



BEACH ENERGY LIMITED

FY18 HALF YEAR RESULTS

19 February 2018



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.

EBITDA (earnings before interest, tax, depreciation, amortisation, evaluation 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 audited or 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 audited or 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 2017 and represent Beach's share.

Certain FY18 planned activities are subject to joint venture approvals. References to planned activities beyond FY18 are subject to finalisation of work programs, joint venture approvals and Board approvals.

The financial results of Lattice Energy Ltd "Lattice" for the first half of FY18 have not been consolidated within the accounts of Beach. Any financial information in this presentation relating to Lattice is provided for information purposes only and should not be relied upon. Any such financial information is preliminary and subject to review and audit.

Competent Persons Statement

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.

All estimates of petroleum reserves and contingent resources reported by Beach are prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator. To ensure the integrity and reliability of data used in the reserves estimation process, the raw data is reviewed and quality controlled by senior professional production, reservoir, petrophysical and geological staff at Beach. During each petroleum reserves review, this data is updated, analysed and checked against the previous year's data.

Petroleum reserves and contingent resources are aggregated by arithmetic summation by category and as a result the 1P reserves estimates may be conservative and 3P estimates optimistic due to the portfolio effects of arithmetic summation. Petroleum reserves and contingent resources have been prepared using a combination of deterministic and probabilistic methods. Petroleum reserves replacement ratio is the ratio of the change in petroleum reserves (excluding production and divestments/acquisitions) divided by the last year's annual production.

The reserves and resources information in this presentation is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Manager Gas Development). Mr Lake is an employee of Beach Energy Ltd and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers. The reserves and resources information in this presentation has been issued with the prior written consent of Mr Lake in the form and context in which it appears.

Beach engaged the services of RISC Advisory to independently audit Beach's petroleum reserves estimates prior to Beach reporting any updated estimates. RISC Advisory provided their prior written consent to being named in the reserves announcement. Beach reviews and updates its oil and gas reserves position on an annual basis and reports the updated estimates as at 30 June each year. The estimates of petroleum reserves and contingent resources contained in the reserves statement are as at 30 June 2017.

Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 5.816 TJ per kboe, LPG: 1.389 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.

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FY18 HALF YEAR RESULTS



Overview

Matt Kay, Chief Executive Officer

An active and successful H1 FY18

Continued progress in the Cooper Basin and financial close of Lattice acquisition



Profit/margin improvement continues

- Gross profit up 45% to \$150 million
- Operating cash flow up 13% to \$174 million
- Achieved with further improvement in HSE performance

Transformational Lattice acquisition

- Beach now a diversified, multi-basin producer with scale
- Lattice acquired at an opportune time in the cycle
- \$155 million free cash generated by Lattice in H1 FY18

Cost discipline underpins results

- Lattice synergy estimate increased to \$50 million per annum
- Cooper Basin JV field operating costs down 21% to <\$14/boe
- Low cost operator model sustains cash flow breakeven at a world-class US\$17/bbl

Strong liquidity; gearing below target

- Net gearing <33% on Lattice financial close at 31 January 2018
- Targeting net gearing <20% by end FY19 (previously <25%)
- 1 cent per share fully franked interim dividend announced

Increasing inventory of new producers

- 48 wells drilled in H1 FY18 at a success rate of 83%
- Up to 98 wells to be drilled in FY18, +20 from original estimate
- FY18 Cooper Basin production guidance increased to 10.6 – 11.0 MMboe (from 10.0 – 10.6 MMboe)

Execution of focused strategy continues

- Multiple and diverse set of growth opportunities
- Synergistic acquisitions in Otway and Bass basins
- Potential farm-in to high impact Ironbark exploration prospect

Financial headlines

Results extend turnaround performance from FY17



| | <u>H1 FY18</u> | <u>Change from H1 FY17</u> |
|-----------------------------------|-------------------------------|---|
| Profitability¹ | Sales revenue | \$386 million +12% |
| | EBITDA | \$236 million +5% |
| | Underlying NPAT ² | \$93 million +5% |
| Cash Flow¹ | Operating cash flow | \$174 million +13% |
| | Capital expenditure | \$124 million +72% |
| | Half year dividend | 1.0 cps fully franked Unchanged |
| Balance Sheet¹ | Net assets | \$1,764 million +56% |
| | Current liquidity (31-Jan-18) | ~\$540 million (\$135 million cash reserves; \$405 million undrawn debt) |
| Lattice Energy³ | Sales revenue | \$372 million n.a. |
| | EBITDA | \$222 million n.a. |
| | Free cash flow | \$155 million n.a. |

1. Excludes Lattice. Current liquidity is post financial close of Lattice acquisition.

2. For a reconciliation of H1 FY18 net profit after tax to underlying net profit after tax, refer to Appendix.

3. Financial information in this presentation relating to Lattice is provided for information purposes only and should not be relied upon. Any such financial information is preliminary and subject to review and audit.

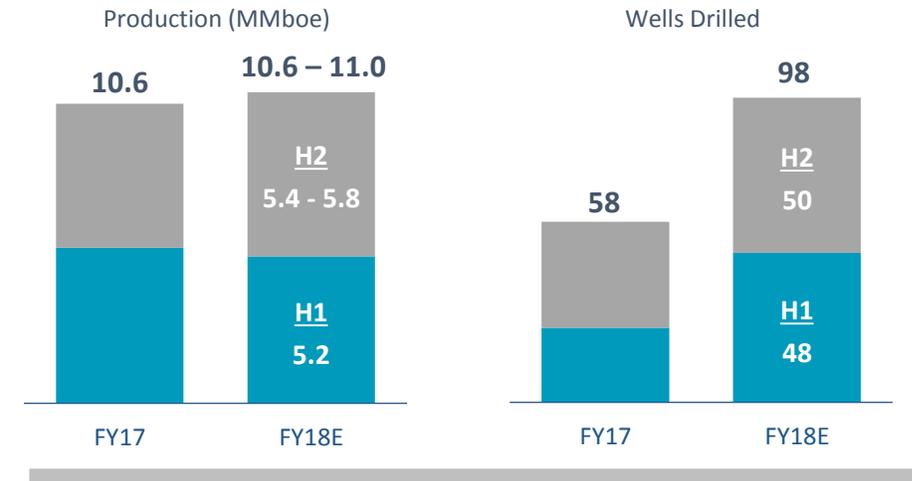
Operational highlights¹

Drilling and field development successes allow upgrade to full-year outlook

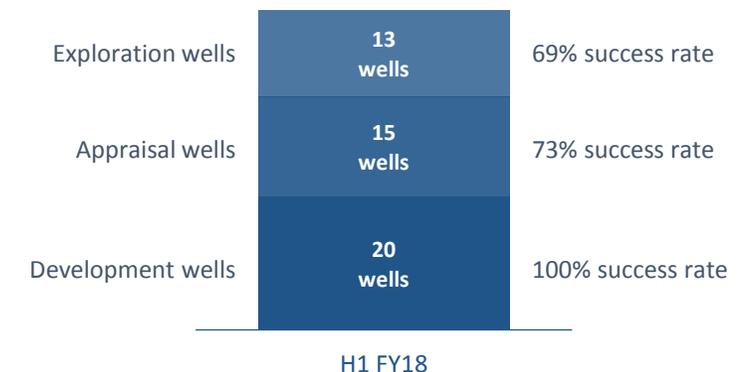


- **Further HSE improvements, maintaining licence to operate**
- **48 wells drilled at a success rate of 83%**
 - Potential large gas discovery at Haselgrove-3 ST1, Otway Basin
 - Four Western Flank gas producers from six wells
 - First Western Flank horizontal oil well drilled and brought online
 - Cooper Basin JV drilling successes; additional rig contracted
- **Active field development and optimisation projects**
 - 43 wells connected and online, including 14 in-wellbore projects
 - 25 wells drilled and awaiting connection at half-year end
 - 13 operated artificial lift installations commissioned
 - Phase 1 Middleton expansion to 40 MMscfd underway
- **FY18 Cooper Basin production guidance increased to 10.6 - 11.0 MMboe (from 10.0 - 10.6 MMboe)**
- **FY18 well participation increased to 98 (from 78)**

Increasing Production and Drilling



Drilling Results



1. Excludes Lattice.

Successful financial close of Lattice acquisition

Diverse and multiple growth options



Lattice assets uniquely aligned with strategy and core competencies – ~70% of production operated

1.

OPTIMISE
COOPER
BASIN
CORE



- ✓ Increased Cooper Basin JV ownership interests
- ✓ Simplified Cooper Basin JV coordination
- ✓ Increased production and reserves
- ✓ Increased benefit from ongoing cost saving initiatives

3.

GROW EAST
COAST GAS
BUSINESS



- ✓ Operatorship of Otway and Bass basins
- ✓ Supply ~15% of east coast domestic gas demand
- ✓ Expanded development and exploration opportunity set
- ✓ Attractive gas pricing outlook



Otway gas plant

2.

MAINTAIN
FINANCIAL
STRENGTH



- ✓ Improved free cash flow generation expected
- ✓ Mitigated downside risk from new long-term GSAs
- ✓ Significant synergies available within enlarged portfolio
- ✓ Rapid Balance Sheet deleveraging expected

4.

EXPAND
BEYOND
COOPER
BASIN



- ✓ Five producing basins (including Cooper Basin)
- ✓ Significant gas processing infrastructure
- ✓ Offshore operating capability
- ✓ Broad development and exploration portfolio



Thylacine well head platform

Clear objectives to drive shareholder returns

Enhanced opportunity set across asset portfolio



Key Objectives

- Achieve best in class HSE performance
- Optimise production and cash generation
- Execute E&D program to deliver new production at the lowest cost per barrel
- Divest ~30% of Otway Gas Project to a strategic joint venture partner by mid FY19
- Target annual pre-tax synergies of \$50 million by end FY19, including \$15 million operating cost efficiencies
- Reduce net gearing to less than 20% by end FY19¹
- Increase realised gas prices through GSA re-contracting and market re-sets

Production outlook

Optimised, lowest operating cost production from existing producing basins

Cooper, Otway, Bass, Perth, Taranaki basins



Phased developments to sustain production

Otway extended reach, Otway offshore, Penola Trough, Perth Basin, Kupe



Low risk exploration

Enterprise, Artisan, Beharra Springs Deep exploration wells

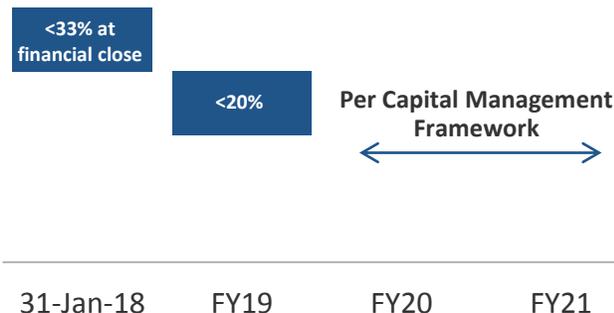


High impact exploration

Ironbark, New Zealand, Bonaparte

Debt reduction

Net Gearing¹

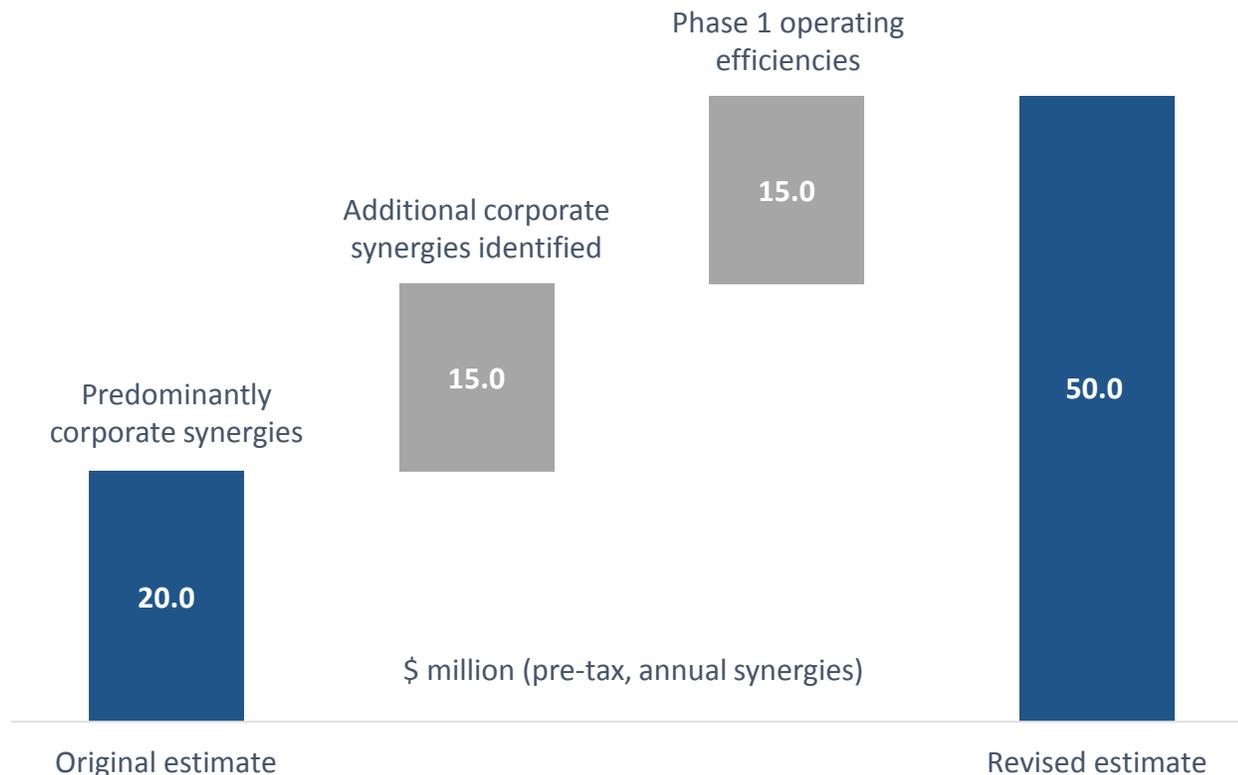


- Highly cash generative asset portfolio
- Synergies and operating efficiencies to accelerate debt repayment
- Beach cost discipline to underpin asset returns

1. Net gearing calculation is net debt / (net debt + book equity); targets are pre-divestment proceeds.

Synergy estimate increased to \$50 million per annum

Targeting to be on run rate by end of FY19



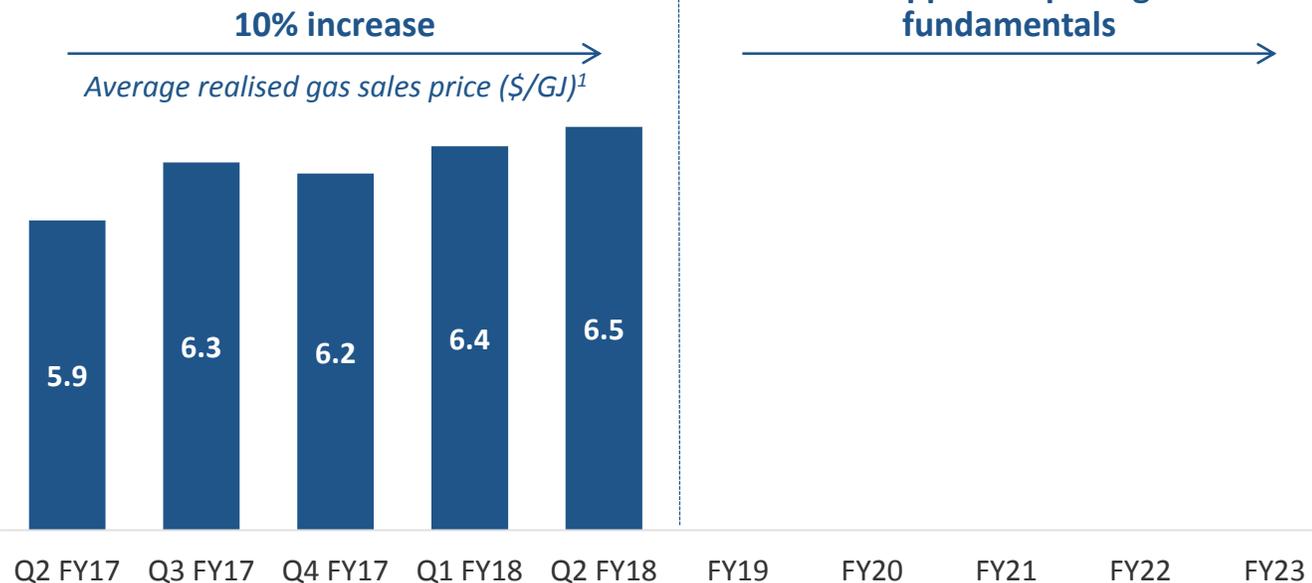
- **Following initial Lattice portfolio review, synergy estimate revised to at least \$50 million per annum (pre-tax)**
 - Targeting to be on run rate by end of FY19
- **Additional corporate synergies identified**
 - Lower headcount requirements
 - Reduced overheads
 - Low cost Beach operating model
- **Beach operating expertise and cost discipline to drive Phase 1 operating efficiencies**
 - Efficient operating and maintenance activities
 - Tender processes and purchasing practices
 - Economies of scale

Gas pricing

Market fundamentals and GSA terms support ongoing price increases



- Recent commercial negotiations delivering revenue uplifts
 - Origin oil-linked historical GSA
 - Adelaide Brighton / Alinta GSAs
 - Cooper Basin JV gas processing



- Attractive price and structure for new Lattice east coast gas contracts...
 - Above Beach last 12 month average realised price
 - Annual step-ups and CPI adjustments
 - Market price re-sets every 3-4 years
- ... with further exposure to the east coast market...
 - ~33% of current east coast volumes subject to re-pricing / re-contracting by 2020, ~78% by 2021
- ...where strong demand is reflected in current pricing dynamics
 - Current spot price >\$9.50/GJ
 - Term market trending to LNG net-back price
- Potential Western Australia gas supply shortages coinciding with Waitsia development
- Beach well positioned in New Zealand gas market

1. Excludes Lattice sales volumes.



FY18 HALF YEAR RESULTS



FINANCIAL

Morné Engelbrecht, Chief Financial Officer

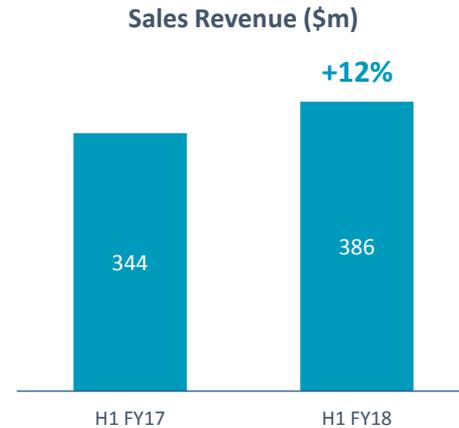
Financial headlines¹

Cost discipline continues strong performance from FY17



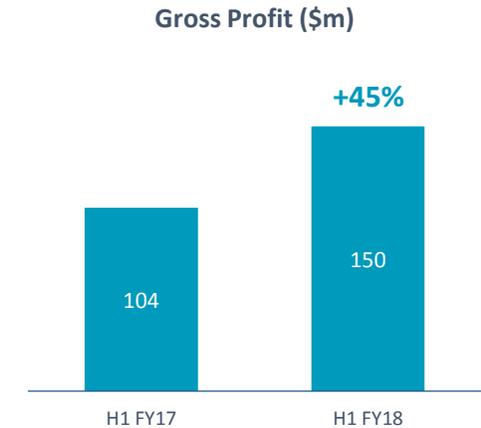
Sales revenue

- Average realised oil price up 30% to A\$88/bbl
- Average realised sales gas and ethane price up 9% to A\$6.46/boe



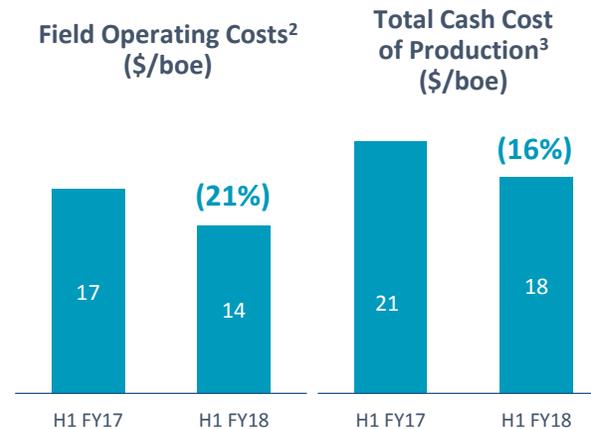
Gross profit

- Cost discipline and leverage to rising oil prices



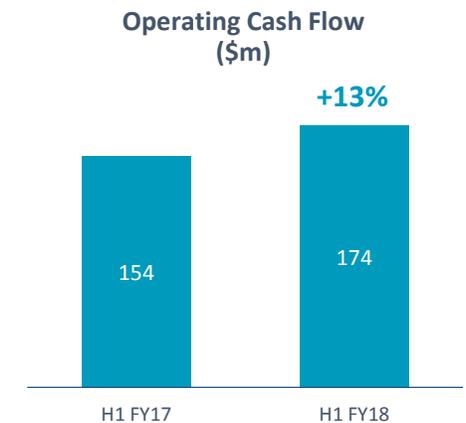
Cooper Basin JV

- Further improvements in costs and profitability



Operating cash flow

- Higher cash flow despite resumption of cash tax payments



1. Excludes Lattice.

2. Field operating costs exclude third party cost recoveries, tariffs, tolls and royalties.

3. Total cash cost of production includes third party cost recoveries, tariffs, tolls and royalties.

| \$ million | H1 FY17 | H1 FY18 | Change |
|--------------------------------------|---------|---------|--------|
| Production (MMboe) | 5.5 | 5.2 | (7%) |
| Sales volumes (MMboe) | 6.4 | 5.7 | (11%) |
| Average realised oil price (A\$/bbl) | 67.5 | 87.5 | +30% |
| Sales revenue | 344.4 | 385.9 | +12% |
| Operating costs | 91.9 | 91.5 | (0%) |
| Tax benefit / (expense) | 8.3 | (47.0) | (666%) |
| Net profit before tax | 95.1 | 142.7 | +50% |
| Underlying NPAT ² | 88.7 | 93.1 | +5% |
| Net assets | 1,127.3 | 1,763.7 | +56% |
| Operating cash flow | 154.1 | 174.3 | +13% |
| Net cash | 148.2 | 552.2 | +273% |
| Interim dividend (cps) | 1.0 | 1.0 | - |

1. Excludes Lattice.

2. For a reconciliation of H1 FY18 net profit after tax to underlying net profit after tax, refer to Appendix.

3. Subject to final purchase price allocation, reserves revisions, accounting policy alignment, capital expenditure plans and budgets for FY19 onwards.

▪ **Underlying NPAT recognises:**

- 30% increase in average realised oil price
- Flat operating costs despite a material increase in field activity

▪ **Statutory NPAT impacted by:**

- \$55 million increase in tax expense following benefit recorded in H1 FY17

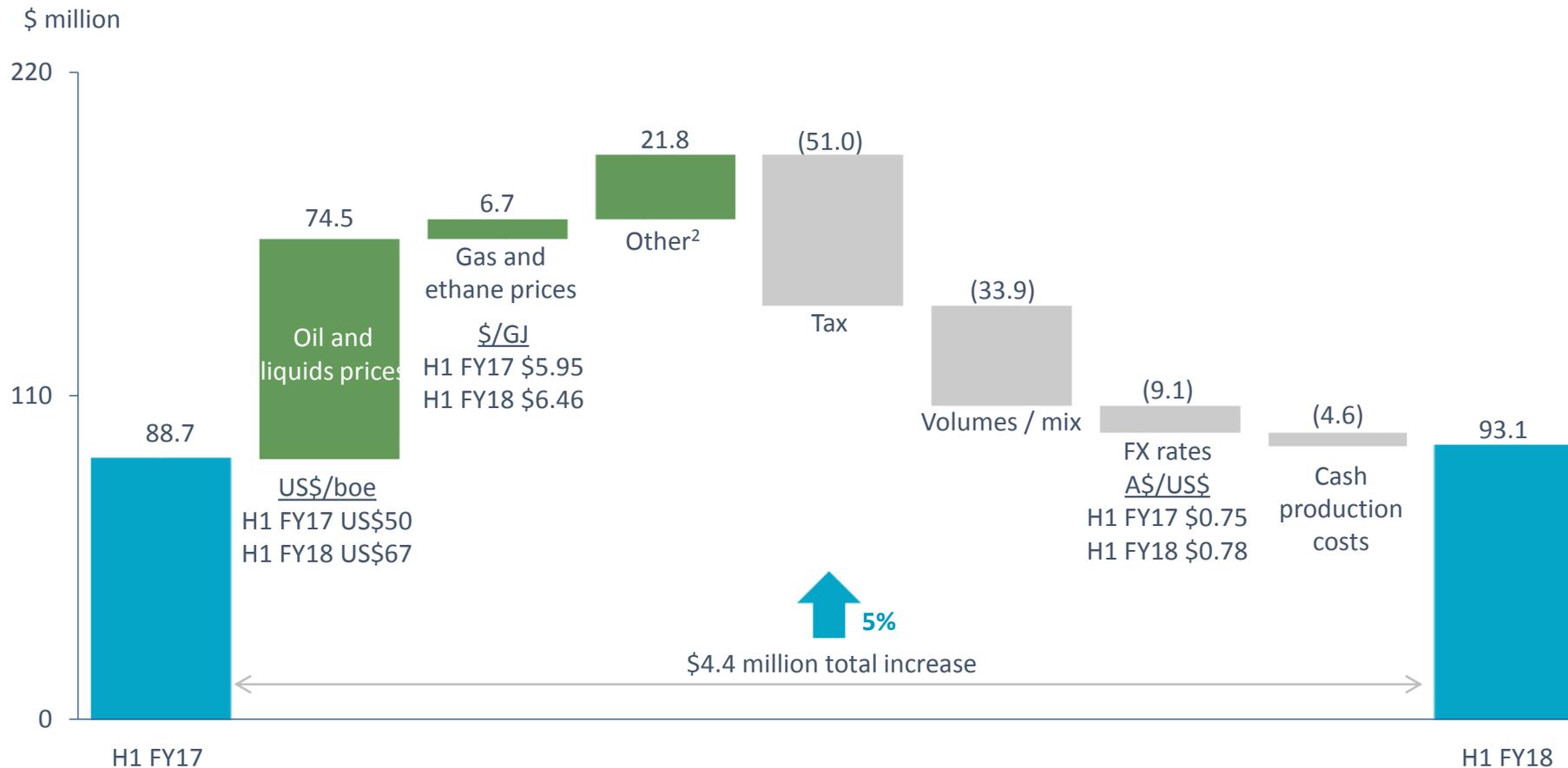
▪ **Operating cash flow up +13% demonstrates improvement in underlying performance**

▪ **1 cent per share fully franked interim dividend announced**

▪ **FY19 depreciation and amortisation expected to be ~\$350 – 450 million³**

▪ **Future effective tax rate of 30% expected**

Underlying NPAT drivers¹



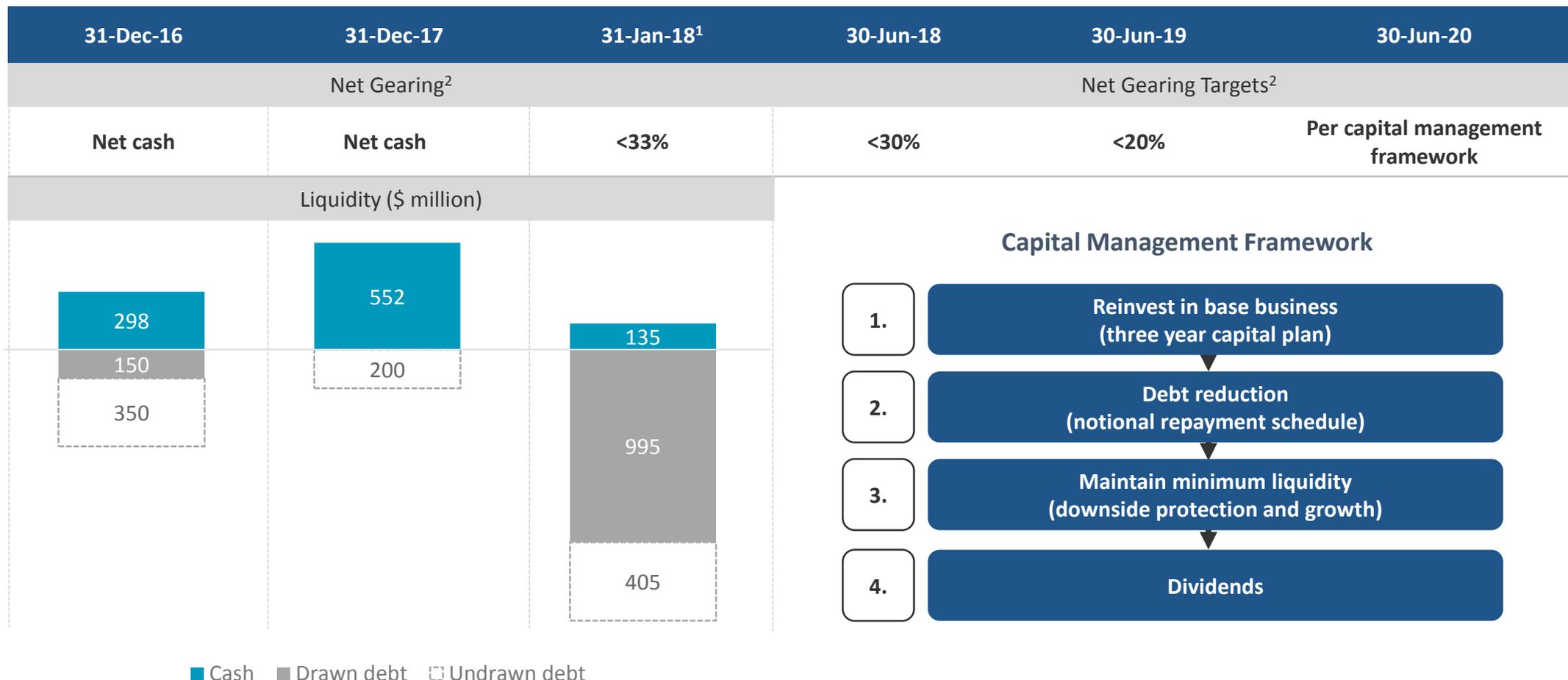
- Underlying NPAT up 5% to \$93 million
 - 30% increase in average realised oil price
 - Higher gas pricing
 - Lower production costs
 - Inventory movements
 - Resumption of cash tax payments and deferred tax asset recognition
 - Lower sales volumes relative to prior corresponding period

1. Excludes Lattice; for a reconciliation of H1 FY18 net profit after tax to underlying net profit after tax, refer to Appendix.

2. Other includes net third party purchases (+\$3.3m), third party purchases (-\$2.7m), depreciation (-\$0.7m), inventory (+\$13.2m), other revenue and expenses (+\$5.0m) and net financing costs (\$3.7m)

Robust funding position

Capital management to prioritise re-investment, debt repayment and dividends



1. Financial close of Lattice acquisition. Refer ASX announcement of 31 January 2018.

2. Net gearing calculation is net debt / (net debt + book equity); targets are pre-divestment proceeds.

Lattice performance overview¹

Solid performance driven by higher production, lower costs and higher liquids pricing

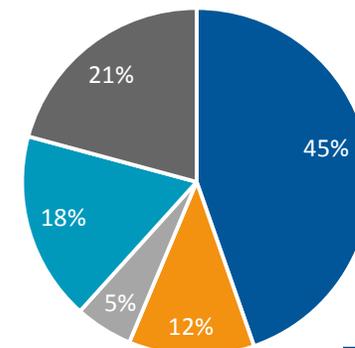


Financial Performance

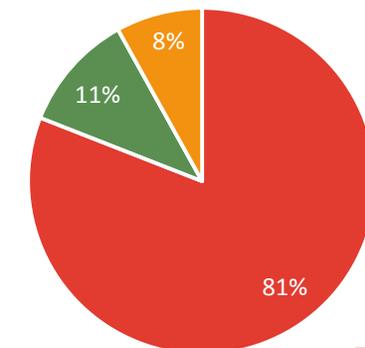
| (Net to Lattice) | H1 FY17 | H1 FY18 | Change |
|--|------------|------------|--------|
| Total production (PJe / MMboe) | 44.2 / 7.6 | 45.8 / 7.9 | +4% |
| Total sales volume (PJe / MMboe) | 51.5 / 8.9 | 49.4 / 8.5 | (4%) |
| Natural gas & ethane (PJ) | 40.1 | 37.8 | (6%) |
| Oil & Condensate (kbbl) | 1,390 | 1,386 | (0%) |
| LPG (ktonne) | 66 | 79 | +20% |
| Sales revenue (\$m) | n.a. | 372 | n.a. |
| Average realised sales gas price (\$/GJ) | n.a. | 6.12 | n.a. |
| Operating costs (\$m) | 130 | 123 | (5%) |
| EBITDA (\$m) | n.a. | 222 | n.a. |
| EBITDA margin | n.a. | 60% | n.a. |
| Free cash flow ² (\$m) | n.a. | 155 | n.a. |
| Capital expenditure (\$m) | 115 | 79 | (31%) |

Contributions

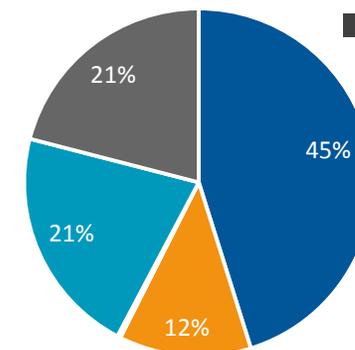
Production by basin



Production by product



EBITDA



■ Otway Basin
■ Bass Basin
■ Perth Basin
■ Cooper Basin
■ Taranaki Basin

■ Sales gas & ethane
■ Condensate
■ LPG

1. Financial results are preliminary and subject to review and audit. Refer slide 2 for further disclaimers. Results do not include Otway and Bass interests being acquired through the recently settled Benaris transaction and pending Toyota Tsusho transaction (see Beach's ASX Announcement #098/2017 from 21 December 2017).
 2. Defined as net cash from operating and investing activities.



FY18 HALF YEAR RESULTS



OPERATIONS

Dawn Summers, Chief Operating Officer

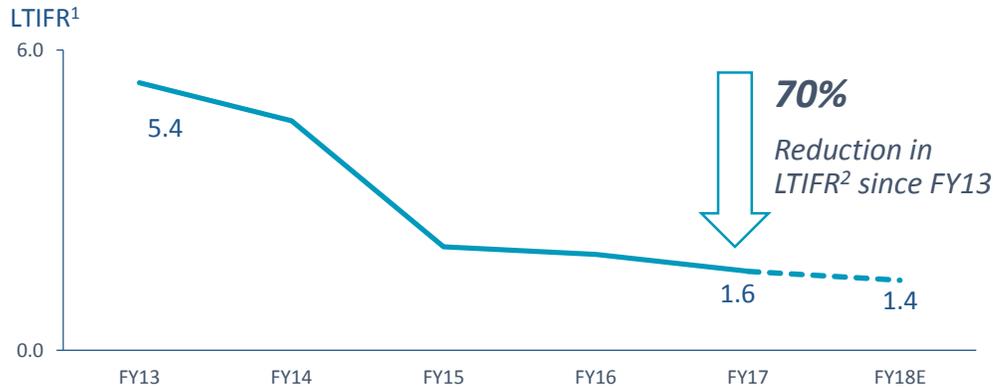
BAUER #25
BAUER WEST FIELD MANIFOLD

HSE performance

Maintaining our licence to operate

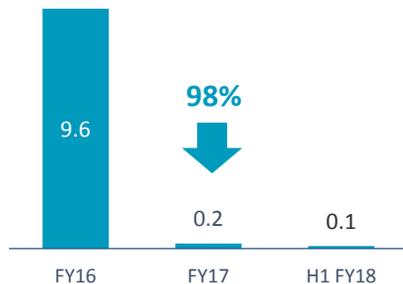


Safety Performance¹

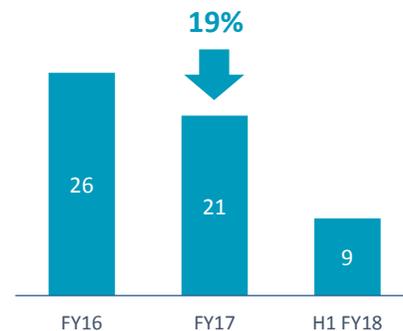


Environmental Performance¹

Crude Spill Volumes (kl)



Total Spills



1. Excludes Lattice.
2. LTIFR: Lost Time Injury Frequency Rate, calculated as lost time injuries per million hours worked (Beach employees and contractors).
3. TRIFR: Total Recordable Injury Frequency Rate, calculated as injuries requiring treatment by a medical professional per million hours worked.

H1 FY18 performance (Beach)

- Continuous improvement on FY17 HSE performance
- Implementation of process safety framework underway
- Ongoing refinement to contractor assurance processes

H1 FY18 performance (Lattice)

- Continuous improvement on FY17 HSE performance
 - Last 12 month TRIFR reduced to 3.4 (from 7.1) and below FY18 target
- One Tier 1 process safety event (July 2017); rectification actions complete
- HSE management system alignment commenced

Asset portfolio

Expanded footprint with five production hubs and significant gas processing infrastructure



Perth Basin

Waitsia

Status: Development / Appraisal / Expl.

Working interest: 50% (non-operated)

Beharra Springs

Status: Production / Exploration

Working interest: 67% (operated)

Cooper Basin

Cooper Basin

Status: Production / Development

Working interest: Var. interests (op. / non-op.)

Taranaki Basin

Kupe

Status: Production / Development

Working interest: 50% (operated)

Bass Basin

BassGas

Status: Production / Development

Working interest: 53.75% (operated)

Otway Basin (offshore)

Otway Gas Project / HSBW

Status: Production / Development / Expl.

Working interest: 100%



Infrastructure



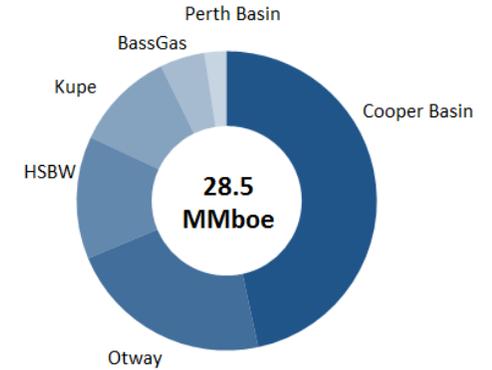
Production



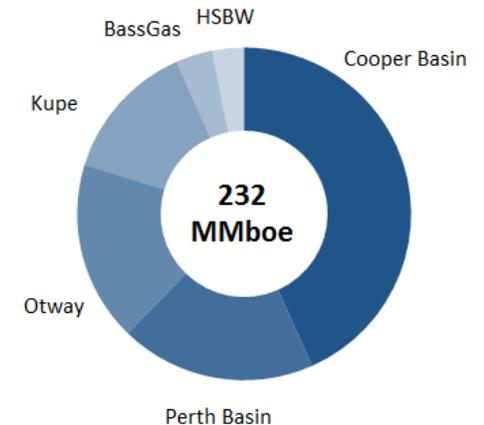
Exploration

Beach now operates ~70% of production

FY17 Pro Forma Production¹



FY17 Pro Forma Reserves²



1. Beach production: Information on Beach's standalone production of 10.6 MMboe is contained in Beach's ASX announcement of 18 August 2017. Pro forma Beach and Lattice production: Based on information provided by Origin for Cooper Basin, Otway, Kupe, HSBW, BassGas and Perth Basin (included in Origin's 2017 reserves and contingent resources report annexed to the Origin FY17 Report) added to Beach's standalone production for Cooper Basin. Does not include Otway and Bass production being acquired through the pending Toyota Tsusho transaction (see Beach's ASX Announcement #098/2017 from 21 December 2017)
2. Beach 2P reserves: Estimates of 75 MMboe are contained in Beach's ASX announcement of 18 August 2017. No new information has subsequently come to hand which would materially alter estimates or underlying assumptions. Lattice's 2P reserves: Estimates of 26 MMboe (for interests in Cooper Basin), 44 MMboe (for interests in Perth Basin), 32 MMboe (for interests in Kupe), 8 MMboe (for interests in BassGas) and 48 MMboe (for interests in Otway and HSBW) are taken from Origin's 2017 reserves and contingent resources report annexed to the Origin FY17 Report and the Origin Benaris Announcement and is as at 30 June 2017. In accordance with ASX Listing Rules, Beach expects to announce its assessment of reserves and contingent resources attributable to the Lattice assets as at 30 June 2018.

Operations objectives

Driving shareholder value through safe, reliable and efficient operations



Health, Safety and Environment

- **Maintain our licence to operate**
 - No accidents, no harm to people or environment
 - Compliance with regulation
 - Effective risk management
 - Best in class integrity management

Productivity

- **Maximising production of gas and liquids**
 - Full “value chain” management – reservoir to market
 - Best in class facility reliability
 - Further implement operational excellence across enlarged portfolio

People

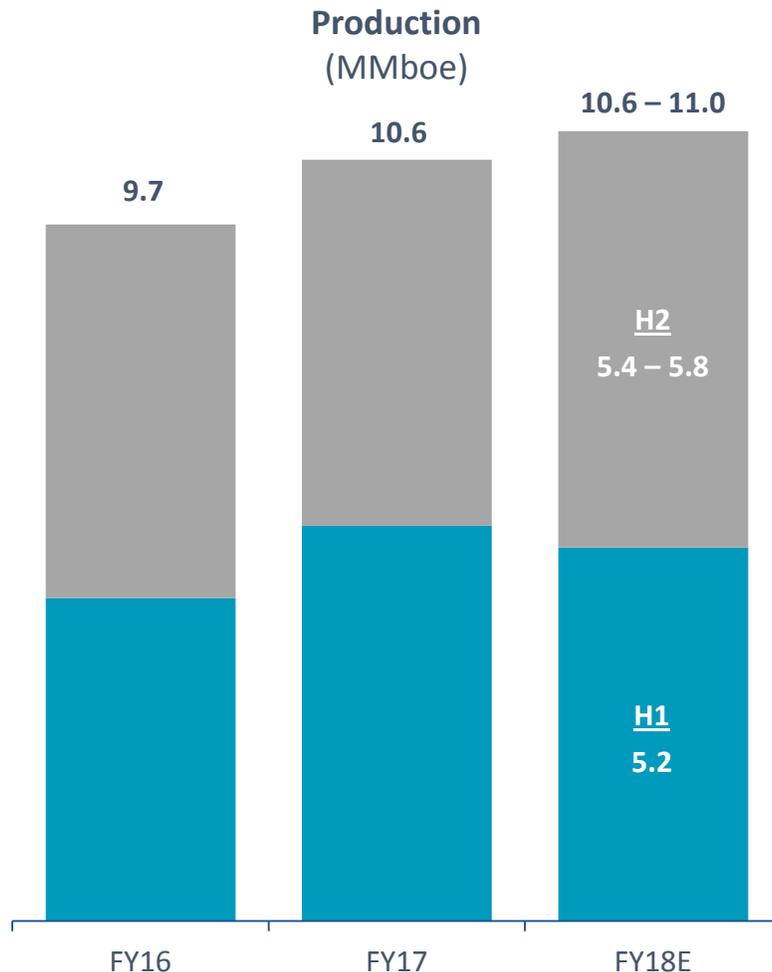
- **Embedding an effective operating model**
 - Best in class capability
 - Simple, lean and efficient operations
 - Drive a culture of high performance, continuous improvement and learning

Performance

- **Value driven, not volume driven**
 - Maximising revenue
 - Maximising cash flow
 - Minimising operating costs
- **Targeting Phase 1 operating cost reductions of \$15 million by FY19**

Production and development¹

Successful field development activity improves full-year production outlook



| Cooper and Eromanga Basins | H1 FY17 | H1 FY18 | Change |
|--|--------------|--------------|-------------|
| Total oil (kbbl) | 3,094 | 2,647 | (14%) |
| Sales gas and ethane (PJ) | 11.7 | 11.8 | 1% |
| LPG (kt) | 26.6 | 30.6 | 15% |
| Condensate (kbbl) | 235 | 255 | 8% |
| Total gas and gas liquids (kboe) | 2,451 | 2,533 | 3% |
| Total oil, gas and gas liquids (kboe) | 5,545 | 5,180 | (7%) |

| Field development activity | H1 FY18 Progress |
|--------------------------------|---|
| Well completions / connections | <ul style="list-style-type: none"> • 29 new wells connected and production brought online • 14 Cooper Basin JV wells online following in-wellbore projects • 25 wells awaiting connection at half-year end • 13 operated artificial lift installations commissioned • First operated horizontal well online at Bauer-26; initial flow rates up to 1,000 bopd |
| Middleton gas facility | <ul style="list-style-type: none"> • Phase 1 expansion from 25 to 40 MMscfd confirmed; engineering works underway; commissioning by end FY18 • Phase 2 expansion to 50 MMscfd under consideration |
| Cooper Basin JV | <ul style="list-style-type: none"> • Additional rig contracted to accelerate drilling / connections |

1. Excludes Lattice.

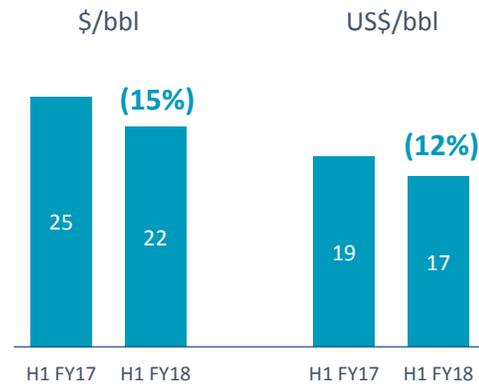
Cost savings¹

Cooper Basin JV cost turnaround continues



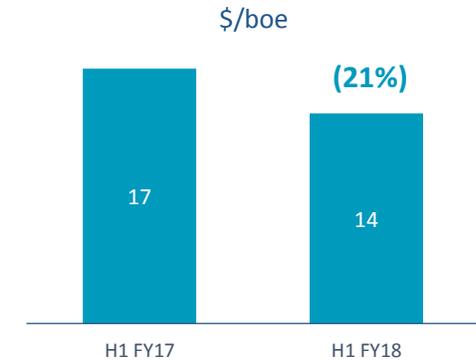
Cash flow breakeven²

- World-class breakeven sustained despite increased activity



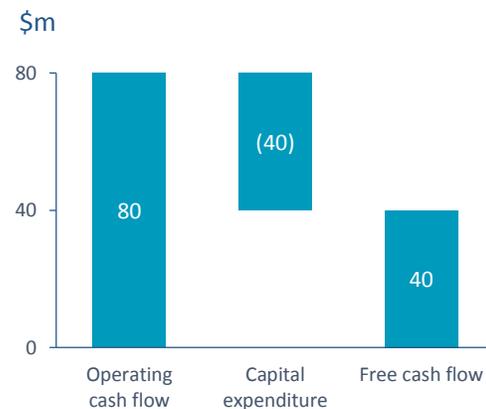
Cooper Basin JV field operating costs⁴

- Lean well designs
- Logging while drilling
- Rig-move efficiencies
- Fit-for-purpose approach

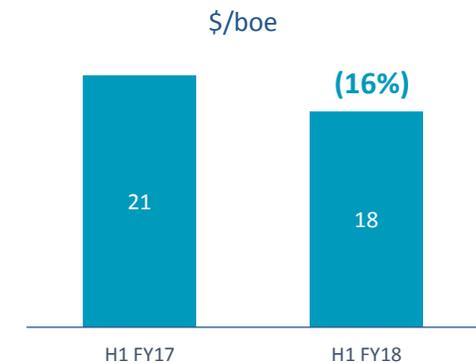


Cooper Basin JV free cash flow³

- Operating cash flow supported by stable production and lower costs
- Higher capex from extra drilling and new well connections



Cooper Basin JV cash cost of production⁵



1. Excludes Lattice.

2. Average annual oil price whereby cash flows from operating activities before tax equate to cash flows from investing activities less discretionary expenditure and acquired cash.

3. Pre-tax net operating cash flows less capital expenditure.

4. Field operating costs exclude third party cost recoveries, tariffs, tolls and royalties.

5. Cash cost of production includes third party cost recoveries, tariffs, tolls and royalties.

Performance¹

| Otway Basin (offshore, nearshore) | | H1 FY17 | H1 FY18 |
|-----------------------------------|-----------------------|----------------------|----------------------|
| Production | Geographe / Thylacene | 20.5 PJe / 3.5 MMboe | 12.7 PJe / 2.2 MMboe |
| | Halladale / Speculant | | 7.8 PJe / 1.3 MMboe |
| Total revenue | | n.a. | \$149 million |
| Operating costs | | \$42.9 million | \$44.3 million |
| Free cash flow ² | | n.a. | \$113 million |
| Capital expenditure | | \$40.0 million | \$6.9 million |

Bass Basin (BassGas)

| Bass Basin (BassGas) | | H1 FY17 | H1 FY18 |
|-----------------------------|--|---------------------|---------------------|
| Production | | 4.2 PJe / 0.7 MMboe | 5.3 PJe / 0.9 MMboe |
| Total revenue | | n.a. | \$43 million |
| Operating costs | | \$14.3 million | \$15.0 million |
| Free cash flow ² | | n.a. | \$19 million |
| Capital expenditure | | \$11.7 million | \$1.7 million |

1. Financial results are preliminary and subject to review and audit. Refer slide 2 for further disclaimers. Results include 67.23% ownership in Geographe / Thylacene and 100% ownership of Halladale / Speculant.

2. Defined as net cash from operating and investing activities.

H1 FY18 Activity & Core Objectives

Activity

- Otway gas plant asset integrity and reliability improvement
- Successful completion and start-up of Halladale – Speculant project

Objectives

- Execute exploration and development program
 - Blackwatch-1 development well (H1 FY20)
 - Two exploration wells (FY20)

Activity

- Lang Lang gas plant asset integrity and reliability improvement
- Successful completion and start-up of the mid life compression project

Objectives

- Maximise productivity of gas and liquids: Decline mitigation and water production; plant reliability
- Trefoil: Complete seismic reprocessing (H2 FY18) and define development opportunity

Lattice Review: West Coast and New Zealand



Performance¹

| Perth Basin (Beharra Springs, Waitsia) | H1 FY17 | H1 FY18 |
|---|---------------------|---------------------|
| Production | 2.1 PJe / 0.4 MMboe | 2.4 PJe / 0.4 MMboe |
| Total revenue | n.a. | \$9 million |
| Operating costs | \$3.6 million | \$7.6 million |
| Free cash flow ² | n.a. | Nominal |
| Capital expenditure | \$4.3 million | \$14.0 million |

H1 FY18 Activity & Core Objectives

Activity

- Asset integrity and reliability improvement (Beharra Springs)
- Production optimisation improvements (Beharra Springs)
- Waitsia project progression

Objectives

- High pressure / low pressure tie in (plateau extension)
- Beharra Springs Deep exploration well (H1 FY19)
- Waitsia phase 2 FID (H1 FY19)

New Zealand (Kupe)

| New Zealand (Kupe) | H1 FY17 | H1 FY18 |
|-----------------------------|---------------------|---------------------|
| Production | 9.0 PJe / 1.5 MMboe | 9.5 PJe / 1.6 MMboe |
| Total revenue | n.a. | \$70 million |
| Operating costs | \$21.5 million | \$23.4 million |
| Free cash flow ² | n.a. | \$56 million |
| Capital expenditure | \$7.1 million | \$2.2 million |

Activity

- Kupe production facility propane compression and amine system integrity and reliability improvements
- Production optimisation and plateau extension management

Objectives

- Extend plateau and maximise plant reliability
- Kupe phase 2 compression FID (H1 FY19)
- Assess development well requirement

1. Financial results are preliminary and subject to review and audit. Refer slide 2 for further disclaimers.

2. Defined as net cash from operating and investing activities.



FY18 HALF YEAR RESULTS

A wide-angle photograph of an offshore oil rig in the middle of a vast, deep blue ocean. The rig is a complex of metal structures, including a central platform with a helipad and various pipes and cranes extending outwards. The water is a rich, dark blue, and the sky is not visible, suggesting a high-angle shot.

Exploration and Development

Jeff Schrull, Group Executive Exploration and Appraisal

H1 FY18 drilling activity¹

Increasing well count and success rates



- **48 wells drilled at a success rate of 83%**
- **Nine discoveries from 13 exploration wells**
 - Potential large gas field discovery at Haselgrove-3 in the onshore Otway Basin
 - Four gas discoveries from six-well first phase of operated Western Flank campaign
 - Birkhead oil discovery at Marauder-1 in ex PEL 104/111
- **Additional Cooper Basin JV rig and further drilling efficiencies improve full-year outlook**
 - Expected FY18 well participation increased to 98 (from 78)
- **Increased well count delivering a growing inventory of new producers**
 - 29 new wells connected in H1 FY18
 - 25 wells drilled and awaiting connection at half-year end

| Drilling Results | | | | |
|-----------------------|-------------------|-------------------|-----------|--------------|
| Basin | Category | Wells | Successes | Success Rate |
| Cooper / Eromanga | Oil – Exploration | 5 | 3 | 60% |
| | Oil – Appraisal | 8 | 6 | 75% |
| | Oil – Development | 12 | 12 | 100% |
| | Gas – Exploration | 7 | 5 | 71% |
| | Gas – Appraisal | 7 | 5 | 71% |
| | Gas – Development | 8 | 8 | 100% |
| | Otway | Gas – Exploration | 1 | 1 |
| Total Wells | | 48 | 40 | 83% |
| All Exploration Wells | | 13 | 9 | 69% |
| All Appraisal Wells | | 15 | 11 | 73% |
| All Development Wells | | 20 | 20 | 100% |

1. Excludes Lattice.

Defined pathway to sustain and optimise production



Multiple development and exploration projects to optimise production and cash flow



Note: Future plans subject to change and require joint venture and Board approvals.

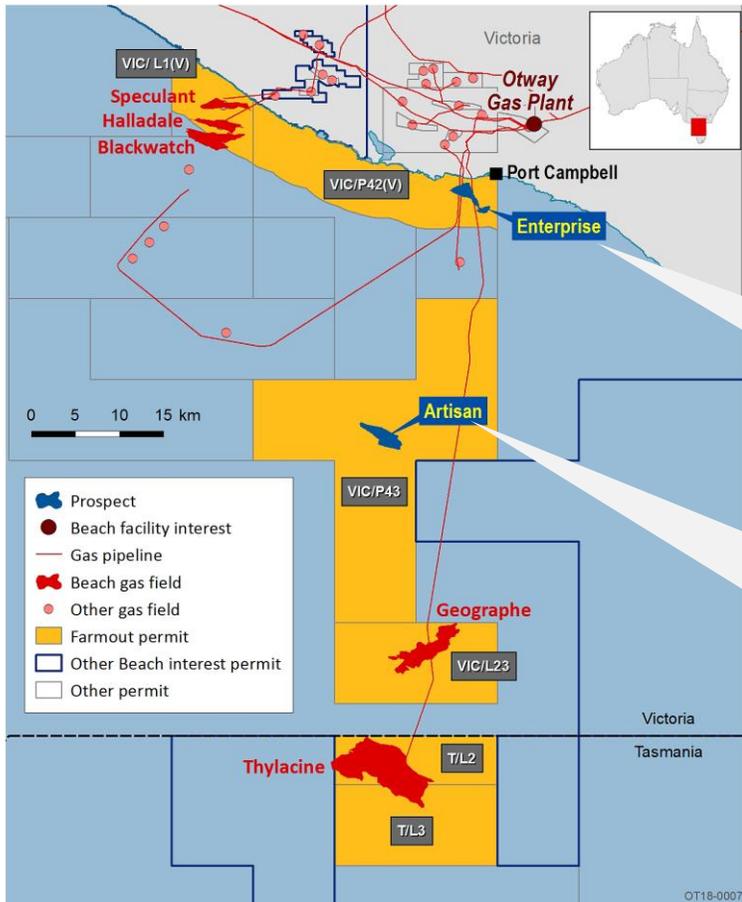
Otway Gas Project

Low cost development with high graded exploration potential



Objectives

- Acquire 100% of acreage and infrastructure to allow alignment across the project with new strategic joint venture partner
- Nearshore drilling campaign first to access lowest operating cost gas
- Follow-on offshore exploration and in-field development drilling



Otway Basin Development Planning

Planning

- Incorporate new seismic
- High grade exploration portfolio
- Optimise development plan
- Seek partner

Low cost deliverability

- Nearshore and offshore
- Lowest technical cost

High graded exploration targets

- Enterprise near-shore drill
- Extended reach onshore-offshore
- Connection back to onshore plant
- Artisan offshore exploration drill

Offshore campaign

- Development drilling campaign
- Artisan
- Thylacine development
- Subsurface tie-backs

Artisan Prospect

- Offshore, 4-way trap
- Direct Hydrocarbon Indicators suggest low risk prospect
- Adjacent to existing infrastructure allowing rapid commercialisation of success

Enterprise Prospect

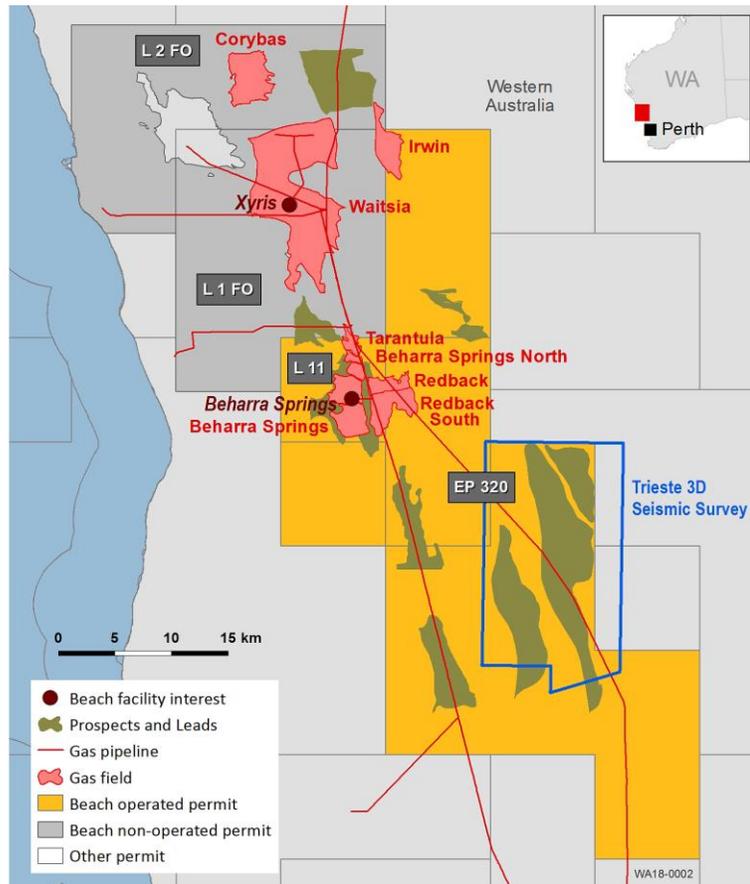
- Nearshore, 3-way trap
- Direct Hydrocarbon Indicators suggest low risk prospect
- On trend with additional exploration opportunities

Perth Basin: Operatorship capability and portfolio depth

Long standing, experienced operator with majority position in growth exploration acreage



Waitsia and Beharra Springs



Beharra Springs: Beach 67% and operator, AWE Ltd 33%;
Waitsia: Beach 50%, AWE Ltd 50% and operator

Beharra Springs

- Long standing operator of Beharra Springs plant with extensive engineering and operational experience
- Beach actively generating a basin wide development plan incorporating Waitsia, Beharra Springs and adjacent exploration potential

Waitsia

- 50% equity in the Waitsia gas project
- Excellent first half FY18 appraisal results
 - Significant thickening and improved reservoir quality of the Kingia target
 - Substantial 2P developed and undeveloped reserves upgrade by the operator to 820 PJ¹
 - Excellent deliverability results; rates of 39, 50 and 90 MMscfd announced by the operator²
- Results favour larger plant design, well in excess of current 100 TJ/d designs
- 67% equity and operator in L11 and EP320 with prospects at multiple horizons
- 3D seismic program in FY19 to high-grade prospects

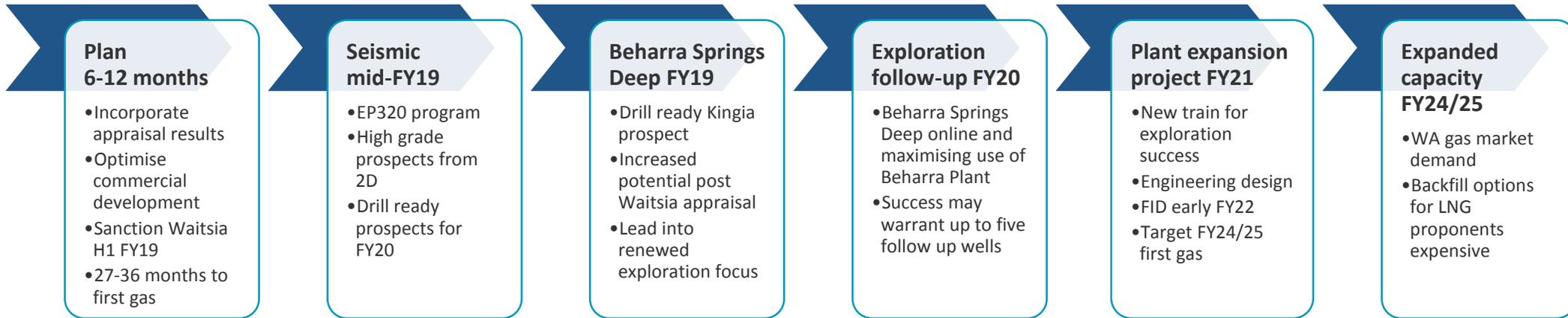
1. See ASX Announcement from AWE Ltd (ASX: AWE) dated 19 December 2017.
2. See ASX Announcements from AWE Ltd (ASX: AWE) dated 22 November 2017, 10 November 2017 and 23 October 2017.

Perth Basin: Development Planning

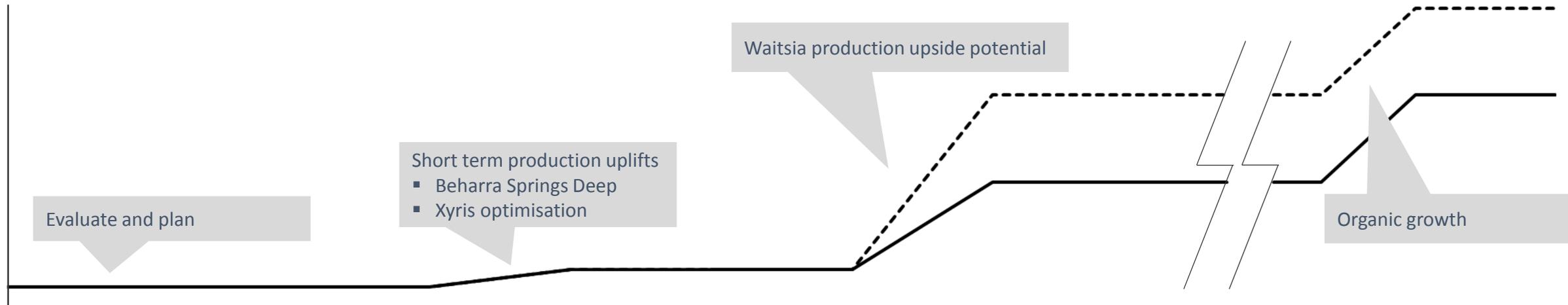
Key juncture to re-evaluate, incorporate adjacent exploration potential and plan for success



Perth Basin Development Planning



Production



Note: Future plans subject to change and require joint venture and Board approvals.

Illustrative work program



| Otway Basin: Otway Gas Project, Onshore Otway Basin | | | | | | |
|---|---------------------|--------------------|--------------|---------------------|--------------------|-------|
| Development / Appraisal Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Development well – Blackwatch (nearshore) | [Green hatched bar] | | | [White cross icon] | [Blue circle icon] | |
| Inlet compression at Otway gas plant | [Green hatched bar] | | [Dotted bar] | [Blue circle icon] | | |
| Development wells – Geographe/Thylacene (up to 5) | | | | [Green hatched bar] | | |
| Haselgrove-3 commercialisation plans | [Green hatched bar] | [Dotted bar] | [Dotted bar] | [Blue circle icon] | | |
| Exploration Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Exploration well – Enterprise (nearshore) | [Green hatched bar] | | | [White cross icon] | | |
| Exploration well – Artisan (offshore) | [Green hatched bar] | | | | [White cross icon] | |
| Exploration well – Dombey (onshore) | | [White cross icon] | | | | |

Seismic
 Planning
 FID
 Drill
 Potential drill
 Procure and construct
 Production online/ uplift

Note: Future plans subject to change and require joint venture and Board approvals.
 1. Net to Beach; assumes divestment of 30% of Otway Gas Project.

Illustrative work program



| Bass Basin: BassGas | | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|-------|
| Development / Appraisal Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Yolla wireline program | ● | | | | | ● |
| Trefoil development planning | | | | | | ➔ ⊕ |
| Exploration Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Seismic reprocessing | | | | | | |

| New Zealand: Taranaki Basin (Kupe); Canterbury Basin | | | | | | |
|--|---------|---------|---------|---------|---------|-------|
| Development / Appraisal Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Kupe compression | | ➔ | | | | ● |
| Kupe development well | | | | | | ➔ ⊕ |
| Exploration Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Frontier exploration well (Canterbury Basin) | | | | | | ⊕ |

Seismic
 Planning
 ➔ FID
 ⊕ Drill
 Potential drill
 Procure and construct
 ● Production online/ uplift

Note: Future plans subject to change and require joint venture and Board approvals.
 1. Net to Beach.

Illustrative work program



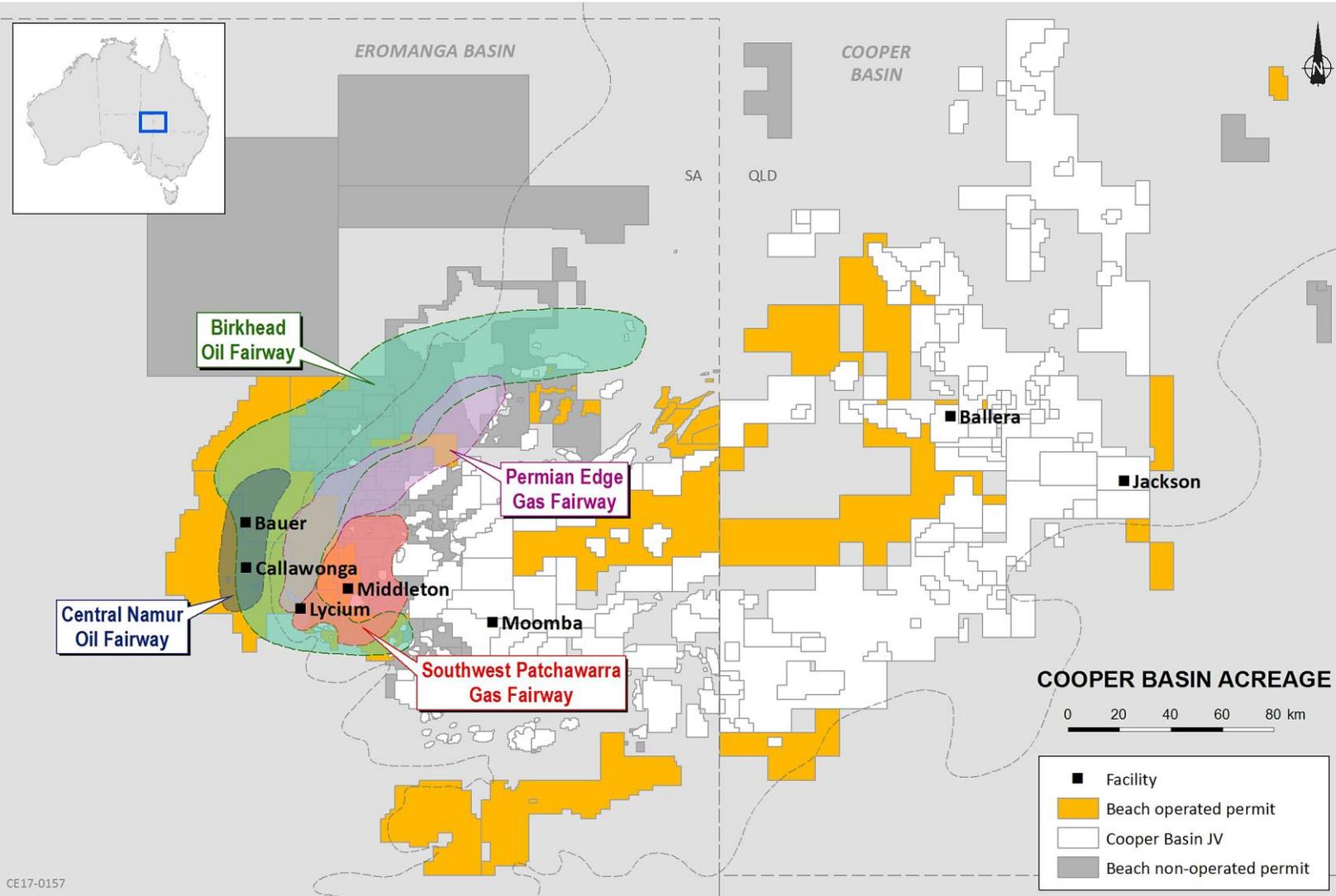
| Perth Basin: Waitsia; Beharra Springs | | | | | | |
|---|---------|---------|---------|---------|---------|-------|
| Development / Appraisal Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Beharra Springs compression optimisation | | | | | | |
| Perth Basin development plan | | | | | | |
| Waitsia gas development | | | | | | |
| Exploration Activity | H2 FY18 | H1 FY19 | H2 FY19 | H1 FY20 | H2 FY20 | FY21+ |
| Beharra Springs Deep | | | | | | |
| Trieste 3D seismic and prospect generation | | | | | | |
| Follow-up potential from Beharra Springs Deep | | | | | | |

Seismic
 Planning
 FID
 Drill
 Potential drill
 Procure and construct
 Production online/ uplift

Note: Future plans subject to change and require joint venture and Board approvals.
 1. Net to Beach.

Cooper Basin capital program

Multi-year capital program to sustain production over the longer term



Key Objectives: Western Flank Oil

- Focus on core play fairway exploration and development (Brikhead, Namur, McKinlay)
- Full field appraisal and development plans to maximise recoveries and accelerate production
- Horizontal oil drilling to optimise recoveries from Birkhead and McKinlay formations
- Up to 17 wells in FY18

Key objectives: Western Flank Gas

- Focus on core play fairway exploration (Southwest Patchawarra and Permian Edge)
- Complete Middleton Phase 1 expansion to 40 MMscfd
- Middleton Phase 2 expansion to 50 MMscfd under consideration
- Up to 11 exploration wells in FY18

Key objectives: Cooper Basin JV

- Three-rig oil and gas drilling campaigns
- Focus on horizontal oil drilling and liquids-rich gas prospects in FY18
- Participation in up to 64 wells in FY18
- Operator targeting flat production for next decade



FY18 HALF YEAR RESULTS

MARKETS OUTLOOK

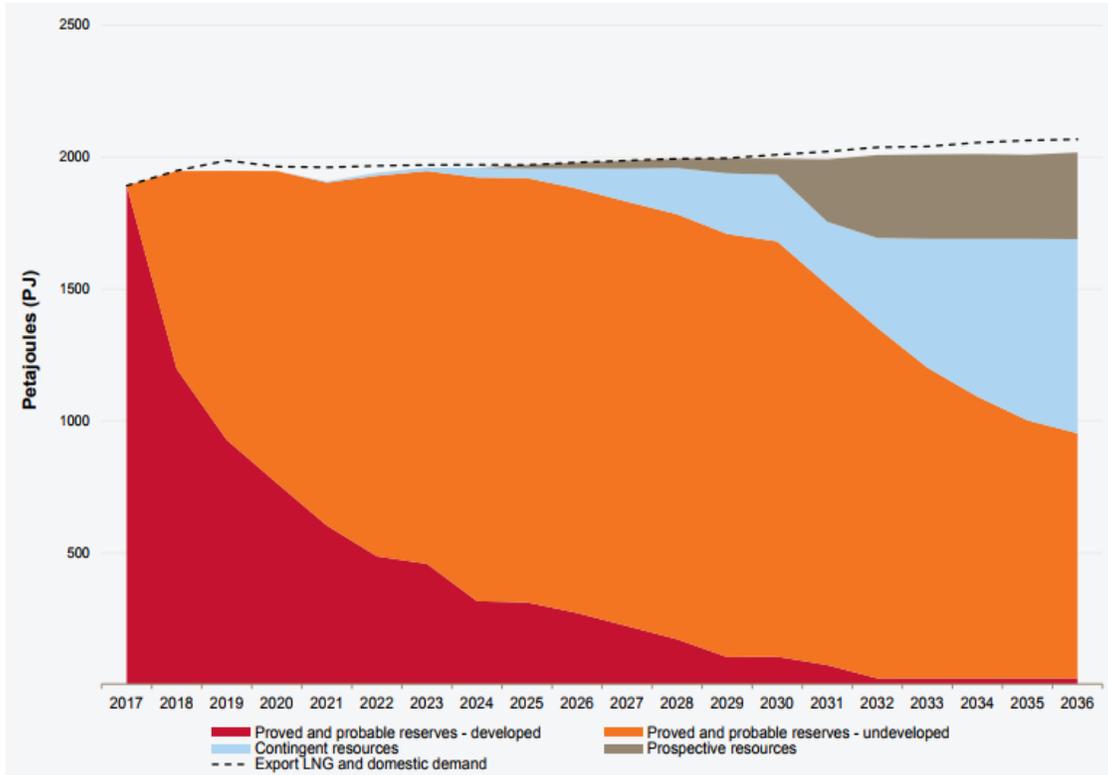
Lee Marshall, Group Executive Corporate Strategy and Commercial

Eastern Australia

Long-term market equilibrium dependent on contingent and prospective resources



Total Demand (Domestic & LNG) and Supply Outlook



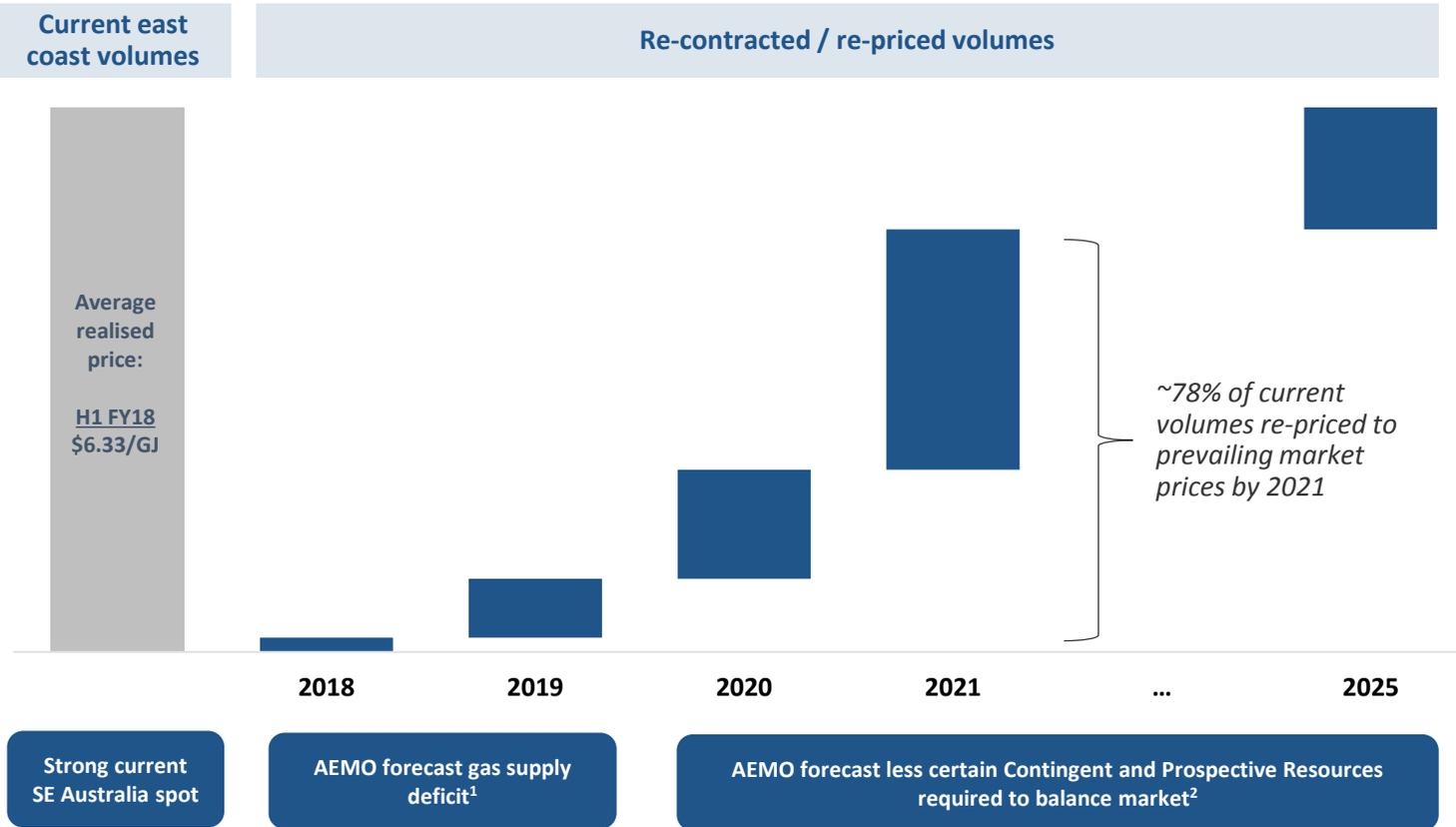
- **Market now servicing domestic and LNG demand requirements**
 - Three-fold increase in gas demand since 2013
 - Stable long-term gas demand requirement of ~2,000 PJ/a
- **Market equilibrium to early-2020s highly dependent on development of undeveloped reserves**
- **Material supply gap from mid-2020s in the absence of contingent / prospective resource conversion / discovery**
- **Beach now a major supplier of gas and well positioned with three long-life producing basins**
 - Pro forma FY17 supply accounted for ~15% of domestic demand¹

Source: Gas statement of Opportunities for Eastern & South Eastern Australia, AEMO – March 2017

1. Based on combined Beach and Lattice FY17 east coast sales gas and ethane production and estimated FY17 east coast gas demand of 624 PJ from AEMO actual delivery data over the period 1 July 2016 to 30 June 2017, less delivery to Gladstone LNG proponents.

Eastern Australia

GSA provide ongoing exposure to an attractive long-term pricing outlook



- Majority of existing east coast volumes re-priced or re-contracted by end 2021
- Annual step-ups and CPI adjustments of Lattice contracts continue upward price trend in the meantime
- Existing Beach oil-linked GSA exposed to oil price upside until re-contracted in 2025
- Otway development opportunities and Middleton expansion well placed to supply tightening market

Supportive near-term and long-term market fundamentals

1. Source: Update to Gas Statement of Opportunities, AEMO – September 2017

2. Source: Gas Statement of Opportunities for Eastern & South Eastern Australia, AEMO – March 2017

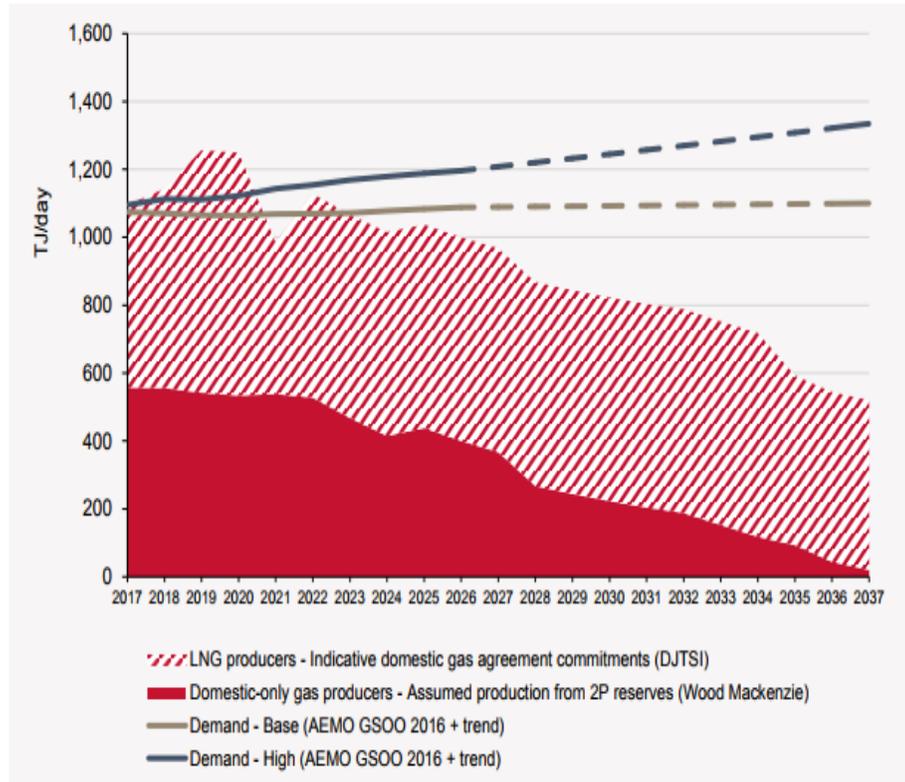
Chart data is illustrative only and based on current Beach (including Lattice) supply contracts. The chart illustrates future re-pricing and re-contracting volumes relative to existing supply contracts – it is not based on a supply forecast taking into account future changes to production. Includes supply to Australian customers only, excluding Western Australia.

Western Australia and New Zealand

Potential WA supply shortages to coincide with Waitsia / Perth Basin development



WA: Total Demand and Supply Outlook



Western Australia

- **Current market dynamics influenced by excess supply from LNG proponents**
 - Expected to be a short-term aberration
- **Gas supply shortages emerging from as early as 2021**
- **Beach Perth Basin assets uniquely positioned to service potentially significant supply gaps**
 - Whole-of-basin development plan commenced
 - Waitsia final investment decision expected in H1 FY19

New Zealand

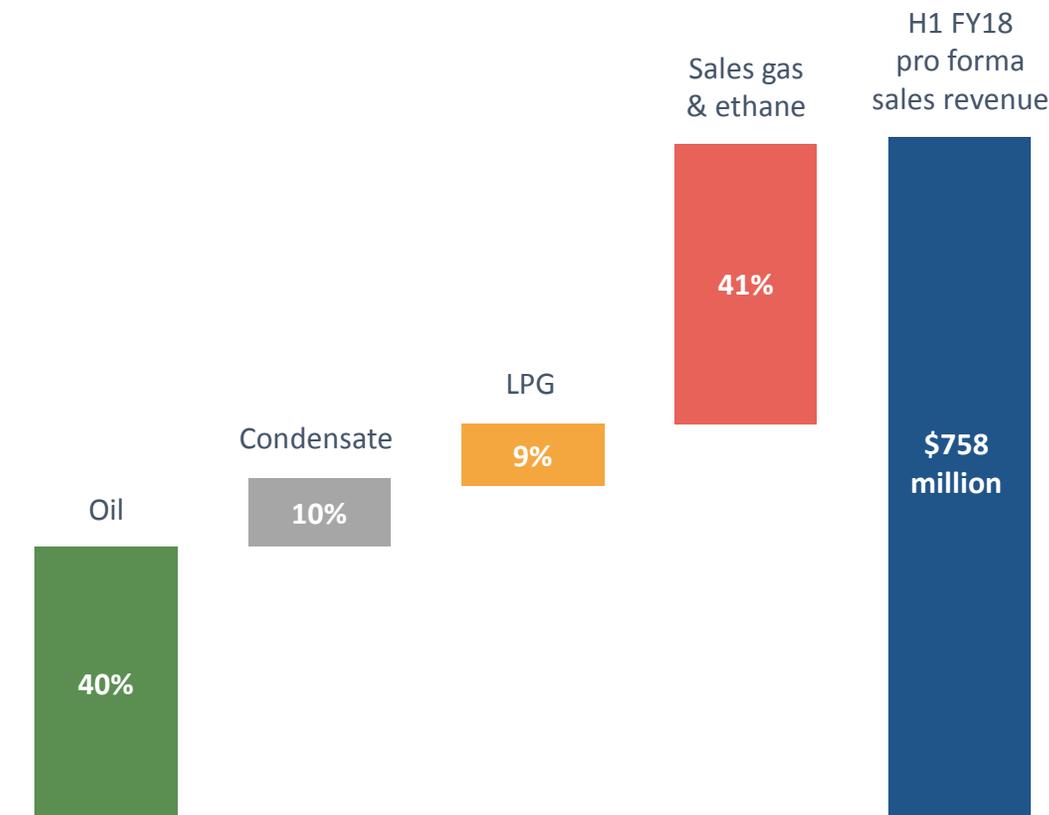
- **Price certainty for current Kupe gas supply under GSA with Genesis Energy**
- **Historical annual demand of >150 PJ expected to continue under base case forecasting scenarios**
- **Beach well positioned to benefit from Kupe development opportunities**

Oil and liquids exposure

>50% of H1 FY18 pro forma revenue derived from liquids



US\$10 oil price increase → +\$65 million NPAT and +\$70 million operating cash flow



| | |
|-------------------|--|
| Sales gas | <p>East coast</p> <ul style="list-style-type: none"> • Predominantly long term, fixed price contracts with annual increments and market re-sets every three to four years <p>West coast</p> <ul style="list-style-type: none"> • Various short term contracts expiring from 2018 to 2020 <p>New Zealand</p> <ul style="list-style-type: none"> • Single long term contract with co-venturer, Genesis Energy |
| LPG | <ul style="list-style-type: none"> • Various contracts and expiries • Pricing determined monthly; linked to Saudi Aramco Contract Price • Annual re-negotiations regarding pricing |
| Condensate | <ul style="list-style-type: none"> • Various contracts and expiries • Pricing determined at each lifting; oil-linked market pricing • Annual re-negotiations regarding market pricing |
| Oil | <ul style="list-style-type: none"> • All oil sold to Cooper Basin JV; marketed by Santos • Full volumes contracted and pricing mechanics agreed annually • Price determined at each lifting with reference to market • Downside hedging protection only |



FY18 HALF YEAR RESULTS

KEY HIGHLIGHTS

Matt Kay, Chief Executive Officer



An active and successful H1 FY18

Continued progress in the Cooper Basin and financial close of Lattice acquisition



Profit/margin improvement continues

- Gross profit up 45% to \$150 million
- Operating cash flow up 13% to \$174 million
- Achieved with further improvement in HSE performance

Cost discipline underpins results

- Lattice synergy estimate increased to \$50 million per annum
- Cooper Basin JV field operating costs down 21% to <\$14/boe
- Low cost operator model sustains cash flow breakeven at a world-class US\$17/bbl

Increasing inventory of new producers

- 48 wells drilled in H1 FY18 at a success rate of 83%
- Up to 98 wells to be drilled in FY18, +20 from original estimate
- FY18 Cooper Basin production guidance increased to 10.6 – 11.0 MMboe (from 10.0 – 10.6 MMboe)

Transformational Lattice acquisition

- Beach now a diversified, multi-basin producer with scale
- Lattice acquired at an opportune time in the cycle
- \$155 million free cash generated by Lattice in H1 FY18

Strong liquidity; gearing below target

- Net gearing <33% on Lattice financial close at 31 January 2018
- Targeting net gearing <20% by end FY19 (previously <25%)
- 1 cent per share fully franked interim dividend announced

Execution of focused strategy continues

- Multiple and diverse set of growth opportunities
- Synergistic acquisitions in Otway and Bass basins
- Potential farm-in to high impact Ironbark exploration prospect



FY18 HALF YEAR RESULTS

A wide-angle photograph of an oil field in a desert landscape. In the foreground, a white utility vehicle with a yellow license plate "E-25" is parked on a dirt road. In the background, there is a large drilling rig and several blue storage tanks. The word "APPENDIX" is overlaid in a large, blue, sans-serif font on a semi-transparent white rectangular background.

APPENDIX

Reconciliation of NPAT to Underlying NPAT



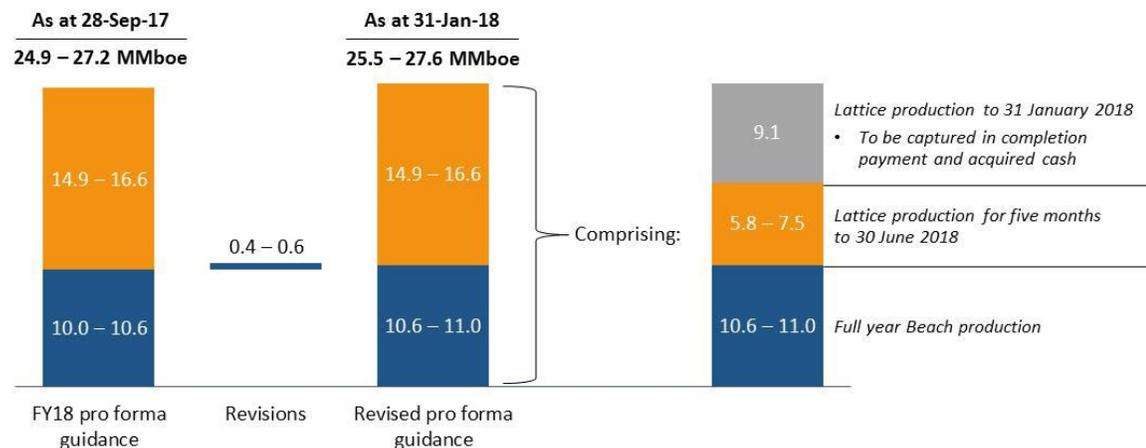
| Comparison of Underlying Profit (\$ million) | H1 FY17 | H1 FY18 | Change | |
|--|--------------|-------------|--------------|-------------|
| Net profit / (loss) after tax | 103.4 | 95.7 | (7.7) | (7%) |
| Remove acquisition costs | - | 9.6 | 9.6 | |
| Remove asset sales | (52.9) | (5.3) | 47.6 | |
| Remove unrealised hedging movements | 5.1 | 2.6 | (2.5) | |
| Remove establishment fees on cancellation of debt facility | - | 0.8 | 0.8 | |
| Remove gain on revision of restoration facility | - | (14.6) | (14.6) | |
| Remove impairment of assets | 33.1 | - | (33.1) | |
| Tax impact of above changes | - | 0.5 | 0.5 | |
| Remove provision for international taxes | - | 3.8 | 3.8 | |
| Underlying net profit after tax | 88.7 | 93.1 | 4.4 | 5% |

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 audited or reviewed financial statements.

FY18 pro forma guidance

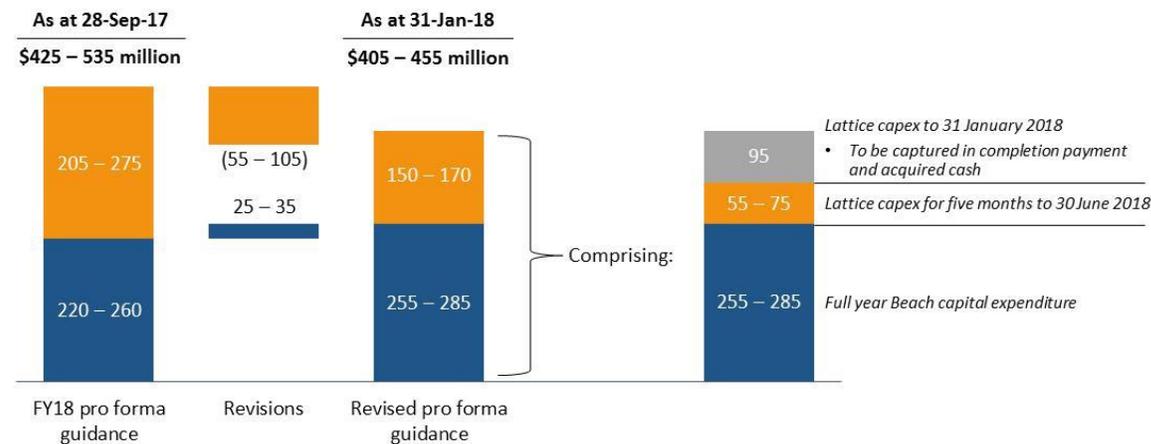


Production guidance⁽¹⁾



- **FY18 pro forma production guidance of 25.5 – 27.6 MMboe**
- Beach production guidance increased due to additional wells to be drilled and connected, better than expected incremental oil production from Western Flank artificial lift installations, and strong initial production from recent well connections
- Lattice operations performing in line with expectations and production has tracked to budget. Full year production guidance maintained

Capital expenditure guidance⁽¹⁾



- **FY18 pro forma capital expenditure guidance of \$405 - 455 million**
- Beach guidance increased due to an additional rig contracted within the Cooper Basin JV and participation in an extra 20 wells, more field development activity planned within operated and non-operated Cooper Basin acreage, and production testing at Haselgrove-3
- Lattice guidance reduced due to prudent value-based deferral of long lead item purchases for the Otway Gas Project, extended review of Waitsia development plans following recent strong flow test results and deferral of Bonaparte Basin 3D seismic acquisition
- Growth (discretionary) expenditure accounts for ~70% of total expenditure

1. Refer ASX announcement of 31 January 2018.

Expanded FY18 Cooper Basin program

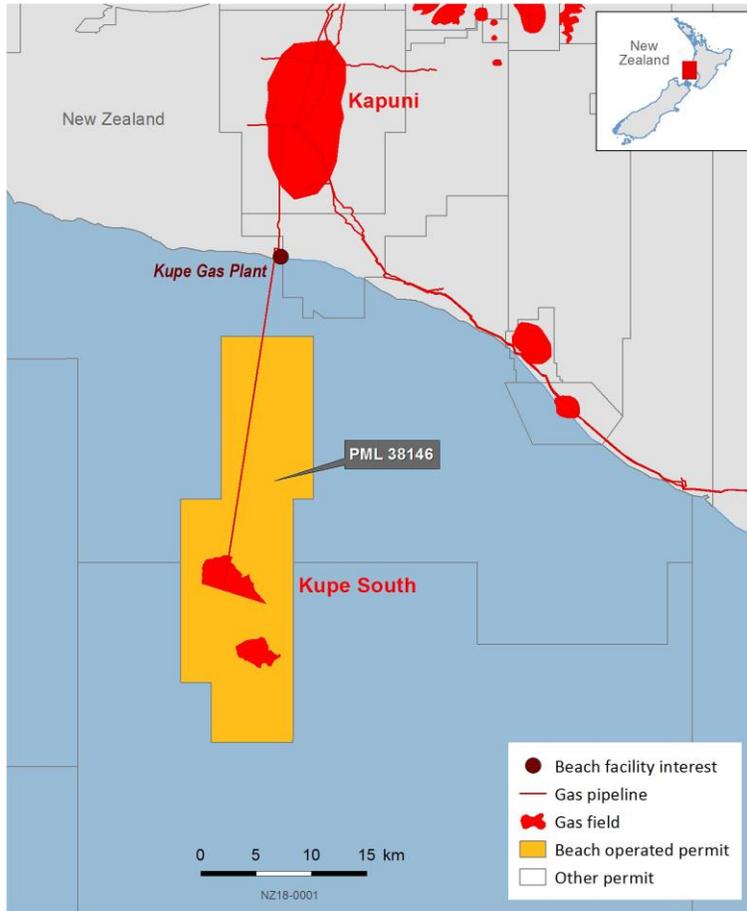
Participation in up to 98 wells and active field development activity



| | \$ million | Wells | | Key Projects |
|--------------------------|------------------|-----------|-----------|---|
| | | Exp. | App/Dev | |
| Western Flank Oil | | | | |
| Ex PEL 91, 92 | 60 – 65 | 2 | 8 | <ul style="list-style-type: none"> • Birkhead play fairway appraisal • Namur / McKinlay development • Artificial lift campaign |
| Ex PEL 104 / 111 | 5 – 10 | 3 | 4 | <ul style="list-style-type: none"> • Growler Field development/Hz well • Marauder Field appraisal/development |
| Western Flank Gas | | | | |
| Ex PEL 106, 91, 92 | 50 – 55 | 11 | – | <ul style="list-style-type: none"> • Play fairway exploration campaigns |
| Cooper Basin JV | | | | |
| Oil | ~15 | 3 | 22 | <ul style="list-style-type: none"> • Three-rig oil and gas drilling campaigns |
| Gas | 45 – 50 | 6 | 33 | <ul style="list-style-type: none"> • Production optimisation projects |
| Other | | | | |
| Oil: ATP 299 (Qld) | Up to 5 | – | 4 | <ul style="list-style-type: none"> • Oil appraisal campaign |
| Gas: Otway Basin | 20 – 25 | 1 | – | <ul style="list-style-type: none"> • Haselgrove-3 gas exploration well and follow-up testing |
| Gas: PEL 570 | – | 1 | – | <ul style="list-style-type: none"> • Exploration well (free carried) |
| Fixed Expenditure | | | | |
| Western Flank | Up to 30 | – | – | |
| Cooper Basin JV | Up to 25 | – | – | |
| Other | Up to 5 | – | – | |
| Total | 255 – 285 | 27 | 71 | |

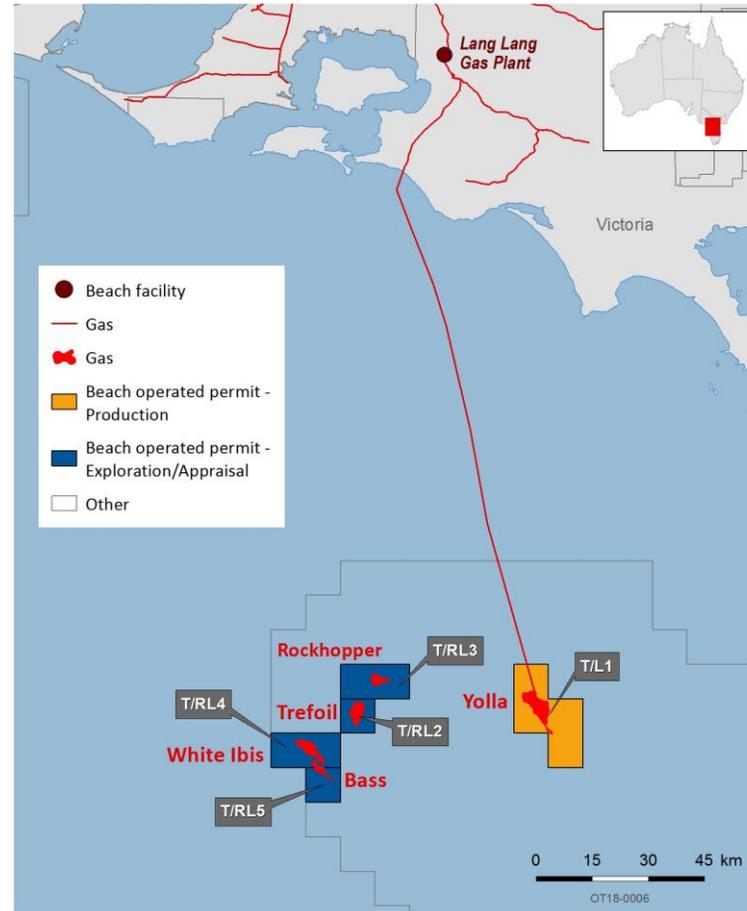
Permit maps

Kupe, Taranaki Basin NZ



Beach 50% and operator, Genesis Energy 46%, Mitsui E&P 4%

BassGas, Bass Basin



Producing assets¹: Beach 53.75% and operator, AWE Limited 35%, Prize Petroleum International 11.25%;
Exploration permits¹: Beach 50.25% and operator, AWE Limited 40%, Prize Petroleum International 9.75%

1. Assumes completion of the acquisition of ownership interests from Toyota Tsusho, refer to ASX Release #098/17 dated 21 December 2017.



FY18 HALF YEAR RESULTS



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