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ASX release

20 August 2018

Ref: #040/18

Beach Energy FY18 full year results

Beach has today released its Full Year Report for FY18, and provided capital expenditure and production guidance for FY19.

Highlights of Beach's Full Year Report include:

- Sales revenue of $1.25 billion, up 92% on the corresponding period.
- Underlying net profit after tax[1] of $302 million, up 86% on the corresponding period.
- Net profit after tax of $199 million, down 49% on the corresponding period, impacted by exploration asset impairment and non-recurring items such as acquisition and integration costs.
- Fully franked final dividend of 1.0 cent per share.
- Operating cash flow of $663 million, up 108% on the corresponding period.
- Total production of 19.0 MMboe, up 80% on the corresponding period.
- Gas and gas liquids production of 13.3 MMboe was 174% higher than the prior year.
- 2P reserves[2] at 30 June 2018 increased by 320% compared with those reported at 30 June 2017, to 313 MMboe.
- H2 FY18 cash generation drove net gearing down from less than 33% at the time of completion of the Lattice acquisition to 25.9% at 30 June 2018.
- Liquidity of $761 million at 30 June 2018 and currently over $850 million.
- Lattice integration almost complete and done safely.
- Synergy and operational efficiency target increased from $50 to $60 million per annum.

Highlights of Beach's guidance on FY19 capital expenditure and production include:

- FY19 to be the biggest ever investment year for Beach and will support the company's target of increasing production to above 30 MMboe by FY21.
- Capital expenditure expected to be within the range of $460 – 540 million. Approximately 80% of expected FY19 capital expenditure is discretionary in nature and to be spent in accordance with strict investment hurdles and return requirements.

[1] By adjusting FY18 net profit after tax of $199 million to exclude impairment and non-recurring items (as summarised on page 42 of the attached FY18 Full Year Results presentation), underlying net profit after tax was $302 million.

[2] Please refer to page 2 of the attached FY18 Full Year Results presentation for compliance statements relating to reserves disclosures.

- Increased capital expenditure is reflective of the attractive organic growth opportunities of the enlarged asset portfolio.
- FY19 production volume expected to be in the range of 26.0 – 28.0 MMboe.

Beach's FY18 full year results have capped off a transformational year for Beach with its underlying net profit after tax (Underlying NPAT) up 86% to $302 million.

Beach Chief Executive Officer Matt Kay said the results were evidence of the successful acquisition and integration of the former Lattice Energy assets.

"We have created a high performing team that has continued to deliver strong results through the integration process, a credit to Beach staff across the business," Mr Kay said.

"FY19 starts a new phase for Beach, as we embrace becoming a multi-basin oil and gas explorer, developer, operator and producer.

"Having conducted a comprehensive review of the assets across the business, we expect FY19 to be the biggest ever investment year for Beach.

"Our strong cash flow generation ensures we will continue to rapidly pay down debt, with net gearing forecast to fall below 20% by the end of FY19.

"With over $850 million in liquidity, a strong reserves position, an expanded asset portfolio with proven cash generation potential and an attractive organic growth portfolio, we see this as the right time to deliver this high calibre investment program.

"We have an exciting future ahead of us and we remain committed to creating shareholder value."

For further information contact the following on +61 8 8338 2833:

Investor Relations	Nik Burns, Investor Relations Manager Mark Hollis, Investor Relations Advisor
Media	Rob Malinauskas, Group Manager - Corporate Affairs Chris Burford, Corporate Affairs Manager

Compliance statements
Please refer to page 2 of the attached FY18 Full Year Results presentation for compliance statements relating to forward looking statements and reserves quoted above.

BEACH ENERGY

BEACH ENERGY LIMITED

FY18 FULL YEAR RESULTS

20 August 2018

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.

Underlying EBITDAX (earnings before interest, tax, depreciation, amortisation, evaluation, exploration expenses and impairment adjustments), underlying EBITDA (earnings before interest, tax, depreciation, amortisation, evaluation and impairment adjustments), underlying EBIT (earnings before interest, tax, and impairment adjustments) 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 by Beach's external auditors but have been extracted from audited 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 2018 and represent Beach's share.

Certain FY19 planned activities are subject to joint venture approvals. References to planned activities beyond FY19 are subject to finalisation of work programs, joint venture approvals and Board approvals.

Reserves disclosure

Beach prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers. The reserves and contingent resources presented in this report were originally disclosed to the market in ASX release #034/18 from 2 July 2018. Beach confirms that it is not aware of any new information or data that materially affects the information included in the aforesaid market announcement and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcement continue to apply and have not materially changed.

Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 5.816 TJ per kboe, LPG: 1.389 bbl per boe, condensate: 1.069 bbl per boe and oil: 1 bbl per boe. The reference point for reserves determination is the custody transfer point for the products. Reserves are stated net of fuel and third party royalties.

Overview

Matt Kay, Chief Executive Officer

A transformational year

BEACH ENERGY

Transformational Lattice acquisition

- Integration almost complete and done safely
- Synergy and efficiency target increased to $60 million p.a
- Material increase in company size and geographic footprint

Excellent FY18 operational performance

- 96 wells drilled at a success rate of 82%
- Annual production of 19.0 MMboe, up 80%
- More than 60% of June quarter revenues from oil and liquids

Historic full year result

- Sales revenue of $1.25 billion, up 92%
- Underlying NPAT[1] $302 million, up 86%
- Final dividend of 1.0 cent per share

Strong cash flow and balance sheet

- Operating cash flow of $663 million, up 108%
- Net gearing of 25.9% at 30 June 2018, well ahead of initial target
- Expect net gearing to fall below 20% by the end of FY19

2P reserves more than quadrupled

- 320% increase in 2P reserves to 313 MMboe
- More than one third due to underlying asset performance
- 2P reserves life increased from 7 years to 11 years

Focus turns to accelerating growth

- New portfolio contains multiple high return organic growth options
- FY19 capital expenditure of $460 – 540 million
- Medium term production target of > 30 MMboe by FY21

1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit by Beach's external auditors, however have been extracted from the audited financial statements.

FY18: Delivering on our strategic objectives

To deliver sustainable growth in shareholder value

BEACH ENERGY

OPTIMISE COOPER BASIN CORE

- ✓ Cooper Basin production increased to 12.3 MMboe
- ✓ Cooper Basin 2P oil and gas reserves increased 71% to 128 MMboe at 30 June 2018
- ✓ 14 MMbbl of 2P oil reserves added in Western Flank
- ✓ Phase one Middleton expansion to 40 MMScfd raw gas capacity complete

GROW EAST COAST GAS BUSINESS

- ✓ Supply ~ 15% of east coast domestic gas demand
- ✓ Lattice acquisition adds expanded development and exploration opportunity set
- ✓ GSAs in place with attractive price and structure: annual step-ups (above CPI) and CPI adjustments
- ✓ ~80% of current contracted East Coast gas volumes reset to market prices by the end of 2021

EXPAND BEYOND COOPER BASIN

- ✓ Lattice acquisition was a unique fit against all strategic pillars and acquired at an opportune time in the cycle
- ✓ Material position in five basins, including operatorship of ~70% of production
- ✓ Frontier exploration opportunities in three basins
- ✓ Farm-in option to Ironbark exploration prospect in the Carnarvon Basin, WA

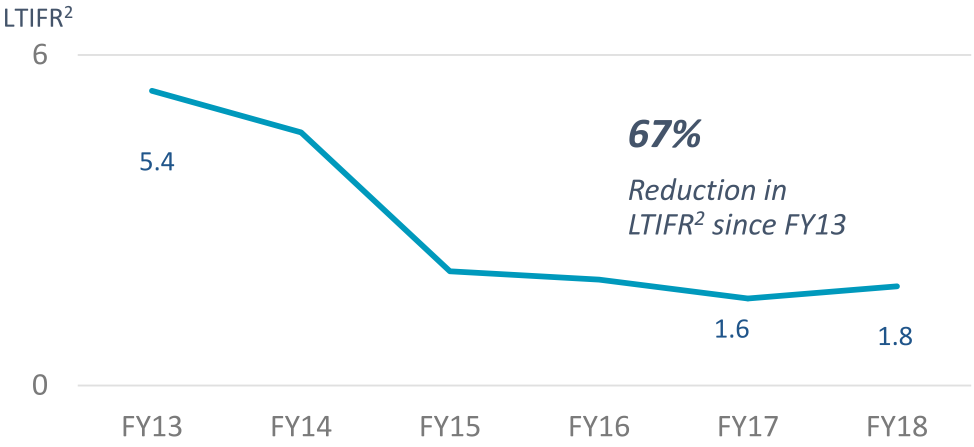
MAINTAIN FINANCIAL STRENGTH

- ✓ Net drawn debt reduced by $221 million since Lattice acquisition to $639 million at 30 June
- ✓ Net gearing ratio under 26% at 30 June - well ahead of initial target (<30%)
- ✓ Liquidity $761 million at 30 June 2018, currently over $850 million
- ✓ Interim + Final dividend of 2.0 cents per share

Health, Safety and the Environment

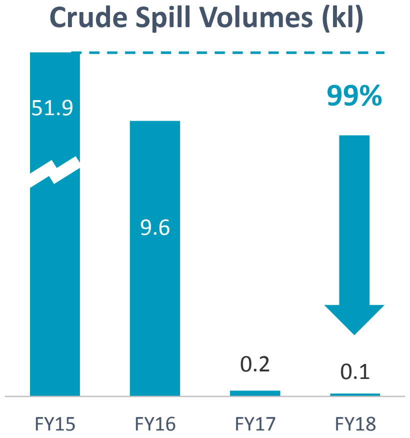
Strong safety and environmental performance a key priority

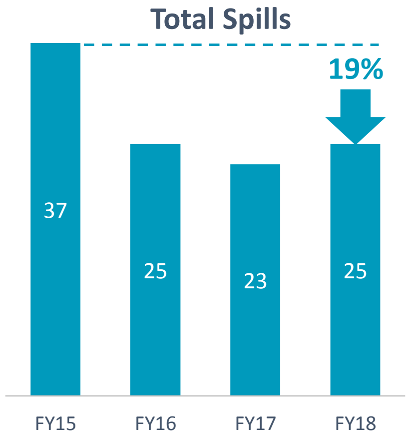
Safety Performance[1]



- Maintaining strong safety performance following integration of Lattice assets
- Strong contractor performance with zero LTIs for FY18
- Process safety review of all assets complete

Environmental Performance[1]





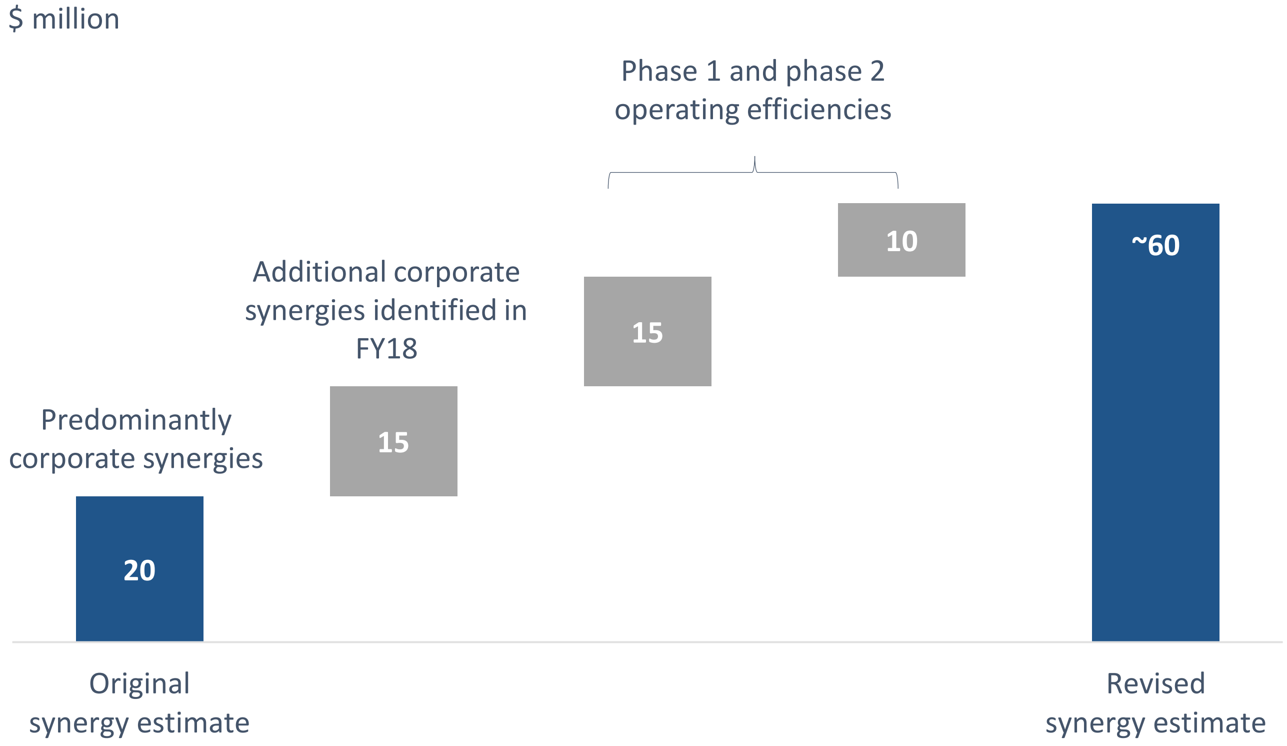
- Lowest ever crude spill volumes
- Total spill events remain low after almost doubling production
- Initiated a review of TCFD[3] recommendations

1. Includes Lattice from 1 Jan 2018.
2. LTIFR: Lost Time Injury Frequency Rate, calculated as lost time injuries per million hours worked (Beach employees and contractors).
3. Task Force on Climate-related Financial Disclosures

Integration proceeding according to plan

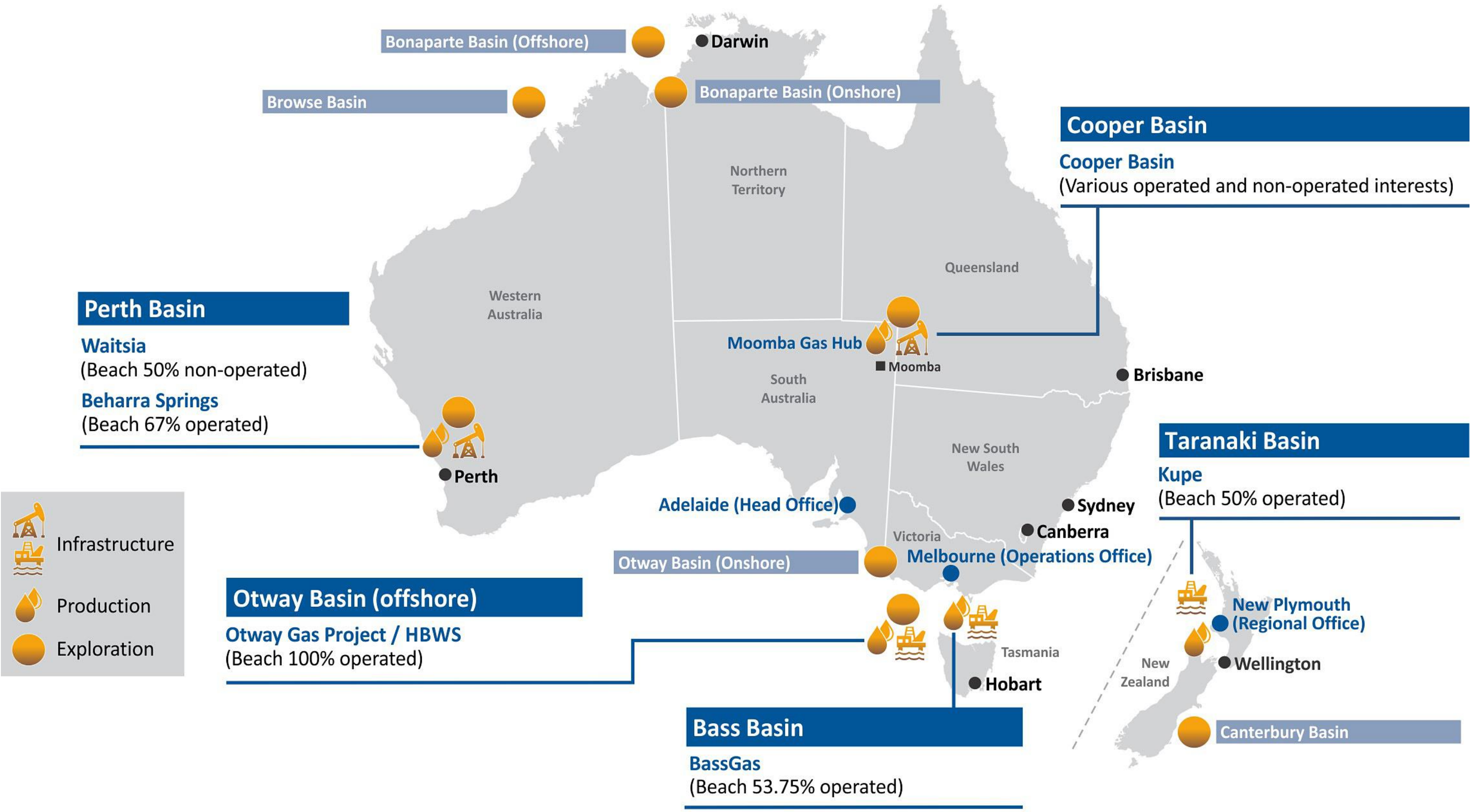
Synergy and operating efficiency target increased

- Better than expected efficiency opportunities
- Lower head count, reduce office costs, better integration benefits
- Realised synergies at end of FY18 was $37 million
- Focus on reducing controllable operating costs
- Now targeting $60 million of synergy and operating efficiencies by the end of FY19

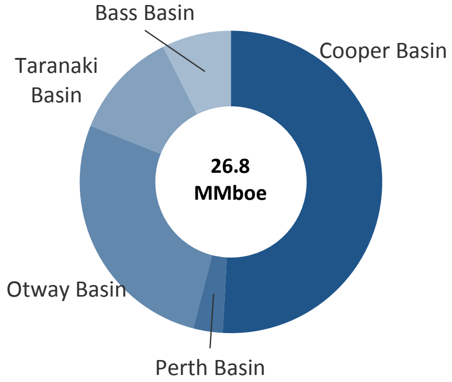


Transformed Beach Energy portfolio

Expanded footprint with five production hubs and significant gas processing infrastructure

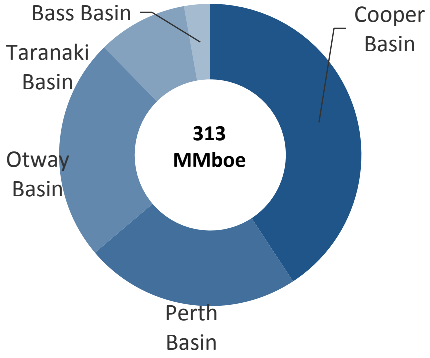


FY18 Pro Forma Production[1]



- Beach operates ~70% of production

FY18 2P Reserves[2]



1. Pro forma FY18 defined as a Beach FY18 reported production of 19.0 MMboe plus H1 FY18 Lattice production of 7.9 MMboe. H1 FY18 Lattice production was not consolidated within the accounts of Beach. This information is provided for information purposes only and should not be relied upon.
2. Beach 2P oil and gas reserves as at 30 June 2018. Further information and additional disclosures are provided in ASX Release #034/18 from 2 July 2018.

FY18 FULL YEAR RESULTS

Financial Update

Morné Engelbrecht, Chief Financial Officer

FY18 financial results[1]

$ million	FY17	FY18	Change
Production (MMboe)	10.6	19.0	⬆ 80%
Sales volumes (MMboe)	11.8	20.1	⬆ 70%
Average realised oil price ($/bbl)	68.8	93.4	⬆ 36%
Average realised gas /ethane price ($/GJ)	6.07	6.57	⬆ 8%
Sales revenue	653	1,251	⬆ 92%
Net profit after tax	388	199	⇩ 49%
Underlying NPAT[2]	162	302	⬆ 86%
Net assets	1,402	1,838	⬆ 31%
Operating cash flow	319	663	⬆ 108%
Net cash / (debt)	198	(639)	N/A

- **Underlying NPAT recognises:**
  - 70% increase in sales volumes
  - 36% increase in average realised oil price
  - 92% increase in sales revenue
- **Statutory NPAT impacted by:**
  - $165 million increase in tax expense following benefit recorded in FY17
  - $51 million of acquisition, integration and debt cancellation costs
  - $88 million impairment of exploration expenditure versus prior year impairment reversal
- **Operating cash flow up +108% displaying the cash generating strength of the business**
- **1.0 cent per share fully franked final dividend announced**

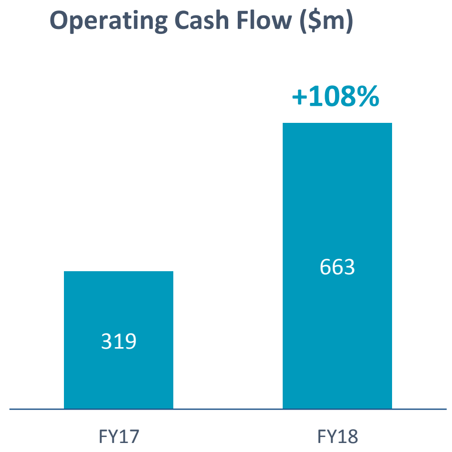
1. All assets acquired from the acquisition of Lattice, the Benaris Interests and Toyota Tsusho Interests are consolidated from 1 January 2018. See Full Year Report issued 20 August 2018, for further definitions.
2. For a reconciliation of FY18 net profit after tax to underlying net profit after tax, refer to Appendix.

Financial headlines[1]

Strong operating performance drives FY18

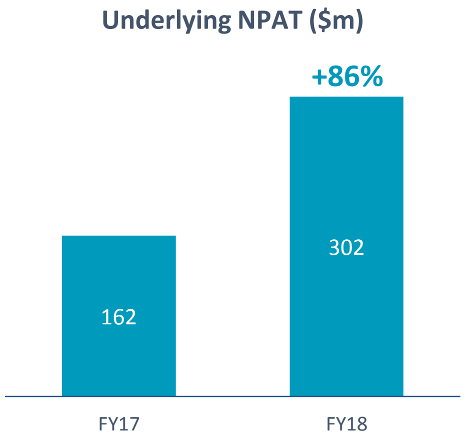
Operating cash flow

- Step change from new asset base
- Higher realised prices
- Maintaining cost discipline



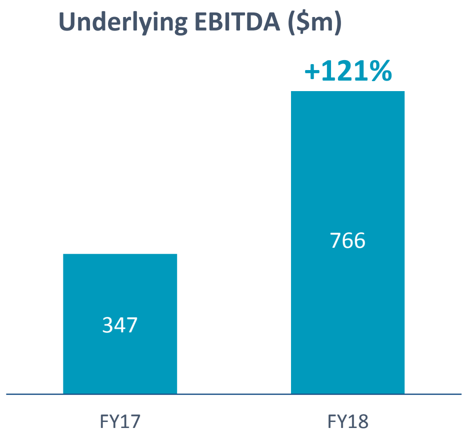
Underlying NPAT[2]

- Cash taxes commenced in FY18
- Expect 30% effective tax rate going forward



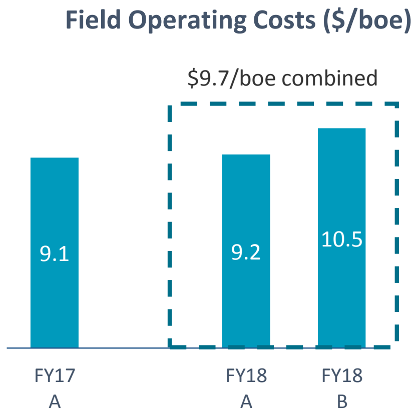
Underlying EBITDA[2]

- Step change from new asset base
- Higher realised prices



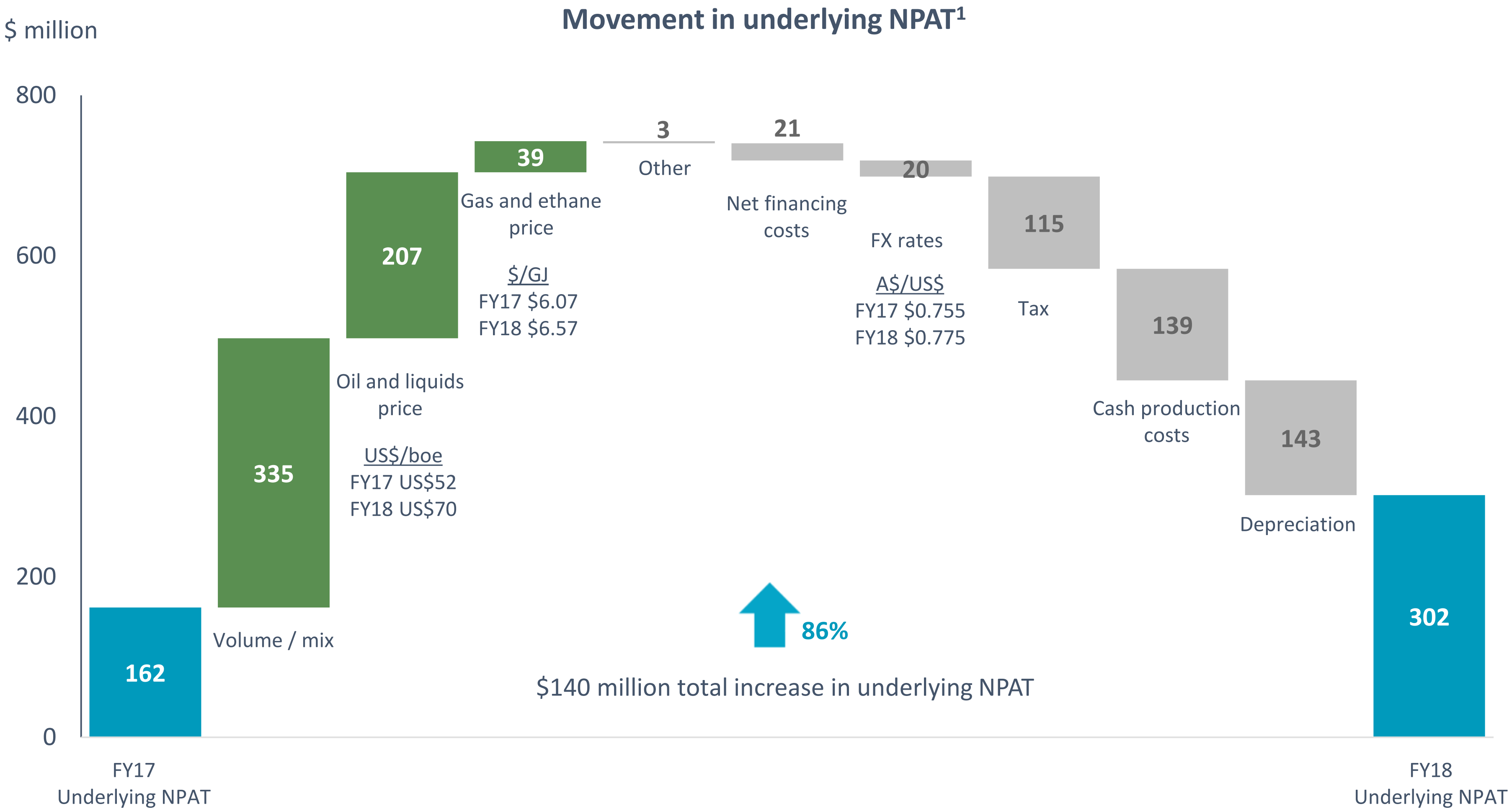
Field operating costs/boe[3]

- Field operating costs modest increase with offshore assets
- Focus on reducing controllable costs



1. All assets acquired from the acquisition of Lattice, the Benaris Interests and Toyota Tsusho Interests are consolidated from 1 January 2018. See Full Year Report issued 20 August 2018, for further definitions.
2. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit by Beach's external auditors, however have been extracted from the audited financial statements.
3. "A" represents Beach 'pre-Lattice acquisition' assets (Cooper Basin assets ex PEL 91, ex PEL 92, ex PEL 104/111, Tintaburra, ex PEL 106, ex PEL 513/632, PRL135 (Vanessa) and interests in the Cooper Basin JV which range from 12.86 to 40.00%), "B" represents Lattice acquired assets (Otway Gas Project and HBWS in the Otway Basin, BassGas Project, Waitsia, Beharra Springs, Kupe Gas Project and various interests from 7.9 to 25.0% in the Cooper Basin JV).

Underlying NPAT drivers[1]



- **Underlying NPAT up 86% to $302 million**
  - 70% increase in sales volumes
  - 36% increase in average realised oil price
  - 8% increase in average realised gas pricing
  - Higher production costs
  - Resumption of cash tax payments and deferred tax asset recognition
  - FY19 DD&A expected to be $400 – 450 million

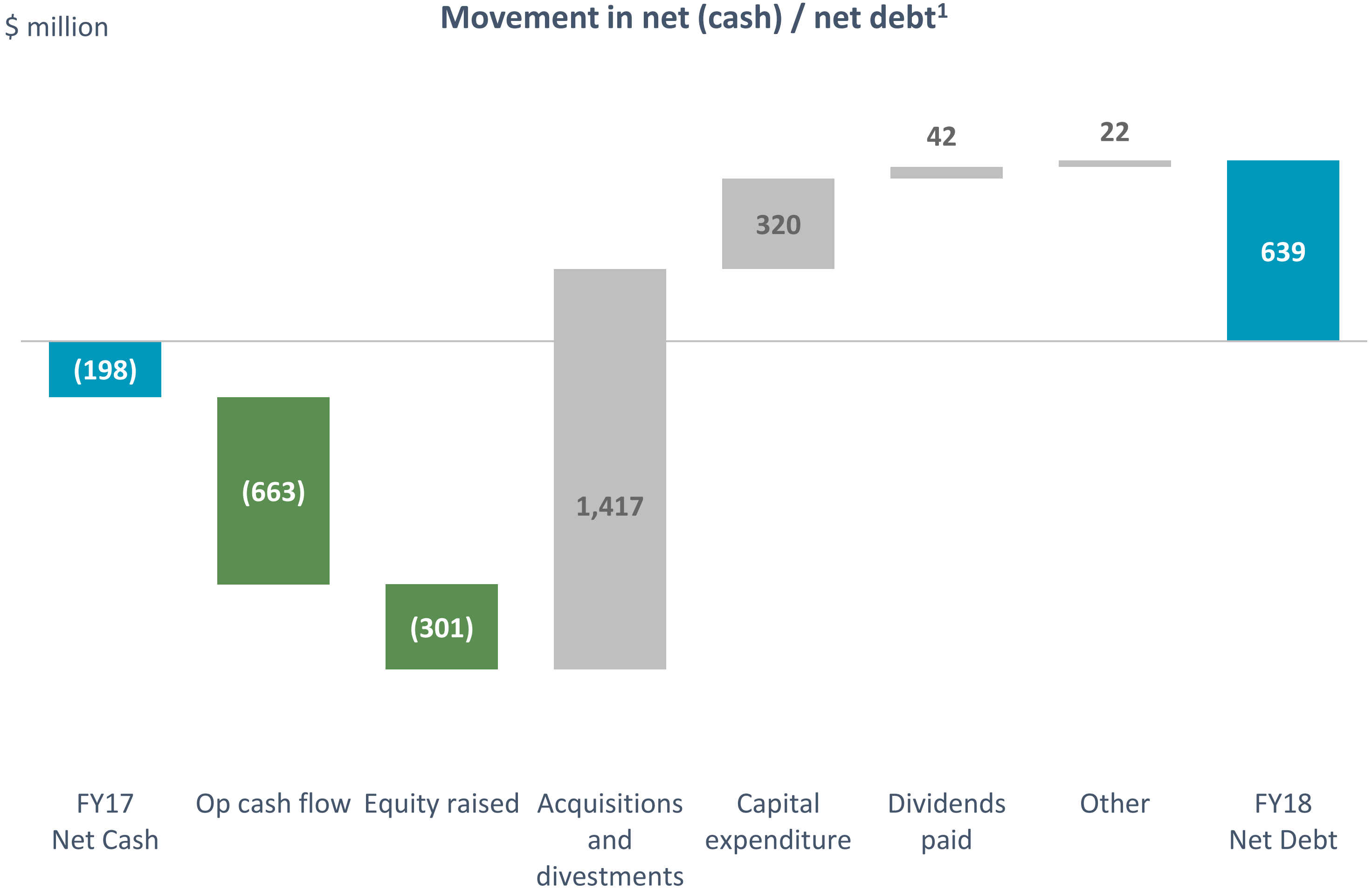
1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit by Beach's external auditors, however have been extracted from the audited financial statements.
2. Other includes third party purchases (-$2.2m), inventory (+$0.8m) and other revenue and expenses (-$1.3m).

Net debt reduced to $639 million

On track to reach improved net gearing target of 20% by end of FY19

- Net debt reduced from $860 million at the close of Lattice acquisition on 31 January 2018 to $639 million at 30 June 2018
- Liquidity $761 million at 30 June
  - $311 million in cash
  - $450 million in undrawn bank debt facilities
- Liquidity has improved to over $850 million
- Net gearing 25.9% at 30 June 2018, well ahead of target announced at HY18 results (<30%)
- Targeting net gearing below 20% by the end of FY19, prior to any proceeds from potential Otway sell-down
- FY19 cash tax expected to be broadly in-line with FY19 tax expense

Movement in net (cash) / net debt[1]



1. Net (cash) / debt defined as drawn debt less cash and cash equivalents.

FY19 Capital Management Framework Focus

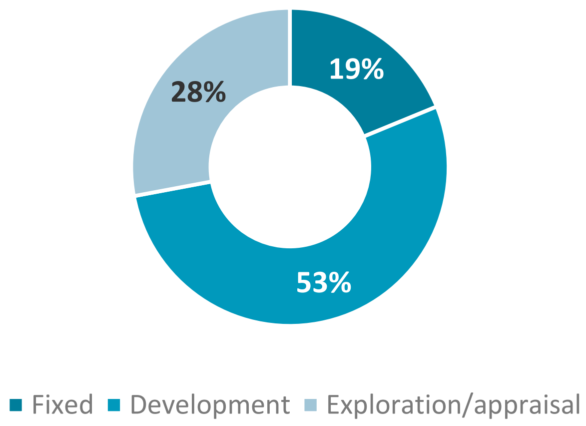
Adhere to company's capital management framework in FY19

Capital Management	Disciplined re-investment	Operational efficiencies	Reduction of debt
Flexible capital management framework in place	Invest $460 – 540 million	Optimising operational and drilling performance	Target net gearing below 20% by end of FY19
Base dividend of 2 cps FY19 – FY21	Disciplined investment approach	Efficiencies = maintaining low cost base	Early repayment of debt

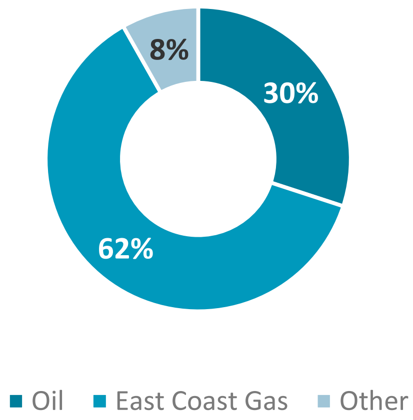
FY19 capital expenditure guidance

- **FY19 capital expenditure guidance: $460 - 540 million**
- ~80% of expenditure is discretionary
- ~35% of discretionary expenditure to be spent on exploration/appraisal activities
- More than 60% of discretionary expenditure is targeting gas for supply into the east coast gas market
- Supports our production target > 30 MMboe by FY21
- Supports > 100% reserves replacement on average over next 3 years

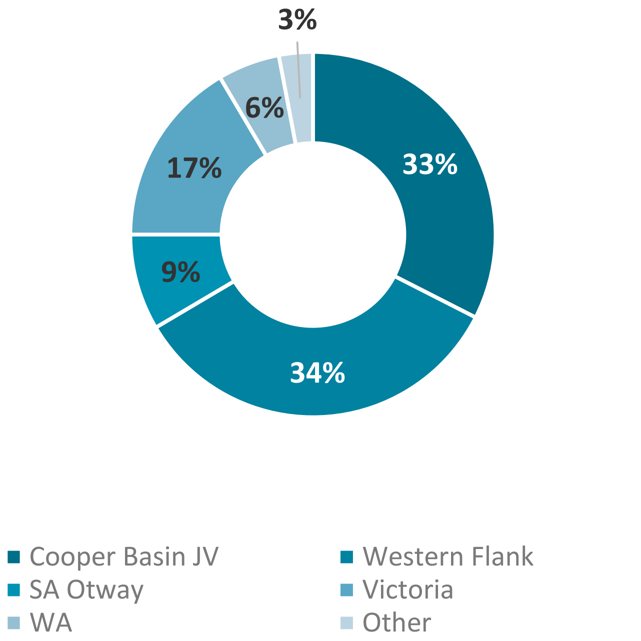
FY19 capital expenditure split



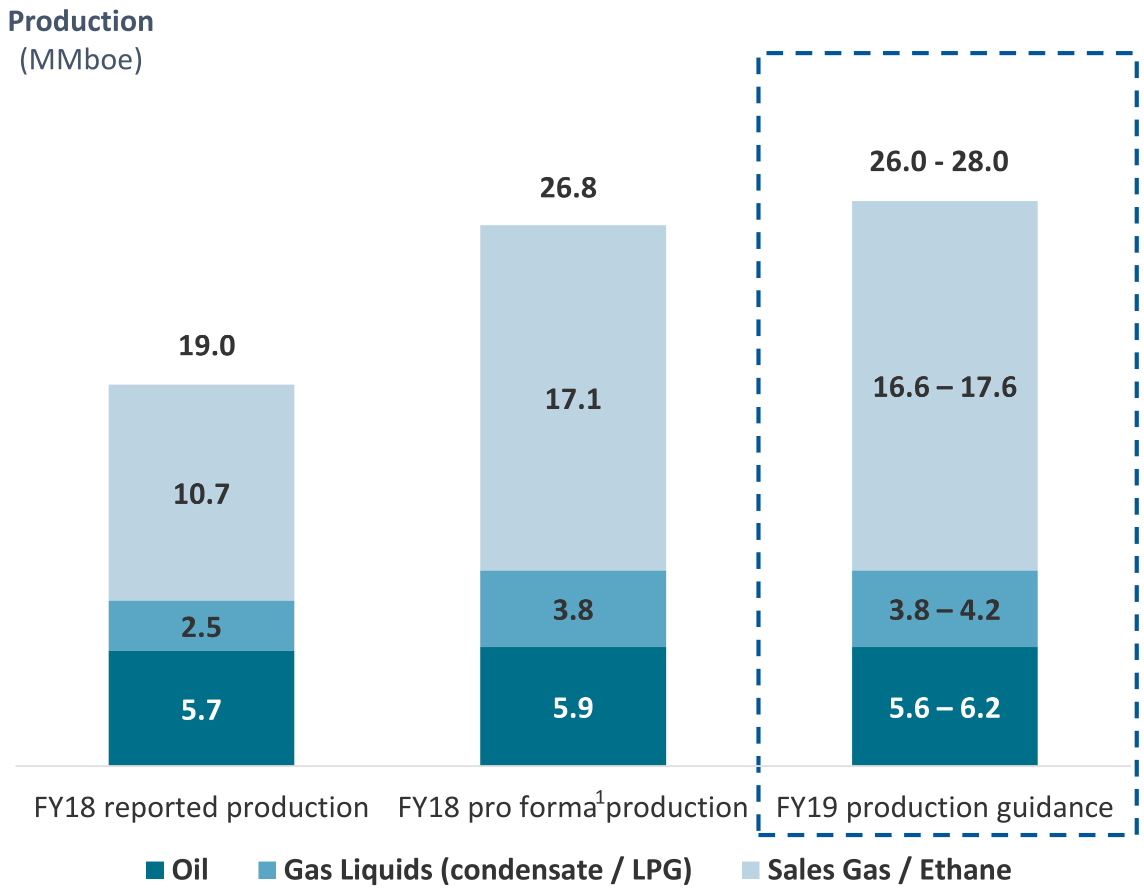
Discretionary expenditure target



FY19 capital expenditure by asset group



FY19 production guidance



- **FY19 production guidance: 26.0 – 28.0 MMboe**
  - Mid-point is 42% higher than FY18 reported production
  - Offsetting decline against FY17 production
- FY19 product split (gas/gas liquids/oil) is expected to be broadly unchanged from pro forma[1] FY18 levels
- Liquids expected to generate >60% of Beach revenues in FY19
- Targeting production of >30 MMboe by FY21
- GSAs in place with annual step-ups and CPI adjustments
- Approximately 80% of current contracted East Coast gas volumes to be repriced by end 2021

1. Pro forma FY18 defined as a Beach FY18 reported production of 19.0 MMboe plus H1 FY18 Lattice production of 7.9 MMboe. H1 FY18 Lattice production which was not consolidated within the accounts of Beach. This information is provided for information purposes only and should not be relied upon.

FY19 Overview

Matt Kay, Chief Executive Officer

Time is right to accelerate organic growth

Beach to increase expenditure on highly value accretive growth portfolio

- **Beach has a high quality portfolio of investment opportunities**
  - ✓ Over two thirds of all discretionary investment to generate IRR > 40%[1]
  - ✓ Over two thirds of oil discretionary investment to generate IRR > 100%[1]
- **Positive market dynamics + funding capacity + quality assets = right time to increase investment**
  - ✓ FY19 capital expenditure $460 – 540 million
  - ✓ Over 80% of capital expenditure is classified as discretionary
- **Capital expenditure supports medium term production growth**
  - ✓ FY19 exploration/appraisal expenditure to support production volumes in future years
  - ✓ Beach targeting production of >30 MMboe by FY21
- **Beach remains on track for net cash position in FY21, prior to any divestments**
  - ✓ Beach to continue to generate positive free cash flow[2]
  - ✓ Further investment opportunities being evaluated

1. IRR calculated based on internally approved economic assumptions. Discretionary investment defined as capital expenditure not related to stay in business activities.
2. Free cash flow defined as cash flow from operating activities plus cash flow from investing activities, excluding acquisition and divestitures.

FY19: Delivering on our strategic objectives

To deliver sustainable growth in shareholder value

BEACH ENERGY

OPTIMISE COOPER BASIN CORE

- Achieve best in class HSE performance
- Participate in up to 87 wells in Cooper Basin JV
- Participate in up to 43 Western Flank wells
- Drill up to 15 horizontal oil wells
- Further cost and production efficiencies

GROW EAST COAST GAS BUSINESS

- Commence drilling Black Watch development well
- Prepare for Enterprise and Artisan exploration wells
- Increase gas drilling in Cooper Basin
- Target medium term production growth
- Repricing of ~80% of currently contracted gas volumes to east coast market prices by the end of 2021

EXPAND BEYOND COOPER BASIN

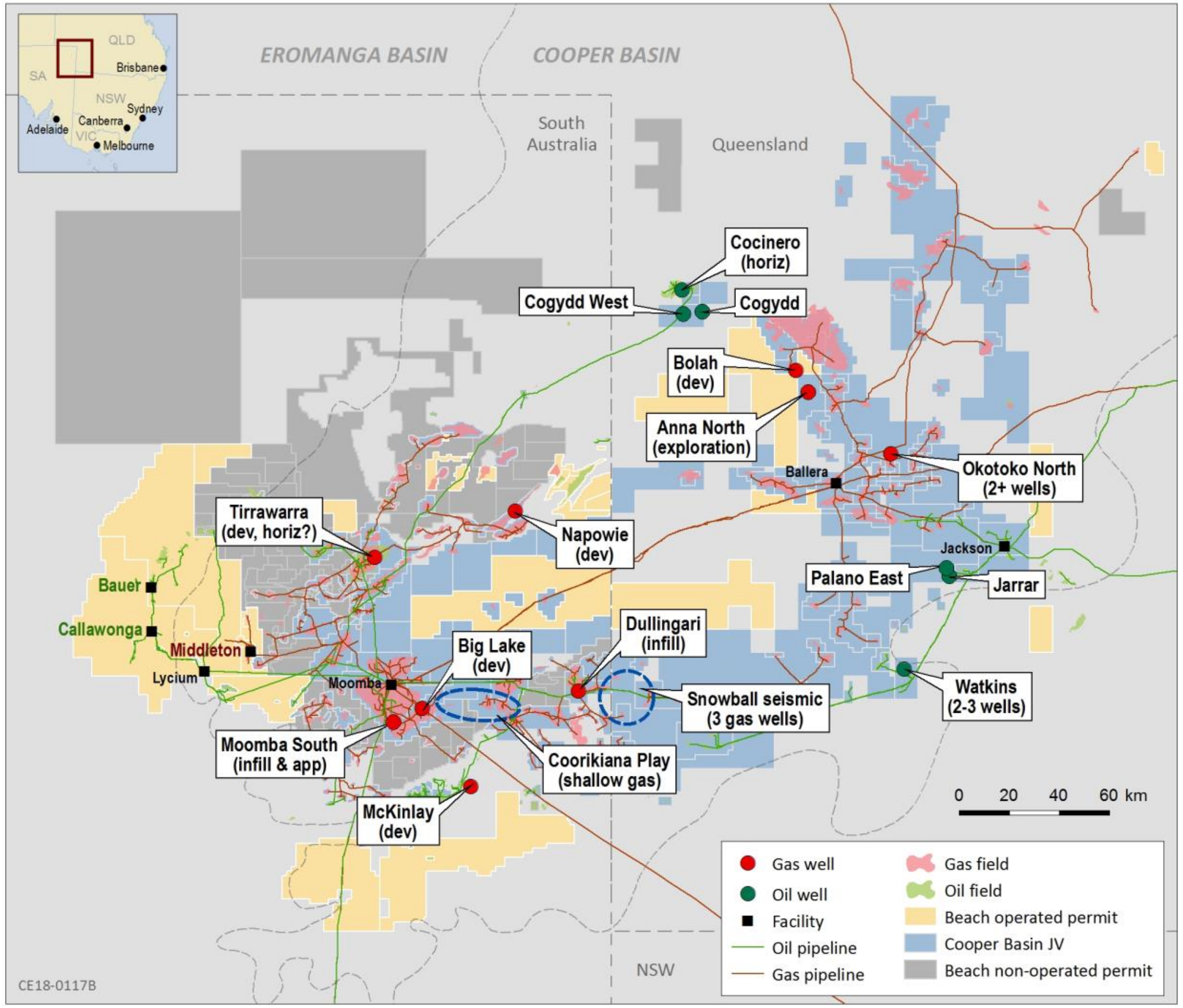
- Progress Waitsia commercialisation
- Prepare for Beharra Springs Deep drilling
- Progress Kupe compression project
- Progress frontier exploration opportunities
- Evaluate further organic and inorganic opportunities

MAINTAIN FINANCIAL STRENGTH

- Targeting net gearing below 20% by the end of FY19, before any divestments
- Increase investment in value-accretive growth opportunities
- Remain flexible in capital expenditure
- Maintain strong liquidity position
- Potential sale of ~30% of Otway permits

Cooper Basin JV

Increased drilling activity to target reserves, production growth



FY19 Objectives

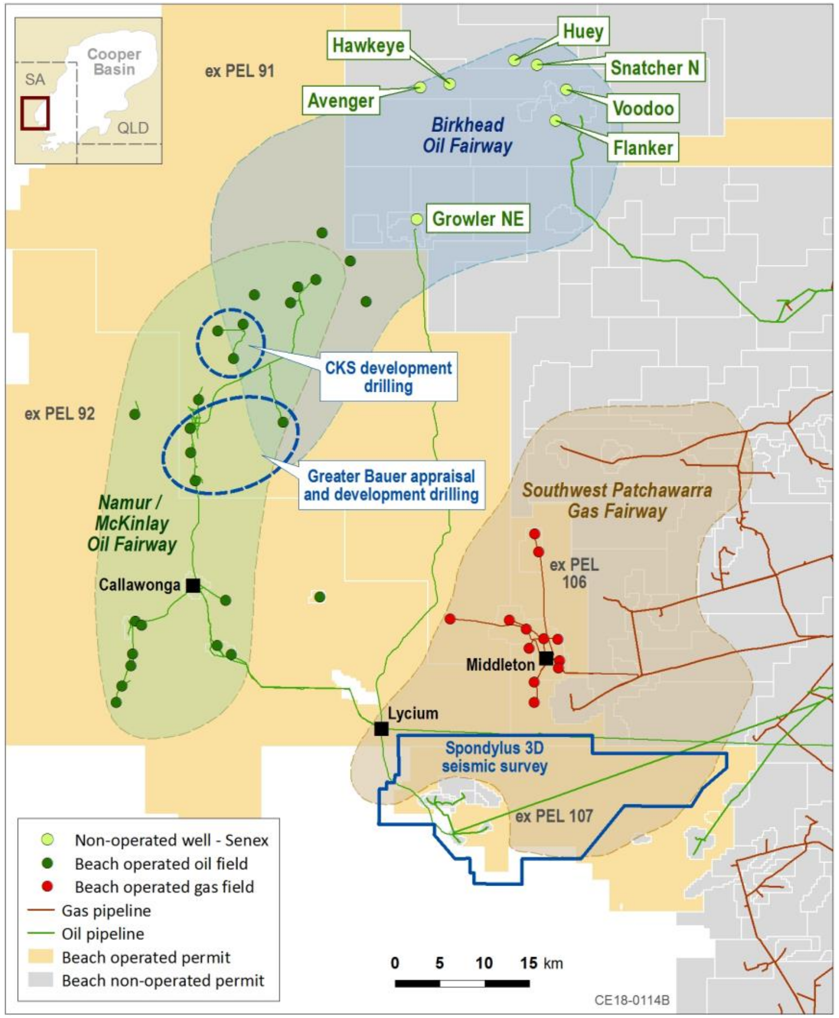
- Gas production – target increased production rates
- Oil production – increase oil production via development drilling and evaluate new horizontal drilling opportunities

FY19 Activities

- Participation in up to 87 wells, 36% higher than FY18
  - 50 development wells (41 gas, 9 oil)
  - 37 exploration/appraisal wells (24 gas, 13 oil)
- Gas appraisal drilling and lower production costs to drive conversion of 2C contingent resources to 2P reserves

Western Flank Oil and Gas

Core asset with significant contribution to revenue



FY19 Objectives

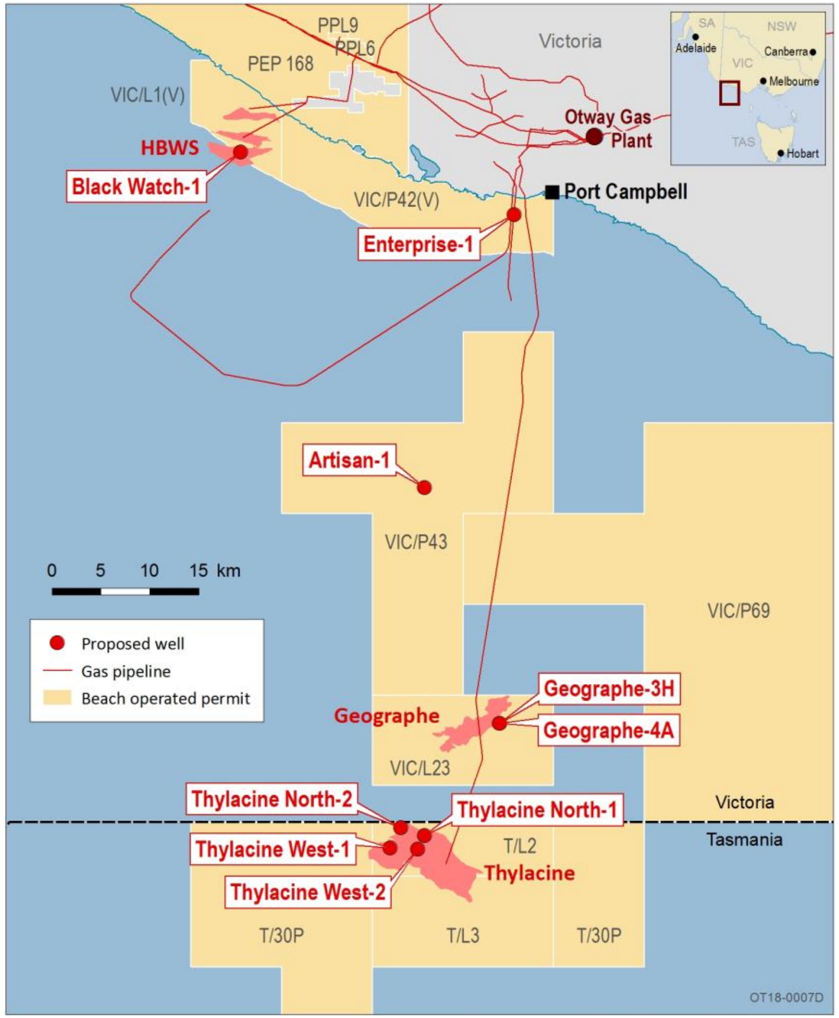
- Continuous focus on drilling efficiency
- Test lateral extent of Bauer field
- Expand use of horizontal drilling

FY19 Activities

- Participation in up to 43 wells (8 gas, 35 oil), a 65% increase on FY18
- Oil drilling: 18 development (15 Hz) and 17 exploration/appraisal wells
- Gas drilling: 8 exploration/appraisal wells to extend Middleton gas supply

Victorian Assets

Key assets supplying Australian east coast domestic market



Otway Gas Project

FY19 Objectives

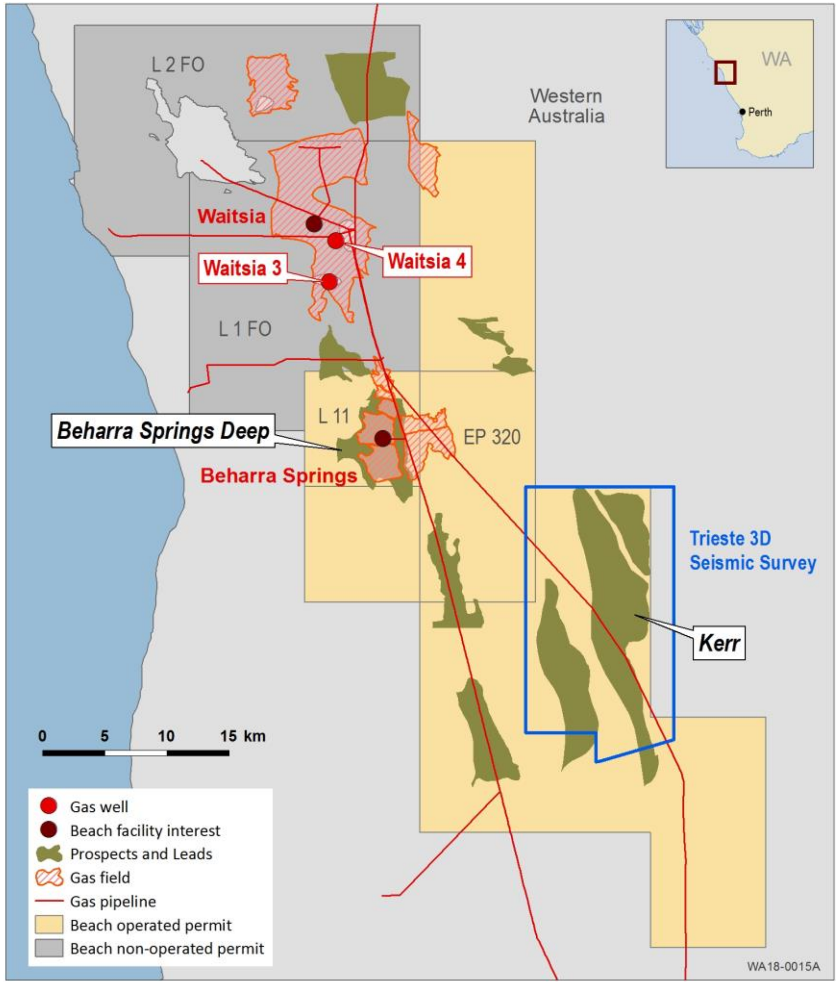
- Maximise production at BassGas and Otway Gas Project
- Re-initiating development and exploration activity in the Otway Basin
- Potential sale of ~30% interest in Otway permits

FY19 Activities

- Drill Black Watch development well in H2 FY19
- Prepare for Enterprise and Artisan exploration wells in FY20
- Optimise Geographe/Thylacine field development plans

Perth Basin

Building foundations for a material west coast gas business

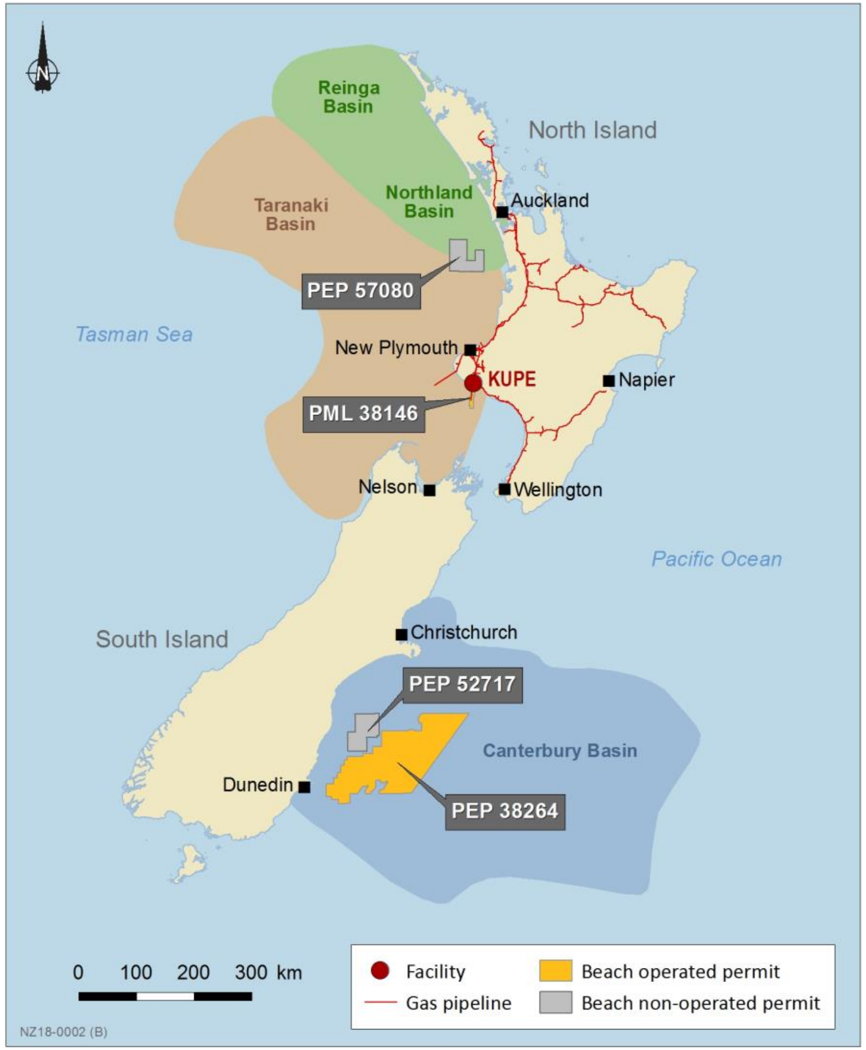


FY19 objectives and activities

- Waitsia is a high quality, low cost gas resource, and is economic at current market prices
- Multiple commercialisation options being evaluated with operator Mitsui, making good progress
- Focus is on optimal value creation for the joint venture
- Multiple exploration targets for the Kingia/Hycliff Play discovery at Waitsia
- Beharra Springs Deep prospect enhanced by Waitsia 3 results
- Trieste 3D to mature large Kerr Structure to drillable status
- Impact exploration drilling planned for FY19/20

New Zealand

High performing asset with additional development opportunity



FY19 objectives

- Maximise production, specifically liquids
- Reduce direct operating costs
- Optimise free cash flow

FY19 Key activities

- FEED entry on Kupe Compression Project
- Evaluate further infill drilling / appraisal opportunities

Ready to accelerate organic growth

Financial position	**Net debt well ahead of initial target**
Opportunity Set	**Portfolio of highly accretive organic growth opportunities**
Investment growth	**Disciplined acceleration in discretionary growth ($460 – 540 million)**
Production growth	**Investment to drive medium term production (>30 MMboe by FY21)**
Free cash flow	**Continue to de-lever and deliver (net gearing below 20% by end FY19)**

FY18 FULL YEAR RESULTS

Q & A

FY18 FULL YEAR RESULTS

Appendices

Strong drilling success achieved in FY18

Increasing focus on horizontal wells

BEACH ENERGY

- **Strong drilling performance in FY18 with 96 wells drilled at an 82% success rate[1]**
- **Drilling successes included:**
  - Bauer-26 (ex PEL 91), Beach's first operated horizontal oil development well;
  - Stunsail oil field development (ex PEL 91) with McKinlay and Birkhead horizontal wells;
  - Marauder-1 oil discovery and the Growler-15 horizontal development well both drilled by Senex (ex PEL 104);
  - Five Western Flank operated gas exploration wells (increasing to six, subsequent to year-end);
  - Haselgrove-3 ST1 gas discovery in the onshore Otway Basin (PPL 62); and
  - Numerous small scale appraisal and exploration successes in the Cooper Basin JV with Santos

Drilling Results

Basin	Category	Wells	Successes	Success Rate
Cooper / Eromanga	Oil – Exploration	6	3	50%
	Oil – Appraisal	16	14	88%
	Oil – Development	21	20	95%
	Gas – Exploration	18	10	56%
	Gas – Appraisal	13	10	77%
	Gas – Development	21	21	100%
Otway	Gas – Exploration	1	1	100%
	Total Wells	**96**	**79**	**82%**
	All Exploration Wells	25	14	56%
	All Appraisal Wells	29	24	83%
	All Development Wells	42	41	98%

1. Success defined as wells that have been cased and suspended as future producers / injectors.

FY19 drilling program

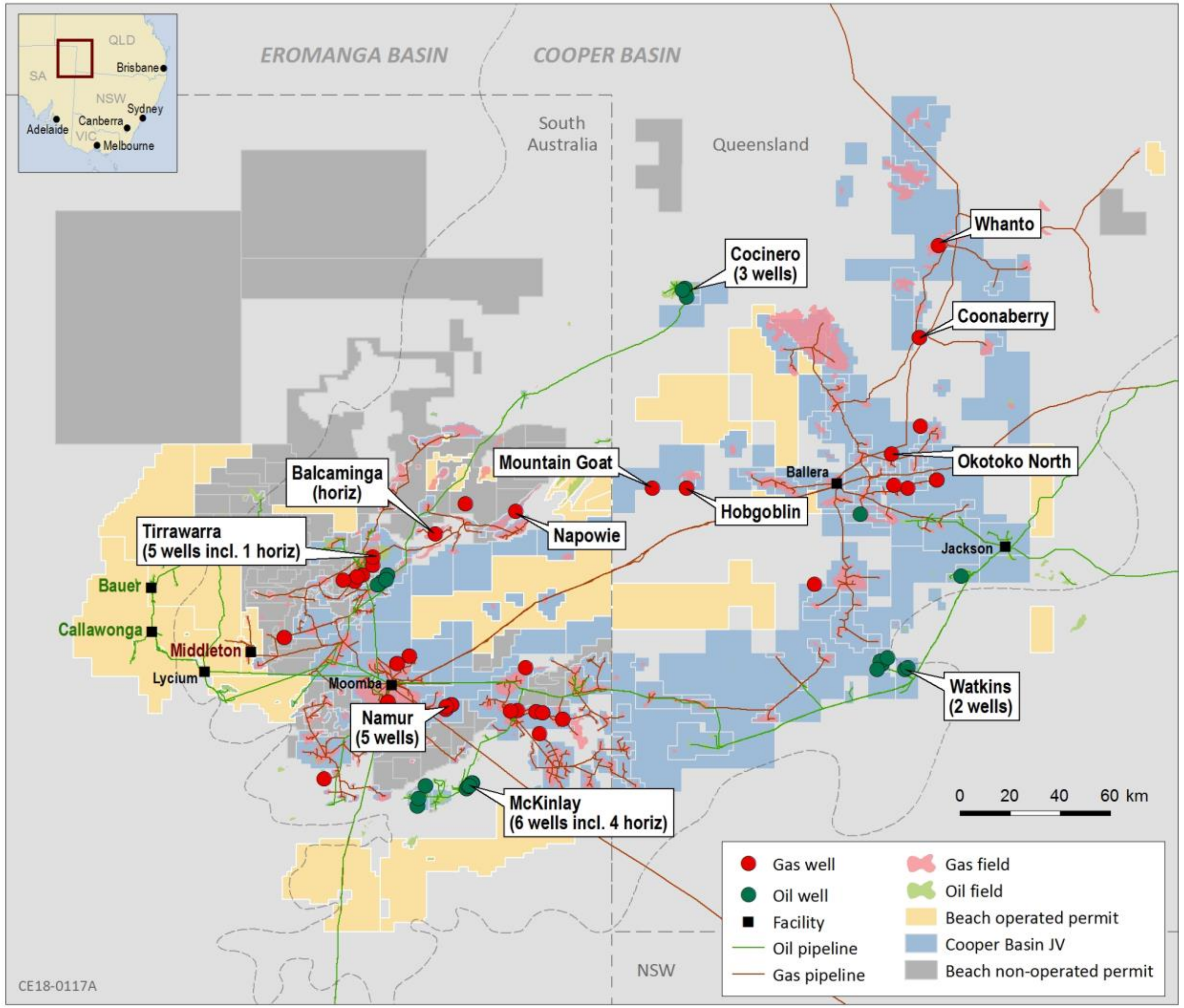
Increasing focus on horizontal wells

FY19 expected participation(number of wells)			
	Gas	Oil	Total
Cooper Basin JV	65	22	**87**
Western Flank	8	35	**43**
Other	0	0	**0**
Total Cooper Basin	**73**	**57**	**130**
South Australia - Otway Basin	2	0	**2**
Victoria - Otway Basin	1	0	**1**
Perth Basin	0	0	**0**
Total Beach	**76**	**57**	**133**

- **Drilling program expanded across the portfolio with more rigs and more wells**
- **Beach to participate in up to 133 wells**
  - Up to 69 development wells and up to 64 exploration / appraisal wells
- **Cooper Basin JV**
  - Drilling of up to 87 wells in FY19, almost three quarters to target gas
- **Western Flank**
  - Approximately 80% of wells to target oil, which will more than double the number of FY18 oil wells
  - The Western Flank drilling program to include up to 15 horizontal oil wells across operated and non-operated acreage
- **South Australia Otway Basin**
  - An exploration and an appraisal well as we target conventional gas production from Haselgrove by the end of calendar year 2019
- **Victoria Otway Basin**
  - Onshore-to-offshore Black Watch development well expected to be drilled in H2 FY19
  - Prepare for further drilling activity in FY20 including the Enterprise exploration well

Cooper Basin JV

Continues to deliver



Cooper Basin JV	FY17[1]	FY18[1]
Production	4.4 MMboe	5.9 MMboe
Sales revenue[2]	$350 million	$557 million
Operating costs[3]	$103 million	$128 million
Free cash flow[4]	$107 million	$126 million
Capital expenditure	$54 million	$110 million

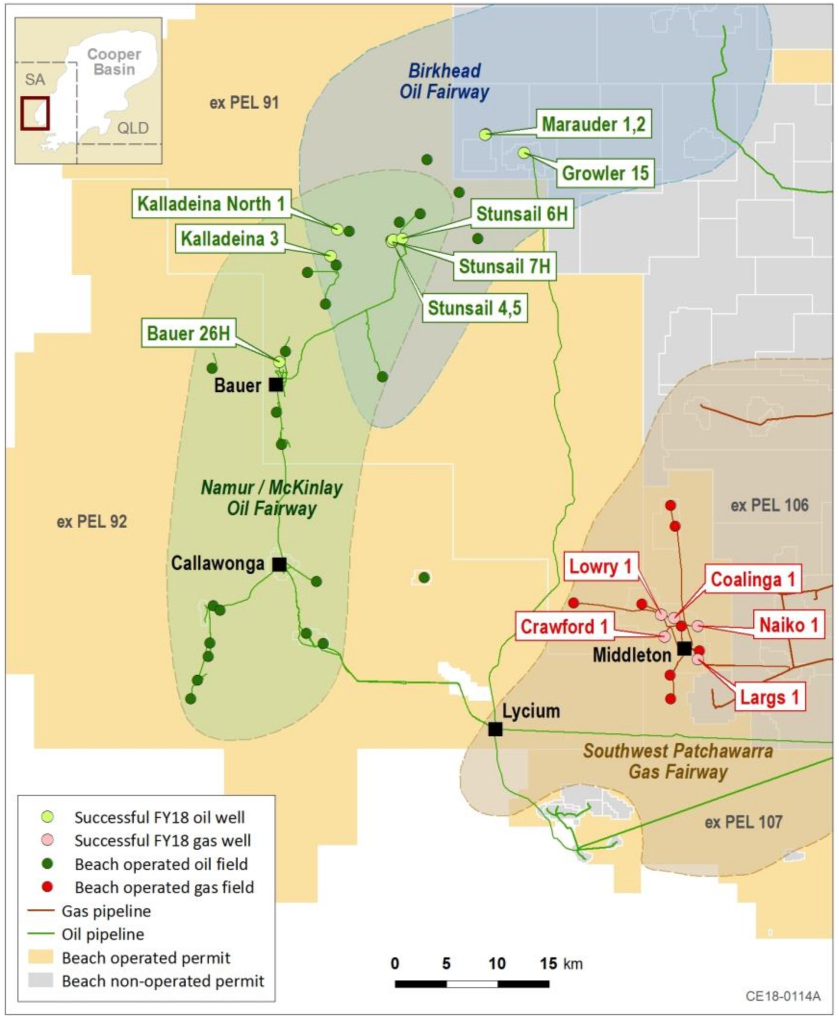
FY18 Activity

- Increased ownership of the Cooper Basin JV
- Expanded drilling program from FY17 via third rig for H2 FY18
- FY18 success rate of 83% for exploration and appraisal and 97% for development
- Continued operating efficiencies: faster rig move times, optimised completion strategies, prioritisation of well connections, cost reduction in well connections and continued innovation in field operations

1. All assets acquired from the acquisition of Lattice, the Benaris Interests and Toyota Tsusho Interests are consolidated from 1 January 2018. See Full Year Report issued 20 August 2018, for further definitions.
2. Sales revenue includes third party sales revenue and is shown before intercompany eliminations.
3. Operating costs are the cash costs of production. Includes field operating costs, tolls, tariffs, royalties. Does not include third party purchases, inventory movements and depreciation.
4. Free cash flow defined as cash flow from operating activities plus cash flow from investing activities associated with the asset, excluding corporate tax, acquisitions and divestitures.

Western Flank Oil and Gas

Core asset with significant contribution to revenue



Western Flank Oil and Gas		FY17[1]	FY18[1]
Production	Oil	4.8 MMboe	4.7 MMboe
	Gas and gas liquids	1.0 MMboe	1.4 MMboe
	Total	**5.8 MMboe**	**6.1 MMboe**
Sales revenue[2]		$363 million	$535 million
Operating costs[3]		$135 million	$178 million
Free cash flow[4]		$131 million	$226 million
Capital expenditure		$97 million	$130 million

FY18 Activity

- 18 oil wells brought online, artificial lift installed at 19 wells, debottlenecking works
- Marauder oil discovery in Senex-operated ex PEL 104
- Horizontal drilling technology introduced to the Western Flank
  - Bauer-26 drilled and online in less than two months at peak rate of 950 bopd
  - Growler-15 initial rate 1,850 bopd
- Operated 11-well gas exploration program completed at 45% success rate
- Middleton facility expansion to 40 MMscfd raw gas capacity completed on 30 June 2018

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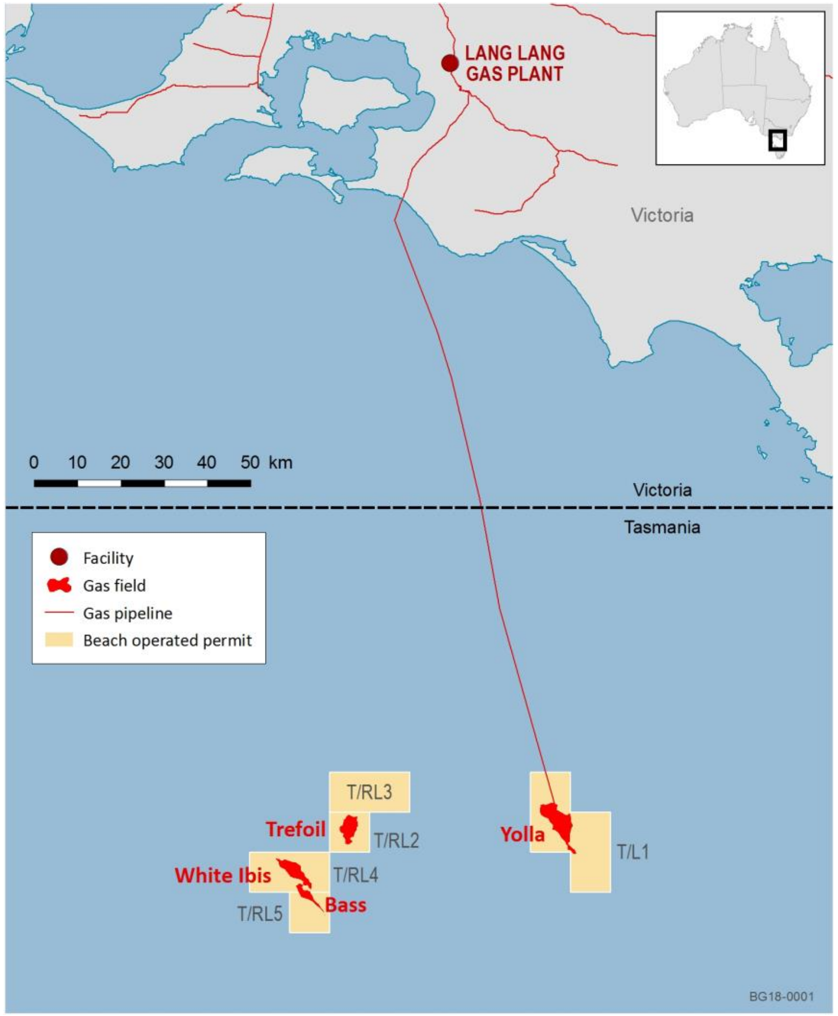
Victorian Assets

Key assets supplying Australian east coast domestic market



BassGas

Victorian Assets	FY18[1]
Production	4.8 MMboe
Sales revenue[2]	$208 million
Operating costs[3]	$66 million
Free cash flow[4]	$153 million
Capital expenditure	$4 million

FY18 Activity

- Beach acquired 100% of Halladale, Black Watch, Speculant gas fields via the Lattice acquisition
- Beach owns 100% of the Otway Gas Project through the Lattice acquisition and the acquisitions of the Benaris and Toyota Tsusho interests
- BassGas MLE compressor project – first year of operation

1. All assets acquired from the acquisition of Lattice, the Benaris Interests and Toyota Tsusho Interests are consolidated from 1 January 2018. See Full Year Report issued 20 August 2018, for further definitions.
2. Sales revenue includes third party sales revenue and is shown before intercompany eliminations.
3. Operating costs are the cash costs of production. Includes field operating costs, tolls, tariffs, royalties. Does not include third party purchases, inventory movements and depreciation.
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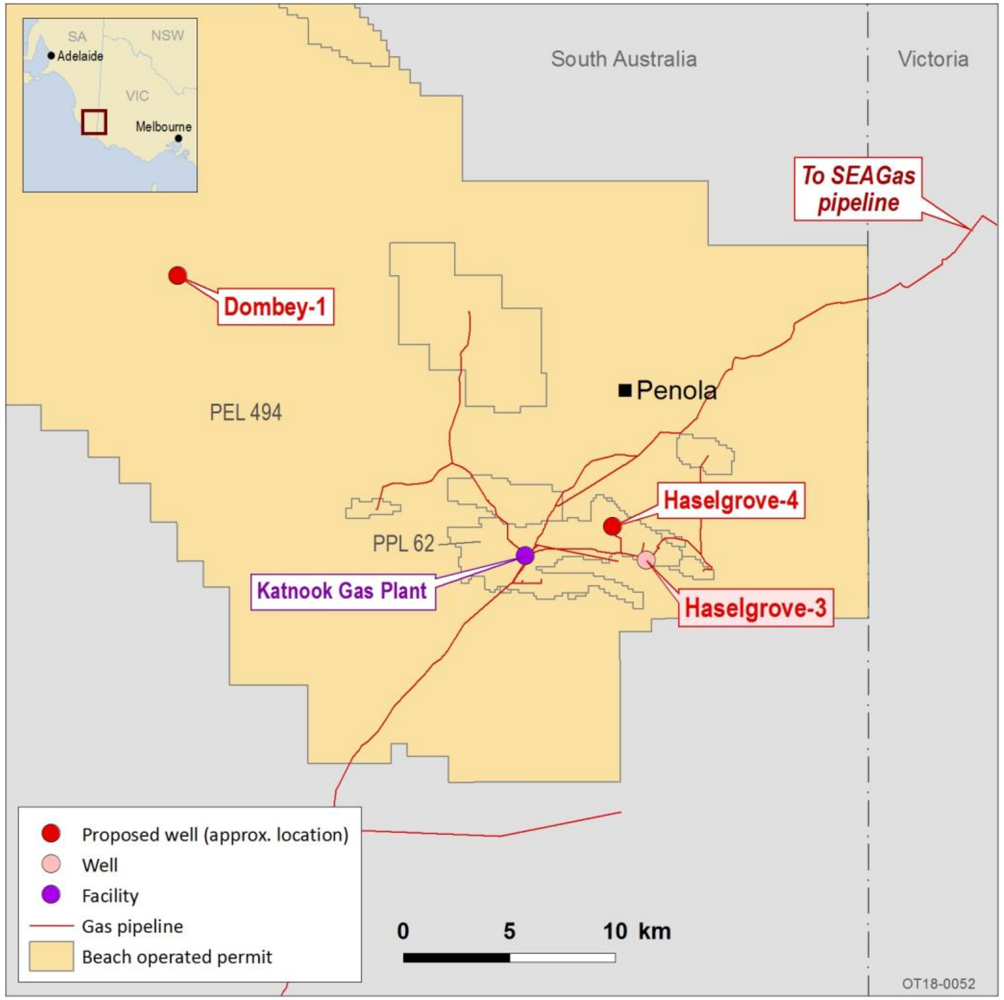
South Australian Otway Basin

Haselgrove appraisal and Dombey-1 exploration drilling in FY19

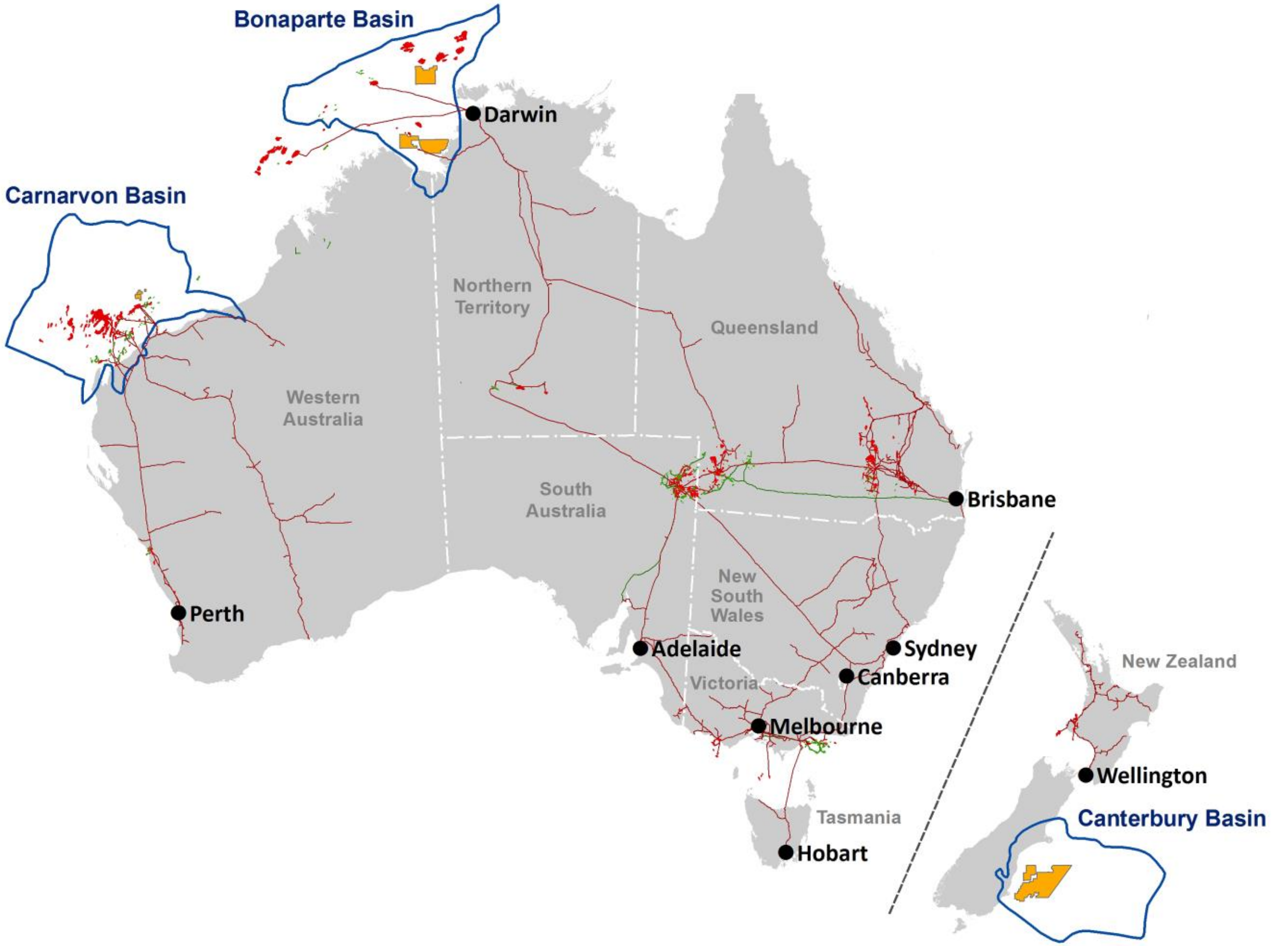


FY19 Activities

- Drill Haselgrove-4 to appraise the Haselgrove Field
- Drill exploration well Dombey-1 (Beach 70% and operator)
- Sanction Haselgrove development project in FY19 with first gas targeted for FY20

Frontier Exploration

High impact exploration targets in portfolio



Bonaparte Basin

- Acreage position in two distinct play fairways
- Key Prospects: WA-454-P / Breakwater and Regatta North
  NT/P84 / Gulpener and Corona
  NT/P85 / Ines
- Continue evaluation in FY19

Canterbury Basin

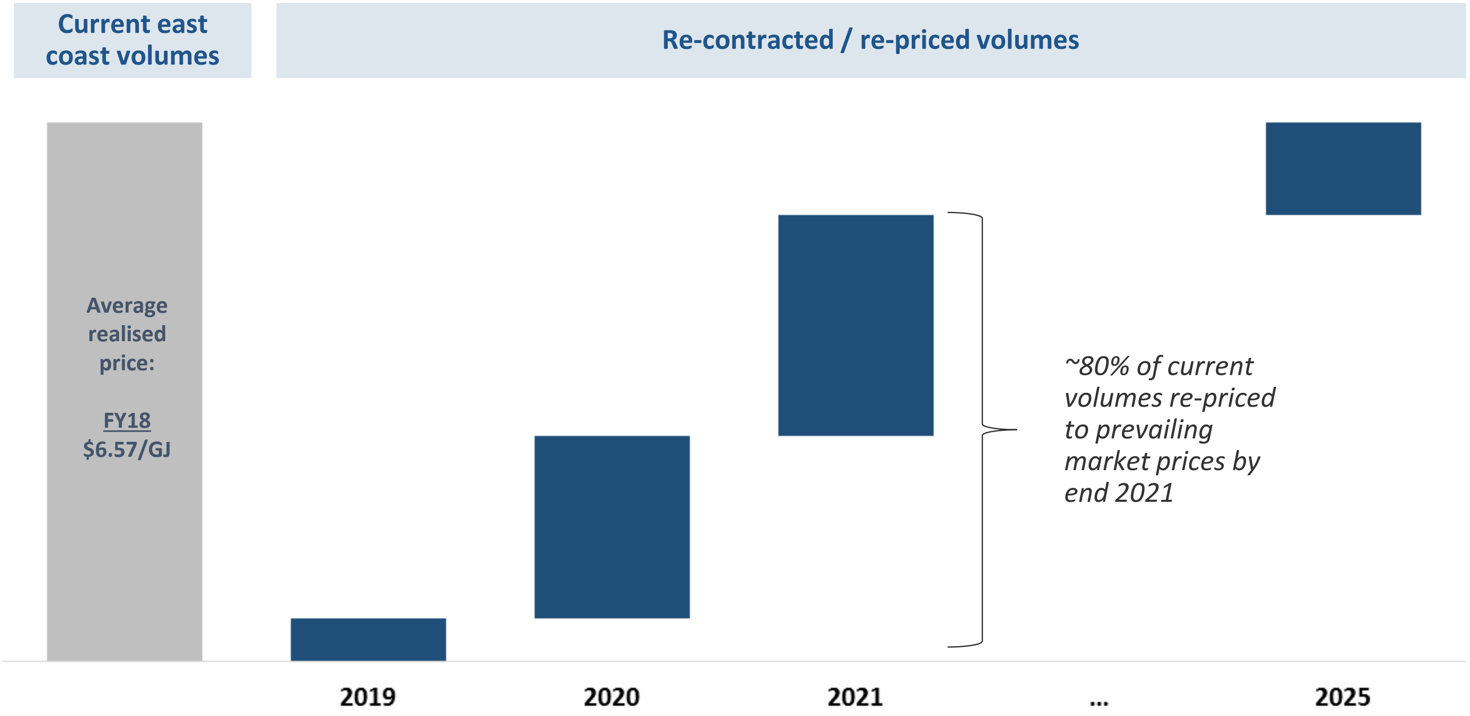
- Key Prospects: PEP 52717 / Barque
  PEP 38264 / Wherry and Gondola
- Farm-down process underway

Carnarvon Basin

- Key Prospect: WA-359-P / Ironbark
- Farm-in subject to conditions

Eastern Australia

GSAs provide ongoing exposure to an attractive long-term pricing outlook



Strong current SE Australia spot

AEMO forecasts no supply gaps before 2030 as long as yet undeveloped reserves come online[1]

Longer term, requires exploration and development to deliver contingent and prospective resources to market to meet demand[1]

- Majority of existing East Coast volumes re-priced or re-contracted by end 2021
- Annual step-ups and CPI adjustments of Lattice contracts continue upward price trend in the meantime
- Existing Beach oil-linked GSA exposed to oil price upside until re-contracted in 2025
- Otway development opportunities and Middleton expansion well placed to supply tight East Coast gas market

→ Supportive near-term and long-term market fundamentals

1. Source: 2018 Gas Statement of Opportunities, AEMO – June 2018

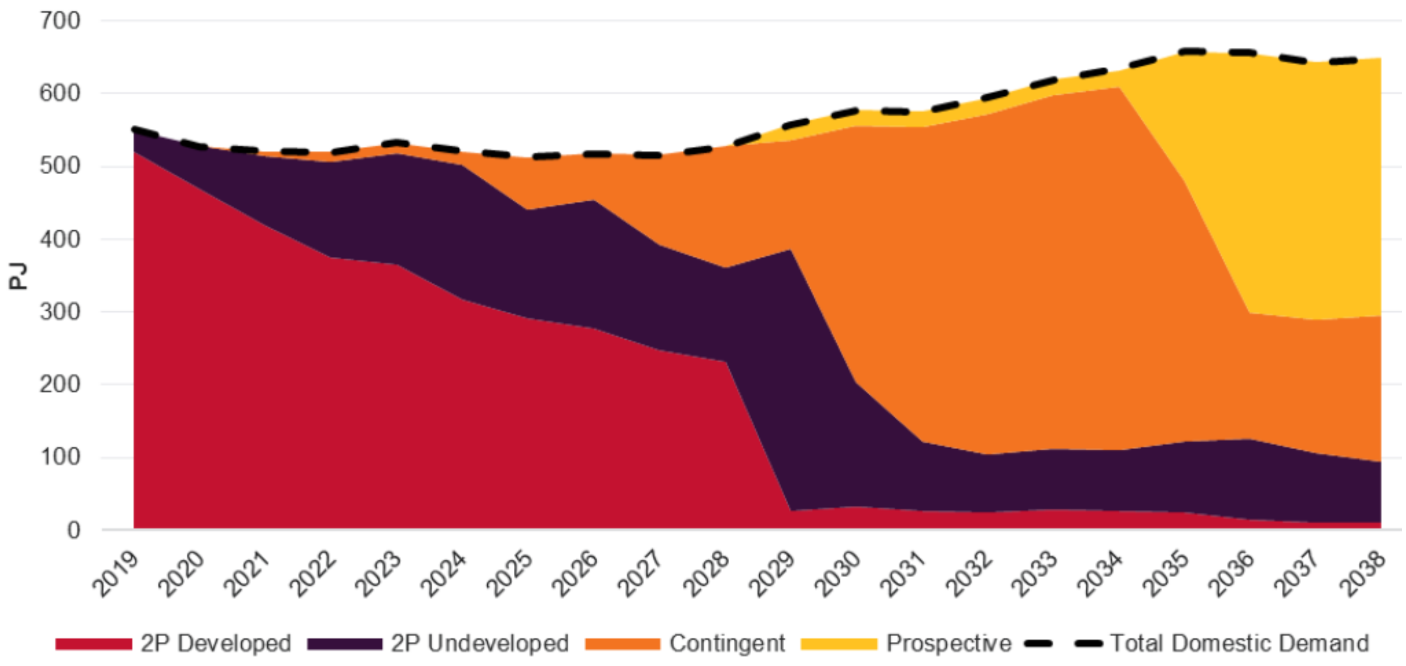
Chart data is illustrative only and based on current Beach supply contracts. The chart illustrates future re-pricing and re-contracting volumes relative to existing supply contracts – it is not based on a supply forecast taking into account future changes to production. Includes supply to Australian customers only, excluding Western Australia.

East Coast gas market dynamics supports increased investment

Southern gas market requires diverted LNG or LNG imports to meet demand

BEACH ENERGY

Status of Reserves and Resources to meet domestic demand 2019-2038



- East Coast gas market now servicing both domestic and LNG demand requirements
- AEMO forecast of a gas market in equilibrium until the late-2020s is highly dependent on development of undeveloped reserves
- ACCC believes the domestic market supply-demand balance in the Southern States will remain tight[1]
- ACCC July 2018 interim gas market report points to gas price offers to C&I customer remaining in the high-$8 to $11/GJ range
- Beach to supply ~15% of east coast domestic gas demand in FY19
- Opportunity for Beach to bring undeveloped reserves into market at higher gas prices

Source: Gas statement of Opportunities for Eastern & South Eastern Australia, AEMO – June 2018.
1. ACCC Gas Enquiry 2017-2020 Interim Report July 2018.

Production by segment

Production by asset group and segment (MMboe)					
	FY17 Reported Beach	*FY18 Reported Beach*	*H1 FY18 Reported Lattice[1]*	FY18 Pro Forma	*Year-on-year change (%)*
Western Flank Oil	4.8	*4.7*	-	4.7	*(1%)*
Western Flank Gas	1.0	*1.4*	-	1.4	*46%*
Cooper Basin JV	4.4	*5.9*	*1.4*	7.3	*64%*
Other Cooper Basin	0.3	*0.2*	-	0.2	*(35%)*
Perth Basin	-	*0.4*	*0.4*	0.8	-
SAWA	**10.6**	***12.7***	***1.8***	**14.5**	*37%*
Otway Basin	-	*3.7*	*3.5*	7.3	-
Bass Basin	-	*1.1*	*0.9*	2.0	-
Victoria	**-**	***4.8***	***4.4***	**9.2**	-
New Zealand	**-**	***1.5***	***1.6***	**3.1**	-
Total Production	**10.6**	***19.0***	***7.9***	**26.8**	*154%*

Note: Due to rounding, figures and ratios may not reconcile to totals.
The financial results of Lattice for H1 FY18 have not been consolidated within the accounts of Beach. This information is provided for information purposes only and should not be relied upon.

Production by product

Production by Product (MMboe)					
	FY17 Reported Beach	*FY18 Reported Beach*	*H1 FY18 Reported Lattice[1]*	FY18 Pro Forma	*Year-on-year change (%)*
Oil	5.7	*5.7*	*0.1*	5.8	*2%*
Sales gas and ethane	4.0	*10.7*	*6.4*	17.1	*332%*
LPG	0.4	*1.3*	*0.6*	1.9	*330%*
Condensate	0.4	*1.2*	*0.7*	1.9	*362%*
Total gas and gas liquids	4.8	*13.3*	*7.7*	21.0	*334%*
Total Production	**10.6**	***19.0***	***7.9***	**26.8**	***154%***

Note: Due to rounding, figures and ratios may not reconcile to totals.
The financial results of Lattice for H1 FY18 have not been consolidated within the accounts of Beach. This information is provided for information purposes only and should not be relied upon.

Sales volumes and unit pricing

Reported sales volumes			
	H1 FY18	H2 FY18	FY18
Oil (MMbbl)	2.9	3.5	6.4
Sales gas and ethane (PJ)	12.3	51.1	63.4
LPG (kt)	39	111	150
Condensate (MMbbl)	0.4	1.3	1.7
Total sales volumes (MMboe)	**5.7**	**14.4**	**20.1**

Average realised unit prices[1]			
	H1 FY18	H2 FY18	FY18
Oil ($/bbl)	87.5	98.3	93.4
Sales gas and ethane ($/GJ)	6.44	6.60	6.57
LPG ($/t)	670	643	650
Condensate ($/bbl)	75.4	88.2	85.4
All products ($/boe)	**68.0**	**60.0**	**62.3**

Note: Due to rounding, figures and ratios may not reconcile to totals.
1. Inclusive of realised hedge settlements and premiums paid of $10.2 million

Current oil hedging position

	3-way Collar $40 – 90 –105 per bbl	3-way Collar $40 – 90 – 100 per bbl	3-way Collar $40 – 103 – 113 per bbl	3-way Collar $55 – 100 – 110 per bbl	Total Hedged Volumes (bbl)
FY19	285,000	577,500	630,000	3,435,000	**4,927,500**
Total	**285,000**	**577,500**	**630,000**	**3,435,000**	**4,927,500**

FY18 reserves and resources summary

Reserves and contingent resources (net)				
	1P	2P	3P	2C
Oil (MMbbl)	25	42	73	31
Gas and gas liquids (MMboe)	165	272	418	176
Total as at 30 June 2018 (MMboe)	**190**	**313**	**491**	**207**
Total as at 30 June 2017	38	75	138	153
Increase / (decrease)	*405%*	*320%*	*255%*	*35%*

Developed and undeveloped reserves (net)						
	Developed			Undeveloped		
	1P	2P	3P	1P	2P	3P
Oil (MMbbl)	19	28	46	6	13	27
Gas and gas liquids (MMboe)	84	135	214	81	137	205
Total as at 30 June 2018 (MMboe)	**103**	**163**	**259**	**87**	**150**	**232**
Total as at 30 June 2017	33	60	106	5	14	32
Increase / (decrease)	*213%*	*171%*	*145%*	*1,735%*	*944%*	*615%*

Note: Due to rounding, figures and ratios may not reconcile to totals.

Reconciliation of NPAT to Underlying NPAT[1]

Comparison of Underlying Profit ($ million)	FY17	FY18	Change	
Net profit / (loss) after tax	388	199	(189)	**(49%)**
Acquisition, integration and debt cancellation costs	-	51	51	
Gain on asset sales	(52)	(5)	47	
Unrealised hedging movements	4	13	10	
Gain on settlement of restoration obligation	-	(15)	(15)	
Other non recurring items	10	-	(10)	
Impairment (reversal) / loss of assets	(109)	88	197	
Deferred Tax Asset recognition	(79)	-	79	
Tax impact of above changes	-	(34)	(34)	
Provision for international taxes	-	4	4	
Underlying net profit after tax	162	302	140	**86%**

Note: Due to rounding, figures and ratios may not reconcile to totals.
1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit by Beach's external auditors, however have been extracted from the audited financial statements.

Underlying EBITDAX, EBITDA, EBIT, NPBT and NPAT[1]

BEACH ENERGY

Comparison of Underlying EBITDAX, EBITDA, EBIT, NPBT ($ million)				
	FY17	FY18	Change	
Underlying EBITDAX	**347**	**766**	*419*	*121%*
Exploration expense	-	-		
Underlying EBITDA	**347**	**766**	*419*	*121%*
Depreciation and amortisation[2]	(172)	(315)		
Underlying EBIT	**175**	**451**	*276*	*158%*
Finance expenses[3]	(21)	(42)		
Interest income[3]	7	7		
Underlying net profit before tax (NPBT)	**161**	**416**	*255*	*158%*
Tax[4]	1	(114)		
Underlying net profit after tax (NPAT)	**162**	**302**	*140*	*86%*

Note: Due to rounding, figures and ratios may not reconcile to totals.

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2. Refer Note 3 in the notes to financial statement in Appendix 4E
3. Refer Note 15 in the note to financial statements in Appendix 4E
4. Refer Note 5 in the notes to financial statements in Appendix 4E

FY18 FULL YEAR RESULTS

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