



## ASX release

31 January 2019

Ref: #002/19

### FY19 production and capital expenditure guidance update

Beach Energy Ltd (ASX: BPT, "Beach") has reviewed FY19 full year production and capital expenditure guidance to reflect its first two quarterly reports, latest expectations on the timing of closing of the proposed sale of 40% of Beach's Victorian Otway interests ("Otway Sale")<sup>1</sup> and latest expectations for H2 FY19.

Revisions to production and capital expenditure estimates are summarised below. Beach will provide an update to financial guidance (EBITDA and DD&A) as part the FY19 half year report, to be released on 13 February 2019.

FY19 Guidance		
	Prior <i>(Issued 29 Oct 18)</i>	Updated <i>(Issued 31 Jan 19)</i>
Production (MMboe)	25 – 27	<b>28 – 29</b>
Capital Expenditure (\$ million)	440 – 520	<b>450 – 500</b>

FY19 production guidance has been increased from 25 – 27 MMboe to 28 – 29 MMboe. The increase is due to:

- Better than expected H1 FY19 production of 15.2 MMboe
- Revised H2 FY19 forecast output after factoring in higher Bauer oil production, higher than originally expected customer gas nominations and improvement in facility reliability.
- Timing of the expected completion date for the Otway Sale changing from 31 December 2018 to 31 March 2019. The change is driven by the expectation the Otway Sale will complete closer to the end of the March 2019 quarter. For accounting purposes, Beach will continue to report beneficial ownership of a 100% interest in its Victorian Otway assets until 31 March 2019 and then report 60% interest from 1 April 2019. Prior guidance assumed that Beach would report beneficial ownership of a 100% interest until 31 December 2018. Moving the expected completion date by three months has contributed an estimated 0.7 – 0.9 MMboe to the revised production guidance range.

<sup>1</sup> Please refer to ASX announcement #047/18 dated 5 October 2018 for more information.

FY19 capital expenditure guidance has been narrowed from \$440 – 520 million to \$450 – 500 million.

- The rate of capital expenditure is expected to increase in H2 FY19 as Beach progresses the development of value-accretive growth projects, as outlined in its investor briefing in September 2018. Key investment activities in H2 FY19 include the following:
  - Commencement of drilling in the onshore South Australian Otway Basin in the March 2019 quarter commencing with Haselgrove-4 followed by Dombey-1
  - Ordering of long lead items associated with the Victorian Otway drilling programs, with drilling scheduled to commence in H1 FY20.
  - The addition of a drilling rig in the Western Flank, expected to start in the June 2019 quarter
  - Four drilling rigs operating in the Cooper Basin JV for the entire H2 FY19 after commencing operations in August 2018.

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## **Disclaimer**

This ASX Release contains forward looking statements that are subject to risk factors associated with oil, gas and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated. References to “Beach” may be references to Beach Energy Limited or its applicable subsidiaries.

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

## **Assumptions**

The outlook is uncertain and subject to change. The outlook has been estimated on the basis of the following assumptions: 1. various other economic and corporate assumptions; 2. assumptions regarding drilling results; and 3. expected future development, appraisal and exploration projects being delivered in accordance with their current expected project schedules. These future development, appraisal and exploration projects are subject to approvals such as government approvals, joint venture approvals and board approvals. Beach expresses no view as to whether all required approvals will be obtained in accordance with current project schedules.