



ASX Announcement

FY20 Second Quarter Activities Report

Reference #002/20

Date 29 January 2020

Western Flank oil production growth continues, operated oil production reaches 22,700 bopd

- Western Flank oil production increased by 13% to 1.8 MMbbl. Operated Western Flank oil production reached 22,700 bopd (gross) by the end of December.
- Q2 FY20 production of 6.4 MMboe is 2% below prior quarter, with higher oil output partly offsetting the impact of the Kupe statutory shutdown and lower customer nominations due to seasonal gas demand.
- Kupe full plant statutory shutdown was completed on time and on budget in November 2019. Over 80,000 hours of work was executed with no recordable health, safety or environmental incidents.
- Operated facility reliability remained strong, averaging > 98% in H1 FY20 across our operated assets.

Drilling success rate remains at 83%, Beach commits to additional SA Otway, Perth Basin drilling

- Overall drilling success remained at 83% of the 53 wells completed in Q2 FY20.
- Rig option exercised on the Easternwell 106 rig to drill additional SA Otway and Perth Basin wells following gas discoveries at Dombey-1 (SA Otway) and Beharra Springs Deep-1 (Perth Basin).

Victorian Otway and New Zealand drilling campaigns underway

- Subsequent to quarter end, Black Watch-1 development well and Tawhaki-1 exploration well spudded.
- Ocean Onyx rig scheduled to arrive in March 2020 to commence offshore Victorian drilling program.

Production momentum building in key assets

- Second half drivers: 1) higher sustained operated Western Flank oil output; 2) increased BassGas, Kupe deliverability; 3) Otway Gas Plant shutdown shortened to 4 days; 4) higher contracted output at BassGas; 5) first gas at Katnook gas plant expected in Q3 FY20, and; 6) expected Black Watch start-up in Q4 FY20.

Snapshot

	December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change	YTD
Production (MMboe) ¹	7.42	6.55	6.41	(2%)	12.96
Pro forma production (MMboe) ¹	6.53	6.55	6.41	(2%)	12.96
Sales Volumes (MMboe)	7.70	6.76	6.65	(2%)	13.41
Sales Revenue (\$ million)	441	438	462	6%	900
Realised Oil Price (\$/bbl)	91.2	103.2	105.9	3%	104.6
Realised Sales Gas/Ethane Price (\$/GJ)	6.6	7.1	7.0	(0%)	7.0

¹ In FY19 Beach accounted for its Victorian Otway interests at 100% interest until 31 May 2019 and 60% thereafter. For comparison purposes with prior periods, pro forma production shows production based on 60% ownership of Victorian Otway for the entire comparison period.

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Western Flank oil growth, gas discoveries and operational excellence highlight the second quarter

Beach Managing Director Matt Kay said the quarterly report showed strong growth in Western Flank oil output, recording the sixth consecutive quarter of Western Flank oil production growth.

“In a quarter of very high activity for Beach, Western Flank gross operated oil production increased to reach 22,700 barrels per day by the end of the quarter,” Mr Kay said.

Overall, sales revenue increased 6 per cent to \$462 million in the December quarter. Production was down 2 per cent to 6.41MMboe as a result of the scheduled month-long Kupe shut down and lower gas customer nominations.

The successful execution of the Kupe shutdown was a perfect example of Beach’s commitment to facility reliability, which averaged above 98% in the first half across our operated assets.

Mr Kay said notable exploration successes in SA Otway and Perth Basins were evidence of Beach’s accelerated growth program being executed, with the overall drilling success tracking at 83% across 53 wells in the December quarter.

“The successes at Dombey in the SA Otway and Beharra Springs Deep in the Perth Basin are particularly exciting, with further activity warranted to understand the ultimate potential of these basins,” Mr Kay said.

“To this end, we have exercised options to secure the Easternwell 106 rig to drill two additional appraisal wells in the SA Otway Basin in FY20, to be followed by appraisal drilling at Beharra Springs Deep and further Perth Basin exploration drilling in FY21, subject to joint venture approval.

“In December, we announced Beach had farmed into the Tawhaki-1 exploration well (Beach 30% interest) in the Great South Basin, in offshore New Zealand. The well spudded in early January and is expected to reach total depth in the March quarter.”

Subsequent to quarter end, Beach also spudded its first well in its Victorian Otway Basin campaign at Black Watch-1. This onshore-to-offshore development well is expected to take around three months to drill and will be immediately tied into nearby infrastructure to increase Otway Gas Plant output. The Enterprise exploration well will follow with site preparation works underway and well results expected in early FY21. The drilling of the Artisan-1 exploration well is also expected to commence soon after arrival of the Ocean Onyx semi-submersible rig currently scheduled to arrive in Australia late in the March 2020 quarter, following refurbishment in Singapore.

Beach will report its half year results to the ASX on 11 February 2020.

Financial

Sales volume

Quarterly sales volume of 6,650 kboe was 2% lower than the prior quarter. Oil sales volume was up 6% driven by higher production. Condensate sales volume was up 29% due to timing of shipments while sales gas, ethane and LPG sales volumes were each down, primarily due to the November statutory shutdown at Kupe, lower customer gas demand and natural field decline in the Victorian Otway Basin.

		December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change	YTD
Oil (kbbbl)	Own Product	1,487	1,931	2,060	7%	3,991
	Third Party	292	266	264	(1%)	530
	Total Oil	1,779	2,197	2,323	6%	4,521
Sales Gas and Ethane (PJ)	Own Product	28.0	21.6	19.8	(9%)	41.4
	Third Party	0.1	0.1	0.1	(11%)	0.2
	Total Gas	28.1	21.7	19.9	(9%)	41.6
LPG (kt)	Own Product	63	52	49	(6%)	101
	Third Party	2	0	0	(64%)	0
	Total LPG	65	52	49	(6%)	101
Condensate (kbbbl)	Own Product	580	412	531	29%	944
	Third Party	0	1	1	(58%)	2
	Total Condensate	581	414	532	29%	946
Total Oil and Gas Sales (kboe)		7,701	6,763	6,650	(2%)	13,413
Total - Own Product (kboe)		7,368	6,474	6,368	(2%)	12,843
Total - Third Party (kboe)		333	288	282	(2%)	570

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Sales revenue

Total sales revenue of \$462 million was 6% higher than the prior quarter. Oil revenue was up 8% due to higher sales volumes and higher realised pricing while gas and gas liquids revenue was 2% higher due to higher liquids pricing.

\$ million	December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change	YTD
Oil	162	227	246	8%	473
Sales Gas and Ethane	186	153	140	(9%)	293
LPG	42	24	31	27%	55
Condensate	50	34	46	36%	79
Sales Gas and Gas Liquids	278	211	216	2%	427
Total Oil and Gas Revenue	441	438	462	6%	900
Total - Own Product	411	410	435	6%	845
Total - Third Party	30	28	27	(0%)	55

Average realised price

Average realised pricing across all products was \$69.5/boe, 7% higher than the prior quarter supported by higher average realised oil price and gas liquids pricing. Average realised sales gas and ethane pricing was broadly flat at \$7.0/GJ.

	December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change	YTD
All products (\$/boe)	57.2	64.8	69.5	7%	67.1
Oil (\$/bbl)	91.2	103.2	105.9	3%	104.6
Sales Gas and Ethane (\$/GJ)	6.6	7.1	7.0	(0%)	7.0
LPG (\$/tonne)	641	462	624	35%	540
Condensate (\$/bbl)	86.3	81.3	86.2	6%	84.0

Capital expenditure

Second quarter capital expenditure was \$209 million, 2% down on the prior quarter.

\$ million	December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change	YTD
Exploration and Appraisal	19	63	63	0%	126
Development, Plant and Equipment	93	151	146	(3%)	298
Total	112	214	209	(2%)	424

Liquidity

Beach ended the quarter in a net cash position with drawn debt of \$35 million and total cash reserves of \$95 million. With undrawn revolving credit facilities of \$415 million, Beach has liquidity of \$510 million at the end of the quarter.

Material cash flows for the quarter included:

- Operating cash flow of \$85 million, which included tax payments of \$192 million, of which \$159 million related to the FY19 year;
- Investing cash outflow of \$228 million; and
- Financing inflow of \$24 million being \$35 million debt drawings, partially offset by lease payments of \$11 million (now recognised as a financing cash flow as a result of AASB16 accounting treatment).

\$ million	December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change
Cash Reserves	204	218	95	(123)
Drawn Debt	(535)	-	(35)	(35)
Net Cash/(Debt)	(331)	218	60	(158)
Undrawn Facilities	390	450	415	

Capital structure

Beach's capital structure as at 31 December 2019 is set out below. 1,879,849 unlisted performance rights that were issued in 2016 vested during the quarter, increasing the number of fully paid ordinary shares. Unlisted employee rights had a net increase of 758,005 as previously issued rights vested and new employee rights were issued for 2018 STI and 2019 LTI.

	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change
Fully paid ordinary shares	2,278,928,328	2,280,808,177	1,879,849
Unlisted employee rights	7,032,651	7,790,656	758,005

Hedging

As at 31 December 2019 Beach had no hedging in place.

Operations

Production (net to Beach)

Asset	Product	Units	December Q2 FY19	September Q1 FY20	December Q2 FY20	Qtr on Qtr Change	YTD
Total Production	Sales Gas	PJ	27.8	21.9	20.2	(8%)	42.2
	LPG	kt	60	50	48	(4%)	98
	Condensate	kbbbl	512	411	413	0%	824
	Oil	kbbbl	1,645	1,968	2,132	8%	4,101
	Total	kboe	7,420	6,549	6,407	(2%)	12,956
Cooper Basin JV	Sales Gas	PJ	8.4	8.4	8.8	5%	17.3
	LPG	kt	16	13	17	32%	30
	Condensate	kbbbl	136	125	167	34%	293
	Oil	kbbbl	403	376	326	(13%)	702
	Total	kboe	2,121	2,054	2,146	4%	4,200
Western Flank	Sales Gas	PJ	2.0	2.2	2.2	2%	4.4
	LPG	kt	11	9	11	21%	20
	Condensate	kbbbl	80	61	68	12%	130
	Oil	kbbbl	1,242	1,592	1,807	13%	3,399
	Total	kboe	1,750	2,106	2,352	12%	4,458
Other Cooper Basin¹	Sales Gas	PJ	0.1	0.1	0.1	(19%)	0.2
	LPG	kt	0	0	0	(15%)	1
	Condensate	kbbbl	1	1	1	5%	3
	Oil	kbbbl	-	-	-	NA	-
	Total	kboe	15	21	17	(17%)	38
Perth Basin²	Sales Gas	PJ	1.1	0.8	0.6	(22%)	1.4
	LPG	kt	-	-	-	NA	-
	Condensate	kbbbl	0	0	0	5%	0
	Total	kboe	193	140	109	(22%)	250
Victorian Otway Basin²	Sales Gas	PJ	11.4	5.9	5.0	(15%)	10.9
	LPG	kt	17	10	6	(33%)	16
	Condensate	kbbbl	119	65	54	(17%)	119
	Total	kboe	2,220	1,155	961	(17%)	2,116
BassGas	Sales Gas	PJ	1.9	1.2	1.5	27%	2.7
	LPG	kt	5	3	5	34%	8
	Condensate	kbbbl	61	38	50	32%	88
	Total	kboe	430	266	341	28%	607
Kupe	Sales Gas	PJ	2.8	3.3	2.0	(40%)	5.3
	LPG	kt	11	15	9	(40%)	23
	Condensate	kbbbl	115	120	72	(41%)	192
	Total	kboe	690	807	481	(40%)	1,288

1 Other Cooper Basin comprises ex PEL 513/632 (Beach 40% non-operated) and PRL 135 Vanessa (Beach 43% non-operated). Tintaburra (Beach 40% non-operated) is now reported within Cooper Basin JV to align treatment with Beach's reserves reporting. Prior periods above are adjusted for this change.

2 In FY19 Beach accounted for its Victorian Otway interests at 100% until 31 May 2019 and 60% thereafter. In FY20 Beach accounted for its Beharra Springs interests at 67% until 30 November and 50% thereafter.

Group production

Q2 FY20 production of 6.4 MMboe was down 2% compared to the prior quarter. Production growth in the Western Flank (+12%) and Cooper Basin JV (+4%) was offset by lower output at Kupe (-40%, statutory shutdown in November) and Victorian Otway Basin (-17%, lower customer nominations due to seasonal gas demand and natural field decline).

SAWA

Cooper Basin

- Western Flank production was 2.4 MMboe, 12% higher than the prior quarter and sixth consecutive increase, driven by strong production performance across all products.
- Gross average daily oil production from the Western Flank (operated and non-operated) was 22 kbbl, up from 19.6 kbbl in the prior quarter.
 - Beach-operated oil production increased 14% to 1,694 kboe, with Ex-PEL 91 reporting production of 1,556 kboe up from 1,337 kboe in Q1 and Ex-PEL 92 reporting 139 kboe down from 146 kboe in Q1.
 - A total of 17 new oil wells were brought online – eight horizontal producers and nine vertical producers
 - With several key artificial lift conversions completed over the quarter as well as new wells brought online and other field activities, Beach ended the quarter with gross oil production of 22.7 kbopd achieved in the final week of December from its operated oil assets.
 - At the end of the second quarter two key oil wells are awaiting connection.
 - Senex-operated oil production was up 3% to 113 kbbl in Ex PEL 104/111.
- Beach's Western Flank gas and gas liquids production was 545 kboe, 6% higher than the prior quarter as two high-liquids content Lowry wells were connected and facility reliability was maintained at greater than 99%. Field work continues in Western Flank gas to support higher liquids production rates from Beach's portfolio of high-liquids content wells.
 - At the end of the second quarter three Western Flank gas wells are awaiting connection.
- Cooper Basin JV production was up 4% on the prior quarter with strong gas and gas liquids production offsetting a decline in oil production. A total of 31 new wells were brought online during the quarter.

Perth Basin

- Perth Basin production was approximately 87% from Beharra Springs and 13% from Waitsia.
- Total production was 109 kboe, 22% lower than the prior quarter as a planned ten-day facility shutdown was successfully completed at Beharra Springs and the 17% farm out to MEPAU completed on 29 November 2019, after which Beach reports production from Beharra Springs at a 50% interest.
- Production was also impacted by lower customer demand late in the quarter.
- The Xyris gas facility was shut in on 1 January to facilitate the Waitsia Stage 1 expansion activities (refer ASX release #018/19) and is expected remain offline for the remainder of FY20.

Victoria (Victorian Otway Basin and BassGas)

- Victorian Otway Basin production was 961 kboe, down 17% on the prior quarter due to seasonally lower demand and natural field decline.
- The Otway Gas Plant achieved 100% reliability for the quarter.
- The planned statutory shutdown at the Otway Gas Plant in March 2020 is expected to be shortened to 4 days. A further 22 days shutdown is expected in FY21, to coincide with the changeout of the inlet gas compressor turbine. The net benefit is a 5-6 day reduction in overall shutdown activity over FY20/21.
- BassGas production was 341 kboe, up 28% on the prior quarter with higher customer nominations and improved well performance after a wireline campaign more than offsetting five-days planned and six days of unplanned downtime. Customer nominations were higher than prior quarter with no days of zero customer nominations versus 23 days in the prior quarter.
- BassGas experienced low reliability early in the quarter before achieving 100% in December, averaging 93.3% for the quarter.

New Zealand (Kupe Gas Project)

- Kupe production was 481 kboe, down 40% for the quarter as the full plant statutory shutdown was completed in November on time and on budget with 80,000 hours of work executed and no recordable health, safety or environmental incidents.
- Customer demand was generally high with some decline experienced late in the quarter as high December rainfall in the hydro catchment zone saw less demand for gas fired thermal power generation.
- Plant reliability for the quarter was high at 99.4%. Importantly, plant reliability has returned to pre-shutdown levels after the shutdown and plant restart.

Drilling Summary

Well name	Basin / area	Target	Type	Beach %	Well status
Bauer-38	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Bauer-39	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Bauer-40^	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Bauer-42	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Bauer-43	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Bauer-49^	SA Cooper	Oil	Dev	100%*	C&S
Chiton-10	SA Cooper	Oil	Dev	100%*	C&S
Chiton-11	SA Cooper	Oil	Dev	100%*	C&S
Kalladeina-5	SA Cooper	Oil	Dev (Hz)	100%*	C&S
Kalladeina-6	SA Cooper	Oil	Dev (Hz)	100%*	Drilling ahead
Snatcher North-3	SA Cooper	Oil	Dev	40%	Water injector
Arno-2^	SA Cooper	Oil	App	100%*	P&A
Arno-3	SA Cooper	Oil	App	100%*	C&S
Bauer North-2	SA Cooper	Oil	App	100%*	C&S
Bauer North-3	SA Cooper	Oil	App	100%*	C&S
Bauer Northwest-2	SA Cooper	Oil	App	100%*	C&S
Butlers-10	SA Cooper	Oil	App	75%*	P&A
Butlers-11	SA Cooper	Oil	App	75%*	C&S
Butlers-12	SA Cooper	Oil	App	75%*	P&A
Butlers-13	SA Cooper	Oil	App	75%*	Drilling ahead
Callawonga-19	SA Cooper	Oil	App	75%*	P&A
Callawonga-20	SA Cooper	Oil	App	75%*	P&A
Callawonga-21	SA Cooper	Oil	App	75%*	P&A
Callawonga-22	SA Cooper	Oil	App	75%*	P&A
Growler Northeast-2	SA Cooper	Oil	App (Hz)	40%	C&S
McKinlay-19	SA Cooper	Oil	App	33.40%	C&S
Snatcher North-2	SA Cooper	Oil	App	40%	P&A
Snatcher-12 DW1	SA Cooper	Oil	App	40%	Water injector
Gooranie-13^	SA Cooper	Gas	Dev	33.40%	C&S
Gooranie-14	SA Cooper	Gas	Dev	33.40%	C&S
Gooranie-15	SA Cooper	Gas	Dev	33.40%	C&S
Gooranie-16	SA Cooper	Gas	Dev	33.40%	C&S
Gooranie-17	SA Cooper	Gas	Dev	33.40%	C&S
Moomba-246	SA Cooper	Gas	Dev	33.40%	C&S
Moomba-248	SA Cooper	Gas	Dev	33.40%	C&S

Moomba-249	SA Cooper	Gas	Dev	33.40%	C&S
Moomba-247	SA Cooper	Gas	App	33.40%	C&S
Cascade-1^	SA Cooper	Gas	Exp	33.40%	C&S
Barrolka North East-4	Qld Cooper	Gas	Dev	39.94%	Completed
Barrolka North East-5	Qld Cooper	Gas	Dev	39.94%	Drilling ahead
Coolah-10	Qld Cooper	Gas	Dev	39.94%	Completed
Coolah-11	Qld Cooper	Gas	Dev	39.94%	C&S
Coolah-9	Qld Cooper	Gas	Dev	39.94%	Completed
Tartulla-9	Qld Cooper	Gas	Dev	39.94%	C&S
Vega-6^	Qld Cooper	Gas	Dev	39.94%	C&S
Vega-7	Qld Cooper	Gas	Dev	39.94%	C&S
Wackett-19	Qld Cooper	Gas	Dev	39.94%	C&S
Wackett-20	Qld Cooper	Gas	Dev	39.94%	C&S
Coolah-12^	Qld Cooper	Gas	App	39.94%	P&A
Wackett-21	Qld Cooper	Gas	App	39.94%	C&S
Cherokee-1	Qld Cooper	Gas	Exp	39.94%	C&S
Leghorn-1	Qld Cooper	Gas	Exp	39.94%	C&S
Piute-1	Qld Cooper	Gas	Exp	39.94%	C&S
Ute-1	Qld Cooper	Gas	Exp	39.94%	Drilling ahead
Wackett East-1^	Qld Cooper	Gas	Exp	39.94%	C&S
Dombey-1 DW1^	SA Otway	Gas	Exp	70%*	C&S
Beharra Springs Deep-1	Perth	Gas	Exp	50%	C&S

* Indicates Beach-operated ^ Indicates spudded in prior quarter

Basin	Category	Wells Spudded	Rig Released	Successful Wells	Success Rate
Cooper	Oil – Expl.	0	0	0	na
	Oil – App.	16	16	8	50%
	Oil – Dev.	9	10	10	100%
	Gas – Expl.	4	5	5	100%
	Gas – App.	2	3	2	67%
	Gas – Dev.	16	17	17	100%
SA Otway	Gas – Expl.	0	1	1	100%
	Gas – App.	0	0	0	na
Perth	Gas – Expl.	1	1	1	100%
Total Wells		48	53	44	83%
All Exploration Wells		5	7	7	100%
All Appraisal Wells		18	19	10	53%
All Development Wells		25	27	27	100%

Drilling highlights:

Beach participated in 53 wells where drilling operations were completed - 51 in the Cooper Basin, one in the SA Otway and one in the Perth Basin – at a success rate of 83% (success defined as a well cased and suspended or completed as a future producer or water injector). Four wells were drilling ahead at quarter-end.

Highlights of the Beach-operated program included:

- 100% success rate from nine oil development wells drilled across the Bauer, Kalladeina and Chiton fields in ex PEL 91 (Beach 100%).
 - The development wells comprised three vertical and six horizontal wells, including a horizontal well with the longest lateral length drilled by Beach in the Western Flank to date at 1,629 metres. At quarter-end, one horizontal well was drilling ahead.
- Oil appraisal drilling at Arno and Bauer fields in ex PEL 91 and Butlers and Callawonga fields in ex PEL 92 (Beach 75%).
 - In ex PEL 91, Bauer Northwest-2, Bauer North-2 and -3 appraisal wells were cased and suspended as future producers. The results at these wells result in a northerly extension of the Bauer Field, and utilising production data from the wells, the potential for future appraisal and development drilling will be evaluated.
 - The Arno appraisal campaign was completed with Arno-3 cased and suspended as a future producer.
 - The Butlers and Callawonga eight well appraisal campaign has seen one well cased and suspended as a future producer, while one well is drilling ahead at quarter end. The appraisal campaign has met the objective of defining field limits for future development and facility planning.
- A new gas discovery was announced at Beharra Springs Deep-1 in the Perth Basin in the Kingia Formation, which is the main objective reservoir in the nearby Waitsia Field. Flow testing was undertaken

in December (see ASX Announcement #044/19) with flow rates of up to 46 MMscfd observed on test, constrained by tubing size. The 96 hour main flow period was conducted at a rate of 35 MMscfd with flow rates and flowing well head pressures stable throughout. The flow testing demonstrates similar well productivity characteristics to the Waitsia-3 and Waitsia-4 wells.

- In the SA Otway, drilling completed at Dombey-1 DW1 with a new gas discovery announced as a subsequent event in the first quarter activities report. Flow testing occurred over 5 days in December and was followed by a shut-in period of 32 days. Data obtained from the flow test and shut-in period indicates the possibility that Dombey-1DW1 has drilled a small compartment partially connected to a broader accumulation. The Joint Venture is considering acquiring 3D seismic data to better define the gas field from which future Dombey appraisal plans, and exploration of the greater permit, may be based.

In the non-operated program, Beach participated in four Senex-operated wells in ex PEL 104/111.

- Development and appraisal wells, Snatcher North-3 and Snatcher-12 DW1 respectively, were cased and suspended as water injectors. Horizontal oil appraisal well Growler Northeast-2 was cased and suspended as a future producer.
- Beach's CBOS drilling commitments with Senex were completed during the quarter.

In the Santos-operated Cooper Basin JV, Beach participated in 26 wells at a 96% success rate.

- One oil appraisal well was successfully drilled in the McKinlay Field in the SA Cooper Basin.
- 15 gas wells were drilled in the Queensland Cooper Basin with 14 cased and suspended or completed for future production, including four gas exploration wells at 100% success rate.
- 10 gas wells were drilled in the Gooranie, Moomba and Cascade fields in the SA Cooper Basin at a 100% success rate.

Corporate and Commercial

New BassGas GSA executed

Following execution of a new GSA with Alinta Energy in the December quarter, Beach's equity share of gas production from the BassGas Project is now fully contracted for calendar 2020 and 2021. Terms and conditions regarding the gas sales remain confidential.

Perth Basin activity update

On November 29, 2019, Beach completed the farm out of a 17% interest in production licences L11 and L22 (Beharra Springs), exploration permit EP 320 and pipeline licence PL 18 in the Perth Basin to MEPAU. Following completion of the transaction interests in the area are Beach 50% and MEPAU 50%. As a result of the transaction, Beach reports production from Beharra Springs at 67% working interest from 1 July 2019 to 30 November 2019 and 50% thereafter. Beach remains operator.

Subsequent Events

Black Watch-1 extended reach development well spudded; Enterprise-1 site works commenced

Subsequent to quarter end, drilling commenced in the Victorian Otway Basin with the Black Watch-1 (Beach 60% and operator) extended reach development well. The well spudded on 6 January.

Beach also commenced site preparation at the Enterprise-1 extended reach gas exploration well drill site, after Victorian Government regulatory approvals were received in January. Enterprise-1 is planned to be drilled following Black Watch-1.

Ocean Onyx rig arrival imminent

Refurbishment activities are continuing on the Ocean Onyx semi-submersible rig in Singapore. The rig is currently scheduled to arrive in Australia in March and spud the first well in our offshore drilling program, Artisan-1 (Beach 60% interest), soon thereafter.

Tawhaki-1 exploration well spudded

As announced on 19 December 2019 (see ASX Announcement #045/19), Beach has agreed to acquire a 30% interest in exploration permit PEP50119, in the Great South Basin, offshore New Zealand. PEP50119 contains the undrilled Tawhaki exploration prospect, which has a mapped closure area of up to 470 km².

On 8 January 2020 the Tawhaki-1 (OMV 52.93% and operator, Beach 30%, MEPAU 17.07%) exploration well spudded and is currently drilling ahead. Beach's share of costs is estimated at approximately \$25 million (NZ\$27 million).

Authorisation, disclaimer and other information

Authorisation

This release has been authorised for release by Matt Kay, Managing Director and CEO of Beach Energy.

Conversions

Product	Unit Conversion	Operation	Factor
Sales gas and ethane	PJ to MMboe	Multiply	0.17194
Condensate	MMbbl to MMboe	Multiply	0.935
LPG	Kt to MMboe	Multiply	0.008458

Comparable periods

In FY19 Beach accounted for its Victorian Otway interests at 100% until 31 May 2019 when the Otway Sale completed and 60% thereafter.

In FY20 Beach accounted for its Beharra Springs interests at 67% until 30 November and 50% thereafter.

Disclaimer

This ASX Release 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.

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated. References to "Beach" may be references to Beach Energy Limited or its applicable subsidiaries.

Certain FY20 planned activities are subject to joint venture approvals. References to planned activities beyond FY20 are subject to finalisation of work programs, government approvals, JV approvals and board approvals.

Assumptions

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.

Glossary

\$	Australian dollars	MMscfd	Million standard cubic feet of gas per day
BassGas	The BassGas Project (Beach 53.75% and operator, MEPAU 35%, Prize Petroleum International 11.25%), produces gas from the offshore Yolla gas field in the Bass Basin in production licence T/L1. Beach also holds a 50.25% operated interest in licences TR/L2, TR/L3, TR/L4 and TR/L5	NZ	New Zealand
bbl	Barrels	NZOG	New Zealand Oil & Gas and its subsidiaries
Beach	Beach Energy Limited and its subsidiaries	O.G. Energy	O.G. Energy Holdings Limited., a member of the Ofer Global group of companies
Beharra Springs	Beharra Springs (Beach 50% and operator, Mitsui 50%) produces gas from the onshore Beharra Springs gas field in the Perth Basin in production licences L11 and L22	Origin	Origin Energy Limited and its subsidiaries
boe	Barrels of oil equivalent – the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy	Other Cooper Basin	Other Cooper Basin producing permit areas are ex PEL 513/632 (Beach 40%, Santos 60% and operator) and PRL 135 (Vanessa) (Beach 43%, Senex 57% and operator)
C&S	Cased and suspended	Otway Sale	Sale of 40% of Beach's Victorian Otway interests to O.G. Energy (for additional information please refer to ASX announcement Ref: #047/18)
Cooper Energy	Cooper Energy Ltd and its subsidiaries	P&A	Plugged and abandoned
Cooper Basin	Includes both Cooper and Eromanga basins	PEL	Petroleum Exploration Licence
Cooper Basin JV	The Santos operated, SACB JVs and SWQ JVs and ATP 299 (Tintaburra) (Beach 40%, Santos 60% and operator),	PL	Petroleum Lease
EP	Exploration Permit	PRL	Petroleum Retention Licence
Ex PEL 91	PRLs 151 to 172 and various production licences. Beach 100%	Prize	Prize Petroleum International
Ex PEL 92	PRLs 85 to 104 and various production licences. Beach 75% and operator, Cooper Energy 25%.	PJ	Petajoule
Ex PEL 104 / 111	PRLs 136 to 150 and various production licences. Beach 40%, Senex 60% and operator.	Q(2) (FY20)	(Second) quarter of (FY20)
Ex PEL 106	PRLs 129 and 130 and various production licences. Beach 100%.	Qtr	Quarter
Ex PEL 513	PRLs 191 and 206 and various production licences	SACB JV	South Australian Cooper Basin Joint Ventures, which include the Fixed Factor Area (Beach 33.4%, Santos 66.6%) and the Patchawarra East Block (Beach 27.68%, Santos 72.32%)
Ex PEL 632	PRLs 131 to 134 and various production licences	Santos	Santos Limited and its subsidiaries
EBITDA	Earnings before interest tax depreciation and amortisation	Senex	Senex Energy Limited and its subsidiaries
FY(20)	Financial year (2020)	SWQ JV	South West Queensland Joint Ventures, incorporating various equity interests (Beach 30-52.2%)
Genesis	Genesis Energy Limited and its subsidiaries	TJ	Terajoule
GSA	Gas sales agreement	Victorian Otway Basin	Produces gas from licences VIC/L1(v) and VIC/P42(v) which contain the Halladale, Black Watch and Speculant near shore gas fields and licences VIC/L23, T/L2 and T/L3 which contain the Geographe and Thylacine offshore gas fields. Beach also holds non-producing offshore licences.
GJ	Gigajoule	Waitsia	Waitsia Gas Project (Beach 50%, MEPAU 50% and operator) produces gas from the onshore Waitsia gas field in the Perth Basin in licence L1/L2.
H(1) (FY20)	(First) half year period of (FY20)	Western Flank Gas	Comprises gas production from ex PEL 91 and 106. Both Beach 100%.
kbbl	Thousand barrels of oil	Western Flank Oil	Comprises oil production from ex PEL 91 (Beach 100%), ex PEL 92 (Beach 75% and operator, Cooper Energy 25%) and ex PEL 104/111 (Beach 40%, Senex 60% and operator)
kboe	Thousand barrels of oil equivalent		
kt	Thousand tonnes		
Kupe	Kupe Gas Project (Beach 50% and operator, Genesis 46%, NZOG 4%) produces gas from the offshore Kupe gas field in the Taranaki Basin in licence PML38146		
Lattice	Lattice Energy Ltd		
LPG	Liquefied petroleum gas		
MEPAU	Mitsui E&P Australia		
Mitsui	Mitsui & Co., Ltd and its subsidiaries		
MMbbl	Million barrels of oil		
MMboe	Million barrels of oil equivalent		