

Positioned for Growth

APPEA 2016 Conference and Exhibition

June 2016



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.

Qualified petroleum reserves and resources evaluator 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 (Manager Cooper Gas). 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.

Positioned for growth

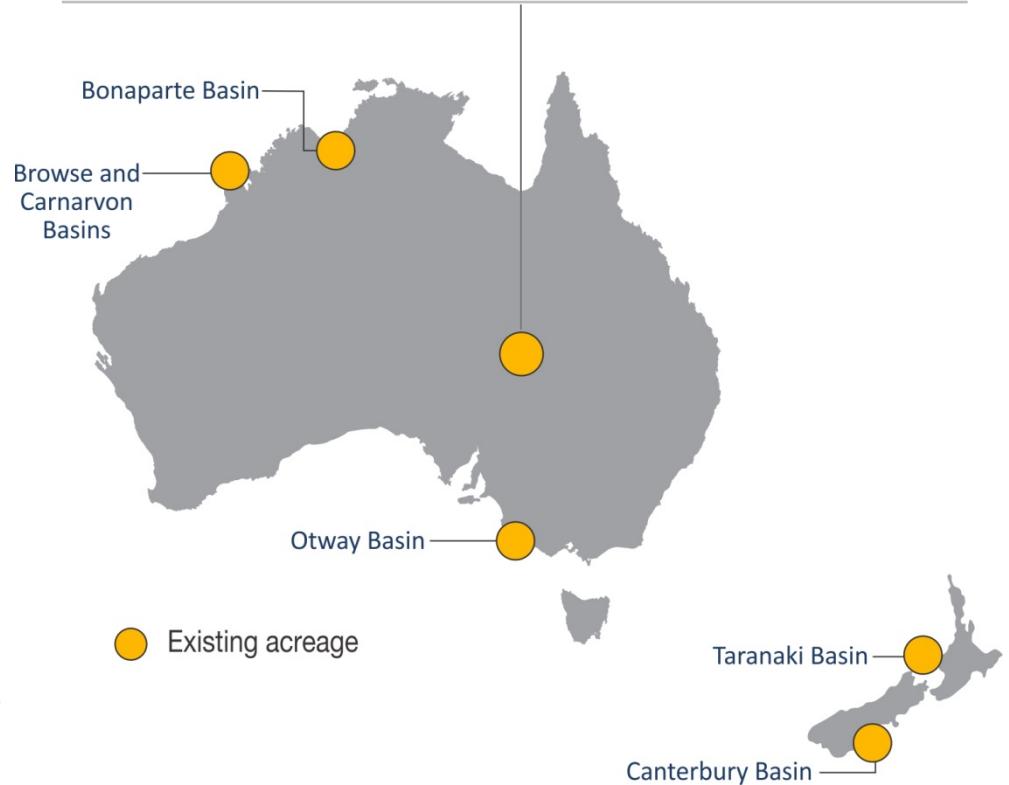
- Strong balance sheet
- Core business generating material free cash flow
- Proven low cost operator
- Strategic review and organisational design complete
- Proven M&A growth and integration capabilities (Drillsearch)
- Rigorous framework for assessing investment opportunities
- Strict focus on capital allocation and shareholder returns
- “Lower for longer” commodity outlook creates inorganic growth opportunities

Company Overview



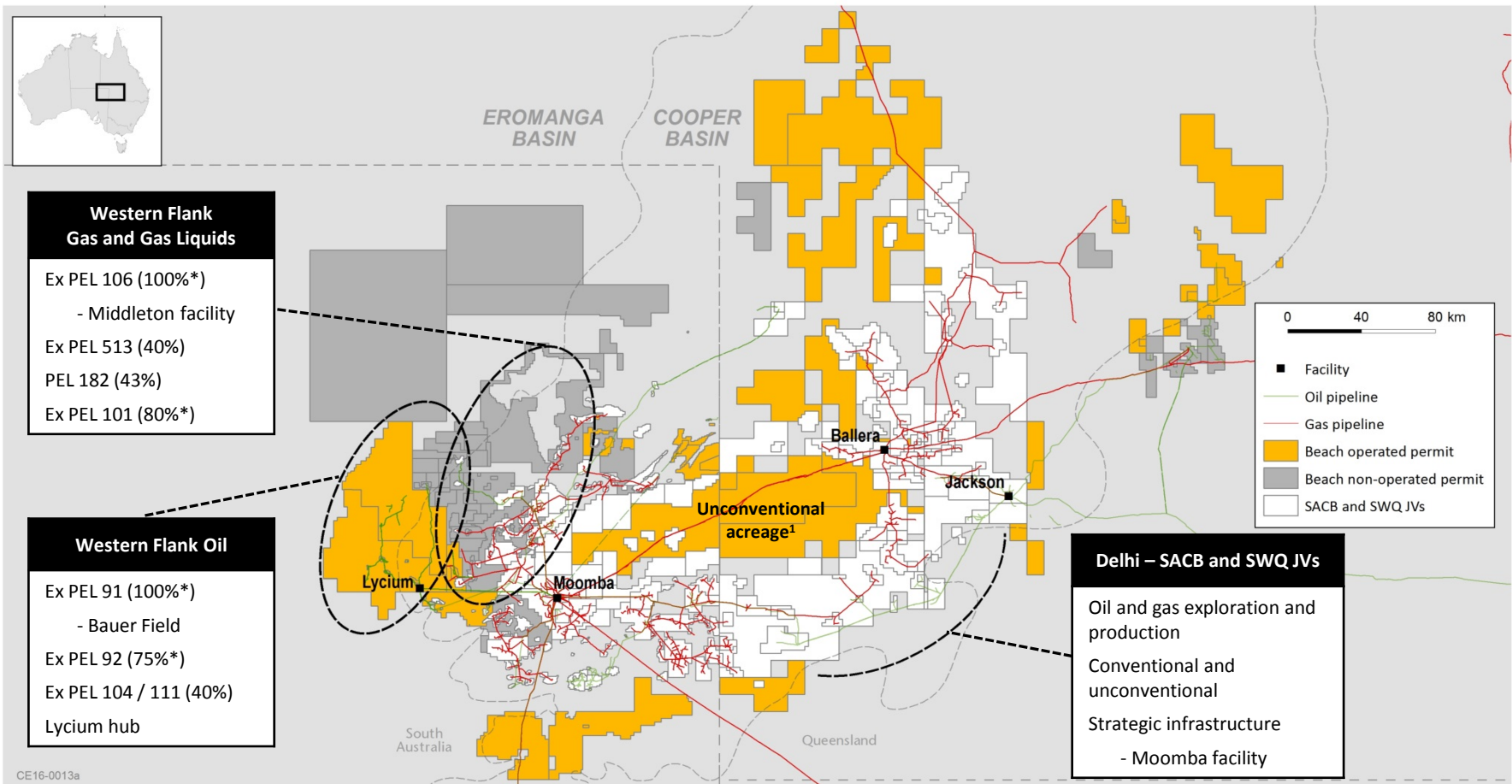
- Diversified oil and gas explorer and producer
- Australia's largest onshore oil producer, with a major gas business
- Core operations in the Cooper and Eromanga basins
- Owner of strategic infrastructure linking key energy markets
- Recently completed merger with Drillsearch Energy
- Market capitalisation: ~\$1.3 billion
- Available liquidity: ~\$0.5 billion
- FY16E production: 9.5 – 9.8 MMboe

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



Cooper Basin substantial acreage

Gross acreage of ~69,000 km² provides exploration and production opportunities



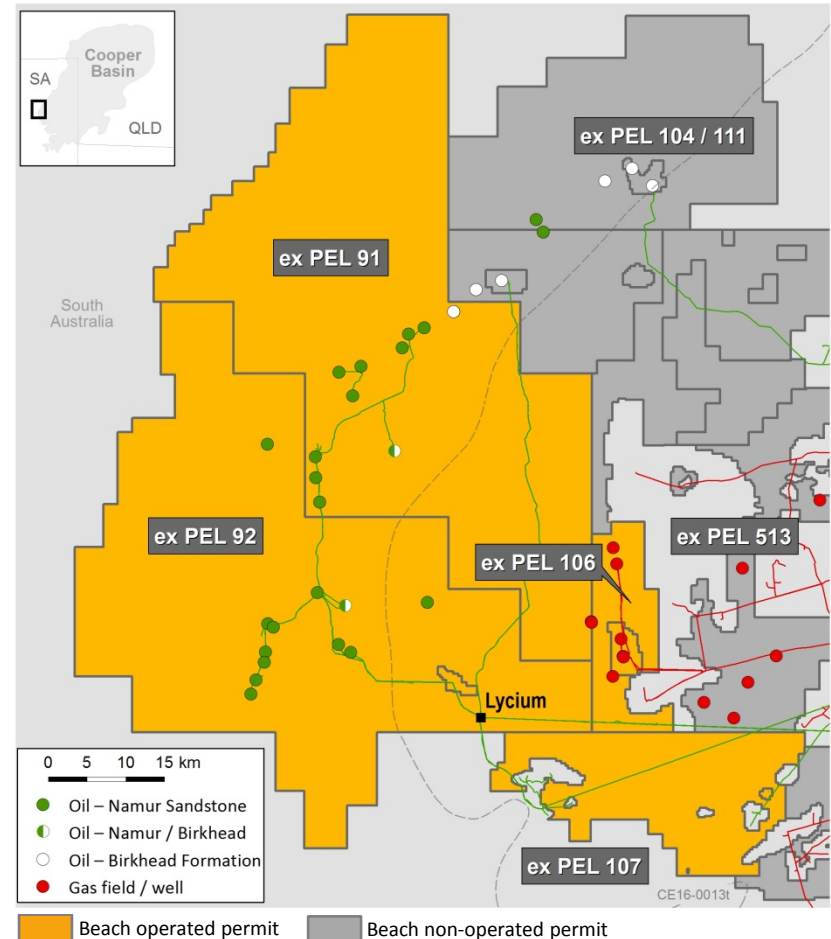
CE16-0013a

* Denotes operatorship

1. Care and maintenance while unconventional strategy under review

Western Flank core production

- Primary source of Beach oil production
 - Q3 FY16 net production of 1.0 MMbbl
 - Field operating cash costs <\$5/bbl in operated permits
- Material contributor to Beach gas and gas liquids production
 - Q3 FY16 net production of 124 kboe
 - Compression project underway
- Operator and part owner of flowlines and pipelines linking fields to Moomba
 - Lycium to Moomba daily capacity >21,000 bopd



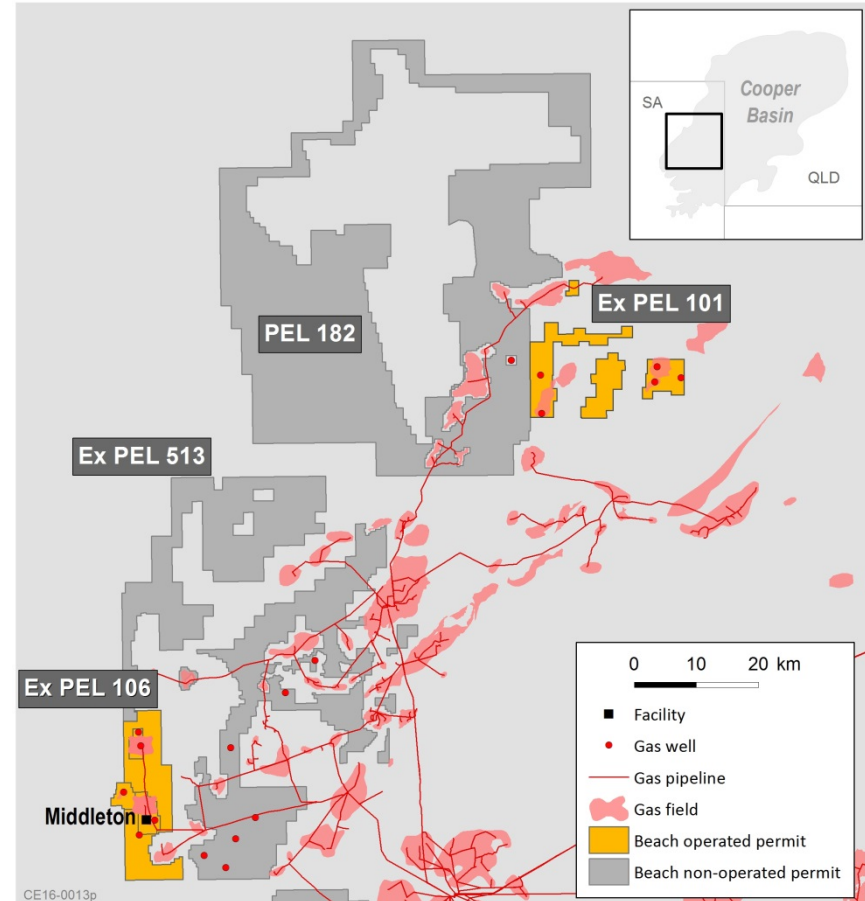
Western Flank Oil: Ex PEL 91: Beach 100%; ex PEL 92: Beach 75% and operator, Cooper Energy 25%; ex PEL 104 / 111: Beach 40%, Senex Energy 60% and operator

Western Flank Gas and Gas Liquids: Ex PEL 106, 107: Beach 100%; ex PEL 513: Beach 40%, Santos 60% and operator

Western Flank consolidated footprint

Enlarged gas footprint post Drillsearch merger

- Drillsearch merger provided significant acreage within established gas fairway
- Seven ex PEL 513 discoveries from eight wells in FY15
- Three wells online in ex PEL 513
- Vanessa discovery in PEL 182 awaiting infrastructure connection
- FY16 drilling and testing program complete in ex PELs 513 and 101
- Detailed review of portfolio and test results underway



Ex PEL 106: Beach 100%

Ex PEL 513 (includes ex PEL 632): Beach 40%, Santos 60% and operator

PEL 182: Beach 43%, Senex Energy 57% and operator

Ex PEL 101: Beach 80% and operator, Mid Continent 20%

Delhi – SACB and SWQ joint ventures

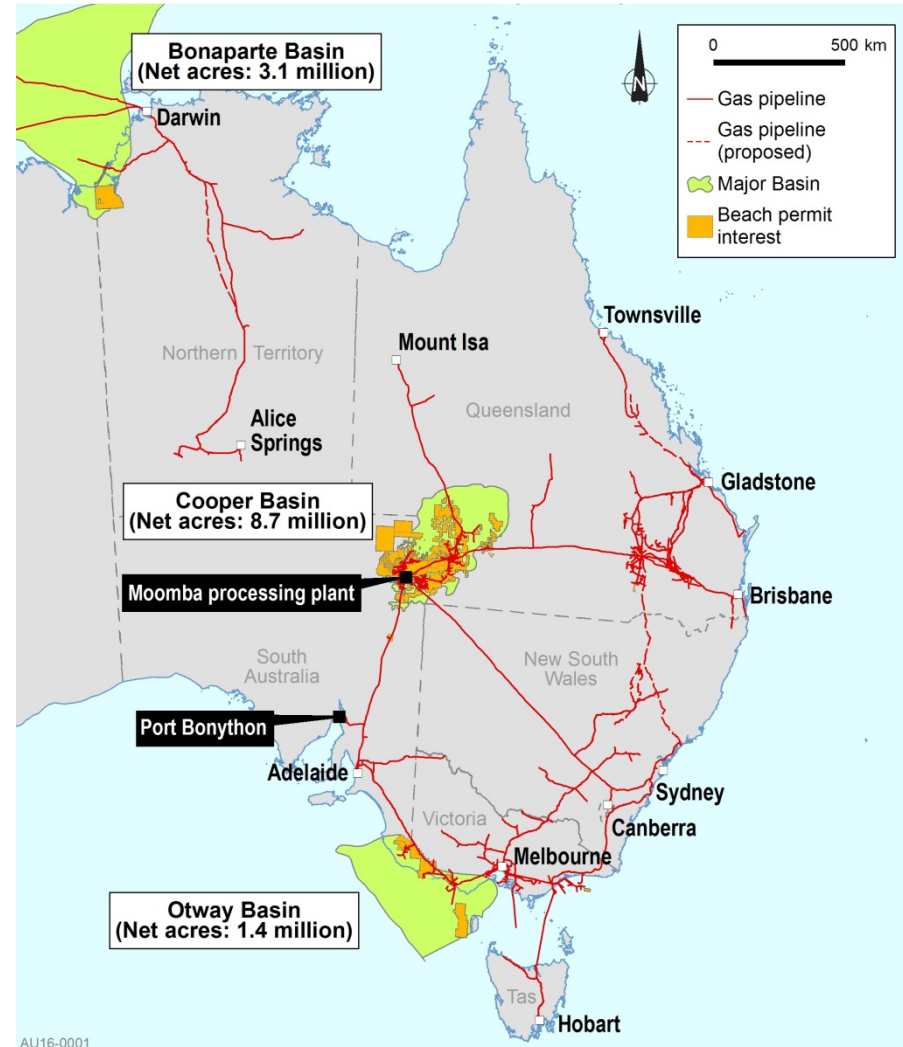
- Diverse Cooper Basin acreage position of ~26,800 km² (~6.6 million acres)
- Substantial gas processing infrastructure, connected to key energy markets
- Primary source of Beach gas production, and a material oil contributor
 - Gas / liquids production of 997 kboe in Q3 FY16 (net); oil production of 198 kbbl (net)
- Active drilling program across basin
- Greater control over capital expenditure through participation flexibility
- Joint venture focus on costs and value optimisation



Beach ownership interests: SACB JV ~20%; SWQ JVs ~20% to 40%

Strategic Cooper Basin infrastructure

- Infrastructure ideally located to service southern, eastern and LNG markets
- ~6,000 kilometres of flowlines into Moomba
- Moomba daily gas processing capacity of 375 TJ (~80% utilised)
- Moomba / Port Bonython daily processing capacities:
 - 35 kbbl oil / condensate (~85% utilised)
 - 600 tonnes LPG (~45% utilised)
 - 48 kbbl daily flowline capacity (Moomba to Port Bonython)
- Gas storage capacity of ~75 PJ
- Moomba processing plant accessible for new discoveries



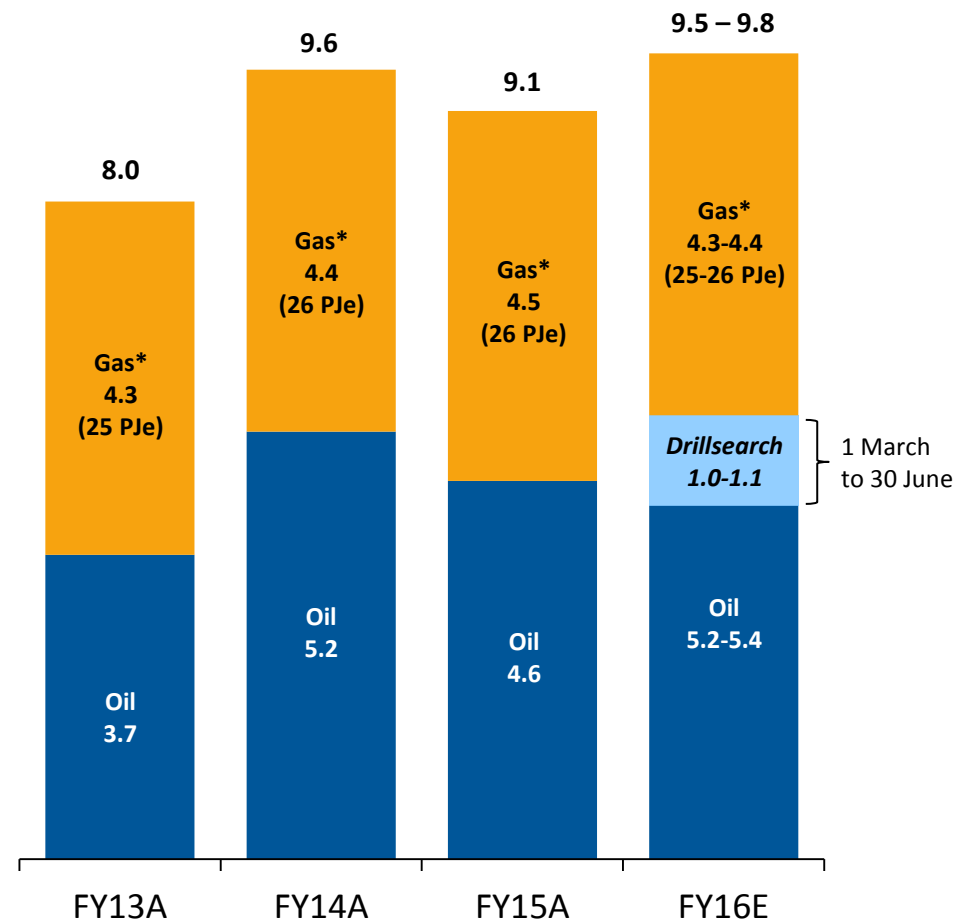
AU16-0001

Beach ownership interest in SACB JV infrastructure: 20.21%

Production profile

- Production of 7.0 MMboe for nine months to 31 March 2016 (+1% on pcp)
 - Higher ex PEL 91 oil production from new wells and infrastructure upgrades
 - Continuing strong gas production
 - Drillsearch contribution from 1 March
- Western Flank Q3 FY16 average gross daily oil production of 18,916 barrels¹
- FY16 guidance increased to 9.5 MMboe – 9.8 MMboe
- 43 wells drilled with success rate of 91%
 - 15 exploration wells drilled with success rate of 73%

Actual and Forecast Production (MMboe)

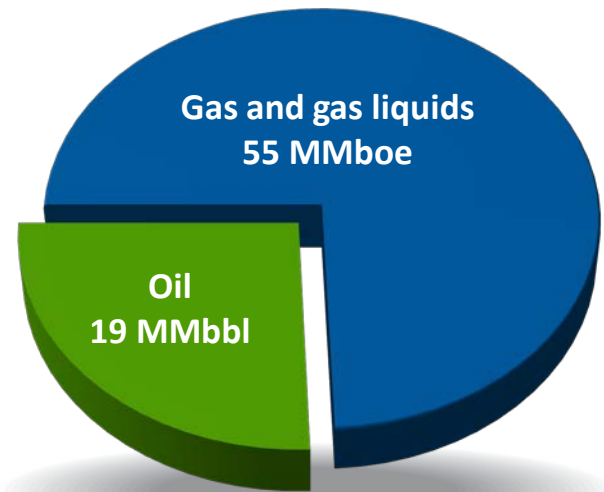


* Gas and gas liquids

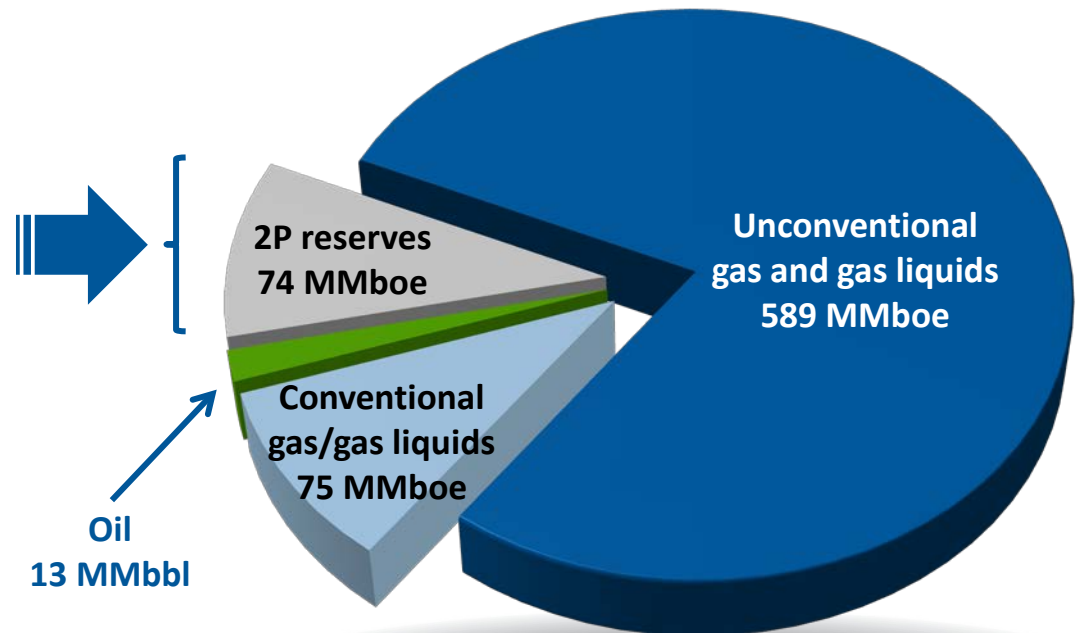
1. Ex PEL 91: 12,180 bopd; ex PEL 92: 3,157 bopd; ex PEL 104 / 111: 3,579 bopd

Reserves and contingent resources¹

2P: 74 MMboe



2P and 2C: 751 MMboe



2P oil reserves to increase materially following merger with Drillsearch

1. As per announcement to the Australian Securities Exchange on 24 August 2015; excludes impact of merger with Drillsearch Energy; annual reserves and resources review underway with results to be announced in August 2016

Positioned for Growth



Opportunities in a volatile market

“Lower for longer” backdrop presents opportunities for those ready to act



“We expect companies with stronger balance sheets will start to acquire resource-rich but cash-poor exploration and production companies.”

Bernstein, January 2016

“There are companies that are very good technically but overextended themselves financially. The industry has to have M&A to reset its capital structure.”

Ernst & Young, February 2016

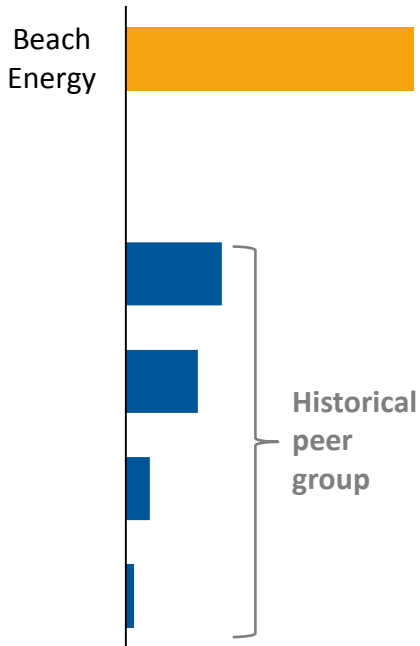
“Companies must act with discipline and focus in this environment to emerge match fit for the inevitable recovery.”

Ashurst, May 2016

Beach Energy well positioned

Well positioned to become Australia's premier multi-basin upstream oil and gas company

Market Capitalisation



1. Strong financial position

2. Organisation enablers in place

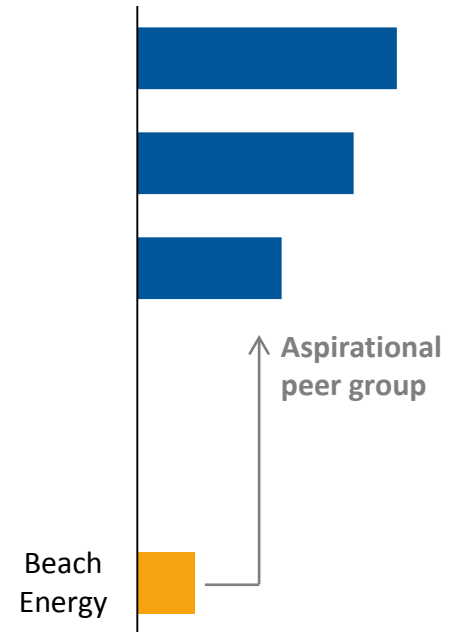
3. Proven operator capability

4. Clear strategy for sustainable growth

5. Proven M&A success

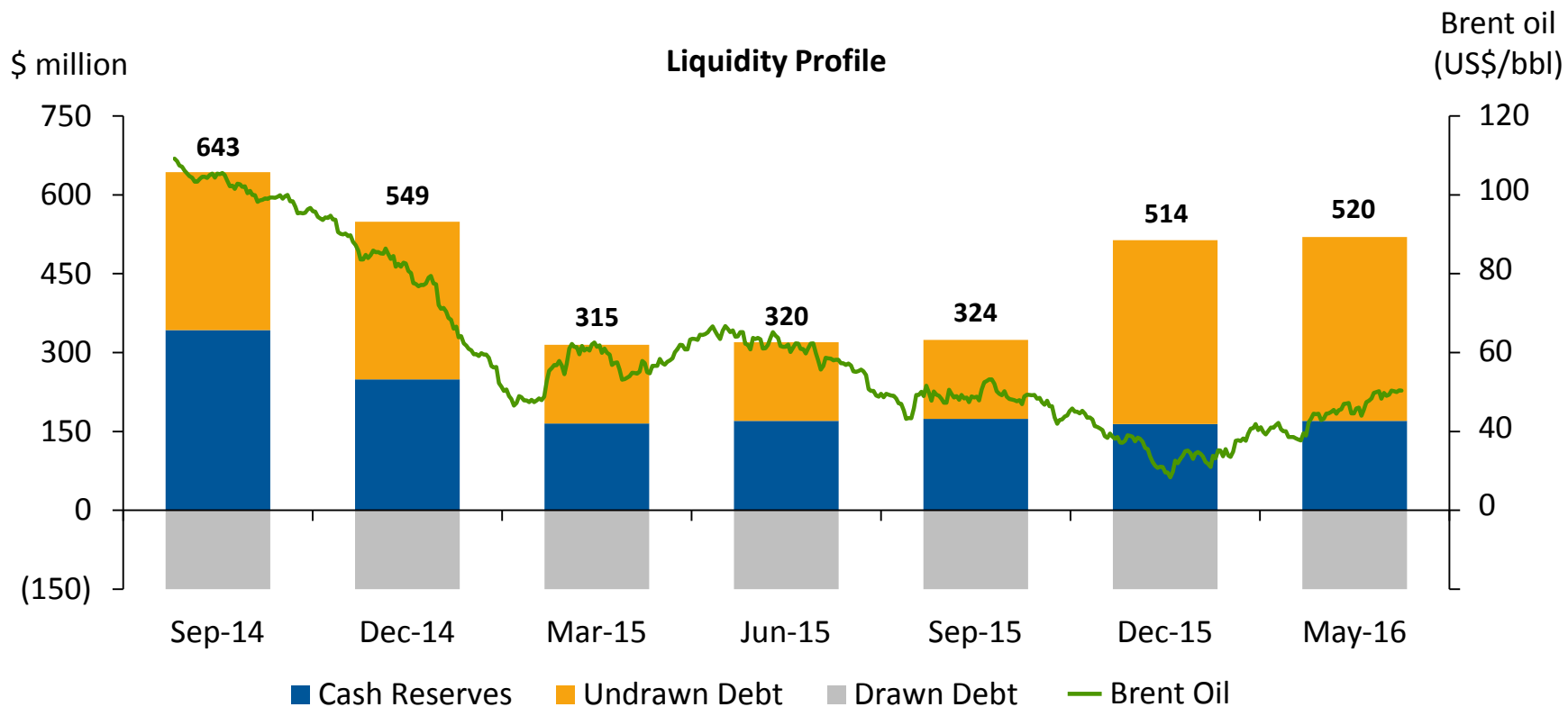
6. Rigorous capital allocation process

Market Capitalisation



Financial capacity for growth

*Financial capacity preserved during downturn
Liquidity to be deployed for appropriate growth opportunities*



Organisation enablers in place

Culture and community



Safety-first culture
>1 million LTI-free hours



Dedicated workforce
Organisation review complete



Social licence to operate
Strong stakeholder support

Technical expertise



Production
Proven low cost operator



Strategic infrastructure
Connects key energy markets



Exploration and appraisal
Deep knowledge of Australian basins

Growth enablers



Financial strength
Debt to equity <20%



Clearly articulated strategy
Growth focussed



Capital allocation process
Rigorous investment criteria

Proven operator capability

	Western Flank Oil	Western Flank Gas
Health, safety and environment	✓ >19 months lost time injury free	
Workforce	✓ Highly motivated, efficient operator / maintainer workforce	
Operational experience	✓ Low supervision status in place	✓ Working low supervision case
Operating expenditure	✓ World class – cash costs ~\$4/boe across operated permits	
Facilities	✓ Fit for purpose, modular, scaleable	✓ Compression project underway; expected online in H2 FY17
Profitability	✓ Cash margins generated at <US\$30/bbl	✓ Enhanced margins from liquids content

Clear strategy for value accretive growth



**Optimise
Cooper Basin core**



**Maintain
financial strength**

Growth Enablers

- Core operations underpin existence
 - Self-sustaining operations during downturns
 - Growth capital contributor during upturns
- Balance sheet capacity
 - ~\$0.5 billion of available liquidity
 - To be deployed for appropriate opportunities



**Grow east coast
gas business**



**Expand beyond
Cooper Basin**

Growth Drivers

- Favourable industry backdrop
 - “Lower for longer”
 - Australia and regional energy demands
- Rigorous capital allocation framework
 - Clear line of site to value creation
 - Benchmark hurdles and accountable decisions

Proven M&A delivery – Drillsearch merger

A strengthened platform for growth; proven M&A and integration success

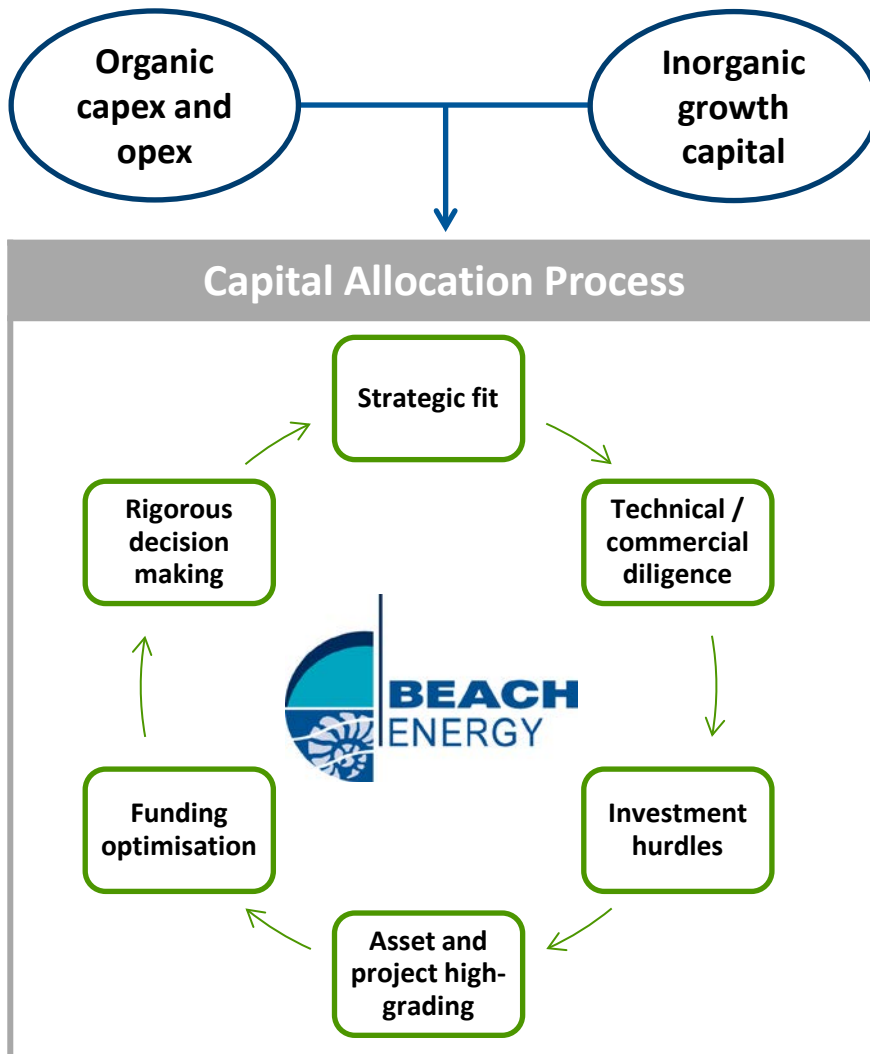
(\$ million)	Beach	Drillsearch	Combined		Transaction Benefits
Market capitalisation ¹	886	379	1,265	+43%	✓ Full ownership of core Western Flank assets
Q4 FY16E production ² (MMboe)	1.8 – 2.0	0.7 – 0.8	2.5 – 2.8	+39%	✓ Complementary exploration acreage
FY15 revenue ³	728	251	979	+34%	✓ Elimination of duplicated costs
FY15 operating cash flows ³	229	84	313	+37%	✓ Strengthened free cash generation
Headcount ²	236	65	213	(29%)	✓ Greater scale and investor relevance
Annual synergies ²	-	-	40		

1. Based on Beach closing share price on 31 May 2016

2. As per announcement to the Australian Securities Exchange on 27 April 2016

3. As per 2015 Full Year Reports, Appendix 4Es, Directors' Reports and Financial Statements

Rigorous capital allocation process



Focus on shareholder returns

- Structured framework for all capital allocation decisions
- Reduce exposure to assets or activity without clear line of sight to value
- Rigorous value and risk assessment
- Broad range of performance metrics
- Stringent hurdles to maximise return on capital
- Accountable decision making

Positioned for growth

- Strong balance sheet
- Core business generating material free cash flow
- Proven low cost operator
- Strategic review and organisational design complete
- Proven M&A growth and integration capabilities (Drillsearch)
- Rigorous framework for assessing investment opportunities
- Strict focus on capital allocation and shareholder returns
- “Lower for longer” commodity outlook creates inorganic growth opportunities

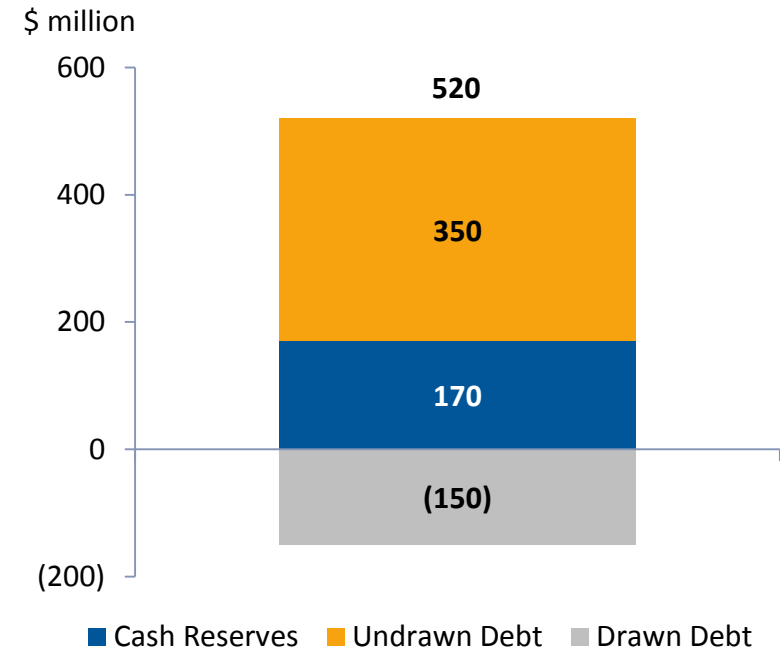
Appendix



Capital expenditure and liquidity

Capital expenditure (\$ million)	Actual H1 FY16	Guidance FY16
DEVELOPMENT		
Cooper Basin	10	20 – 30
Cooper Basin (SACB and SWQ JVs)	83	115 – 130
Total Development	93	135 – 160
EXPLORATION		
Cooper Basin	15	25 – 30
Cooper Basin (SACB and SWQ JVs)	6	10
Other Exploration	8	10
Total Exploration	29	45 – 50
TOTAL	122	180 – 210

Liquidity profile – May 2016



Increased debt facility negotiated in H1 FY16; improved pricing and terms

Financial results



(\$ million)	FY14	FY15	H1 FY16	Q3 FY16
Sales volumes (MMboe)	10.8	10.5	5.1	2.6
Sales revenue	1,052.1	727.7	271.6	119.7
Operating cash flow	582.6	228.5	129.8	Not reported
NPAT	101.8	(514.1)	(600.1)	Not reported
Underlying NPAT	259.2	90.7	9.4	Not reported
Cash balance	411.3	170.2	164.0	241.6 ¹
Total dividends (cps)	4.0	1.5	—	—

1. Includes cash acquired as part of merger with Drillsearch Energy

Production by area

	Area	FY14	FY15	YTD FY16 ¹
Oil (kbbbl)	Cooper / Eromanga basins	5,148	4,490	3,446
	Egypt	61	132	137
	Total oil	5,209	4,622	3,583
Sales gas and ethane (PJ)	Cooper Basin	21.0	22.1	16.4
	Egypt	–	0.1	0.2
LPG (kt)	Cooper Basin	48.6	44.3	33.4
Condensate (kbbbl)	Cooper Basin	405	361	262.1
	Total gas / liquids (kboe)	4,392	4,524	3,388
Total oil, gas and gas liquids (kboe)		9,601	9,146	6,972

1. Nine months ended 31 March 2016

Contact information



Beach Energy Limited

25 Conyngham Street

Glenside SA 5065

Tel: +61 8 8338 2833

Fax: +61 8 8338 2336

Website: www.beachenergy.com.au

Investor Relations

Derek Piper

Investor Relations Manager

Email: derek.piper@beachenergy.com.au