Beach Energy Limited (ABN 20 007 617 969) | 25 Conyngham Street Glenside, South Australia 5065
GPO Box 175. Adelaide, South Australia 5001 | **beachenergy.com.au**

For personal use only

ASX Announcement

Quarterly report for the period ended 31 March 2019

Reference #014/19 Date 30 April 2019

Strong financial and operational performance continues

- Total quarterly production of 7.23 MMboe up 10% on prior corresponding period (-3% on the prior quarter) due to strong customer gas demand and increased oil production.
- Sales revenue of $470 million up 19% over prior corresponding period (+7% on the prior quarter) due to increased oil production and higher realised oil and gas prices.
- Record Western Flank quarterly oil production (Beach share) of 1.4 MMbbl, a 12% increase over prior quarter. Bauer cumulative production surpasses 20 million barrels.
- Gas business continues to excel with strong customer demand (production +10% over prior corresponding period), higher realised pricing (+6% to $7.0/GJ) and high facility reliability.
- FY19 year to date free cash flow increases to $427 million, ahead of prior estimates.
- Net debt further reduced by $112 million to $219 million at 31 March 2019. On track to be net cash upon completion of the Otway Sale.

FY19 production and underlying EBITDA towards upper end of guidance ranges, capital expenditure towards lower end of guidance range

- FY19 production is expected to be towards the upper end of guidance range of 28 – 29 MMboe, driven by higher oil output, improved facility reliability and continued strong customer demand for gas.
- FY19 underlying EBITDA is also expected to be towards the upper end of the guidance range of $1.25 – 1.35 billion, driven by the strong production outlook and higher liquids prices.
- FY19 capital expenditure is expected towards the lower end of guidance range of $450 – 500 million.

High drilling success rate recorded in the quarter; Activity with the drill bit to accelerate in Q4 FY19

- 93% drilling success rate in the quarter from 27 wells drilled, including 11 of 12 appraisal wells being successful.
- Second Western Flank operated rig commenced drilling operations during the quarter and a third rig expected to commence drilling operations during Q4 FY19.

Beach expands asset portfolio with La Bella; Ironbark progresses

- Beach was awarded permit VIC/P73, offshore Otway Basin which includes the undeveloped La Bella gas discovery, enhancing the value of existing reserves and infrastructure.
- Acquisition of an interest in Ironbark prospect in WA progressed with satisfaction of a key condition precedent.

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

Investor relations	Nik Burns, Investor Relations Manager
Media	Rob Malinauskas, Head of Corporate Affairs and Community Relations

For personal use only

Snapshot

	March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change	YTD
Production (MMboe)	6.57	7.42	**7.23**	(3%)	22.42
Sales Volumes (MMboe)	6.81	7.70	**7.52**	(2%)	23.49
Sales Revenue ($ million)	393	441	**470**	7%	1,424
Realised Oil Price ($/bbl)	92.8	91.2	**104.2**	14%	101.8
Realised Sales Gas/Ethane Price ($/GJ)	6.6	6.6	**7.0**	6%	6.8
Net Cash/(Debt) ($ million)	(753)	(331)	**(219)**	(34%)	(219)
Free Cash Flow ($million)	133	145	**130**	(11%)	427

Oil production up 10%, drives $470 million sales revenue; realised gas pricing increases to $7/GJ

A record level of oil production in the Western Flank has underpinned a strong Q3 FY19 result for Beach in which sales revenue increased to $470 million.

Beach Managing Director Matt Kay said today's release of the quarterly report highlighted the company's continued delivery from a production and operations perspective. "The focus on oil was again evident, with oil output up 10% quarter-over-quarter to 1.8 MMbbl," Mr Kay said.

"This was driven by exceptional results in the Western Flank, where Beach recorded its highest quarterly oil production.

"The recent Bauer appraisal and development campaign has now seen more wells come online, with production performance of the Hanson-7 well a highlight, averaging over 1,600 bopd free flow in its first 30 days. The Bauer Field produced its 20 millionth barrel of oil during the quarter."

Mr Kay said the combination of strong customer nominations and continued improvement in plant reliability, ensured Beach's gas business continued to flourish. Overall gas production of 26 PJ was 10% higher than the prior corresponding period.

"Our commitment to safety and integrity leads to improved reliability of our facilities, which results in increased production and cash flows. I am pleased to report that we have delivered a strong improvement in our plant reliability with four of our six operated facilities now tracking above 98% reliability, financial year to date. We are well on track to achieving our previously announced target of 98% across our entire operating portfolio by end of FY20" Mr Kay said.

"This is an outstanding achievement by our operations team but we will not rest on our laurels as we now target to maintain or increase this level of plant reliability going forward.

"Beach remains focussed on delivering increased gas volumes into the east coast market. The Ensign 931 rig is on site for drilling of the Haselgrove-4 appraisal well in South Australia, the first well in our Otway drilling campaign. After the two South Australian Otway wells, drilling operations will move to the Victorian Otway where ten drilling opportunities are planned in the next four years."

For personal use only

Beach reported $130 million of free cash flow for the third quarter. This takes the current year to date figure to $427 million. With one quarter remaining, Beach is ahead of the $290 million estimated for FY19 at the Beach Investor Day in September 2018.

Net debt was reduced by $112 million to $219 million at 31 March 2019. We remain on track to be debt free upon completion of the Otway Sale which is currently expected during Q4 FY19.

Mr Kay said he was again pleased to see continued success with the drill bit, highlighted by a 93 per cent strike rate across the 27 wells drilled in the Cooper Basin.

"We are now preparing for a busy fourth quarter when we expect to participate in approximately 50 wells. This will be assisted by the arrival of a third operated rig on the Western Flank in June," Mr Kay said.

"In our growth portfolio, in the Carnarvon Basin, all material conditions precedent regarding the formation of the Ironbark joint venture have been satisfied with Beach closer to being on title in WA-359-P. BP, as operator, is leading planning of an exploration well in late 2020."

Beach will release its fourth quarter result to the market on 24 July 2019.

FY19 guidance

The following table summarises our FY19 guidance:

Item	FY19 guidance	Comment
Production (MMboe)	28 – 29	Upper end
Capital Expenditure ($ million)	450 – 500	Lower end
Underlying EBITDA ($ billion)	1.25 – 1.35	Upper end
DD&A ($ million)	450 – 500	Upper end

Beach reaffirms FY19 guidance ranges.

Production is expected towards the upper end of the 28 – 29 MMboe range based on strong YTD production performance, driven by high customer gas demand and oil production output.

Capital expenditure is expected towards the lower end of the $450 – 500 million range.

Underlying EBITDA is expected towards the upper end of the $1.25 – 1.35 billion based on strong YTD revenues and assumes a Q4 FY19 oil price of US$70/bbl and 0.72 AUD/USD exchange rate.

DD&A is expected towards the upper end of the $450 – 500 million range based on strong production performance.

FY19 guidance has been prepared on the basis that (for accounting purposes) Beach reports beneficial ownership of a 100% interest in its Victorian Otway assets up to 31 March 2019 and then report 60% interest thereafter.

For personal use only

Financial

Sales volume

Quarterly sales volumes of 7,522 kboe were 2% lower than the prior quarter with seasonal decline in sales gas and ethane volumes partially offset by higher oil sales volumes (up 10% quarter on quarter), driven by higher oil production. Compared with the prior corresponding period, sales volumes were 10% higher.

		March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change	YTD
Oil (kbbl)	Own Product	1,437	1,487	**1,591**	7%	4,521
	Third Party	199	292	**371**	27%	947
	Total Oil	**1,636**	**1,779**	**1,961**	**10%**	**5,467**
Sales Gas and Ethane (PJ)	Own Product	24.1	28.0	**26.7**	(4%)	85.7
	Third Party	0.3	0.1	**0.1**	(22%)	0.3
	Total Gas	**24.4**	**28.1**	**26.8**	**(5%)**	**86.0**
LPG (kt)	Own Product	47	63	**45**	(29%)	177
	Third Party	2	2	**0**	NM	3
	Total LPG	**50**	**65**	**45**	**(31%)**	**180**
Condensate (kbbl)	Own Product	595	580	**611**	5%	1,823
	Third Party	5	0	**1**	42%	2
	Total Condensate	**600**	**581**	**612**	**5%**	**1,825**
Total Oil and Gas Sales (kboe)		**6,808**	**7,701**	**7,522**	**(2%)**	**23,486**
Total - Own Product (kboe)		6,531	7,368	**7,133**	(3%)	22,458
Total - Third Party (kboe)		277	333	**389**	17%	1,028

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

For personal use only

Sales revenue

Total sales revenue of $470 million was 7% higher than the December quarter, with lower total sales volumes offset by a 9% increase in realised prices across all products.

$ million	March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change	YTD
Oil	152	162	**204**	26%	556
Sales Gas and Ethane	161	186	**188**	1%	582
LPG	31	42	**27**	(35%)	123
Condensate	49	50	**50**	(1%)	163
Sales Gas and Gas Liquids	242	278	**265**	(5%)	868
Total Oil and Gas Revenue	**393**	**441**	**470**	**7%**	**1,424**
Total - Own Product	371	411	**434**	6%	1,325
Total - Third Party	23	30	**36**	21%	99

Average realised price

Average realised oil price was 14% higher at $104/bbl. Average realised gas and ethane pricing was 6% higher at $7.0/GJ, benefiting from contract price escalations, new/extended sales contracts and higher oil prices.

	March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change	YTD
All products ($/boe)	**57.8**	**57.2**	**62.4**	**9%**	**60.6**
Oil ($/bbl)	92.8	91.2	**104.2**	14%	101.8
Sales Gas and Ethane ($/GJ)	6.6	6.6	**7.0**	6%	6.8
LPG ($/tonne)	630	641	**603**	(6%)	684
Condensate ($/bbl)	81.9	86.3	**81.2**	(6%)	89.1

Capital expenditure

Capital expenditure was $105 million, down 6% from the December quarter. Work programs in the SA Otway, Victorian Otway and Cooper Basin continue to ramp up. Beach expects FY19 capital expenditure at the lower end of the guidance range of $450 – 500 million.

$ million	March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change	YTD
Exploration and Appraisal	17	19	**21**	10%	53
Development, Plant and Equipment	69	93	**85**	(10%)	233
Total	**86**	**112**	**105**	**(6%)**	**286**

For personal use only

Liquidity

Beach ended the quarter with net debt of $219 million, comprising drawn debt of $375 million ($125 million term loan, $250 million revolver) and cash reserves of $156 million. With undrawn revolving credit facilities of $200 million, Beach has total liquidity of $356 million at the end of the quarter.

Material cash flows for the quarter were operating cash flow of $266 million, which included cash tax payments of $6.7 million, net investing cash outflow of $132 million, debt repayment of $350 million, $190 million revolver draw, and $23 million dividend payment.

$ million	March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change
Cash Reserves	197	204	**156**	(48)
Drawn Debt	(950)	(535)	**(375)**	160
Net Cash/(Debt)	(753)	(331)	**(219)**	112
Undrawn Facilities	450	390	**200**	(190)

Capital structure

Beach's capital structure as at 31 March 2019 is set out below.

	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change
Fully paid ordinary shares	2,278,249,104	**2,278,249,104**	-
Unlisted employee rights	7,711,875	**7,711,875**	-

Hedging

No new hedges were added during the quarter. The following hedges were in place as at 31 March 2019.

Brent	3-way Collar A$40-103-113/bbl	Total Hedged Volumes
FY19	90,000	90,000
FY20	-	-
Total	**90,000**	**90,000**

For personal use only

Operations

Production

Asset	Product	Units	March Q3 FY18	December Q2 FY19	March Q3 FY19	Qtr on Qtr Change	YTD
Total Production	**Sales Gas**	**PJ**	23.7	27.8	26.0	(7%)	83.2
	LPG	**kt**	57	60	58	(3%)	190
	Condensate	**kbbl**	506	512	491	(4%)	1,600
	Oil	**kbbl**	1,543	1,645	1,812	10%	5,007
	Total	**kboe**	**6,575**	**7,420**	**7,234**	**(3%)**	**22,418**
Cooper Basin JV	Sales Gas	PJ	7.5	8.4	7.8	(7%)	24.3
	LPG	kt	16	16	12	(25%)	45
	Condensate	kbbl	126	136	117	(14%)	394
	Oil	kbbl	226	371	388	5%	1,155
	Total	**kboe**	**1,767**	**2,089**	**1,947**	**(7%)**	**6,075**
Western Flank	Sales Gas	PJ	1.3	2.0	1.6	(20%)	5.2
	LPG	kt	8	11	8	(26%)	31
	Condensate	kbbl	69	80	57	(28%)	227
	Oil	kbbl	1,281	1,242	1,390	12%	3,752
	Total	**kboe**	**1,646**	**1,750**	**1,784**	**2%**	**5,127**
Other	Sales Gas	PJ	0.1	0.1	0.2	103%	0.4
Cooper Basin	LPG	kt	0	0	1	395%	1
	Condensate	kbbl	3	1	8	1,337%	9
	Oil	kbbl	36	32	33	4%	100
	Total	**kboe**	**52**	**48**	**75**	**57%**	**185**
Perth Basin	Sales Gas	PJ	1.2	1.1	0.8	(28%)	3.0
	LPG	kt	0	0	0	N/A	0
	Condensate	kbbl	1	0	0	(14%)	1
	Total	**kboe**	**209**	**193**	**139**	**(28%)**	**517**
Victorian	Sales Gas	PJ	8.5	11.4	10.3	(10%)	34.6
Otway Basin	LPG	kt	15	17	17	1%	55
	Condensate	kbbl	105	119	113	(5%)	381
	Total	**kboe**	**1,692**	**2,220**	**2,015**	**(9%)**	**6,765**
BassGas	Sales Gas	PJ	1.8	1.9	2.0	5%	6.1
	LPG	kt	5	5	6	16%	19
	Condensate	kbbl	59	61	65	7%	202
	Total	**kboe**	**408**	**430**	**458**	**7%**	**1,404**
Kupe	Sales Gas	PJ	3.2	2.8	3.3	17%	9.6
	LPG	kt	13	11	15	33%	40
	Condensate	kbbl	144	115	131	14%	387
	Total	**kboe**	**802**	**690**	**816**	**18%**	**2,346**

For personal use only

SAWA

Cooper Basin

- Cooper Basin JV production was down 7% to 1,947 kboe. Higher oil production was offset by lower gas and gas liquids production, due in part to maintenance work on CO_2 trains at the Moomba gas plant and two less production days in the quarter.
- Western Flank oil production was up 12% quarter-over-quarter to 1,390 kboe.
  - Beach-operated oil production was underpinned by four new wells brought on-line, two artificial lift installations and one artificial lift repair which lifted oil production 12% in Ex PEL 91 to 1,089 kboe and 6% in Ex PEL 92 to 177 kboe.
  - New well, Hanson-7, was drilled and brought on line in the quarter and averaging over 1,600 bopd free flow over its first 30 days of production. It is expected to be put on artificial lift in Q4 FY19.
  - Artificial lift was added at producing well Bauer-30 which increased production from ~300 bopd on free flow to 1,995 bopd on pump.
  - A milestone was also reached with the production of the 20 millionth barrel of oil from the Bauer Field in ex PEL 91.
  - Senex-operated ex PEL 104/111 oil production of 125 kboe was 20% higher in the March quarter benefiting from Growler-16 and -17 horizontal development wells brought into production and a full quarter's contribution from the Snatcher North-1 well, brought on line late in Q2.
- Western flank sales gas and gas liquids production was down 23% to 394 kboe due to a combination of planned maintenance work on CO_2 trains at the Moomba gas plant and downtime for expansion of liquids handling capacity at the Middleton facility. The upgrade is in recognition of the high liquids content of Beach's western flank gas and will allow the Middleton facility to peak at 40 MMscfd of raw gas.

Perth Basin

- Perth Basin production was approximately 87% from Beharra Springs and 13% from Waitsia.
- Total production was 139 kboe, down approximately 28% over the prior quarter driven by lower customer nominations.

Victoria (Victorian Otway Basin and BassGas)

- Otway Basin production was 2,015 kboe, down approximately 9% quarter-over-quarter reflecting seasonality in customer nominations. On a PCP basis to remove seasonality, gross Victorian Otway Basin production was up 15% reflecting higher customer nominations and high plant reliability enabling the delivery of higher demand volumes.
- Bass Basin production of 458 kboe was up 7% quarter-over-quarter driven by higher customer nominations. On a PCP basis, gross BassGas production was down 11% due to natural field decline.

New Zealand (Kupe Gas Project)

- Total production was 816 kboe, up 18% quarter-over-quarter and 2% on PCP. The strong performance is driven by high facility reliability enabling delivery of higher customer nominations for Kupe gas for electricity generation caused by lower hydro power availability and gas constraints at the Pohokura gas field.

Drilling Summary

Well name	Basin / area	Target	Type	Beach %	Well status
Big Lake-148 ST1	SA Cooper	Gas	Dev.	33.40%	C&S
Big Lake-149	SA Cooper	Gas	Dev.	33.40%	C&S
Big Lake-150	SA Cooper	Gas	Dev.	33.40%	C&S
Big Lake-151	SA Cooper	Gas	Dev.	33.40%	C&S
Big Lake-152	SA Cooper	Gas	Dev.	33.40%	C&S
Dullingari North-21	SA Cooper	Gas	Dev.	33.40%	C&S
Dullingari North-22	SA Cooper	Gas	Dev.	33.40%	C&S
Namur-15	SA Cooper	Gas	Dev.	33.40%	C&S
Moomba-234	SA Cooper	Gas	App.	33.40%	C&S
Moomba-235	SA Cooper	Gas	App.	33.40%	C&S
Lowry-3	SA Cooper	Gas	App.	100%*	C&S
Barrolka-19	Qld Cooper	Gas	App.	39.94%	C&S
Barrolka-20	Qld Cooper	Gas	App.	39.94%	C&S
Growler-17	SA Cooper	Oil	Dev. (Hz)	40%	C&S
Hanson-5	SA Cooper	Oil	Dev.	100%*	C&S
Hanson-6	SA Cooper	Oil	Dev.	100%*	C&S
Hanson-7	SA Cooper	Oil	Dev.	100%*	C&S
Hanson-8	SA Cooper	Oil	Dev.	100%*	P&A
Cocinero-11	Qld Cooper	Oil	Dev.	45%	C&S
Cocinero-12	Qld Cooper	Oil	Dev.	45%	C&S
Hanson-9	SA Cooper	Oil	App.	100%*	C&S
Hanson Southwest-1 DW1	SA Cooper	Oil	App.	100%*	C&S
McKinlay-18	SA Cooper	Oil	App.	39.94%	C&S
Cocinero-13	Qld Cooper	Oil	App.	45%	C&S
Watkins-4	Qld Cooper	Oil	App.	38.50%	C&S
Watkins-5	Qld Cooper	Oil	App.	38.50%	C&S
Watkins-6	Qld Cooper	Oil	App.	38.50%	P&A

* Indicates Beach-operated

For personal use only

Basin	Category	Wells Spudded	Rig Released	Successful Wells	Success Rate	Successful Wells
Cooper	Oil – Expl.	-	-	-	NA	
	Oil – App.	7	7	6	86%	Cocinero-13; Hanson-9; Hanson Southwest-1 DW1; McKinlay-18; Watkins-4, -5
	Oil – Dev.	7	7	6	86%	Cocinero-11, -12; Growler-17; Hanson-5, -6, -7
	Gas – Expl.	-	-	-	NA	
	Gas – App.	5	5	5	100%	Barrolka-19, 20; Lowry-3; Moomba-234, -235
	Gas – Dev.	8	8	8	100%	Big Lake-148 ST1, -149, -150, -151, -152; Dullingari North-21, -22; Namur-15
Total Wells		27	27	25	93%	
All Exploration Wells		0	0	0	0%	
All Appraisal Wells		12	12	11	92%	
All Development Wells		15	15	14	93%	

Drilling highlights:

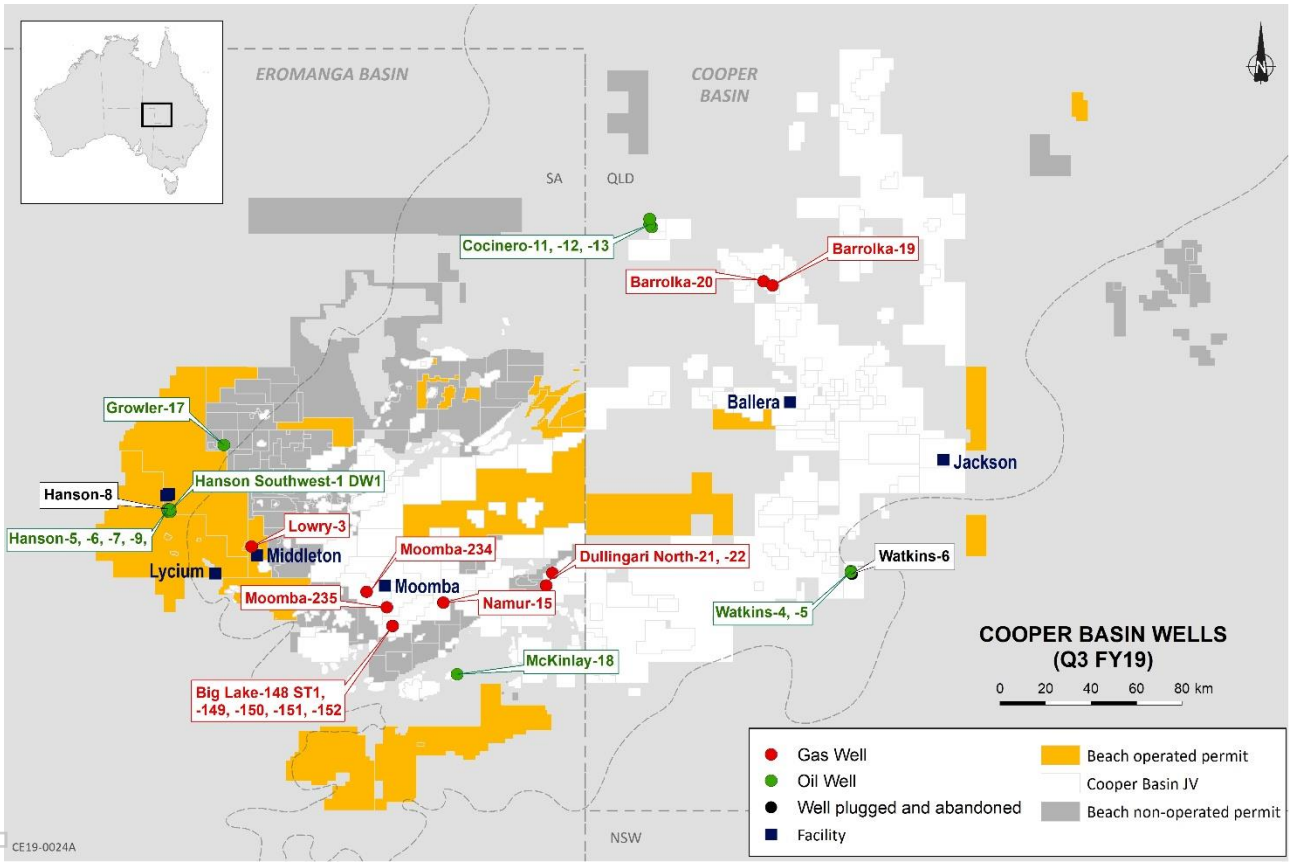
- Beach participated in 27 wells for the quarter at a 93% success rate (success defined as wells that are cased and suspended as future producers or injectors).
  - Western flank operated wells were fewer than forecast due to unplanned downtime. In the Cooper Basin JV, one of the four rigs conducted non-CBJV drilling for approximately eight weeks. Accordingly, Beach currently expects to have drilled approximately 149 wells by the end of FY19.
  - A third operated western flank rig is expected to commence in late Q4 FY19 and in the South Australian Otway Basin, the Ensign 931 rig is on site for drilling of the Haselgrove-4 appraisal well, the first well in our Otway drilling campaign.
- Highlights of the Beach-operated program included completion of a six-well campaign in the Hanson Field which comprised four vertical oil development wells and two vertical oil appraisal wells.
  - Both appraisal wells were cased and suspended as future producers and confirmed the extension to the south of the field where Hanson-7 development well was drilled.
  - Three of the four development wells were cased and suspended as future producers, with two brought on line during the quarter. The Hanson-7 well was a standout, brought on line just 19 days after spud and averaging over 1,600 bopd free flow over its first 30 days of production. It is expected to be put on artificial lift in Q4 FY19.
- Beach's second Western Flank operated rig commenced a seven-well gas drilling campaign with success at appraisal well Lowry-3, which was cased and suspended as a future producer. The well is currently scheduled to be on line late in Q4 FY19 and provides increased offtake from the higher liquids content Lowry gas.
- In the Cooper Basin JV, 19 wells were drilled during the quarter; 12 gas wells and seven oil wells.
- The Cooper Basin JV achieved a 100% success rate across the 12 gas wells. Highlights included:

For personal use only

- Completion of the Moomba South appraisal program with the final two wells, Moomba-234 and -235, drilled. The overall Moomba South program completed with seven of eight wells cased and suspended as future producers and subsequently brought into production.
- Completion of a five-well development campaign in the Big Lake Field. All five wells were cased and suspended as future producers.

- The Cooper Basin JV commenced drilling campaigns in the Cocinero and Watkins/Watson oil fields. A four-well appraisal and development campaign in the Cocinero Field commenced with development wells Cocinero-11 and -12 and appraisal well Cocinero-13. All were cased and suspended for future production. While a five-well appraisal and development campaign in the Watkins/Watson North fields saw early success with appraisal wells Watkins-4 and -5 cased and suspended for future production.

Cooper and Eromanga basins



For personal use only

For personal use only

Corporate and Commercial

Appointment of new directors

Ms Sally-Anne Layman was appointed to the board as an independent non-executive director, with effect from 25 February 2019. The board also announced that Matt Kay was appointed as Managing Director of Beach with effect from 25 February 2019. Mr Kay has been Chief Executive Officer of Beach Energy since May 2016. See ASX release #009/19 dated February 26, 2019 for more information.

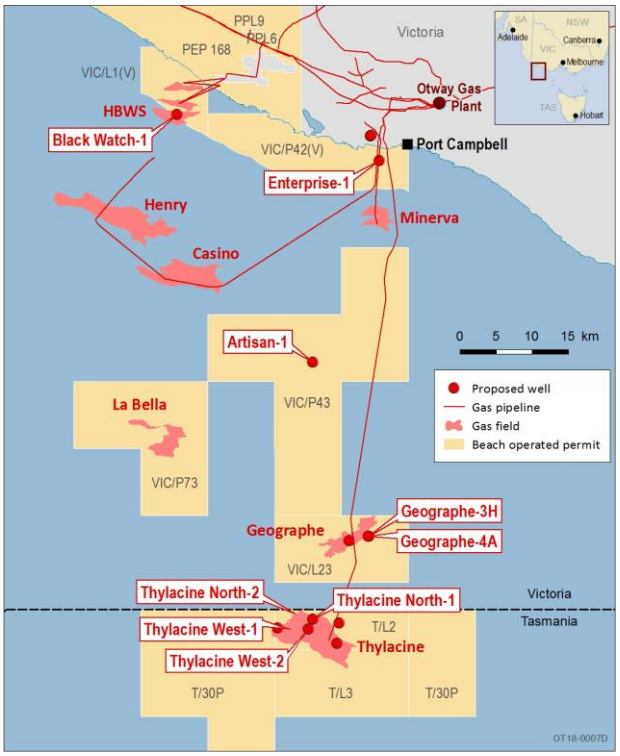
Otway Sale update

Beach expects to be in a net cash position upon receipt of net proceeds from the proposed sale of 40% of Beach's Victorian Otway interests ("Otway Sale"). Satisfaction of customary completion conditions is continuing with completion now expected in Q4 FY19.

VIC/P73 (La Bella) Permit Award

Beach was awarded the VIC/P73 permit containing the undeveloped La Bella gas discovery. La Bella is located in the offshore Otway Basin in Victoria, within tie-back distance to Beach's existing infrastructure. The forward plan is to consider the drilling of a development well as part of the upcoming drilling campaign with the Ocean Onyx rig.

Victorian Otway Basin - Beach 100% and operator*



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

Perth Basin onshore rig contract signed with Easternwell

Beach reached agreement with Easternwell for contracting of the onshore rig Easternwell 106 to drill the Beharra Springs Deep gas exploration well in the Perth Basin. Drilling is expected to occur in H1 FY20.

Bonaparte Exploration Block Agreement Signed

Agreements were executed regarding the Bonaparte Basin exploration permit alignment agreement with Santos. The agreements span four exploration permits in the offshore Bonaparte Basin, where 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.

Subsequent Events

Barque Work Programme Extended

The Clipper Joint Venture (Beach 50%, NZOG 50% and operator) has received a three year-extension of PEP 52717 in the Canterbury Basin, offshore New Zealand. The well commitment decision which was due to be made by 11 April 2019 has been extended until 11 April 2022. PEP 52717 contains the Barque prospect, located about 60 kilometres east of Oamaru, New Zealand.

Approval received for Ironbark timetable

Beach's WA-359-P farm-in agreement with Cue Energy (Beach ASX Release #088/17 dated 29 November 2017) has further progressed with a key milestone announced by Cue Energy on 10 April 2019.

Approval has been received for a 24-month suspension and extension to exploration permit WA-359-P, in offshore Western Australia. The approval fulfils a key condition of previously announced agreements between Cue Energy, BP Developments Pty Ltd, Beach and New Zealand Oil & Gas to form a joint venture to drill the Ironbark prospect. The well is currently planned for late 2020.

Applications have now been submitted for title transfer. Subject to satisfaction of all conditions precedent, Beach will fund 25% of the well cost to earn 21% and equity ownership interests in WA-359-P would be BP 42.5%, Cue 21.5%, Beach 21% and NZOG 15%. BP will be formally appointed operator once the transfers have been approved.

For personal use only

Disclaimer and other information

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 MMboe	Multiply	0.008458
Oil equivalent	MMboe to PJ	Divide	0.17194

Comparable periods

Please note that FY18 results consolidate Lattice, Benaris and Toyota Tsusho assets from 1 January 2018. The full six months' contribution from the Toyota Tsusho assets was recorded in the June Q4 FY18 period.

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 provided in this ASX Release is not guidance. 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.

For personal use only

For personal use only

Glossary

$	Australian dollars
bbl	Barrels
BassGas	Producing assets: Beach 53.75% and operator, Mitsui 35%, Prize 11.25%; Exploration permits: Beach 50.25% and operator, Mitsui 40%, Prize 9.75% Includes the producing Yolla field, the BassGas pipeline and Lang Lang gas plant as well as separate retention leases over the Trefoil, Rockhopper and White Ibis discoveries.
Beach	Beach Energy Limited and its subsidiaries
Benaris assets / interests	Refers to 27.77% of Otway Gas Project, acquired by Lattice, as announced by Origin on 11 September 2017
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
C&S	Cased and suspended
Cooper Energy	Cooper Energy Ltd and its subsidiaries
Cooper Basin	Includes both Cooper and Eromanga basins
Cooper Basin JV	The Santos operated, SACB JVs and SWQ JVs
Ex PEL 91	PRLs 151 to 172 and various production licences. Beach 100%
Ex PEL 92	PRLs 85 to 104 and various production licences. Beach 75% and operator, Cooper Energy 25%.
Ex PEL 104 / 111	PRLs 136 to 150 and various production licences. Beach 40%, Senex 60% and operator.
Ex PEL 106	PRLs 129 and 130 and various production licences. Beach 100%.
Free cash flow	Defined as operating cash flow less capital expenditure (excluding acquisitions and divestments)
FY(19)	Financial year (2019)
Genesis	Genesis Energy Limited and its subsidiaries
GSA	Gas sales agreement
GJ	Gigajoule
H(1) (FY19)	(First) half year period (of FY19)
HBWS	100% Beach owned, Halladale, Blackwatch and Speculant fields, offshore Otway Basin
kbbl	Thousand barrels of oil
kboe	Thousand barrels of oil equivalent
kt	Thousand tonnes
Kupe Gas Project	Beach 50% and operator, Genesis 46%, NZOG 4%. Consists of offshore Kupe gas field in the Taranki Basin, the Kupe offshore platform, Kupe gas plant and associated infrastructure.
Lattice	Lattice Energy Ltd
LPG	Liquefied petroleum gas
Mitsui	Mitsui & Co., Ltd and its subsidiaries
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalent
MMscfd	Million standard cubic feet of gas per day
NZOG	New Zealand Oil & Gas and its subsidiaries
O.G. Energy	O.G. Energy Holdings Limited., a member of the Ofer Global group of companies
Origin	Origin Energy Limited and its subsidiaries
Other Cooper Basin	Other Cooper Basin producing permit areas comprise ATP 299 (Tintaburra) (Beach 40%, Santos 60% and operator), ex PEL 513/632 (Beach 40%, Santos 60% and operator) and PRL 135 (Vanessa) (Beach 43%, Senex 57% and operator)
Otway Gas Project	Consists of offshore gas fields, Thylacine and Geographe, the Thylacine Well Head Platform, Otway Gas Plant and associated infrastructure
Otway Sale	Proposed sale of 40% of Beach's Victorian Otway interests to O.G. Energy (for additional information please refer to ASX announcement Ref: #047/18)
P&A	Plugged and abandoned
PCP	Previous corresponding period
PEL	Petroleum Exploration Licence
Perth Basin production	Comprises Beharra Springs (Beach 67% and operator, Mitsui 33%) and Waitsia (Beach 50%, Mitsui 50% and operator).
Prize	Prize Petroleum International
PJ	Petajoule
Q(3) (FY19)	(Third) quarter of (FY19)
Qtr	Quarter
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%)
Santos	Santos Limited and its subsidiaries
Senex	Senex Energy Limited and its subsidiaries
SWQ JV	South West Queensland Joint Ventures, incorporating various equity interests (Beach 30-52.2%)
TJ	Terajoule
Toyota Tsusho assets / interests	Refers to 5% of Otway Gas Project and 11.25% of BassGas Project. Refer Beach's announcement #098/17 of 21 December 2017.
Victorian Otway Basin production	Comprises Otway gas project (Beach 100%) and HBWS (Beach 100%).
Western Flank Gas	Comprises gas production from ex PEL 91 and 106. Both Beach 100%.
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 40%, Senex 60% and operator)