

## Media release

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### Beach Energy FY18 full year results

Beach has today released its Full Year Report for FY18, and provided capital expenditure and production guidance for FY19.

Highlights of Beach's Full Year Report include:

- Sales revenue of \$1.25 billion, up 92% on the corresponding period.
- Underlying net profit after tax<sup>1</sup> of \$302 million, up 86% on the corresponding period.
- Net profit after tax of \$199 million, down 49% on the corresponding period, impacted by exploration asset impairment and non-recurring items such as acquisition and integration costs.
- Fully franked final dividend of 1.0 cent per share.
- Operating cash flow of \$663 million, up 108% on the corresponding period.
- Total production of 19.0 MMboe, up 80% on the corresponding period.
- Gas and gas liquids production of 13.3 MMboe was 174% higher than the prior year.
- 2P reserves<sup>2</sup> at 30 June 2018 increased by 320% compared with those reported at 30 June 2017, to 313 MMboe.
- H2 FY18 cash generation drove net gearing down from less than 33% at the time of completion of the Lattice acquisition to 25.9% at 30 June 2018.
- Liquidity of \$761 million at 30 June 2018 and currently over \$850 million.
- Lattice integration almost complete and done safely.
- Synergy and operational efficiency target increased from \$50 to \$60 million per annum.

Highlights of Beach's guidance on FY19 capital expenditure and production include:

- FY19 to be the biggest ever investment year for Beach and will support the company's target of increasing production to above 30 MMboe by FY21.
- Capital expenditure expected to be within the range of \$460 – 540 million. Approximately 80% of expected FY19 capital expenditure is discretionary in nature and to be spent in accordance with strict investment hurdles and return requirements.

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<sup>1</sup> By adjusting FY18 net profit after tax of \$199 million to exclude impairment and non-recurring items (as summarised on page [42] of the attached FY18 Full Year Results presentation), underlying net profit after tax was \$302 million.

<sup>2</sup> Please refer to page 2 of the attached FY18 Full Year Results presentation for compliance statements relating reserves disclosures.

- Increased capital expenditure is reflective of the attractive organic growth opportunities of the enlarged asset portfolio.
- FY19 production volume expected to be in the range of 26.0 – 28.0 MMboe.

Beach's FY18 full year results have capped off a transformational year for Beach with its underlying net profit after tax (Underlying NPAT) up 86% to \$302 million.

Beach Chief Executive Officer Matt Kay said the results were evidence of the successful acquisition and integration of the former Lattice Energy assets.

"We have created a high performing team that has continued to deliver strong results through the integration process, a credit to Beach staff across the business," Mr Kay said.

"FY19 starts a new phase for Beach, as we embrace becoming a multi-basin oil and gas explorer, developer, operator and producer.

"Having conducted a comprehensive review of the assets across the business, we expect FY19 to be the biggest ever investment year for Beach.

"Our strong cash flow generation ensures we will continue to rapidly pay down debt, with net gearing forecast to fall below 20% by the end of FY19.

"With over \$850 million in liquidity, a strong reserves position, an expanded asset portfolio with proven cash generation potential and an attractive organic growth portfolio, we see this as the right time to deliver this high calibre investment program.

"We have an exciting future ahead of us and we remain committed to creating shareholder value."

**For further information contact the following on**

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