

Beach Energy Limited



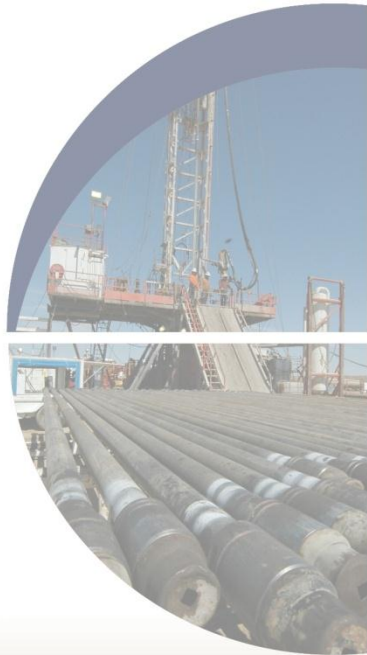
FY11 Full Year Results

30 August 2011

Reg Nelson – Managing Director

Kathryn Presser – Chief Financial Officer

Neil Gibbins – Chief Operating Officer



FY11 Highlights

Reg Nelson – Managing Director

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Disclaimer

- This presentation contains forward looking statements that are subject to risk factors associated with oil, gas, geothermal 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 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 2011 and represent Beach’s share.

Competent Persons Statement

- This presentation contains information on Beach’s Reserves and Resources which have been compiled by Mr Gordon Moseby, who is a full time employee of Beach, is qualified in accordance with ASX listing rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.

Corporate

- Acquisition of Impress Energy Ltd
- Negotiations with Santos regarding gas supply to its GLNG project

Operations

- Successful shale exploration program with booking of 2TCF 2C contingent resource
- Western Flank exploration and appraisal success in PEL 91 and PEL 92
- Three new Saxon build rigs for SACB JV and SWQ JV

Finance

- Solid underlying profit of \$41 million
- Strong cash position of \$173 million
- New \$150 million multi option finance facility

Subsequent events

- Holdfast-1 shale well flowed up to 2 MMscfd
- Two rigs secured for 2012 unconventional pilot program





Financial results

Kathryn Presser – Chief Financial Officer

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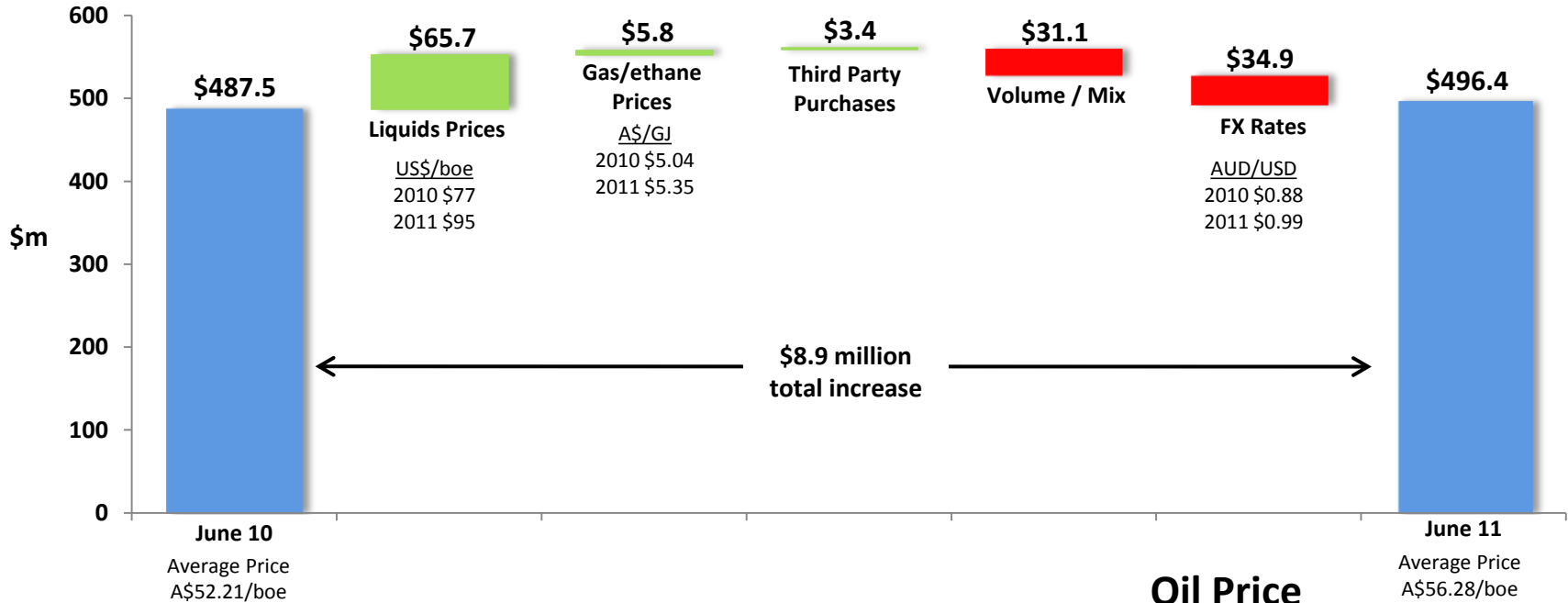
FY11 Full Year results overview



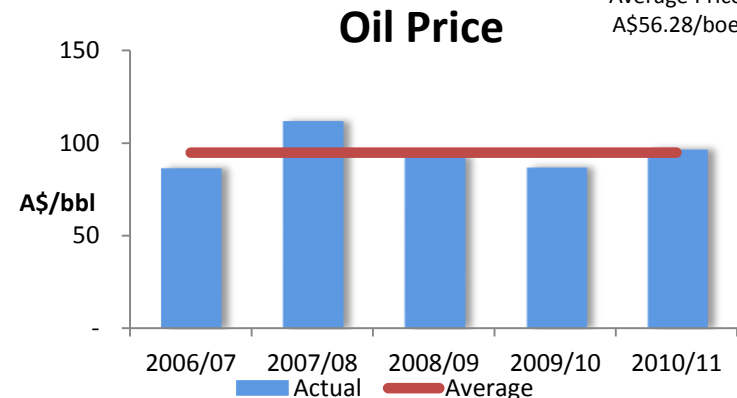
	FY11	FY10
Sales volume (MMboe)	8.8	9.3
Sales revenue (\$ million)	496.4	487.5
Cash flow from operations (\$ million)	184.5	128.5
Net (loss)/profit after tax (\$ million)	(97.5)	33.1
Underlying net profit after tax (\$ million)	41.4	38.7
Total dividends declared (cents per share)	1.75	1.75

- Solid underlying profit of \$41.4 million, up 7%
- Strong cash position of \$173 million
- A new multi option finance facility of \$150 million replaced the \$35 million working capital facility
- Dividend declared of 1.0 cent per share fully franked in addition to 0.75 cent per share fully franked dividend at half year

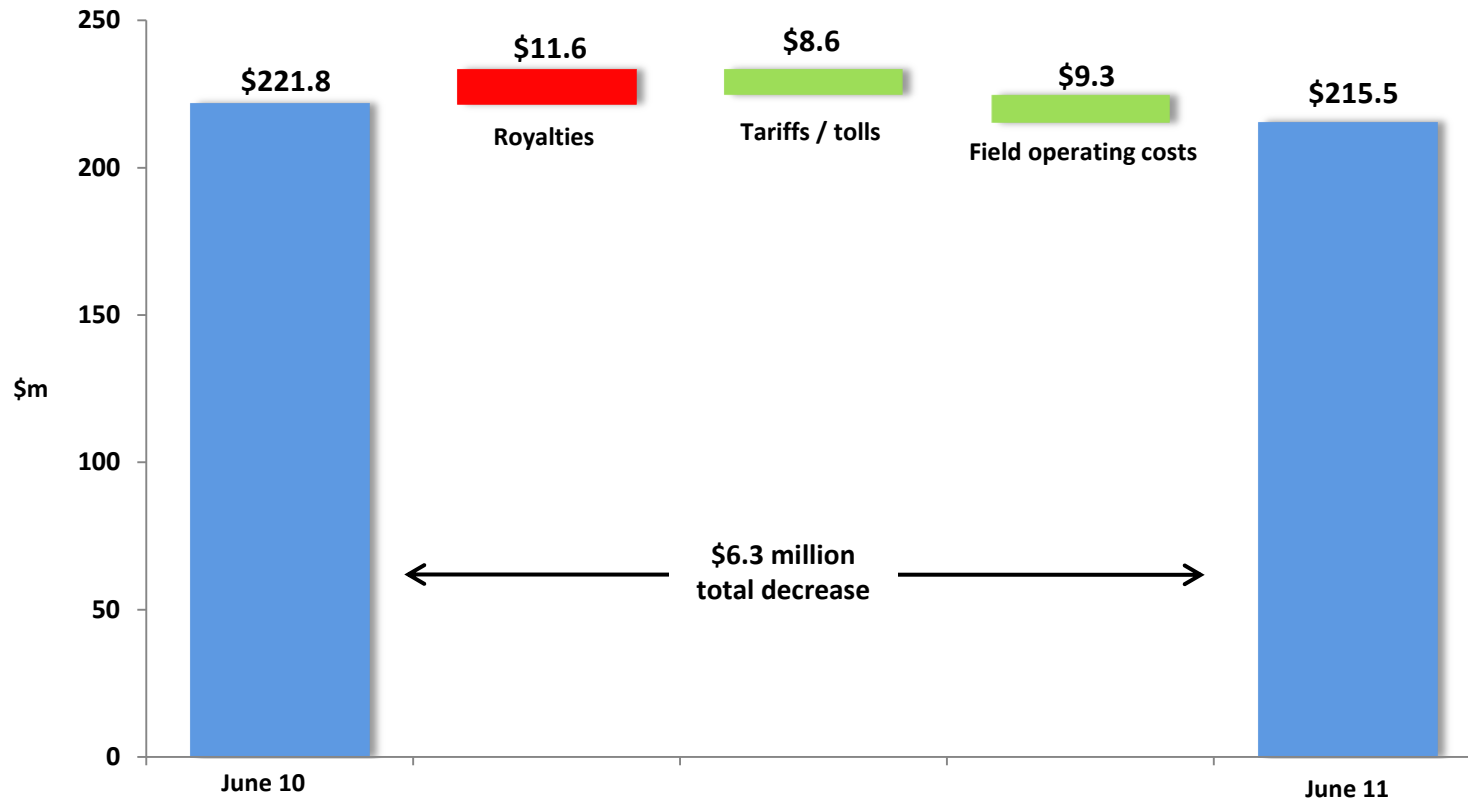
Sales revenue up 2%



- Sales revenue driven by improving gas and oil prices (oil averaged A\$97/bbl); partially offset by
- Sales volumes decline, mainly due to Tantanna shutdown, flooding and cessation of BMG operations.



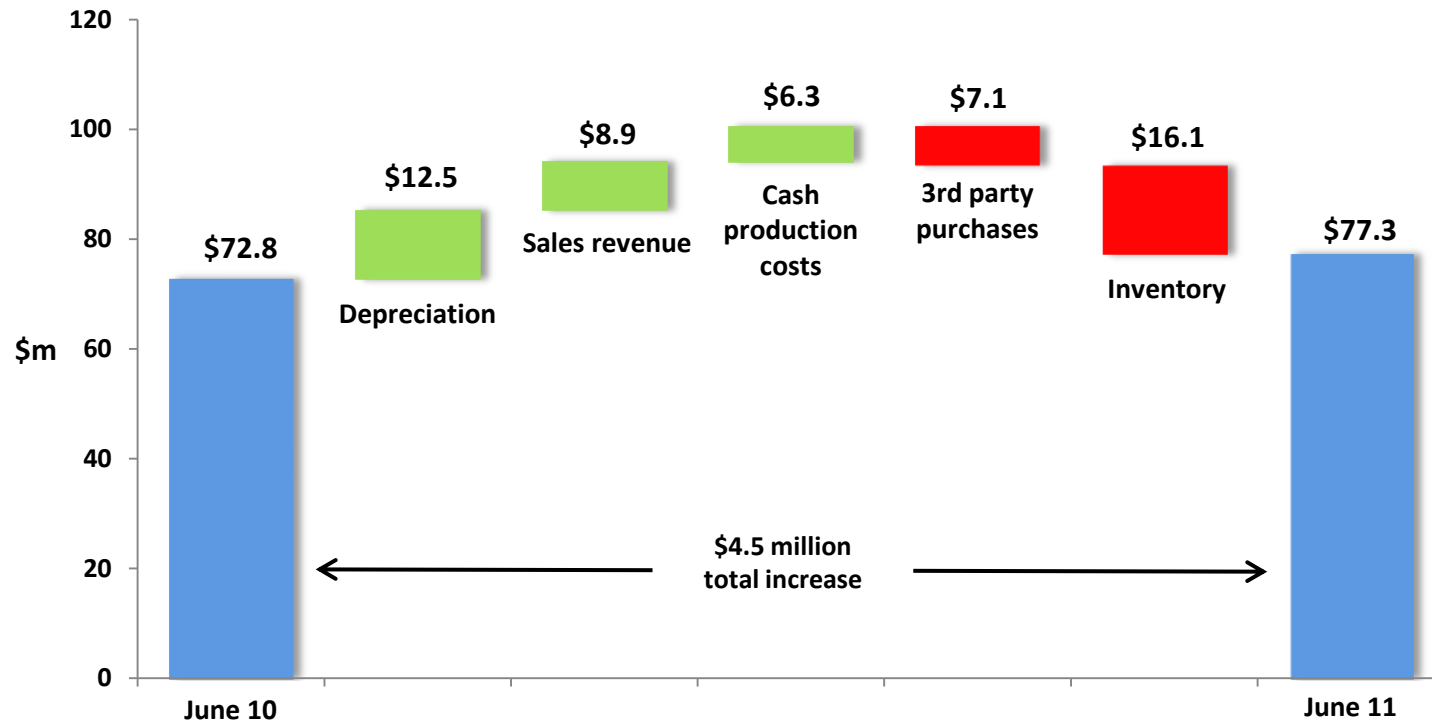
Cash production costs down 3%



Lower cash production costs mainly due to:

- Tariffs and toll reduction due to lower SWQ crude tolls and the shutdown of the Tantanna pipeline;
- Lower field operating costs due to cessation of BMG production partly offset by higher costs on non-operated operations; partially offset by
- Higher royalties paid on USD income

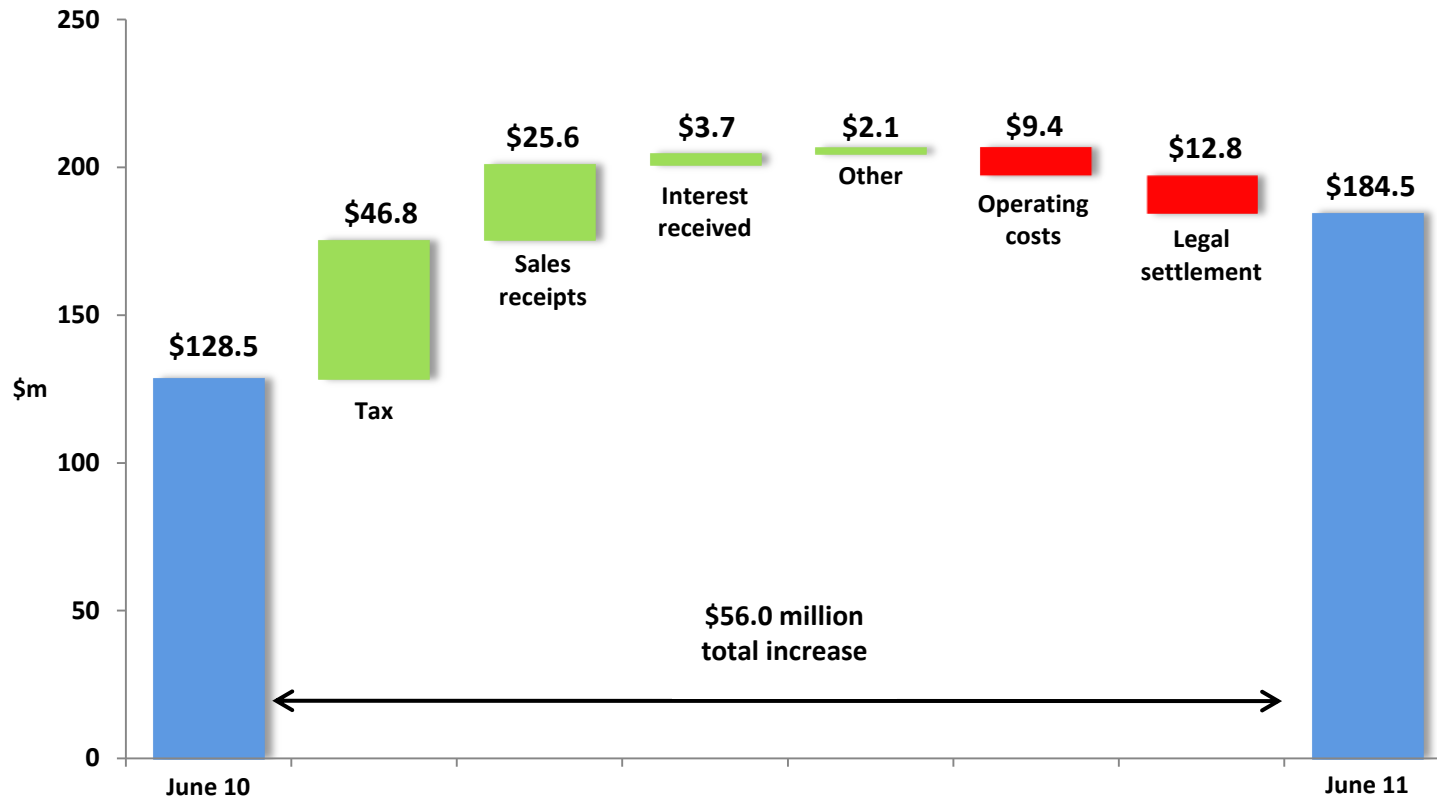
Gross profit up 6%



Gross profit increase mainly due to:

- Increase in oil and gas prices; partially offset by
- Lower field operating costs due to cessation of BMG production partly offset by higher costs on non-operated operations; and
- Higher third party purchases and inventory drawdown due to lower production

Cash flow from operations up 44%



Cash flow from operations increase mainly due to:

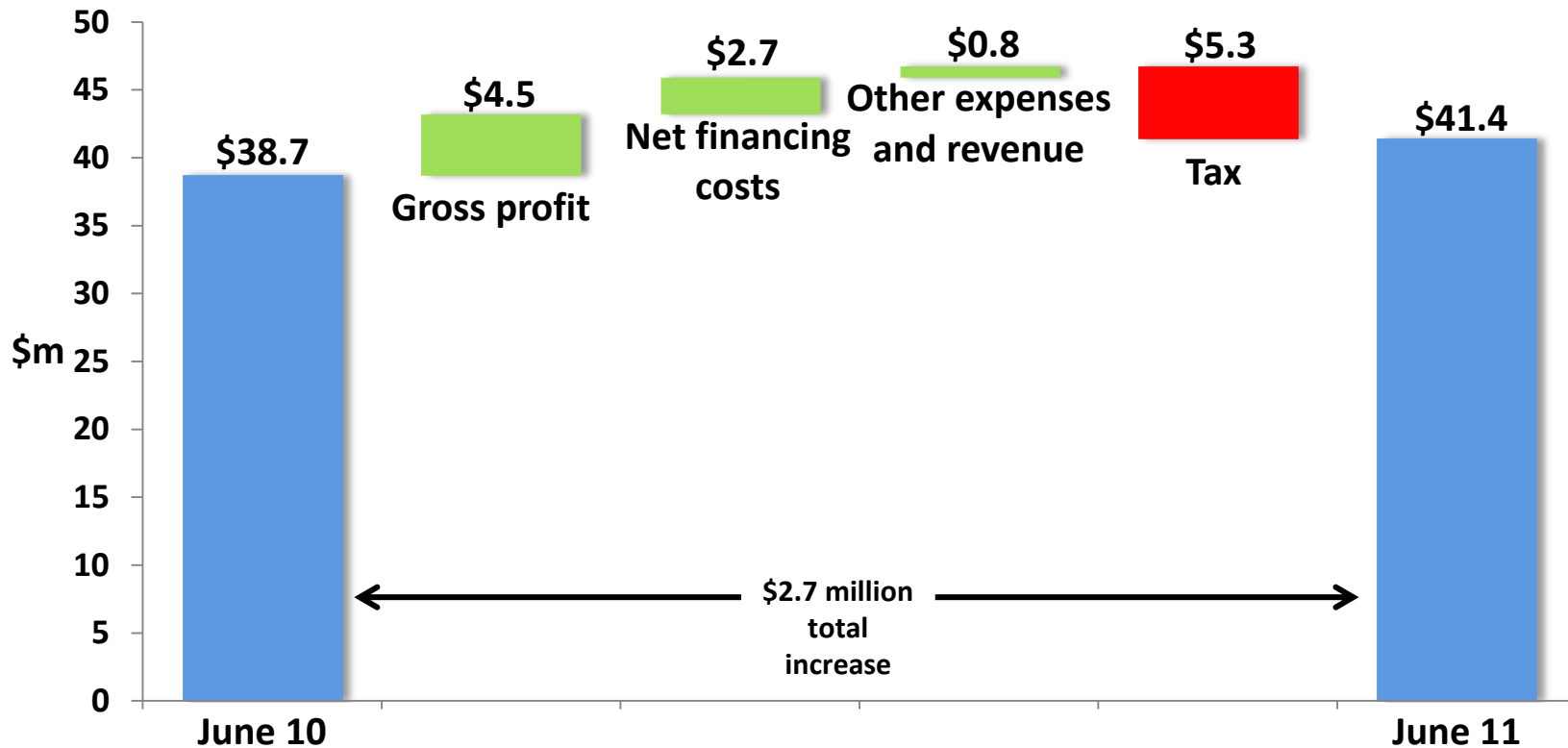
- The tax payment on the sale of the Tipton West assets in FY10 and not FY11;
- Sales receipt increase due to higher oil and gas prices and the drawdown from inventory; partially offset by
- Higher costs for non-operated operations, third party purchases and the BMG legal settlement

Comparison of Underlying Profit



	FY11 \$ million	FY10 \$ million
Net (loss)/profit after tax	(97)	33
Remove unrealised hedging (gains)/losses	(2)	5
Remove revaluation of assets	(14)	1
Remove asset sales	(11)	(55)
Remove impairment of assets	158	64
Remove legal settlement	13	–
Remove BMG NPP	30	–
Remove gain on acquisition of subsidiary	(1)	(4)
Remove takeover costs	1	–
Tax impact of above changes	(52)	(5)
Remove tax benefit from consolidation of subsidiary	(11)	–
Remove impact of PRRT adjustment	27	–
Underlying Net Profit After Tax	41	39

Underlying net profit after tax up 7%



Strong operational performance delivering a profit increase during a very challenging year



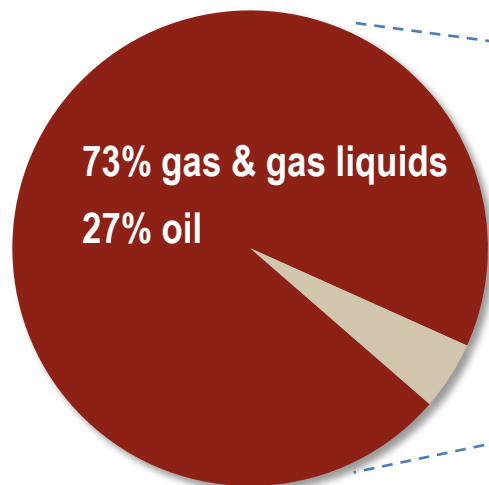
Operational overview

Neil Gibbins – Chief Operating Officer

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2P Reserves

77 MMboe*

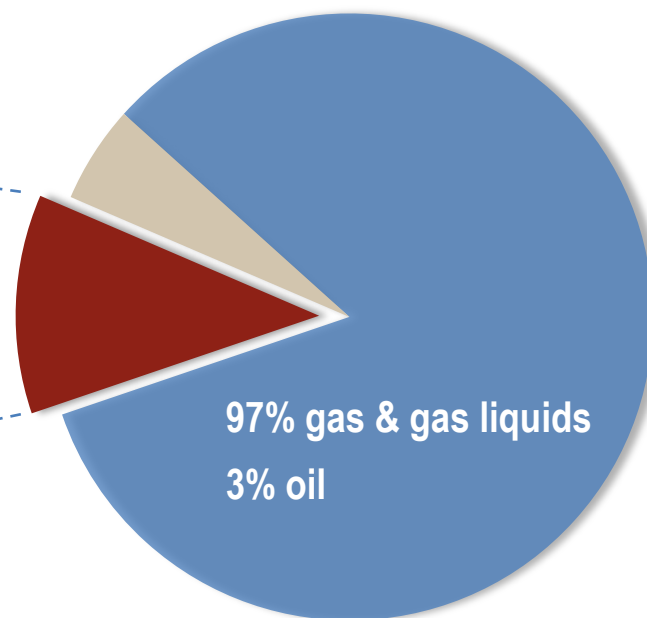


2P Reserves are a fraction of the total resource base

■ Cooper / Eromanga ■ Other

2P Reserves and 2C Contingent Resources

660 MMboe*

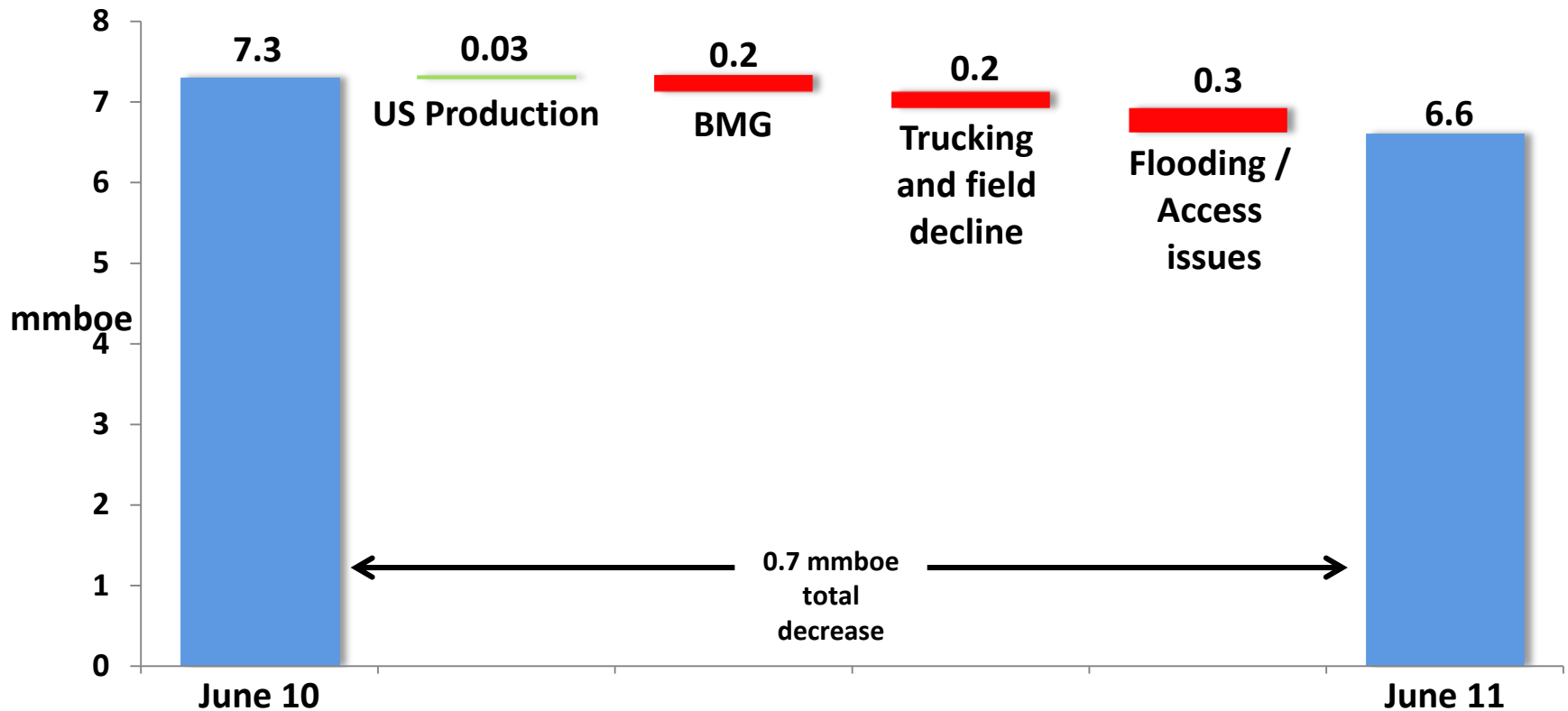


■ Cooper / Eromanga ■ 2P ■ Other

2P Reserves increase of 17% and 2C Resource increase of 96% on FY10

* Volumes quoted are as at 30 June 2011

Production volumes down 10%



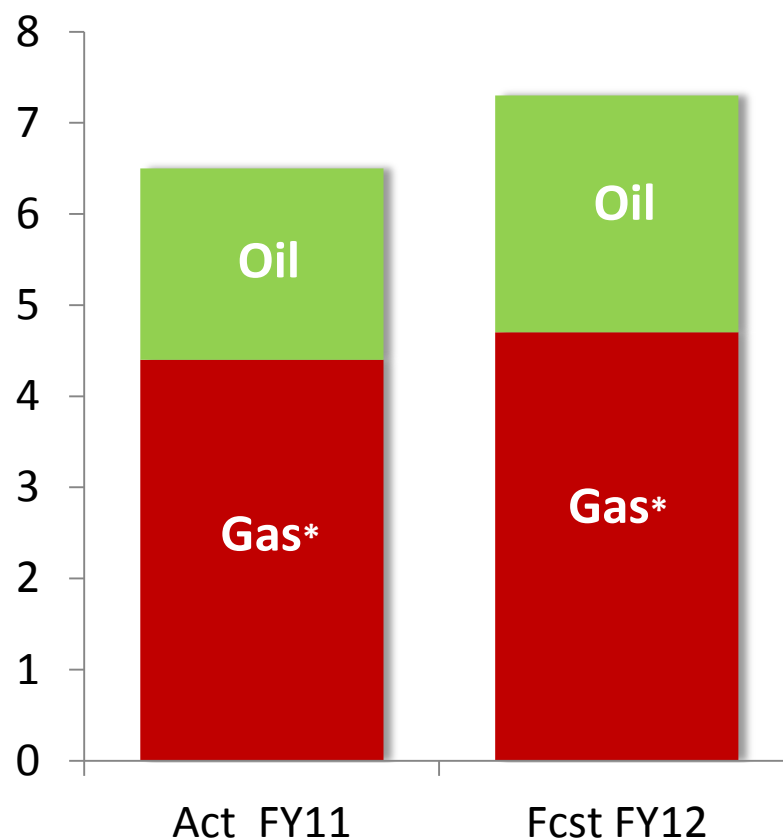
Production volumes decrease mainly due to:

- BMG moving to a non-productive phase;
- Trucking due to Tantanna pipeline closure and natural field decline; and
- Access issues due to flooding

- Production guidance for FY12 of 7.5MMboe, expected to be primarily driven by:
 - Better land access for activities following Cooper Basin floods
 - Enhanced exploration and development drilling planned for FY12
 - New pipeline infrastructure accessing Western Flank oil tenements
 - Infill drilling in the SACB JV acreage

Near-term production uplift potential

Beach actual and forecast production (MMbboe)



* Gas and gas liquids

FY12 Capital requirements, wells and seismic



	FY12 Fcst Capex \$ million	FY11 Act Capex \$ million	FY12 Fcst Wells to drill	FY12 Fcst Seismic	
				2D - Km	3D - Km ²
Development					
Cooper Basin	186.9	92.2	61	–	–
BMG	–	1.2	–	–	–
International	5.3	4.1	1	–	–
Total Development	192.2	97.5	62	–	–
Exploration					
Cooper Basin	64.3	12.5	34	1,100	1,865
Other Australasia	26.5	(0.1)	4	200	–
Unconventional	46.0	37.6	4	500	–
International	20.0	11.7	6	1,800	–
New Ventures and other	6.1	1.9	–	–	–
Total Exploration	162.9	63.6	48	3,600	1,865
Total	355.1	161.1	110	3,600	1,865

Higher capex due to enhanced FY12 program with no flooding forecast

Key catalysts for FY12



Project	Key technical activities				Outcomes
	Q3 2011	Q4 2011	Q1 2012	Q2 2012	
Cooper Basin unconventional gas	2TCF 2C resource booked	Stimulation, evaluation of Encounter-1	Vertical and pilot horizontal production wells in PEL 218 and ATP855P		Establish a large 2C resource
Cooper Basin JV	Implement production pilots and infill drilling to convert 2C contingent resource to 2P reserve				10 MMboe conversion potential
Beach operated - Cooper Basin Western Flank oil	12 exploration and 9 development wells, new Butlers and Parsons oil facilities, new oil pipeline				Increased production due to improved access, enhanced drilling campaign and pipeline upgrade
Non-operated - Cooper Basin Western Flank oil	10+ exploration, appraisal and development wells, tie in of acreage with new pipeline				Recommencement of production and Birkhead exploration results
Egypt: Abu Sennan	Continuation of 6 well drilling campaign at Abu Sennan				Initial Abu Sennan drilling results
Tanzania: Lake Tanganyika exploration	1800 km 2D Seismic program		Interpretation of 2D Seismic		Initial prospect and leads generation

Multiple near-term catalysts with material re-rating potential

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