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ASX / Media release

13 February 2019

Ref: #006/19

Beach Energy transformation delivers enhanced profitability and growth

Beach Energy has today released its Half Year Report for the 2019 financial year

Strong half year result

- Sales revenue up 147% to $955 million
- 199% increase in underlying NPAT[1] to $279 million, supported by cost discipline
- Interim dividend of 1.0 cent per share, fully franked

Strong operational start to FY19

- Facility reliability averaged above 97%
- H1 FY19 production of 15.2MMboe

Net cash position expected by end Q3 FY19

- Operating cash flow $479 million; free cash flow[2] $293 million
- Net gearing of 13.5% at 31 December 2018

Drilling success

- 68 wells drilled in H1 FY19 at a 79% success rate
- Bauer appraisal campaign successful; identifies new well locations
- Bauer horizontal development well average spud-to-online time improved by 24% to 23.5 days

FY19 guidance improved

- FY19 production guidance from 25 – 27 MMboe to 28 - 29 MMboe[3]
- FY19 capex guidance narrowed to $450 - 500 million[3]
- FY19 EBITDA guidance increased by $200 million to $1.25 - 1.35 billion
- FY19 DD&A guidance increased to $450 - 500 million

Investing to deliver future growth

- Rigs secured for SA and Vic Otway drilling programs
- Additional rigs secured in Cooper Basin to accelerate drilling
- La Bella gas field secured via gazettal

[1] Underlying results are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by Beach's external auditors, however have been extracted from the reviewed financial statements. Please refer to the appendices of the attached FY19 Half Year Results Presentation for reconciliation of underlying results.

[2] Free cash flow defined as operating cash flow less capital expenditure (excluding acquisitions and divestments).

[3] Refer to ASX release #002/19 dated 31 January 2019.

Underlying NPAT rises to $279m as Beach Energy increases EBITDA guidance

A 147 per cent increase in sales revenue coupled with cost discipline has seen Beach Energy deliver a 199 per cent increase in its underlying Net Profit After Tax (NPAT) to $279 million.

Beach CEO Matt Kay said the release of the First-Half results, in which Beach increased its FY19 EBITDA guidance to $1.25 - $1.35 billion, highlighted the strength of the company's portfolio of assets.

"These results highlight what Beach is capable of delivering. I am extremely proud of what we have achieved in the first half of this year," Mr Kay said.

"All our key financial metrics have improved, our net gearing was 13.5 per cent as at 31 December, 2018 and we are on track to be net cash by the end of Q3 FY19.

"Our strong balance sheet position is in many ways thanks to the cash generation strength of the business. Our operating cash flow was up 175 per cent on the corresponding half to $479 million and we delivered $293 million of free cash flow."

Beach announced a fully-franked interim dividend of 1 cent per share.

Mr Kay said he was particularly pleased that the First-Half results provided clear evidence that Beach is well placed to deliver on its five-year plan.

"On the production front, our output of 15.2MMboe has exceeded expectations, driven by a combination of strong customer demand, improved facility reliability and positive field performance," Mr Kay said.

"We also continued our excellent track record on the drilling front, with 68 wells drilled in H1 FY19 at a success rate of 79 per cent."

"In particular, our Bauer appraisal campaign has been extremely successful and has enabled us to identify new well locations. While this campaign also saw us improve our horizontal drilling efficiencies, with spud-to-online times reduced to 23.5 days – a 24 per cent improvement."

Mr Kay said the business would continue the momentum into the second half of the year.

"These first six months have established excellent momentum for the year and we will look to build on that, most visibly with up to 92 wells expected to be drilled in the second half" Mr Kay said.

"We have secured rigs to execute our South Australian and Victorian Otway drilling programs and additional rigs will also accelerate drilling in the Cooper Basin."

"Despite this active development program, cost discipline continues to be a strong focus at Beach. Our attention is now on reducing direct controllable operating costs."

"We have some good runs on the board with cost and efficiency improvements and will look to build on that for the remainder of the year."

"On the New Ventures front we have secured the La Bella gas field in the Otway Basin, aligned exploration interests with Santos in the Bonaparte Basin and BP has secured a rig for the Ironbark prospect in the Carnarvon Basin. Beach is preparing for further growth".

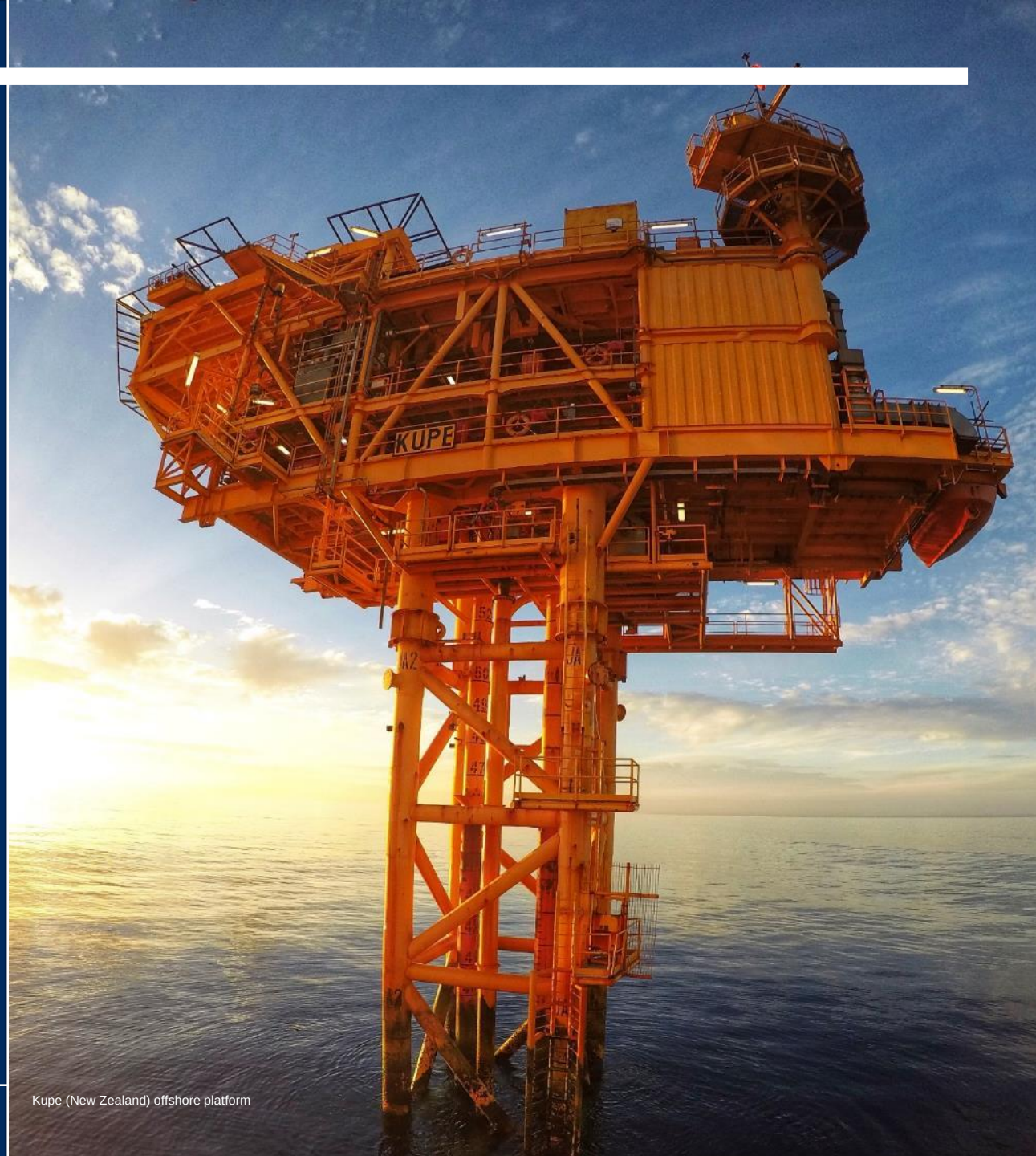
For further information contact the following on +61 8 8338 2833:

Investor Relations	Nik Burns, Investor Relations Manager
Media	Rob Malinauskas, Group Manager - Corporate Affairs

Compliance statements

Please refer to page 2 of the attached FY19 Half Year Results Presentation for compliance statements.

FY19 HALF YEAR RESULTS PRESENTATION



Kupe (New Zealand) offshore platform

COMPLIANCE STATEMENTS

Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with oil, gas 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.

Underlying EBITDAX (earnings before interest, tax, depreciation, amortisation, evaluation, exploration expenses and impairment adjustments), underlying EBITDA (earnings before interest, tax, depreciation, amortisation, evaluation and impairment adjustments), underlying EBIT (earnings before interest, tax, and impairment adjustments) and underlying profit are non-IFRS measures that are presented to provide an understanding of the performance of Beach's operations. They have not been subject to audit or review by Beach's external auditors but have been extracted from reviewed financial statements. Underlying profit excludes the impacts of asset disposals and impairments, as well as items that are subject to significant variability from one period to the next. The non-IFRS financial information is unaudited however the numbers have been extracted from the reviewed financial statements.

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 2018 and represent Beach's share.

References to planned activities in FY19 and beyond FY19 may be subject to finalisation of work programs, government approvals, joint venture approvals and board approvals.

Due to rounding, figures and ratios may not reconcile to totals throughout the presentation.

Five year targets

References to five year targets refers to those targets listed in the 2018 Asia Roadshow presentation (refer ASX Release #049/18 dated 8 October 2018) and are presented on the basis the sale of a 40% interest in the Otway Basin is completed. Annual production target range of 30 to 36 MMboe in FY23. Reserves replacement ratio targeted to average 100% for the five year period FY19 to FY23, where reserve replacement ratio calculated as 2P reserves additions divided by production. Return on capital employed (ROCE) is defined as underlying net profit after tax (underlying NPAT) divided by the average of opening total equity and closing total equity. Targeted five year cumulative free cash flow defined as cash flow from operating activities less cash flow from investing activities (including proceeds from the sale of a 40% interest in Victorian Otway Basin assets) at a US$74.25/bbl Brent oil price in FY19 and a US$70/bbl Brent oil price from FY20 and 0.77 AUD/USD exchange rate in FY19 and 0.75 AUD/USD exchange rate from FY20.

Assumptions

FY19 guidance is uncertain and subject to change. FY19 guidance has been estimated on the basis of the following assumptions: 1. a US$61.00/bbl Brent oil price in H2 FY19; 2. 0.72 AUD/USD exchange rate in H2 FY19; 3. various other economic and corporate assumptions; 4. assumptions regarding drilling results; and 5. expected future development, appraisal and exploration projects being delivered in accordance with their current expected project schedules. These future development, appraisal and exploration projects are subject to approvals such as government approvals, joint venture approvals and board approvals. Beach expresses no view as to whether all required approvals will be obtained in accordance with current project schedules.

FY19 guidance set out in this presentation has been prepared on the basis that the proposed sale of a 40% interest in its Victorian Otway Basin assets to O.G. Energy (announced to the ASX on 5th October 2018) completes at the end of Q3 FY19. Completion remains subject to satisfaction of customary conditions, some of which are outside of the control of Beach and as a result the timing of settlement may differ from the assumption used in this release.

INTRODUCTION

Matt Kay, CEO

Ensign 931 rig at HBWS site

HIGHLIGHTS

Strong operational start to FY19

- H1 FY19 production of 15.2MMboe
- Facility reliability averaged above 97%
- Strong customer gas demand and oil output

Excellent half year result

- Sales revenue of $955 million, up 147%
- Underlying NPAT[1] $279 million, up 199%
- Interim dividend of 1.0 cent per share

Net cash on completion of Otway sale

- Operating cash flow $479 million; free cash flow[2] $293 million
- Net gearing of 13.5% at 31 December 2018
- Beach to reach net cash position at close of Otway sale (Q3 FY19)

Bauer drilling success underscores busy 6 months

- 68 wells drilled in H1 FY19 at a 79% success rate
- Bauer appraisal campaign successful; identifies new well locations
- Bauer horizontal wells average spud-to-online time improved by 24%

FY19 production, EBITDA guidance upgraded

- Production guidance increased from 25 – 57 to 28 – 29 MMboe[3]
- Capex guidance narrowed to $450 – 500 million[3]
- EBITDA guidance increased by $200 million to $1.25 – 1.35 billion
- DD&A guidance increased to $450 – 500 million

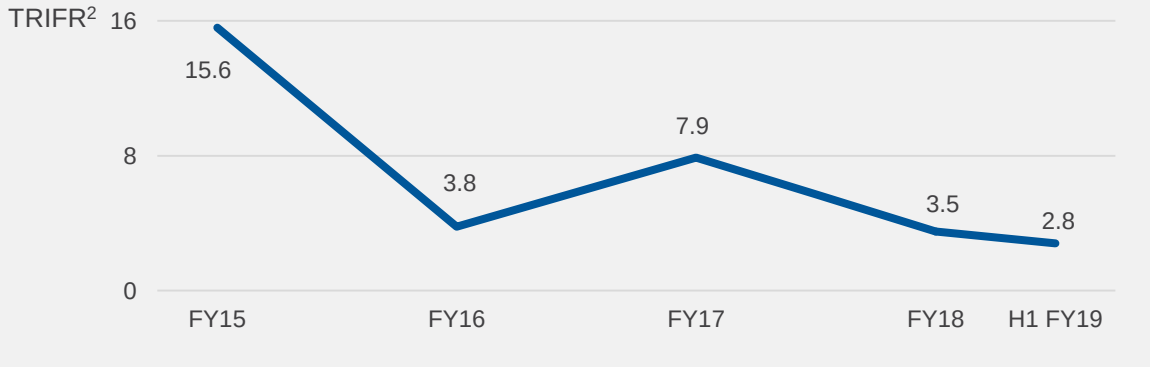
Beach is delivering and well prepared for future growth

- Lattice integration complete
- Robust and stable revenue base
- Experienced management team in place
- Ready to invest in future growth and increase shareholder value

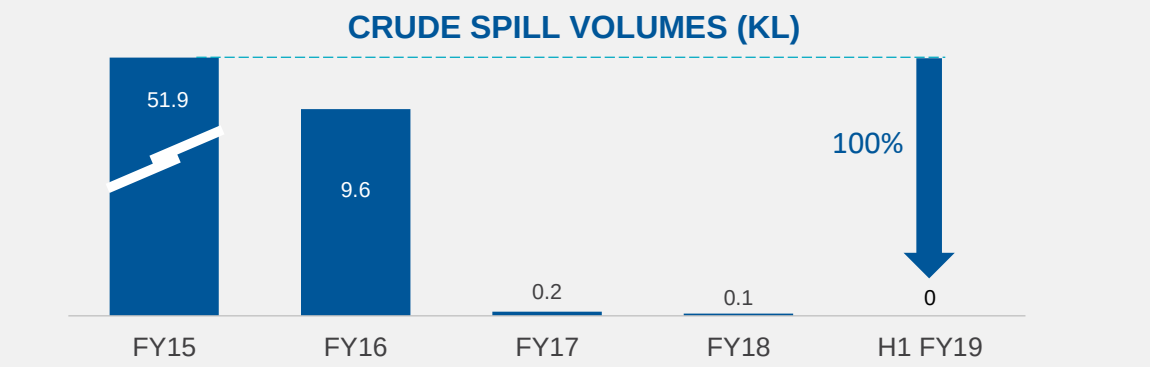
1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by Beach's external auditors, however have been extracted from the reviewed financial statements.
2. Free cash flow defined as operating cash flow less capital expenditure (excluding acquisitions and divestments).
3. Refer to ASX release #002/19 dated 31 January 2019.

OUR TOP PRIORITY
STRONG SAFETY AND ENVIRONMENTAL PERFORMANCE

Safety performance[1]



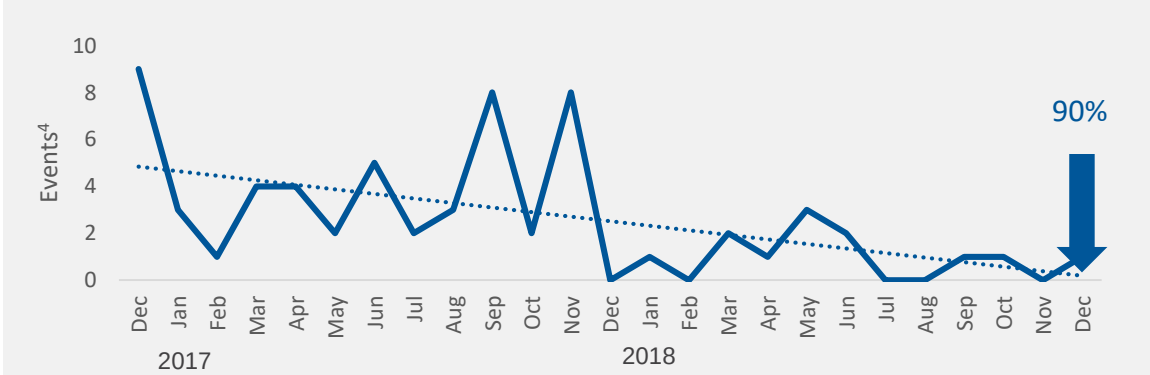
Environmental performance[1]



Focus on HSE delivering best performance to date

- Safety: On track for our safest year on record
- Environment: No crude spills
- Process Safety: Decreasing number of events through the application of Process Safety Management Framework

Loss of containment



1. Includes Lattice assets from 1 January 2018.
2. TRIFR: Total Recordable Injury Frequency Rate, calculated as number of recordable injuries per million hours worked (Beach employees and contractors).
Process Safety Events based on API 754/IOGP 456.

DELIVERING ON OUR PROMISES

Optimising our assets

- ✓ $56 million synergy run rate achieved by end H1 FY19
- ✓ $8 million run rate reduction in direct controllable operating costs achieved by end of H1 FY19
- ✓ Facility reliability > 97% in H1 FY19
- ✓ Bauer horizontal well spud to online times improved by 24% to 23.5 days

Developing our reserves

- ✓ 68 Cooper Basin wells drilled in H1 FY19
- ✓ Additional rig secured to accelerate Western Flank drilling
- ✓ Ocean Onyx secured for offshore Otway drilling program, late CY19 target start
- ✓ Ensign 931 rig secured for onshore Otway drilling program, Q3 FY19 scheduled start

Reserves replacement

- ✓ Bauer appraisal finds eastern extension
- ✓ Moomba South drilling campaign results
- ✓ Ironbark prospect and Bonaparte Basin progress
- ✓ Haselgrove appraisal
- ✓ Successful bidder for La Bella gas field

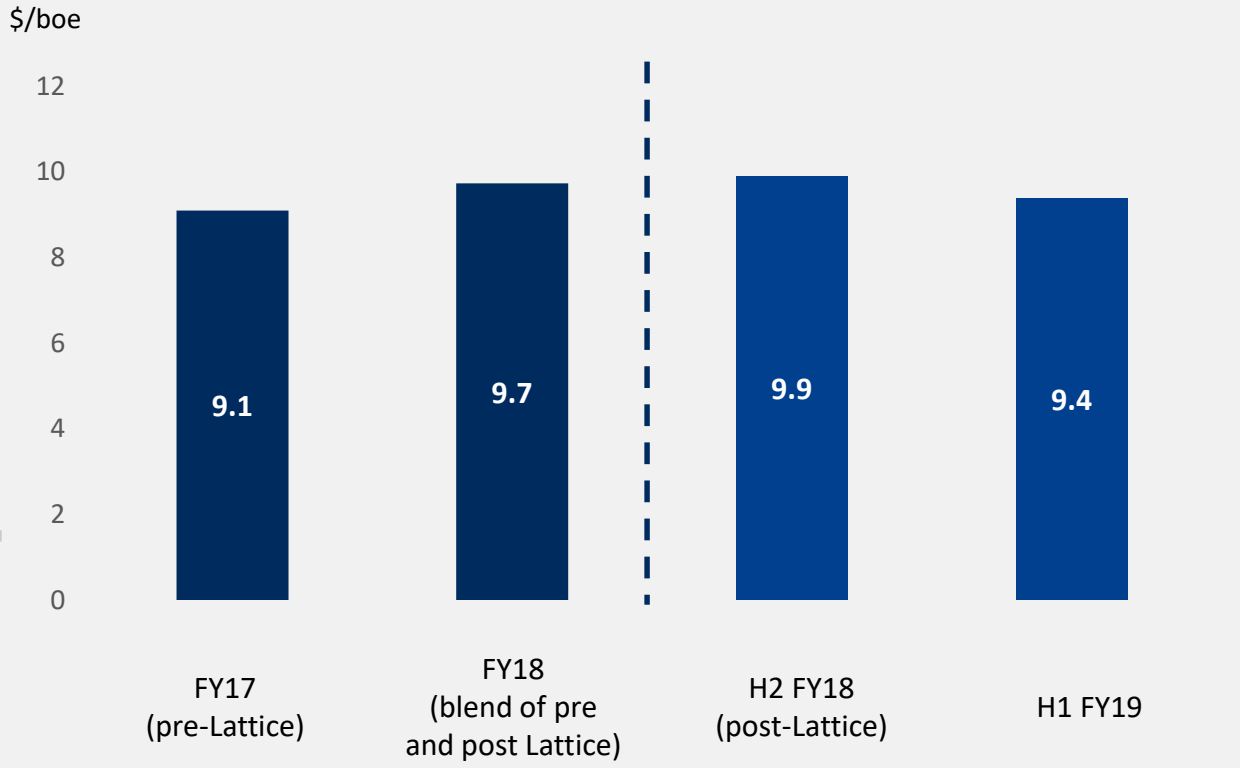
Beach is delivering on our promises to meet our five year targets and increase shareholder value

Five year targets:
(FY19 – 23)

- ✓ Production growing to 30 - 36 MMboe[1]
- ✓ > 100% reserves replacement[1]
- ✓ ROCE 17 - 20%[1]
- ✓ > $2.6 billion cumulative free cash flow[1]

DELIVERING AS A LOW COST OPERATOR

Beach operating costs/boe[1]



- Beach has extracted $56 million of synergies to date, primarily relating to exiting the TSA with Origin Energy, insurance savings and other integration benefits.
- Beach is targeting $30 million reduction in operating costs by the end of FY20
- Beach has achieved savings of $8 million run rate in H1 FY9, helping reduce group operating costs by 5% to $9.4/boe vs H2 FY18
- Focus areas for cost savings include:
  - Advanced inspection techniques
  - Optimisation of maintenance activity
  - Synergies with other Basin operators in supply chain and logistics
- FY19 field unit operating costs in Beach's western flank operated assets are on track to average $5/bbl for oil and $3/boe for gas

1. Operating costs exclude royalties, tolls, tariffs and 3rd party purchases

FY19 GUIDANCE UPGRADED

	FY19 Guidance
Production	28 – 29 MMboe
Capital expenditure	$450 – 500 million
Underlying EBITDA[1]	$1.25 – 1.35 billion
DD&A	$450 – 500 million

Production

Guidance increased on 31 January 2019 from 25-27MMboe to 28-29 MMboe, primarily due to:

- Change in estimated completion date for Otway sale
- Strong gas customer demand
- Better than expected oil flow rates in Western Flank
- Improved facility reliability

Capital expenditure

Guidance narrowed on 31 January 2019 from $440-520 million to $450-500 million.

Higher expenditure is forecast in H2 FY19 due to increased planned drilling activity:

- Additional rig in Western Flank in Q4 FY19
- Drilling scheduled to commence in SA Otway basin in late Q3 FY19
- Long lead items associated with Vic Otway drilling in FY20

Underlying EBITDA

Guidance increased from $1.05 - 1.15 billion to $1.25 - 1.35 billion.

DD&A

Guidance increased from $395 - 445 million to $450 - 500 million.

1. FY19 underlying EBITDA has been prepared on the basis of H2 FY19 Brent oil price of US$61/bbl and AUDUSD 0.72

FINANCIAL RESULTS

Morné Engelbrecht, CFO

Kupe (New Zealand) offshore platform

FINANCIAL HIGHLIGHTS

SALES VOLUME

16.0 MMBOE

UNDERLYING EBITDA[1]

$724 MILLION

UNDERLYING NPAT[1]

$279 MILLION

OPERATING CASH FLOW

$479 MILLION

Sales volumes +181% over H1 FY18 due to:

- Lattice acquisition
- Strong customer demand
- Improved facility reliability

Improvement in Underlying EBITDA, Underlying NPAT and Operating Cash Flow driven by:

- Higher sales volumes
- Lower costs per barrel

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H1 FY19 FINANCIAL RESULTS

$ million	H1 FY18	H1 FY19	Change
Production (MMboe)	5.2	15.2	↑ 193%
Sales volumes (MMboe)	5.7	16.0	↑ 181%
Average realised oil price ($/bbl)	87.5	100.4	↑ 15%
Average realised gas /ethane price ($/GJ)	6.46	6.65	↑ 3%
Sales revenue	386	955	↑ 147%
Net profit after tax	96	283	↑ 196%
Underlying NPAT[1]	93	279	↑ 199%
Net assets	1,838[2]	2,114	↑ 15%
Operating cash flow	174	479	↑ 175%
Net cash / (debt)	(639)[2]	(331)	48%

Underlying NPAT recognises:

- 181% increase in sales volumes
- 15% increase in average realised oil price
- 147% increase in sales revenue

Operating cash flow

- +175% displaying the cash generating strength of the business

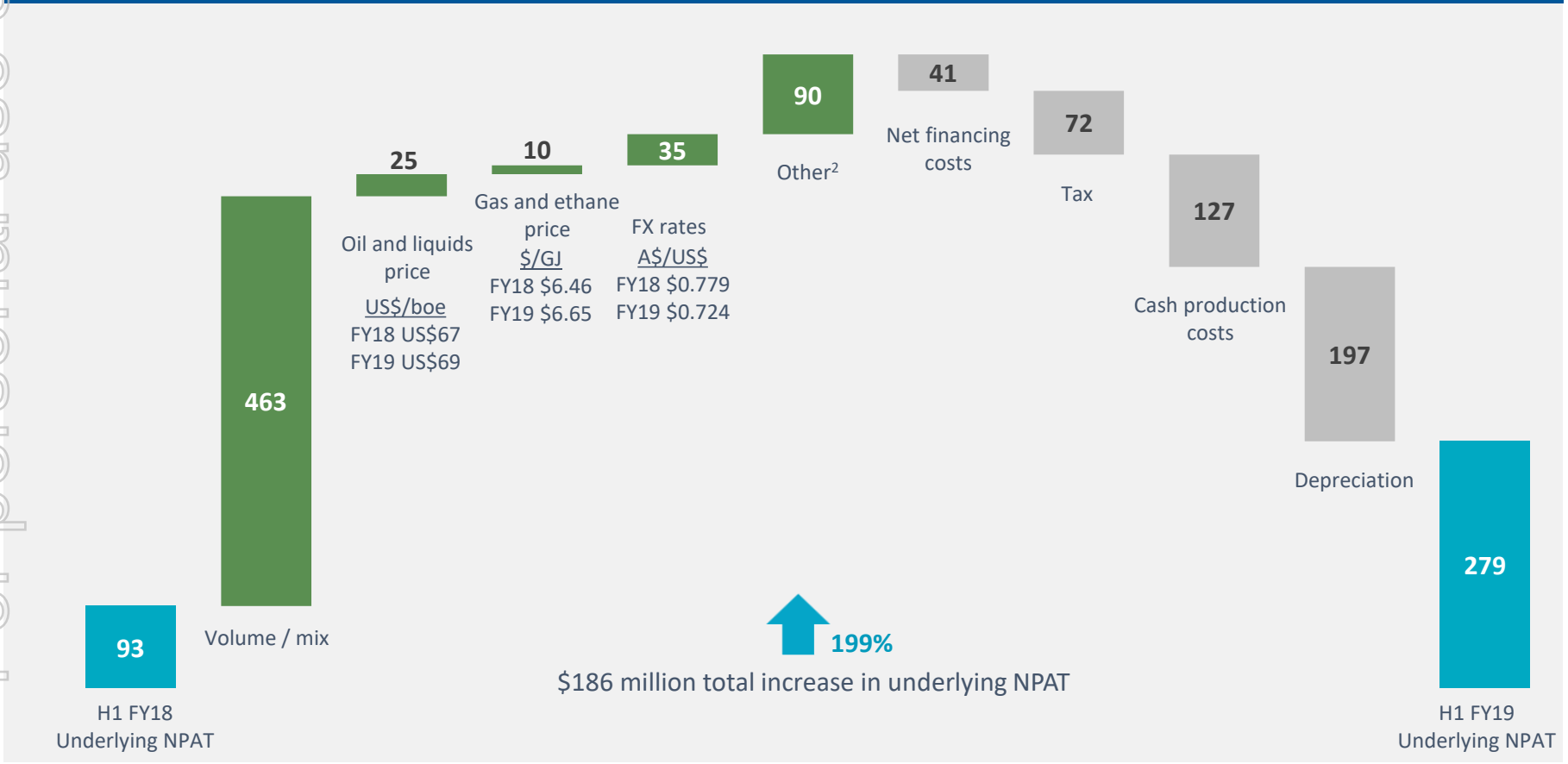
Dividend

- 1.0 cent per share fully franked interim dividend announced
- Prudent approach of using cash flow to continue to de-lever the balance sheet

1. For a reconciliation of H1 FY19 net profit after tax to underlying net profit after tax, refer to Appendix.
2. Balance sheet items as at 30 June 2018

UNDERLYING NPAT[1] DRIVERS

Movement in Underlying NPAT[1] ($ millions)



Underlying NPAT[1] up 199% to $279 million

- 181% increase in sales volumes
- 3% increase in average USD oil and liquids price
- Lower FX
- Unwind of contract liabilities from acquisition

Partly offset by increases in:

- Net financing costs
- Income tax
- Gross production costs
- Depreciation

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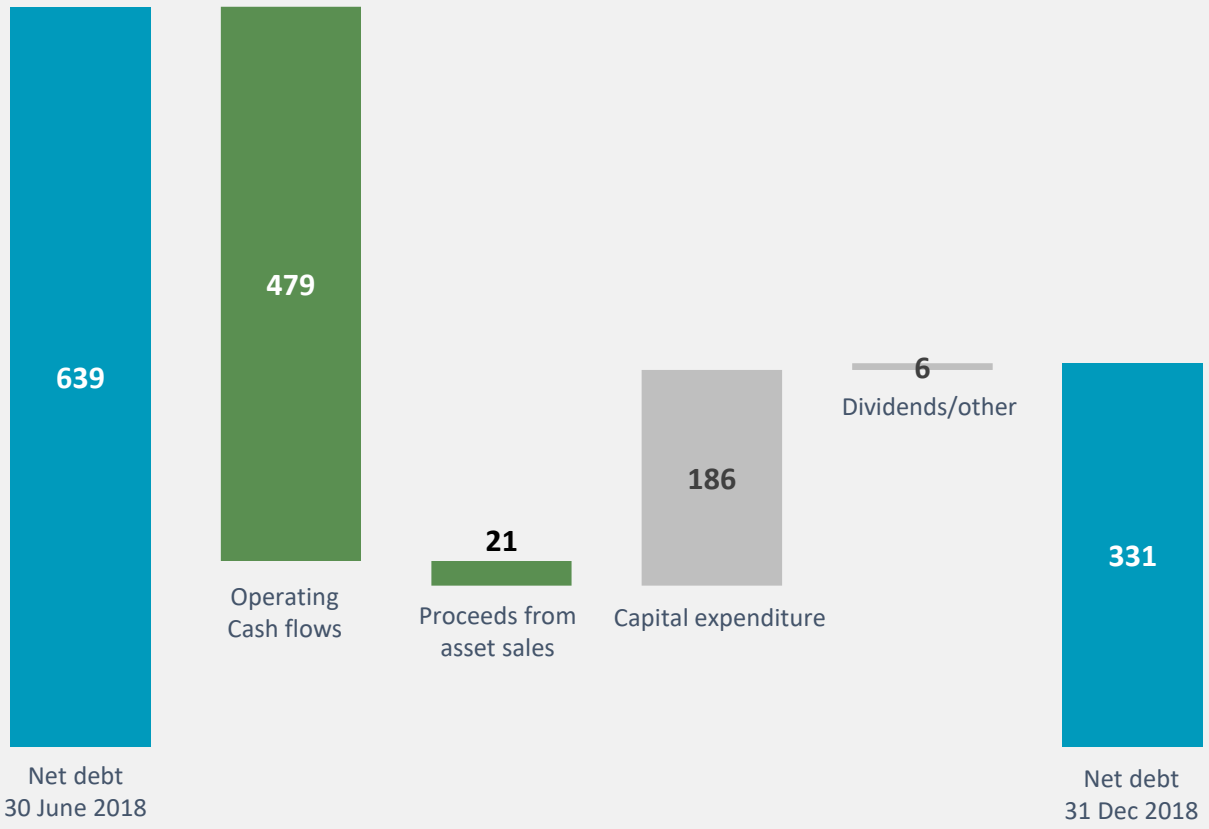
2. Other includes other revenue ($95.8m), inventory and other ($6.6m), partly offset by net third party purchases (-$12.3m)

FINANCIAL STRENGTH

- Net debt reduced by $308 million to $311 million at end of H1 FY19, net gearing 13.5%
- Reduction driven by strong operating cash flows, offset by capital expenditure of $186 million and dividend payments of $23 million.

Movement in Net Debt ($ millions)

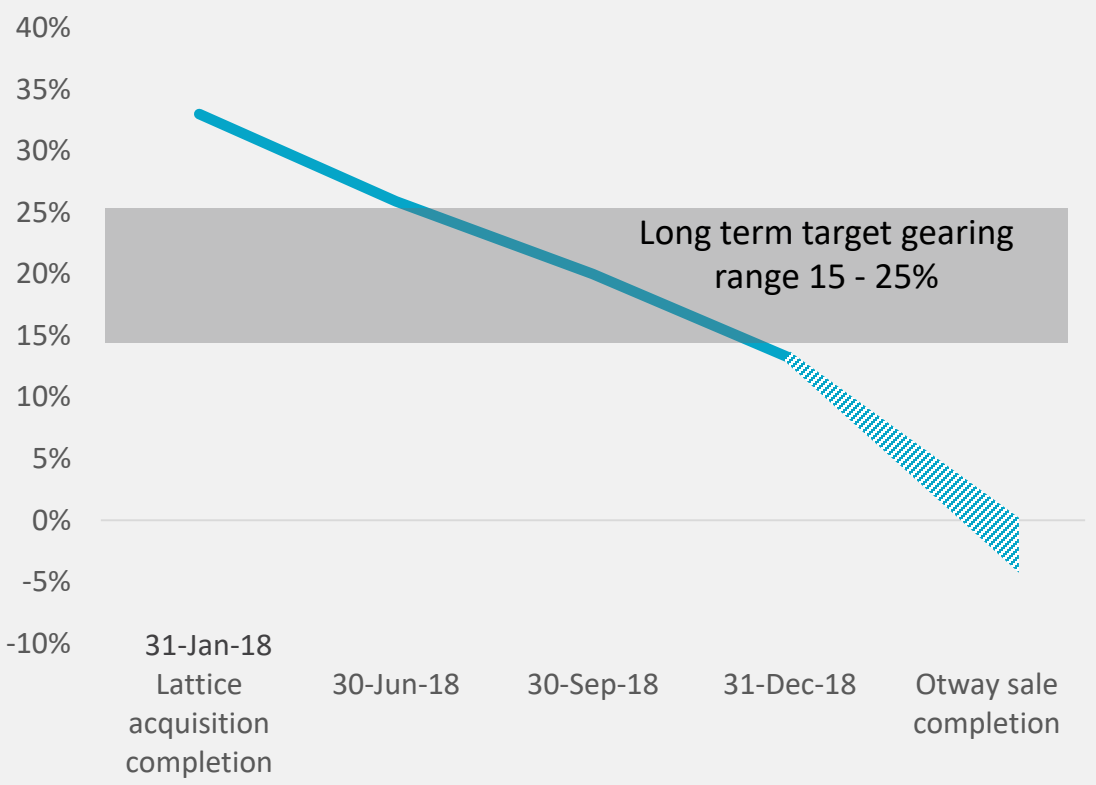


1. Net debt defined as drawn debt less cash and cash equivalents

DISCIPLINED BALANCE SHEET MANAGEMENT

- Targeting to be debt-free on completion of the proposed 40% Otway Sale, expected by the end of Q3 FY19, more than 2 years ahead of original debt-free target date
- Beach's long term target net gearing range is 15 – 25%, providing balance sheet flexibility to:
  - **Accelerate organic growth investment** in highly value-accretive opportunities
  - **Evaluate M&A opportunities** that leverage off Beach's skill set and infrastructure footprint
  - **Consider increased shareholder returns**
- Of primary consideration in the decision-making process is a focus on creating shareholder value via the disciplined allocation of capital.
- Well positioned for active FY20 with 9 drilling rigs expected to be operating by mid FY20

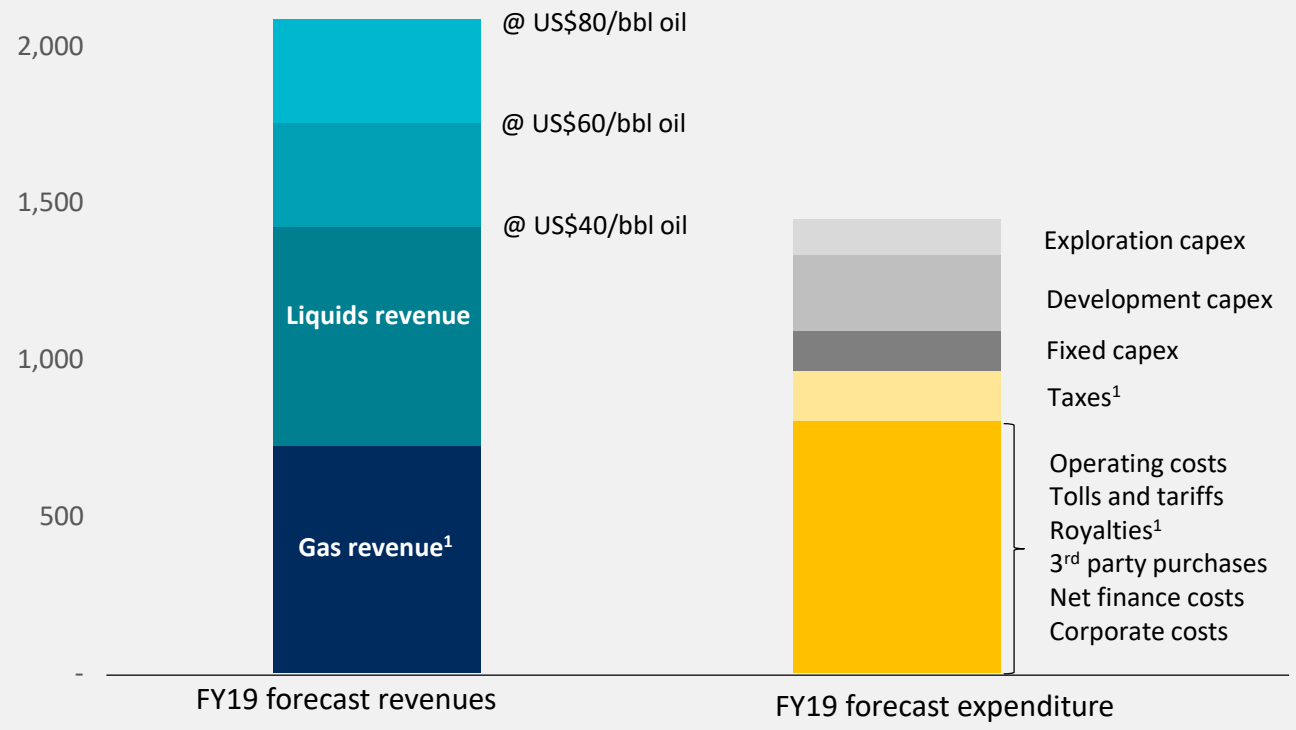
Net gearing since Lattice acquisition completion (end January 2018)



ROBUST AND STABLE REVENUE BASE

FIXED PRICE CONTRACTS PROVIDE REVENUE CERTAINTY

FY19 estimated sales revenue and expenditure



- Beach expects to generate revenue of more than $700 million in FY19 from its stable gas business
- Revenues from liquids sales provides upside exposure to oil prices
- Beach's expenditure (including all discretionary expenditure) is funded with an FY19 average oil price of approximately US$40/bbl

1. Gas revenues, royalties and taxes are included on the basis of an average of $80/bbl oil in FY19

SUMMARY

Balance sheet flexibility	✓ Beach continues to de-gear rapidly, providing significant balance sheet flexibility
High revenue certainty	✓ Gas portfolio provides revenue certainty with market price resets commencing at the end of FY20
Low cost operator	✓ Excellent progress on further efficiency gains
Growth portfolio	✓ Priority given to value-accretive investment to drive Total Shareholder Return (TSR)

ASSET UPDATES

Matt Kay, CEO

Artificial lift in the Cooper Basin

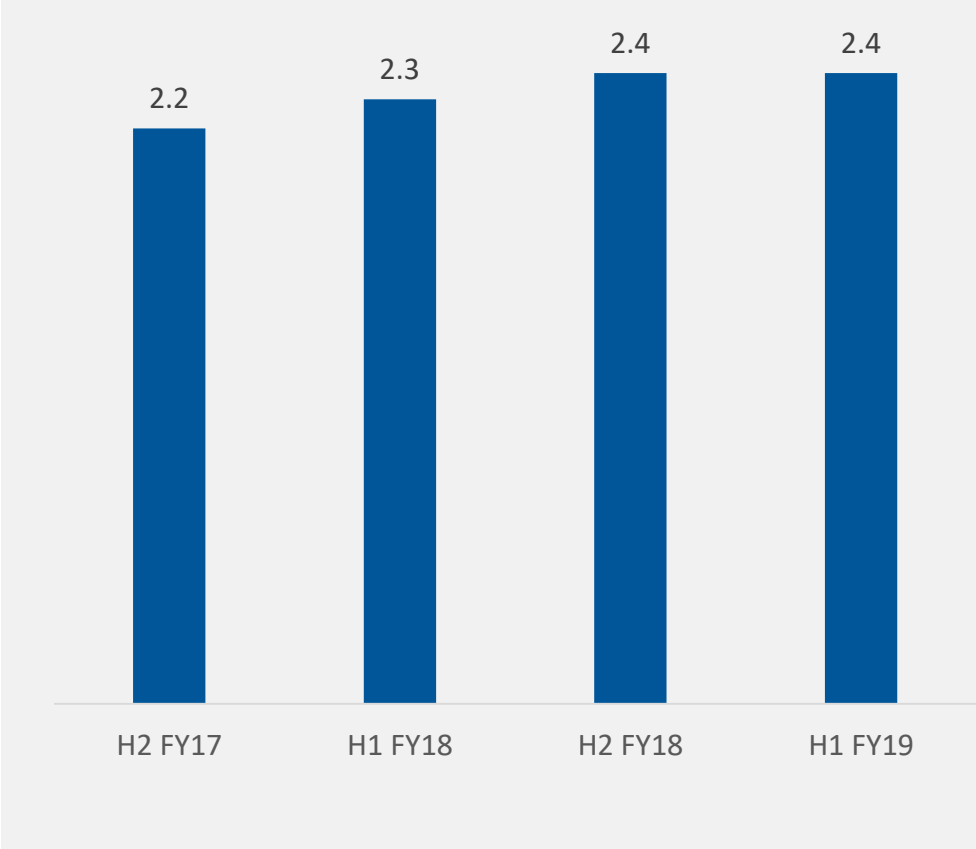
ASSET UPDATES - SAWA

Western Flank Oil

Beach operated interests 75 - 100%, non-operated 40%, Senex operator

- ✓ H1 FY19 production 2.4 MMboe, +4% on H1 FY18 largely a result of the successful Bauer Field appraisal and development program
- ✓ Bauer four-well appraisal program has extended field limit towards the east
- ✓ Two vertical and four horizontal Bauer development wells drilled, completed and on-line with results exceeding our expectations from a cost, time, reservoir quality and lateral length perspective
- ✓ An additional operated Western Flank rig to commence drilling in Q4 FY19 to facilitate oil drilling program

Western Flank Oil Production (MMboe)



BAUER FIELD DEVELOPMENT

Horizontal vs vertical wells

- Beach has increased the application of horizontal well technology, targeting the lower permeability McKinlay and Birkhead reservoirs
- Three horizontal wells drilled in all of FY18
- Five operated horizontal wells drilled in H1 FY19
- Horizontal wells drilled in H1 FY19 show an 8.2x average well productivity improvement over vertical wells for 1.5x the cost

	Vertical McKinlay Producers	Horizontal McKinlay producers	Horizontal vs vertical wells
Average well cost[1]	$2.8 million	$4.3 million	**1.5x**
Well productivity index[2]	0.4	3.3	**8.2x**

Improvement in drilling/connection times

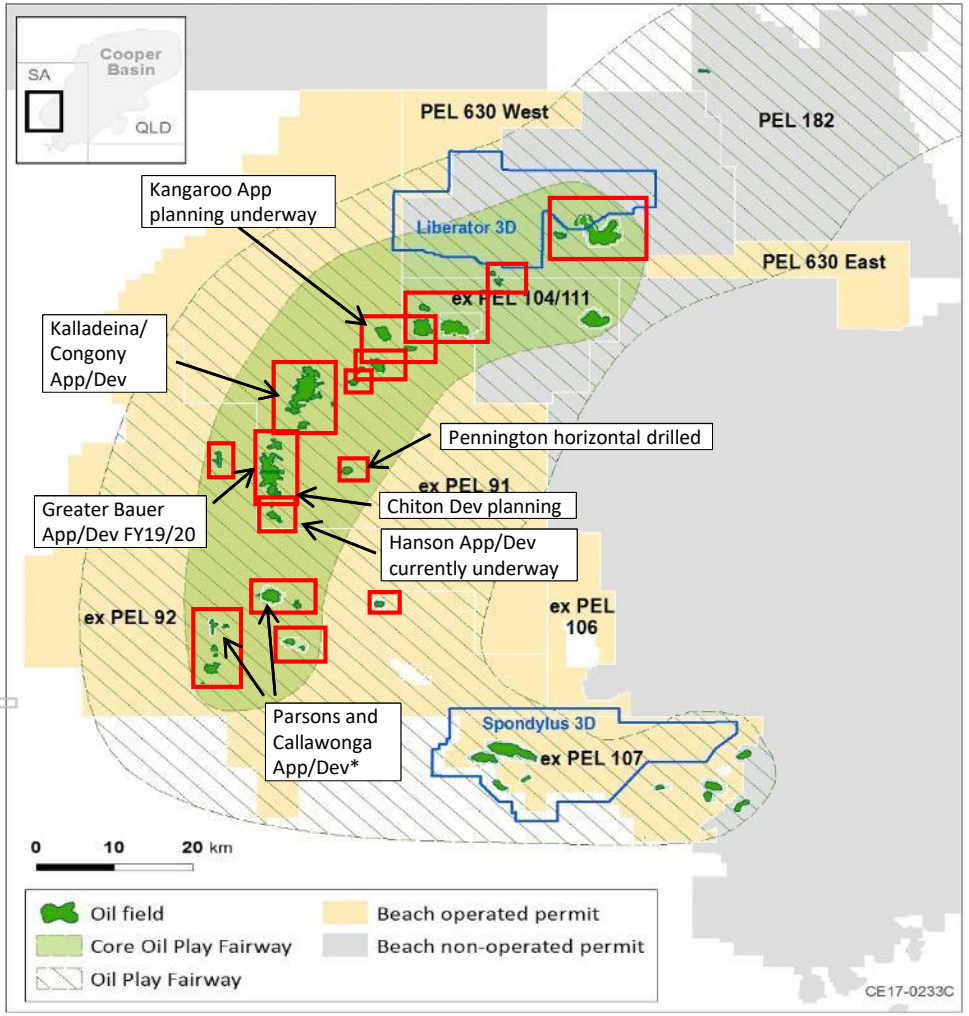
- In FY18 Beach's first ever operated horizontal well, Bauer-26, achieved 12.7 days from spud-to-total depth (TD) and 31 days from spud to online
- In FY19, the first four operated horizontal wells averaged spud-to-TD of 8.5 days and spud to online time of 23.5 days
- Improved spud-to-TD times means cheaper wells and more wells drilled per year per rig
- The 24% improvement in spud-to-online time means oil production is accelerated

	Total measured depth	Spud-to-TD	Spud-to-online
Bauer-26	2,260 metres	12.7 days	**31 days**
Bauer-29 -30 -31 and -32	2,660 metres	8.5 days	**23.5 days**

1. Average well cost includes drill, complete, connect and artificial lift costs.
2. Well productivity index (PI) calculated as bbl/day/psi.

WESTERN FLANK OIL

ROLLOUT THE "BAUER STRATEGY" ACROSS THE WESTERN FLANK



*Subject to JV approval

- Following success of Bauer appraisal program, the technical workflow to be applied across the Western Flank
- Hanson appraisal has commenced
- Second oil rig will allow for field appraisal ahead of field development to maximise efficiencies and value

1. Field limit appraisal
2. Infill development to define optimal well spacing
3. Update field static and dynamic models
4. Execute field development plan

ASSET UPDATES - SAWA

Western Flank Gas

ex PEL 106 and ex PEL 91, Beach 100% and operator

- ✓ H1 FY19 production 1.0 MMboe, +55% on H1 FY18 largely a result of the commissioning of the latest Middleton facility capacity expansion
- ✓ Seven-well gas appraisal campaign in the core gas production area to commence in March 2019
- ✓ Spondylus 3D prospects and leads already identified for drilling in FY20

Cooper Basin JV

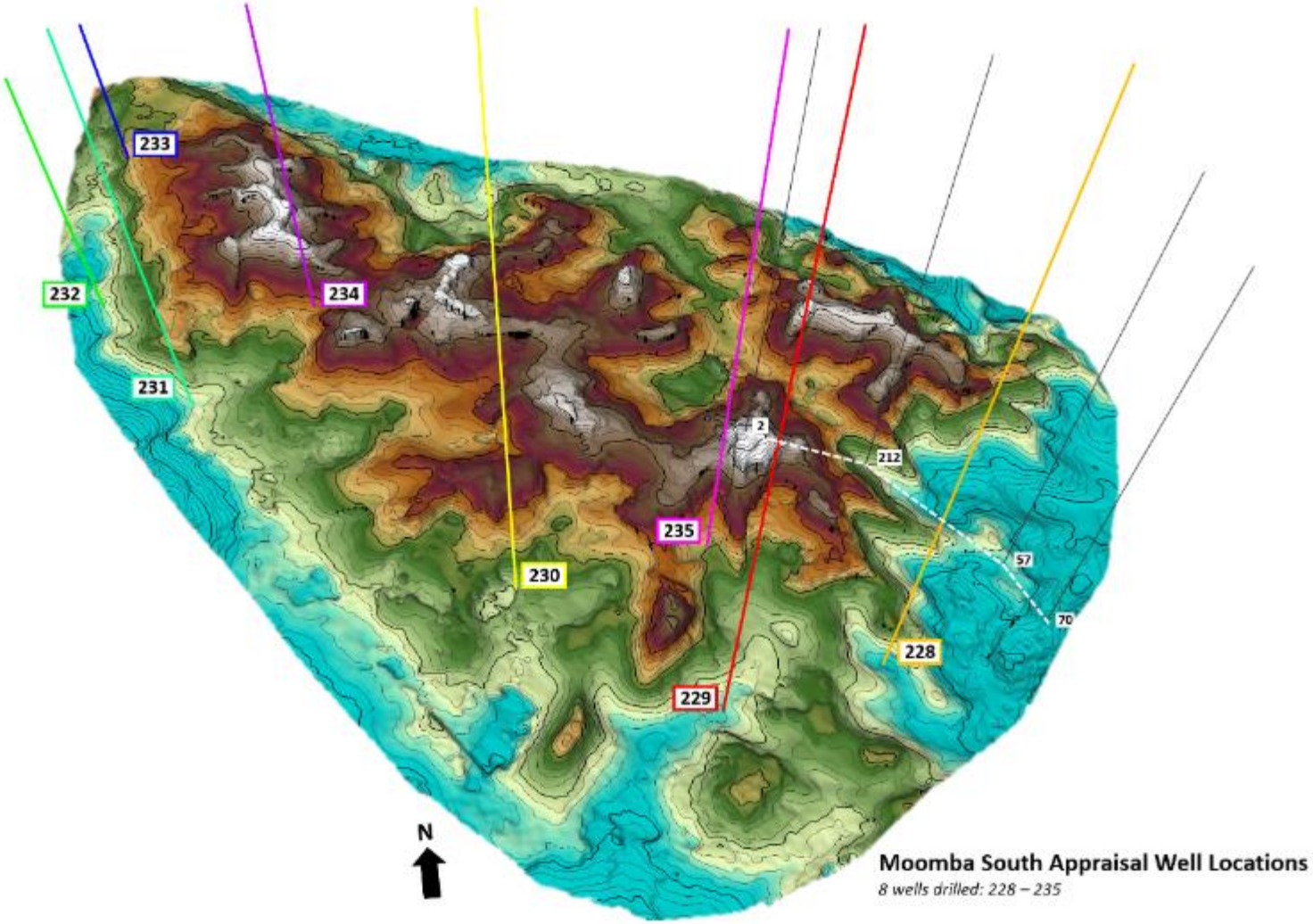
Beach various interests (27.68 - 52.2% range), Santos operator

- ✓ H1 FY19 production of 4.1 MMboe[1]
- ✓ 48 wells drilled in H1 FY19 (10 oil and 38 gas; 20 development, 28 exploration/appraisal)
- ✓ Overall success rate 85%, with eight exploration successes
- ✓ 8 Moomba South gas appraisal wells drilled with 7 successful
- ✓ Renewed focus on oil drilling in SWQ to commence in Q3 FY19

1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.

COOPER BASIN JV
MOOMBA SOUTH APPRAISAL

- Phase one of Moomba South Appraisal saw seven successful wells from the eight well program
- The eight wells constitute the first phase of a program designed to test up to 120 Bcf gas potential (Beach share)
- Four of the seven successful wells online and producing
- Forward plan is to bring remaining wells online and monitor production



ASSET UPDATES - SAWA

Perth Basin

Waitsia (Beach 50%), Beharra Springs (Beach 67% and operator)

- ✓ H1 FY19 production 0.4 MMboe[1]
- ✓ Progress made towards decision regarding development of Waitsia reserves
- ✓ Progressing plans for Beharra Springs Deep and approvals for Trieste 3D survey

South Australian Otway Basin

Beach interests 70 – 100% and operator

- ✓ Drilling scheduled to commence with Haselgrove-4 in Q3 FY19
- ✓ Dombey-1 exploration well currently expected to spud in July 2019
- ✓ Drilling sequence re-phased to provide additional time for Dombey site preparation
- ✓ On track to deliver first gas from Haselgrove discovery by the end of CY19

1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.

ASSET UPDATES - VICTORIA

Bass Basin

Beach 53.75% producing assets, 50.25% non-producing, Beach operated

- ✓ H1 FY19 production 0.9 MMboe[1]
- ✓ Progressed the evaluation of a potential tieback of the Trefoil Field

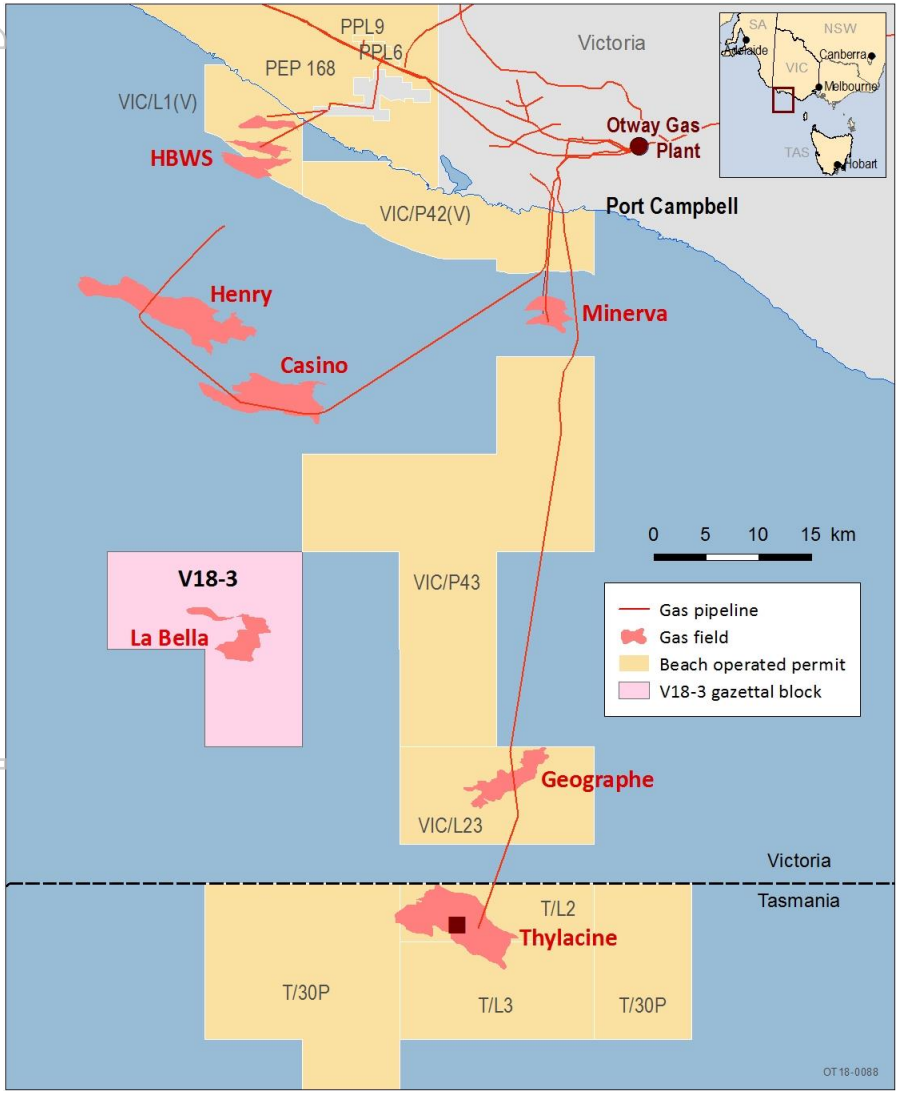
Victorian Otway Basin

Beach 100%* and operator

- ✓ H1 FY19 production 4.8 MMboe[1]
- ✓ Ocean Onyx secured for offshore Otway drilling program, late CY19 target start date
- ✓ First well expected to be drilled in the program is the Artisan gas exploration well
- ✓ Nearshore drilling to commence with Black Watch-1 development well, currently expected in H1 FY20
- ✓ 40% Otway sale on track to complete by the end of Q3 FY19

* Subject to completion of the proposed sale of 40% of Victorian Otway interests to O.G. Energy.
1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.

ASSET UPDATES – LA BELLA



- Beach has been successful in its bid for the V18-3 block and has until 21st February 2019 to accept
- V18-3 contains the undeveloped La Bella gas discovery
- Field is in tie-back distance to existing infrastructure
- La Bella gas would be processed at the Otway Gas Plant
- Forward plan is to consider the drilling of a development well as part of the upcoming drilling campaign with the Ocean Onyx rig

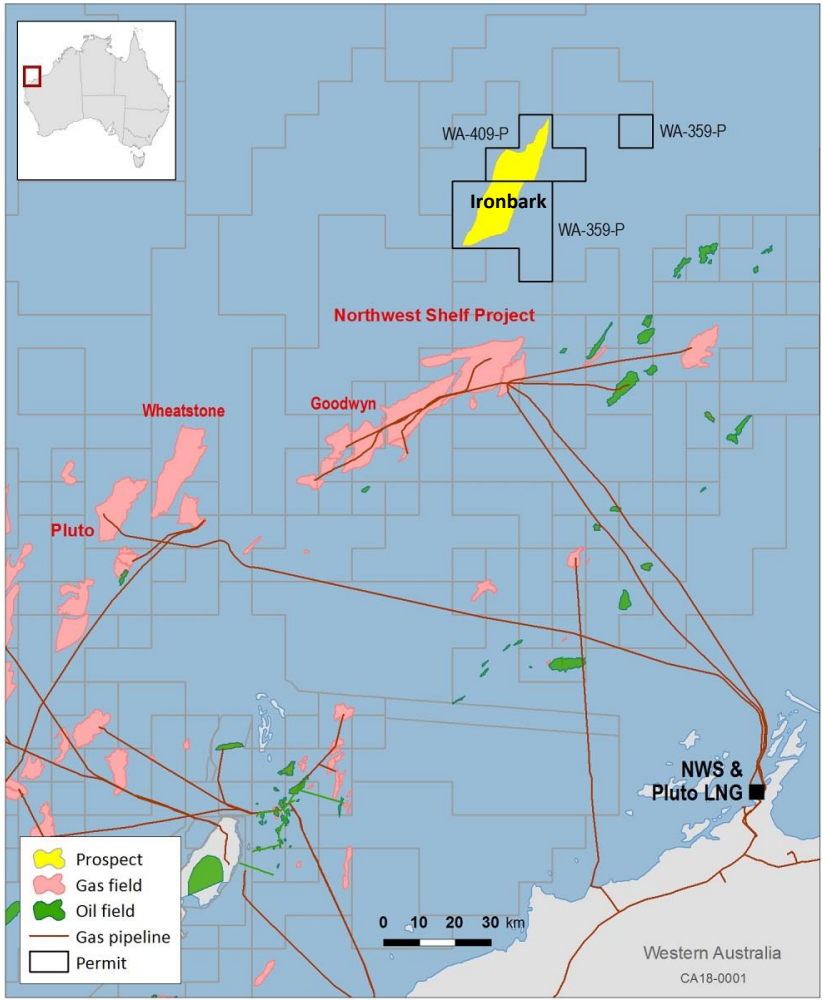
ASSET UPDATES – NEW ZEALAND

New Zealand – Kupe Gas Project
Beach 50% and operator

- ✓ H1 FY19 production 1.5 MMboe[1]
- ✓ Front End Engineering and Design (FEED) commenced on the Kupe compression project, FID targeted for H1 FY20

1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.

CARNARVON BASIN
IRONBARK PROSPECT

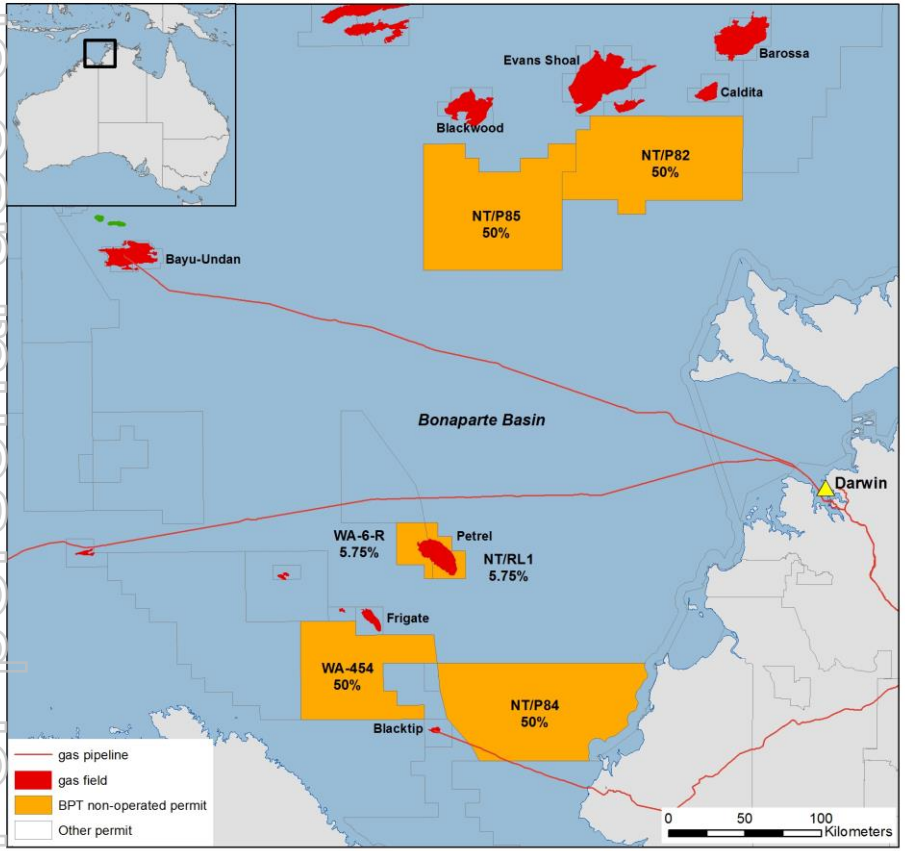


Ironbark Prospect[1]
(WA-359-P Beach 21%, subject to farm-in; WA-409-P Beach 7.5% subject to farm-in)

- BP has secured the Ocean Apex rig to drill the Ironbark prospect
- Drilling is expected to commence in late calendar 2020
- Ironbark is a potential high-impact gas resource within tie-back distance to the Burrup Peninsula (location of NWS and Pluto LNG)
- Primary target in the well is the deeper Mungaroo reservoirs, which are the primary reservoirs at Gorgon
- Coordination Agreement entered into between BP Developments Australia (BP), Beach, NZOG and Cue Energy[1] in October 2018
- Beach farm-in with Cue Energy remains subject to approval of extension to permit term

1. Refer to Beach ASX Release #088/17 dated 29 November 2017 for further information.

BONAPARTE BASIN
EXPLORATION BLOCK ALIGNMENT AGREED WITH SANTOS



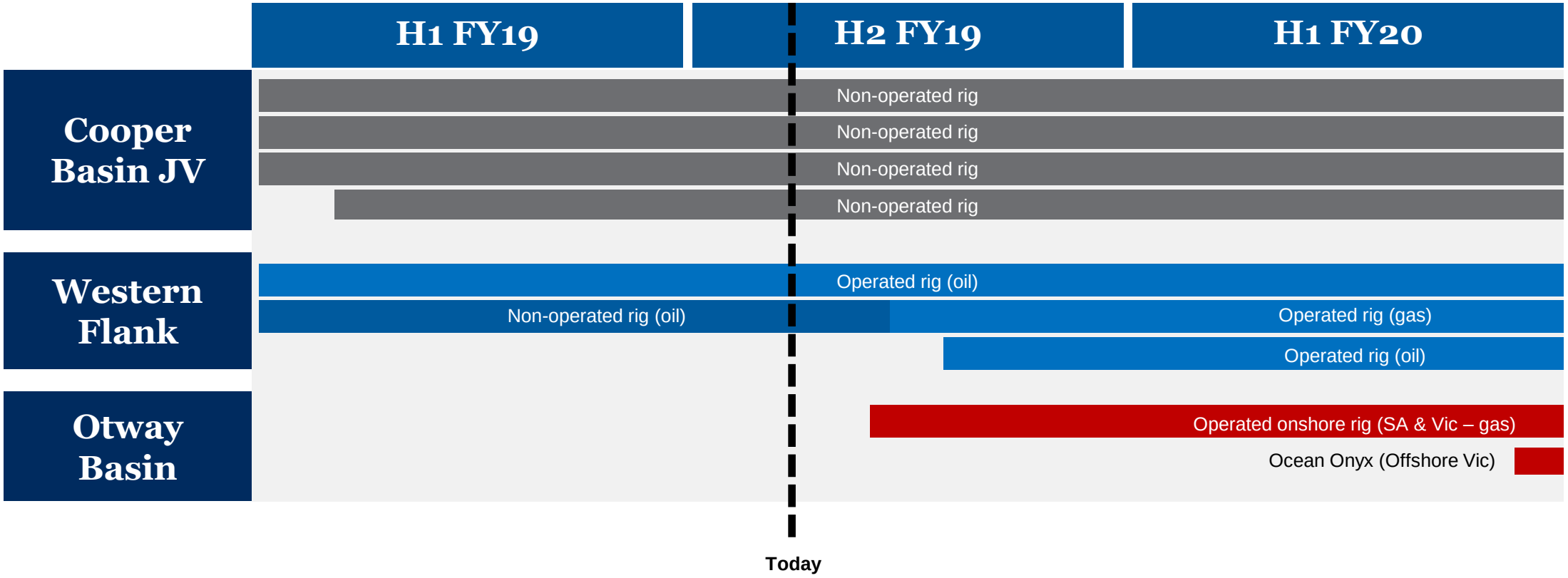
- Santos and Beach have reached agreement on alignment in the Bonaparte Basin and will be executing supporting documents in the coming days
- Agreement spans four exploration blocks in the offshore Bonaparte Basin
- Ownership will become Beach 50% and Santos 50% and operator

Block	Changes
NT/P85	No change. Beach 50%, Santos 50% and operator
NT/P84	No equity change. Operatorship change to Santos
NT/P82	Moves from: 100% Santos, to: Beach 50%, Santos 50% and operator.
WA-454-P	Moves from: 100% Beach, to: Beach 50%, Santos 50% and operator.

- No cash consideration. Santos to provide Beach a US$2.7m capped carry on the Bethany seismic acquisition and processing. Seismic acquisition has been completed and processing is underway
- Other near term activities relate to ongoing studies and analysis of hydrocarbon potential across all permits. Drilling not required before FY21

1. Refer to Beach ASX Release #088/17 dated 29 November 2017 for further information.

BEACH RIG SCHEDULE



KEY TAKEAWAYS

Otway Gas Plant

AHEAD OF TARGET AGAINST 5 YEAR PLAN

Production	✓ Beach output has exceeded expectations
Guidance update	✓ FY19 EBITDA guidance raised ✓ FY19 production guidance increased, capex guidance narrowed on 31 January
Financial discipline	✓ Net gearing 13.5% at 31 December 2018 ✓ Beach to be in a net cash position at completion of Otway sale (Q3 FY19) ✓ Cost discipline remains strong, focus moves to reducing direct controllable operating costs
Resilient cash flow generation	✓ More than $700 million in sales revenue expected in FY19 from gas business

Q&A

Outlook from Yolla platform, Bass Basin

APPENDICES

Lang Lang gas facility, Bass Basin

FY19 DRILLING PROGRAM
INCREASING FOCUS ON HORIZONTAL WELLS

FY19 expected participation (number of wells)

	Gas	Oil	Total
Cooper Basin JV	68	30	**98**
Western Flank	9	52	**61**
Other	0	0	**0**
Total Cooper Basin	**77**	**82**	**159**
South Australia - Otway Basin	1	0	**1**
Victoria - Otway Basin	0	0	**0**
Perth Basin	0	0	**0**
Total Beach	**78**	**82**	**160**

FY19 well participation increases to 160 wells (from 133 prior)

Cooper Basin JV

- Expect to participate in 98 wells (up from 87) after 4th rig added in August 2018
- Biggest increase is to the oil program, with 30 wells forecast (up from 22 prior)

Western Flank

- Faster drilling times combined with the addition of new rig in Q4 FY19 will increase expected participation from 43 wells to 61 wells (including 52 operated)
- Further 7 horizontal wells scheduled for H2 FY19 (6 drilled in H1 FY19)

South Australia Otway Basin

- Haselgrove-4 expected to spud in March 2019 quarter
- Dombey-1 exploration well expected to spud in July 2019

Victoria Otway Basin

- Onshore-to-offshore Black Watch development well now expected to be drilled in H1 FY20
- Prepare for further drilling activity in FY20 including the Enterprise exploration well

OIL HEDGING POSITION

OIL HEDGES AS AT 31 DECEMBER 2018

	3-way Collar $40 – 90 – 100 per bbl	3-way Collar $40 – 103 – 113 per bbl	3-way Collar $55 – 100 – 110 per bbl	Total Hedged Volumes (bbl)
FY19	97,500	270,000	825,000	**1,192,500**
Total	**97,500**	**270,000**	**825,000**	**1,192,500**

- Realised hedging losses totalled $16.2 million for H1 FY19, these losses were largely offset by unrealised mark-to-market hedging gains of $13.5 million

RECONCILIATION OF NPAT TO UNDERLYING NPAT[1]

Comparison of Underlying Profit ($ million)				
	H1 FY18	H1 FY19	Change	
Net profit / (loss) after tax	96	283	187	**196%**
Acquisition costs and writeoff of debt establishment fees	10	8	(2)	
Gain on asset sales	(5)	-	5	
Unrealised hedging movements	3	(14)	(17)	
Gain on settlement of restoration obligation	(15)	-	(15)	
Tax impact of above changes	0	2	2	
Provision for international taxes	4	-	(4)	
Underlying net profit after tax	93	279	186	**199%**

Note: Due to rounding, figures and ratios may not reconcile to totals.
1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by Beach's external auditors, however have been extracted from the reviewed financial statements.

UNDERLYING EBITDAX, EBITDA, EBIT, NPBT AND NPAT[1]

Comparison of Underlying EBITDAX, EBITDA, EBIT, NPBT ($ million)

	H1 FY18	H1 FY19	Change	
Underlying EBITDAX	228	724	496	*218%*
Exploration expense	0	0		
Underlying EBITDA	**228**	**724**	**496**	***218%***
Depreciation and amortisation	88	284		
Underlying EBIT	140	440	300	*214%*
Finance expenses	9	48		
Interest income	(5)	(2)		
Underlying net profit before tax (NPBT)	136	394	258	*190%*
Tax	43	115		
Underlying net profit after tax (NPAT)	93	279	186	*199%*

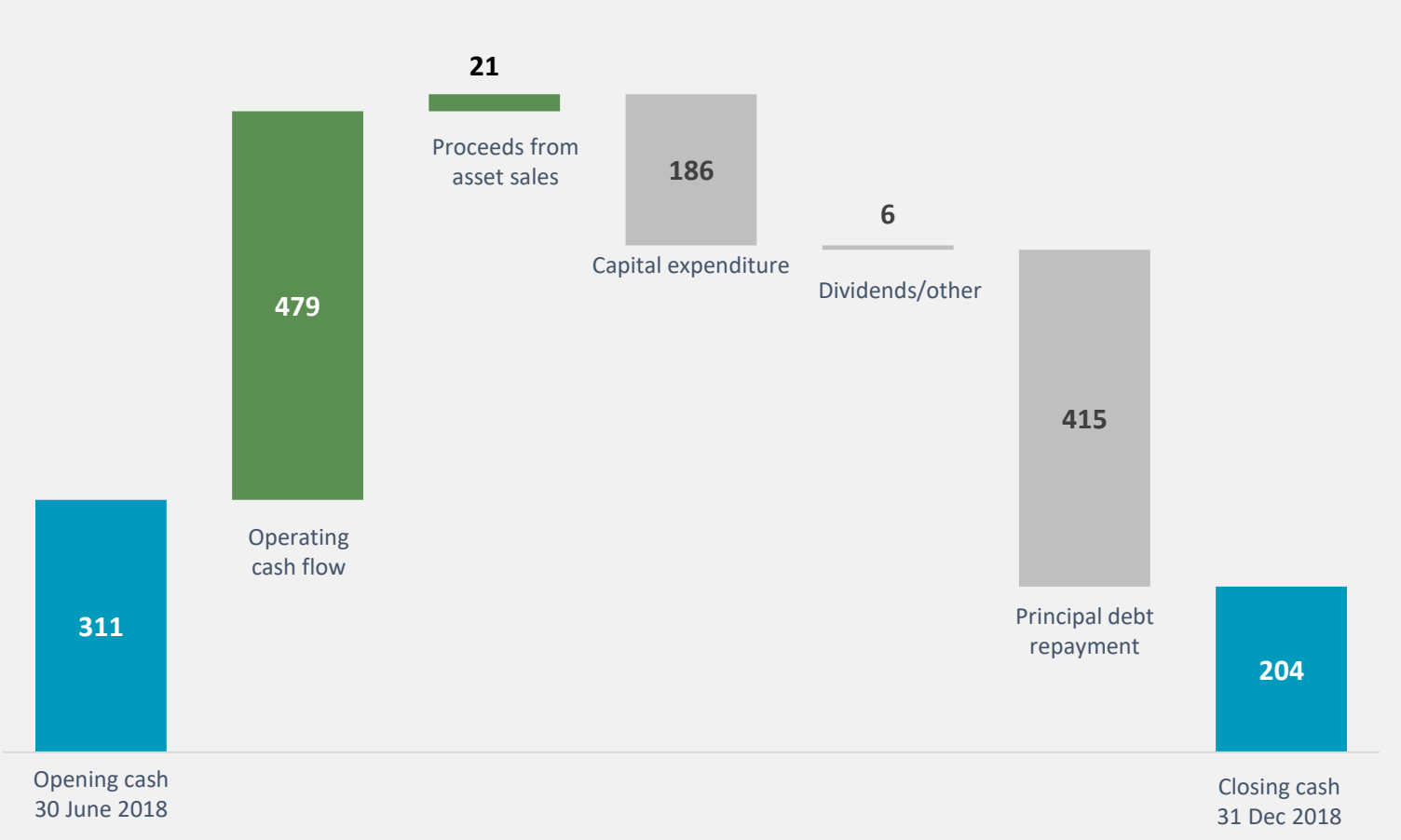
Note: Due to rounding, figures and ratios may not reconcile to totals.

1. Underlying results in this report are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by Beach's external auditors, however have been extracted from the reviewed financial statements.

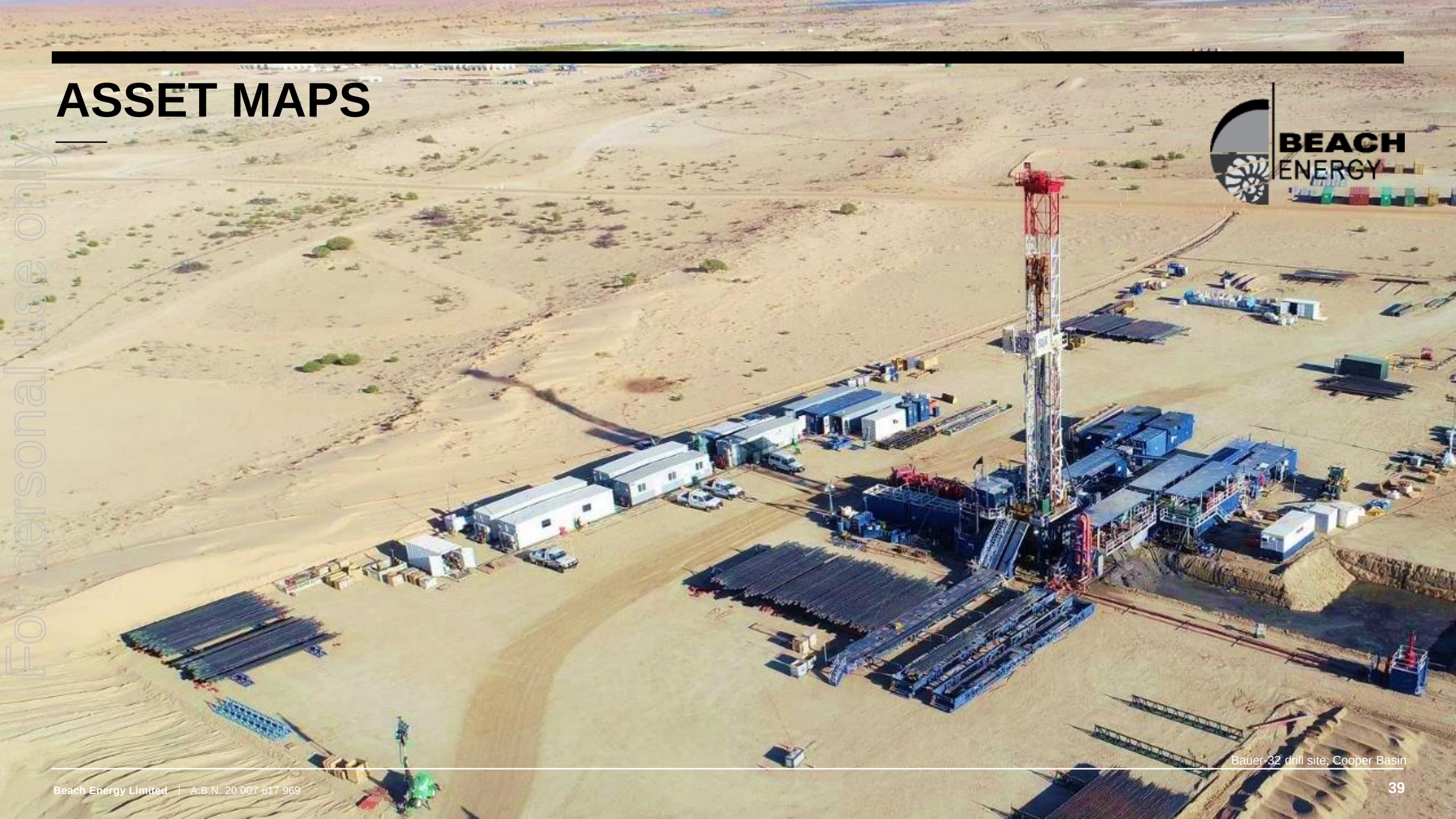
STRONG CASH AND LIQUIDITY POSITION

- $204 million cash, and $594 million available liquidity at 31 December 2018
- $479 million operating cash flow helped fund:
  - Principal debt repayment ($415 million)
  - Beach's capital expenditure ($186 million)
  - Dividend payments ($23 million)

Movement in Cash Balance ($ millions)

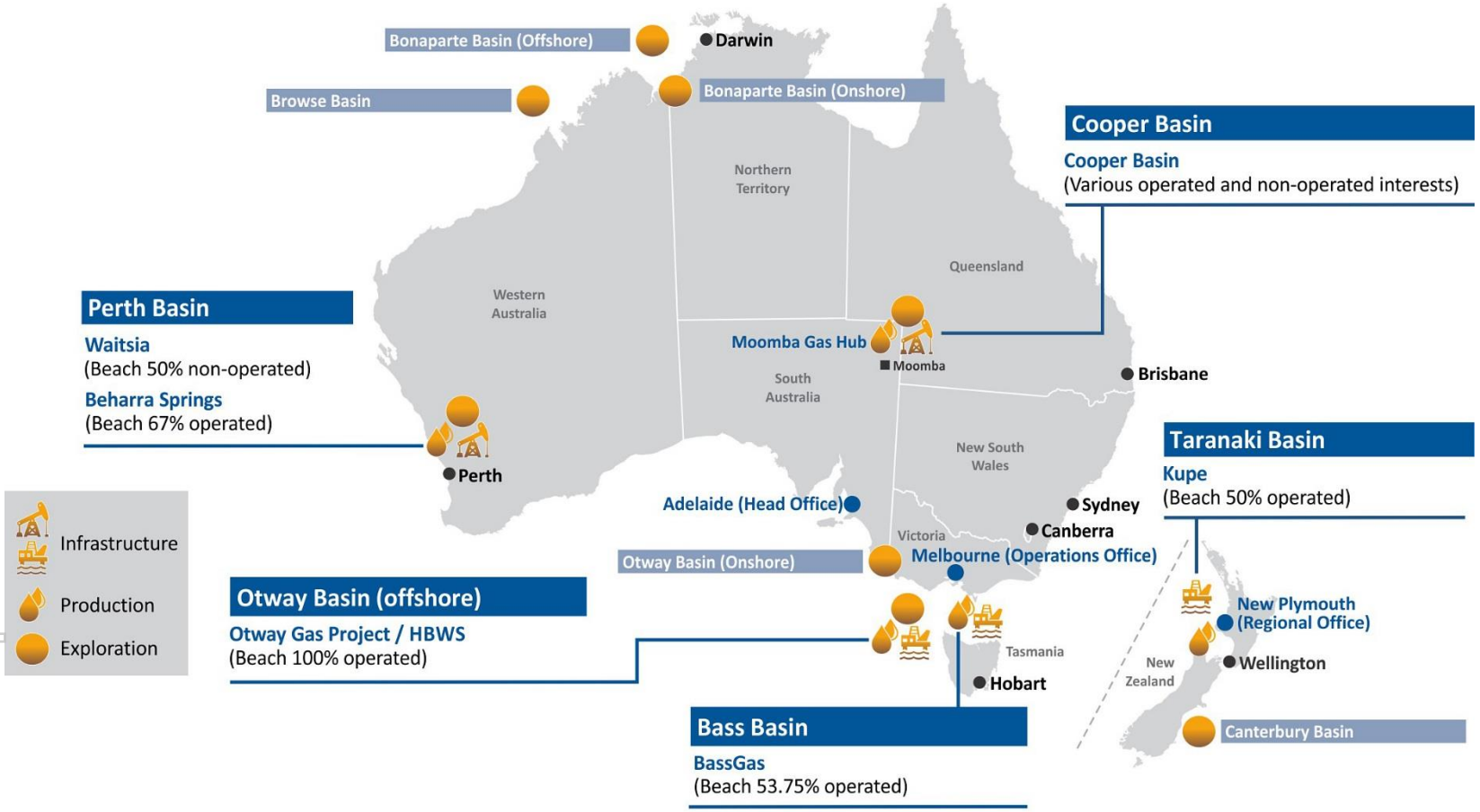


ASSET MAPS

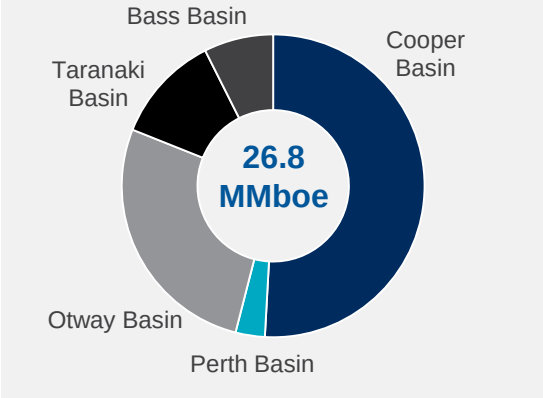


Bauer-32 drill site, Cooper Basin

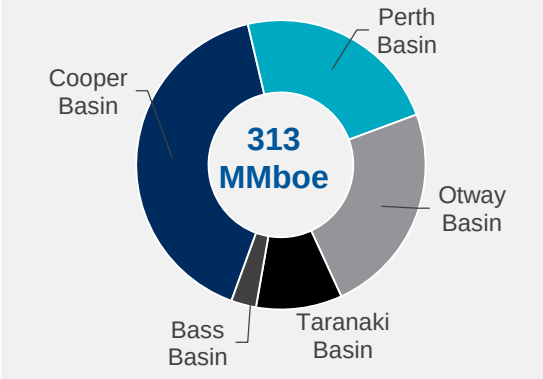
BEACH ENERGY PORTFOLIO



FY18 Pro forma production[1]



FY18 2P reserves[2]

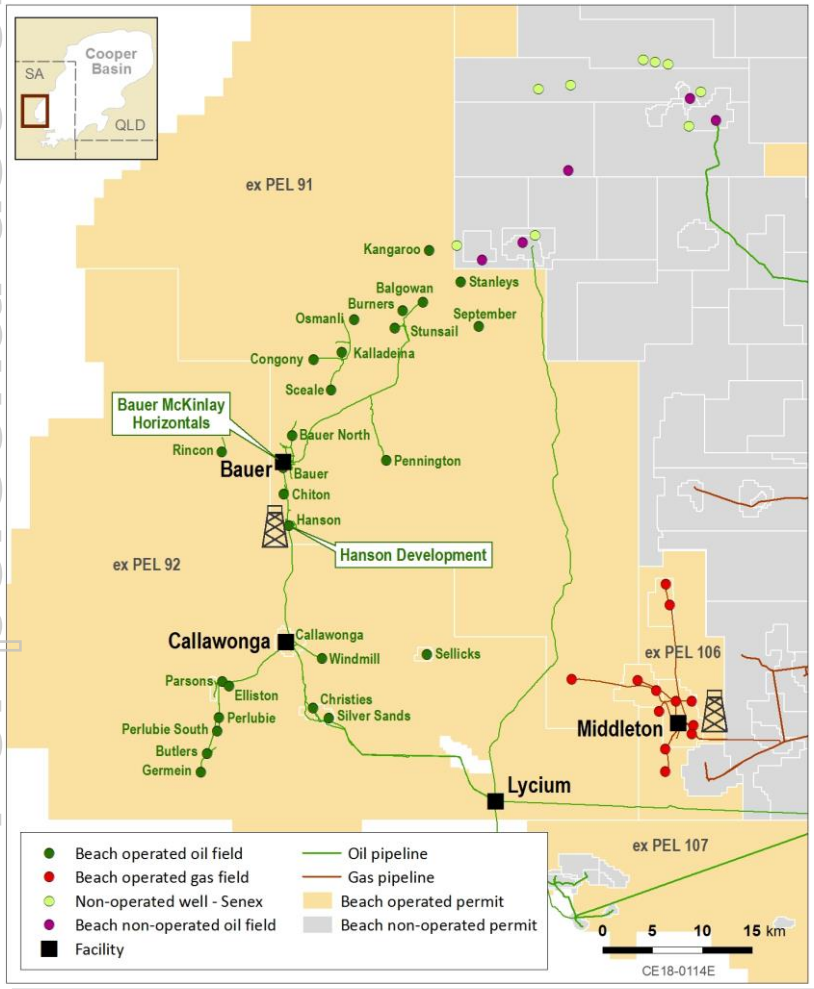


Beach prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers. The reserves and contingent resources presented in this presentation were originally disclosed to the market in ASX release #034/18 from 2 July 2018. Beach confirms that it is not aware of any new information or data that materially affects the information included in this presentation and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcement continue to apply and have not materially changed. Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 5.816 TJ per kboe, LPG: 1.389 bbl per boe, condensate: 1.069 bbl per boe and oil: 1 bbl per boe. The reference point for reserves determination is the custody transfer point for the products. Reserves are stated net of fuel and third party royalties.

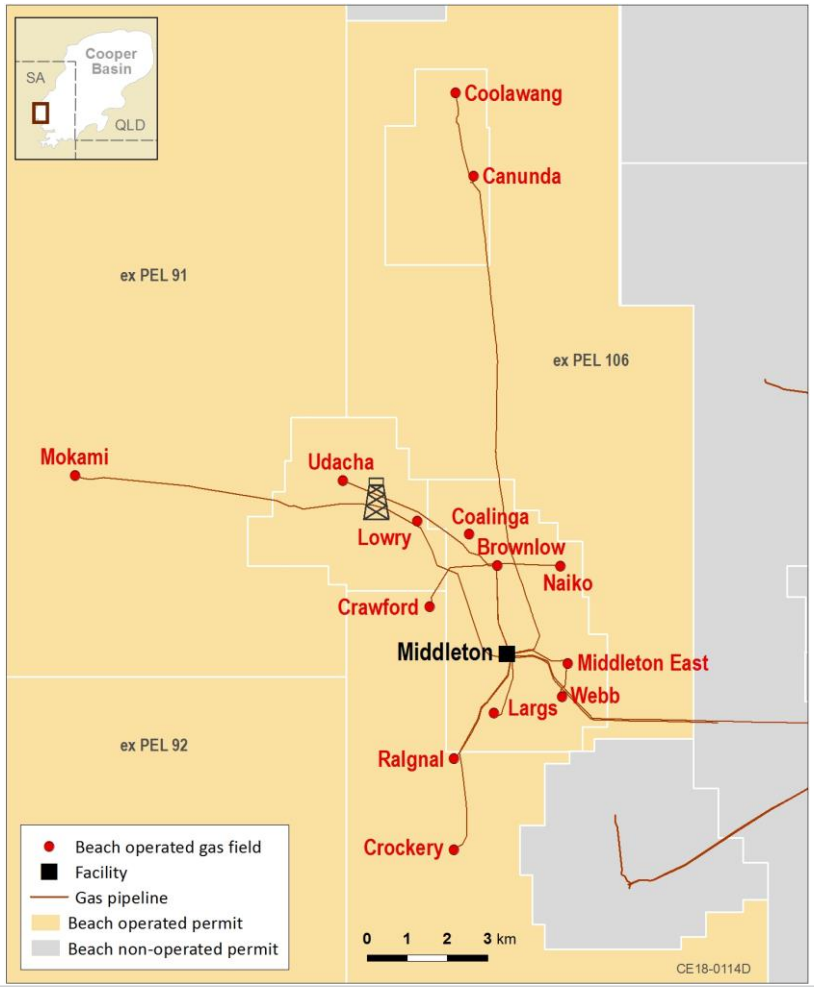
1. Pro forma FY18 defined as a Beach FY18 reported production of 19.0 MMboe plus H1 FY18 Lattice production of 7.9 MMboe. H1 FY18 Lattice production was not consolidated within the accounts of Beach. This information is provided for information purposes only and should not be relied upon.
2. 2P reserves are stated as of 30 June 2018. Reserves have not been adjusted for the announced sale of a 40% interest in the Otway Basin

MAPS - SAWA

Western Flank Oil

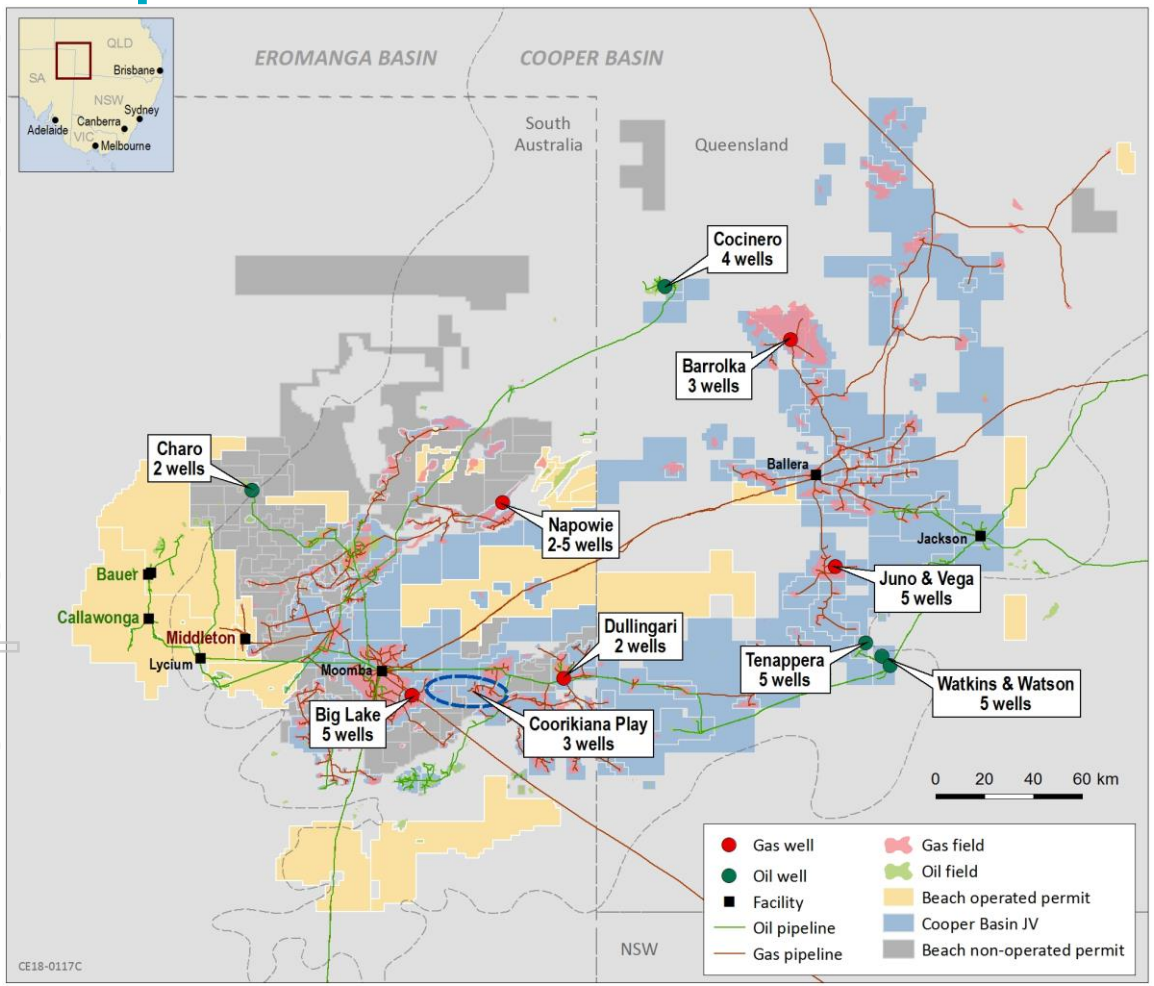


Western Flank Gas

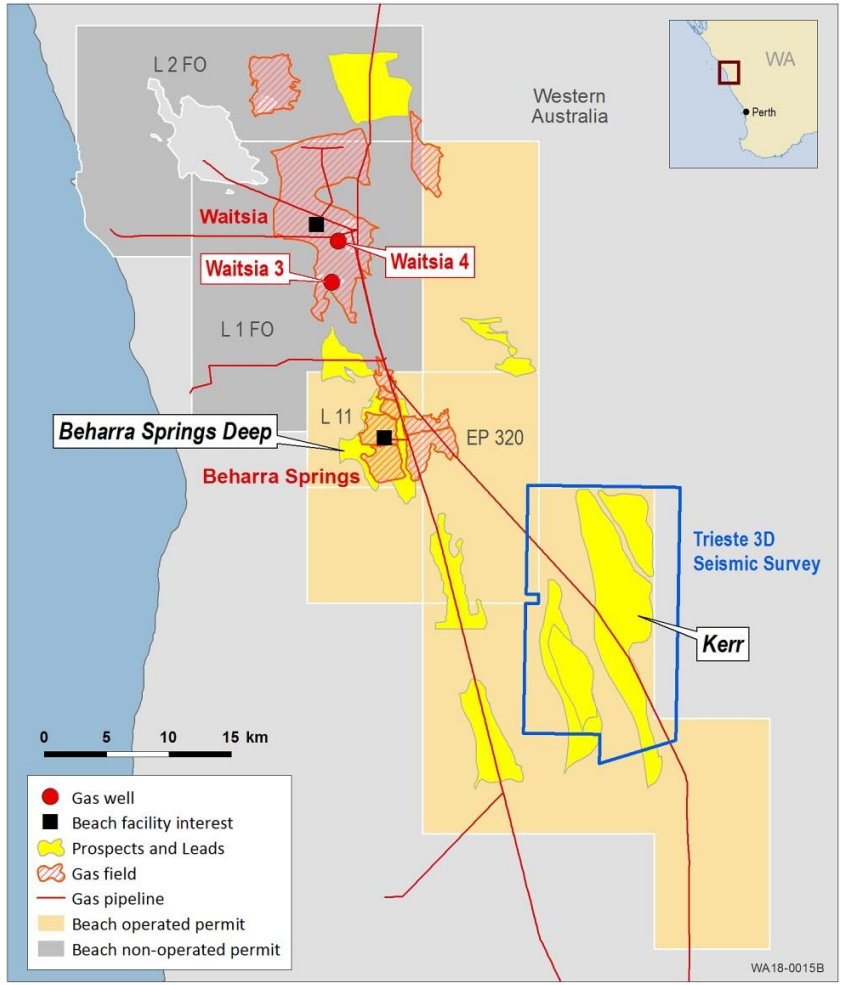


MAPS - SAWA

Cooper Basin JV

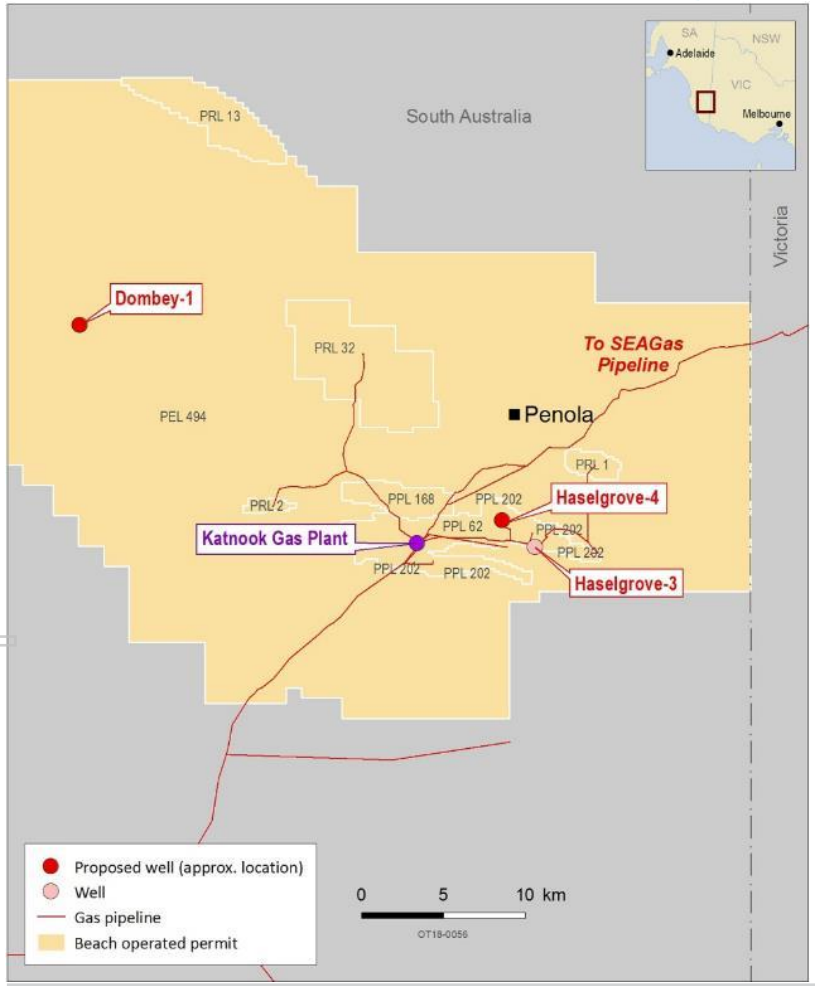


Perth Basin

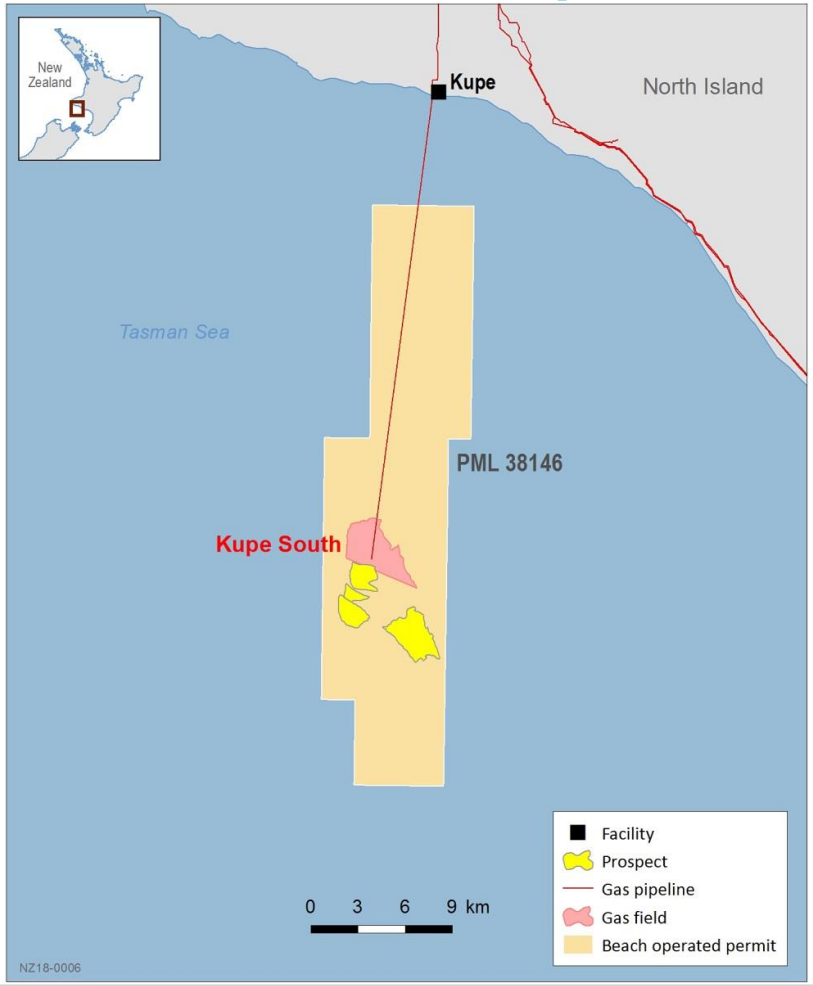


MAPS – SAWA AND NEW ZEALAND

South Australian Otway Basin

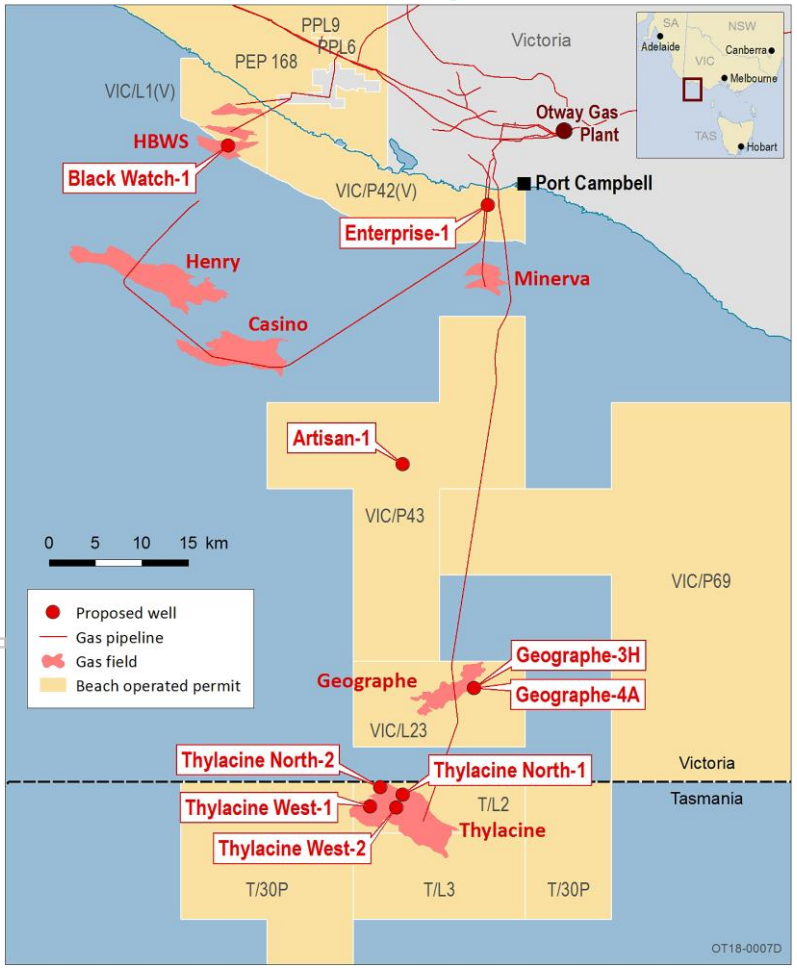


New Zealand – Kupe Gas Project

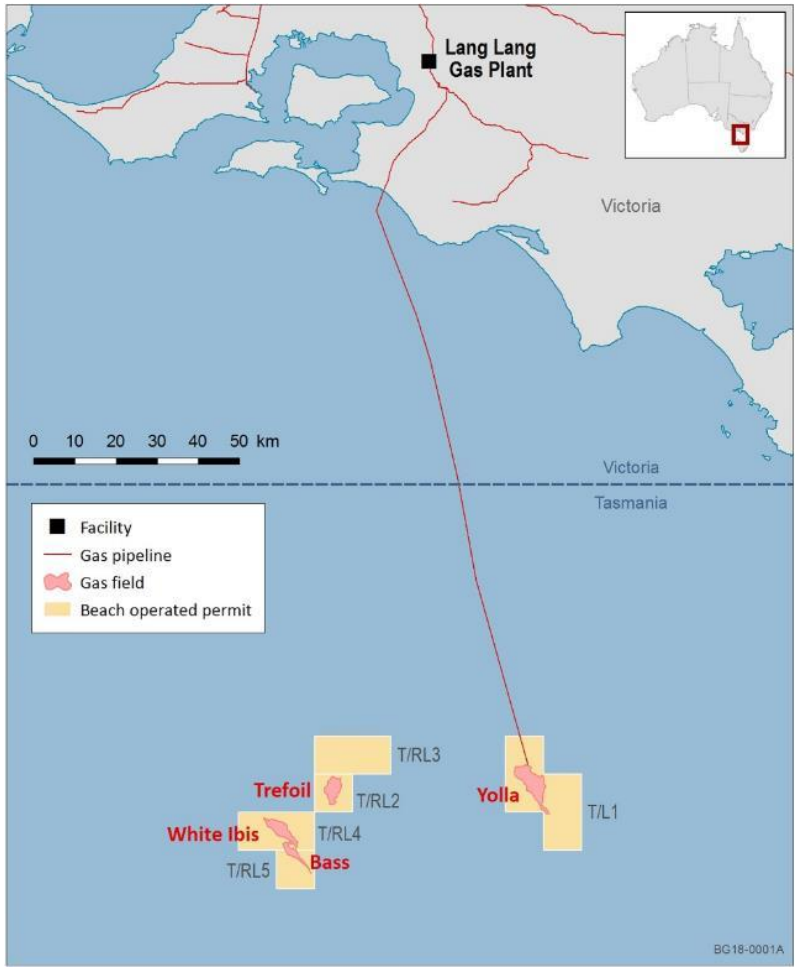


MAPS - VICTORIA

Victorian Otway Basin



Bass Basin



* Subject to completion of the proposed sale of 40% of Victorian Otway interests to O.G. Energy

FY19 HALF YEAR RESULTS PRESENTATION

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Kupe (New Zealand) offshore platform