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## ASX release

28 February 2019

Ref: #010/19

### Asia Roadshow Presentation

For information, attached is the presentation that Beach Energy will be taking on its February/March 2019 Asia Roadshow this week in Singapore and Hong Kong. Also available from the Beach Energy website.

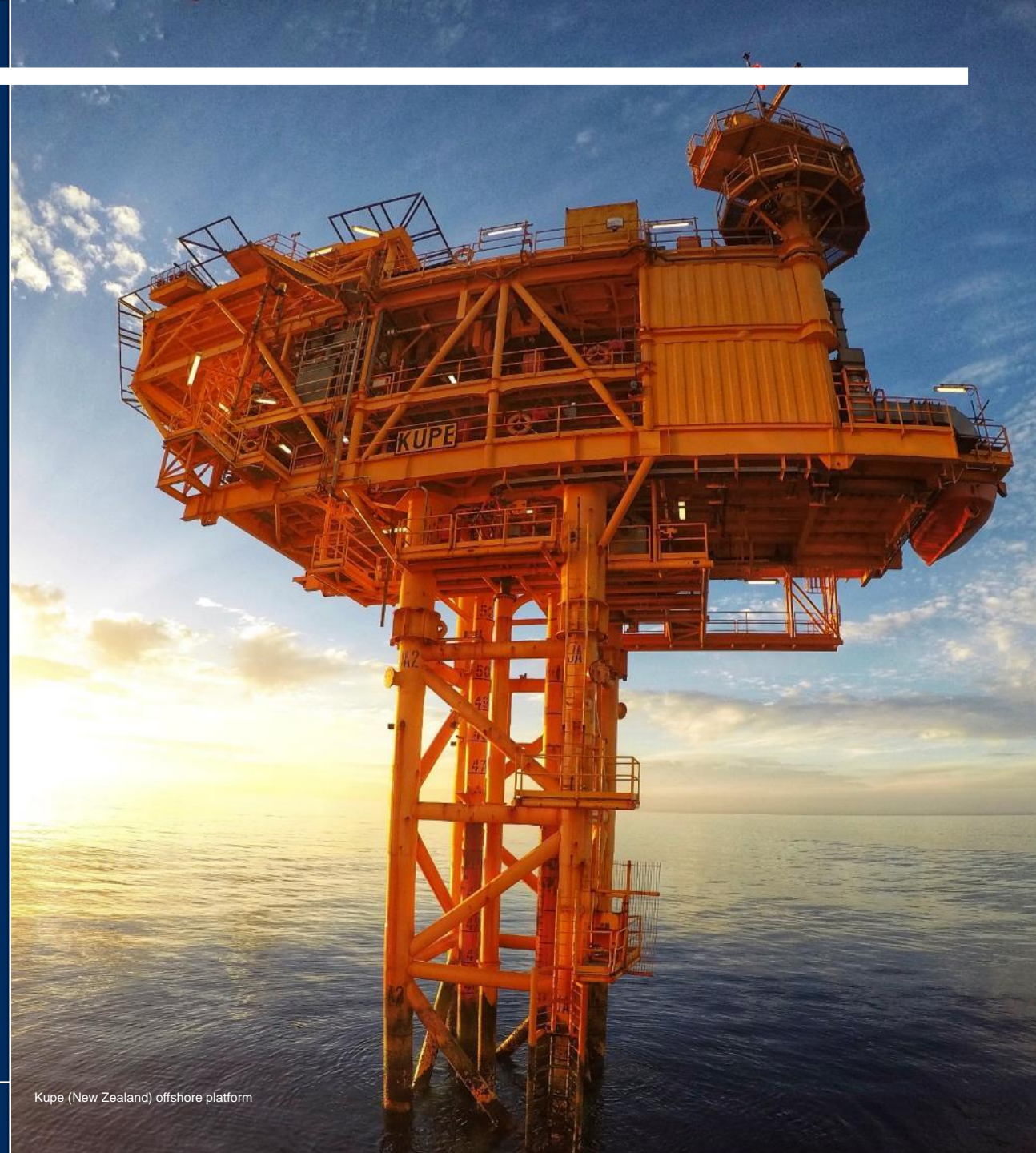
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# ASIA ROADSHOW PRESENTATION

FEBRUARY/MARCH 2019



Kupe (New Zealand) offshore platform

# 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 or review by Beach's external auditors but have been extracted from 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 reviewed 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.

References to planned activities in FY19 and beyond FY19 may be subject to finalisation of work programs, government approvals, joint venture approvals and board approvals.

Due to rounding, figures and ratios may not reconcile to totals throughout the presentation.

## Five year targets

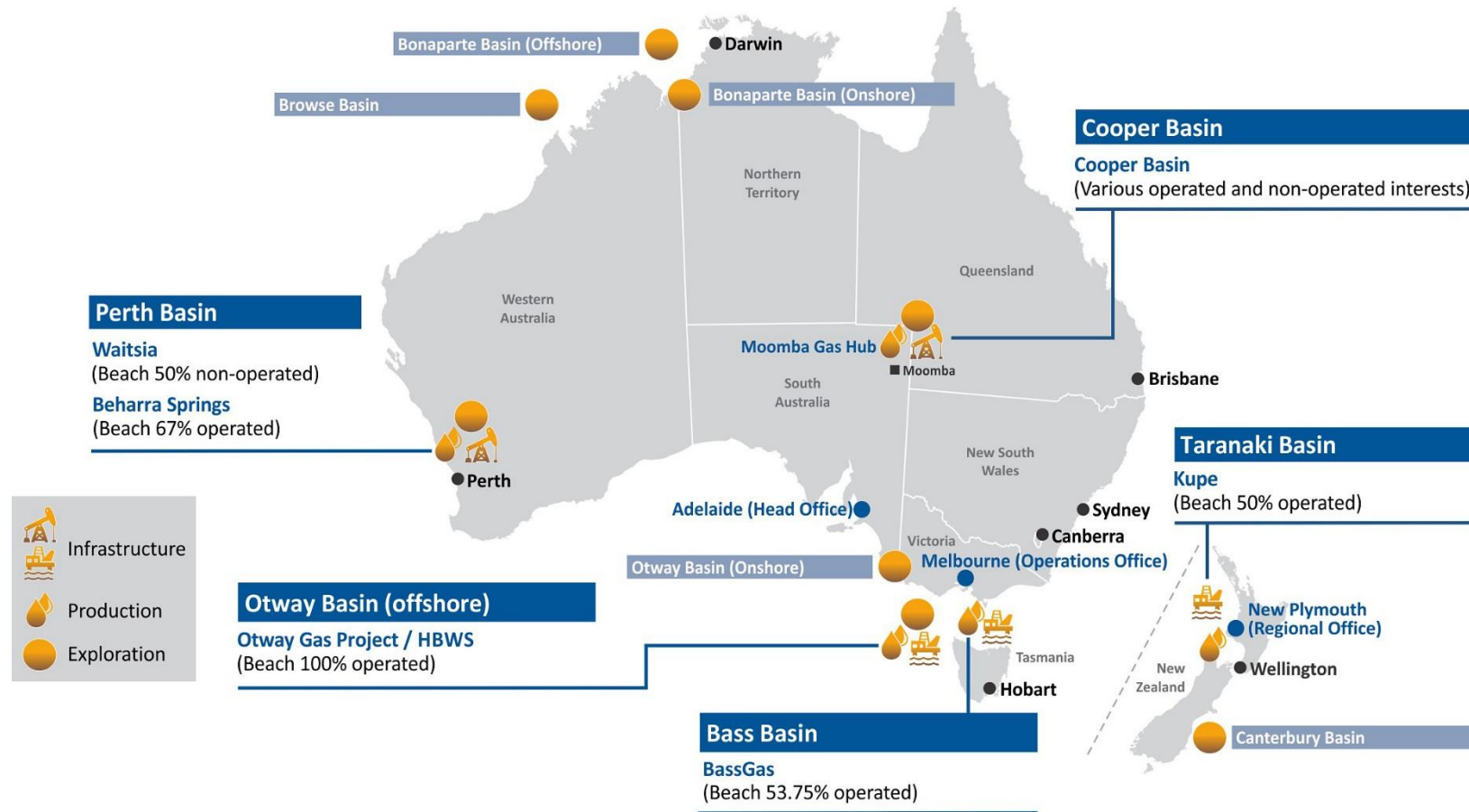
References to five year targets refers to those targets listed in the 2018 Asia Roadshow presentation (refer ASX Release #049/18 dated 8 October 2018) and are presented on the basis the sale of a 40% interest in the Otway Basin is completed. Annual production target range of 30 to 36 MMboe in FY23. Reserves replacement ratio targeted to average 100% for the five year period FY19 to FY23, where reserve replacement ratio calculated as 2P reserves additions divided by production. Return on capital employed (ROCE) is defined as underlying net profit after tax (underlying NPAT) divided by the average of opening total equity and closing total equity. Targeted five year cumulative free cash flow defined as cash flow from operating activities less cash flow from investing activities (including proceeds from the sale of a 40% interest in Victorian Otway Basin assets) at a US\$74.25/bbl Brent oil price in FY19 and a US\$70/bbl Brent oil price from FY20 and 0.77 AUD/USD exchange rate in FY19 and 0.75 AUD/USD exchange rate from FY20.

## Assumptions

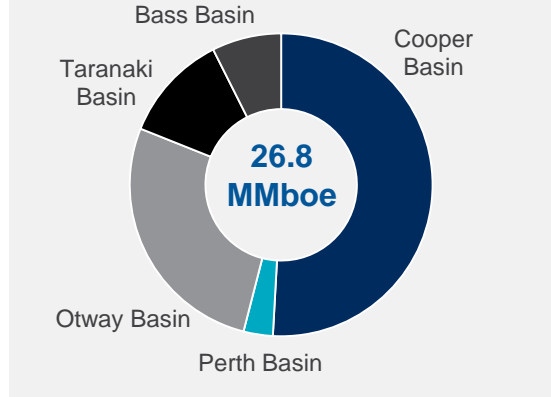
FY19 guidance is uncertain and subject to change. FY19 guidance has been estimated on the basis of the following assumptions: 1. a US\$61.00/bbl Brent oil price in H2 FY19; 2. 0.72 AUD/USD exchange rate in H2 FY19; 3. various other economic and corporate assumptions; 4. assumptions regarding drilling results; and 5. 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.

FY19 guidance set out in this presentation has been prepared on the basis that the proposed sale of a 40% interest in its Victorian Otway Basin assets to O.G. Energy (announced to the ASX on 5<sup>th</sup> October 2018) completes at the end of Q3 FY19. Completion remains subject to satisfaction of customary conditions, some of which are outside of the control of Beach and as a result the timing of settlement may differ from the assumption used in this release.

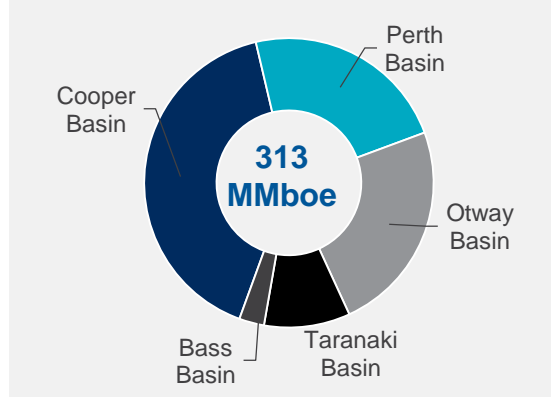
# BEACH ENERGY PORTFOLIO



## FY18 Pro forma production<sup>1</sup>



## FY18 2P reserves<sup>2</sup>



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 presentation 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 this presentation 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: 1.398 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.

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. 2P reserves are stated as of 30 June 2018. Reserves have not been adjusted for the announced sale of a 40% interest in the Otway Basin

# AHEAD OF TARGET IN FIRST HALF FY19



## Production

- ✓ Beach output has exceeded expectations
- ✓ High levels of facility reliability (97%)

## Guidance update

- ✓ FY19 EBITDA guidance raised
- ✓ FY19 production guidance increased, capex guidance narrowed on 31 January

## Financial discipline

- ✓ Net gearing 13.5% at 31 December 2018
- ✓ Beach to be in a net cash position at completion of Otway sale (Q3 FY19)
- ✓ Focus moves to reducing direct controllable operating costs

## Resilient cash flow generation

- ✓ More than \$700 million in sales revenue expected in FY19 from gas business
- ✓ More free cash flow generated in H1 FY19 than annual target

# H1 FY19 HIGHLIGHTS

## DELIVERING ON OUR PROMISES TO MEET OUR 5 YEAR TARGETS



### Operating and Financial performance

- ✓ H1 FY19 production of 15.2 MMboe
- ✓ Sales revenue \$955 million, up 147%
- ✓ Underlying EBITDA<sup>1</sup> \$724 million, up 218%
- ✓ Underlying NPAT<sup>1</sup> \$279 million, up 199%
- ✓ Interim dividend of 1.0 cent per share
- ✓ Operating cash flow \$479 million
- ✓ Free cash flow<sup>2</sup> \$293 million

### Key H1 FY19 activities

- ✓ Bauer appraisal campaign successful
- ✓ Bauer Hz wells spud-to-online time improved by 24%
- ✓ Rigs secured for Otway drilling programs
- ✓ New Ventures progress (Ironbark, La Bella, Bonaparte)
- ✓ \$56 million synergy run rate by end H1 FY19
- ✓ \$8 million opex reduction run rate by end H1 FY19
- ✓ Lattice integration complete

### Five year targets: (FY19 – 23)

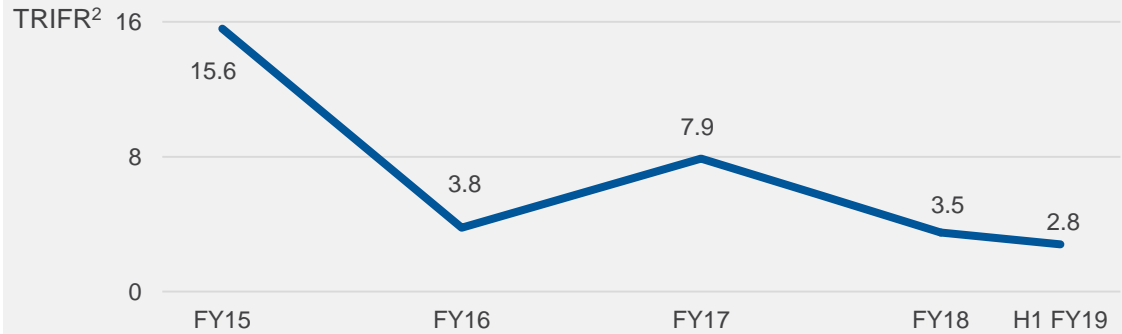
1. Production growing to 30 - 36 MMboe<sup>3</sup>
2. > 100% reserves replacement<sup>3</sup>
3. ROCE 17 - 20%<sup>3</sup>
4. > \$2.6 billion cumulative free cash flow<sup>3</sup>

# OUR TOP PRIORITY

## STRONG SAFETY AND ENVIRONMENTAL PERFORMANCE

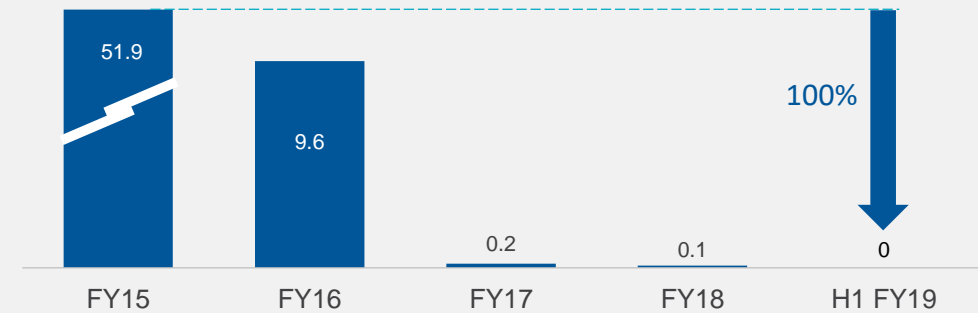


### Safety performance<sup>1</sup>



### Environmental performance<sup>1</sup>

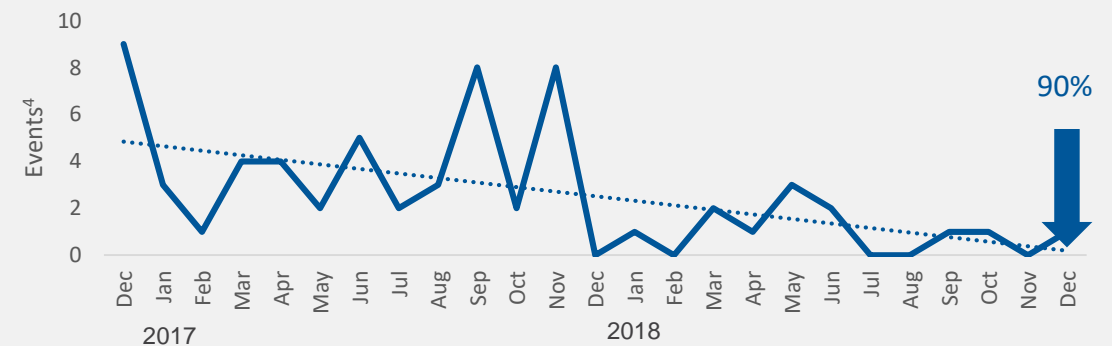
#### CRUDE SPILL VOLUMES (KL)



### Focus on HSE delivering best performance to date

- Safety: On track for our safest year on record
- Environment: No crude spills
- Process Safety: Decreasing number of events through the application of Process Safety Management Framework

### Loss of containment



1. Includes Lattice assets from 1 January 2018.  
 2. TRIFR: Total Recordable Injury Frequency Rate, calculated as number of recordable injuries per million hours worked (Beach employees and contractors).  
 Process Safety Events based on API 754/IOGP 456.

# FY19 GUIDANCE



## FY19 Guidance

Production 28 – 29 MMboe

Capital expenditure \$450 – 500 million

Underlying EBITDA<sup>1</sup> \$1.25 – 1.35 billion

DD&A \$450 – 500 million

## Production

Guidance increased on 31 January 2019 from 25-27MMboe to 28-29 MMboe, primarily due to:

- Change in estimated completion date for Otway sale
- Strong gas customer demand
- Better than expected oil flow rates in Western Flank
- Improved facility reliability

## Capital expenditure

Guidance narrowed on 31 January 2019 from \$440-520 million to \$450-500 million

Higher expenditure is forecast in H2 FY19 due to increased planned drilling activity:

- Additional rig in Western Flank in Q4 FY19
- Drilling scheduled to commence in SA Otway basin in late Q3 FY19
- Long lead items associated with Vic Otway drilling in FY20

## Underlying EBITDA

Guidance increased on 13 February 2019 from \$1.05 - 1.15 billion to \$1.25 - 1.35 billion. Guidance includes ~\$110 million (~\$88 million in H1 FY19) relating to finalisation of purchase price accounting associated with the Lattice acquisition

## DD&A

Guidance increased on 13 February 2019 from \$395 - 445 million to \$450 - 500 million

1. FY19 underlying EBITDA has been prepared on the basis of H2 FY19 Brent oil price of US\$61/bbl and AUDUSD 0.72



# FINANCIAL HIGHLIGHTS



<p>SALES VOLUME</p> <p><b>16.0</b> MMBOE</p>	<p>UNDERLYING EBITDA<sup>1</sup></p> <p><b>\$724</b> MILLION</p>
<p>UNDERLYING NPAT<sup>1</sup></p> <p><b>\$279</b> MILLION</p>	<p>OPERATING CASH FLOW</p> <p><b>\$479</b> MILLION</p>

**Sales volumes +181% over H1 FY18 due to:**

- Lattice acquisition
- Strong customer demand
- Improved facility reliability

**Improvement in Underlying EBITDA, Underlying NPAT and Operating Cash Flow driven by:**

- Higher sales volumes
- Lower costs per barrel

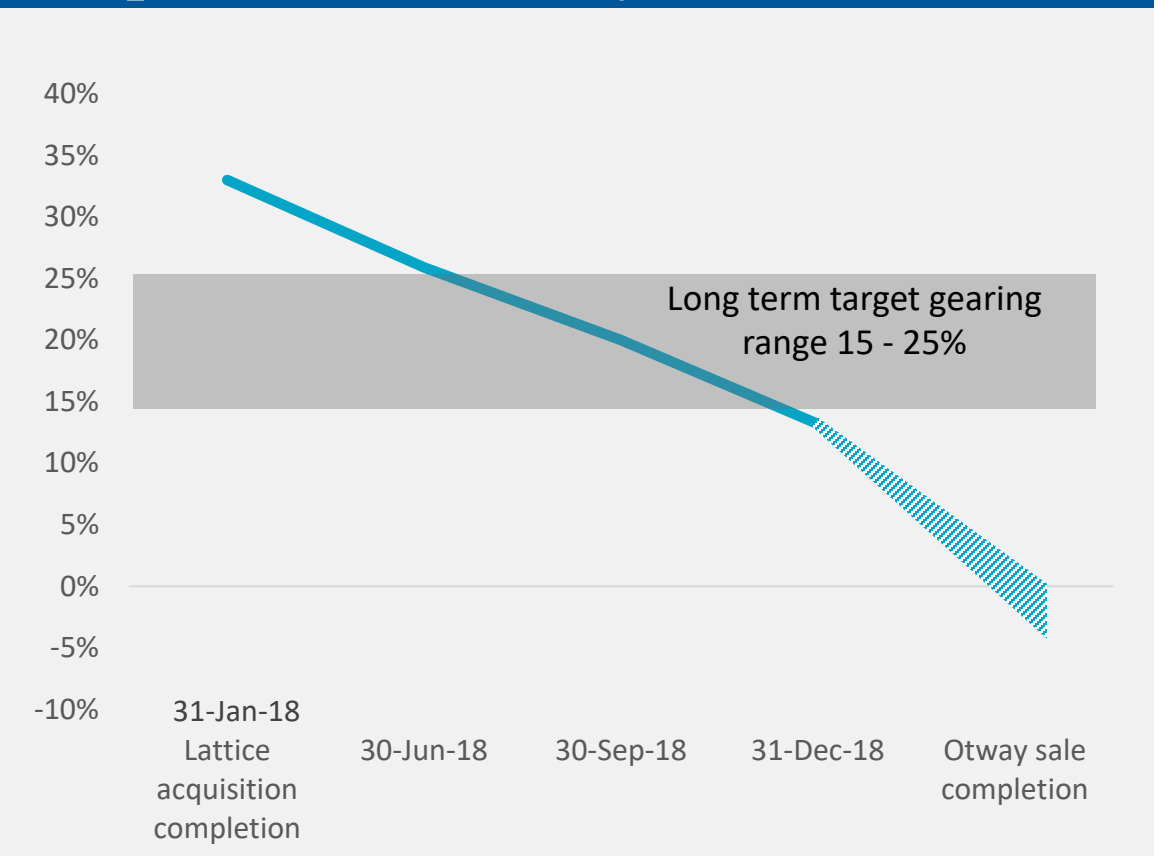
1. Underlying results in this presentation are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by Beach's external auditors. The information has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

# DISCIPLINED BALANCE SHEET MANAGEMENT



- Targeting to be debt-free on completion of Otway Sale, more than 2 years ahead of original debt-free target date
- Balance sheet flexibility can be applied to:
  - **Accelerate organic growth investment**
  - **Evaluate M&A and New Ventures opportunities**
  - **Consider increased shareholder returns**
- Creating shareholder value via the disciplined allocation of capital remains Beach's primary focus.

## Net gearing since Lattice acquisition completion (end January 2018)

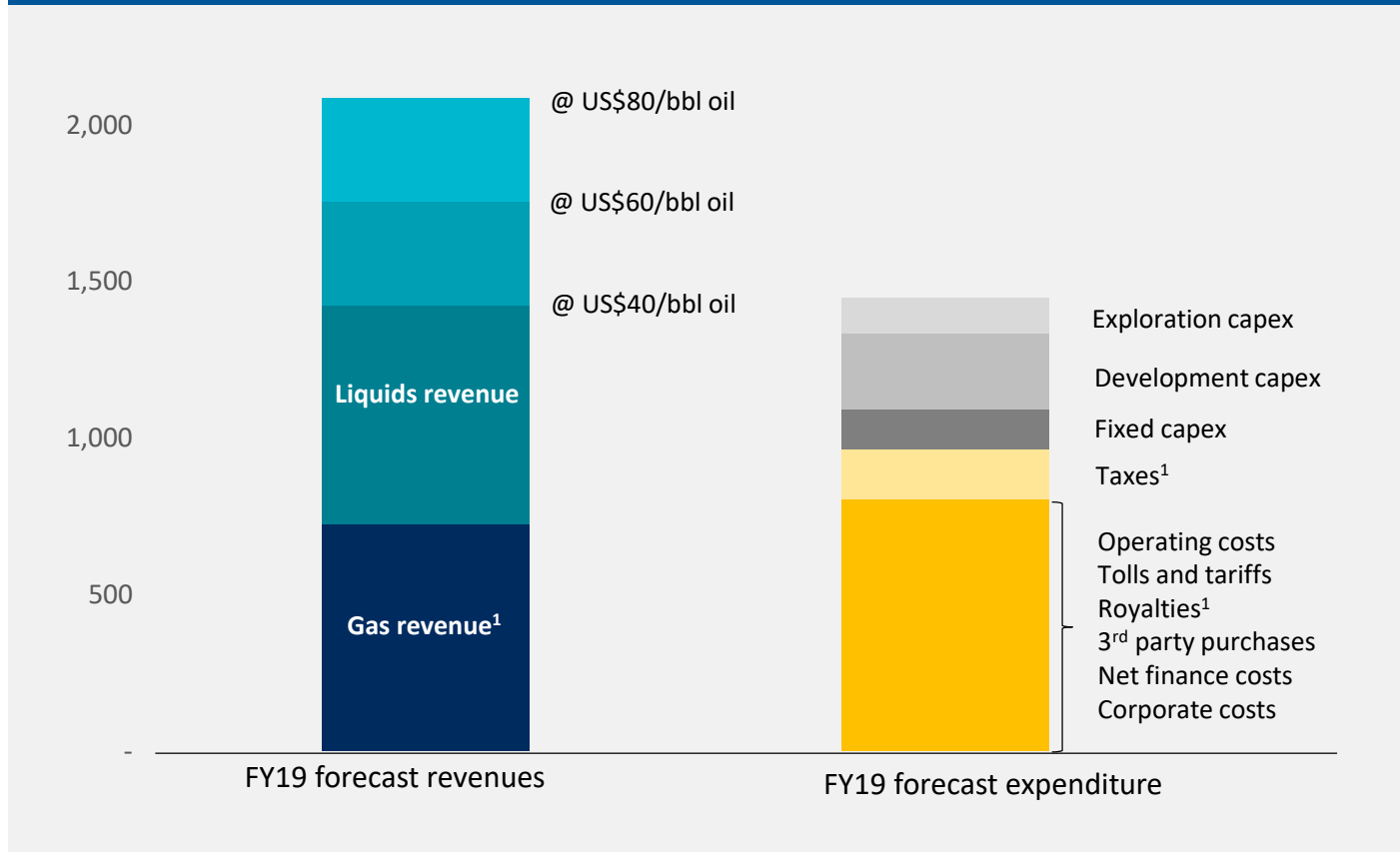


# ROBUST AND STABLE REVENUE BASE

## FIXED PRICE CONTRACTS PROVIDE REVENUE CERTAINTY



### FY19 estimated sales revenue and expenditure



- Beach expects to generate revenue of more than \$700 million in FY19 from its stable gas business
- Revenues from liquids sales provides upside exposure to oil prices
- Beach’s expenditure (including all discretionary expenditure) is funded with an FY19 average oil price of approximately US\$40/bbl

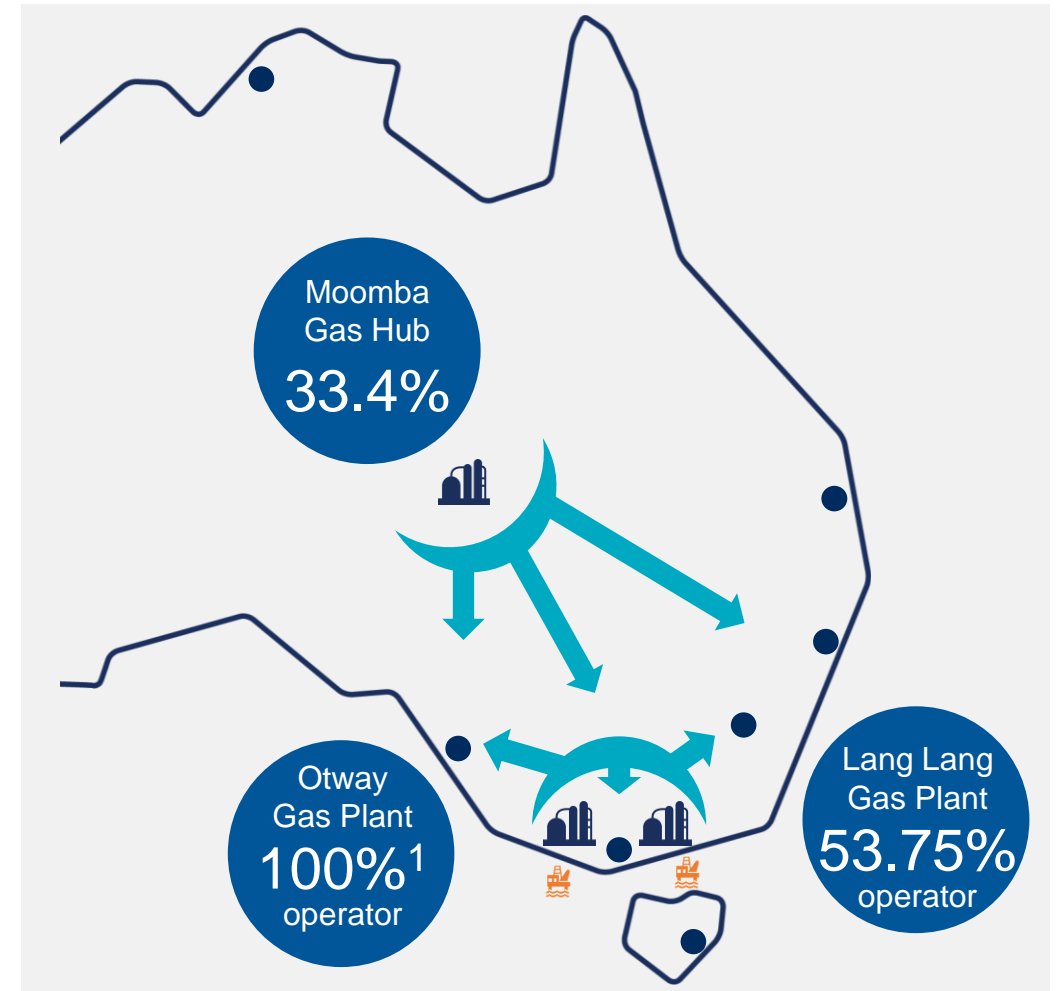
<sup>1.</sup> Gas revenues, royalties and taxes are included on the basis of an average of US\$60/bbl oil in FY19

# EAST COAST GAS MARKET

## SUPPLYING THE MARKET IS A STRATEGIC IMPERATIVE



- Beach is a material owner of critical gas infrastructure
- Three basins and infrastructure hubs supplying East Coast gas
- Currently 15% domestic market share<sup>1</sup>
- Strong demand for Beach's uncontracted sales gas, confirming ACCC reported 2019 producer price range \$9.31 – 10.71/GJ<sup>2</sup>
- Exploration, appraisal and development activities in Cooper and Otway basins are focussed on bringing more gas to market



1. Subject to completion of the proposed sale of 40% of Victorian Otway Interests to OG Energy.  
2. Source: ACCC Gas Inquiry 2017–2020 Interim report December 2018.

# EXPOSURE TO EAST COAST GAS PRICES

## AN ATTRACTIVE LONG-TERM PRICING OUTLOOK

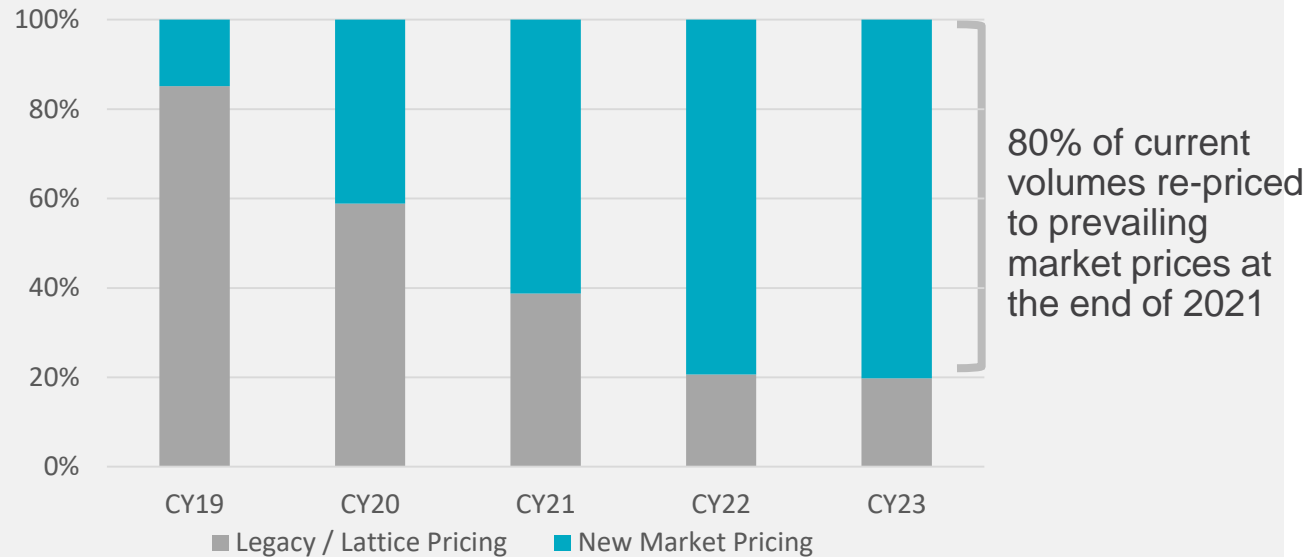


### Current east coast volumes

Beach average realised price:

H1 FY19  
\$6.65/GJ

### Re-contracted / re-priced volumes<sup>2</sup>



- Annual step-ups and CPI adjustments of Lattice contracts
- Majority of existing East Coast volumes re-priced or re-contracted at end of 2021
- Existing Beach oil-linked GSA exposed to oil price upside until re-contracted in 2025
- Beach capital investment supported by market dynamics

AEMO forecasts no supply gaps before 2030 as long as yet undeveloped reserves come online<sup>1</sup>

Longer term, requires exploration and development to deliver contingent and prospective resources to market to meet demand<sup>1</sup>

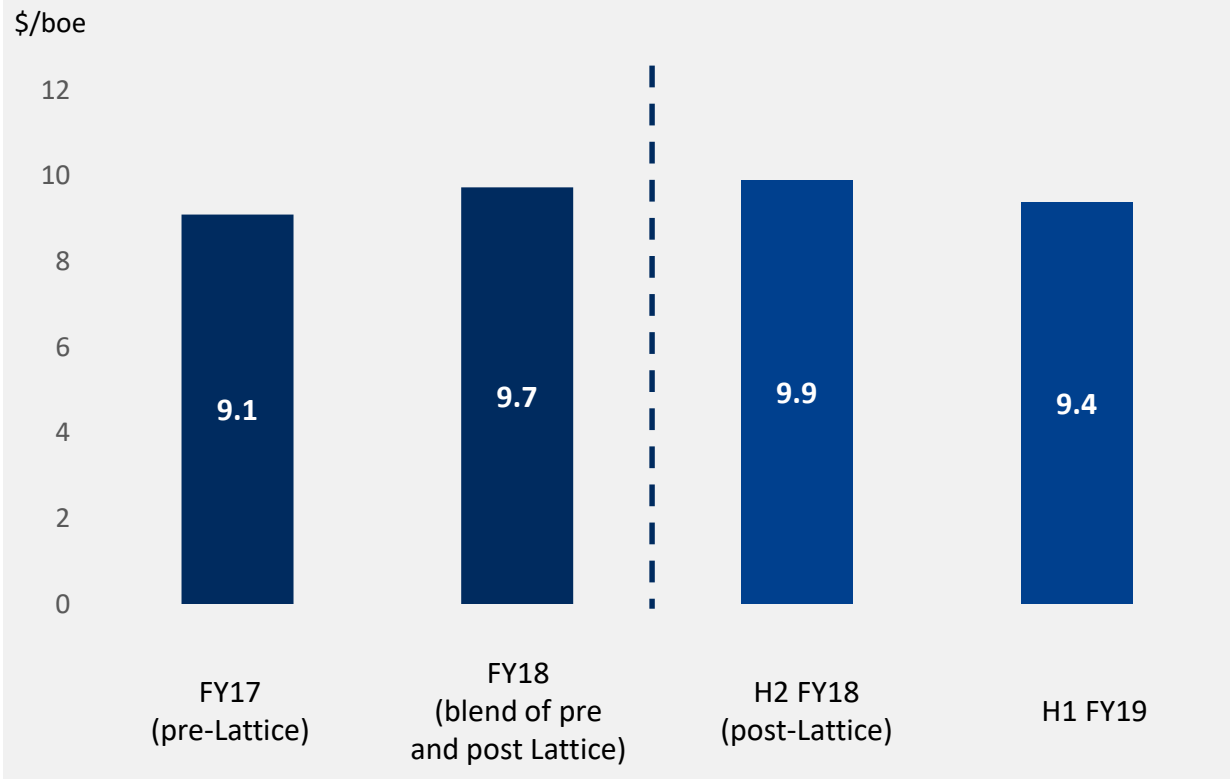
**Supportive near-term and long-term market fundamentals**

1. Source: 2018 Gas Statement of Opportunities, AEMO – June 2018.  
2. Recontracted / re-priced volumes are presented on the basis the proposed sale of a 40% interest in Beach's Victorian Otway assets completes.

# DELIVERING AS A LOW COST OPERATOR



## Beach operating costs/boe<sup>1</sup>



- Beach has extracted \$56 million of synergies to date, primarily relating to exiting the TSA with Origin Energy, insurance savings and other integration benefits.
- Beach is targeting \$30 million reduction in operating costs by the end of FY20
- Beach has achieved savings of \$8 million run rate in H1 FY19, helping reduce group operating costs by 5% to \$9.4/boe vs H2 FY18
- Focus areas for cost savings include:
  - Advanced inspection techniques
  - Optimisation of maintenance activity
  - Synergies with other Basin operators in supply chain and logistics
- FY19 field unit operating costs in Beach's western flank operated assets are on track to average \$5/bbl for oil and \$3/boe for gas

1. Operating costs exclude royalties, tolls, tariffs and 3rd party purchases

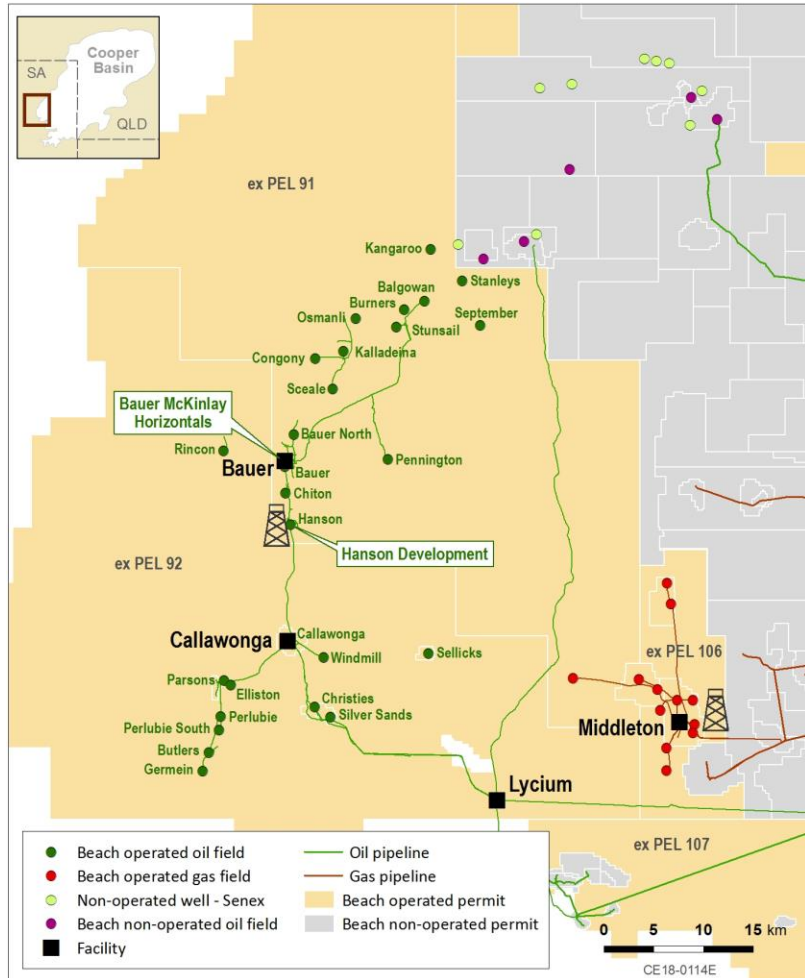
# ASSET UPDATES



Artificial lift in the Cooper Basin

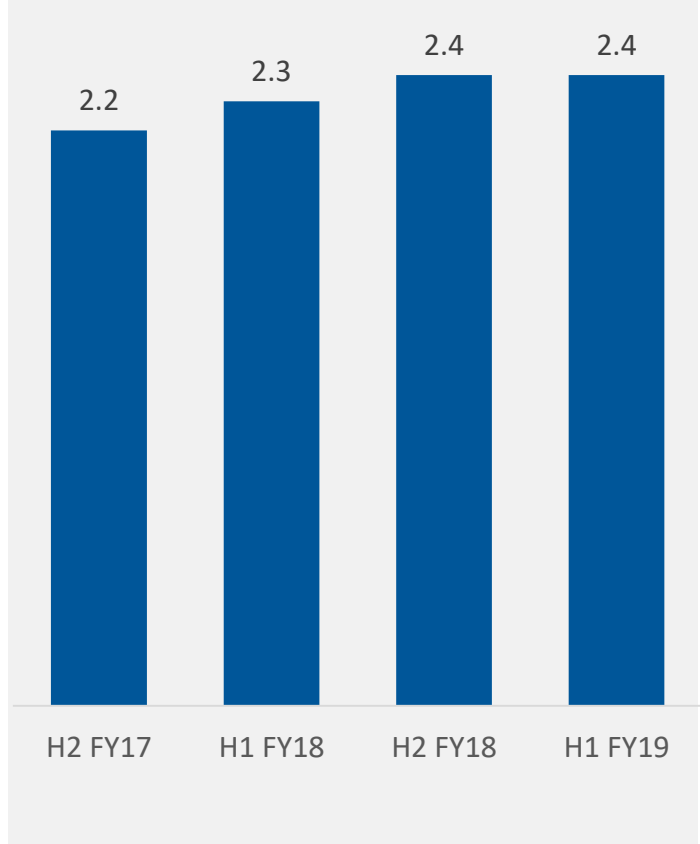
# WESTERN FLANK OIL

## BEACH 40 - 100% INTEREST



- ✓ H1 FY19 production 2.4 MMboe, +4% on H1 FY18 largely a result of the successful Bauer Field appraisal and development program
- ✓ Bauer four-well appraisal program has extended field limit towards the east
- ✓ Two vertical and four horizontal Bauer development wells drilled, completed and on-line with results exceeding our expectations from a cost, time, reservoir quality and lateral length perspective
- ✓ An additional operated Western Flank rig to commence drilling in Q4 FY19 to facilitate oil drilling program

### Western Flank Oil Production (MMboe)





# BAUER FIELD DEVELOPMENT



## Horizontal vs vertical wells

- Beach has increased the application of horizontal well technology, targeting the lower permeability McKinlay and Birkhead reservoirs
- Three horizontal wells drilled in all of FY18
- Five operated horizontal wells drilled in H1 FY19
- Horizontal wells drilled in H1 FY19 show an 8.2x average well productivity improvement over vertical wells for 1.5x the cost

	Vertical McKinlay Producers	Horizontal McKinlay producers	Horizontal vs vertical wells
Average well cost <sup>1</sup>	\$2.8 million	\$4.3 million	1.5x
Well productivity index <sup>2</sup>	0.4	3.3	8.2x

1. Average well cost includes drill, complete, connect and artificial lift costs.

2. Well productivity index (PI) calculated as bbl/day/psi.

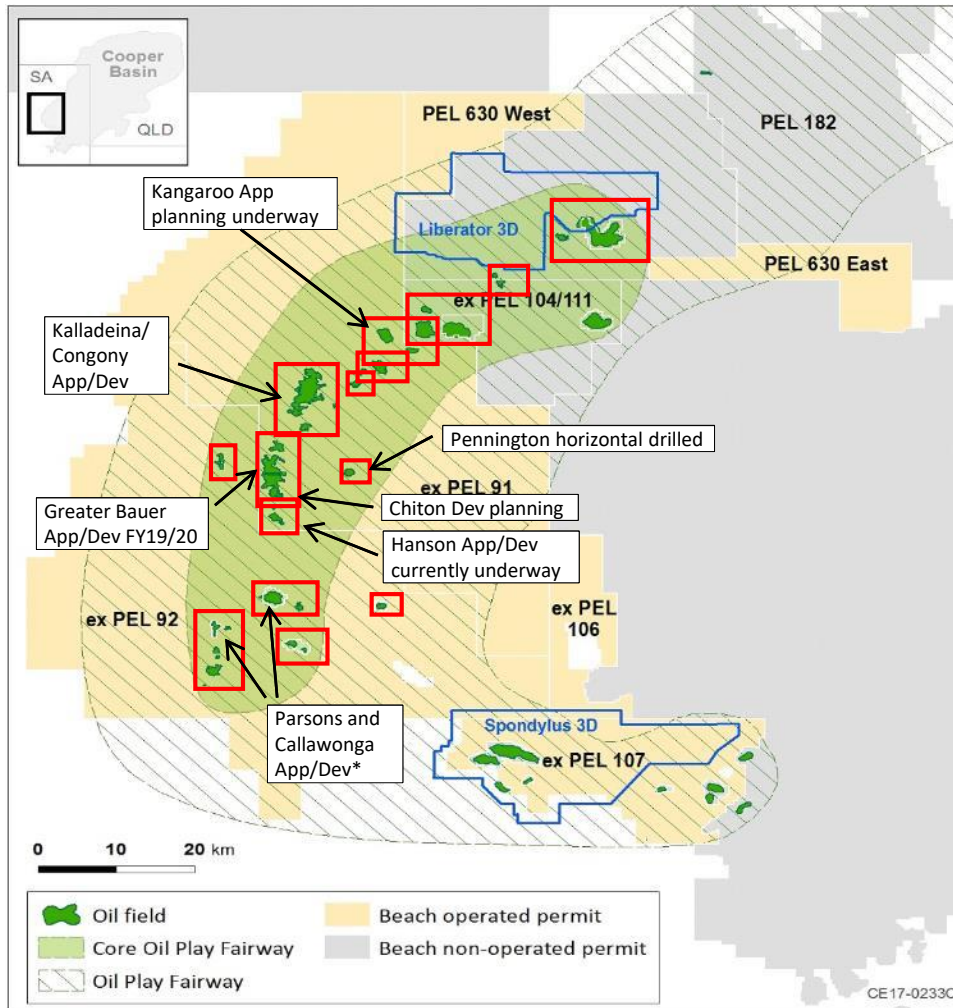
## Improvement in drilling/connection times

- In FY18 Beach's first ever operated horizontal well, Bauer-26, achieved 12.7 days from spud-to-total depth (TD) and 31 days from spud to online
- In FY19, the first four operated horizontal wells averaged spud-to-TD of 8.5 days and spud to online time of 23.5 days
- Improved spud-to-TD times means cheaper wells and more wells drilled per year per rig
- The 24% improvement in spud-to-online time means oil production is accelerated

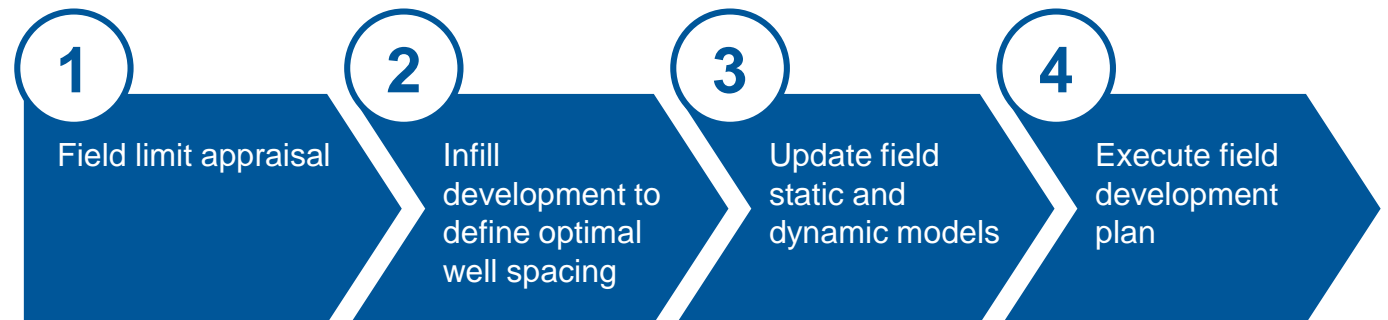
	Total measured depth	Spud-to-TD	Spud-to-online
Bauer-26	2,260 metres	12.7 days	31 days
Bauer-29 -30 -31 and -32	2,660 metres	8.5 days	23.5 days

# WESTERN FLANK OIL

## ROLLOUT THE “BAUER STRATEGY” ACROSS THE WESTERN FLANK



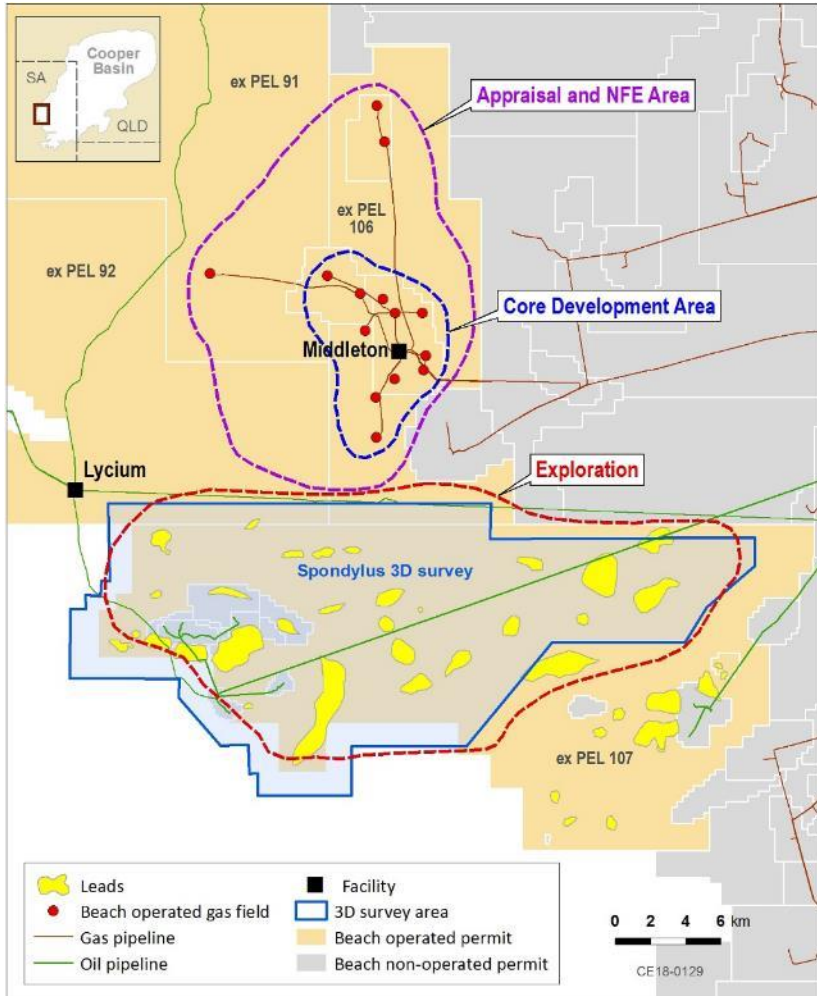
- Following success of Bauer appraisal program, the technical workflow to be applied across the Western Flank
- Hanson appraisal has commenced
- Second oil rig will allow for field appraisal ahead of field development to maximise efficiencies and value



\*Subject to JV approval

# WESTERN FLANK GAS

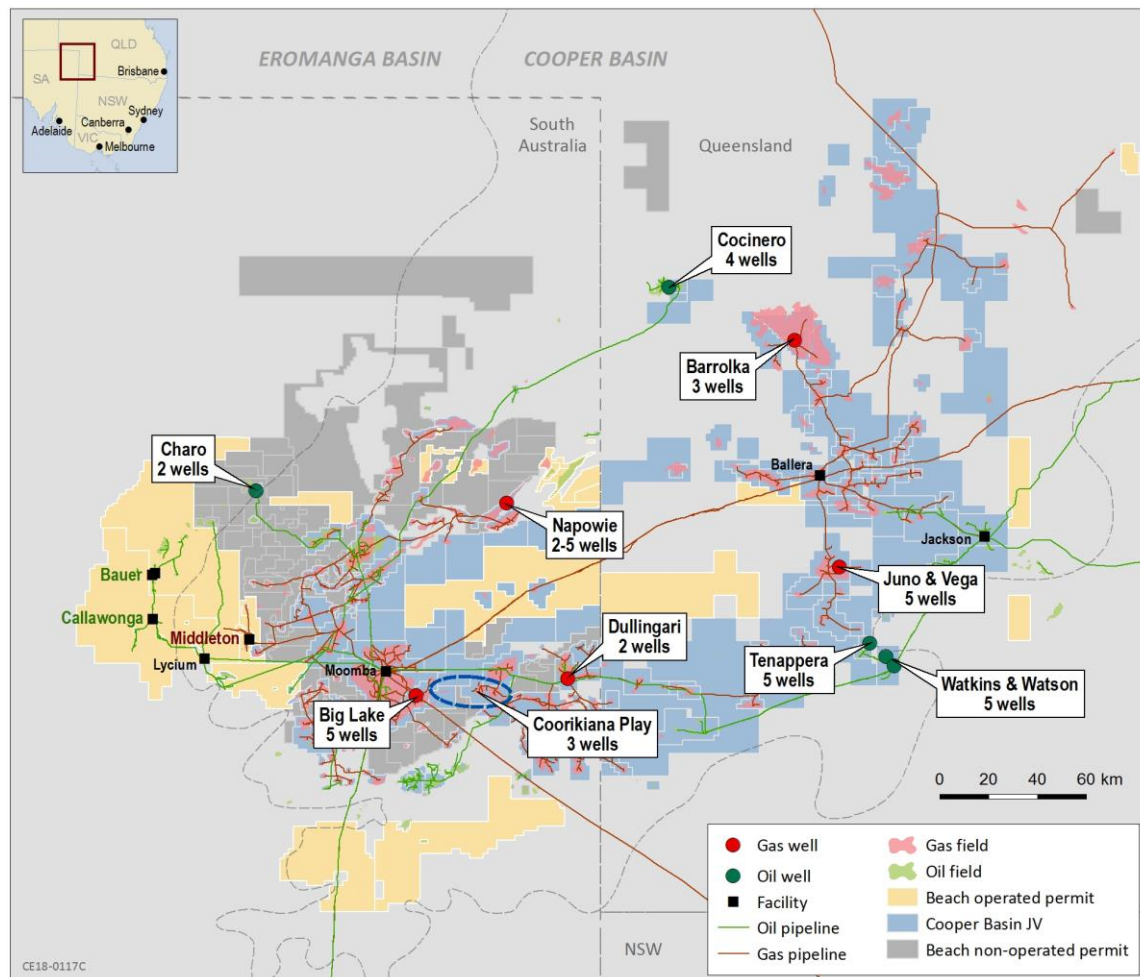
## EX PEL 106 AND EX PEL 91, BEACH 100% AND OPERATOR



- ✓ H1 FY19 production 1.0 MMboe, +55% on H1 FY18 largely a result of the commissioning of the latest Middleton facility capacity expansion
- ✓ Seven-well gas appraisal campaign in the core gas production area to commence in March 2019
- ✓ Spondylus 3D prospects and leads already identified for drilling in FY20

# COOPER BASIN JV

BEACH VARIOUS INTERESTS (20.76 - 52.2% RANGE), SANTOS OPERATOR



- ✓ H1 FY19 production of 4.1 MMboe<sup>1</sup>
- ✓ 48 wells drilled in H1 FY19 (10 oil and 38 gas; 20 development, 28 exploration/appraisal)
- ✓ Overall success rate 85%, with eight exploration successes
- ✓ 8 Moomba South gas appraisal wells drilled with 7 successful
- ✓ Renewed focus on oil drilling in SWQ to commence in Q3 FY19

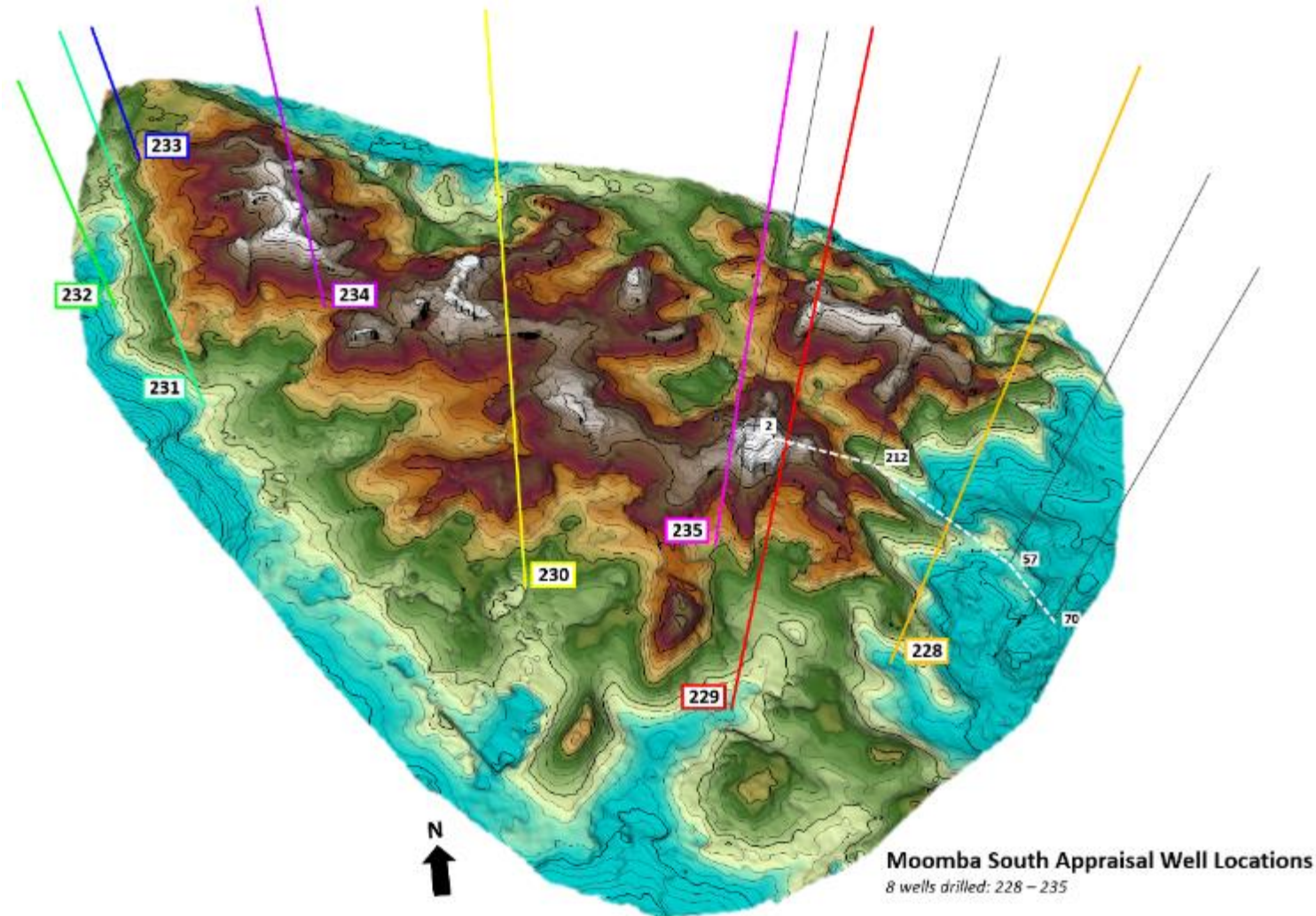
1. Prior corresponding period not included for this asset due to ownership change since PCP from Lattice acquisition.

# COOPER BASIN JV

## MOOMBA SOUTH APPRAISAL

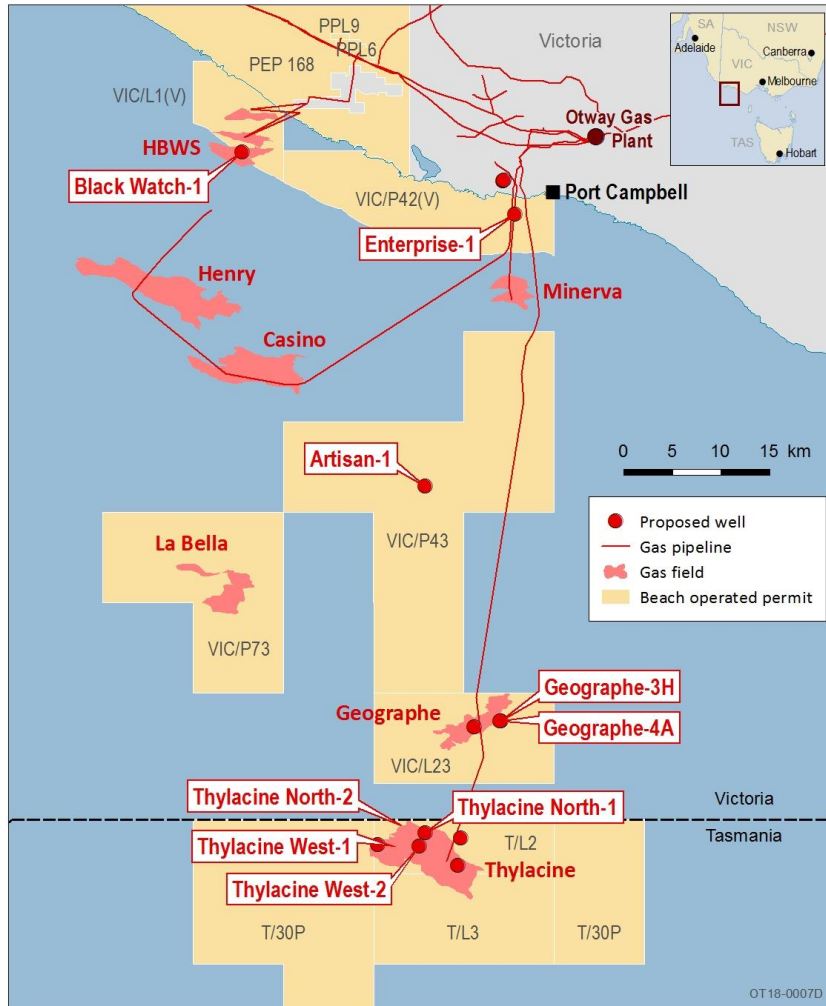


- Phase one of Moomba South Appraisal saw seven successful wells from the eight well program
- The eight wells constitute the first phase of a program designed to test up to 120 Bcf of 2C contingent resources (Beach share)
- Four of the seven successful wells online and producing
- Forward plan is to bring remaining wells online and monitor production
- Joint Venture targeting FID on Moomba South development by end CY19



# VICTORIAN OTWAY BASIN

## BEACH 100%\* AND OPERATOR



- ✓ Ocean Onyx secured for offshore Otway drilling program, late CY19 target start date
- ✓ First well expected to be drilled is the Artisan gas exploration well
- ✓ Nearshore drilling to commence with Black Watch-1 development well, currently expected in H1 FY20
- ✓ 40% Otway sale on track to complete by the end of Q3 FY19
- ✓ Beach has been awarded the VIC/P73 block containing the undeveloped La Bella gas discovery
- ✓ La Bella field is in tie-back distance to existing infrastructure
- ✓ La Bella gas would be processed at the Otway Gas Plant
- ✓ Forward plan is to consider the drilling of a development well as part of the upcoming drilling campaign with the Ocean Onyx rig

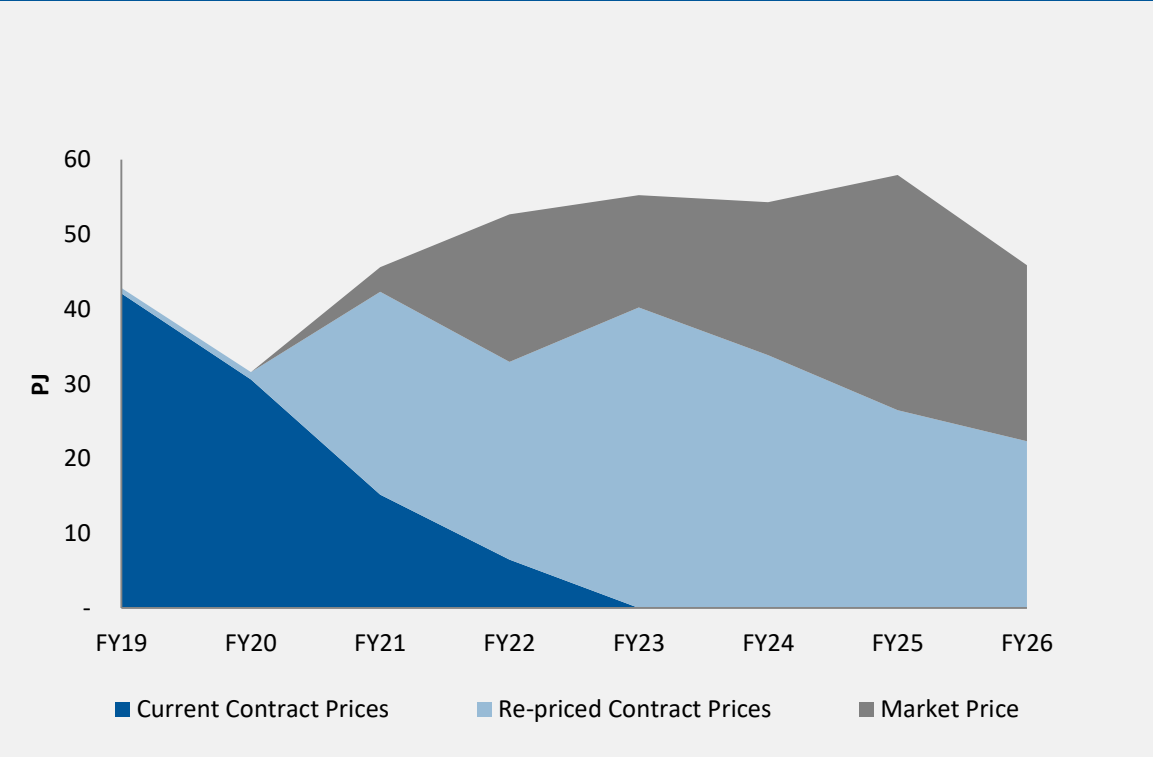
\* Subject to completion of the proposed sale of 40% of Victorian Otway interests to O.G. Energy.

# VICTORIAN OTWAY BASIN PRODUCTION



- Ten drilling opportunities planned in the next four years to keep the Otway Gas Plant (OGP) as full as possible.
- Black Watch and Enterprise Extended Reach Directional (ERD) wells to be drilled first in H1 FY20
- Offshore program starts with Artisan-1 exploration well in late calendar 2019 / early 2020
- La Bella provides optionality. Development timing can be optimised depending on exploration drilling results
- The integrated basin development plan delivers early addition of uncontracted gas with lowest unit technical cost gas online first (\$1-3/Mcf)
- First price review for Origin GSAs effective 1 July 2020

## OGP production outlook (100% interest)<sup>1</sup>

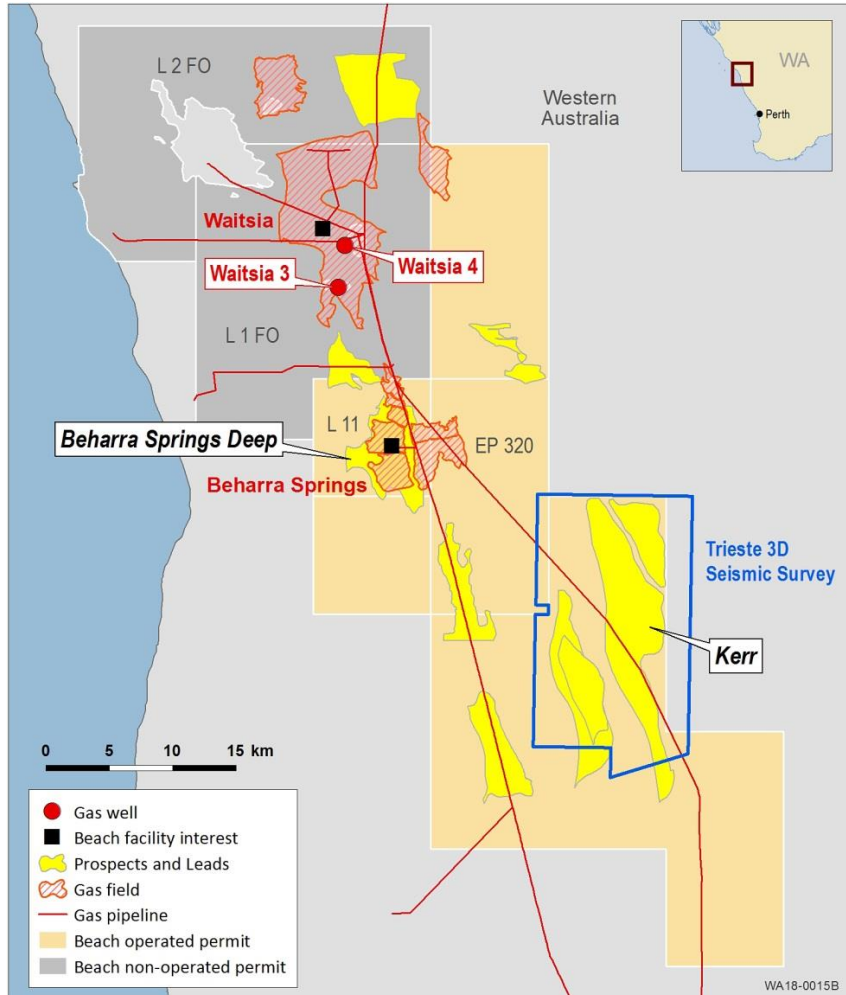


**> 15 years field life remaining, wells generate IRRs in excess of 40%<sup>2</sup>**

1. Production outlook is determined using the assumptions set out on the "Compliance Statements" slide and assumes risked exploration success and La Bella development. Any changes to the underlying assumptions could cause actual reported results to differ materially to the outlook presented. Outlook is presented on 100% basis.  
 2. Internal rate of return (IRR) calculated based on internal assumptions. Refer to the "Compliance Statements" slide for further detail regarding assumptions.

# PERTH BASIN

## WAITSIA (BEACH 50%), BEHARRA SPRINGS (BEACH 67% AND OPERATOR)



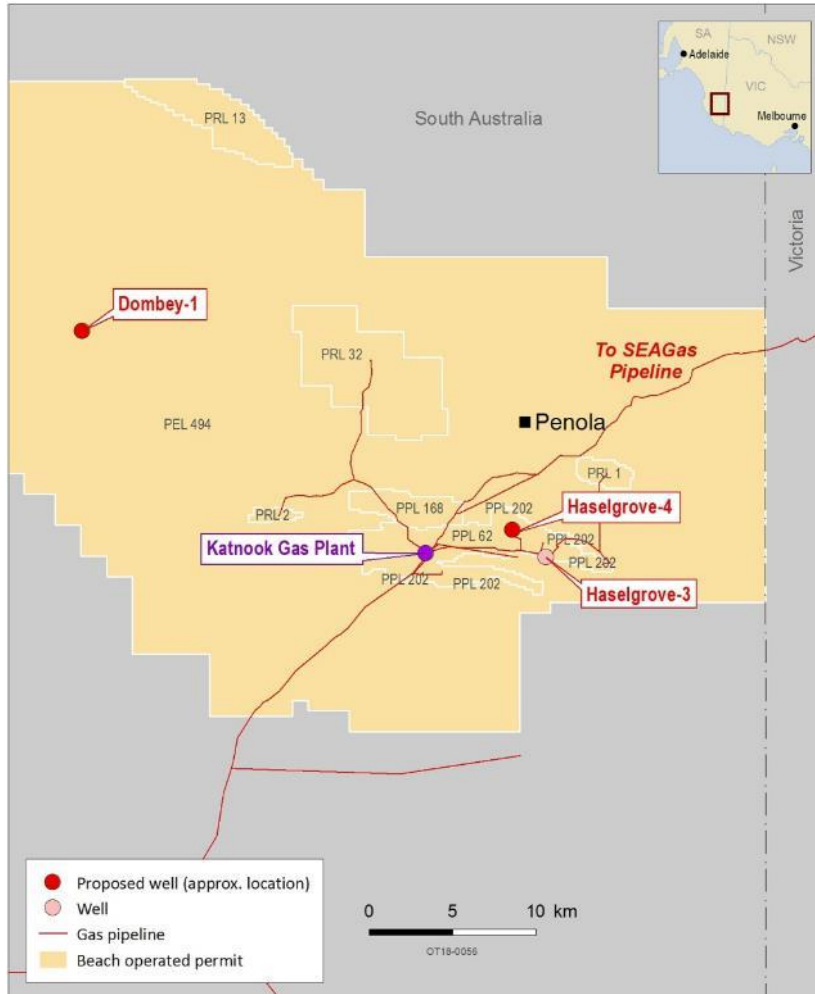
- ✓ H1 FY19 production 0.4 MMboe<sup>1</sup>
- ✓ Progress made towards decision regarding development of Waitsia
- ✓ Perth Basin contains ~420 PJ 2P reserves (Beach share) ~830 PJ (gross)<sup>2</sup>
- ✓ High well deliverability demonstrated (90 MMscfd DST rate at Waitsia-4)<sup>3</sup>
- ✓ Close proximity to existing infrastructure (Parmelia Gas Pipeline and Dampier to Bunbury Natural Gas Pipeline)
- ✓ Progressing plans for Beharra Springs Deep and approvals for Trieste 3D survey

1. Prior corresponding period not included for this asset due to ownership change since PCP from Lattice acquisition.  
2. 2P reserves are stated as of 30 June 2018  
3. A Drill Stem Test was performed on the Waitsia-4 appraisal well on 21<sup>st</sup> November 2017. The zone flow tested was a 50 metre interval in the Kingia Sandstone (3,370 metres to 3,420 metres Measured Depth Below Rotary Table). At the end of a 17 hour clean up period the well flowed gas at an instantaneous maximum rate of 90 MMscfd and an average of 89.6 MMscfd on a 96/64 inch choke at ~2,395 psig flowing well head pressure over a 23 minute period.



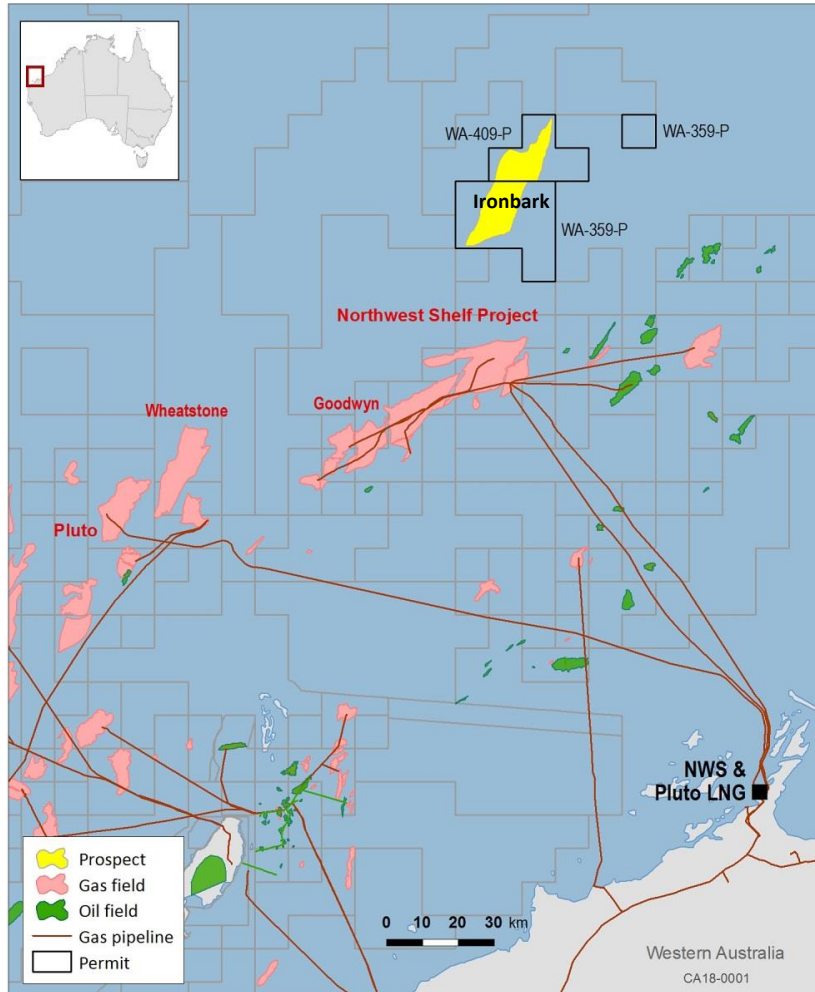
# SOUTH AUSTRALIAN OTWAY BASIN

## BEACH INTERESTS 70 – 100% AND OPERATOR



- ✓ Drilling scheduled to commence with Haselgrove-4 in Q3 FY19
- ✓ Dombey-1 exploration well currently expected to spud in July 2019
- ✓ Drilling sequence re-phased to provide additional time for Dombey site preparation
- ✓ On track to deliver first gas from Haselgrove discovery via new 10 TJ/d gas processing facility by the end of CY19

# CARNARVON BASIN IRONBARK PROSPECT



## Ironbark Prospect<sup>1</sup>

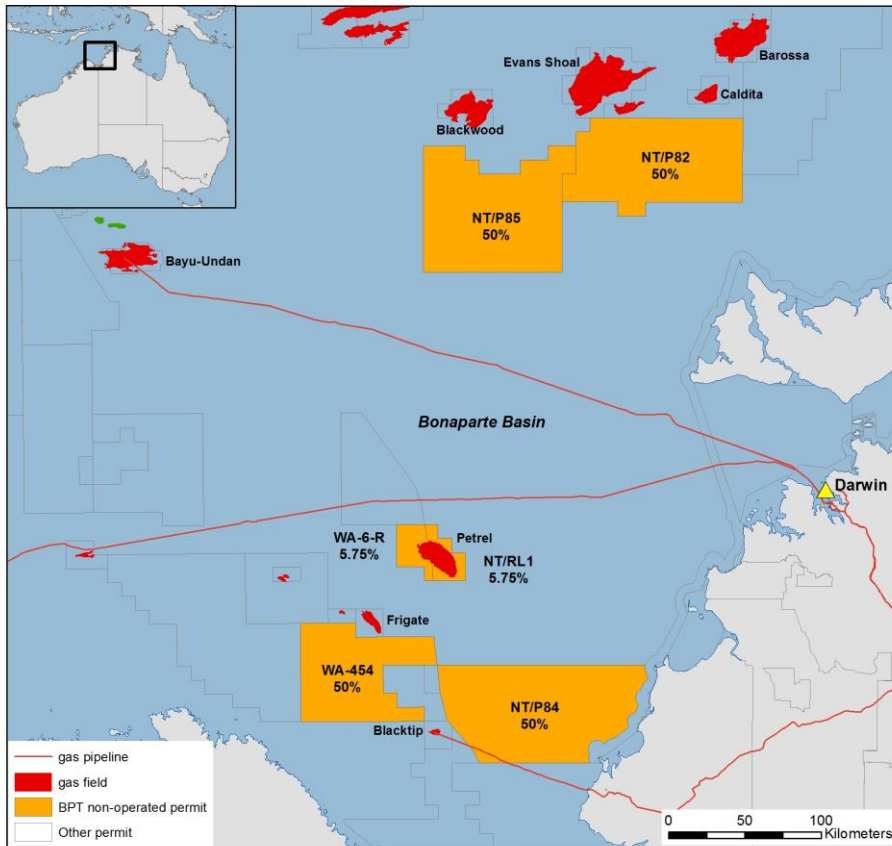
(WA-359-P Beach 21%, subject to farm-in; WA-409-P Beach 7.5% subject to farm-in)

- BP has secured the Ocean Apex rig to drill the Ironbark prospect
- Drilling is expected to commence in late calendar 2020
- Ironbark is a potential high-impact gas resource within tie-back distance to the Burrup Peninsula (location of NWS and Pluto LNG)
- Primary target in the well is the deeper Mungaroo reservoirs, which are the primary reservoirs at Gorgon
- Coordination Agreement entered into between BP Developments Australia (BP), Beach, NZOG and Cue Energy<sup>1</sup> in October 2018
- Beach farm-in with Cue Energy remains subject to approval of extension to permit term

1. Refer to Beach ASX Release #088/17 dated 29 November 2017 for further information.

# BONAPARTE BASIN

## EXPLORATION BLOCK ALIGNMENT AGREED WITH SANTOS



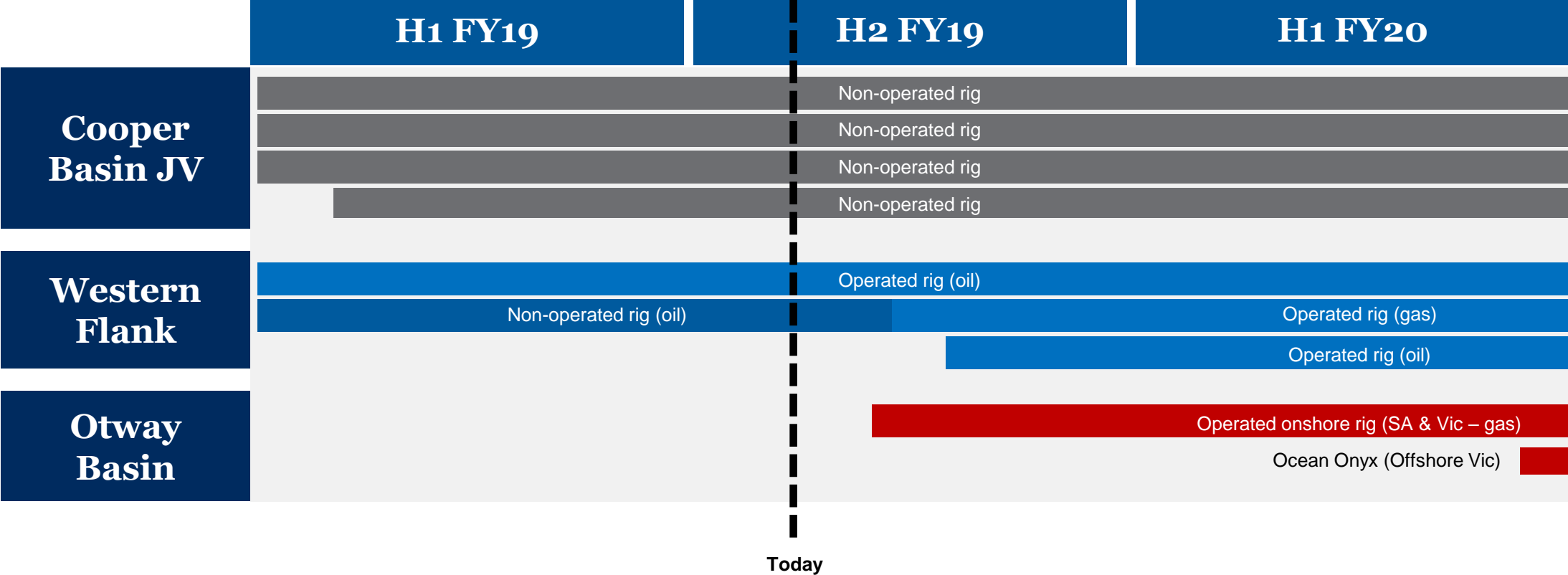
- Santos and Beach have reached agreement on alignment in the Bonaparte Basin
- Agreement spans four exploration blocks in the offshore Bonaparte Basin
- Ownership will become Beach 50% and Santos 50% and operator

Block	Changes
NT/P85	No change. Beach 50%, Santos 50% and operator
NT/P84	No equity change. Operatorship change to Santos
NT/P82	Moves from: 100% Santos, to: Beach 50%, Santos 50% and operator.
WA-454-P	Moves from: 100% Beach, to: Beach 50%, Santos 50% and operator.

- No cash consideration. Santos to provide Beach a US\$2.7m capped carry on the Bethany seismic acquisition and processing. Seismic acquisition has been completed and processing is underway
- Other near term activities relate to ongoing studies and analysis of hydrocarbon potential across all permits

1. Refer to Beach ASX Release #088/17 dated 29 November 2017 for further information.

# BEACH RIG SCHEDULE



# KEY TAKEAWAYS



- ✓ Beach is ahead of schedule and delivering on its promises to:
  - Grow production (30 – 36 MMboe by FY23)
  - Achieve > 100% reserves replacement ratio
  - Maintain high ROCE (17 – 20%)
  - Generate significant free cash flows (>\$2.6 billion cumulative from FY19 – FY23)
- ✓ Our gas business provides Beach with a strong revenue foundation
- ✓ Beach is ahead of schedule in reducing costs and improving reliability
- ✓ Rigs secured to accelerate Cooper Basin drilling and unlock onshore & offshore Otway Basin potential
- ✓ On track to be debt-free by the end of Q3 FY19, enhancing our resilience and balance sheet flexibility

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# APPENDICES

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# FY19 DRILLING PROGRAM

## INCREASING FOCUS ON HORIZONTAL WELLS



### FY19 expected participation (number of wells)

	Gas	Oil	Total
Cooper Basin JV	68	30	98
Western Flank	9	52	61
Other	0	0	0
<b>Total Cooper Basin</b>	<b>77</b>	<b>82</b>	<b>159</b>
South Australia - Otway Basin	1	0	1
Victoria - Otway Basin	0	0	0
Perth Basin	0	0	0
<b>Total Beach</b>	<b>78</b>	<b>82</b>	<b>160</b>

### FY19 well participation increases to 160 wells (from 133 prior)

#### Cooper Basin JV

- Expect to participate in 98 wells (up from 87) after 4<sup>th</sup> rig added in August 2018
- Biggest increase is to the oil program, with 30 wells forecast (up from 22 prior)

#### Western Flank

- Faster drilling times combined with the addition of new rig in Q4 FY19 will increase expected participation from 43 wells to 61 wells (including 52 operated)
- Further 7 horizontal wells scheduled for H2 FY19 (6 drilled in H1 FY19)

#### South Australia Otway Basin

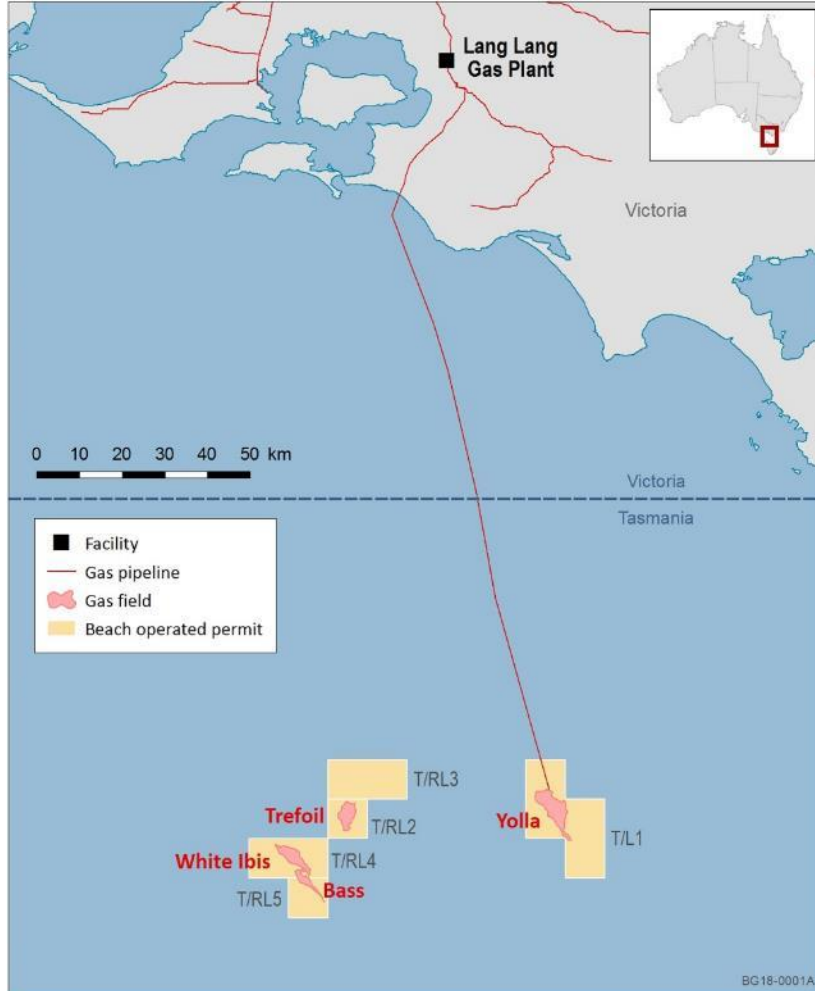
- Haselgrove-4 expected to spud in March 2019 quarter
- Dombey-1 exploration well expected to spud in July 2019

#### Victoria Otway Basin

- Onshore-to-offshore Black Watch development well now expected to be drilled in H1 FY20
- Prepare for further drilling activity in FY20 including the Enterprise exploration well

# NEW ZEALAND – KUPE GAS PROJECT

## BEACH 50% AND OPERATOR



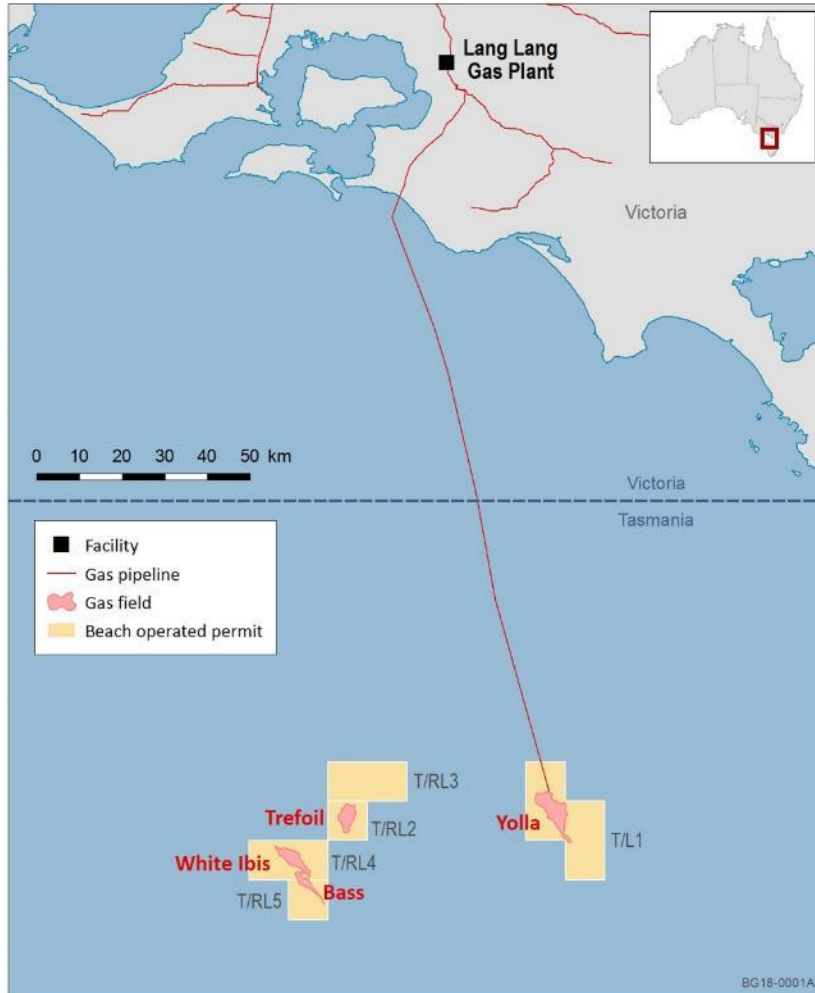
- ✓ H1 FY19 production 1.5 MMboe<sup>1</sup>
- ✓ Front End Engineering and Design (FEED) commenced on the Kupe compression project, FID targeted for H1 FY20

1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.



# BASS BASIN

BEACH 53.75% PRODUCING ASSETS, 50.25% NON-PRODUCING, BEACH OPERATED



- ✓ H1 FY19 production 0.9 MMboe<sup>1</sup>
- ✓ Progressed the evaluation of a potential tieback of the Trefoil Field

1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.

# OIL HEDGING POSITION

## OIL HEDGES AS AT 31 DECEMBER 2018



	<b>3-way Collar \$40 – 90 – 100 per bbl</b>	<b>3-way Collar \$40 – 103 – 113 per bbl</b>	<b>3-way Collar \$55 – 100 – 110 per bbl</b>	<b>Total Hedged Volumes (bbl)</b>
FY19	97,500	270,000	825,000	<b>1,192,500</b>
<b>Total</b>	<b>97,500</b>	<b>270,000</b>	<b>825,000</b>	<b>1,192,500</b>

- Realised hedging losses totalled \$16.2 million for H1 FY19, these losses were largely offset by unrealised mark-to-market hedging gains of \$13.5 million

# RECONCILIATION OF NPAT TO UNDERLYING NPAT<sup>1</sup>



## Comparison of Underlying Profit (\$ million)

	H1 FY18	H1 FY19	Change	
<b>Net profit / (loss) after tax</b>	96	283	187	<b>196%</b>
Acquisition costs and writeoff of debt establishment fees	10	8	(2)	
Gain on asset sales	(5)	-	5	
Unrealised hedging movements	3	(14)	(17)	
Gain on settlement of restoration obligation	(15)	-	(15)	
Tax impact of above changes	0	2	2	
Provision for international taxes	4	-	(4)	
<b>Underlying net profit after tax</b>	<b>93</b>	<b>279</b>	<b>186</b>	<b>199%</b>

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 or review by Beach's external auditors, however have been extracted from the reviewed financial statements.

# UNDERLYING EBITDAX, EBITDA, EBIT, NPBT AND NPAT<sup>1</sup>



## Comparison of Underlying EBITDAX, EBITDA, EBIT, NPBT (\$ million)

	H1 FY18	H1 FY19	Change	
<b>Underlying EBITDAX</b>	228	724	496	218%
Exploration expense	0	0		
<b>Underlying EBITDA</b>	<b>228</b>	<b>724</b>	<b>496</b>	<b>218%</b>
Depreciation and amortisation	88	284		
<b>Underlying EBIT</b>	140	440	300	214%
Finance expenses	9	48		
Interest income	(5)	(2)		
<b>Underlying net profit before tax (NPBT)</b>	136	394	258	190%
Tax	43	115		
<b>Underlying net profit after tax (NPAT)</b>	93	279	186	199%

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 or review by Beach's external auditors, however have been extracted from the reviewed financial statements.

# H1 FY19 FINANCIAL RESULTS



\$ million	H1 FY18	H1 FY19	Change
Production (MMboe)	5.2	15.2	↑ 193%
Sales volumes (MMboe)	5.7	16.0	↑ 181%
Average realised oil price (\$/bbl)	87.5	100.4	↑ 15%
Average realised gas /ethane price (\$/GJ)	6.46	6.65	↑ 3%
Sales revenue	386	955	↑ 147%
Net profit after tax	96	283	↑ 196%
Underlying NPAT <sup>1</sup>	93	279	↑ 199%
Net assets	1,838 <sup>2</sup>	2,114	↑ 15%
Operating cash flow	174	479	↑ 175%
Net cash / (debt)	(639) <sup>2</sup>	(331)	48%

## Underlying NPAT recognises:

- 181% increase in sales volumes
- 15% increase in average realised oil price
- 147% increase in sales revenue

## Operating cash flow

- +175% displaying the cash generating strength of the business

## Dividend

- 1.0 cent per share fully franked interim dividend announced
- Prudent approach of using cash flow to continue to de-lever the balance sheet

1. For a reconciliation of H1 FY19 net profit after tax to underlying net profit after tax, refer to Appendix.  
2. Balance sheet items as at 30 June 2018

# ASIA ROADSHOW PRESENTATION

## FEBRUARY/MARCH 2019



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Kupe (New Zealand) offshore platform