

Beach Energy delivers acquisition and revenue growth in Q1

A landmark acquisition, increased sales revenue and strong production have highlighted Beach Energy's first quarter results for 2017-18.

Sales revenue jumped 17 per cent on the previous quarter to \$178 million, while quarterly production increased to 2.6 MMboe, up 2% from the previous quarter, generating \$90 million of operating cash flow.

Furthermore, the acquisition of Lattice will deliver a step change for Beach as it significantly increases its reserves and production.

Beach Energy CEO Matt Kay said the first quarter results, in particular the Lattice acquisition, was a prime example of the company delivering on its strategy.

"This transaction represents a significant milestone as we execute our strategy to become a premier upstream oil and gas company in the region," Mr Kay said.

"The combined operations will propel Beach from a single-basin onshore producer, to a multi-basin, onshore and offshore producer with significant gas processing capabilities across Australia and New Zealand.

"A diverse portfolio of quality assets brings with it significant optionality and high impact, value creating growth opportunities. Integration planning is well advanced as we target completion by the end of March 2018."

Mr Kay said he was also pleased to see continued success in its drilling program as Beach looked to optimise performance out of its core Cooper Basin operations. 23 wells were drilled in the quarter at a success rate of 78%, including three new discoveries.

"Drilling activity produced positive results as Beach completed its first operated horizontal well in the Western Flank, Bauer-26. This well was drilled and brought online in less than two months," Mr Kay said.

"In our 100% owned gas acreage, a liquids-rich discovery at Lowry-1 confirmed this acreage as a potential growth engine for Beach.

"Lowry-1 has provided the impetus needed to progress expansion of the Middleton facility from 25 MMscfd to 40 MMscfd. Planning is well progressed as we continue our active FY18 gas drilling campaign."

"The Cooper Basin JV also continues to achieve outstanding results. A 100% drilling success rate saw 15 wells cased and suspended as future producers, including a new gas field discovery in Queensland."

Capital expenditure in the first quarter was \$46.2 million, with net operating cash flow of \$90 million generated.