



ASX Announcement

FY21 Third Quarter Activities Report

Reference #014/21

Date 30 April 2021

Quarterly production of 5.9 MMboe, revenue increased 14% to \$393 million on improved pricing

Western Flank oil decline reduces production outlook and results in a reserves downgrade

- FY21 production guidance downgraded to 25.2 – 25.7 MMboe (previously 26.5 – 27.5 MMboe)
- 13.4 MMbbl net downgrade to Western Flank 2P oil reserves¹
- 5.0 MMboe net downgrade to Western Flank 2P gas reserves¹

Enterprise success delivers additional East Coast gas 2P reserves

- Booked net 2P reserves of 21 MMboe² (34 MMboe gross), including 97 PJ net sales gas (161 PJ gross)
- Significantly de-risks Victorian Otway production outlook and additional nearshore prospects

Positive start to Victorian Otway offshore drilling campaign

- Gas discovery at Artisan 1, in offshore Victoria, with the well cased and suspended as a future producer

Positive arbitration outcome relating to re-pricing of Otway gas price review

Waitsia Gas Project Stage 2 reaches unconditional Final Investment Decision

- Commenced active marketing of up to ~3.75 MTPA of LNG over approximately five years from H2 2023

On track to achieving our emissions reduction commitment. Moomba CCS to build on “25by25”

- Executed an agreement for Beach to undertake FEED activities for the Moomba CCS project

Snapshot

	March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change	YTD
Production (MMboe) ³	6.94	6.20	5.89	(5%)	18.86
Pro Forma Production (MMboe) ⁴	6.94	6.55	5.99	(9%)	19.72
Sales Volumes (MMboe)	7.12	6.44	6.21	(4%)	19.63
Sales Revenue (\$ million)	431	344	393	14%	1,098
Realised Oil Price (\$/bbl)	74.0	65.3	90.7	39%	72.3
Realised Sales Gas/Ethane Price (\$/GJ)	7.6	7.3	7.4	2%	7.3

¹Refer to ASX announcement #013/21 from 30 April 2021: “Business Update”. Evaluation date of reserves as at 30 June 2021.

²Refer to ASX announcement #004/21 from 15 February 2021 “Enterprise Exploration Success Delivers Material 2P Reserves Booking”. Evaluation date of reserves as at 15 February 2021.

³Production includes the impact of the acquisition of Senex Energy’s Cooper Basin assets, from completion date 1 March 2021, and interest from Mitsui’s Bass Basin assets from 1 January 2021.

⁴Pro forma production includes the impact of the acquisition of Senex Energy’s Cooper Basin assets and Mitsui’s Bass Basin assets, with effective date 1 July 2020.

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Mixed third quarter sees second Otway exploration success, FY21 production guidance and Western Flank 2P reserves downgraded

Beach Energy today released its Third Quarter Activities Report, in which it downgraded its FY21 production guidance and Western Flank 2P oil and gas reserves.

Quarterly production reached 5.9 MMboe – a 5 per cent reduction on the previous quarter – while sales revenue increased 14 per cent to \$393 million.

Beach Energy Managing Director and Chief Executive Officer, Matt Kay, said the quarter had delivered challenging results for the business.

“We are facing a number of challenges across our Western Flank oil and gas assets as a result of the unique nature of these fields,” Mr Kay said.

“The past five years has seen the Western Flank outperform our expectations, but we are now witnessing underperformance from a number of fields.

“This has had a negative impact on our production for the quarter, as well as our FY21 production guidance and Western Flank 2P oil and gas reserves.

“Previous reserves assessment across the complex Western Flank oil and gas fields have proven to be optimistic following recent drilling results. The team has been supported by three independent petroleum reserves experts to assess our work, which has resulted in a net downgrade of about 5% of our FY20 2P reserve base.”

Mr Kay said despite the performance of the Western Flank, the Third Quarter delivered sound results across the broader business.

“This quarter has highlighted how the deliberate strategic diversification of Beach in 2017 - via the Lattice acquisition - has positioned the company to navigate the negative results created by the Western Flank decline,” Mr Kay said.

“We have a strong balance sheet to support us as we deliver our two key growth projects, the Waitsia Gas Project Stage 2 and the Victorian Otway development campaign, as well as other potential developments, including Trefoil in the Bass Basin.”

Mr Kay said he is pleased with the first phase of the Otway Offshore campaign, which remains on track.

“The highlight has been a second gas discovery at Artisan 1, and we have also completed the top holes at Geographe 4 and 5, with drilling at Geographe 4 currently underway,” Mr Kay said.

“Operations to date have been executed safely and successfully, while the first well at Artisan 1 was completed below budget.

“In the west, we are actively marketing our share of LNG volumes from Waitsia Stage 2 and we have been encouraged by the strong interest from potential buyers to date.

“In New Zealand, the Kupe compression project remains on time and on budget and is scheduled to commence in H1 FY22.”

Beach reduced its lost time injury frequency rate by 65% over the past 12 months and achieved an impressive record of one million hours injury free during the quarter.

The Company also executed an agreement for Beach to undertake FEED activities for the Moomba CCS project in the Cooper Basin.

Net debt decreased to \$20 million, representing ~1% net gearing, during the quarter, despite the completion payment being made for the acquisition of Senex Energy’s Cooper Basin assets.

Guidance update

Following the review into the Company's recent Western Flank activities, Beach provides the following guidance update for FY21.

FY21 guidance

	Pre-acquisition guidance	Pro-forma guidance ¹	Updated guidance
Production (MMboe)	25.5 – 26.5	26.5 – 27.5	25.2 – 25.7
Capital expenditure ² (\$ million)		\$720 – 760	\$700 – 740
Underlying EBITDA ^{3,4} (\$ million)		\$900 – 950	\$850 – 900
Unit operating cost (\$ per boe)		\$9.00 – 9.40	\$10.00 – 10.50
Unit DD&A (\$ per boe)		\$16.50 – 17.50	\$16.25 – 16.75

¹Pro forma includes production from Senex Energy's Cooper Basin and Mitsui's Bass Basin assets, with an effective date 1 July 2020. Other pro forma financial guidance based on Senex Energy Cooper Basin asset acquisition at completion of 1 March 2021 and assumes a Mitsui Bass Basin asset acquisition date of 1 January 2021 for accounting purposes.

²Excludes abandonment activities.

³Economic assumption Q4 FY21: Brent price – US\$65.00 per bbl, AUD/USD – 0.770, NZD/AUD – 1.07.

⁴Includes the preliminary outcome of the Otway gas price arbitration.

FY21 production guidance impacted by:

- Reduced reservoir performance and natural field declines within Western Flank oil fields
- Lower customer nominations for the Victorian Otway

Financial

Sales volume

Quarterly sales volumes were down 4% on the prior quarter to 6,207 kboe due to declines across the Western Flank oil assets, lower customer nominations for the Victorian Otway project, planned downtime at BassGas and unplanned downtime at Kupe. This was offset by higher volumes from Perth Basin assets, despite Beharra Springs operations pausing for tie-in of the Beharra Springs Deep well, which commenced production on 1 April 2021.

		March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change	YTD
Oil (kbbl)	Own Product	2,241	2,004	1,629	(19%)	5,785
	Third Party	266	223	194	(13%)	619
	Total Oil	2,506	2,227	1,823	(18%)	6,405
Sales Gas and Ethane (PJ)	Own Product	20.1	19.7	20.0	1%	60.7
	Third Party	0.1	0.1	0.3	186%	0.5
	Total Gas	20.3	19.8	20.3	2%	61.2
LPG (kt)	Own Product	62	49	53.3	10%	156
	Third Party	0	0	1.6	637%	2
	Total LPG	62	49	55.0	12%	159
Condensate (kbbl)	Own Product	644	418	456	9%	1,449
	Third Party	1	2	2	11%	7
	Total Condensate	644	420	458	9%	1,455
Total Oil and Gas Sales (kboe)		7,117	6,444	6,207	(4%)	19,628
Total - Own Product (kboe)		6,825	6,201	5,948	(4%)	18,902
Total - Third Party (kboe)		292	243	259	6%	726

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Sales revenue

Total sales revenue of \$393 million was 14% higher than the prior quarter due to an increase in realised pricing across all products, offset by lower oil and gas sales volumes. Oil prices have continued to improve as global product demand recovers from the COVID-19 related downturn in 2020 and sustained compliance to production cuts from the Organisation of the Petroleum Exporting Countries and their allies (OPEC+).

\$ million	March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change	YTD
Oil	185	145	165	14%	463
Sales Gas and Ethane	155	144	151	5%	444
LPG	46	30	40	35%	96
Condensate	45	25	37	47%	96
Sales Gas and Gas Liquids	245	199	228	15%	636
Total Oil and Gas Revenue	431	344	393	14%	1,098
Total - Own Product	407	329	375	14%	1,050
Total - Third Party	24	15	18	21%	48

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Average realised price

The average realised price across all products was \$63.3 per boe, up 19% on the prior quarter, primarily due to the recovery in oil and gas liquids pricing. The realised oil price increased 39% to \$90.7 per barrel, while the realised gas and ethane price increased 2% to \$7.4 per GJ.

	March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change	YTD
All products (\$/boe)	60.5	53.4	63.3	19%	56.0
Oil (\$/bbl)	74.0	65.3	90.7	39%	72.3
Sales Gas and Ethane (\$/GJ)	7.6	7.3	7.4	2%	7.3
LPG (\$/tonne)	740	611	736	21%	603
Condensate (\$/bbl)	69.7	59.3	79.8	35%	66.0

Capital expenditure

Third quarter FY21 capital expenditure was \$184 million, in line with the prior quarter. Development, plant and equipment spend was 17% higher due the commencement of drilling of the Otway offshore program and ramp up of construction activities at the Kupe compression project.

This was offset by a 32% fall in exploration and appraisal costs, with the prior quarter higher due to the drilling of the Ironbark 1 and Enterprise 1 exploration wells. Artisan 1, the first well of the offshore Victorian Otway campaign, was delivered below budget during the quarter.

\$ million	March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change	YTD
Exploration and Appraisal	78	55	37	(32%)	115
Development, Plant and Equipment	168	124	146	17%	383
Total	246	180	184	2%	498

Liquidity

At 31 March 2021, Beach had liquidity of \$430 million, comprising \$190 million of cash reserves and \$240 million in undrawn facilities (with a maturity date of November 2022). The Company has drawn down \$210 million under the \$450 million committed revolving credit facility.

Net debt was reduced by \$26 million to \$20 million. This was reduced despite a cash outflow relating to the completion payment of \$87.5 million, less the adjustment made to the price based on cash flows from 1 July 2020 to settlement date (1 March 2021) of approximately \$4.5 million, for the acquisition of Senex Energy's Cooper Basin assets, and a \$22.8 million dividend payment.

\$ million	March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change
Cash Reserves	140	114	190	76
Drawn Debt	(60)	(160)	(210)	(50)
Net Cash/(Debt)	80	(46)	(20)	26
Undrawn Facilities	390	290	240	(50)

Capital structure

Beach's capital structure as at 31 March 2021 is set out below. 851,805 of unlisted employee rights issued in 2017 exercised during the March quarter 2021.

	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change
Fully paid ordinary shares	2,281,333,656	2,281,333,656	-
Unlisted employee rights	9,535,405	8,683,600	(851,805)

Hedging

As at 31 March 2021 Beach had no hedging in place.

Operations

Production (net to Beach)

Asset	Product	Units	March Q3 FY20	December Q2 FY21	March Q3 FY21	Qtr on Qtr Change	YTD
Total	Sales Gas	<i>PJ</i>	21.1	19.0	19.4	2%	59.8
	LPG	<i>kt</i>	54	61	55	(11%)	166
	Condensate	<i>kbbbl</i>	500	415	417	1%	1,288
	Oil	<i>kbbbl</i>	2,386	2,024	1,695	(16%)	5,962
	Total	<i>kboe</i>	6,943	6,198	5,890	(5%)	18,857
Cooper Basin JV	Sales Gas	<i>PJ</i>	9.7	7.8	8.2	4%	25.5
	LPG	<i>kt</i>	19	28	19	(31%)	61
	Condensate	<i>kbbbl</i>	210	160	156	(2%)	492
	Oil	<i>kbbbl</i>	301	283	267	(5%)	877
	Total	<i>kboe</i>	2,327	2,011	1,979	(2%)	6,235
Western Flank	Sales Gas	<i>PJ</i>	2.0	2.4	2.3	(2%)	6.7
	LPG	<i>kt</i>	10	12	12	2%	35
	Condensate	<i>kbbbl</i>	78	83	73	(11%)	231
	Oil	<i>kbbbl</i>	2,085	1,741	1,425	(18%)	5,082
	Total	<i>kboe</i>	2,576	2,327	1,997	(14%)	6,751
Other Cooper Basin/Gemba	Sales Gas	<i>PJ</i>	0.0	0.0	0.1	183%	0.1
	LPG	<i>kt</i>	0	0	0	164%	0
	Condensate	<i>kbbbl</i>	0	0	2	802%	3
	Oil	<i>kbbbl</i>	-	-	2	N/A	2
	Total	<i>kboe</i>	8	6	19	248%	32
SA Otway	Sales Gas	<i>PJ</i>	0.3	0.4	0.3	(24%)	1.4
	Condensate	<i>kbbbl</i>	0	0	1	2,075%	0
	Total	<i>kboe</i>	47	74	57	(23%)	234
Perth Basin	Sales Gas	<i>PJ</i>	0.5	1.1	1.2	10%	2.7
	Condensate	<i>kbbbl</i>	0	0	0	(25%)	0
	Total	<i>kboe</i>	81	190	208	10%	461
Victorian Otway	Sales Gas	<i>PJ</i>	3.8	3.1	2.8	(11%)	10.0
	LPG	<i>kt</i>	7	5	5	7%	17
	Condensate	<i>kbbbl</i>	44	40	39	(4%)	131
	Total	<i>kboe</i>	756	622	562	(10%)	1,989
BassGas	Sales Gas	<i>PJ</i>	1.7	1.2	1.9	56%	4.6
	LPG	<i>kt</i>	5	4	6	64%	15
	Condensate	<i>kbbbl</i>	57	41	67	61%	158
	Total	<i>kboe</i>	390	284	449	58%	1,070
Kupe	Sales Gas	<i>PJ</i>	3.1	2.9	2.6	(9%)	8.8
	LPG	<i>kt</i>	14	12	11	(8%)	38
	Condensate	<i>kbbbl</i>	111	90	79	(12%)	273
	Total	<i>kboe</i>	758	683	618	(10%)	2,084

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Group production

Third quarter FY21 group production of 5.9 MMboe was 5% lower than the prior quarter and down 15% on the prior corresponding quarter. This was primarily due to lower volumes from the Western Flank oil fields, which continued to be impacted by higher than expected decline rates, and lower Victorian Otway nominations.

Production volumes were also lower across the Kupe and Cooper Basin JV assets due to lower customer nominations, planned and non-planned outages and natural declines. This was offset by higher production from the Perth Basin gas assets, the acquisition of Senex Energy's Cooper Basin assets, which has been recognised from 1 March 2021, following the completion of the transaction and the planned acquisition of Mitsui's interest in Bass Basin assets, recognised from 1 January 2021 for reporting purposes.

SAWA

Cooper Basin

- Total Western Flank production was 2.0 MMboe, down 14% on the prior quarter, with volumes lower across oil, gas and gas liquids.
- Western Flank gas and gas liquids production was 571 kboe, down 3%, following compressor maintenance undertaken at the Middleton facility in late February, with the facility back online in early March.
- Gross average daily oil production from the Western Flank was 16.9 kbopd (down 21% on the prior quarter). Average production for the financial year to date is 20.0 kbbl. Production continues to be impacted by declining reservoir performance.
 - A total of seven new oil wells were brought online during the third quarter, three of which are on artificial lift.
 - At quarter end, Beach has two horizontal oil wells cased and completed, planned to be brought online in Q4 FY21, and three vertical wells awaiting stimulation for completion in mid-2021.
- Total Cooper Basin JV production was 2.0 MMboe, 2% lower than the previous quarter. Sales gas increased 4% following prior quarter outages, while oil production decreased 6% due to weather related issues and natural field declines.
- Maintenance work is planned for Munkah Wackett compression in April and Moomba North and Big Lake during May, which are likely to impact gas production during the fourth quarter.

Perth Basin

- Perth Basin production was 190 kboe, up 10% on prior quarter. An increase in production from the Waitsia field was offset by the shut-in of the Beharra Springs facility between late February and the end of the quarter due to site works to connect the Beharra Springs Deep well.
- The Beharra Springs Deep well commenced production on 1 April at approximately 10 TJ per day and is ramping up as part of commissioning activities.
- The completion of the Xyris facility expansion has resulted in an increase to the daily production above the planned 20 TJ per day. Performance trials were completed early in the quarter and have supported sustained rates above 25 TJ per day, with daily rates exceeding 28 TJ per day during March.

SA Otway Basin

- Production from the SA Otway was 57 kboe, down 23% due to natural field decline.

- Operations at the Katnook Gas Plant will be suspended during FY22 as gas volumes decline below the minimum turndown rate. Beach plans to conduct 3D seismic acquisition over the Dombey field during FY22 to assess further opportunities to re-commence operations at the plant in future years.

Victoria (Victorian Otway Basin and BassGas)

- Victorian Otway Basin production was 562 kboe, down 10%, due to lower customer nominations and planned downtime to support commencement of offshore Otway drilling activities.
- Production from BassGas was 58% higher than the prior quarter, increasing to 449 kboe, following recognition of the proposed acquisition Mitsui's interest of Bass Basin assets from 1 January 2021, offset by planned downtime associated with Yolla compressor maintenance.

New Zealand (Kupe Gas Project)

- Kupe production was 618 kboe, down 10% on the prior quarter, due to wells being offline during the wireline intervention campaign in February, shutdown of the Kupe onshore gas facility for ~2.5 days for minor repairs during March and natural field decline.
- Production is expected to remain off plateau until start-up of the compression project, which remains on time and budget, and is scheduled to commence in H1 FY22.

Drilling Summary

	Basin / area	Target	Type	BPT %	Well status
Bauer 69 [^]	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Bauer 70	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Chiton 13	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Hanson 10	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Hanson 11	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Callawonga 13	SA Cooper	Oil	Dev (Hz)	75%*	C&S
Dullingari 63	SA Cooper	Gas	Dev	33%	C&S
Dullingari North 25	SA Cooper	Gas	Dev	33%	C&S
Dullingari 62	SA Cooper	Gas	Dev	33%	C&S
Dullingari North 23 [^]	SA Cooper	Gas	Dev	33%	C&S
Dullingari 56	SA Cooper	Gas	Dev	33%	Drilling ahead
Tarwonga 6	SA Cooper	Gas	Dev	33%	Drilling ahead
Moon North West 1 [^]	Qld Cooper	Gas	Exp	40%	C&S
Ruby 3	Qld Cooper	Gas	App	40%	C&S
Bolah 7	Qld Cooper	Gas	App	40%	C&S
Bolah 5	Qld Cooper	Gas	Dev	40%	C&S
Annabella 1	Qld Cooper	Gas	Exp	40%	P&A
Anna North 2	Qld Cooper	Gas	Dev	40%	C&S
Anna North 3	Qld Cooper	Gas	App	40%	Drilling ahead
Artisan 1	Vic.Otway	Gas	Exp	60%*	C&S
Geographe 5	Vic.Otway	Gas	Dev (Hz)	60%*	Drilling ahead
¹ Ironbark 1 [^]	Carnarvon	Gas	Exp	21%	P&A

^{*}Indicates Beach-operated

[^]Indicates spudded in prior quarter

¹Ironbark drilling details provided in "Drilling Highlights" section

Basin	Category	Wells Spudded	Rig Released	Successful Wells	Success Rate
Cooper	Oil – Expl.	0	0	0	N/A
	Oil – App.	0	0	0	N/A
	Oil – Dev.	5	6	6	100%
	Gas – Expl.	1	2	1	50%
	Gas – App.	3	2	2	100%
	Gas – Dev.	7	6	6	100%
Vic. Otway	Gas – Expl.	1	1	1	100%
	Gas – Dev.	1	0	0	N/A
Carnarvon	Gas – Expl.	0	1	0	0%
Total Wells		18	18	16	89%
All Exploration Wells		2	4	2	50%
All Appraisal Wells		3	2	2	100%
All Development Wells		13	12	12	100%

Drilling highlights

Beach participated in 18 wells where drilling operations were completed, comprising 16 wells in the Cooper Basin, one in the Victorian Otway and one in the Carnarvon Basin. Beach achieved an overall drilling success rate of 89% (success defined as a well cased and suspended or completed as a future producer).

Four wells were drilling ahead at end of the quarter, including the top hole of the Geographe 5 development well, the first of six development wells in the offshore Otway drilling campaign.

Cooper Basin

During the third quarter Beach-operated Cooper Basin drilling program included:

- Completion of the FY21 development drilling campaign with the SLR Rig 184 drilling six horizontal oil development wells, all cased and suspended as future producers.

In the non-operated Cooper Basin JV, Beach participated in ten wells, with three wells drilling ahead at the end of the quarter, at an overall success rate of 89%. Highlights included:

- Four gas exploration and appraisal wells drilled at a 75% success rate, with the successful result at Ruby 3 providing potential for further follow-up drilling.
- Six gas development wells were drilled during the March quarter at a 100% success rate.

Victorian Otway Basin

On 23 February 2021, Beach commenced the offshore Otway drilling program with the spudding of the Artisan 1 exploration well in offshore exploration permit VIC/P43. The well was drilled with the Diamond Offshore Ocean Onyx rig.

The well reached the total depth of 2,205 metres Measured Depth (MD) and was declared as a discovery on 22 March 2021 (refer to ASX Announcement #011/21), having penetrated a 69.5 metre gross column within the

Upper Waarre Formation, including net gas pay of 62.9 metres. The well also intersected a 20.9 metre gross column within the secondary target of the Flaxman Formation, with a net gas pay of 4.6 metres.

Evaluation of the reserve potential is underway, with the well cased and suspended as a future producer.

On 31 March 2021, Beach commenced drilling of the second well in the offshore campaign, Geographe 5, within VIC/L23, and drilling of the top holes at both Geographe 5 and 4 was completed subsequent to the end of the quarter. The rig is currently drilling at Geographe 4. The wells are targeting undeveloped 2P reserves within the Geographe field with first production expected during FY22.

Carnarvon Basin

The Ironbark 1 exploration well was successfully plugged and abandoned, and the rig demobilised from site on 11 January 2021. An exploration expense of \$25.5 million was recognised on the income statement at the FY21 half year result.

Beach submitted its withdrawal notice from WA-359-P permit to the Ironbark JV in late March. The permit term ended on 25 April 2021 and will not be renewed.

Corporate and Commercial

Waitsia Gas Project Stage 2 reaches unconditional FID

The Waitsia Joint Venture awarded an Engineering, Procurement and Construction (EPC) contract to Clough in January 2021, with detailed design engineering to support procurement activities in Q4 FY21 progressing to plan. Site construction is planned to commence during H1 FY22.

In mid-February 2021, the Joint Venture reached unconditional FID for the ~250 TJ per day Waitsia Gas Project Stage 2 development in the onshore Perth Basin. The unconditional FID was reached following the satisfaction of outstanding commercial conditions and the receipt of final regulatory approvals, including Environmental Approvals from the Western Australian Government.

Waitsia LNG marketing

Active marketing of Beach's equity share of up to 7.5 million tonnes of LNG (3.75 million tonnes net to Beach) has commenced, which will be processed through the North West Shelf facilities in Karratha between the second half of 2023 and the end of 2028. Positive bilateral discussions with potential buyers are underway ahead of a potential tender process in late H2 FY21.

Completion of acquisition of Senex Energy's Cooper Basin portfolio

Beach completed the acquisition of Senex Energy's Cooper Basin portfolio on 1 March 2021. The purchase price was \$87.5 million, less the working capital adjustment of approximately \$4.5 million accrued since the effective date of 1 July 2020. The acquisition was funded through the Company's existing cash and drawdown of loan facilities.

Beach is now the 100% operator of Senex's Western Flank assets, including PEL 104/111, which includes the Growler, Snatcher and Spitfire oil fields and associated infrastructure, and has commenced integration of the assets into the Company's greater Western Flank portfolio. Beach expects to drill further development wells in these fields during FY22.

Canterbury Basin

In February 2021, Beach and its joint venture participant New Zealand Oil & Gas applied to surrender exploration permit PEP 52717 (Clipper), which contains the Barque prospect, in the offshore New Zealand

Canterbury Basin. The decision was made by the joint venture as it was determined that the project no longer met the risk profile required for frontier exploration expenditure.

Moomba Carbon Capture & Storage FEED

Beach executed an agreement with Santos for Beach to undertake FEED activities for the Moomba Carbon Capture and Storage (CCS) project. The project leverages existing infrastructure and depleted fields within the Cooper Basin to initially sequester 1.7 million tonnes of CO₂ per annum (gross).

Subsequent Events

Victorian Otway contract repricing update

In April, Beach received a partial award relating to the re-pricing of certain Otway Gas Project gas volumes (refer to ASX Announcement #012/21). The revised price review is effective from 1 July 2020, with a revenue adjustment made for any gas sold between 1 July 2020 and finalisation of the review.

Authorisation, disclaimer and other information

Authorisation

This release has been authorised for release by the Beach Energy Board.

Conversions

Product	Unit Conversion	Operation	Factor
Sales gas and ethane	PJ to MMboe	Multiply	0.17194
Condensate	MMbbl to MMboe	Multiply	0.935
LPG	Kt to boe	Multiply	8.458

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 FY21 planned activities are subject to joint venture approvals. References to planned activities beyond FY21 are subject to finalisation of work programs, government approvals, JV approvals and board approvals.

Assumptions

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.

Reserves disclosure

Beach prepares its petroleum reserves and contingent resources estimates in accordance with the 2018 update to the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers.

The reserves and resources information in this report is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr David Capon (General Manager Development - Victoria, New Zealand). Mr Capon is a full-time employee of Beach Energy Limited and has a BSc (Hons) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers. He has in excess of 25 years of relevant experience. The reserves and resources information in this announcement has been issued with the prior written consent of Mr Capon as to the form and context in which it appears.

Beach most recently released full company reserves information in its 2020 Annual Report. Information about the updated reserves position relating to Beach's Western Flank oil and gas acreage contained in ASX announcement #013/21 from 30 April 2021: "Business Update", contracted acquisition of Senex is contained in ASX announcement #037/20 from 3 November 2020: "Beach expands Cooper Basin Portfolio" and the contracted acquisition of Mitsui's interests in the Bass Basin are contained in ASX announcement #002/21 from 27 January 2021: "FY21 Second Quarter Activities Results". Information about the Enterprise 1 discovery reserve booking are included in the ASX announcement #004/21 from 15 February 2021: "Enterprise Exploration Success Delivers Material 2P Reserves Booking". Beach confirms that it is not aware of any other new information or data that materially affects the information included in this announcement and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcements continue to apply and have not materially changed.

FY21 2P reserves estimates take into account forecast full year FY21 production as required. Reserve estimates may change if production is different to forecast. Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 5.816 TJ per kboe, LPG: 8.458 ktonnes 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, flare & vent volumes.

The reserves described herein are conventional, developed and undeveloped reserves. Undeveloped reserves are classified as Justified for Development under PRMS guidelines. The reserves have been estimated using a combination of probabilistic and deterministic procedures for volumetrics, and analogue methods.

Glossary

\$	Australian dollars	Mitsui	Mitsui & Co., Ltd and its subsidiaries
BassGas	The BassGas Project (Currently Beach 53.75% and operator, MEPAU 35%, Prize Petroleum International 11.25%), produces gas from the offshore Yolla gas field in the Bass Basin in production licence T/L1. Beach also holds a 50.25% operated interest in licenses TR/L2, TR/L4 and TR/L5	MMbbl	Million barrels of oil
bbl	Barrels	MMboe	Million barrels of oil equivalent
Beach	Beach Energy Limited and its subsidiaries	MMscfd	Million standard cubic feet of gas per day
Beharra Springs	Beharra Springs (Beach 50% and operator, Mitsui 50%) produces gas from the onshore Beharra Springs gas field in the Perth Basin in production licences L11 and L22	MTPA	Million metric tonnes per annum
boe	Barrels of oil equivalent – the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy	NZ	New Zealand
C&S	Cased and suspended	NZOG	New Zealand Oil & Gas and its subsidiaries
CCS	Carbon capture and storage	O.G. Energy	O.G. Energy Holdings Limited., a member of the Ofer Global group of companies
Cooper Energy	Cooper Energy Ltd and its subsidiaries	Origin	Origin Energy Limited and its subsidiaries
Cooper Basin	Includes both Cooper and Eromanga basins	Other Cooper Basin	Other Cooper Basin producing permit areas are ex PEL 513/632 (Beach 40%, Santos 60% and operator) and PRL 135 (Vanessa) (Beach 43%, Senex 57% and operator)
Cooper Basin JV	The Santos operated, SACB JVs and SWQ JVs and ATP 299 (Tintaburra) (Beach 40%, Santos 60% and operator),	P&A	Plugged and abandoned
EP	Exploration Permit	P&S	Plugged and suspended pending further review
Ex PEL 91	PRLs 151 to 172 and various production licences. Beach 100%	PEL	Petroleum Exploration Licence
Ex PEL 92	PRLs 85 to 104 and various production licences. Beach 75% and operator, Cooper Energy 25%.	PL	Petroleum Lease
Ex PEL 104 / 111	PRLs 136 to 150 and various production licences. Beach 40%, Senex 60% and operator.	PRL	Petroleum Retention Licence
Ex PEL 106	PRLs 129 and 130 and various production licences. Beach 100%.	Prize	Prize Petroleum International
Ex PEL 513	PRLs 191 and 206 and various production licences	PJ	Petajoule
Ex PEL 632	PRLs 131 to 134 and various production licences	Qtr	Quarter
EBITDA	Earnings before interest tax depreciation and amortisation	SACB JV	South Australian Cooper Basin Joint Ventures, which include the Fixed Factor Area (Beach 33.4%, Santos 66.6%) and the Patchawarra East Block (Beach 27.68%, Santos 72.32%)
FY(21)	Financial year (2021)	Santos	Santos Limited and its subsidiaries
Genesis	Genesis Energy Limited and its subsidiaries	Senex	Senex Energy Limited and its subsidiaries
GSA	Gas sales agreement	SWQ JV	South West Queensland Joint Ventures, incorporating various equity interests (Beach 30-52.2%)
GJ	Gigajoule	TJ	Terajoule
H(1) (FY21)	(First) half year period of (FY21)	Victorian Otway Basin	Produces gas from licences VIC/L1(v) and VIC/P42(v) which contain the Halladale, Black Watch and Speculant near shore gas fields and licences VIC/L23, T/L2 and T/L3 which contain the Geographe and Thylacine offshore gas fields. Beach also holds non-producing offshore licenses.
H(2) (CY23)	(Second) half of calendar year 2023	Waitsia	Waitsia Gas Project (Beach 50%, MEPAU 50% and operator) produces gas from the onshore Waitsia gas field in the Perth Basin in licence L1/L2.
kbbl	Thousand barrels of oil	Western Flank Gas	Comprises gas production from ex PEL 91 and 106. Both Beach 100%.
kboe	Thousand barrels of oil equivalent	Western Flank Oil	Comprises oil production from ex PEL 91 (Beach 100%), ex PEL 92 (Beach 75% and operator, Cooper Energy 25%) and ex PEL 104/111 (Beach 100%)
kt	Thousand tonnes		
Kupe	Kupe Gas Project (Beach 50% and operator, Genesis 46%, NZOG 4%) produces gas from the offshore Kupe gas field in the Taranaki Basin in licence PML38146		
Lattice	Lattice Energy Ltd		
LPG	Liquefied petroleum gas		
MEPAU	Mitsui E&P Australia		