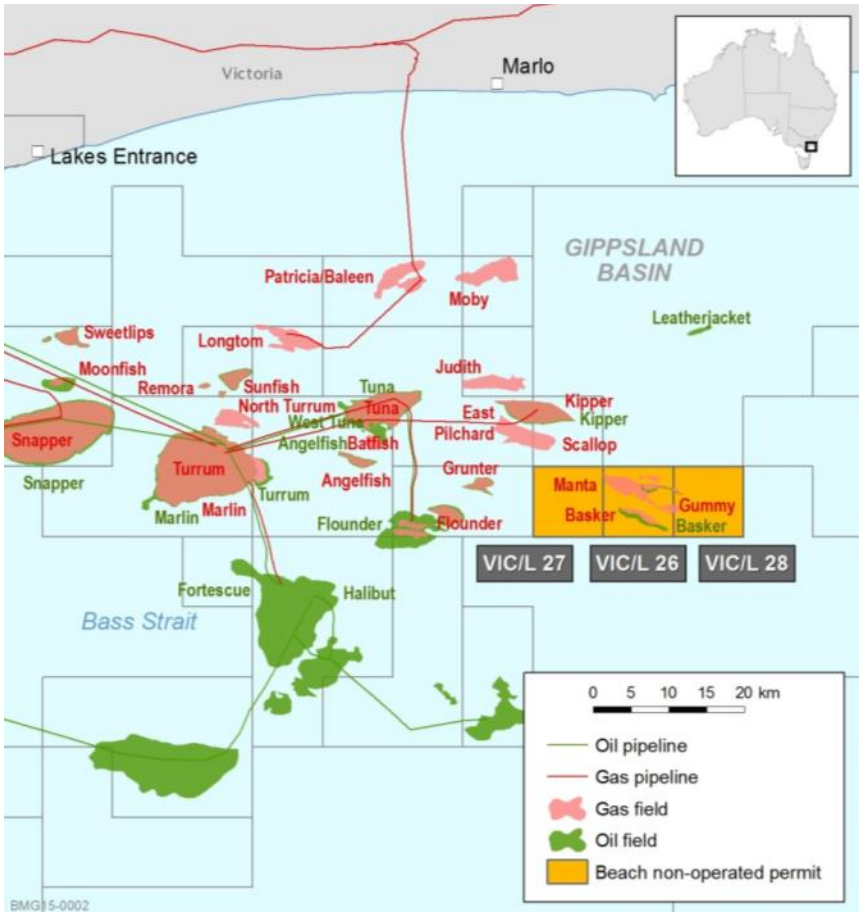
Other Australian interests

Otway Basin



Various Beach interests, from 30% to 75%

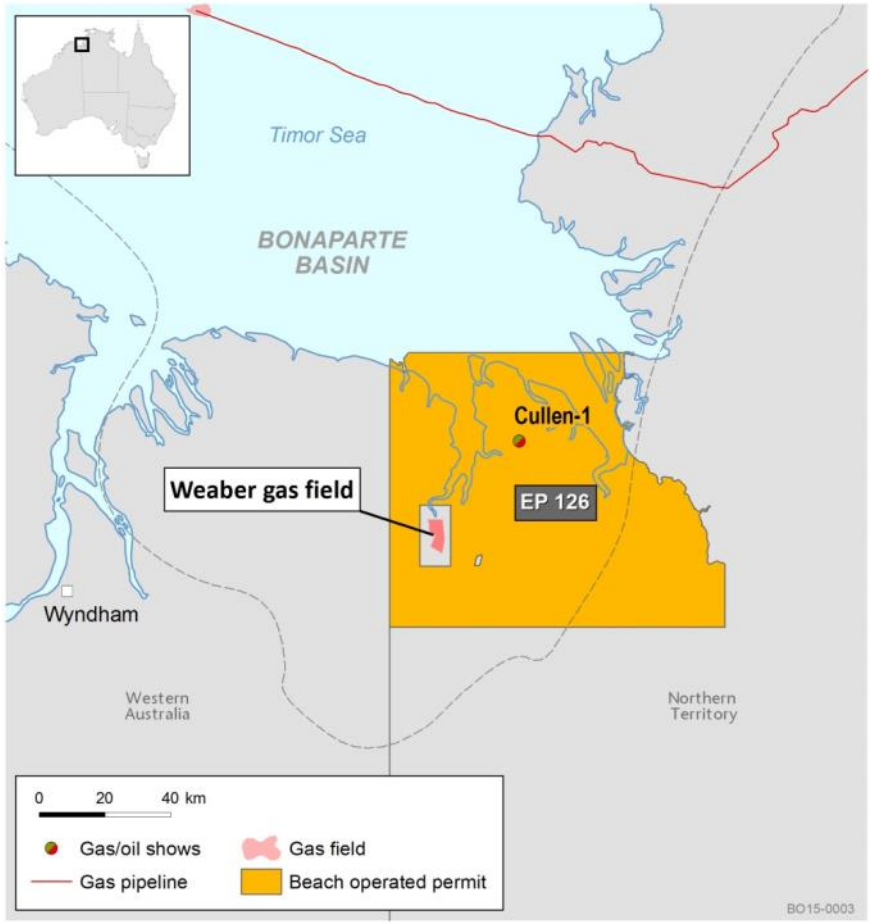
Gippsland Basin



Beach 35%, Cooper Energy 65% and operator

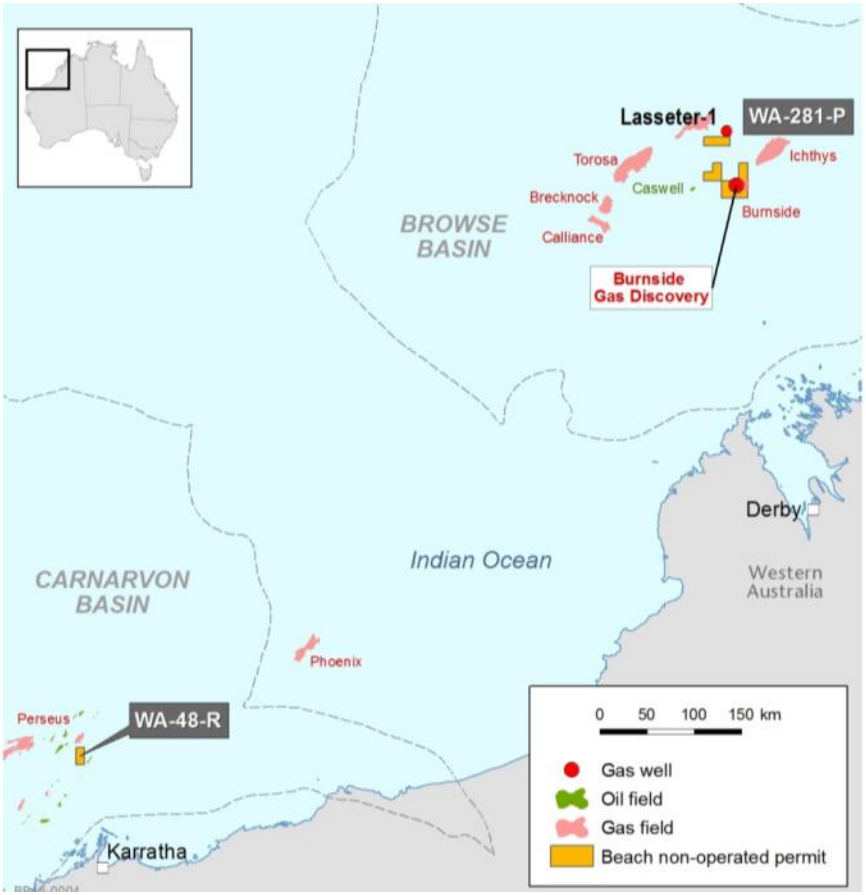
Other Australian interests

Bonaparte Basin



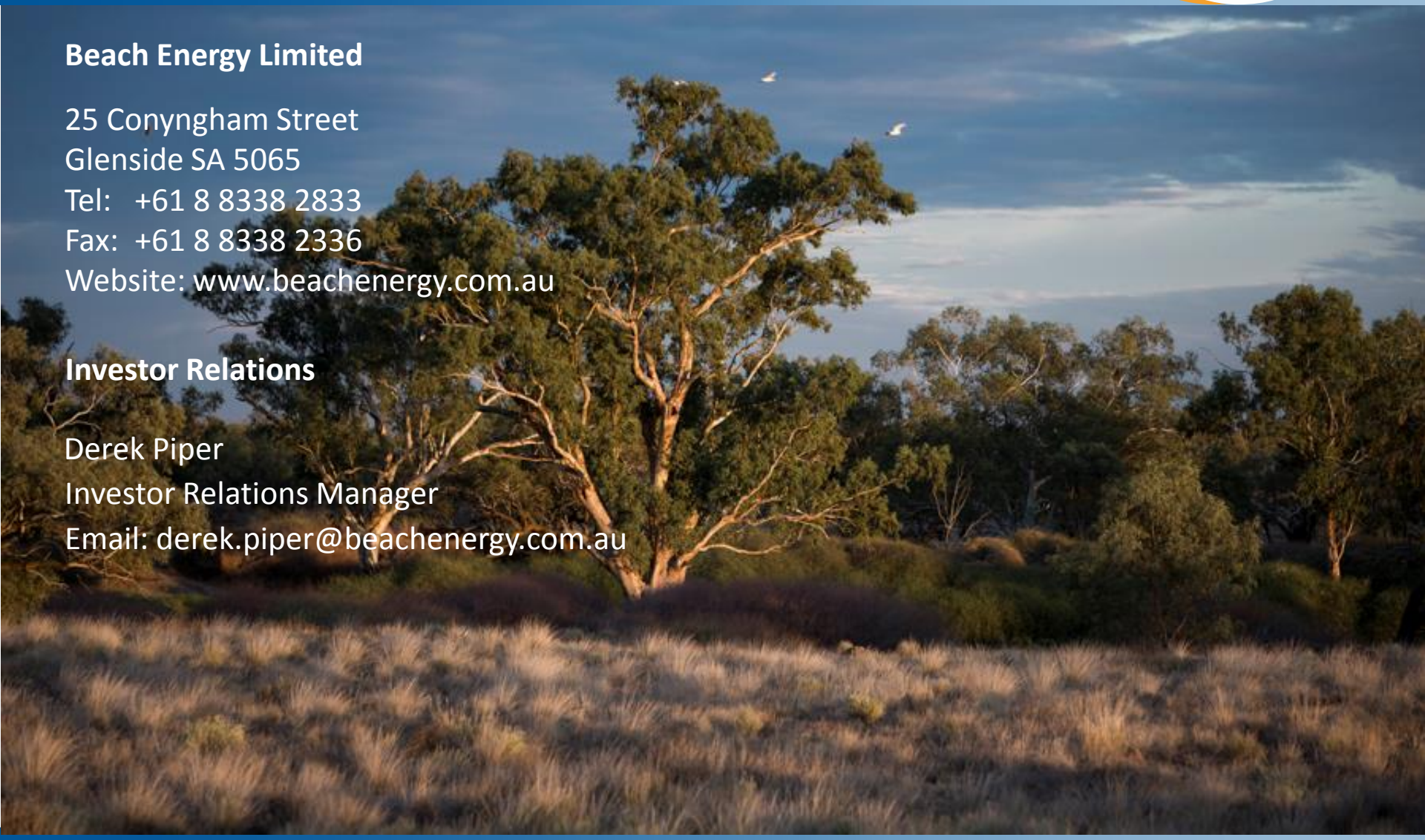
Beach 100%

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%

Contact information



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