

MAY 2019

Macquarie Australia Conference



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.

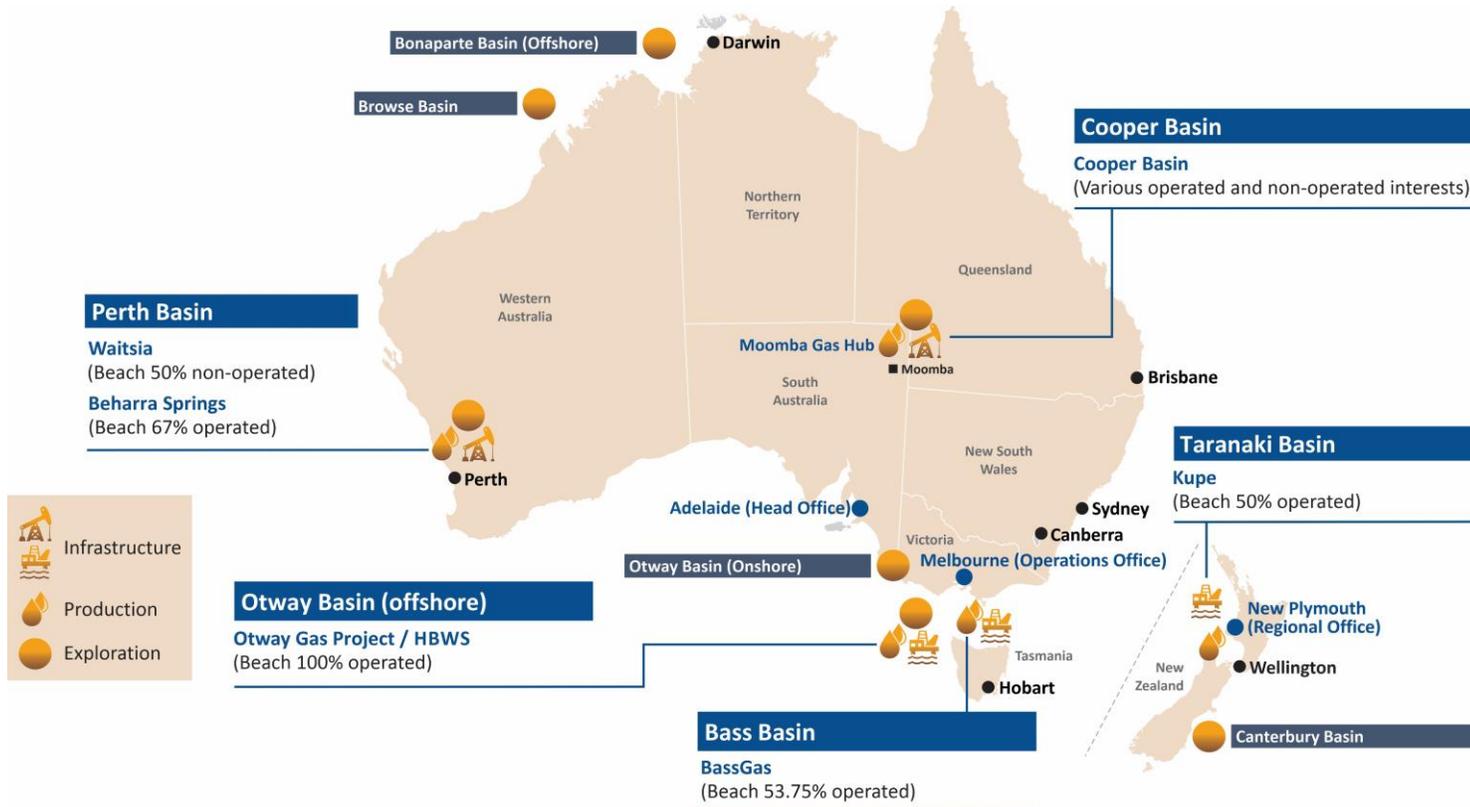
Five year targets

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.

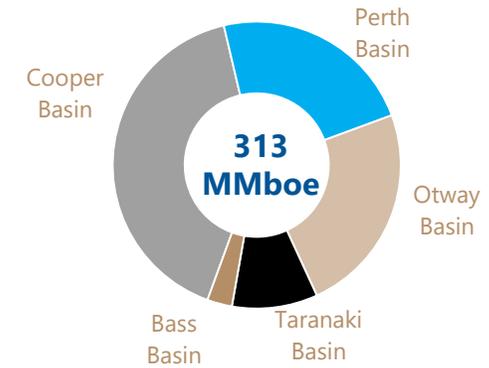
Assumptions

FY19 guidance is uncertain and subject to change. FY19 guidance has been estimated on the basis of the following assumptions: 1. a US\$70.00/bbl Brent oil price in Q4 FY19; 2. 0.72 AUD/USD exchange rate in Q4 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) would complete 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.

Beach Energy portfolio



FY18 2P reserves¹



Five year targets (FY19 – 23)

1. Production growing to 30 - 36 MMboe²
2. > 100% reserves replacement²
3. ROCE 17 - 20%²
4. > \$2.6 billion cumulative free cash flow²

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: 1.398 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. 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

2. Refer to disclaimer slide for assumptions underpinning the 5 year targets

Strong financial and operational performance continues

Tracking ahead on all fronts



Production

- ✓ FY19 production expected towards upper end of previously upgraded guidance range of 28 – 29 MMboe
- ✓ Four of six operated facilities tracking above 98% reliability YTD

Financial performance

- ✓ FY19 underlying EBITDA expected towards upper end of previously upgraded guidance range of \$1.25 – 1.35 billion
- ✓ Synergy and cost reduction targets are well on track

Financial discipline

- ✓ Q3 FY19 YTD free cash flow \$427 million, ahead of prior estimates
- ✓ On track to be net cash upon completion of the Otway Sale, more than two years ahead of original expectations

Growth

- ✓ Awarded permit VIC/P73 in offshore Otway Basin (La Bella gas discovery)
- ✓ Acquisition of an interest in Ironbark prospect in WA progressed with satisfaction of a key condition precedent

Third quarter highlights



Strong financial and operational performance continues

- ✓ Total quarterly production of 7.23 MMboe up 10% pcp.
- ✓ Sales revenue of \$470 million up 19% over pcp.
- ✓ Record Western Flank quarterly oil production, up 12% over prior quarter. Bauer cumulative production surpasses 20 MMbbls.
- ✓ Gas business excels with production +10% over pcp, realised gas pricing +6% over prior quarter to \$7.0/GJ and high facility reliability.
- ✓ Quarterly FCF generation of \$130 million; FY19 year to date FCF has reached \$427 million. This compares to \$290 million FCF estimate for all of FY19 at our Investor Day in September 2018.
- ✓ Net debt further reduced by \$112 million to \$219 million at 31 March 2019. On track to be net cash upon completion of the Otway Sale.

High drilling success rate recorded in the quarter; Activity with the drill bit to accelerate in Q4 FY19

- ✓ 93% drilling success rate in the quarter from 27 wells drilled, including 11 of 12 appraisal wells being successful.
- ✓ Second Western Flank operated rig commenced drilling operations during the quarter and a third rig expected to commence drilling operations during Q4 FY19.

FY19 guidance reaffirmed



	FY19 Guidance	Comment
Production	28 – 29 MMboe	Upper end
Capital Expenditure	\$450 – 500 million	Lower end
Underlying EBITDA	\$1.25 – 1.35 billion	Upper end
DD&A	\$450 – 500 million	Upper end

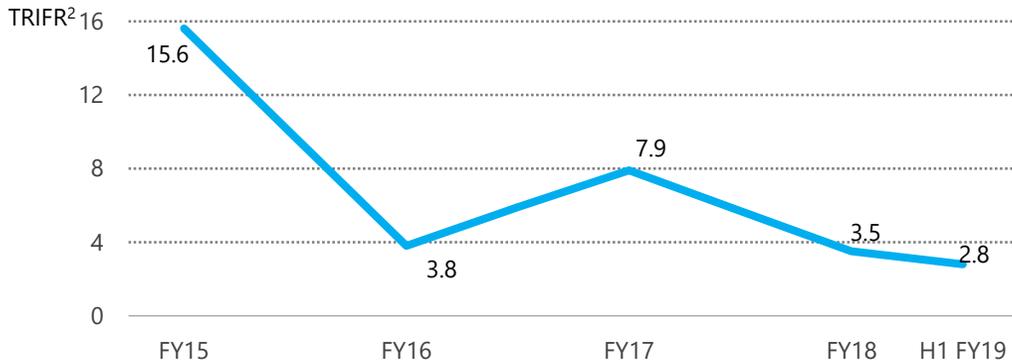
- Production is expected towards the upper end of the 28 – 29 MMboe range based on strong YTD production performance, driven by high customer gas demand and oil production output.
- Capital expenditure is expected towards the lower end of the \$450 – 500 million range.
- Underlying EBITDA is expected towards the upper end of the \$1.25 – 1.35 billion based on strong YTD revenues and assumes a Q4 FY19 oil price of US\$70/bbl and 0.72 AUD/USD exchange rate.
- DD&A is expected towards the upper end of the \$450 – 500 million range based on strong production performance.
- FY19 guidance has been prepared on the basis that (for accounting purposes) Beach reports beneficial ownership of a 100% interest in its Victorian Otway assets up to 31 March 2019 and then report 60% interest thereafter.

Our top priority

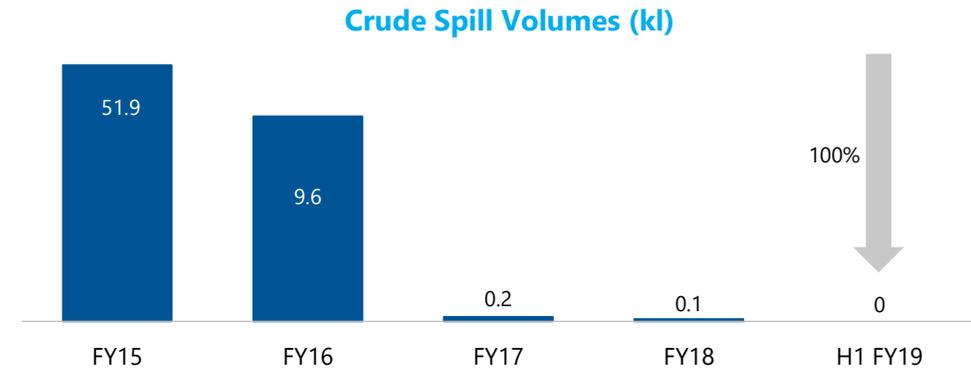
Strong safety and environmental performance



Safety performance



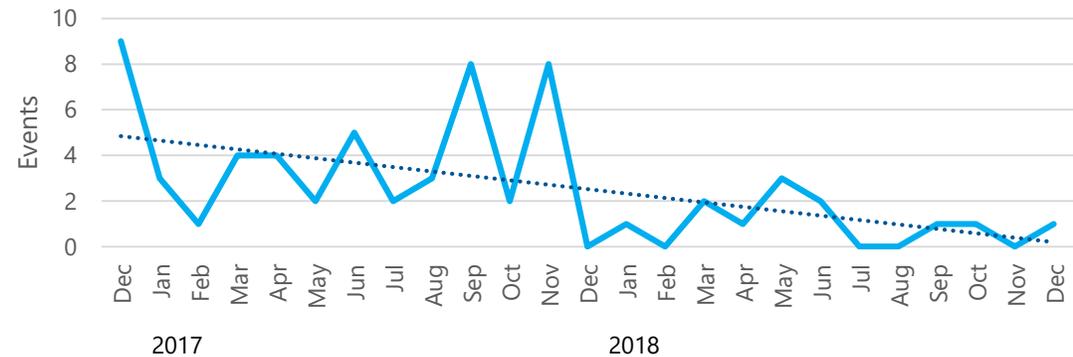
Environmental performance¹



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



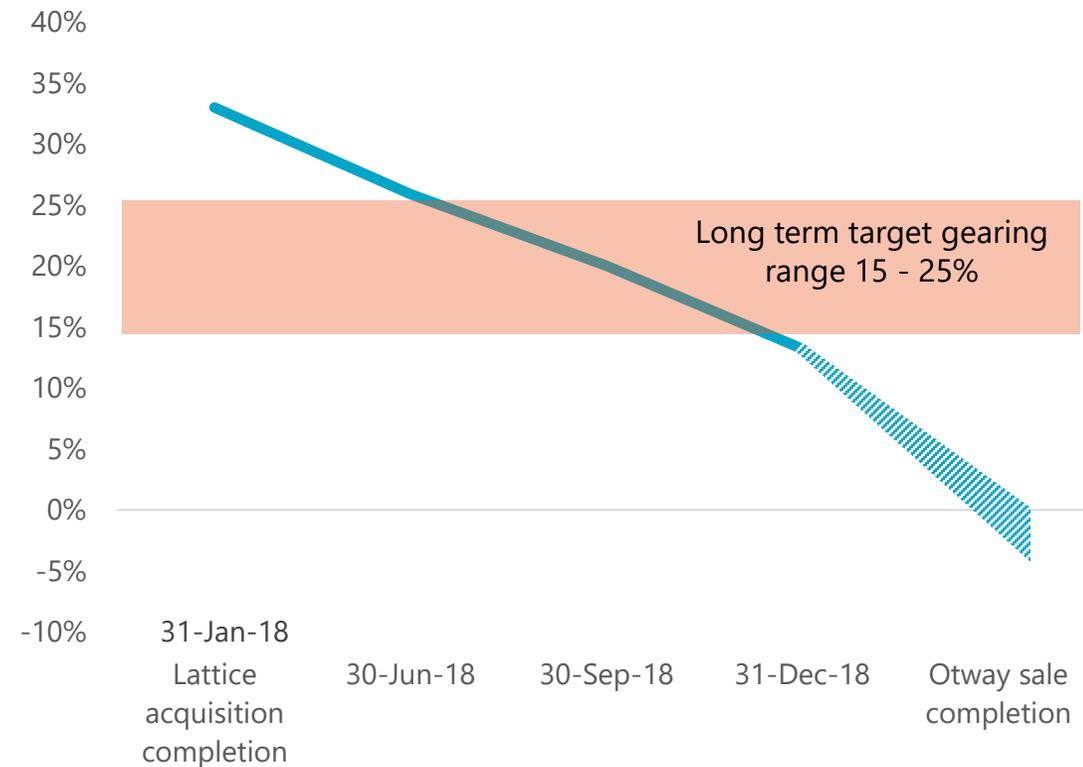
1. Includes Lattice assets from 1 January 2018.
 2. TRIFR: Total Recordable Injury Frequency Rate, calculated as number of recordable injuries per million hours worked (Beach employees and contractors).
 Process Safety Events based on API 754/IOGP 456.

Disciplined Balance Sheet management



- Targeting to be debt-free on completion of Otway Sale, more than 2 years ahead of original debt-free target date
- Balance sheet flexibility can be applied to:
 - **Accelerate organic growth investment**
 - **Evaluate M&A and New Ventures opportunities**
 - **Consider increased shareholder returns**
- Creating shareholder value via the disciplined allocation of capital remains Beach's primary focus.

Net gearing since Lattice acquisition completion (end January 2018)

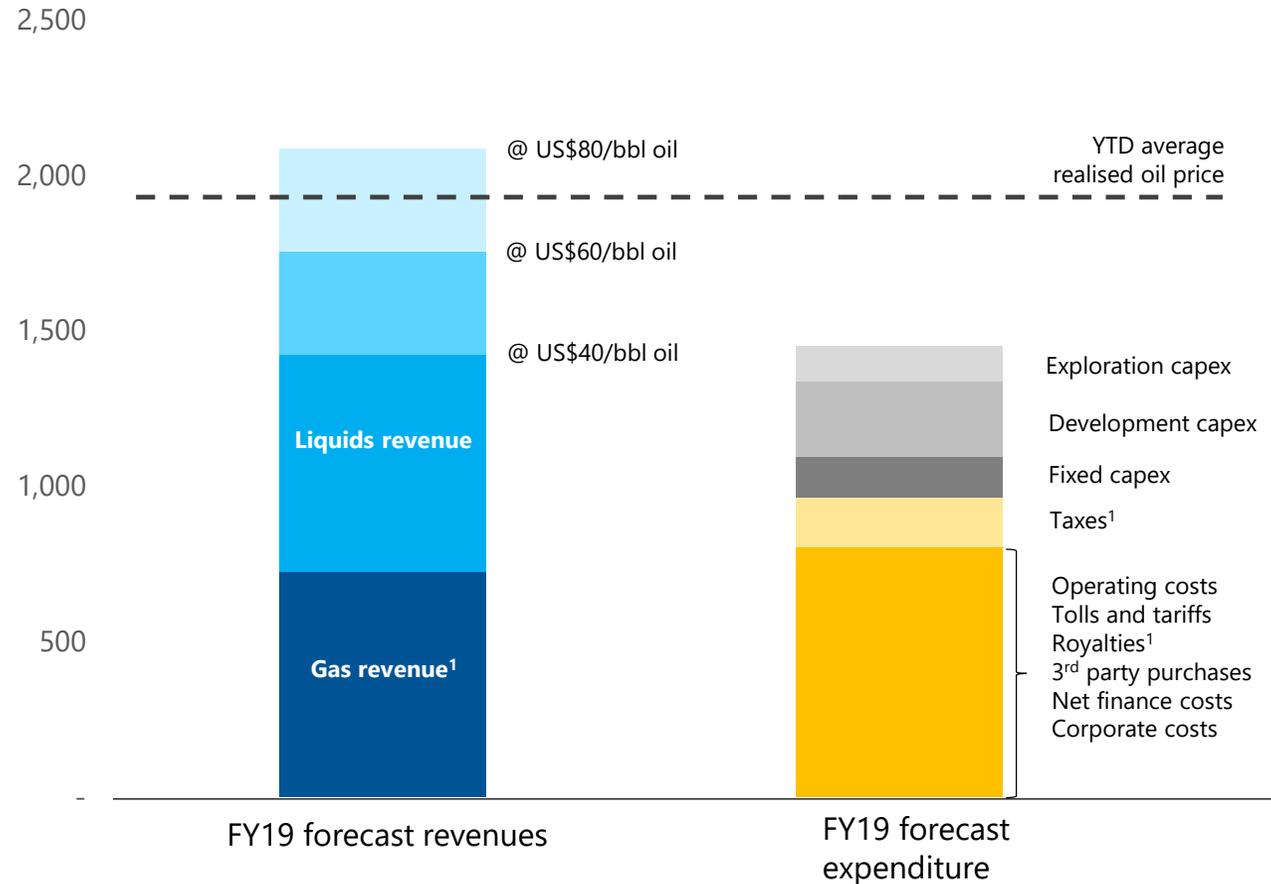


Robust and stable revenue base

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 US\$60/bbl oil in FY19.

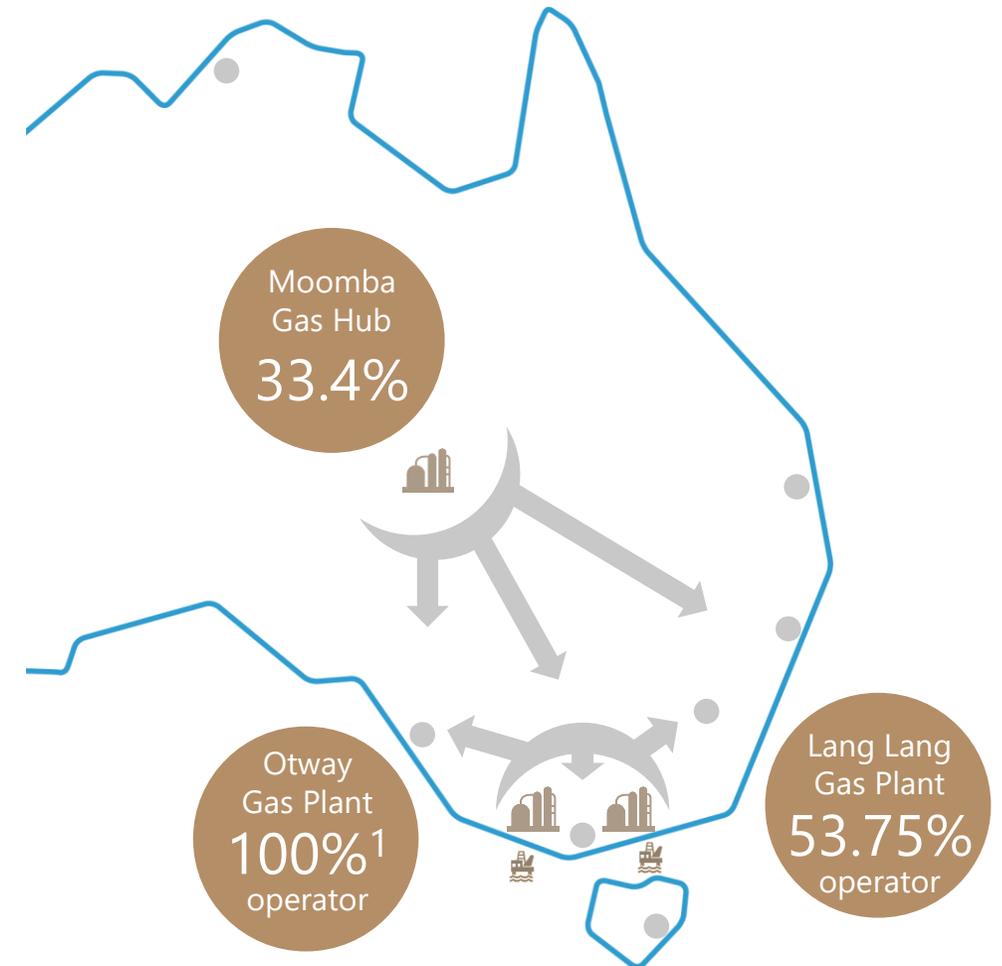
East coast gas market

Supplying the market is a strategic imperative



- Beach is a material owner of critical gas infrastructure
- Three basins and infrastructure hubs supplying East Coast gas
- Currently 15% domestic market share¹
- Strong demand for Beach's uncontracted sales gas, confirming ACCC reported 2019 producer price range \$9.31 – 10.71/GJ²
- Exploration, appraisal and development activities in Cooper and Otway basins are focussed on bringing more gas to market

Beach east coast infrastructure



1. Subject to completion of the proposed sale of 40% of Victorian Otway Interests to OG Energy.

2. Source: ACCC Gas Inquiry 2017–2020 Interim report December 2018.

Attractive near term and long term pricing outlook

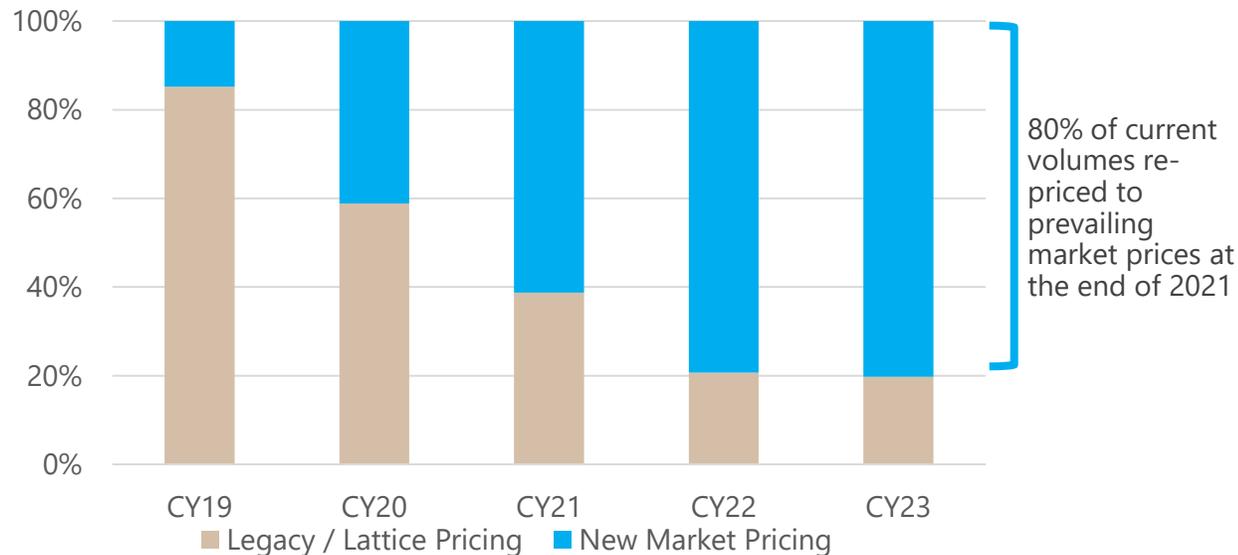
Repricing events approaching



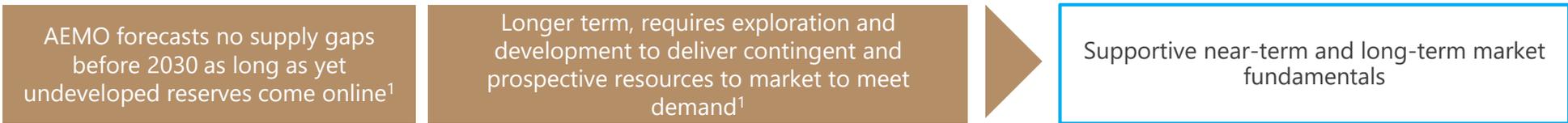
Current east coast vol's

Beach average realised price:
YTD Q3 FY19
\$6.77/GJ

Re-contracted / re-priced volumes²



- Annual step-ups and CPI adjustments of Lattice contracts
- Majority of existing East Coast volumes re-priced or re-contracted at end of 2021
- Existing Beach oil-linked GSA exposed to oil price upside until re-contracted in 2025
- Beach capital investment supported by market dynamics



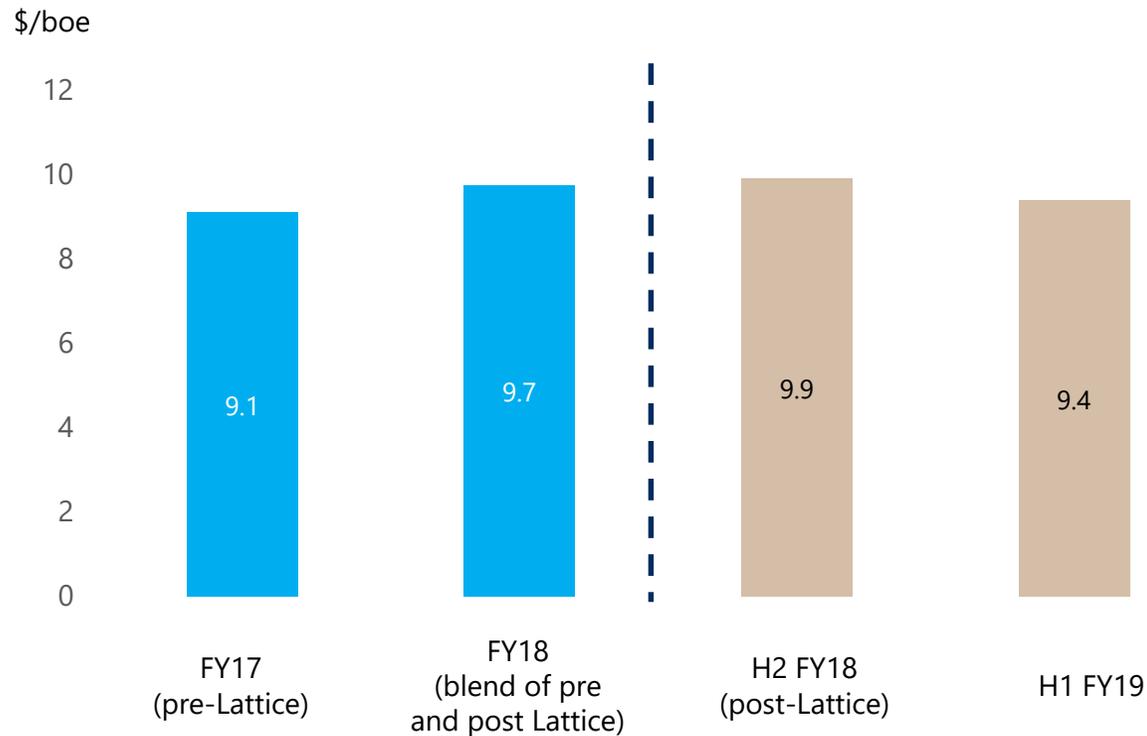
1. Source: 2018 Gas Statement of Opportunities, AEMO – June 2018.

2. Recontracted / re-priced volumes are presented on the basis the proposed sale of a 40% interest in Beach's Victorian Otway assets completes.

Delivering as a low cost operator



Beach operating costs/boe¹



- Beach extracted \$56 million of synergies to H1 FY19, 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 FY19, 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

Asset Updates

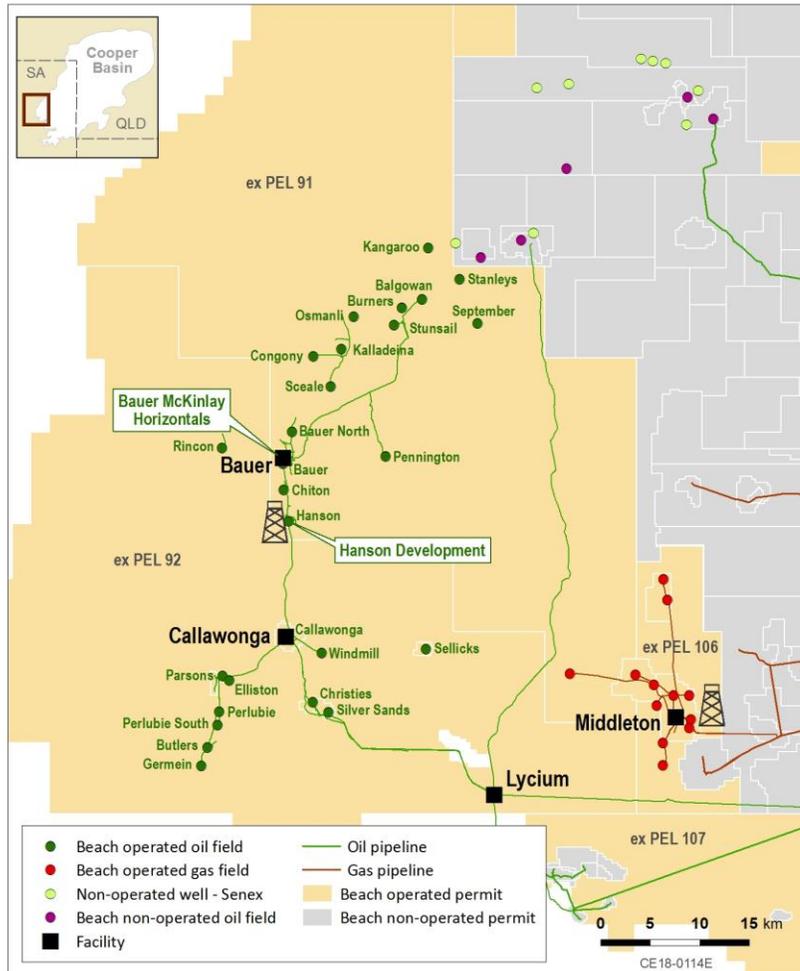


beach



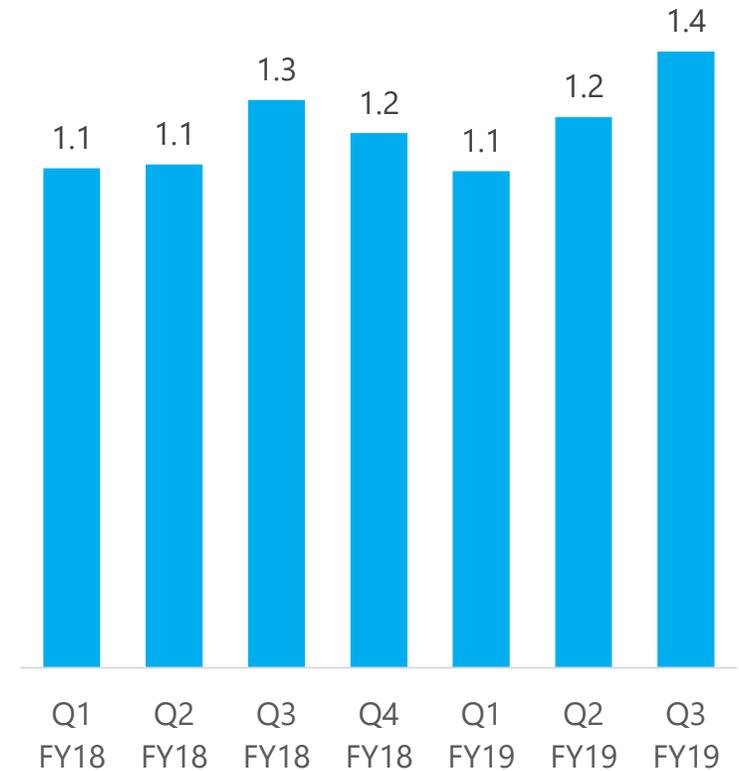
Western Flank Oil

Beach 40 - 100% interest



- ✓ Hanson-7, was drilled and brought on line in Q3 and averaged over 1,600 bopd free flow over its first 30 days of production
- ✓ Artificial lift was added at producing well Bauer-30 which increased production from ~300 bopd on free flow to 1,995 bopd on pump
- ✓ The Bauer Field in ex PEL 91 produced its 20 millionth barrel of oil
- ✓ 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
- Forecast aggregate 30-day initial production rate of ~7,000 bopd on pump from horizontal wells Bauer-29,-30,-31,-32

	Vertical McKinlay Producers	Horizontal McKinlay producers	Horizontal vs vertical wells
Average well cost¹	\$2.8 million	\$4.3 million	1.5x
Well productivity index²	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

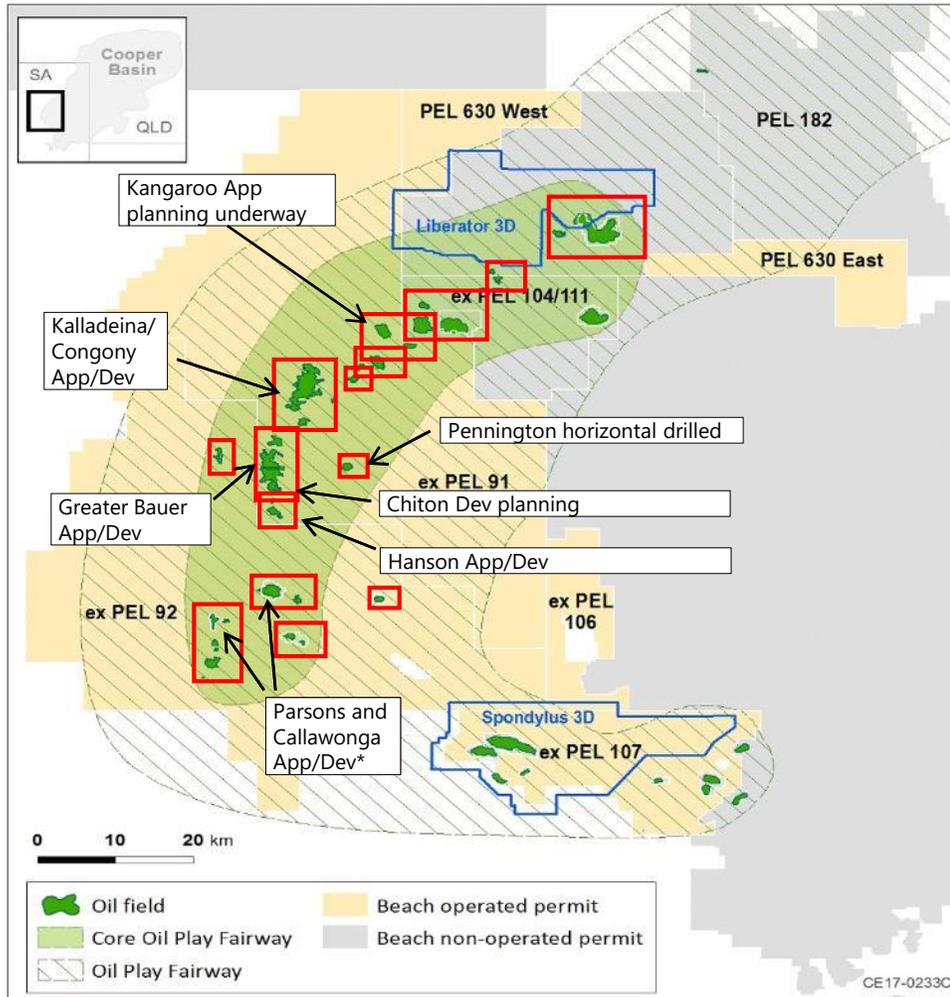
	Total measured depth	Spud-to-TD	Spud-to-online
Bauer-26	2,260 metres	12.7 days	31 days
Bauer-29 -30 -31 and -32	2,660 metres	8.5 days	23.5 days

Seven additional horizontal development wells currently planned in Bauer Field for FY20

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



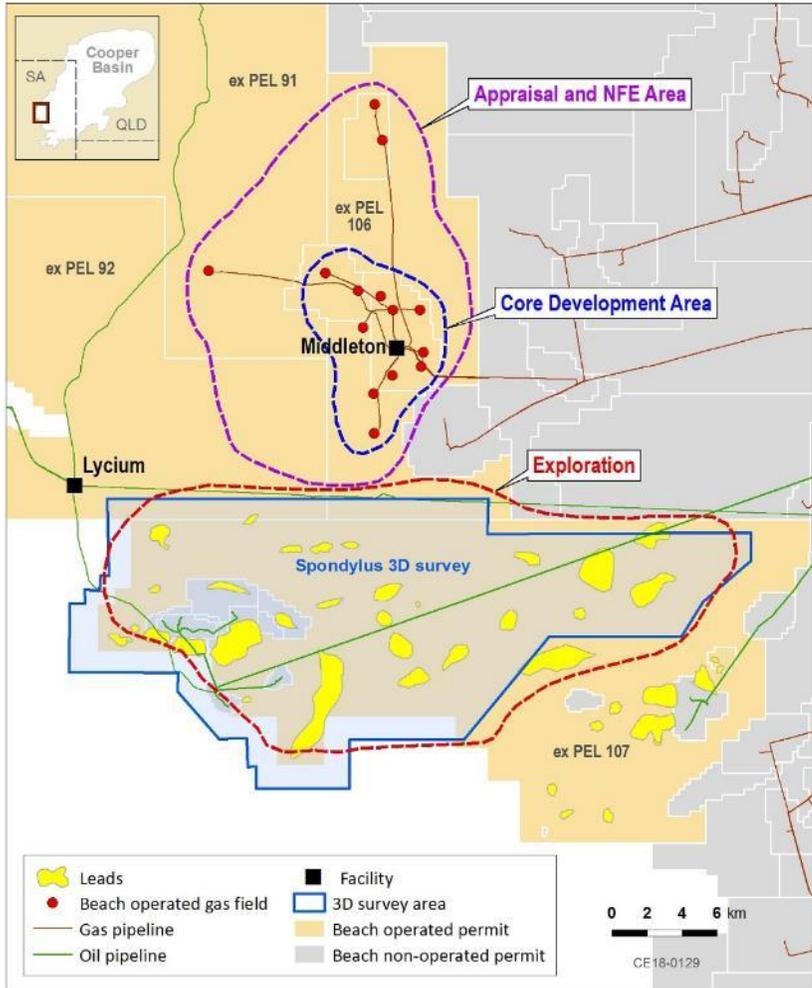
- Six-well appraisal/development campaign completed in the Hanson Field
- Both appraisal wells cased and suspended as future producers and confirmed the extension to the south of the field where Hanson-7 development well was drilled
- Positive appraisal results at Bauer and Hanson means both fields will be subject to additional appraisal drilling
- Parsons the next field to be appraised, subject to JV approval
- Second oil rig will allow for field appraisal ahead of field development to maximise efficiencies and value



* Subject to JV approval

Western Flank Gas

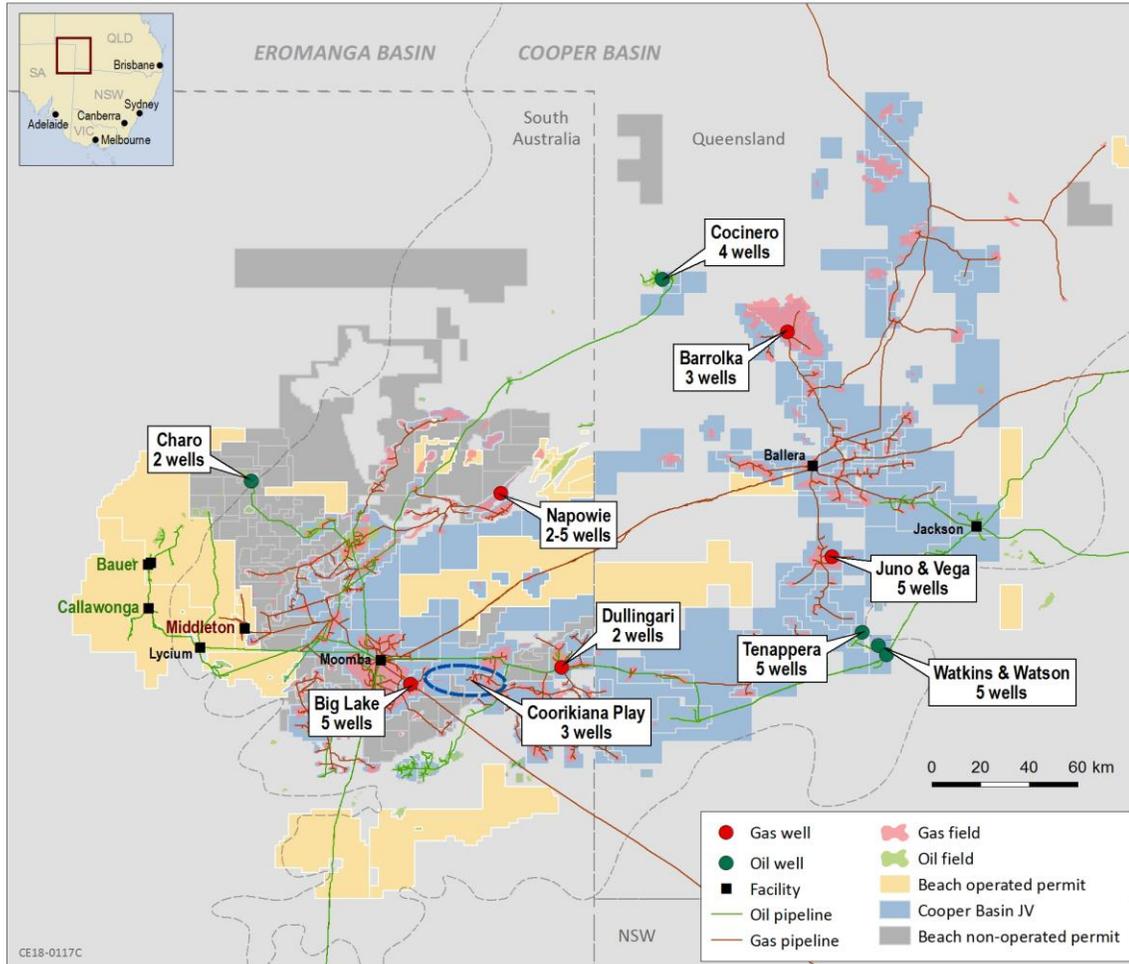
ex PEL 106 and ex PEL 91, Beach 100% and operator



- ✓ Liquids rich gas fields close to Moomba
- ✓ Liquids (condensate and LPG) have generated similar revenues to gas sales in FY19
- ✓ Liquids handling capacity expanded to allow the Middleton facility to peak at 40 MMscfd of raw gas
- ✓ Seven-well gas appraisal campaign in the core gas production area commenced in March 2019 with success at appraisal well Lowry-3
- ✓ Prospects and leads identified for drilling in FY20 from the Spondylus 3D seismic survey

Cooper Basin JV

Beach various interests (20.76 - 52.2% range), Santos operator

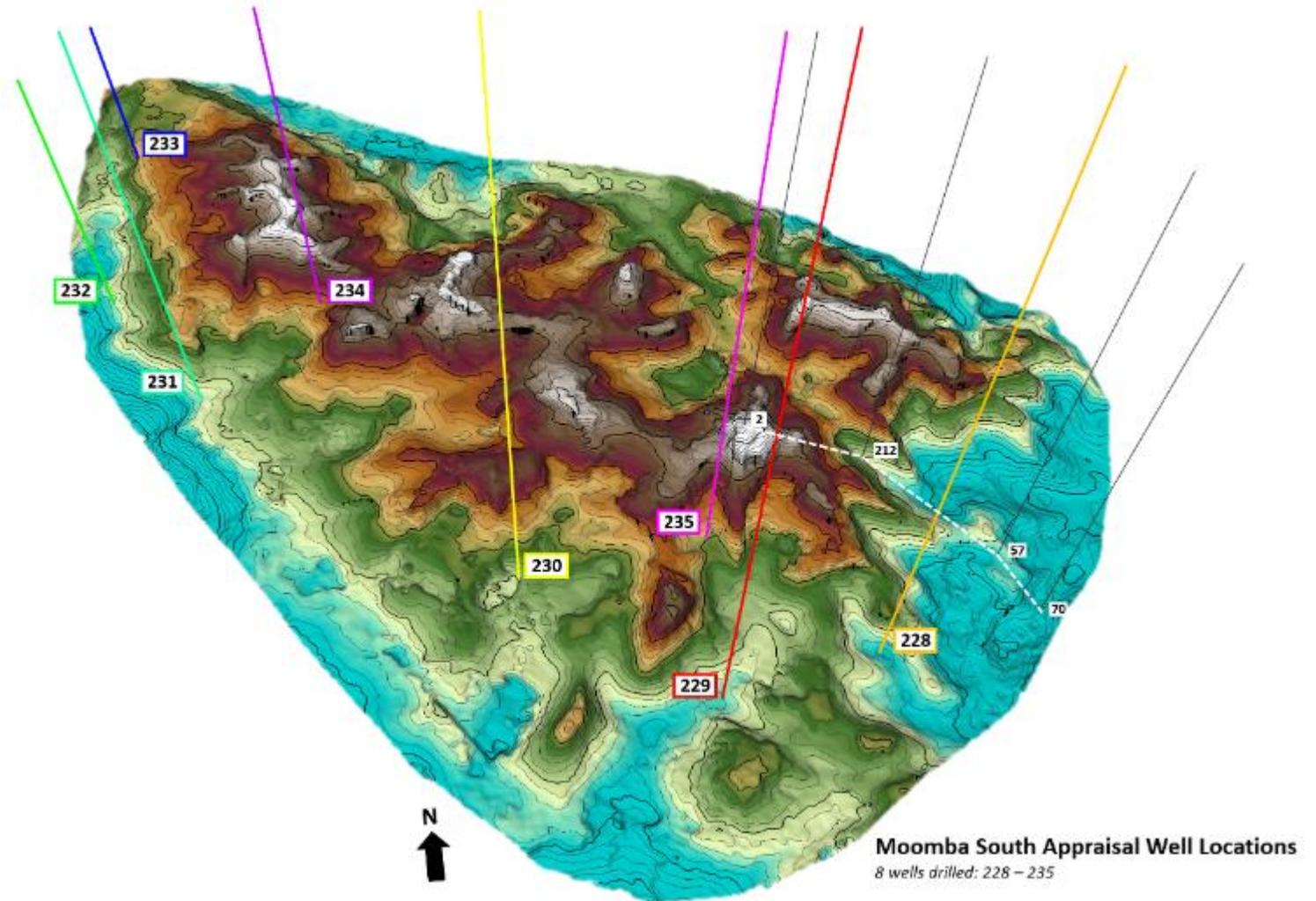


- ✓ 100% drilling success rate across 12 gas wells drilled in Q3, including:
- ✓ Completion of the Moomba South gas appraisal program with the final two wells, Moomba-234 and -235, drilled
- ✓ Completion of a five-well gas development campaign in the Big Lake Field
- ✓ Renewed focus on oil drilling in SWQ commenced with drilling campaigns underway in the Cocinero and Watkins/Watson oil fields

Cooper Basin JV

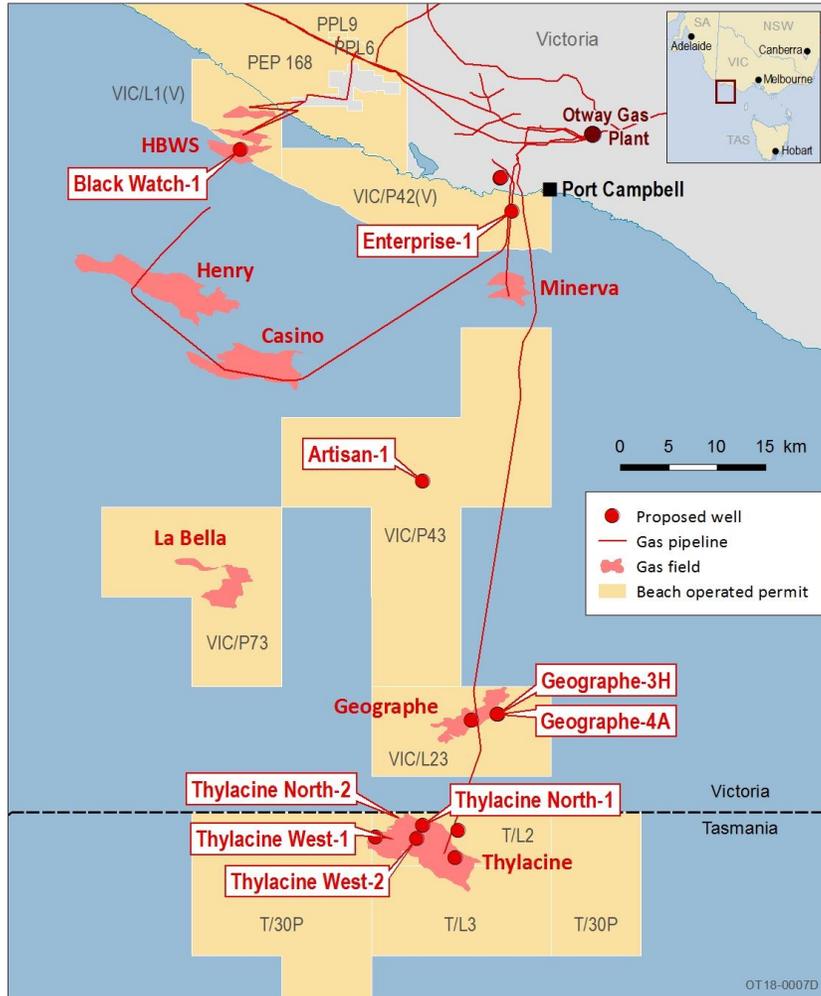
Moomba South appraisal

- Phase one of Moomba South Appraisal completed
- Seven successful wells from the eight well program, all seven wells now on production
- Peak stabilised single-well gas flow of 8.7 MMscfd has been established
- The eight wells constitute the first phase of a program designed to test up to 120 Bcf of 2C contingent resources (Beach share)
- Joint Venture targeting FID on Moomba South development by end CY19



Victorian Otway Basin

Beach 100%* and operator



- ✓ Ocean Onyx secured for offshore Otway drilling program, late CY19 target start date
- ✓ First well expected to be drilled is the Artisan gas exploration well
- ✓ Nearshore drilling to commence with Black Watch-1 development well, currently expected in H1 FY20
- ✓ 40% Otway sale expected to complete in Q4 FY19
- ✓ Beach awarded the VIC/P73 permit containing the undeveloped La Bella gas discovery
- ✓ La Bella 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

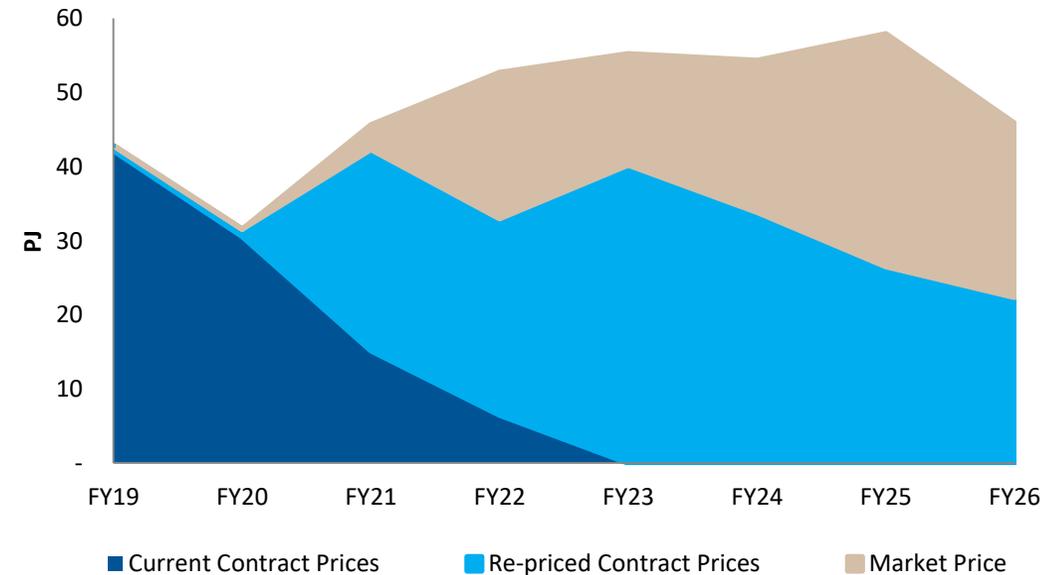
* Subject to completion of the proposed sale of 40% of Victorian Otway interests to O.G. Energy.

Victorian Otway Basin Production



- Ten drilling opportunities (eight development) planned in the next four years to keep the Otway Gas Plant (OGP) as full as possible.
- Black Watch and Enterprise Extended Reach Directional (ERD) wells to be drilled first in H1 FY20
- Offshore program starts with Artisan-1 exploration well in late calendar 2019 / early 2020
- La Bella provides optionality. Development timing can be optimised depending on exploration drilling results
- The integrated basin development plan delivers early addition of uncontracted gas with lowest unit technical cost gas online first (\$1-3/Mcf)
- First price review for Origin GSAs effective 1 July 2020

OGP production outlook (100% interest)¹



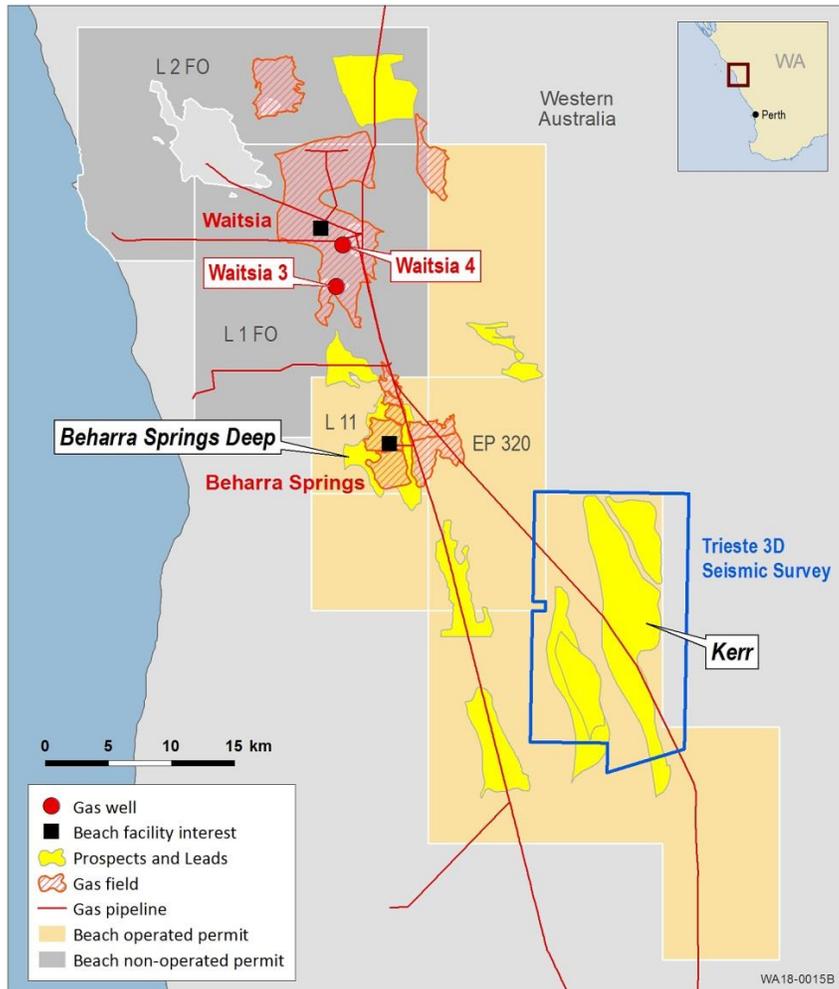
> 15 years field life remaining, wells generate IRRs in excess of 40%²

1. Production outlook is determined using the assumptions set out on the "Compliance Statements" slide and assumes risked exploration success and La Bella development. Any changes to the underlying assumptions could cause actual reported results to differ materially to the outlook presented. Outlook is presented on 100% basis.

2. Internal rate of return (IRR) calculated based on internal assumptions. Refer to the "Compliance Statements" slide for further detail regarding assumptions.

Perth Basin

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



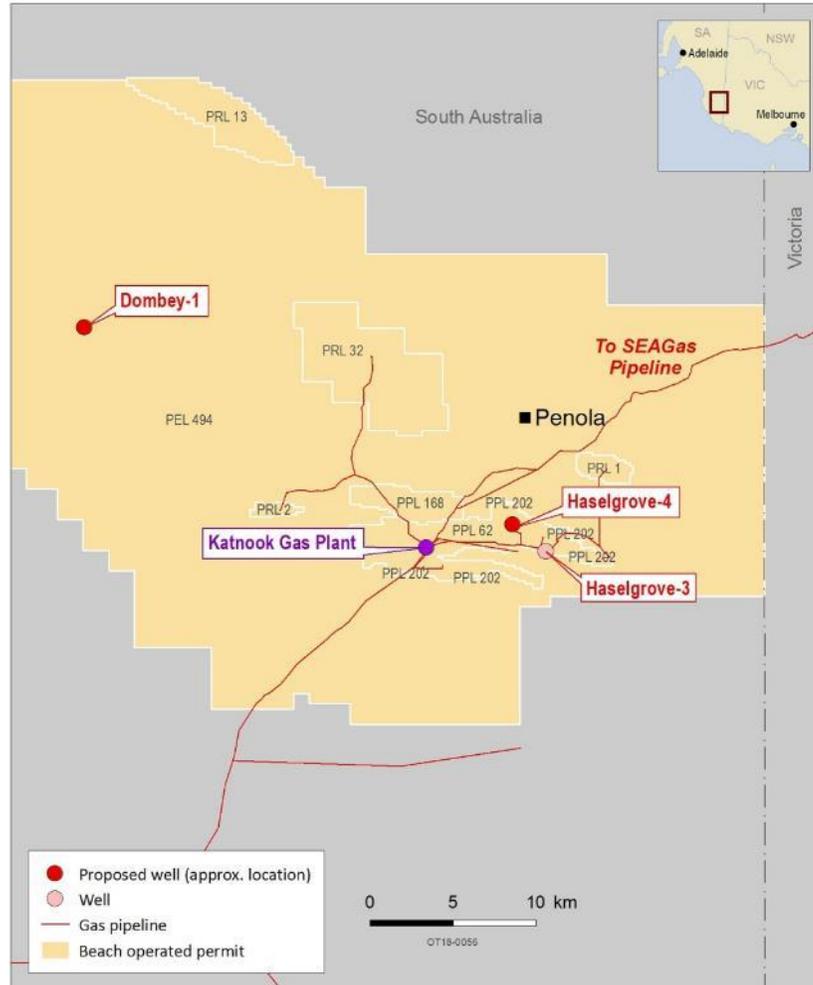
- ✓ Onshore rig Easternwell 106 contracted to drill the Beharra Springs Deep gas exploration well. Drilling is expected to occur in H1 FY20.
- ✓ Progress continuing towards decision regarding development of Waitsia
- ✓ Perth Basin contains ~420 PJ 2P reserves (Beach share) ~830 PJ (gross)¹
- ✓ High well deliverability demonstrated (90 MMscfd DST rate at Waitsia-4)²
- ✓ Close proximity to existing infrastructure (Parmelia Gas Pipeline and Dampier to Bunbury Natural Gas Pipeline)
- ✓ Progressing approvals for Trieste 3D survey

1. 2P reserves are stated as of 30 June 2018

2. A Drill Stem Test was performed on the Waitsia-4 appraisal well on 21st November 2017. The zone flow tested was a 50 metre interval in the Kingia Sandstone (3,370 metres to 3,420 metres Measured Depth Below Rotary Table). At the end of a 17 hour clean up period the well flowed gas at an instantaneous maximum rate of 90 MMscfd and an average of 89.6 MMscfd on a 96/64 inch choke at ~2,395 psig flowing well head pressure over a 23 minute period.

South Australian Otway Basin

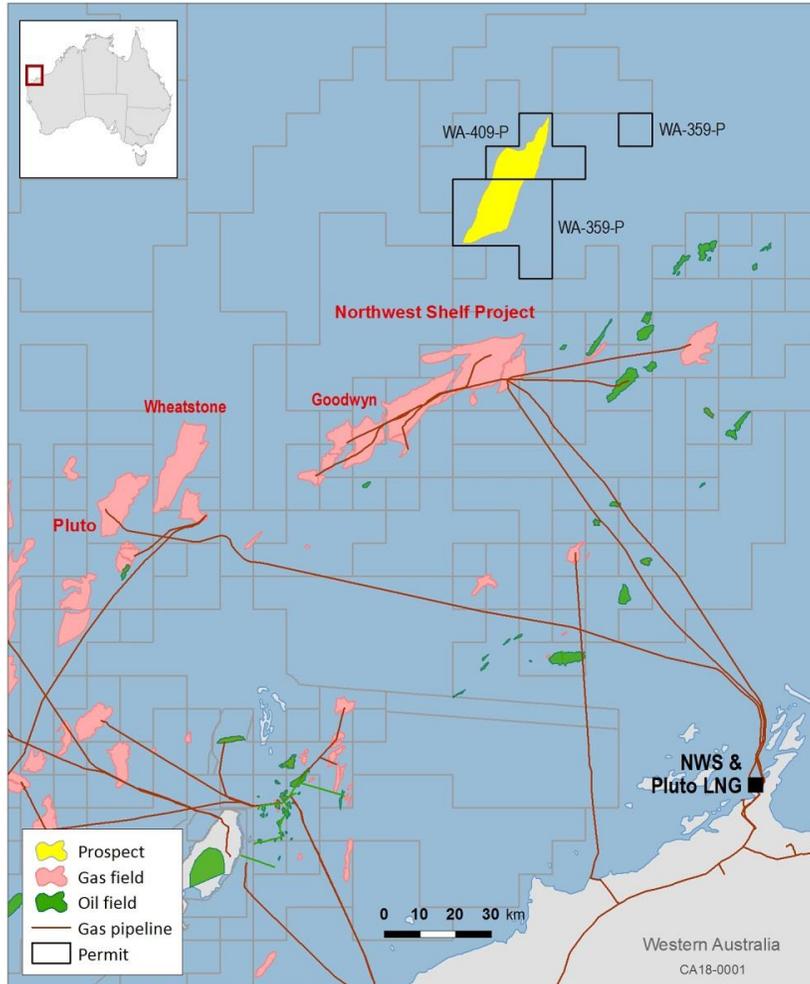
Beach interests 70 – 100% and operator



- ✓ Ensign 931 rig is on site for drilling of the Haselgrove-4 appraisal well
- ✓ Dombey-1 exploration well to follow Haselgrove-4
- ✓ On track to deliver first gas from Haselgrove discovery via new 10 TJ/d gas processing facility by the end of CY19

Carnarvon Basin – Ironbark Prospect

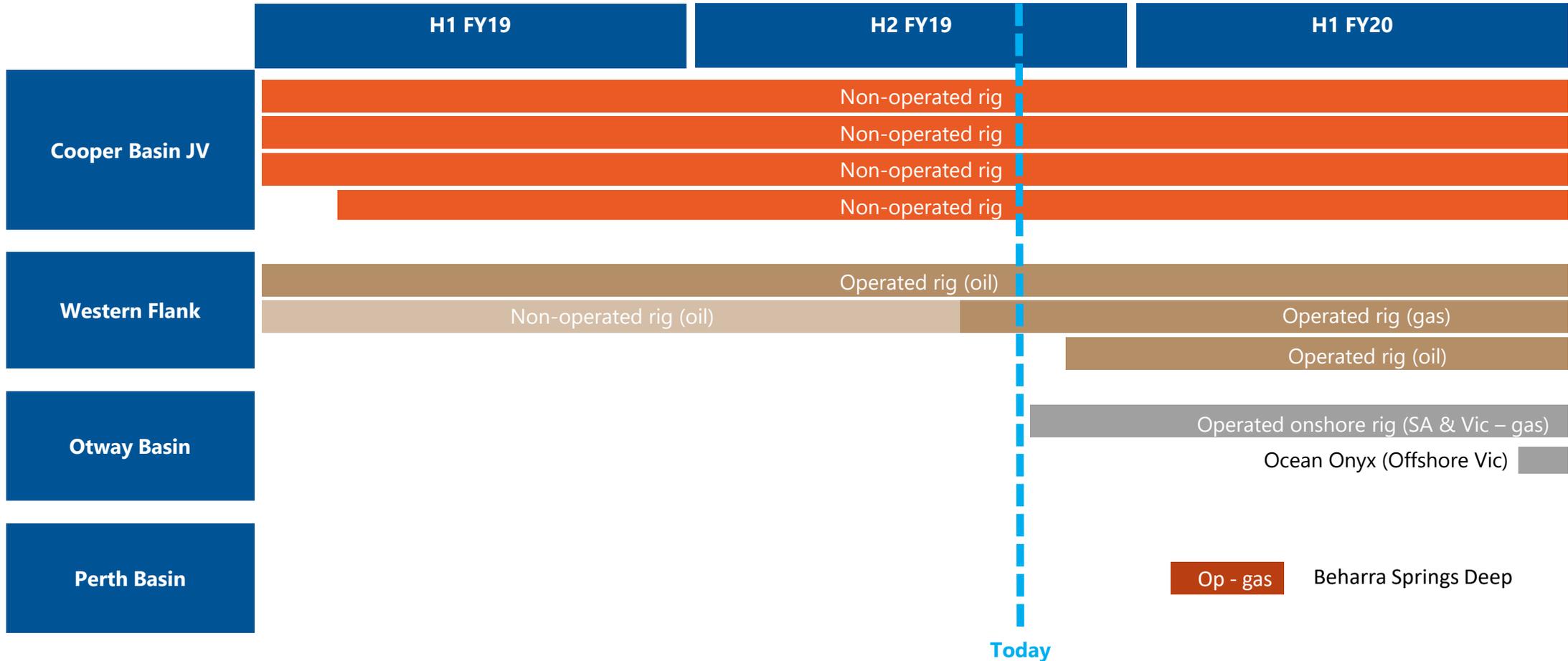
WA-359-P Beach 21%, subject to farm-in; WA-409-P Beach 7.5% subject to farm-in¹



- ✓ 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 Energy¹ in October 2018
- ✓ Approval has been received for a 24-month suspension and extension to WA-359-P, satisfying a key condition precedent to formation of the joint venture
- ✓ Applications have now been submitted for title transfer

1. Refer to Beach ASX Release #085/17 dated 29 November 2017 for further information

Beach rig schedule



Key takeaways

Beach is ahead of schedule and delivering on its promises



Grow production
(30 – 36 MMboe by FY23)

- ✓ FY19 production expected towards upper end of previously upgraded guidance range of 28–29MMboe
- ✓ Four of six operated facilities tracking above 98% reliability YTD

Achieve > 100% reserves
replacement ratio

- ✓ Successful Moomba South gas appraisal program in CBJV
- ✓ Rigs secured to accelerate Cooper Basin drilling, unlock onshore & offshore Otway Basin potential and drill Beharra Springs Deep
- ✓ Added the undeveloped La Bella gas discovery in the offshore Otway Basin

Maintain high ROCE (17 – 20%)

- ✓ FY19 underlying EBITDA expected towards upper end of previously upgraded guidance range of \$1.25 – 1.35 billion

Generate significant free cash
flows (> \$2.6 billion cumulative
from FY19 – FY23)

- ✓ FY19 YTD free cash flow increases to \$427 million. With one quarter remaining, Beach is ahead of the \$290 million originally estimated for FY19
- ✓ On track to be debt-free upon completion of the Otway Sale enhancing our resilience and balance sheet flexibility

Appendices

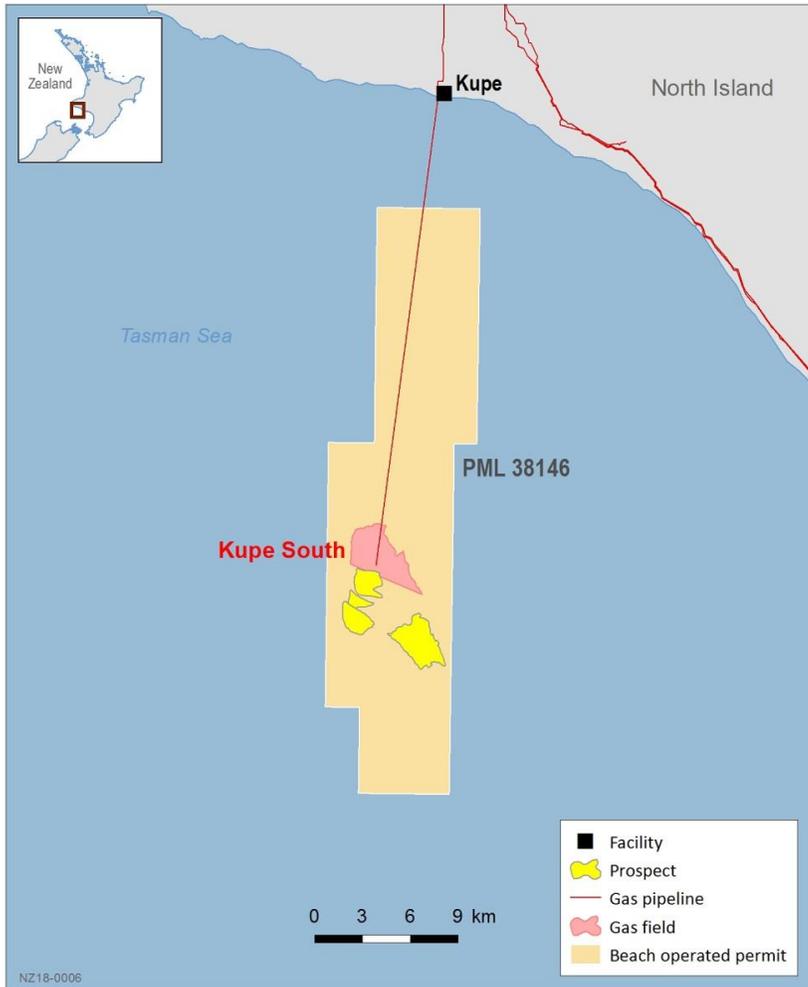


New Zealand – Kupe Gas Project

Beach 50% and operator



- ✓ Front End Engineering and Design (FEED) commenced on the Kupe compression project, FID targeted for H1 FY20



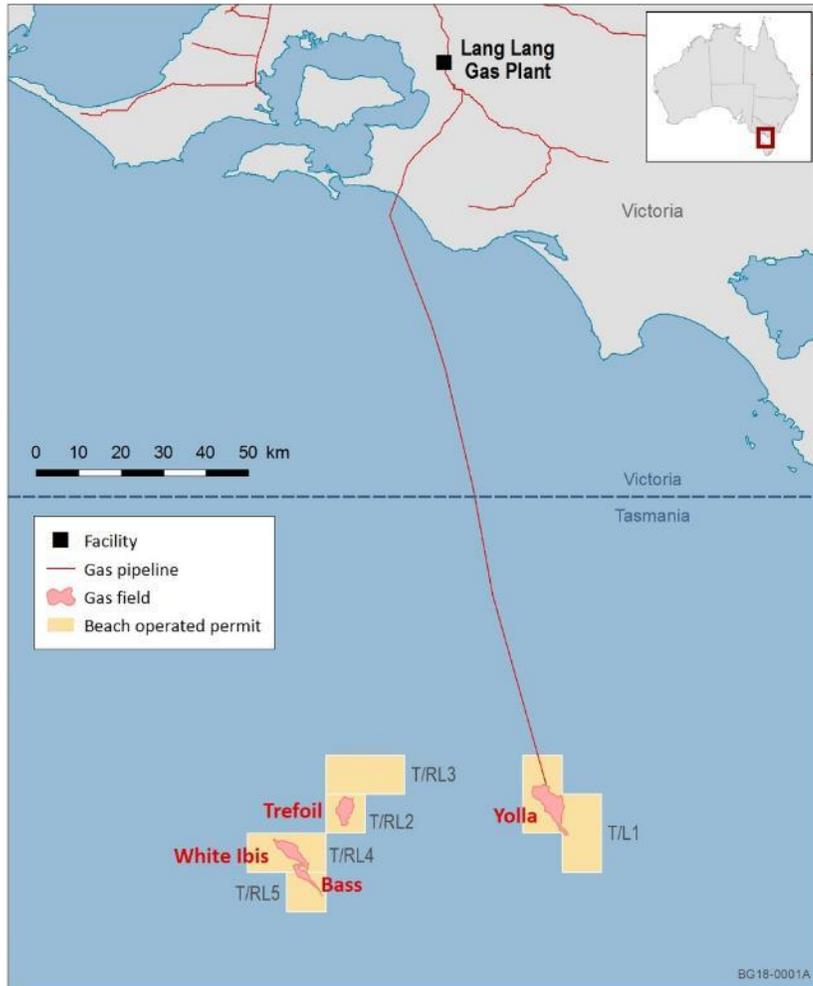
1. PCP not included for this asset due to ownership change since PCP from Lattice acquisition.

Bass Basin

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



- ✓ Progressed the evaluation of a potential tieback of the Trefoil Field



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

Oil hedging position

Oil hedges as at 31 March 2019



	3-way Collar \$40 – 103 – 113 per bbl	Total Hedged Volumes (bbl)
FY19	90,000	90,000
Total	90,000	90,000

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