BEACH ENERGY LIMITED

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14 June 2017

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.

EBITDA (earnings before interest, tax, depreciation, depletion, evaluation and impairment) and underlying profit are non-IFRS measures that are presented to provide an understanding of the performance of Beach's operations. They have not been subject to audit or review by Beach's external auditors but have been extracted from audited or reviewed financial statements. Underlying profit excludes the impacts of asset disposals and impairments, as well as items that are subject to significant variability from one period to the next. The non-IFRS financial information is unaudited however the numbers have been extracted from the audited financial statements.

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 2016 and represent Beach's share.

References to planned FY18 activity are subject to finalisation of work programs and Board approvals.

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 (Manager Gas Development). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The reserves and resources information in this presentation has been issued with the prior written consent of Mr Lake in the form and context in which it appears.

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FY17/18 OUTLOOK

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A robust base business supporting increased activity

Highly profitable

- Turnaround in underlying profit; +1,023% in H1 FY17[1]
- US$10 annual oil price increase delivers +$50 million NPAT and +$65 million operating cash flow

Increasing drill bit activity

- 50 wells drilled year-to-date at a success rate of 82%
- Operated gas exploration success rate of 75% in FY17
- Material increase in FY18 well count anticipated

Cost focused culture entrenched

- US$20/bbl cash flow breakeven[2]
- Western Flank operated field costs ~$2.70/boe
- >30% reduction in Cooper Basin JV drill costs and drill durations

Refreshed exploration focus

- Unlocking new reserves from proven reservoirs
- Planned horizontal drilling in FY18 to optimise recoveries
- Targeting full replacement of 2P reserves over next 2 years

Substantial liquidity

- $175 million net cash; $675 million available liquidity[3]
- Establishment of dividend framework under consideration

Inorganic growth

- Shareholder value accretion primary objective
- Multiple opportunities under review

1. Underlying net profit after tax; for a reconciliation to statutory net profit after tax, refer to results announcement of 20 February 2017
2. Cash flow breakeven and cost references relate to H1 FY17; refer slides 24-25 for further information
3. As at 31 March 2017

Outlook: Production and reserves

Strong FY17 operating performance to underpin continued momentum

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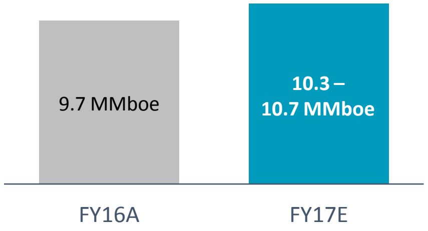
Production

FY17 Guidance

Upper half of guidance range expected



Outlook

Targeting >10 MMboe p.a. for next 3 years[1]

Key Drivers

- Increased drill bit activity
- High drilling success rates
- Increasing well stock
- Planned FY18 horizontal drilling
- Ongoing artificial lift campaigns

Reserves

FY17 Guidance

Minimum 100% 2P RRR[2]

Outlook

Targeting 100% 2P RRR over next 2 years[1]

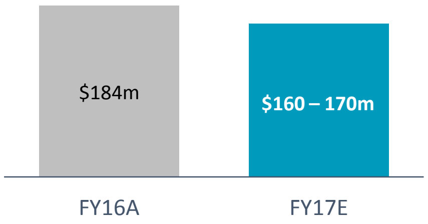
Key Drivers

- FY17 exploration discoveries and McKinlay success at Callawonga
- Planned FY18 McKinlay/Birkhead appraisal and horizontal wells
- Improving ultimate recoveries
- Refreshed play fairway exploration focus

1. Subject to drilling success
2. RRR = Reserves Replacement Ratio; assumes 30 June 2016 2P reserves normalised for divestments; subject to external independent review

Outlook: Capital expenditure and drilling

Increased capital expenditure targeting high impact organic growth opportunities

	FY17 Guidance	Outlook	Key Drivers
Capital expenditure	***Lower half of guidance range expected*** 	***Increased spend with majority of discretionary expenditure targeting >60% IRR projects***	▪ Follow-on opportunities from FY17 exploration success ▪ High return / fast payback Western Flank projects ▪ Selective deployment of growing cash reserves
Drilling	***55 – 60 wells***	***Planned follow up of FY17 successes, with increased well count and gas exploration***	▪ Follow-on opportunities from FY17 exploration success ▪ Faster drill times, resulting in more wells / production ▪ Active rig schedules with mix of exploration, appraisal and development

Inorganic growth

Uniquely positioned to pursue value accretive growth opportunities

- **Clearly defined inorganic growth strategy underpinned by robust base business**
- **Shareholder value accretion primary objective**
- **Multiple opportunities under review**
- **No single opportunity critical to achieving growth objectives**
- **Significant available liquidity; Balance Sheet will not be stressed**
- **Capital market support evident for compelling transactions**
- **Licence to operate makes Beach an ideal partner for right opportunities**

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EXPLORATION AND DEVELOPMENT

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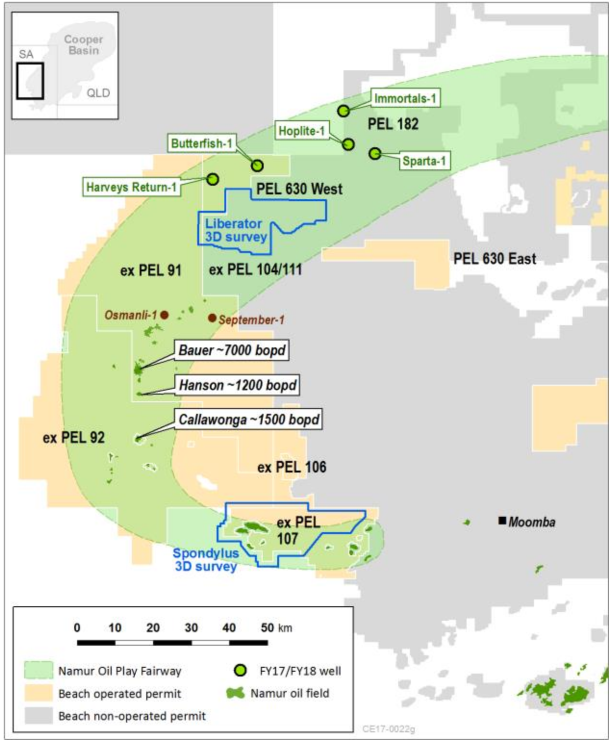
Oil exploration – Cooper Basin

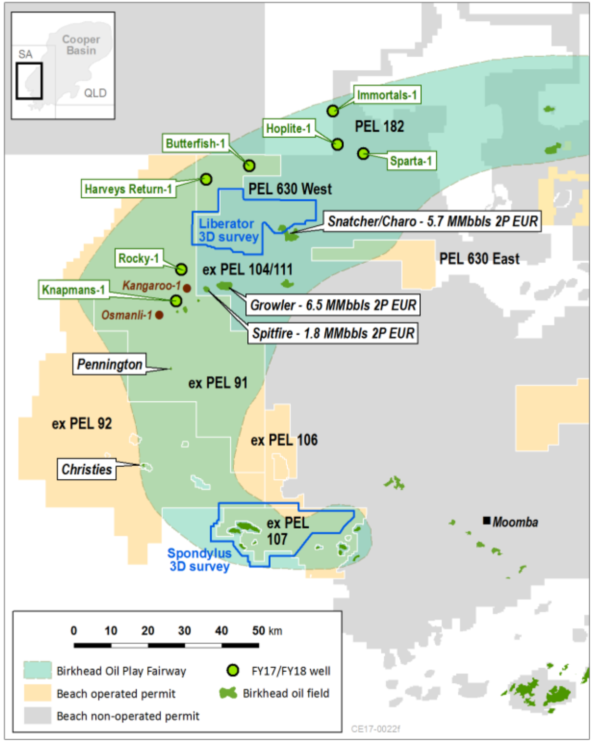
Long-term running room from extensive play fairways

- **Near-field, lower risk exploration focus for Namur fairway**
  - Immortals-1 to complete northern Namur campaign
  - Improved definition of fairway boundaries
- **Extensive Birkhead fairway to be developed with modern seismic and drilling technologies**
  - Oil at Hoplite-1 supports potential northern fairway extension
- **Kangaroo-1 follow-up wells planned for FY18**
  - 2 vertical exploration / appraisal wells and 2-3 horizontal wells
- **Marauder-1 Birkhead exploration well in ex PEL 104/111**
- **Liberator 3D seismic augments coverage over core play fairways**

Namur Play Fairway



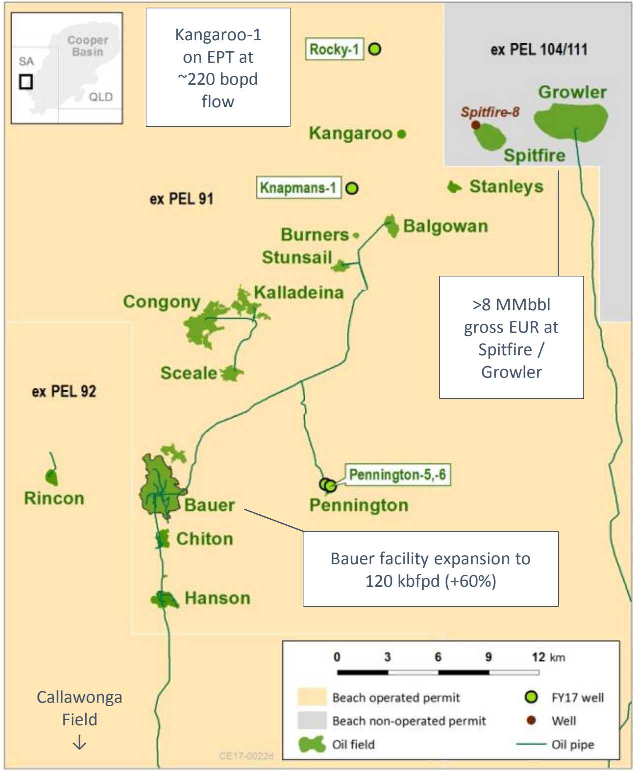
Birkhead Play Fairway



Oil appraisal and development – Cooper Basin

Targeting new reserves and sustained production from existing fields

- **Untapped reserve potential in existing fields**
  - Extensive McKinlay Member prospects across ex PEL 91 and 92
  - Proven yet broadly untested Birkhead Formation in ex PEL 91
- **Early McKinlay success in Callawonga Field**
  - 100% success rate from first four wells of five-well campaign
  - Wells high to prognosis, extending field area
  - Potential five-well follow-on campaign in FY18/19
- **McKinlay horizontal drilling in Bauer Field planned for FY18**
- **Birkhead Formation to be appraised in FY18**
  - 4-5 exploration / appraisal wells, including horizontals
  - Pennington and Stanleys wells to be connected as Birkhead producers
- **Bauer facility expansion completed in Q4 FY17; 60% increase in fluids handling capacity to 120,000 bfpd**

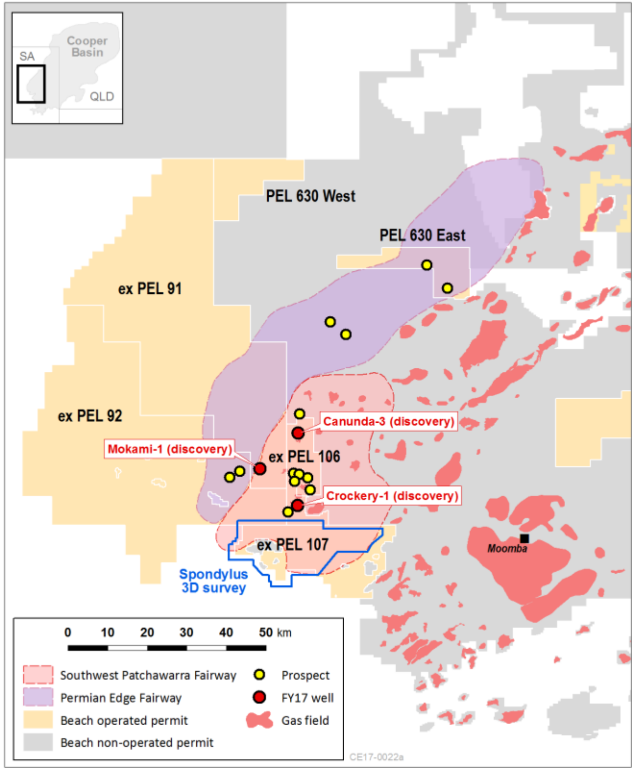


Gas exploration and development – Cooper Basin

Significantly expanded FY18 program of 10-12 wells planned

- **Extensive Southwest Patchawarra (SWP) and Permian Edge (PE) play fairways**
- **Expanded 10-12 well program under assessment for FY18**
- **High impact PE prospects proposed for FY18 campaign**
  - ~1,300 km^2 under-explored PE fairway
  - PEL 630 farm-in complements portfolio; full 3D coverage
- **Three SWP discoveries from four-well operated campaign in FY17**
- **340 km^2 Spondylus 3D survey to enhance SWP prospect portfolio**

FY17 Gas Discoveries[1]			
	Canunda-3	**Crockery-1**	**Mokami-1**
Net gas pay	3 metres	7 metres	10 metres
Preliminary 2P reserve addition	1.0 MMboe	0.9 MMboe	1.5 MMboe
Estimated initial production	>3 MMscfd	3-8 MMscfd	8-12 MMscfd
Liquids content of raw gas	>150 bbl/MMscf	TBC	93 bbl/MMscf
Expected connection date	Q1 FY18	Q1 FY18	Q2 FY18



1. Preliminary estimates; refer announcement of 5 April 2017 for further information and disclosures

Gas exploration – Otway Basin

Conventional gas exploration well targeting 34 Bcf prospect[1]

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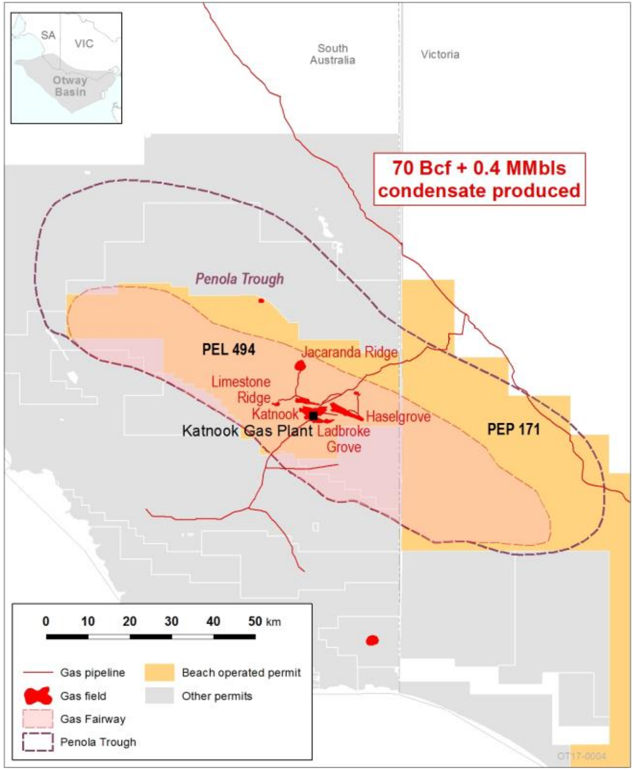
- **South Australian Government to support gas exploration drill costs via $6 million PACE grant**
  - ‘Plan for Accelerating Exploration’ gas grant scheme aims to bring new gas to market within three years
  - Grant expected to cover 40-50% of Haselgrove-3 drill costs
- **Haselgrove-3 in PPL 62 (Beach 100%) targeting 34 Bcf conventional gas and gas liquids prospect[1]**
- **If successful, additional follow-up exploration prospects could supply material new gas to the market**
- **Proven Penola Trough gas province, close to existing infrastructure and pipeline networks**
  - Beach operations in region for past 50 years



1. Best unrisked estimate of prospective resource using the probabilistic methodology; Beach assigns a ~32% probability of success. Refer competent persons statement for further disclosures. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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EAST COAST GAS MARKET

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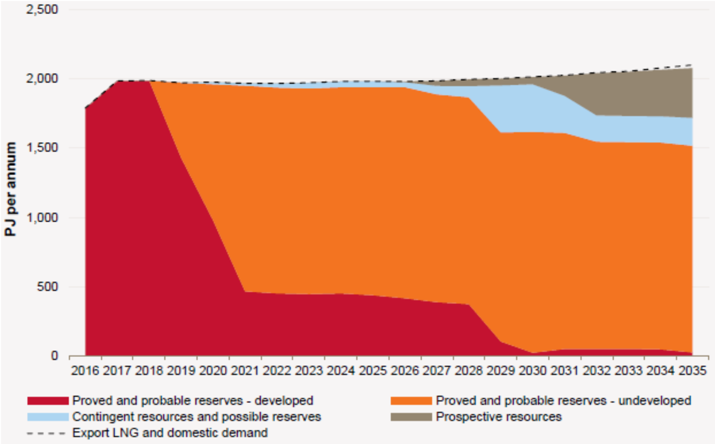
East coast gas opportunity

Additional drilling required to address market imbalances

East coast gas supply and demand[1]



- **LNG demand / gas shortage fundamentals unchanged**
- **Government intervention supports Beach business case**
- **Removal of barriers to gas exploration critical**

Beach delivering on gas strategy

✓ **Growing operated gas business**

- Improved commercial arrangements
- Compression to sustain maximum production
- Market engagement beginning with customers for ex PEL 106 gas
- Planning expanded FY18 drilling program; potential facilities expansion under review

✓ **Active Cooper Basin JV exploration**

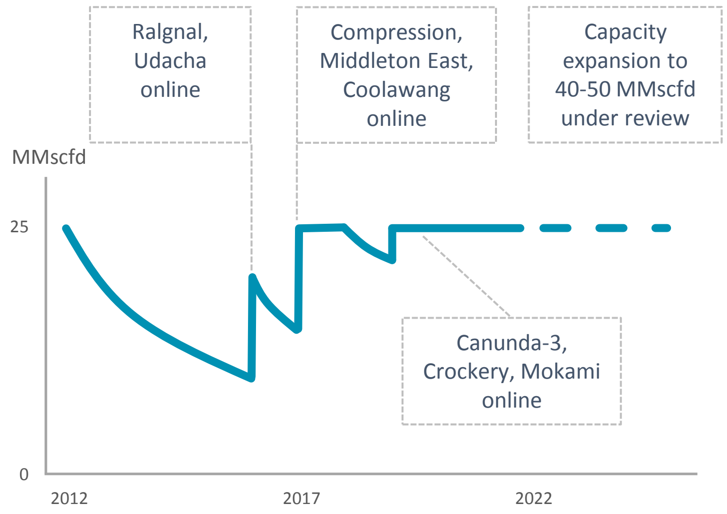
- Six-well campaign underway in Queensland
- Mapping of 1,200km^2 Snowball 3D survey
- Beach to recommend exploration targets to guide capital and returns
- Beach to only participate in drilling which provides adequate returns

1. Source: AEMO, March 2016

Growing operated gas business

- **Three discoveries from four-well FY17 campaign**
  - Preliminary estimate of ~3.4 MMboe 2P reserve addition
- **Expanded 10-12 well drilling program for FY18 under assessment**
- **Middleton compression project commissioned in Q3 FY17**
  - Enables 25 MMscfd raw gas capacity to be reached and maintained
  - ~20 MMscfd net gas / liquids production
  - ~25-35 bbl/MMscf average liquids content
- **FY17 discoveries and expected increase in FY18 drilling support plans for further capacity expansion**
  - Potential expansion to 40-50 MMscfd currently under review

Optimising production infrastructure[1]



1. Illustrative raw gas production; ignores maintenance downtime and Moomba operator shut-in requests

Long-life Cooper Basin JV gas business

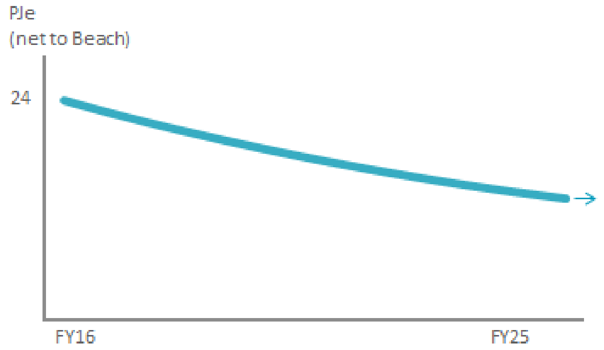
- **Diverse Cooper Basin acreage position of ~6.6 million acres**
- **Substantial gas processing infrastructure, connected to key energy markets**
- **Primary source of Beach gas production and a material oil contributor**
  - Q3 FY17 net gas / gas liquids production of 945 kboe
  - Q3 FY17 net oil production of 170 kbbl
- **Beach optionality to participate in drilling campaigns**
- **Joint venture focus on cost reductions and value optimisation**
  - 16% field cost reduction achieved in H1 FY17
- **Free cash flow of >$50 million generated in H1 FY17[1]**
  - Significant turnaround since FY15

Long-life, reliable gas and gas liquids production[2]

>50 years of Cooper Basin operations

>800 producing gas wells

Ongoing exploration, appraisal and development activity

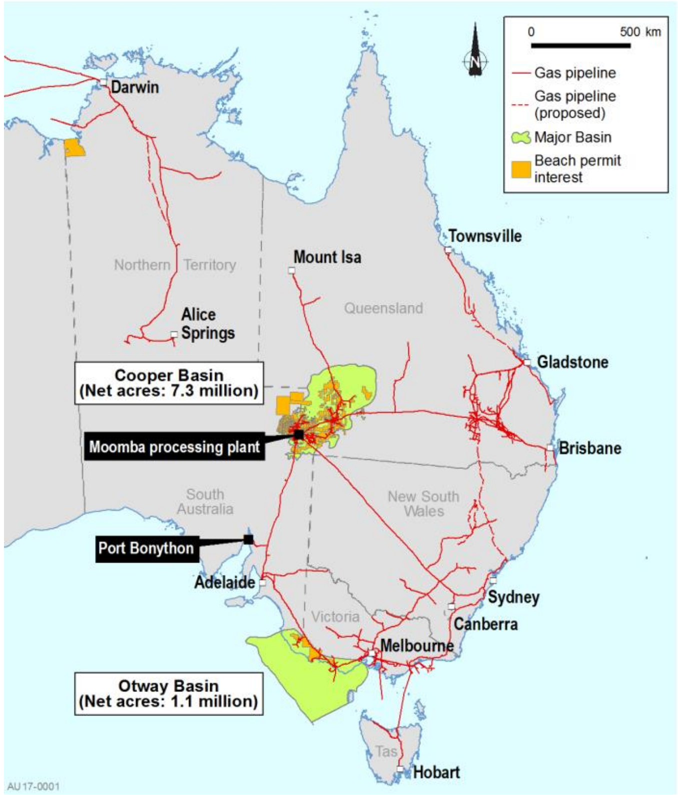


Ownership interests: Beach ~20%; Santos ~66% and operator; Origin ~14%
1. Operating cash flow less capital expenditure

2. Illustrative gas and gas liquids production net to Beach; based on current drilling outlook and ignores future exploration success or increased drilling activity

Strategic infrastructure servicing key markets

- **Infrastructure ideally located to service southern, eastern and LNG markets**
  - Beach ownership interest in Cooper Basin JV infrastructure: ~20%
- **~6,000 kilometres of flowlines into Moomba**
- **Moomba daily processing capacities:**
  - 375 TJ gas (~70% utilised)
  - 600 tonnes LPG (~30% utilised)
  - 35 kbbl oil / condensate (~75% utilised)
  - 48 kbbl daily flowline capacity (Moomba to Port Bonython)
- **Gas storage capacity of ~75 PJ**
- **Moomba processing plant accessible for new discoveries**



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A UNIQUE VALUE PROPOSITION

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A unique value proposition

Highly profitable

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3. As at 31 March 2017

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APPENDIX

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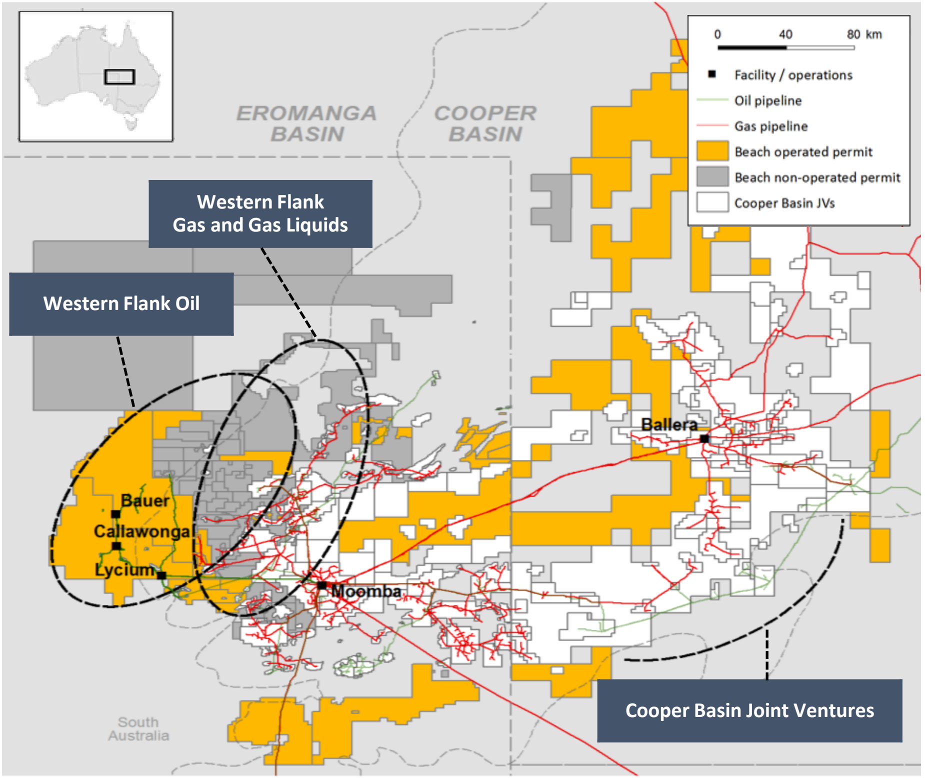
Beach Energy

- **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**
- **Market capitalisation: ~$1.1 billion[1]**
- **Cash flow breakeven of US$20/bbl[2]**
- **Net cash of $175 million and available liquidity of $675 million**
- **FY17 production guidance: 10.3 – 10.7 MMboe**
- **FY17 capital expenditure guidance: $160 – 170 million**



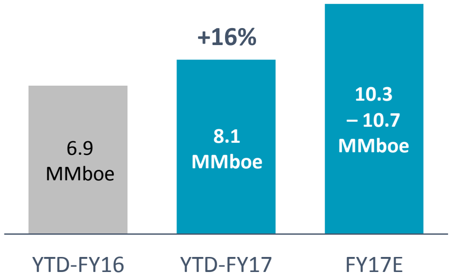
1. Based on closing share price of $0.595 on 9 June 2017
2. Refer slide 25 for definition

Year-to-date operational highlights
Production growth and play-extending discoveries

Highlights

- **Production growth year-on-year**
- **82% success rate from 50 wells**
- **Play-extending discoveries**
- **Operating and cost efficiencies**
  - Western Flank field costs ↓26% to $2.70/boe
  - Cooper Basin JV field costs ↓16%
- **Incremental production in Q4 FY17 from expansion projects**
  - Middleton compression and Bauer facility expansion

Production: Year-to-date[1]



Variable speed beam pump installation in ex PEL 91

Artificial lift

- 5 installations
- $4.5m cost
- >800 bopd initial oil production
- <4 month payback

1. Year-to-date for nine month periods to 31 March

Exploration Success

✓ **Three gas discoveries from four-well operated campaign**
- 3.4 MMboe preliminary estimated 2P reserves addition[1]
- 3-12 MMscfd potential flow rates[1]
- Liquids-rich, up to 150 bbl/MMscf[1]
- Expected online in H1 FY18

✓ **Birkhead oil discovery at Kangaroo-1**
- Encouraging for broadly untested and extensive play fairway
- Follow-up wells and potential horizontal drilling in FY18

Planning underway for an expanded FY18 operated drilling campaign

1. See announcement of 5 April 2017 for further information and disclosures

First-half financial highlights

Robust business model delivering turnaround in profitability

Highlights

- **Financial results benefiting from robust business model**
  - Strong production and operating performance
  - Leverage to higher oil prices
  - Reduced field operating costs
  - Lean headcount and overheads
  - Benefits of asset rationalisation
- **Strengthened financial position**
  - Net cash of $175 million; $675 million available liquidity[1]
- **Disciplined deployment of free cash flow to fund growth**
- **No cash tax in FY17; expecting cash tax in FY18**

1. As at 31 March 2017

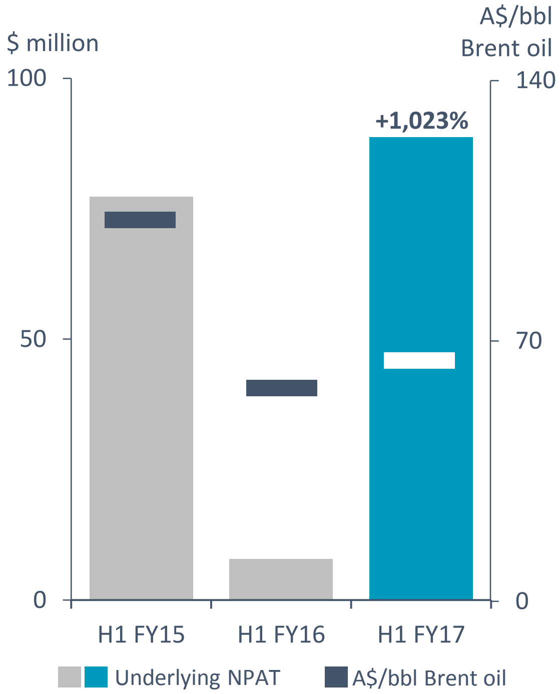
Key Financial Metrics: H1 FY17

Sales Revenue	NPAT	EBITDA
$344m	$103m	$224m
+27%	+$703m	+153%

Operating Cash Flow	Net Cash[1]	Interim Dividend
$154m	$175m	1 cps (ff)
+19%	+$170m	+1.0 cps

1. As at 31 March 2017; movement relative to 31 March 2016

Turnaround in HY Underlying NPAT[1]



1. For a reconciliation of H1 FY17 net profit after tax to underlying net profit after tax, refer to results announcement of 20 February 2017

Operating and cost efficiencies

Delivering savings across operated and non-operated ventures

Cash flow breakeven[1]	▪ Reduced fixed expenditure ▪ Operating and cost efficiencies	US$26/bbl (FY16)	**US$20/bbl (H1 FY17)**	23% ↓
Drill cost per well: Western Flank[2]	▪ New rig contract ▪ Fit-for-purpose rig	$2.2m (FY16)	**$2.0m (H1 FY17)**	10% ↓
Field costs: Western Flank[3]	▪ Renegotiated contracts ▪ Reduced reliance on contractors	$3.60/boe (FY16)	**$2.70/boe (H1 FY17)**	26% ↓
Capital expenditure: Cooper Basin JV	▪ Operating and cost efficiencies ▪ Selective drilling participation	$122m (FY16)	**$60-65m (FY17E)**	47-51% ↓
Field costs: Cooper Basin JV[4]	▪ Reduced workforce ▪ 'Challenging the norm'	$46m (H1 FY16)	**$39m (H1 FY17)**	16% ↓
Drill durations: Cooper Basin JV[5]	▪ Reduced rig mobilisation and non-productive time	24 days (CY15)	**16 days (CY16)**	33% ↓

1. Average annual oil price whereby cash flows from operating activities before tax equate to cash flows from investing activities less discretionary expenditure and acquired cash; figures compare six month period to 31 December 2016 (H1 FY17) with 12 month period to 30 June 2016 (FY16)
2. Average cost to drill, case and complete
3. Field operating costs for ex PEL 91, 92 and 106; excludes tariffs, tolls and royalties
4. Field operating costs for Cooper Basin JV oil and gas production; excludes redundancy costs and non-recurring items
5. Average days from spud to rig release, plus average rig move days

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