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Beach commences FY17 delivering record production and sales

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Beach Energy today announced a strong start to FY17 delivering record quarterly production and sales volumes for the first quarter of the financial year.

Record production of 2.9 MMboe and record sales volumes of 3.3 MMboe were both up 6% from the prior quarter and were mainly the result of its profitable core Western Flank oil and gas operations.

Beach's financial performance remained strong and continued to demonstrate the company's low cost operations model, with the generation of \$67 million in net operating cash flow.

After capital expenditure, dividend payments and receipts from the sale of Beach Egypt, Beach recorded cash reserves of \$243 million, up by \$44 million from the prior quarter.

Chief Executive Officer, Matt Kay said the company's strong quarterly results continued the momentum from FY16.

"The results we have announced today reinforce Beach's underlying value proposition. We are a low cost operator with record production and we continue to generate material free cash flow," Mr Kay said.

"We were pleased to announce that we have 100 % success rate for the nine wells we have participated in this quarter.

"Drilling our Kangaroo-1 exploration well in the Western Flank resulted in a new oil discovery with the results indicating the potential to expand the prospectivity across Beach's operated Western Flank permits.

"Based on a preliminary review of results, we intend to have the discovery on production by Q3 FY17 and drill two follow-on wells. These wells are expected to be drilled in the second half of FY17.

"Our capital expenditure focus is to reinvest in our high-returning Western Flank acreage and we are already witnessing the benefits of this strategy.

"With close to \$600 million of available liquidity and a disciplined approach to pursuing value accretive external growth opportunities, Beach is well positioned for future growth," Mr Kay said.

Highlights FY17 Q1

- Record quarterly production of 2.9 MMboe, up 6% on the prior quarter
- Record quarterly sales volumes of 3.3 MMboe, up 6% on the prior quarter
- Quarterly sales revenue of \$169 million, up 1% despite lower realised oil prices
- Capital expenditure of \$30 million
- Cash reserves of \$243 million, up \$44 million
- Nine wells completed with a 100% success rate
- Four operated oil wells successfully completed, including the Birkhead Formation oil discovery at Kangaroo-1 in ex PEL 91 (Beach 100%)
- Completion of the sale of Beach Egypt and various operated oil permits in Queensland