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ASX release

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FY19 guidance and outlook revision following Victorian Otway sale

Beach Energy (ASX: BPT, "Beach") updates its FY19 guidance following announcement of the proposed sale of a 40% interest in its Victorian Otway interests to OGOG (Otway) Pty Ltd, a wholly owned subsidiary of Eyal Ofer's O.G. Energy Holdings Ltd, a member of the Ofer Global group of companies ("the Transaction"). Prior FY19 guidance and 5 year outlook information was prepared on the basis of Beach owning a 100% interest in its Victorian Otway assets.

The following table summarises the changes to FY19 guidance as a result of the Transaction.

FY19 guidance	Prior	Revised
Production	26 - 28 MMboe	25 - 27 MMboe
Capital Expenditure	$460 - 540 million	$440 - 520 million
DD&A	$400 - 450 million	$395 - 445 million
EBITDA	$1.1 – 1.2 billion	$1.05 – 1.15 billion

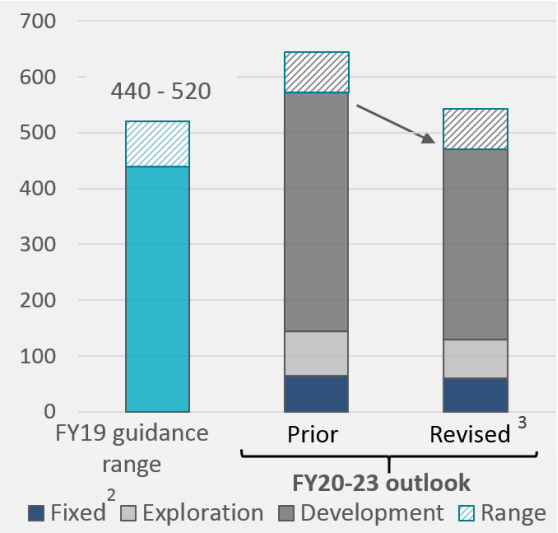
For the purposes of guidance, an estimated completion date for the Transaction in H2 FY19 has been assumed. As a result, FY19 guidance has been prepared on the basis that (for accounting purposes) Beach will continue to report beneficial ownership of a 100% interest in its Victorian Otway assets in H1 FY19 and then report 60% interest from H2 FY19 on completion. An adjustment will be made to the purchase price at settlement to account for cash flows occurring between the valuation date of the transaction and settlement. Completion remains subject to satisfaction of customary conditions precedent, 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.

Revised 5 year outlook charts

Beach provided 5 year outlook charts at its Investor briefing on 27 September 2018. This outlook was prepared on the basis of Beach owning a 100% interest in its Victorian Otway assets. The following charts show the revised 5 year outlook for Beach following completion of the Transaction.

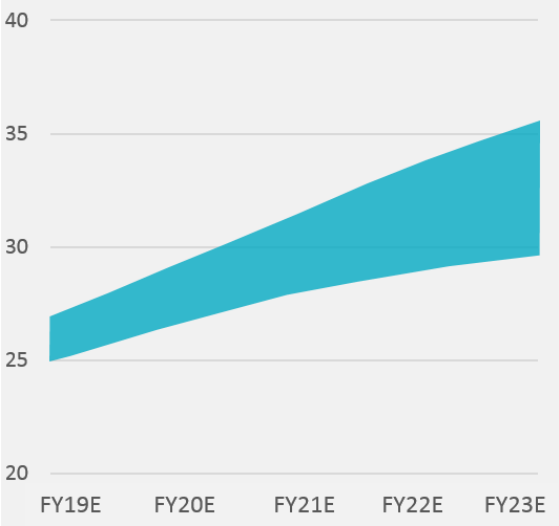
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Five year capital expenditure outlook ($ million)[1]



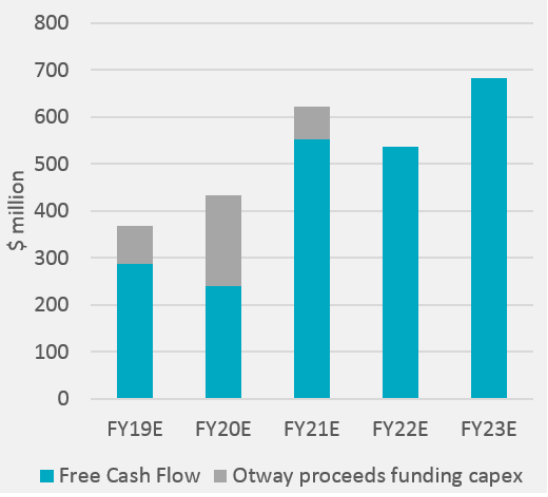
- The 5 year capital expenditure outlook chart shows the impact of the Transaction down, with FY20-23 capex reducing by approximately $100 million per annum.

Five year production outlook (MMboe)[1]



- The 5 year production outlook chart shows the production impact from the Transaction, with production target reduced from 34 – 40 MMboe in FY23 to 30 – 36 MMboe.

Five year free cash flow outlook ($ million)[1]



- Free cash flow in FY20-22 is higher than prior outlook due to lower capital expenditure, partly offset by lower revenue.
- The chart shows the impact on free cash flow if proceeds from the Transaction are applied to funding Beach's share of future Victorian Otway expenditure.
- Total cumulative free cash flow from FY19-23 excluding the proceeds from the Transaction is estimated to be > $2.3 billion (unchanged vs prior outlook), increasing to > $2.6 billion if the sales proceeds are included.

Notes:

1. Outlook is not guidance. It has been determined using the assumptions set out at the end of this announcement. Any changes to the underlying assumptions could cause actual reported results to differ materially to the outlook presented.
2. "Fixed" refers to stay-in-business capital expenditure. Approximately 19% of FY19 capital expenditure guidance is classified as fixed.
3. Revised capital expenditure is based upon Beach holding a 60% interest in the Victorian Otway assets.

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Disclaimer

This announcement 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 EBITDA (earnings before interest, tax, depreciation, amortisation, evaluation and impairment adjustments) is a non-IFRS measure that is presented to provide an understanding of the performance of Beach's operations. Underlying EBITDA excludes the impacts of asset disposals and impairments.

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 provided in this ASX announcement is not guidance. The outlook is uncertain and subject to change. The outlook has been estimated on the basis of the following assumptions: 1. a US$74.25/bbl Brent oil price in FY19 and a US$70/bbl Brent oil price from FY20; 2. 0.77 AUD/USD exchange rate in FY19 and 0.75 AUD/USD exchange rate from FY20; 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.