



## ASX Release

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**For immediate release – 18 August 2017**

Ref. #038/17

ASX Ltd  
 Companies Announcement Office  
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### RESERVES AND CONTINGENT RESOURCES AS AT 30 JUNE 2017

Beach Energy Limited (ASX: BPT, “Beach”) provides the following update in relation to its reserves and contingent resources as at 30 June 2017. Categories presented are 1P reserves (Proved), 2P reserves (Proved and Probable), 3P reserves (Proved, Probable and Possible) and 2C contingent resources. 1P, 2P and 3P reserves have been independently audited by RISC Advisory.

#### Reserves

Beach recorded a 2P reserves replacement ratio of 179% for the 12 month period ended 30 June 2017, with year-end 2P oil and gas reserves 7% higher than the prior year. Upward reserve revisions predominantly relate to operated acreage following new discoveries, field extensions, identification of additional development opportunities, strong field production performances and operating cost efficiencies. Reserves as at 30 June 2017 are summarised below and additional disclosures are provided in the appendices.

Reserves (Net)	1P	2P	3P
Oil (million barrels “MMbbl”)	12.0	26.3	50.4
Gas and gas liquids (million barrels of oil equivalent “MMboe”)	25.5	48.4	87.9
<b>Total as at 30 June 2017 (MMboe)</b>	<b>37.5</b>	<b>74.7</b>	<b>138.3</b>
Total as at 30 June 2016	29.9	69.8	132.6
<i>Increase / (decrease)</i>	<i>25.4%</i>	<i>7.0%</i>	<i>4.3%</i>

Developed and Undeveloped Reserves (Net)	Developed			Undeveloped		
	1P	2P	3P	1P	2P	3P
Oil (MMbbl)	9.9	18.8	34.1	2.1	7.6	16.4
Gas and gas liquids (MMboe)	22.9	41.5	71.8	2.6	6.9	16.0
<b>Total as at 30 June 2017 (MMboe)</b>	<b>32.8</b>	<b>60.3</b>	<b>105.9</b>	<b>4.7</b>	<b>14.4</b>	<b>32.4</b>
Total as at 30 June 2016	21.4	54.0	101.8	8.6	15.8	30.9
<i>Increase / (decrease)</i>	<i>53.6%</i>	<i>11.7%</i>	<i>4.1%</i>	<i>(44.9%)</i>	<i>(8.7%)</i>	<i>4.9%</i>

NB. All reserve and resource figures are quoted net of fuel; due to rounding, figures may not reconcile to totals.

The following table summarises material changes in 2P reserve bookings. Additional disclosures are provided in the appendices.

2P Revisions <sup>1</sup> (MMboe)	Beach Interest	2P 30-Jun-16	Production	Revisions	2P 30-Jun-17
Ex PEL 91	100%	10.0	(3.7)	6.1	12.4
Ex PEL 92	75%	2.7	(0.7)	3.8	5.9
Ex PEL 106	100%	4.8	(1.0)	4.3	8.2
Cooper Basin JV <sup>2</sup>	Various	46.5	(4.4)	3.0	45.1

1. The determination of commerciality and economic end of field lives were estimated using cash flow models and corporate assumptions. The analytical procedures for reserves determination was a combination of deterministic decline curve analysis and probabilistic volumetric assessment. Reserve revisions are associated with both existing producing wells and future development wells, all of which will be produced to existing processing facilities. All undeveloped reserves reflect budgeted activity and all associated capital expenditure is included in the three year corporate budget outlook. Approaches to marketing, access to transportation infrastructure and environmental approvals are based on those already in place.

2. Beach's wholly owned subsidiary Delhi Petroleum Pty Ltd owns non-operated interests in the South Australian Cooper Basin joint ventures (17.14% and 20.21% interests) and South West Queensland joint ventures (20% to 40% interests). These joint ventures are collectively referred to as the Cooper Basin JV.

### Material increases to 2P reserves

Material increases in ex PEL 91 resulted from analysis of producing wells, the Kangaroo-1 discovery, identification of new development locations in the Bauer and Chiton fields and the horizontal well targeting the McKinlay reservoir in the Bauer Field. Material increases in ex PEL 92 resulted from five new wells in the Callawonga Field and identification of new development locations in the Butlers and Parsons fields. Material increases in ex PEL 106 resulted from successful exploration drilling at Canunda-3, Crockery-1 and Mokami-1, and better than forecast production performance at Brownlow-1 and Ralgnal-1. Material increases in the Cooper Basin JV resulted from analysis of production performance in Queensland, partly offset by removal of projects assessed as uneconomic.

### Material increases to 1P reserves

Material increases in ex PEL 91 resulted from decline analysis of all wells which improved recovery estimates, the horizontal well targeting the McKinlay reservoir in the Bauer Field, and the Kangaroo-1 discovery. Material increases in ex PEL 92 resulted from five new wells in the Callawonga Field and identification of new development locations in the Butlers and Parsons fields. Material increases in ex PEL 106 resulted from successful exploration drilling at Canunda-3, Crockery-1 and Mokami-1, and better than forecast production performance at Brownlow-1 and Ralgnal-1. Material increases in the Cooper Basin JV resulted from analysis of producing wells which indicated better than forecast production performance, partly offset by removal of projects assessed as uneconomic or lacking sufficient clarity on cost and recovery.

### Contingent resources

Net 2C contingent resources decreased 25% to 152.9 MMboe, mainly due to removal of Cooper Basin JV Nappamerri Trough unconventional gas bookings. Contingent resources are summarised below and additional disclosures are provided in the appendices.



### Appendix A – 2P Reserves by Permit (Reconciliation)

2P Reserves (Net, MMboe)	Note	2P 30-Jun-16	FY17 Production	Acquisitions / Divestments	Revisions Exploration / Appraisal	Other Revisions	2P 30-Jun-17	Oil (MMbbl)	Gas (PJ)	LPG (kt)	Condensate (MMbbl)
Ex PEL 91	1	10.0	(3.7)	–	0.5	5.6	12.4	12.4	–	–	–
Ex PEL 92	2	2.7	(0.7)	–	–	3.8	5.9	5.9	–	–	–
Ex PEL 104/111	3	1.1	(0.4)	–	–	1.2	1.9	1.9	–	–	–
Kenmore-Bodalla	4	0.3	(0.0)	(0.3)	–	–	–	–	–	–	–
Tintaburra	5	0.9	(0.2)	–	–	–	0.8	0.8	–	–	–
Ex PEL 106	6	4.8	(1.0)	–	3.1	1.2	8.2	–	29.2	164.0	1.9
Ex PEL 513/632	7	0.2	(0.2)	–	–	0.2	0.3	–	0.9	5.2	0.1
PRL135 (Vanessa)	8	0.0	(0.0)	–	–	0.1	0.1	–	0.6	2.1	0.0
Cooper Basin JV	9	46.5	(4.4)	–	0.3	2.8	45.1	5.4	195.2	423.9	2.8
<b>Cooper / Eromanga</b>		<b>66.7</b>	<b>(10.6)</b>	<b>(0.3)</b>	<b>3.9</b>	<b>15.0</b>	<b>74.7</b>	<b>26.3</b>	<b>225.9</b>	<b>595.1</b>	<b>4.8</b>
Egypt	10	3.1	–	(3.1)	–	–	–	–	–	–	–
<b>Total 2P Reserves</b>		<b>69.8</b>	<b>(10.6)</b>	<b>(3.4)</b>	<b>3.9</b>	<b>15.0</b>	<b>74.7</b>	<b>26.3</b>	<b>225.9</b>	<b>595.1</b>	<b>4.8</b>

1. Beach equity interest: 100%; a mixture of probabilistic and deterministic methodologies applied
2. Beach equity interest: 75%; a mixture of probabilistic and deterministic methodologies applied
3. Beach equity interest: 40%; deterministic methodology applied
4. Beach equity interest: 100%; deterministic methodology applied; sale of Kenmore-Bodalla interests completed on 19 October 2016
5. Beach equity interest: 40%; deterministic methodology applied
6. Beach equity interest: 100%; deterministic methodology applied; includes gas reserves associated with Mokami-1 in ex PEL 91 (Beach 100%)
7. Beach equity interest: 40%; deterministic methodology applied
8. Beach equity interest: 43%; deterministic methodology applied
9. Beach equity interests: South Australian Cooper Basin joint ventures (17.14% and 20.21%) and South West Queensland joint ventures (20% to 40%); deterministic methodology applied
10. Beach equity interest: 22% (net entitlement 9.4%); probabilistic methodology applied; sale of Egypt completed on 17 August 2016

**Appendix B – 2P Reserves by Permit (Developed/Undeveloped)**

2P Reserves (Net)	Note	Developed Reserves					Undeveloped Reserves				
		Gas (PJ)	LPG (kt)	Condensate (MMbbl)	Oil (MMbbl)	Total (MMboe)	Gas (PJ)	LPG (kt)	Condensate (MMbbl)	Oil (MMbbl)	Total (MMboe)
Ex PEL 91	1	–	–	–	9.6	9.6	–	–	–	2.8	2.8
Ex PEL 92	2	–	–	–	3.3	3.3	–	–	–	2.5	2.5
Ex PEL 104/111	3	–	–	–	1.3	1.3	–	–	–	0.6	0.6
Tintaburra	4	–	–	–	0.6	0.6	–	–	–	0.2	0.2
Ex PEL 106	5	20.8	107.7	1.2	–	5.6	8.2	56.3	0.7	–	2.6
Ex PEL 513/632	6	0.9	5.2	0.1	–	0.3	0.0	0.0	0.0	–	0.0
PRL135 (Vanessa)	7	–	–	–	–	–	0.6	2.1	0.0	–	0.1
Cooper Basin JV	8	178.2	349.3	2.2	3.9	39.5	17.0	74.6	0.6	1.5	5.6
<b>Total 2P Reserves</b>		<b>200.0</b>	<b>462.2</b>	<b>3.4</b>	<b>18.8</b>	<b>60.3</b>	<b>25.9</b>	<b>133.0</b>	<b>1.4</b>	<b>7.6</b>	<b>14.4</b>

1. Beach equity interest: 100%; a mixture of probabilistic and deterministic methodologies applied
2. Beach equity interest: 75%; a mixture of probabilistic and deterministic methodologies applied
3. Beach equity interest: 40%; deterministic methodology applied
4. Beach equity interest: 40%; deterministic methodology applied
5. Beach equity interest: 100%; deterministic methodology applied; includes gas reserves associated with Mokami-1 in ex PEL 91 (Beach 100%)
6. Beach equity interest: 40%; deterministic methodology applied
7. Beach equity interest: 43%; deterministic methodology applied
8. Beach equity interests: South Australian Cooper Basin joint ventures (17.14% and 20.21%) and South West Queensland joint ventures (20% to 40%); deterministic methodology applied

**Appendix C – 1P Reserves by Permit (Reconciliation)**

1P Reserves (Net, MMboe)	Note	1P 30-Jun-16	FY17 Production	Acquisitions / Divestments	Revisions Exploration / Appraisal	Other Revisions	1P 30-Jun-17	Oil (MMbbl)	Gas (PJ)	LPG (kt)	Condensate (MMbbl)
Ex PEL 91	1	4.3	(3.7)	–	0.2	5.5	6.3	6.3	–	–	–
Ex PEL 92	2	1.7	(0.7)	–	–	0.9	1.9	1.9	–	–	–
Ex PEL 104/111	3	0.5	(0.4)	–	–	0.7	0.8	0.8	–	–	–
Kenmore-Bodalla	4	0.0	(0.0)	(0.0)	–	–	–	–	–	–	–
Tintaburra	5	0.3	(0.2)	–	–	0.1	0.2	0.2	–	–	–
Ex PEL 106	6	4.1	(1.0)	–	1.2	(1.0)	3.4	–	12.2	67.9	0.8
Ex PEL 513/632	7	0.2	(0.2)	–	–	0.2	0.2	–	0.6	3.2	0.0
PRL135 (Vanessa)	8	0.0	(0.0)	–	–	0.1	0.1	–	0.4	1.5	0.0
Cooper Basin JV	9	17.8	(4.4)	–	0.1	11.3	24.7	2.8	108.1	226.3	1.5
<b>Cooper / Eromanga</b>		<b>28.9</b>	<b>(10.6)</b>	<b>(0.0)</b>	<b>1.6</b>	<b>17.7</b>	<b>37.5</b>	<b>12.0</b>	<b>121.3</b>	<b>298.9</b>	<b>2.3</b>
Egypt	10	1.1	–	(1.1)	–	–	–	–	–	–	–
<b>Total 1P Reserves</b>		<b>29.9</b>	<b>(10.6)</b>	<b>(1.1)</b>	<b>1.6</b>	<b>17.7</b>	<b>37.5</b>	<b>12.0</b>	<b>121.3</b>	<b>298.9</b>	<b>2.3</b>

1. Beach equity interest: 100%; a mixture of probabilistic and deterministic methodologies applied

2. Beach equity interest: 75%; a mixture of probabilistic and deterministic methodologies applied

3. Beach equity interest: 40%; deterministic methodology applied

4. Beach equity interest: 100%; deterministic methodology applied; sale of Kenmore-Bodalla interests completed on 19 October 2016

5. Beach equity interest: 40%; deterministic methodology applied

6. Beach equity interest: 100%; deterministic methodology applied; includes gas reserves associated with Mokami-1 in ex PEL 91 (Beach 100%)

7. Beach equity interest: 40%; deterministic methodology applied

8. Beach equity interest: 43%; deterministic methodology applied

9. Beach equity interests: South Australian Cooper Basin joint ventures (17.14% and 20.21%) and South West Queensland joint ventures (20% to 40%); deterministic methodology applied

10. Beach equity interest: 22% (net entitlement 9.4%); probabilistic methodology applied; sale of Egypt completed on 17 August 2016

**Appendix D – 1P Reserves by Permit (Developed/Undeveloped)**

1P Reserves (Net)	Note	Developed Reserves					Undeveloped Reserves				
		Gas (PJ)	LPG (kt)	Condensate (MMbbl)	Oil (MMbbl)	Total (MMboe)	Gas (PJ)	LPG (kt)	Condensate (MMbbl)	Oil (MMbbl)	Total (MMboe)
Ex PEL 91	1	–	–	–	5.1	5.1	–	–	–	1.2	1.2
Ex PEL 92	2	–	–	–	1.7	1.7	–	–	–	0.2	0.2
Ex PEL 104/111	3	–	–	–	0.7	0.7	–	–	–	0.1	0.1
Tintaburra	4	–	–	–	0.2	0.2	–	–	–	0.0	0.0
Ex PEL 106	5	8.9	44.3	0.4	–	2.3	3.3	23.6	0.3	–	1.1
Ex PEL 513/632	6	0.6	3.2	0.0	–	0.2	0.0	0.0	0.0	–	0.0
PRL135 (Vanessa)	7	–	–	–	–	0.0	0.4	1.5	0.0	–	0.1
Cooper Basin JV	8	102.0	199.7	1.2	2.2	22.6	6.1	26.6	0.2	0.6	2.1
<b>Total 1P Reserves</b>		<b>111.5</b>	<b>247.2</b>	<b>1.7</b>	<b>9.9</b>	<b>32.8</b>	<b>9.8</b>	<b>51.7</b>	<b>0.6</b>	<b>2.1</b>	<b>4.7</b>

1. Beach equity interest: 100%; a mixture of probabilistic and deterministic methodologies applied

2. Beach equity interest: 75%; a mixture of probabilistic and deterministic methodologies applied

3. Beach equity interest: 40%; deterministic methodology applied

4. Beach equity interest: 40%; deterministic methodology applied

5. Beach equity interest: 100%; deterministic methodology applied; includes gas reserves associated with Mokami-1 in ex PEL 91 (Beach 100%)

6. Beach equity interest: 40%; deterministic methodology applied

7. Beach equity interest: 43%; deterministic methodology applied

8. Beach equity interests: South Australian Cooper Basin joint ventures (17.14% and 20.21%) and South West Queensland joint ventures (20% to 40%); deterministic methodology applied

## Appendix E – 2C Contingent Resources

2C Contingent Resources as at 30 June 2017 (Net)	Note	Oil (MMbbl)	Sales Gas & Ethane (PJ)	Condensate <sup>8</sup> (MMboe)	Total Oil Equivalent (MMboe)
Western Flank	1	8.8	5.9	1.5	11.4
Cooper Basin JV	2	7.7	308.0	8.3	69.0
Other Cooper Basin	3	12.3	48.1	1.6	22.1
Otway Basin	4	–	3.7	0.1	0.7
Carnarvon Basin	5	0.2	2.8	0.1	0.8
Browse Basin	6	–	57.4	1.4	11.3
<b>Total Conventional 2C Contingent Resources</b>		<b>29.0</b>	<b>425.8</b>	<b>13.0</b>	<b>115.2</b>
Cooper Basin JV Unconventional	7	–	207.0	2.1	37.7
<b>Total 2C Contingent Resources</b>		<b>29.0</b>	<b>632.8</b>	<b>15.1</b>	<b>152.9</b>

1. Beach equity interests: ex PEL 91 (100%), ex PEL 92 (75%), ex PEL 104/111 (40%) and ex PEL 106 (100%)

2. Beach equity interests: 17.14% and 20.21% interests in South Australian acreage and 20% to 40% interests in Queensland acreage

3. Beach equity interests: Tintaburra (40%), Flax (100%), Juniper (100%), Yarrow (100%), Vanessa (43%) and the South West Joint Venture (40%)

4. Beach equity interests: 10% - 100% interests in various fields

5. Beach equity interests: 10% interest in the Hurricane Field

6. Beach equity interests: 7% interest in the Lasseter South and Burnside fields

7. Beach equity interests: South Australian Cooper Basin joint ventures (17.14% and 20.21%) and South West Queensland joint ventures (20% to 40%)

8. A separate assessment of LPG has not been made, except in South Australian Cooper Basin JV



**Appendix F – 2C Contingent Resources (Reconciliation)**

2C Contingent Resources as at 30 June 2017 (Net, MMboe)	Note	2C 30-Jun-16	Acquisitions / Divestments	Revisions / Discoveries / Extensions	2C 30-Jun-17
Western Flank	1	7.1	(0.4)	4.7	11.4
Cooper Basin JV	2	66.8	–	2.2	69.0
Other Cooper Basin	3	26.6	–	(4.4)	22.1
Otway Basin	4	0.7	–	–	0.7
Carnarvon Basin	5	0.8	–	–	0.8
Browse Basin	6	11.3	–	–	11.3
Egypt	7	0.6	(0.6)	–	–
<b>Total Conventional 2C Contingent Resources</b>		<b>113.7</b>	<b>(1.0)</b>	<b>2.5</b>	<b>115.2</b>
Cooper Basin JV Unconventional	8	91.5	–	(53.9)	37.7
<b>Total 2C Contingent Resources</b>		<b>205.2</b>	<b>(1.0)</b>	<b>(51.4)</b>	<b>152.9</b>

1. Beach equity interests: ex PEL 91 (100%), ex PEL 92 (75%), ex PEL 104/111 (40%) and ex PEL 106 (100%)
2. Beach equity interests: 17.14% and 20.21% interests in South Australian acreage and 20% to 40% interests in Queensland acreage
3. Beach equity interests: Tintaburra (40%), Flax (100%), Juniper (100%), Yarrow (100%), Vanessa (43%) and the South West Joint Venture (40%)
4. Beach equity interests: 10% - 100% interests in various fields
5. Beach equity interests: 10% interest in the Hurricane Field
6. Beach equity interests: 7% interest in the Lasseter South and Burnside fields
7. Beach equity interest: 22% (net entitlement 9.4%); probabilistic methodology applied; sale of Egypt completed on 17 August 2016
8. Beach equity interests: South Australian Cooper Basin joint ventures (17.14% and 20.21%) and South West Queensland joint ventures (20% to 40%)