Quarterly Report

for the period ended 30 June 2016

KEY EVENTS

- Record quarterly production of 2.7 MMboe, up 13% due to the merger with Drillsearch and various successful field development activities
- Record quarterly sales volumes of 3.1 MMboe, up 17% due increased production and higher winter gas sales
- Quarterly sales revenue of $167 million, up 39% due to higher realised oil prices and production
- Capital expenditure down 36% to $24 million due to proactive management of discretionary expenditure
- Quarterly net cash flow of $45 million, with an increase in cash reserves of $29 million over the past year
- Ten wells completed with a success rate of 90%
- Integration of Drillsearch completed, with $40 million of pre-tax synergies to be realised in FY17
- Appointment of Morné Engelbrecht as Chief Financial Officer
- Appointment of Ryan Stokes as Non-executive Director

COMMENTS FROM CHIEF EXECUTIVE OFFICER, MATT KAY

"Beach's outstanding fourth quarter results continued our positive trend in FY16 based upon operational excellence and financial strength, which position us well for further growth.

"Record quarterly production and sales volumes were achieved, thanks to our successful merger with Drillsearch and various production optimisation initiatives in the field. Despite less drilling, we maintained an active development program to help mitigate natural field decline. Importantly, we executed these projects safely, on time and within budget. Over the full year we again improved our already high safety standards, with a 76% reduction in the recordable incident rate.

"Financially, we generated $45 million of free cash flow this quarter and increased our cash reserves by $29 million over the past year, despite significantly lower oil prices. This result demonstrates the robust nature of our low cost Western Flank operations, our diligent focus on reducing costs across the business, and our rigorous approach to capital allocation.

"As a proven low cost operator with a strong financial position, Beach is a company well positioned for growth. Today we announced capital expenditure guidance for FY17. This year's program includes greater discretionary spend on our Western Flank assets, including up to 16 exploration wells and development projects to optimise the value of these core assets.

"Beach is actively reviewing a number of external growth opportunities and will pursue those that align with our strategy and shareholder return requirements. The successful integration of Drillsearch this quarter demonstrates our ability to deliver such growth to shareholders."

Key Statistics	June Q4 FY15	March Q3 FY16[1]	June Q4 FY16[1]	Qtr on Qtr Change	Full Year FY16
Production (kboe)	2,266.5	2,411.7	**2,716.6**	13%	9,658.4
Sales Volumes (kboe)	2,562.2	2,649.8	**3,097.4**	17%	10,855.3
Sales Revenue ($ million)	170.2	119.7	**166.6**	39%	558.0
Oil Price ($/bbl)	83.5	50.9	**66.1**	30%	60.3
Cash ($ million)	170.3	241.6	**199.1**[2]	(18%)[2]	199.1
Drawn debt ($ million)	150.0	237.0	**150.0**[2]	(37%)[2]	150.0

1. *Includes contribution from assets acquired as part of the merger with Drillsearch (effective 1 March 2016)*
2. *Remaining Drillsearch convertible notes totalling $87 million redeemed in Q4 FY16 – refer liquidity discussion*

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FINANCIAL

SALES VOLUMES

Record quarterly sales volumes of 3.1 MMboe were achieved. Volumes increased 17% from the prior quarter and were favourably impacted by:

- Increased production following completion of the merger with Drillsearch on 1 March 2016;
- Higher gas sales due to seasonal winter demand; and
- Additional LPG and condensate liftings.

Reduced third party sales were due to Drillsearch volumes recognised as Own Product sales post merger.

Beach also achieved record full year FY16 sales volumes of 10.9 MMboe, representing a 3% increase from the prior year.

Sales Volumes		June Q4 FY15	March Q3 FY16	June Q4 FY16	Qtr on Qtr Change	Full Year FY16
Oil (kbbl)	Cooper and Eromanga Basins – Own Product	1,127.5	1,270.6	1,526.1	20%	4,983.3
	Cooper and Eromanga Basins – Third Party	337.1	252.4	134.3	(47%)	1,111.4
	Total Cooper Oil	**1,464.6**	**1,523.0**	**1,660.4**	**9%**	**6,094.7**
	Egypt	48.6	29.5	24.1	(19%)	140.8
	Total Oil	**1,513.2**	**1,552.5**	**1,684.5**	**8%**	**6,235.5**
Sales Gas (PJ)	Cooper Basin – Own Product	4.0	5.5	6.6	21%	22.1
	Cooper Basin – Third Party	0.9	0.1	0.1	(16%)	0.4
	Egypt	0.1	0.1	0.1	(15%)	0.3
	Total Sales Gas	**5.0**	**5.7**	**6.8**	**20%**	**22.8**
LPG (kt)	Cooper Basin – Own Product	12.1	6.9	12.7	84%	42.8
	Cooper Basin – Third Party	0.2	0.2	-	(100%)	0.8
	Total LPG	**12.3**	**7.1**	**12.7**	**78%**	**43.6**
Condensate (kbbl)	Cooper Basin – Own Product	80.7	69.0	139.8	102%	344.2
	Cooper Basin – Third Party	1.6	1.4	10.9	667%	16.2
	Total Condensate	**82.3**	**70.4**	**150.7**	**114%**	**360.4**
Total Oil and Gas Sales (kboe)		**2,562.2**	**2,649.8**	**3,097.4**	**17%**	**10,855.3**
Total – Own Product (kboe)		2,066.4	2,373.2	2,935.4	24%	9,645.8
Total – Third Party (kboe)		495.8	276.6	162.0	(41%)	1,209.5

REVENUE

Total sales revenue increased 39% to $167 million, due mainly to higher realised oil prices and increased sales volumes. The average realised Australian dollar oil price increased to $66/bbl (from $51/bbl), representing a 30% increase from the prior quarter. The average realised sales gas price increased 1% to $6.01/GJ (from $5.95/GJ).

Sales Revenue ($ million)	June Q4 FY15	March Q3 FY16	June Q4 FY16	Qtr on Qtr Change	Full Year FY16
Oil	**126.3**	**79.1**	**111.4**	**41%**	**376.1**
Sales Gas	29.6	33.5	40.6	22%	136.7
LPG	7.4	3.6	6.0	67%	23.8
Condensate	6.9	3.5	8.6	142%	21.4
Sales Gas and Gas Liquids	**43.9**	**40.6**	**55.2**	**36%**	**181.9**
Total Oil and Gas	**170.2**	**119.7**	**166.6**	**39%**	**558.0**
Total – Own Product	137.7	106.9	157.0	47%	486.6
Total – Third Party	32.5	12.8	9.6	(25%)	71.4
Average Realised Prices	**June Q4 FY15**	**March Q3 FY16**	**June Q4 FY16**	**Qtr on Qtr Change**	**Full Year FY16**
All Products ($/boe)	**66.4**	**45.2**	**53.8**	**19%**	**51.4**
Oil ($/bbl)	83.5	50.9	66.1	30%	60.3
Sales Gas ($/GJ)	5.9	6.0	6.0	1%	6.0
LPG ($/t)	602.2	503.3	471.9	(6%)	543.9
Condensate ($/bbl)	83.7	50.2	56.9	13%	59.4

CAPITAL EXPENDITURE

Fourth quarter capital expenditure of $24 million was 36% lower than the prior quarter as exploration and development activities continued to be curtailed due to the current oil price environment. Full year FY16 capital expenditure was $184 million, down 56% from the prior year. Throughout the year, Beach continually reviewed its capital allocation to ensure that discretionary expenditure was limited to the most attractive expected return on capital projects. Higher risk and longer dated projects were deferred due to prevailing economic conditions, which helped Beach improve its already strong financial position.

Capital Expenditure	June Q4 FY15	March Q3 FY16	June Q4 FY16	Qtr on Qtr Change	Full Year FY16
Exploration and Appraisal	16.2	7.7	7.4	(4%)	43.5
Development, Plant and Equipment	52.6	30.3	17.0	(44%)	140.5
Total	**68.8**	**38.0**	**24.4**	**(36%)**	**184.0**

Beach announced details of its FY17 capital expenditure program subsequent to quarter-end. Capital expenditure is expected to be within the range of $180 – 200 million, which delivers an active program with greater discretionary allocation to Western Flank exploration, and reduced allocation to the SACB and SWQ joint ventures. The program reflects Beach's strict focus on value accretive capital allocation and is considered appropriately sized for the current oil price environment.

Approximately 55% of the FY17 program is discretionary expenditure. These projects have been high-graded to maximise returns and have satisfied Beach's capital allocation requirements. Accordingly, these discretionary projects:

- Present the most attractive expected return on capital profiles within Beach's current opportunity set;
- Satisfy strict financial metrics, including but not limited to: NPV, risk weighted NPV, payback period and capital efficiency measures;
- Provide near-term line of sight to production and financial return;
- Balance the need for both development and replacement of 2P reserves; and
- May be selectively deferred if oil prices materially decline.

The remaining 45% of the FY17 program is stay-in-business and committed expenditure. This is required expenditure on existing assets for purposes such as maintenance, regulatory commitments and contractual obligations.

Further details of FY17 capital expenditure are contained in the announcement of 28 July 2016. Beyond the anticipated program, Beach is well placed to increase capital expenditure in response to new organic or inorganic growth opportunities which meet our shareholder return requirements.

LIQUIDITY

Beach generated $45 million of net cash during the quarter, and over the past year increased its cash reserves by $29 million. This is attributable to a disciplined and ongoing focus on expenditure across the business, including capital expenditure, operating costs and corporate costs. These results demonstrate Beach's robust business model and ability to live within its means.

On 11 April 2016, approximately $87 million of remaining Drillsearch convertible notes were redeemed using cash reserves. At quarter-end, cash reserves were $199 million, with drawn debt of $150 million and undrawn debt facilities of $350 million.

Liquidity ($million)	June Q4 FY15	March Q3 FY16	June Q4 FY16
Cash Reserves	170.3	241.6	199.1
Drawn debt	150.0	237.0	150.0
Net Cash	**20.3**	**4.6**	**49.1**
Undrawn Facilities	150.0	350.0	350.0

CAPITAL STRUCTURE

Unlisted employee rights were granted in accordance with Beach's Executive Incentive Plan and the employment contract between the company and Beach's Chief Executive Officer. Further details are contained in the announcement of 12 January 2016.

Capital Structure	March Q3 FY16	June Q4 FY16	Qtr on Qtr Change
Fully Paid Ordinary Shares	1,860,704,532	1,860,704,532	-
Unlisted Employee Rights	5,019,025	6,814,929	35.8%

HEDGING

Beach hedges up to 80% of oil production costs and corporate costs, using a range of instruments to secure floors in order to protect against downside oil price scenarios. The following hedges were in place as at 30 June 2016.

Hedges (Brent)	Floor $45 per bbl	Collar US$60-85 per bbl	Collar US$40-111 per bbl	Total Hedged Volumes (bbl)
FY17	1,327,500	215,001	915,000	2,457,501
FY18	-	-	517,500	517,500
Total	**1,327,500**	**215,001**	**1,432,500**	**2,975,001**

OPERATIONS

PRODUCTION

Record quarterly production of 2,717 kboe was achieved. This represents a 13% increase from the prior period and includes a full quarter of production from permit interests acquired as part of the merger with Drillsearch (effective 1 March 2016). In addition, various successful field development activities were undertaken to support production levels. Incremental production was partially offset by repair and maintenance works in operated oil and gas permits and some restrictions on trucking of oil due to wet weather.

Production		June Q4 FY15	March Q3 FY16[1]	June Q4 FY16[1]	Qtr on Qtr Change	Full Year FY16
Oil (kbbl)	Cooper Basin	1,092.3	1,249.4	1,595.2	28%	5,031.6
	Egypt	50.5	29.9	25.3	(15%)	144.2
	Total Oil	**1,142.8**	**1,279.3**	**1,620.5**	**27%**	**5,175.8**
Sales Gas and Ethane (PJ)	Cooper Basin	5.5	5.5	5.3	(3%)	21.8
	Egypt	0.1	0.0	0.0	(32%)	0.3
LPG (kt)	Cooper Basin	10.5	11.6	10.0	(14%)	43.4
Condensate (kbbl)	Cooper Basin	82.1	85.2	93.0	9%	355.1
Total Sales Gas and Gas Liquids		**1,123.7**	**1,132.4**	**1,096.1**	**(3%)**	**4,482.6**
Total Oil and Gas (kboe)		**2,266.5**	**2,411.7**	**2,716.6**	**13%**	**9,658.4**

NB. Preliminary data for Egypt, SACB and SWQ JVs and ex PEL 104 / 111
1. Includes contribution from assets acquired as part of the merger with Drillsearch (effective 1 March 2016)

Cooper Basin

Western Flank Oil – ex PEL 91

(Beach 100%)

A key driver of the merger with Drillsearch was sole ownership of the ex PEL 91 oil producing area (previously a 40% ownership interest). With the Drillsearch business successfully integrated this quarter, benefits of the merger are being recognised as net oil production increased 55% from the prior quarter to 1,030 kbbl. Average daily gross oil production of 11,300 barrels was approximately 7% lower than the prior quarter. Production from the Bauer and Pennington fields remained strong, and development projects undertaken throughout FY16 helped mitigate the impact of natural field decline.

The Hanson-2 development well was brought online early in the quarter and contributed approximately 50 kbbl of production. A variable speed beam pump was commissioned at Chiton-3 late in the quarter, with production from the McKinlay Member consequently increasing by 150 barrels of oil per day. This project was completed in just 50 days and exemplifies Beach's focus on value accretive capital allocation.

Subsequent to quarter-end, the Bauer-23 development well and the Hanson-3 appraisal well commenced production. The Bauer-24 and Bauer-25 development wells are still to be brought online.

Western Flank Oil – ex PEL 92

(Beach 75% and operator, Cooper 25%)

Average daily oil production of 2,750 barrels (gross) was approximately 12% lower than the prior quarter, with total net oil production of 188 kbbl. Production levels were supported by recent development activities such as re-configuration of flowlines and both installation and proactive repair of artificial lift. These helped mitigate the impact of natural field decline and various maintenance works undertaken during the quarter. Minor restrictions on trucking of oil were also experienced due to wet weather.

Western Flank Oil – ex PEL 104 / 111

(Beach 40%, Senex 60% and operator)

Average daily oil production of 3,150 barrels (gross) was approximately 12% lower than the prior quarter, with total net oil production of 115 kbbl. Natural field decline was partly offset by continuing strong performance from the Growler and Martlet fields.

Queensland Oil – Kenmore and Bodalla; ATP 299

(Kenmore and Bodalla: Beach 100%; ATP 299: Beach 40%, Santos 60% and operator)

Oil production increased 57% to 70 kbbl (net), which included a 40 kbbl contribution from ATP 299. ATP 299 was acquired as part of the merger with Drillsearch.

Western Flank Gas and Gas Liquids – ex PEL 106; ex PEL 513

(Ex PEL 106: Beach 100%; ex PEL 513: Beach 40%, Santos 60% and operator)

Production from ex PEL 106 was impacted by required repair and maintenance works at the Middleton gas separator, as well as shut-in requests from the Moomba gas processing plant operator. Net sales gas production for the quarter was 29 kboe, down 61% from the prior quarter, and net gas liquids production was 12 kboe, down 59% from the prior quarter.

While production was offline, connection and tie-in of the Ralgnal and Udacha wells was undertaken. These wells were brought online subsequent to quarter-end and have provided a material uplift in production. Since recommencement of production in early July, ex PEL 106 daily gas and gas liquids production reached maximum capacity of approximately 3,700 boe. This compares with average daily gross production in Q3 FY16 of 1,700 boe.

Ex PEL 513, which was acquired as part of the merger with Drillsearch, contributed 59 kboe (net) of sales gas and gas liquids production.

SACB and SWQ JVs

(Various non-operated interests)

Sales gas and gas liquids production decreased 1% to 988 kboe (net) from the prior quarter, and was assisted by new wells. The Moomba-209, -210 and -211 wells were brought online after successful underbalanced drilling, a technique which enables further development of partially depleted fields. Moomba-212 was also brought online following successful appraisal results in the Patchawarra Formation. Long term flow tests will be conducted for these wells to evaluate performance and determine if additional drilling is warranted.

Oil production decreased 1% to 194 kbbl (net), with natural field decline offset by continued strong production from recently drilled wells.

Egypt

Abu Sennan Concession

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

Production decreased 20% to 34 kboe (net entitlement) due to natural field decline, mainly at El Salmiya.

DEVELOPMENT

Cooper Basin

South Australian Gas – SACB JVs

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

A five-well development campaign commenced in the Tirrawarra and Gooranie Field, which is located approximately 50 kilometres north of the Moomba processing facility. The 2011 Patchawarra Study and subsequent drilling campaigns identified potential for further development of this area. The current campaign is targeting gas and gas liquids within the Patchawarra Formation and oil within the basal Patchawarra Formation and Tirrawarra Sandstone. The first three wells of the campaign, Tirrawarra-93, -92 and -91, respectively, were cased and suspended as future producers. Results from all wells exceeded pre-drill estimates and are summarised on the next page.

EXPLORATION AND APPRAISAL

Cooper Basin

Queensland Gas

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

A three-well gas appraisal campaign was undertaken in the Durham Downs Complex, which is located approximately 30 kilometres north of the Ballera

	Gas			Oil		
Well	Zone	Net Pay (metres)	Gross Section (metres)	Zone	Net Pay (metres)	Gross Section (metres)
Tirrawarra-93	Patchawarra	51	324	Patchawarra	10	12
				Tirrawarra	24	33
Tirrawarra-92	Patchawarra	39	309	Patchawarra	9	11
				Tirrawarra	27	32
Tirrawarra-91	Patchawarra	45	372	Patchawarra	6	11
				Tirrawarra	24	39

processing facility. The campaign resulted from past studies which identified potential to appraise and develop new reserves within the Toolachee Formation. Durham Downs-9, the first well of the campaign, was plugged and abandoned due to poor reservoir development. The final two wells of the campaign, Durham Downs North-5 and -6, were cased and suspended as future producers following high-side gas pay outcomes. Both wells encountered 30 metres of net gas pay within 93 metre (Durham Downs North-5) and 96 metre (Durham Downs North-6) gross sections in the target zone. The joint venture will evaluate results from the campaign to determine potential for further drilling in the area.

A three-well gas appraisal campaign commenced in the Coolah Complex, which is located approximately 50 kilometres north of the Ballera processing facility. The campaign aims to appraise field limits and collect sufficient information to form a development plan for the Coolah Field. The campaign is targeting sands within the Toolachee Formation, with the Patchawarra Formation providing a secondary target. Targets were identified from 3D seismic acquired over the Coolah area in 2015, which complemented past 3D seismic across the Barrolka Field to the north and Durham Downs Field to the south. The first two wells of the campaign, Dunadoo-1 and Coolah-3, respectively, were cased and suspended as future producers following identification of gas pay in the Toolachee Formation which was in line with pre-drill estimates. Dunadoo-1 encountered net gas pay of 15 metres within a 71 metre gross section, and Coolah-3 encountered net gas pay of 16 metres within a 74 metre gross section.

Western Flank Gas and Gas Liquids – Ex PEL 513

(Beach 40%, Santos 60% and operator)

A four-well near-field gas exploration and appraisal campaign was completed. The campaign targeted the liquids-rich gas play area of the southern Patchawarra Trough, with prospects identified on the Jacenza 3D seismic survey. Lyra-1, the final near-field exploration well of the campaign, is located approximately 60 kilometres northwest of the Moomba processing facility. The well intersected 10 metres of net gas pay within a 326 metre gross section in the target Patchawarra Formation. The well was cased and suspended for further testing.

South Australian Gas – Ex PEL 101

(Beach 80% and operator, Mid Continent 20%)

In February 2016, the second well of a two-well gas exploration campaign in PRL 174, Jute-1, was cased and suspended for further testing. The well was drilled to test the potential of tight sandstones and coals within the Tirrawarra Sandstone and Patchawarra and Epsilon formations. Fracture stimulation operations commenced in March 2016, with four stages successfully placed, however no measurable gas rate to surface was recorded during post fracture stimulation clean-up. Jute-1 was subsequently shut-in and is now awaiting plugging and suspension of operations. Willow-1, the first gas exploration well of the campaign, was perforated in three target zones in April 2016. Production testing operations were completed, with the well flowing at a peak gas rate of 0.1 MMscfd and wellhead flowing pressure of 177 psi on a 12/64" choke. Willow-1 has since been plugged and suspended.

Other Australia – Otway Basin

T/49P – Offshore Otway

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

A nine month suspension and extension to the third year licence conditions of T/49P was granted by NOPTA. The extension to 21 February 2017 will allow interpretation and mapping of the 974 km^2 Flanagan 3D seismic survey to be completed before deciding on future activity.

Egypt

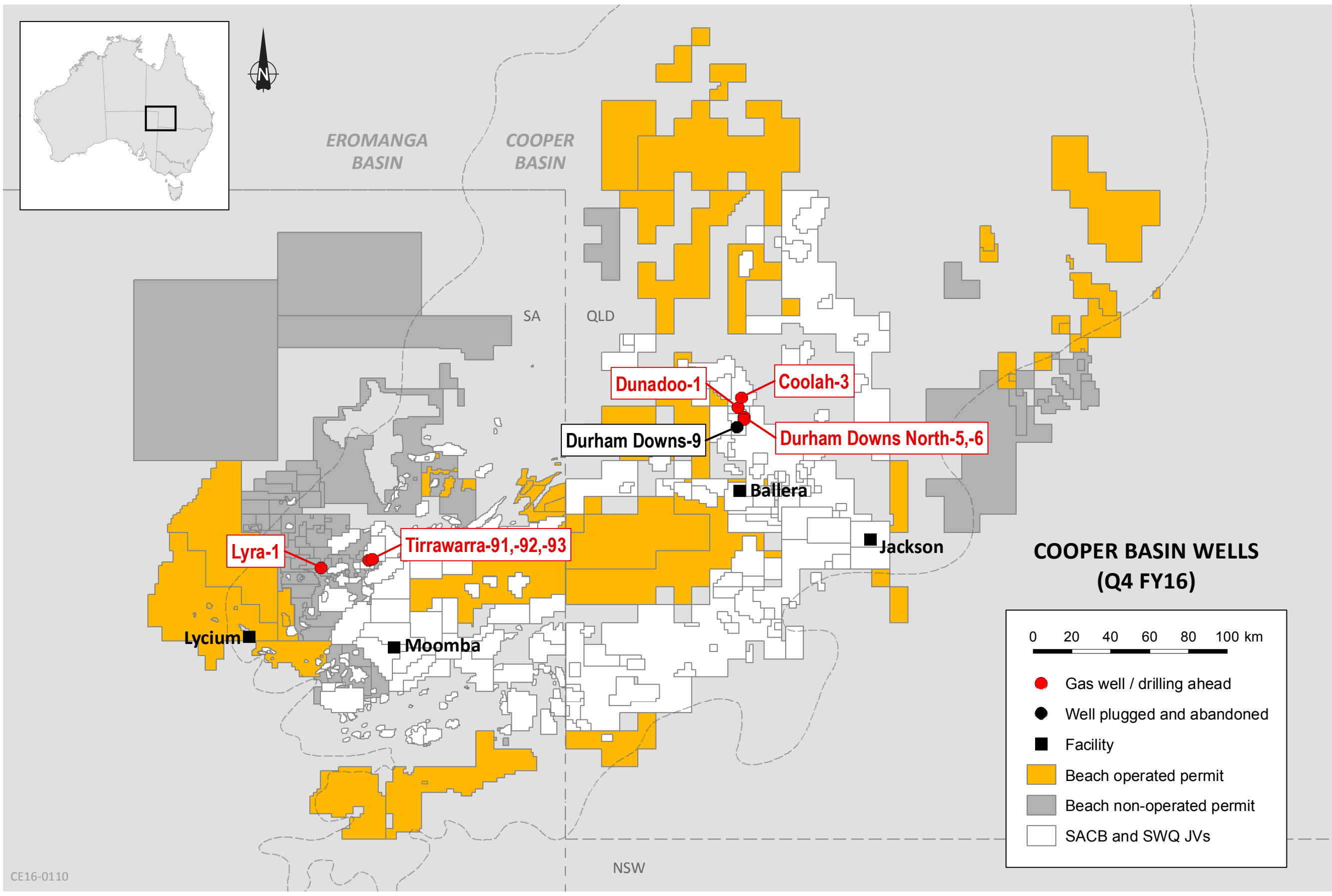
Abu Sennan Concession

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

The Al Jahraa SE-1X oil exploration well is located approximately six kilometres southeast of the Al Jahraa-1 discovery well. The well reached total depth of 3,361 metres in the Bahariya Formation and will soon be cased, completed and brought online. The well intersected 16.4 metres of net pay within the target Abu Roash "C" Member, secondary Abu Roash "E" Member and secondary Upper Bahariya Formation.

WELL RESULTS

Area	Category	Wells Spudded	Successful Wells	Success Rate	Successful Wells
Cooper Basin	Gas – Exploration	1	1	100%	Lyra-1
	Gas – Appraisal	5	4	80%	Coolah-3, Dunadoo-1, Durham Downs North-5,-6
	Gas – Development	3	3	100%	Tirrawarra-91,-92,-93
Egypt	Oil – Exploration	1	1	100%	Al Jahraa SE-1X
Total		**10**	**9**	**90%**	
All Exploration Wells		2	2	100%	
All Appraisal Wells		5	4	80%	
All Development Wells		3	3	100%	



CORPORATE AND COMMERCIAL

Appointment of Chief Financial Officer

Morné Engelbrecht was appointed as Beach's Chief Financial Officer and will commence on 1 September 2016. Morné is a Chartered Accountant with experience in the oil, gas and resource sectors across various jurisdictions, including Australia, South Africa, the United Kingdom, Papua New Guinea and China. He currently holds the position of Chief Executive Officer of ASX-listed Carbon Energy Limited, having served in this role since 2013. Prior to this he held various financial, commercial and advisory senior management positions at InterOil, Lihir Gold and PwC. Morné also brings extensive experience in strategy and planning, debt and equity markets, mergers and acquisitions, joint venture management and operations. Peter Sandery, a Fellow of CPA Australia with over 25 years' experience in financial reporting and nine years with Beach, will act in the role of Chief Financial Officer prior to Morné's commencement.

New drilling rig contract

Schlumberger Land Rigs (SLR) has been engaged to provide drilling services for Beach's FY17 operated drilling campaign. The SLR 183 rig will be utilised for the upcoming campaign, and provides a fit-for-purpose, compact set-up, with the ability to drill to a depth of 3.5 kilometres. The rig will support cost effective drilling, with rig move times significantly reduced. A competitively priced rig rate was negotiated reflecting a significant saving relative to prior year rates. The SLR 183 rig has been mobilised to the Hanson Field and will shortly commence drilling the Hanson-4 appraisal well.

Schlumberger Land Rig 183, above

Hanson-4 drill site, right

Completion of Drillsearch integration

Following completion of the merger with Drillsearch on 1 March 2016, efforts have focussed on integrating the Drillsearch business and realising cost savings. Integration was completed during the quarter and, as announced on 27 April 2016, up to $40 million of pre-tax cost savings will be realised in FY17. Recommendations from Beach's organisational review were also implemented during the quarter and consequently the combined business now operates with less headcount than that of Beach prior to the merger. Review of Drillsearch permit interests, assets and capital commitments is ongoing.

Previously announced activities

Previously announced activities progressed during the quarter, with updates as noted below.

- **Egypt divestment:** On 18 April 2016, Beach announced revised terms for the sale of Beach Egypt, whose core asset is a 22% interest in the Abu Sennan Concession in Egypt, to Rockhopper. Satisfaction of conditions precedent has taken longer than originally anticipated, however, it is now expected that completion of the transaction will occur in Q1 FY17. Cash consideration of up to US$20.5 million and other transaction terms remain unchanged.
- **ATP 299 divestment:** On 21 January 2016, Drillsearch announced a sale agreement in relation to its 40% interest in the Tintaburra Block, Queensland (ATP 299). Transaction completion is subject to certain joint venture consents and negotiations around these are ongoing.
- **Ex PEL 106 GSA:** The GSA in relation to sale of raw gas and gas liquids from ex PEL 106 to the SACB JV has been extended to the end of calendar year 2016. Beach will seek to re-contract these gas and gas liquids volumes prior to expiry of this extension.

SUBSEQUENT EVENTS

Departure of Chief Operating Officer, Neil Gibbins

Chief Operating Officer, Neil Gibbins, advised of his intention to resign from Beach to pursue other opportunities. Neil provided over 18 years of dedicated service to Beach, and the Board and management thank Neil for his contribution. Kevin Welsh, a chemical engineer with 28 years of industry experience and 15 years of Cooper Basin experience, is acting in the role until a permanent replacement is announced.

Changes to Board composition

Ryan Stokes, Chief Executive of Seven Group Holdings Limited, was appointed as a Non-executive Director of Beach. Seven Group Holdings Limited and related corporations collectively have a relevant interest in 22.89% of the shares of Beach and as such usual protocols and other arrangements appropriate to the appointment of a director representing a large shareholder were agreed. These arrangements protect confidential information of Beach and address any potential conflicts of interest that may arise.

John Butler resigned as a director of Beach. John was appointed a director in 1999 after having been an alternate director between 1994 and 1998. The Board acknowledges the significant commitment that John has made to Beach over this period.

Further details are contained in the announcement of 20 July 2016.

FY17 production guidance

FY17 production is expected to exceed volumes achieved in FY16, with guidance in the range of 9.7 – 10.3 MMboe. Factors expected to influence production which are incorporated into guidance estimates include:

↑ Additional oil and gas production from ex PEL 91 and 106 due to the merger with Drillsearch;

↑ Additional oil and gas production from various field development activities, including:

- **Bauer facility expansion:** Fluid handling capacity to be increased to 120,000 barrels of fluid per day (+60% / 45,000 barrels), enabling a material increase in production capacity. Commissioning is expected in early Q3 FY17.
- **Middleton compression project:** Gas compression to be completed at the Middleton facility in ex PEL 106 to ensure maximum production capacity is maintained. Commissioning is expected in early Q3 FY17.
- **Full field development plans:** Recently completed oil field development plans will be executed during FY17. Activities include connection of well stock, development drilling, artificial lift and other initiatives.

↓ Natural field decline due to increasing water cuts and recent reductions in drilling activity;

↓ No further Egypt production post anticipated completion of sale in Q1 FY17; and

— Successful FY17 exploration wells assumed to commence production in FY18.

Further details are contained in the announcement of 28 July 2016.

Middleton Gas Facility

GLOSSARY

3D Oil	3D Oil Ltd
$	Australian dollars
ASX	Australian Securities Exchange
ATP	Authority to Prospect
bbl	barrels
Beach	Beach Energy Ltd
Beach Egypt	Beach Petroleum (Egypt) Pty 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
Delhi	Delhi Petroleum Pty Ltd
Dover	Dover Investments Ltd
Drillsearch	Drillsearch Energy Ltd
EP	Exploration permit
Ex PEL 91	Replaced by PRLs 151 to 172 and various production licences
Ex PEL 92	Replaced by PRLs 85 to 104 and various production licences
Ex PEL 101	Replaced by PRLs 173 and 174 and various production licences
Ex PEL 104 / 111	Replaced by PRLs 136 to 150 and various production licences
Ex PEL 106	Replaced by PRLs 129 and 130 and various production licences
Ex PEL 107	Replaced by PRLs 175 to 179
Ex PEL 218	Replaced by PRLs 33 to 49
Ex PEL 513	Replaced by PRLs 191 to 206 and various production licences
FY(16)	financial year (2016)
GJ	gigajoule
GSA	gas sales agreement
H1 (FY16)	First half year period (of FY16)
H2 (FY16)	Second half year period (of FY16)
kbbl	thousand barrels of oil
kboe	thousand barrels of oil equivalent
kt	thousand tonnes
KEE	Kuwait Energy Egypt Ltd
LPG	liquefied petroleum gas
Mid Continent	Mid Continent Equipment (Australia) Pty Ltd
MMbbl	million barrels of oil
MMboe	million barrels of oil equivalent
MMscfd	million standard cubic feet of gas per day
NOPTA	National Offshore Petroleum Titles Administrator
NPV	Net present value
Origin	Origin Energy Ltd
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PRL	Petroleum Retention Licence
PJ	petajoule
Q(1 FY16)	(First) quarter (of FY16)
Qtr	quarter
Rockhopper	Rockhopper Exploration plc
SACB JVs	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 JVs and the SWQ JVs
Santos	Santos Ltd
Senex	Senex Energy Ltd
SWQ JVs	South West Queensland joint ventures