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## Beach delivers strong half year results

20 February 2017

Key Highlights:

- Highly profitable base business. Net profit after tax of \$103m and underlying net profit after tax \$89m, 1,023% increase compared to prior corresponding period.
- \$658m in available liquidity - Net cash up 202% to \$148m, HY operating cash flow up 19% to \$154m.
- Shareholders to receive a one cent per share fully franked interim dividend.
- Record half year production of 5.5 MMboe, up 22%.
- Record half year sales volumes of 6.4 MMBoe, up 25%.
- Operating field costs reduced by 26% to \$2.70 barrels of oil equivalent.
- Three play-extending discoveries made in the Western Flank.

Beach Energy shareholders will receive a one cent per share fully franked interim dividend following strong financial and operational performance during the first half of the financial year.

At the end of the half year, Beach increased its net cash by 202% to \$148 million and generated \$154 million in operating cash flow.

Beach recorded net profit after tax at the end of the half year of \$103m. Underlying net profit after tax of \$89 million significantly increased by more than 1,000% compared to the prior corresponding period. Beach now has approximately \$650 million of available liquidity.

Record half year production of 5.5 MMboe (up by 22%) and record half year sales volumes of 6.4 MMboe (up by 25%) helped drive the turnaround in profits.

The company's efficient low cost business model has underpinned these strong financial results and has delivered further operational savings.

Beach's operating field costs reduced by 26% to \$2.70 barrels of oil equivalent demonstrating the company's position as a low cost operator in the Cooper Basin.

In addition, the Cooper Basin's South Australian Joint Venture operating costs were reduced by 16%, with further cost savings anticipated throughout the remainder of the financial year.

Chief Executive Officer Matt Kay said the company's highly profitable base business will enable Beach to further increase field activity.

"I am pleased to report that our strong financial position means we will become more active with the drill bit on our high returning opportunities over the remainder of the financial year", Mr Kay said.

"We are anticipating up to 60 wells to be drilled during FY17, 18 of which will be Beach operated.

"This includes an additional ten wells to be drilled over the remainder of the financial year, two more than we announced last month when we reduced our capital expenditure guidance.

"Our drilling success in the quarter has been strong, with an 88% success rate from 24 wells year to date.

"We have made three play-extending discoveries in the Western Flank. These discoveries are encouraging for future exploration programs and confirm our strategy to invest in increased drilling activity in this high-return acreage.

# Media Release



“Our gas business will, in part, focus on untapped exploration potential in the extensive Southwest Patchawarra and Permian Edge play fairways.

“Enhanced mapping technology has assisted us with two Southwest Patchawarra discoveries year to date and we will drill a further two exploration wells before financial year end.

“Our Middleton gas appraisal compression project will be completed by the end of the third quarter and will deliver surplus gas in coming months to meet growing market demand,” Mr Kay said.