



# ASX Announcement

## 2021 Annual General Meeting - Addresses and Presentation

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Reference	#055/21	Date	10 November 2021
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Attached is a copy of the Chairman's Address and Acting Chief Executive Officer's Address to be made at the Beach Energy Annual General Meeting (AGM) commencing at 10.30am (ACDT) today, along with the presentation slides.

The AGM will be webcast and can be accessed from the following website  
<http://web.lumiagm.com/313-937-017>

Additional information regarding the AGM is available at [www.beachenergy.com.au/agm](http://www.beachenergy.com.au/agm).

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

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Investor relations	Chris Morbey, Investor Relations Manager
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Media	Chris Burford, Corporate Affairs Manager
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# Beach Energy 2021 AGM

## Chairman and Acting Chief Executive Officer

### Addresses

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Date 10 November 2021

#### **Chairman's Address**

##### **Slide 1 – Annual General Meeting**

Good morning ladies and gentlemen and welcome. My name is Glenn Davis, the Chair of Beach Energy. I declare open the 2021 Beach Energy Annual General Meeting.

##### **Slide 2 - Acknowledgement of Country**

We acknowledge the traditional country of the Kurna People of the Adelaide Plain and we pay our respect to their Elders past, present and emerging. We also recognise and respect their cultural heritage, beliefs and spiritual relationship with the land and acknowledge that they are of continuing importance to the Kurna People today.

##### **Virtual AGM format**

This year we are again holding the AGM in a virtual format due to Covid-19. As Australia is soon to open up hopefully a more regular format will return next year.

The online platform we are using today allows Shareholders, Proxies and Guests to attend the meeting remotely. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes on the poll in real time.

##### **Slide 3 – Compliance statements**

Our compliance statements are set out on slide 3 of today's AGM presentation for those of you who wish to review them later.

##### **Slide 4 – Chairman's address**

##### **Introductions**

I am joined to today by our Acting CEO Morné Engelbrecht who will address you shortly. The rest of my fellow directors Phil Bainbridge, Colin Beckett, Sally-Anne Layman, Ryan Stokes, Peter Moore, Joycelyn Morton and Richard Richards have joined the meeting virtually.

Ms Margaret Hall, who is standing for election as a director today has also joined us virtually. Mr Anthony Jones from our auditors Ernst & Young will also be available to answer questions in relation to the 2021 financial accounts and remuneration report should there be any. I would also like to welcome all our shareholders participating online.

Before we move to the formalities, there are several housekeeping matters to mention. For obvious reasons resolution 3 is withdrawn and won't be put to the vote today.

In terms of participation, shareholders have been provided with instructions as to how to participate and vote at the AGM, with details available on our website along with guides for how to participate online through your desktop or mobile device.

We have received a number of questions from shareholders in advance of the meeting which will either be addressed in my formal remarks or I will endeavour to address during the course of the meeting.

#### **Slide 5 – Lumi Instructions – submitting a question online**

Questions can be submitted through the online meeting platform at any time during the meeting. This will open the question component of the platform. To ask a question, select the messaging tab at the top of the Lumi platform. At the top of that tab there is a section for you to type your question. Once you have finished typing, please hit the arrow symbol to send.

Questions will be addressed in a single consolidated question and answer session covering all items of business. We will not have a separate Q&A session after each item is put formally to the meeting. These questions will be moderated to avoid repetition and if questions are particularly lengthy, we may need to summarise them in the interests of time.

#### **Slide 6 – Lumi Instructions – submitting a question online**

For those shareholders who wish to ask a verbal question, an audio question facility is available during the meeting. To use this service, please pause the broadcast on the Lumi platform and then select the link under "Asking audio questions".

A new page will open where you will be prompted to enter your name and the topic of your question before being connected. You will listen to the meeting on this page while waiting to ask your question. If you have any issues using this system, please return to the Lumi platform.

Question time will be at the conclusion of the CEO's presentation. In an effort to streamline the virtual format we will not be pausing for questions after I put each resolution.

## **GD: Slide 7 – Lumi Instructions – how to vote**

Consistent with best practice, I have determined that all items of business will be decided on a poll. I will open the polls now, and keep them open, so you can vote at any time during the meeting until the poll is closed.

If you are eligible to vote at this meeting and have logged into the online platform, a voting icon that looks like a bar graph will appear on your device screen or navigation bar. Once you have selected this, the resolutions will appear on your screen, and you can select a voting option. There is no need to hit a “submit” or “enter” button as the vote is automatically recorded.

Doris Grave from Computershare will act as the Returning Officer for the purposes of conducting and determining the results of the poll, the results of which will be announced to the ASX later today.

The voting icon should soon appear if it hasn't already. Please select your votes at any time. You can change your vote at any time during the meeting until I declare the polls closed. I will provide a warning before declaring the poll for all resolutions closed, to allow sufficient time for votes to be submitted.

If you are having any difficulties in locating the voting icon, please refer to the detailed guides available on the Beach Energy website.

## **Slide 8 – Chairman's Address**

With those instructions behind us, let's now move on to the rest of the meeting.

## **Slide 9 – Executive Team/People**

I want to commence my remarks this morning by discussing our people. Beach is a team of 550 hardworking dedicated people.

They are led by an excellent group of executives who between them collectively have almost 200 years of experience.

Unfortunately, we lost one of our executives, our most senior executive, last week. After coming on board 6 years ago, our MD Matt Kay, tendered his resignation.

Whilst that is close to the average span of a CEO in corporate Australia, we're very sorry to see Matt go.

Matt has done exactly what he was asked to do when we approached him over 6 years ago:

1. Through the Lattice acquisition he has grown the business substantially;
2. Through that growth he has diversified the company across multiple basins and production hubs delivering gas into tightening Australian east coast, New Zealand and LNG markets;
3. Matt brought a great focus to safety and improved our safety culture and performance to achieve our best year ever; and importantly,
4. He built a team of highly talented executives who we are confident will take the company forward.

The board and I commend and thank Matt for all that he has done. Matt, you did a tremendous job of which you should be justifiably proud, and we wish you the very best. We will of course commence a process to identify Matt's long-term successor but that will take some time.

In the interim Morné Englebrecht has been appointed as acting CEO. Morné has more than 20 years of experience, has been our CFO for more than 5 years and knows our business intimately.

The board has every confidence in Morné, the executive and the broader Beach team in continuing to execute on our strategy. They have all been doing a great job and we know they will continue to do so.

At board level Joycelyn Morton is not standing for re-election today. Joycelyn has a couple of exciting new boards that will keep her fully occupied and we wish her the very best and thank her for her hard work and commitment. We are of course in the process of considering options for a replacement director.

We also lose Ryan Stokes from the board today. Thank you Ryan for your contribution and dedication at board level over the last five years and we wish you well as Seven Group Holdings continues to grow.

### **Slide 10 – Executing our Strategy**

Despite these changes our strategy doesn't change - and the last twelve months have been extremely busy, as the team delivers on that strategy.

First and foremost, FY21 was our safest year on record – something we take significant pride in given the level of activity in delivering on our substantial projects. I want to thank and congratulate our staff and contractors on an outstanding result and please keep up that great work.

Our production for the year was of course substantially impacted by the decline experienced on the Western Flank and Morné will discuss this in more detail shortly.

But despite those challenges, the diversity and resilience of Beach saw the company record an underlying net profit after tax of \$363 million in FY21.

As we continue our growth campaign, the company's strong balance sheet allows us to invest circa \$1 billion in FY22 as we move towards our FY24 production target of 28 million barrels of oil equivalent.

### **Slide 11 – Sustainability at Beach**

In delivering on our growth ambitions, Beach continues to focus on its ESG performance with some of our endeavours set out in the slide.

We recognise that climate change is one of the most important global challenges of this century.

We accept we have a role to play in managing our carbon emissions.

### **Slide 12 – 25 by 25**

We have set ourselves a real near-term emissions reduction target and as at the end of FY21, we are pleased to be about halfway to meeting our 25 by 25 plan.

Physical plant modifications and a conscious change in our approach to operations have contributed to this.

And our recent commitment to the Moomba CCS project will see a step change in reducing our emissions in 2024 when we will commence injecting carbon into depleted reservoirs in the Cooper Basin.

### **Slide 13 – Closing**

Morné will address you shortly about that project and other operational issues but before he does, we should pause to reflect on and celebrate Beach's 60<sup>th</sup> birthday this financial year.

The company has come a long way from the one that drilled its first well in 1962 at a location which is now the 9<sup>th</sup> hole on the Grange Golf Course.

And our evolution is continuing.

In 2023 we will join the exclusive LNG club and we will be well positioned as a key supplier of domestic gas in both Australia and New Zealand across multiple basins and markets. Whilst much has been achieved in the last 60 years, as always, there is still more work to be done. That work is being done by a dedicated and motivated team at Beach who I thank for all of their efforts in the past 12 months.

And finally, a thank you to our shareholders for your continued support. With that I will hand over to our Acting Chief Executive Officer Morné Engelbrecht.

## **Acting CEO Address**

### **Slide 14 – Opening**

Thank you Glenn.

Hello and welcome to everyone joining us today. For those who don't know me, my name is Morné Engelbrecht and I am the Acting Chief Executive Officer of Beach Energy.

Glenn has already covered off on Matt Kay's departure but I want to also thank him for his efforts in transforming Beach into the company that it is today.

A company that is not only diversified but one that is poised to deliver future growth for shareholders.

I look forward to sharing more information about that shortly.

But first I wanted to give you a little bit of history about myself.

I joined Beach as Chief Financial Officer in 2016.

Over that time, I worked closely with Matt and the Board on delivering Beach's growth aspirations, while maintaining our financial strength.

This included:

- The acquisition of Lattice Energy
- The bolt-on acquisitions of Senex's Cooper Basin and Mitsui's Bass Basin interests; and then
- The commencement of our current gas and LNG growth agenda.

We are successfully managing this growth despite having to navigate a global pandemic and a period in which oil prices dropped to their lowest levels in more than 20 years.

As at 30 September, Beach is in a net cash position of \$43 million and our Balance sheet is fully funded to support our FY24 growth target of 28 Million Barrels of oil equivalent.

So, our financial strength is set, our strategy is set and myself, my executives and the whole Beach team is locked in on delivering our growth targets.

## **Slide 15 – Executing our Corporate strategy**

Speaking of our strategy, it has been clear and consistent over the past 5 years and that remains the case today.

The key pillars of that strategy are as follows:

- We aim to optimise our core strategic assets by keeping them fuller for longer. In short, that means maintaining and increasing supply to 8 gas plants across Australia and New Zealand. In doing so we intend to uplift our production to 28 MMboe by FY24 before any exploration or development upside outside of committed projects and Enterprise.
- We intend to maintain our financial strength. As mentioned, we are in a net cash position and given the material and stable gas revenues, despite our material reinvestments in FY22 and FY23, we don't see net gearing moving above 10% for the next few years with the current portfolio.
- We have continued to strengthen our gas business, by reinvesting in our strategically positioned gas assets. We will have a 16% share of the east coast gas market, approximately 8% share of the NZ market and our first ever LNG sales expected in the second half of 2023.
- As you know we assess on a regular basis inorganic growth opportunities. We used that approach to totally recreate the company in 2018 through the Lattice acquisition and have made further bolt-on portfolio acquisitions where the metrics made sense. We are always hunting but have robust thresholds and we have no burning need for portfolio change at this time.
- As you have heard from the Chairman, we have made significant progress on our aspiration to meet net zero by 2050, both through our operated and non-operated endeavours.

## **Slide 16 – HSE performance**

Safety takes precedence in everything we do at Beach, so it's with a lot of pride to inform you that we achieved our safest year on record in FY21.

Our recordable injury rate has improved by more than 85% over the last 6 years.

That performance has continued into FY22. It's been more than a year and a half and 4 million work hours since we've seen a Lost Time Injury.

We've done this in the face of the higher risk profile that our busiest period has represented work-hour wise.

## **Slide 17 – FY21 Summary**

As the Chairman stated, FY21 was a highly active year for Beach but not one without its challenges.

Beach recorded production of 25.6 million barrels of oil equivalent in FY21 – down 4 per cent on the previous year but at the higher end of our revised FY21 guidance announced to the market on 30 April 2021.

Key highlights from the financial year include:

- Reaching a Final Investment Decision at Waitsia Stage 2
- Making two gas discoveries in the Victorian Otway Basin at Artisan and Enterprise
- Completing two strategic bolt-on acquisitions; and
- Reaching favourable outcomes in our two Lattice east coast gas sales price reviews as well as the carbon liability associated with the Kupe Gas Sales Agreement.

This was offset by the downgrade in Western Flanks 2P reserves – which I will recap the details of shortly.

We are continuing our pursuit of value-accretive growth in our gas portfolio which will:

- Deliver stable and long-term revenue streams
- Provide diversification across four gas markets
- Improve our positioning in the tightening East Coast gas market; and
- Enable us to access global LNG markets

## **Slide 18 – Western Flank Oil Downgrade**

Before I discuss the Western Flank decline, I wanted to provide you with a little bit of context about the historical performance of these fields.

The slide currently on the screen gives an illustration of how the Western Flank oil story has developed over the past five years.

The chart on the left-hand side shows that at the end of FY16 Western Flank oil production was in decline.

This decline and risk exposure of being active in just one basin was what drove Beach towards a diversification strategy, which culminated in the Lattice acquisition.

However, the introduction of horizontal drilling and the subsequent development of the McKinlay reservoir, saw Western Flank oil deliver an unexpected but welcome second production peak.

The right-hand chart highlights this peak and shows the role the McKinley played in delivering record levels of production over the past couple of years.

This production came at an opportune time as the additional cashflows enabled us to:

- Pay down our circa \$1 billion Lattice debt within 18 months
- Pay \$150 million in fully franked dividends to shareholders; and
- Re-invest about \$2 billion back into the business at a return of capital of 17 percent.

In the first 3 quarters of FY21, Beach undertook a drilling campaign in the Western Flank. The initial production results from this drilling campaign were below Beach's pre-drill expectation.

This led to Beach undertaking a comprehensive review of the production data and other data collected from the drilling campaign to understand the causes - and whether the implications were short term or would result in a reduction in reserves and or production outside of FY21 guidance.

This is not a simple piece of work and required significant input from numerous disciplines and evaluation of ongoing production data.

On completion of this review, Beach concluded that:

- In most fields lower oil saturations, particularly on the flanks of the fields, was resulting in lower oil recoveries
- In Bauer the unanticipated levels of interference between the wells was at least partly attributable to competition between wells and not just escalation of production, and;
- In fields outside of Bauer the fields were flatter than thought leading to a reduction in total volume

These findings are consistent with 2P reserves being below our FY20 2P reserves estimate. Accordingly, Beach announced a reserves downgrade of:

- Western Flank 2P oil reserves of 13.4 million barrels; and
- Western Flank 2P gas reserves of 5 million barrels of oil equivalent.

Monitoring of production continued following the April announcement and our financial year end 2021 reserves statement released in August noted no further material change to the 2P reserves of the Western Flank.

Following a subsurface review of the Western Flank acreage, we have now recommenced drilling activities.

This single-rig FY22 program aims to:

- Reduce decline experienced within Western Flank oil fields by the drilling of additional wells in existing fields
- Better constrain existing fields yet to be fully developed
- Discover new oil fields and;
- Discover new gas fields to extend plateau production at the Middleton gas plant

The Western Flank remains a low-cost, value accretive asset in the Beach portfolio. With low-cost tie-backs to existing infrastructure, the oil development well Internal Rate of Returns range from 15 to more than 100 per cent.

Production from new Western Flank oil discoveries is not included in the Base Case FY24 production target but will be a welcome addition if the drill bit delivers some positive results.

### **Slide 19 – Base Scenario to FY24**

Our base scenario has a target of 28 Million barrels of oil equivalent production in FY24 representing a 13% Compound annual growth Rate relative to the midpoint on our FY22 production guidance of 21-23 Million barrels of oil equivalent.

The forecast production comes from existing 2P reserves in committed projects including those currently in the execution phase.

In this base case scenario we assume that no production from any Western Flank exploration success and a continued natural decline in production from the existing fields. The same is also assumed for Bass Gas in this time window.

Cooper Basin JV production is assumed to remain flat through continued drilling predominantly in existing discovered fields, in-line with the operator's predictions.

The Kupe Compression project represents the first new gas to support this growth target, but the main growth is spread almost equally between the development projects already underway in the Perth and Otway Basins.

In the second half of FY22 we will see the two Geographe wells come online and deliver volumes into the Otway Gas Plant.

Then in FY23, the Thylacine and Enterprise wells will deliver gas into the Otway Gas plant while Waitsia Stage 2 starts producing in FY24.

### **Slide 20 – Gas & LNG growth at opportune time**

The continued execution of our strategy over recent years has created a diverse portfolio of high returning assets, with reinvestment opportunities and asset lives generally beyond 15 years.

Beach today, represents six production and development hubs and by the end of 2023 we expect to have eight operational gas plants serving four gas markets – including the global LNG market.

The Heads Of Agreement reached with bp in recent weeks is something shareholders should be proud of.

From 2023 we will join the exclusive club of LNG producers with favourable contract terms. The LNG price will be linked to Brent and JKM with uncapped upside exposure to each, and also includes downside price protection.

With the inclusion of LNG, our spread of portfolio provides material opportunities and significant downside protection.

The reason Beach has deliberately positioned itself over recent years to be a material gas player across multiple markets is because we fundamentally believe in the ongoing need for natural gas in a decarbonising world.

Tightness in LNG markets and the looming shortfalls on the East Coast of Australia only reinforces that thinking.

If you have been reading the press in recent weeks you will have seen demand for LNG surging as the northern winter arrives and we expect this trend to continue into the medium term.

## **Slide 21 – Capital expenditure Guidance**

To help us reach our growth target our capital expenditure guidance for FY22 is between \$900 million and \$1.1 billion.

Our capital investment revolves around:

- The Offshore Otway and Waitsia Stage 2 project developments, which make up roughly 45% of our capex spend
- The Drilling of up to 90 wells within the Cooper Basin JV to boost production levels from FY22 onwards
- The re-commencing of exploration drilling activity in the Western Flank, with up to 15 oil exploration wells this year
- Progressing Front end engineering design activities for the Trefoil project; and
- Undertaking 3D seismic acquisition across offshore Bass Basin

Importantly, as we have highlighted in previous slides, even investing in further growth in each of FY22 and FY23, net gearing is expected to remain below 10% over this period.

So overall the company moves into this stage of our growth agenda in an excellent financial position.

## **Slide 22 – Positive Start to FY22**

I'm pleased to say FY22 has gotten off to a positive start with the company notching some early runs on the board.

Key highlights for the first five months of the year include:

- The Geographe 4 and 5 wells in the Otway Basin being drilled and intersecting reservoirs in line with pre-drill expectations.
- Waitsia Stage 2 construction commencing and Beach signing a Heads of Agreement with bp for all its LNG volumes from that project through to 2028;
- The Kupe Inlet Compression Project now complete with the plant delivering an uplift in gas to the New Zealand domestic market; and
- Reaching Final Investment Decision on the Moomba Carbon Capture and Storage project with our Joint Venture Partner and operator Santos.

The second half is expected to be just as active as we look to start delivering gas from the Geographe wells into the East Coast gas market, via the Otway Gas Plant.

The Ocean Onyx will also continue its offshore activities with the drilling of the four Thylacine wells – which are the final wells to be drilled as part of the Otway offshore program.

As previously mentioned, we will recommence our Western Flank oil exploration drilling campaign in the new calendar year.

### **Slide 23 – Delivering on Net Zero by 2050**

Shifting gears just a little I want to cover off on Beach's approach to sustainability – in particular our focus on reducing emissions.

Beach is committed to reducing its emissions footprint from both an operated and equity perspective.

To that end, we have reduced our operated emissions 12 percent on our FY18 levels and we have committed to offsetting all reservoir CO<sub>2</sub> from the Waitsia Stage 2 project.

### **Slide 24 – Moomba CCS**

Beach also took a huge leap forward in its emissions reduction ambitions last week by reaching a Financial Investment Decision on the Moomba CCS project.

This project is arguably the jewel of our emissions reduction crown and represents an exciting opportunity for Beach to join the vanguard of companies pursuing this technology.

The Project, which is operated by our Joint Venture Participant Santos, will reduce CO<sub>2</sub> emissions from the gas extraction process at the Moomba Gas plant.

This represents more than 60% of total emissions from the Cooper Basin Joint venture operations.

It has the potential to significantly reduce Beach's equity emissions once operations commence and learnings from the Moomba CCS project may potentially be deployed across other parts of Beach's portfolio.

### **Slide 25 – Key takeaways**

Before I hand back to the Chairman, I wanted to quickly re-iterate the key takeaways:

- Just taking account of our committed growth projects we expect to deliver an FY24 production target of 28 MMboe. This target excludes exploration success and pre-FID projects - with Enterprise being the only exception. We are pleased about the progress made to date and we are looking forward to delivering this part of our growth phase.
- Our balance sheet is solid, with the company in a net cash position of \$43 million as at 30 September. Given the material and stable gas revenues, despite our reinvestments in FY22 and FY23, we don't see net gearing moving above 10% for the next few years with the current portfolio.
- We have deliberately created a diverse gas business. By the end of 2023 we expect to have eight gas plants producing from five basins. These plants will deliver gas to 4 markets including a focus on the short East Coast gas market and the global LNG market.
- The breadth of that gas business not only provides downside protection, but also creates a stream of stable and predictable cash flows. From FY24 we expect to be in a position of material free cash flow, which creates multiple forward capital management alternatives.
- Last but certainly not least, we are focused on being a sustainable company that can support energy transition. We have a Net Zero aspiration by 2050, we are already delivering emissions reductions on our operated assets. In addition, the Moomba CCS project provides us with an opportunity to make a material step towards our Net Zero ambition.

With that I will now hand back to the Chairman.

10 NOVEMBER 2021

# 2021 Annual General Meeting



# Acknowledgement of country

*Respect is one of our core values at Beach and we respect the traditional custodians of Australia and New Zealand.*

***We acknowledge that we are meeting today on the traditional country of the Kurna People of the Adelaide Plain, and we pay our respect to their Elders past and present.***

*We also recognise and respect their cultural heritage, beliefs and spiritual relationship with the land and acknowledge that they are of continuing importance to the Kurna People today.*

# Compliance statements

## Disclaimer

This report contains forward-looking statements, including statements of current intention, opinion and predictions regarding the Company's present and future operations, possible future events and future financial prospects. While these statements reflect expectations at the date of this report, they are, by their nature, not certain and are susceptible to change. Beach makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilling of such forward looking statements (whether expressed or implied), and except as required by applicable law or the ASX Listing Rules, disclaims any obligation or undertaking to publicly update such forward-looking statements.

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 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. The information has been extracted from the audited 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.

References to planned activities in FY22 and beyond FY22 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.

## Assumptions

FY22 guidance is uncertain and subject to change. FY22 guidance has been estimated on the basis of the following assumptions: 1. various other economic and corporate assumptions; 2. assumptions regarding drilling results; and 3. expected future development, appraisal and exploration projects being delivered in accordance with their current expected project schedules.

The production and capital expenditure forecasts beyond FY22 within this presentation are not guidance and is subject to change. Outlook has been estimated on the basis of the following economic assumptions: 1. Brent oil price of US\$65.00 per barrel, US\$67.50 per barrel and US\$67.00 per barrel in FY22 – 24 respectively, 2. AUD/USD exchange rate of 0.80 in FY22 and 0.75 from FY23, 3. various other economic assumptions 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.

## Reserves disclosure

Beach prepares its reserves and resources estimates in accordance with the 2018 update to the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers (SPE-PRMS).

The reserves and resources estimates in this report are based on, and fairly represent, information and supporting documentation prepared by, or under the supervision of, qualified petroleum reserves and resources evaluators: Ian Cockerill (GM Exploration & Subsurface), Jason Storey (GM Exploration & Subsurface), Scott Delaney (Manager Exploration & Subsurface) and Mark Sales (Manager Exploration & Subsurface). All QPRRE are employees of Beach and are members of SPE. The reserves and resources information in this presentation has been issued with the prior written consent of the respective QPRRE as to the form and context in which it appears.

The reserves and resources in this presentation have been estimated at 30 June 2021 using a combination of probabilistic and deterministic methods. Each category is aggregated by arithmetic summation. Note that the aggregated 1P category may be a very conservative estimate due to the portfolio effects of arithmetic summation.

Reserves are stated net of fuel, flare and vent at reference points defined by the custody transfer point of each product. Waitsia reserves include 3.4 MMboe of fuel used for LNG processing through the NWS facilities in Karratha between the second half of 2023 and the end of 2028. Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 171,940 boe per PJ, LPG: 8.458 boe per tonne, condensate: 0.935 boe per bbl and oil: 1 boe per bbl.

An independent audit of Beach's reserves at 30 June 2021 was conducted by RISC Advisory Pty Ltd (RISC). In RISC's opinion the YEJ21 reserves estimates are reasonable and have been prepared in accordance with the definitions and guidelines contained within the SPE-PRMS and generally accepted petroleum engineering and evaluation principles. The audit encompassed 52% of 2P reserves and included 69% of developed reserves and 38% of undeveloped reserves. Contingent resources have not been audited.

## Authorisation

This release has been authorised for release by the Beach Energy Board.

2021 ANNUAL GENERAL MEETING

# Welcome and Introduction

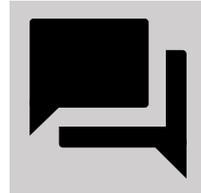


beach

# Online attendees – text question process



When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review



123-456-789

HOME

MESSAGING

VOTING

Messaging

Ask a question



**Moderator**

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

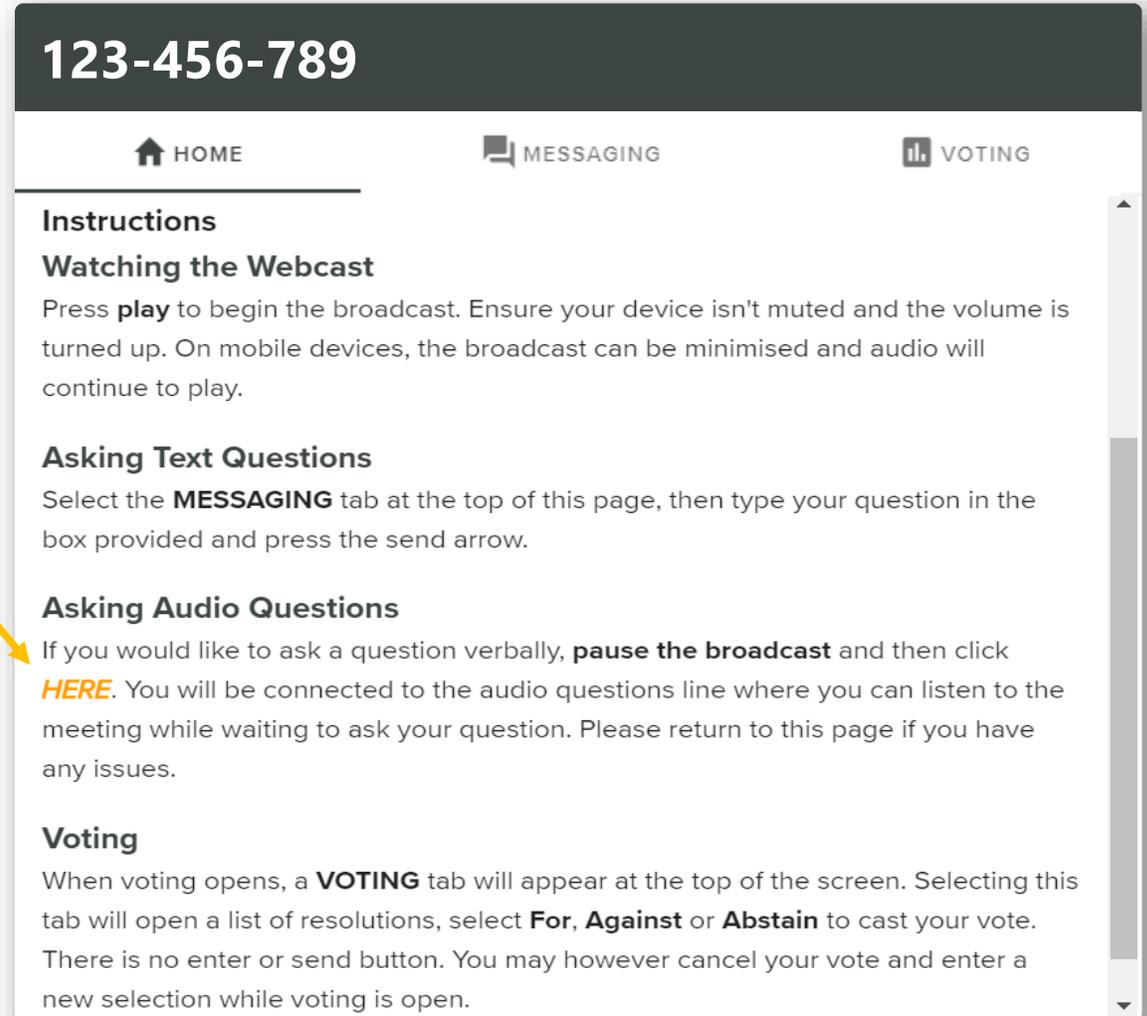
# Online attendees – audio question process



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the [link](#)

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue



# Online attendees – voting



When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For

Against

Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

The screenshot shows the LUMI mobile application interface. At the top, the phone number "123-456-789" is displayed. Below it are three navigation tabs: "HOME", "MESSAGING", and "VOTING". The "VOTING" tab is selected. The main content area shows a "Poll Open" notification with the text "You have voted on 0 of 2 items". Below this, there are two sections: "Resolution 1" and "Question 2". Each section prompts the user to "Select a choice." and provides three options: "For", "Against", and "Abstain" for Resolution 1; and "Yes", "No", and "Unsure" for Question 2. The "For" option for Resolution 1 is highlighted in orange. A "CANCEL" button is located below the Resolution 1 options. An orange arrow points from the text in the third callout box to the "CANCEL" button.

2021 ANNUAL GENERAL MEETING

# Chairman's Address

Glenn Davis

INDEPENDENT NON-EXECUTIVE CHAIRMAN



beach

# Executive team Long history of industry experience and project execution



**Morné Engelbrecht**

Acting Chief Executive Officer

- Experience > 20 years
- InterOil, Lihir Gold (acquired by Newcrest), PwC



**Ian Grant**

Chief Operations Officer

- Experience > 25 years
- Quadrant, Apache, Mobil, ARCO/BP



**Lesley Adams**

Group Executive Human Resources

- Experience > 25 years
- Quadrant, Santos, Woodside



**Sam Algar**

Group Executive Exploration & Subsurface

- Experience > 25 years
- Oil Search, Ophir, Murphy, Eni



**Brett Doherty**

Group Executive Health, Safety, Environment & Risk

- Experience >30 years
- INPEX, Ras Gas, Santos



**Susan Jones**

General Counsel

- Experience >25 years
- TOTAL, Woodside, BHP, Ophir



**Lee Marshall**

Group Executive Corporate Strategy & Commercial

- Experience >20 years
- Woodside



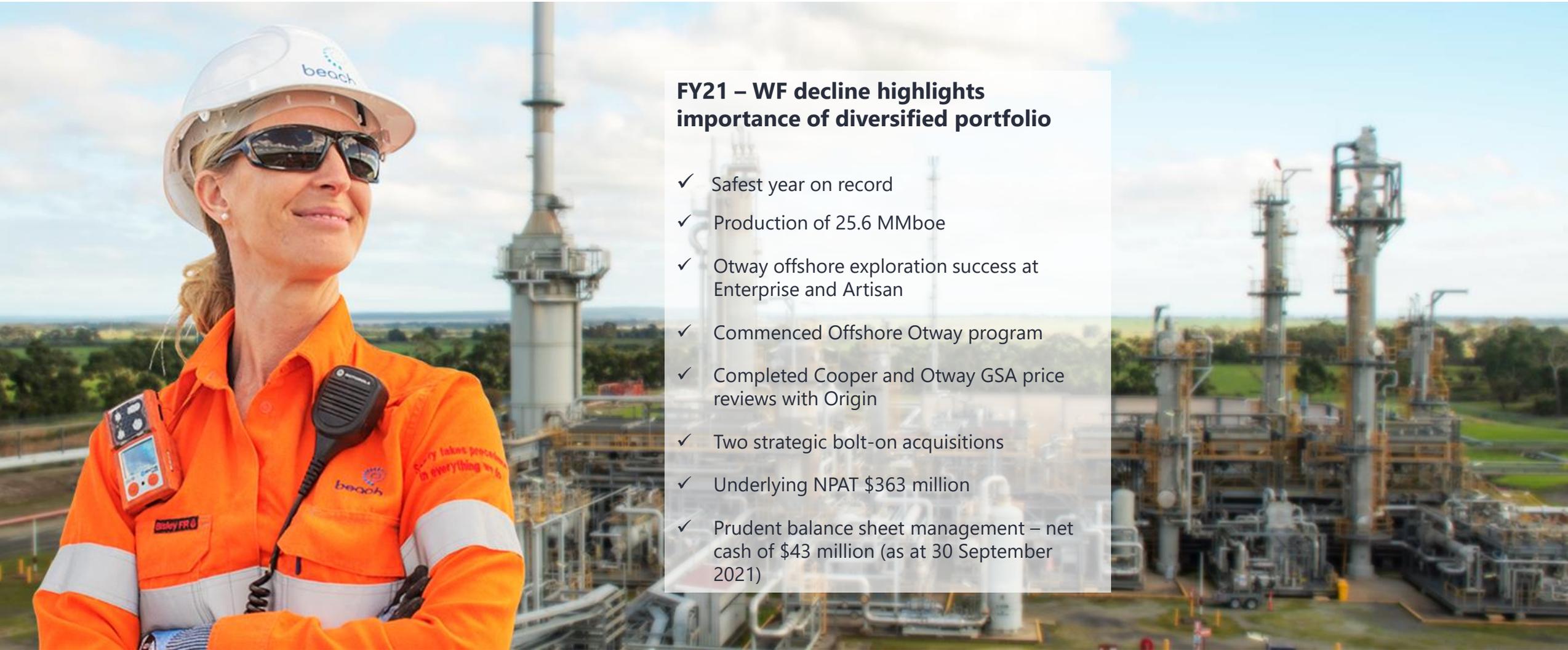
**Thomas Nador**

Group Executive Development

- Experience >25 years
- InterOil, Woodside

# Overview

Executing our strategy to grow production to 28 MMboe in FY24



- FY21 – WF decline highlights importance of diversified portfolio**
- ✓ Safest year on record
  - ✓ Production of 25.6 MMboe
  - ✓ Otway offshore exploration success at Enterprise and Artisan
  - ✓ Commenced Offshore Otway program
  - ✓ Completed Cooper and Otway GSA price reviews with Origin
  - ✓ Two strategic bolt-on acquisitions
  - ✓ Underlying NPAT \$363 million
  - ✓ Prudent balance sheet management – net cash of \$43 million (as at 30 September 2021)

# Sustainability at Beach

Environment, Social and Governance (ESG)

## Environment



- Aspiration to reach net zero Scope 1 and 2 emissions by 2050
- Delivery against our short term 25 by 25 targets – FY21 emissions were down ~12% on FY18
- Over \$2 million spent on biodiversity offsets in South Australia and Western Australia since 2009

## Social



- Contributed \$1.22 million to communities, supporting 71 organisations in FY21
- 2,948 Community Engagements in FY21
- Made a Māori archaeological discovery and ensured its protection as part of the Kupe Inlet Compression Project deepening relationships with Ngati Manuhiakai hapu

## Governance



- Board committees provide oversight on all ESG matters
- Released updated Indigenous Participation Policy in FY21
- Released new Human Rights Policy in FY21

## Reporting



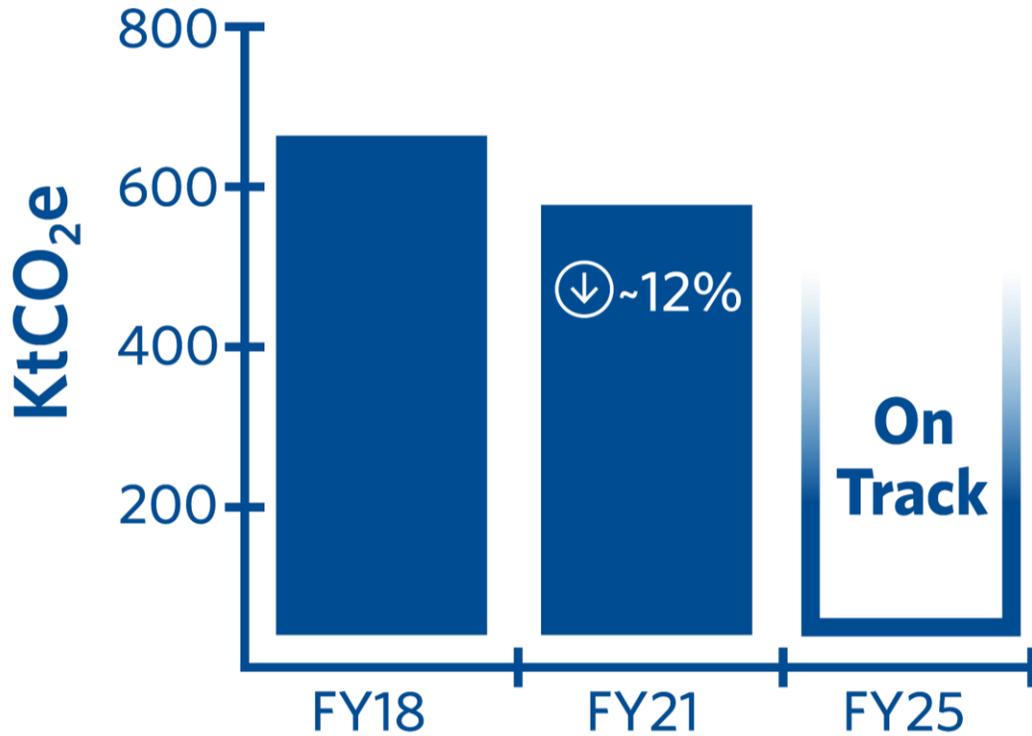
- Released 2021 Sustainability Report including a change section consistent with TCFD Guidelines
- Released Inaugural Modern Slavery report in March 2020
- Released FY20 Tax Contribution Report<sup>1</sup> – highlighting \$609 million of taxes paid in FY20<sup>2</sup>

<sup>1</sup>As a signatory to the Board of Taxation's Tax Transparency Code, Beach releases an annual Tax Contribution report.

<sup>2</sup>Tax contributions include corporate income tax, Government royalties & excise, Gross GST, Employee payroll taxes withheld, Other taxes (FBT, Stamp duty, payroll tax).



# Targets 25% Beach net operated emissions reduction by 2025



## Already achieved

- ~50% of 25 by 25 emissions reduction target<sup>1</sup>

## Key projects to date

- Installation of mercury removal facilities at Otway Gas Plant
- Flaring elimination at BassGas on start-up
- LDAR program expanded to include all gas facilities

## Scope 3

- Beach's Scope 3 emissions are our customers Scope 1 and 2 emissions
- Policy focus should remain on managing all Scope 1 and 2 emissions making Scope 3 redundant
- 78% of Beach's Australian natural gas volumes are sold to customers with a Net Zero commitment

<sup>1</sup>Subject to final National Greenhouse Emissions Reporting Scheme (NGERs) numbers.

2021 ANNUAL GENERAL MEETING

# Chairman's Address

Glenn Davis

INDEPENDENT NON-EXECUTIVE CHAIRMAN



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2021 ANNUAL GENERAL MEETING

# Acting CEO's Address

Morné Engelbrecht  
ACTING CHIEF EXECUTIVE OFFICER



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# Executing our corporate strategy

Material long term gas revenues being pursued with quality counterparties



## Optimise

core producing assets

- Backfilling strategically located gas plants
- Targeting production increase to 28 MMboe in FY24 (CAGR of 13%<sup>1</sup>)



## Maintain

financial strength

- Fully funded FY24 growth
- Net gearing expected to remain below 10%<sup>2</sup>
- Supported by stable gas revenue and non-reliant on Western Flank exploration success



## Strengthen

complimentary gas business

- Targeting eight plants<sup>3</sup> feeding four markets for >15 years from FY24
- Near-field and low-cost opportunities to sustain high utilisation rates through plants beyond horizon
- International LNG exposure



## Pursue

other compatible growth opportunities

- Organic opportunities across the portfolio to maintain plateau production
- Continue to assess value-accretive inorganic growth



## Sustain

Scope 1 and Scope 2 emissions

- Aspiration to be net zero by 2050, with focus on delivering 25 by 25 and Moomba CCS
- Already halfway to achieving 25 by 25 emissions reduction target<sup>4</sup>

<sup>1</sup>Compound Annual Growth Rate (CAGR). Production uplift relative to mid-point of FY22 production guidance of 21.0 – 23.0 MMboe.

<sup>2</sup>Refer to pricing assumptions in the Compliance Statement on slide 3.

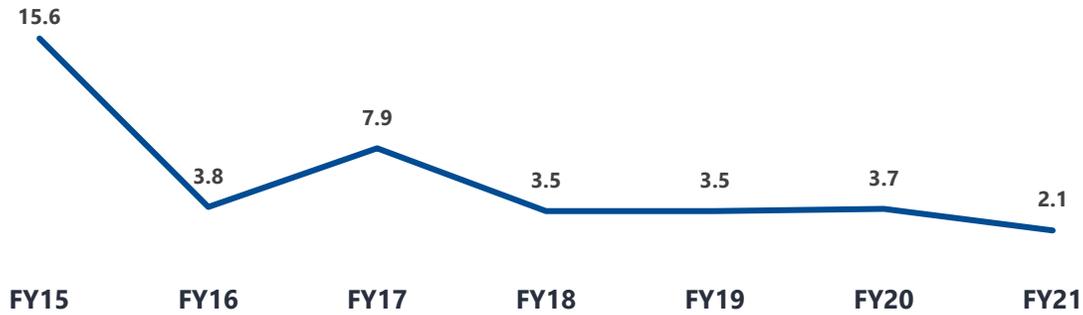
<sup>3</sup>Otway, Lang utilisation, Moomba, Middleton, Kupe, Xyris, Beharra Springs, Waitsia Stage 2.

<sup>4</sup>Subject to final National Greenhouse Emissions Reporting Scheme (NGERs) numbers.

# FY21 HS&E performance

Safest year on record

## Safety performance (TRIFR<sup>1</sup>)



### Safety

- Safest year on record - three million hours without a Lost Time Injury
- Total Recordable Injury Frequency Rate improved by 43% on FY20

### Environment

- One spill contributed 85% of volume – fully remediated
- Improved performance in number of spills - reduced by 37%

### Process safety

- Overall trends reflect robust process safety performance
- One Tier 2 gas release

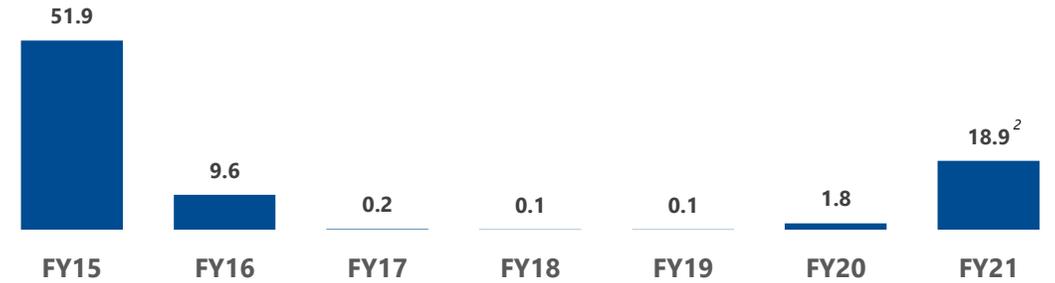
<sup>1</sup>Total Recordable Injury Frequency Rate (TRIFR) represented as a 12-month rolling average.

<sup>2</sup>84% of total spill volume related to an unplanned release of synthetic based mud (SBM) from the Ocean Onyx.

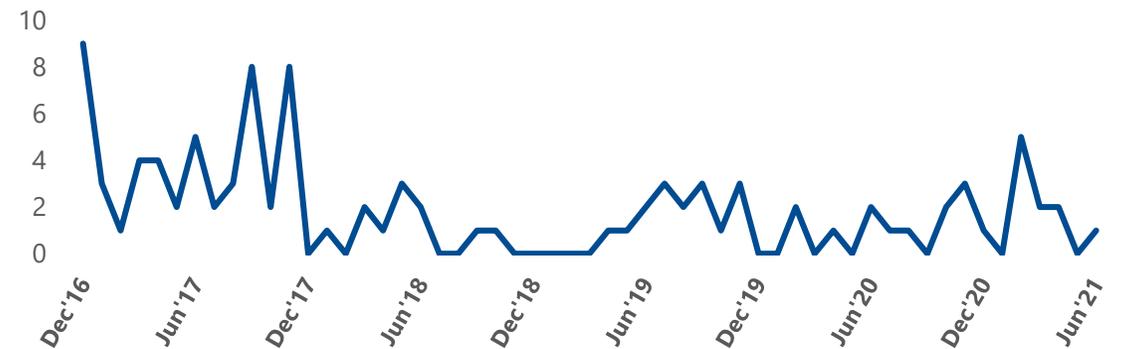
<sup>3</sup>Based on API 754 Tier 1, 2 & 3 modified.

## Environmental performance

### Crude/hydrocarbon spill volume (kl)



## Process safety events – loss of containment<sup>3</sup>



# FY21 summary

## Committed to delivering Otway and Perth Basin growth activities

### Company performance

- Safest year on record
- Reached Final Investment Decision at Waitsia Stage 2
- Two gas discoveries in Otway Basin
- Concluded two favourable Lattice gas price reviews
- Otway Gas Plant operated at 99.3% reliability<sup>1</sup>
- Downgrade of Western Flank 2P reserves, as previously announced<sup>2</sup>
- FY21 production of 25.6 MMboe<sup>3</sup>
- \$363 million underlying NPAT<sup>4</sup>
- \$317 million reported NPAT

### Reinvestment into gas

- Commenced drilling activities in the offshore Otway Basin
- Design and procurement well advanced on Waitsia Stage 2
- Continuing to re-invest in growth projects with a gas focus, providing:
  - Stable long-term revenue stream
  - Support to AEMO's Integrated System Plan which sees gas + renewables lower Australia's emissions
  - Diversification across four gas markets
  - Support for tightening East Coast gas market

### Robust financial position

- Well-funded to deliver growth
- Net cash of \$43 million at 30 September 2021, with liquidity increased to \$643 million
- 40% of FY21 revenue from stable priced gas sales
- Sustained 2P reserve life, despite Western Flank downgrade:
  - 339 MMboe 2P reserves (90% gas and associated liquids)
  - Unchanged 2P reserve life of 13 years
  - Net 18 MMboe downgrade of Western Flank 2P reserves
  - Enterprise discovery added 20 Mmboe 2P reserves

<sup>1</sup>Plant reliability across Beach's operated assets average was 89.9% during FY20.

<sup>2</sup>Refer to ASX announcement #013/21 from 30 April 2021 "Business Update"

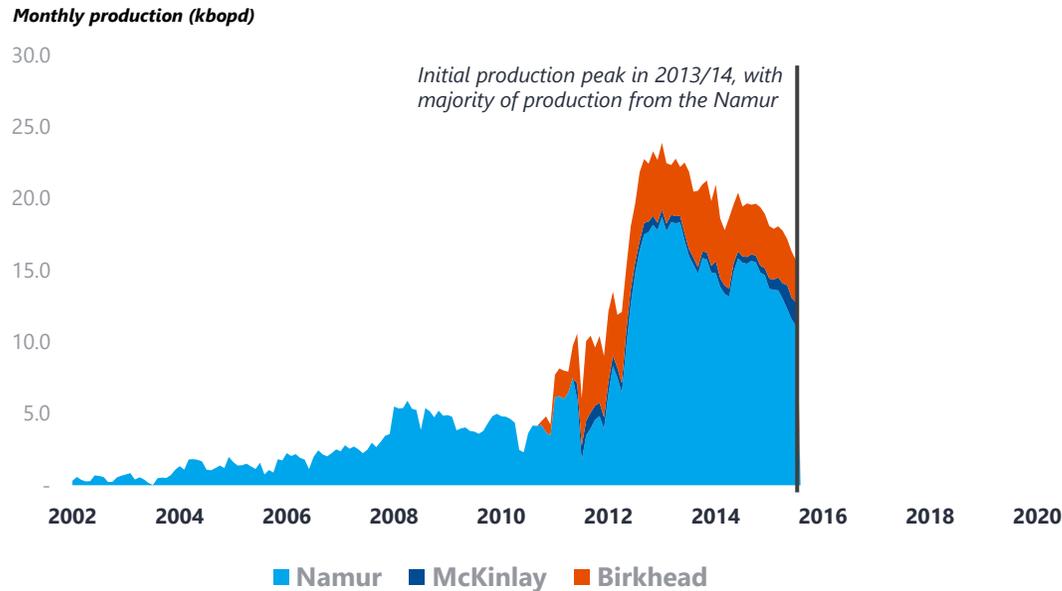
<sup>3</sup>Includes production from the acquisition of Senex Energy's Cooper Basin and Mitsui's Bass Basin assets, with an effective date of 1 July 2020.

<sup>4</sup>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 audited financial statements.

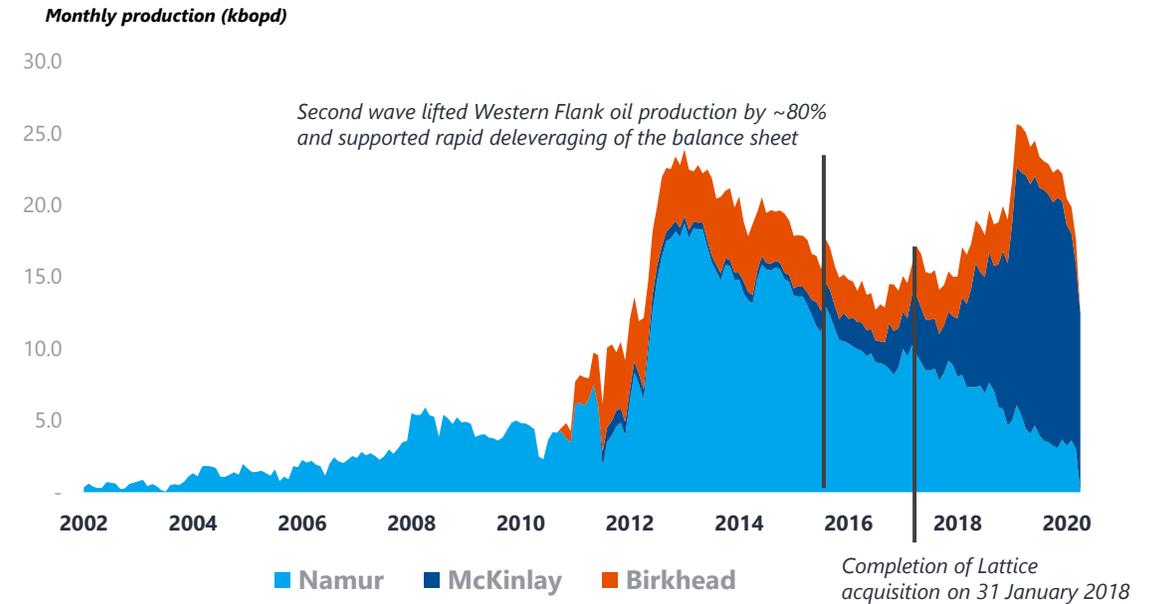
# Western Flank oil downgrade

Extension of Western Flank oil supported accelerated balance sheet deleveraging

Western Flank oil production was in decline by FY16, with high future uncertainty



Evolution of horizontal drilling and development of McKinlay reservoir rejuvenated Western Flank oil and delivered a second production peak in 2020



# Execution of strategy: Base scenario to FY24 – committed projects only

Targeting 27% production increase to 28 MMboe in FY24<sup>1</sup> – base scenario excludes exploration success<sup>2</sup>



## Base scenario

- Targeting 28 MMboe production by FY24 at a CAGR of 13%<sup>1</sup> from already committed developments<sup>2</sup>
- Scenario includes production of 2P developed reserves and 2P undeveloped reserves from projects currently in execution phase<sup>3</sup>
- **Cooper Basin JV** production assumed to remain steady, as supported by the operator; with production from existing 2P and the highest value projects from 2C and new discoveries
- **Base scenario** growth from fully-funded projects, this includes:
  - ✓ **Kupe: Inlet** Compressor project complete with plant returned to capacity
  - **Otway:** ~4.7 MMboe net production uplift relative to FY21
    - **FY22:** Geographe online H2 FY22
    - **FY23:** Thylacine and Enterprise online H1 2023
    - **Waitsia:** ~4.6 MMboe net production uplift relative to FY21
      - **FY24:** Waitsia Stage 2 online H2 2023
- **Base scenario** excludes exploration (Western Flank oil) and pre-FID projects

<sup>1</sup>Compound Annual Growth Rate (CAGR). Production uplift relative to mid-point of FY22 production guidance of 21.0 – 23.0 MMboe.

<sup>2</sup>Cooper Basin JV production assumed to remain steady, as supported by the operator; with production from existing 2P and the highest value projects from 2C and new discoveries.

<sup>3</sup>Base business includes pre-FID of the Enterprise pipeline project. The Enterprise 1 well was drilled in H1 FY21 and the pipeline tie-in to the Otway Gas Plant is expected to achieve FID in H2 FY22.

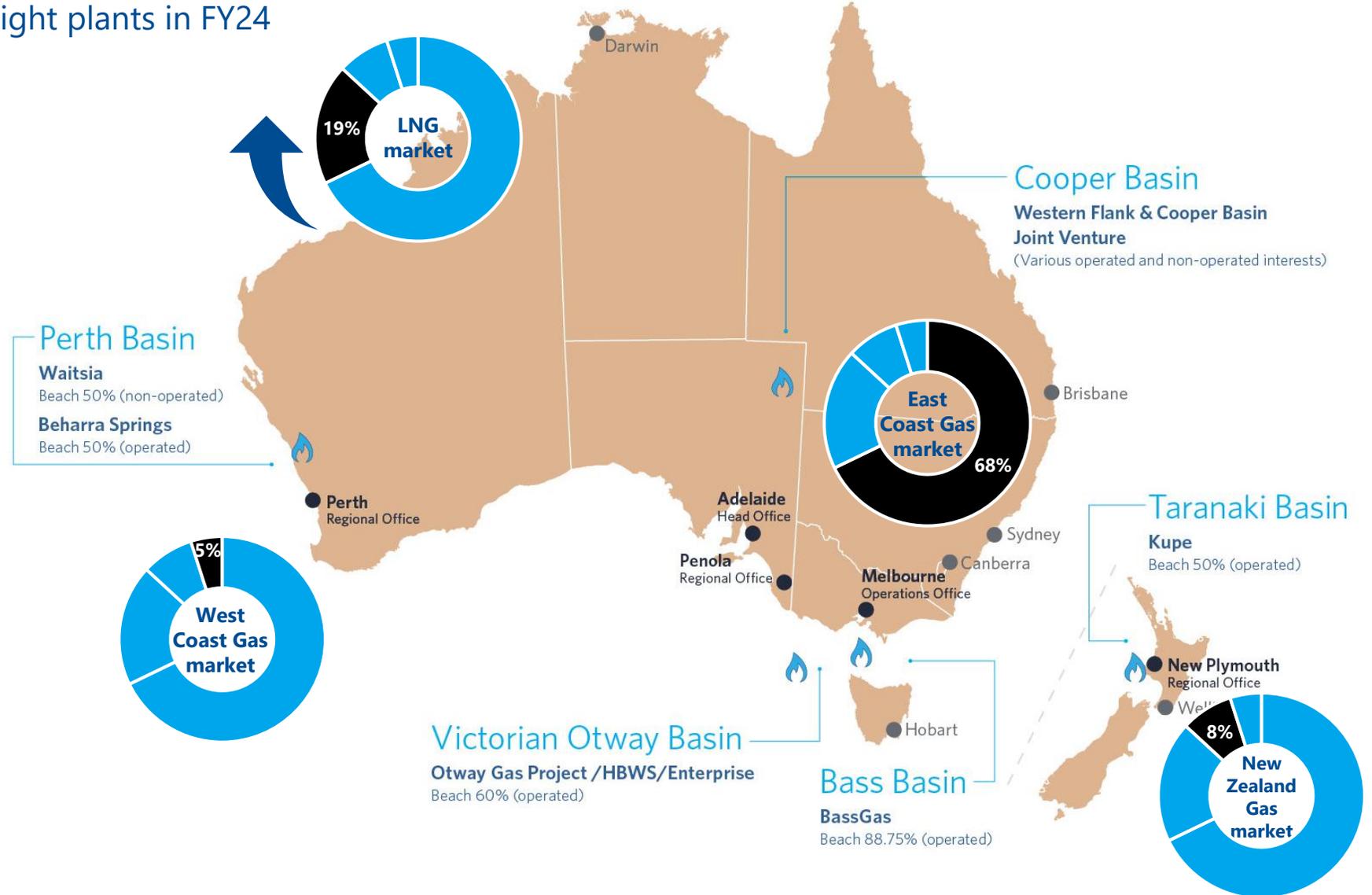
# Gas & LNG growth at opportune time

Delivering into four markets from eight plants in FY24

**Material production to meet East Coast shortfall & tightening international LNG market in FY24**

**Targeting ~125 PJ net gas production in FY24 (~75% total production)**

**Production through 8 gas plants across four key markets by FY24**

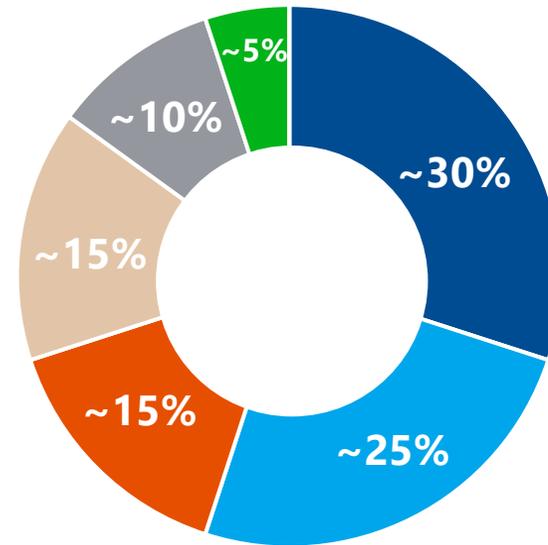


*Illustration not to scale. Ownership percentages provided are Beach's ownership of the producing assets in the respective regions.*

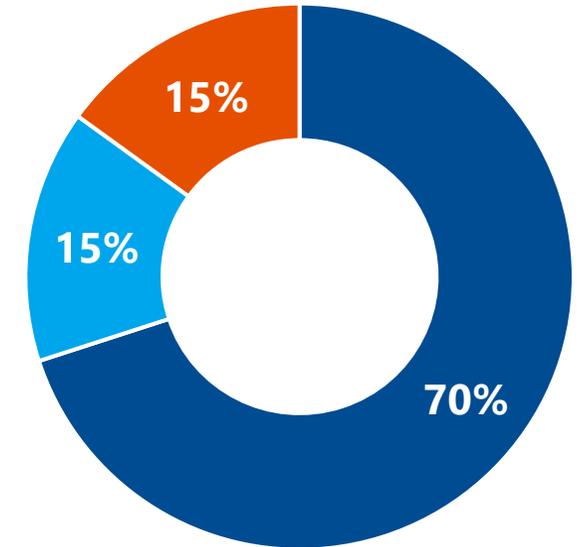
# Capital expenditure

FY22 capex guidance unchanged at \$900 – \$1,100 million

- FY22 capital expenditure includes committed capital expenditure for major gas projects - offshore Otway and Waitsia Stage 2 (LNG)
- Up to 90 well drilling campaign within Cooper Basin JV
- Cooper Basin Western Flank: Single rig drilling campaign
- Trefoil project FEED activities
- 3D seismic surveys across offshore Trefoil/Bass/White Ibis (Bass Basin) and onshore SA Otway



- Otway Offshore
- Cooper Basin JV
- Cooper Oil
- WA
- BassGas
- Cooper Gas
- Kupe
- Other



- Development
- Exploration
- Stay-in-business

# Positive start to FY22

Key project execution moving toward 28 MMboe production target in FY24



## FY22 - Growth program execution

- ✓ HOA with bp means Beach sees global LNG market
- ✓ Geographe 4 and 5 wells drilled, intersecting reservoir in line with pre-drill expectation
- ✓ Kupe Compression Project online
- ✓ FID on Moomba Carbon Capture and Storage Project

## Still to come:

- ❑ First wells of Offshore Otway program to commence production
- ❑ Drilling of the final four Thylacine offshore wells
- ❑ Western Flank exploration drilling results

# Delivering on Net Zero by 2050 emissions reduction aspiration

Operated and non-operated emissions reduction focus



On track



- Estimated FY21 emissions are ~12% lower than FY18 levels and on track to reach 25 by 25 target<sup>1</sup>
- LDAR surveys completed at all assets. Remedial actions being taken through the maintenance management system
- Four emission reduction projects completed at Otway, Middleton and Lang Lang facilities

<sup>1</sup>Subject to final National Greenhouse Emissions Reporting Scheme (NGERs) numbers.

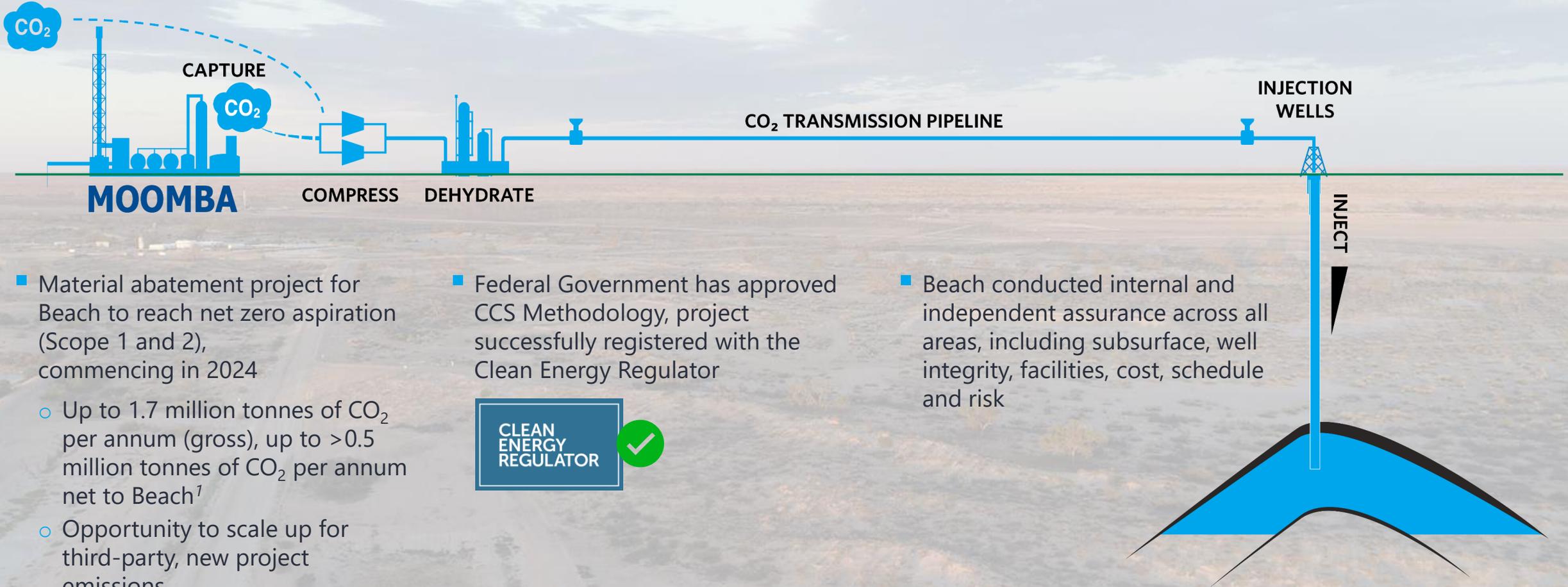
## Commitment to offsetting Waitsia reservoir emissions



- Committed to offset 100% reservoir GHG emissions (~60% project emissions) from Waitsia Stage 2
- Integrating carbon offsets and its additional social and environmental benefits (co-benefits)
- Reviewing opportunities and benefit analysis to reduce remaining 40% of project emissions

# Moomba Carbon Capture and Storage

Announced Final Investment Decision on Moomba CCS with potential to significantly reduce Beach's emissions footprint



- Material abatement project for Beach to reach net zero aspiration (Scope 1 and 2), commencing in 2024
  - Up to 1.7 million tonnes of CO<sub>2</sub> per annum (gross), up to >0.5 million tonnes of CO<sub>2</sub> per annum net to Beach<sup>1</sup>
  - Opportunity to scale up for third-party, new project emissions

- Federal Government has approved CCS Methodology, project successfully registered with the Clean Energy Regulator



- Beach conducted internal and independent assurance across all areas, including subsurface, well integrity, facilities, cost, schedule and risk

<sup>1</sup>Beach working interest of 33.4%.

# Key takeaways

Execution of growth strategy across multiple basins

## Committed growth



Base Business

**28 MMboe**  
production target  
in FY24<sup>1</sup>,  
excludes exploration  
and pre-FID  
developments<sup>2</sup>

## Low gearing



## Balance sheet

fully funded to support  
FY24 growth target

## Stable gas revenues



Targeting  
material steady  
cash flow from  
**8 gas plants**  
across  
**four markets**  
by FY24

## Free cash flow



**Material  
free cash  
flow**

from FY24 provides  
optionality

## Sustainable delivery



**Aspiration**  
to be net zero by  
**2050**

<sup>1</sup>Base scenario production target of 28 MMboe assumes production from 2P developed reserves and 2P undeveloped projects in execution phase. Cooper Basin JV production assumed to remain steady, as supported by the operator; with production from existing 2P, the highest value projects from 2C and new discoveries. Refer to slide 11.

<sup>2</sup>Base business includes pre-FID of the Enterprise pipeline project. The Enterprise 1 well was drilled in H1 FY21 and the pipeline tie-in to the Otway Gas Plant is expected to achieve FID in H2 FY22.

2021 ANNUAL GENERAL MEETING

# Formal Business



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# Q&A

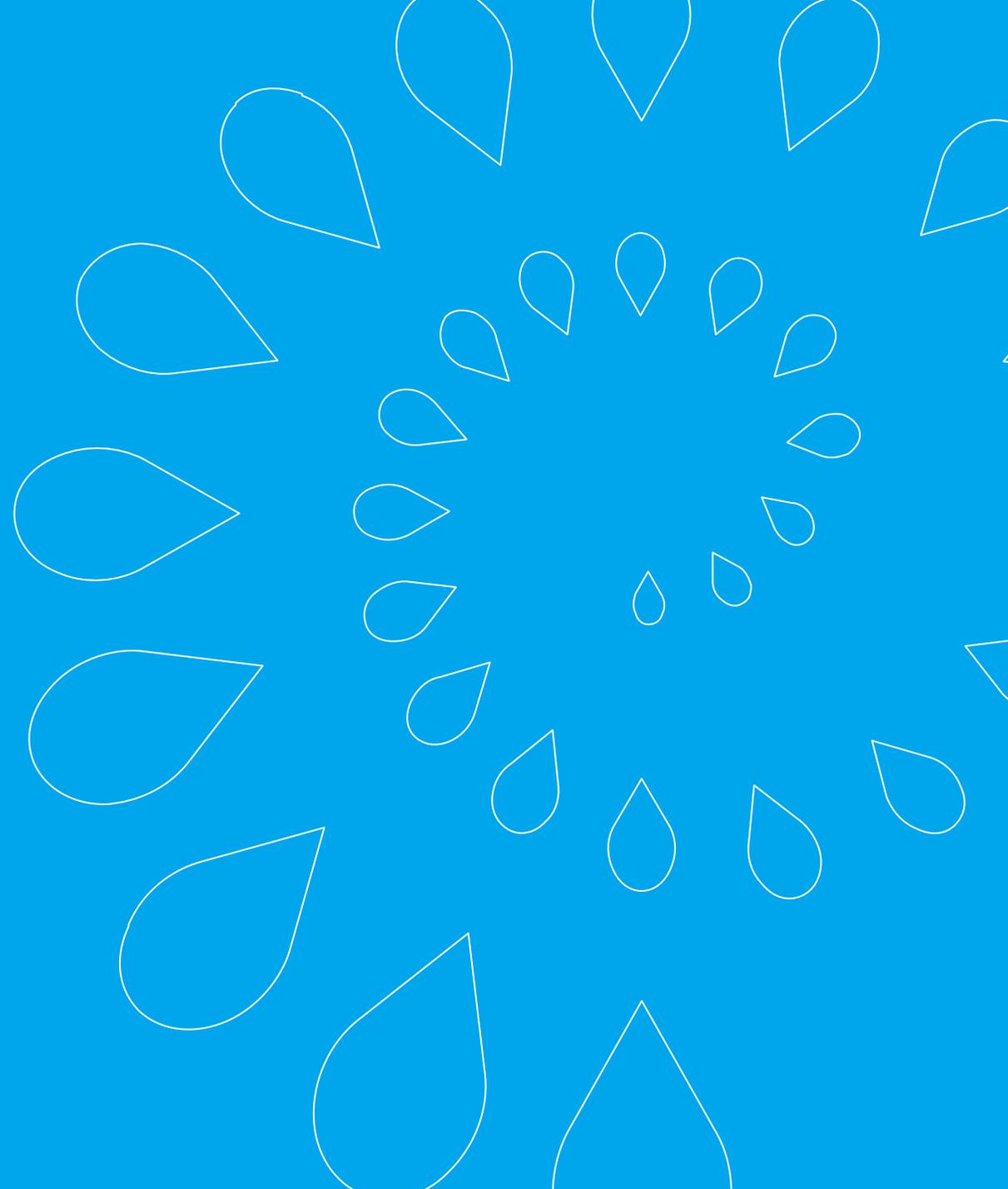


2021 ANNUAL GENERAL MEETING

# Resolutions for voting



**beach**



# Proxy voting

Vote totals based on the first resolution

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<b>Valid proxy votes received</b>	<b>914,561,573</b>
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<b>% of total votes</b>	<b>40.09%</b>
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# 2021 Financial Report

Receipt and consideration of the Financial Report, the Directors' Report and the Auditor's Report of the Company, and the Group, for the financial year ended 30 June 2021.

**There is no requirement for shareholders to approve the financial statements and reports**

# Resolution 1

## Adoption of Remuneration Report

	<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
<b>QTY</b>	871,404,115	38,714,989	4,442,469	914,561,573	4,118,887
<b>%</b>	95.28%	4.23%	0.49%	100%	

## Resolution 2

### Election of Margaret Hall as a director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That Margaret Hall, pursuant to clause 6.1 of the Constitution and, being eligible and having consented to act, be elected as a director of Beach.*



# Resolution 2

Election of Margaret Hall as a director

	<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
<b>QTY</b>	1,528,378,891	31,948,190	4,611,501	1,564,938,582	4,295,930
<b>%</b>	97.67%	2.04%	0.29%	100%	

2021 ANNUAL GENERAL MEETING

# Finalisation of Polls





\*\*Australian residents only\*\*



# Shareholder Raffle

## Prize

2x bottles Majella Wine  
(Cabernet Sauvignon/Shiraz blend & Sparkling Shiraz)

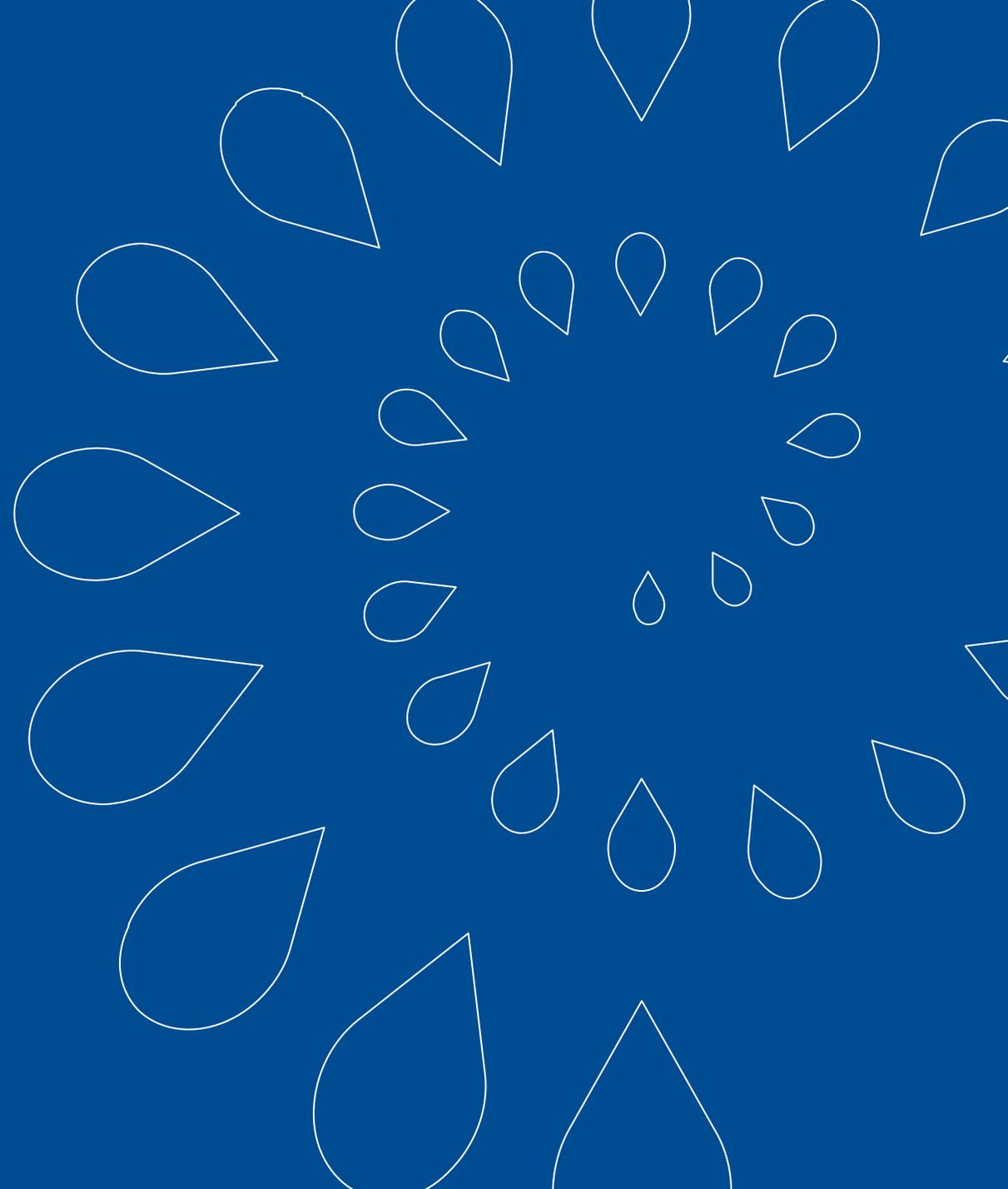


2021 ANNUAL GENERAL MEETING

Thank You



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