

15 AUGUST 2022

# FY22 full-year results

*Delivering energy security*



# 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.

Free cash flow is defined as net cash flow before debt repayments, dividends, transaction adjustments and foreign exchange movements. Free cash flow pre-growth expenditure is defined as free cash flow before expenditure for the offshore Otway Basin, Waitsia Stage 2, Western Flank oil exploration and Moomba CCS.

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 FY23 and beyond FY23 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

FY23 guidance is uncertain and subject to change. FY23 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 FY23 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\$95 per barrel, US\$87.5 per barrel and US\$83.8 per barrel in FY23 – 25 respectively, 2. AUD/USD exchange rate of 0.74 in FY23 and 0.75 from FY24, 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

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

The statement presents Beach's net economic interest estimated at 30 June 2022 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, with the exception of Waitsia reserves that include 20 PJ of fuel used for LNG processing through the North West Shelf (NWS) facilities in Karratha.

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.

The estimates are based on, and fairly represent, information and supporting documentation prepared by, or under the supervision of, Qualified Petroleum Reserves and Resources Evaluators (QPRRE) employed by Beach. The QPRRE are Ian Cockerill, Scott Delaney, Mark Sales and Jason Storey, who are all members of SPE.

The reserves statement as a whole is approved by Ms Paula Pedler (Head of Reservoir Engineering). Ms Pedler is employed by Beach and is a member of SPE; she has a Bachelor of Engineering (Honours) degree from the University of Adelaide and more than 30 years of relevant experience. The reserves statement has been issued with the prior written consent of Ms Pedler as to the form and context in which the estimates and information are presented.

Beach prepares its reserves and resources estimates annually as specified in the Beach reserves policy. This policy also details the internal governance and external audit requirements of the reserves and resources estimation process.

An independent audit of Beach's reserves at 30 June 2022 was conducted by Netherland, Sewell & Associates Inc. (NSAI). In NSAI's opinion the reserves estimates are reasonable when aggregated at the 1P, 2P and 3P levels and have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE. The audit encompassed 62% of 2P reserves, including 79% of developed reserves and 48% of undeveloped reserves. Contingent resources have not been audited.

## Authorisation

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

# Key takeaways

Delivering the foundation for sustainable growth



## Growing Gas Supply

- 7 well offshore Otway campaign complete
- Geographe 4 and 5 wells producing
- Connecting Thylacine and Enterprise
- Waitsia Stage 2 under construction

## Growing in Key Markets

- Targeting 4 gas markets for >15 years from FY24
- Inflation adjusted fixed price gas, oil-linked gas, JKM and Brent exposure
- bp LNG SPA signed
- Targeting material LNG revenues from FY24

## Growing Free Cash Flow

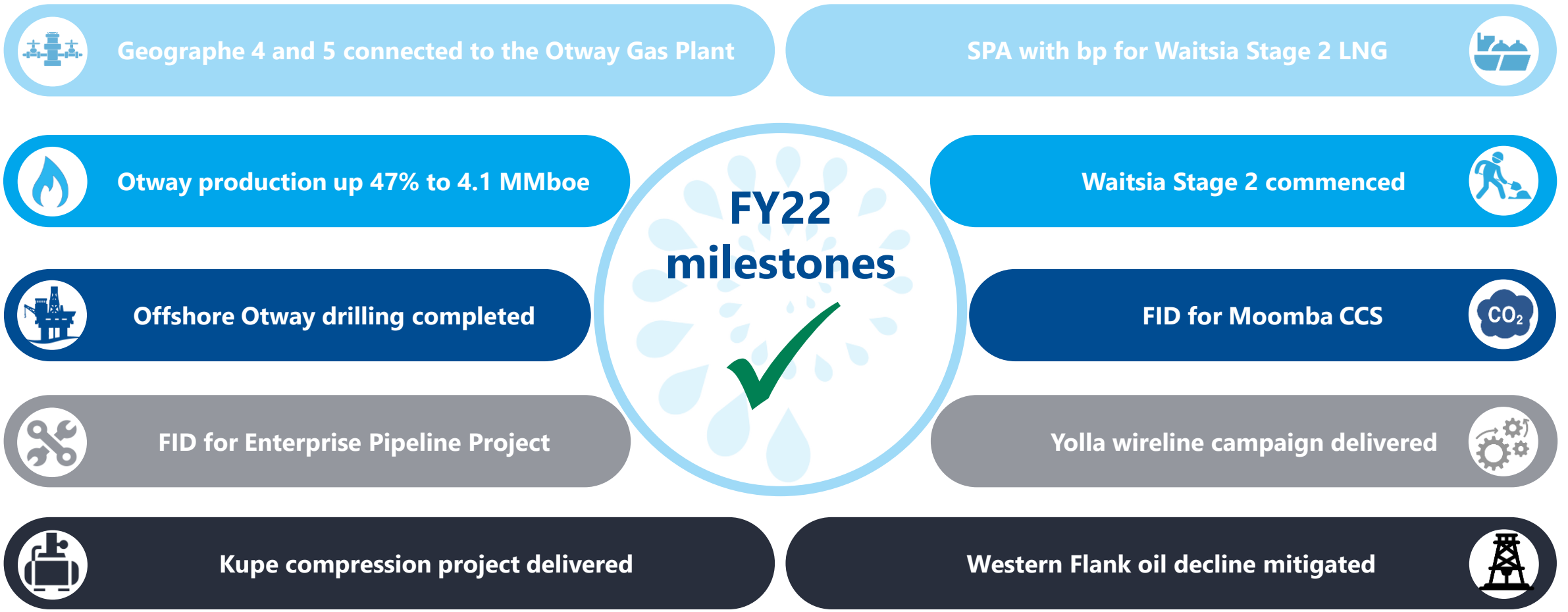
- \$1.2 billion operating cash flow
- 73% increase in free cash flow pre-growth<sup>1</sup> to \$752 million
- Targeting net cash position throughout FY23<sup>2</sup>

## Growing Sustainably

- New target for 35% emissions intensity reduction by 2030
- Moomba CCS first CO2 injection in 2024 targeted
- Aspiration to reach net zero Scope 1 and 2 emissions by 2050
- Inaugural CO2 storage capacity reserves

# Key project milestones delivered

De-risking growth



# Strong financial results in FY22


Strengthening cash flows and financial position





**21.8** MMboe  
Production 

**\$1.1** billion  
Underlying EBITDA  
(64% margin) 

**\$504** million  
Underlying NPAT 

**\$752** million  
Free cash flow pre-  
growth expenditure<sup>1</sup> 

**\$765** million  
Liquidity at year-end  
(\$165m net cash) 

**1.0** cps   
Final dividend declared  
(~\$550m franking credits)

# Growing gas into existing and new markets

Focused on delivering growth projects



Objectives	FY23 focus
Growing East Coast gas production	<ul style="list-style-type: none"> <li>❑ Complete tie-in of the Thylacine 1, 2, 3 and 4 wells - Targeting first gas mid-2023<sup>1</sup></li> <li>❑ Complete Enterprise pipeline construction - Targeting first gas mid-2023<sup>1</sup> (subject to regulatory approvals)</li> <li>❑ Otway Gas Plant back to full capacity of 205 TJ/day - Targeting mid-2023<sup>1</sup></li> <li>❑ Secure rig for the drilling of Yolla West in the Bass Basin – Targeting spud end-2023<sup>1</sup></li> </ul>
Growing supplier of up to 3.75 Mt of LNG over 5 years (equivalent to ~200 million MMBtu)	<ul style="list-style-type: none"> <li>❑ Complete construction of the 250 TJ/day Waitsia Stage 2 gas plant - Targeting first LNG sales H2 2023<sup>1</sup></li> <li>❑ Execute LNG SPA with bp supporting Beach’s entry into global LNG market (signed August 2022)</li> </ul>
Targeting flat Cooper Basin production	<ul style="list-style-type: none"> <li>❑ Follow-up Cooper Basin oil and gas appraisal and development drilling</li> </ul>
Extending Kupe plant production plateau	<ul style="list-style-type: none"> <li>❑ Secure rig for the drilling of Kupe South 9 in the Taranaki basin - Targeting spud end-2023<sup>1</sup></li> </ul>
Target longer-term growth and facility expansions	<ul style="list-style-type: none"> <li>❑ Commence Perth Basin gas exploration – Targeting up to 6 wells commencing end-2022<sup>1</sup></li> <li>❑ Mature Otway exploration prospects – Target drilling FY24/25</li> <li>❑ Progress FEED for the Trefoil project, including interpretation of seismic data and capex review</li> </ul>
Growing sustainably	<ul style="list-style-type: none"> <li>❑ Progress construction of the Moomba CCS project - Targeting first CO2 injection in 2024<sup>1</sup></li> <li>❑ Progress concept studies for Perth and Otway basin CCS projects - FEED targeted by end-2022<sup>1</sup></li> </ul>



# East Coast gas market

Gas prices continue to rise as demand and supply challenges persist

**Reducing coal-fired power, intermittent renewable supply and grid network instability support gas demand outlook**

**Anticipate gas supply will continue to tighten**

**Stable policy framework required to stimulate investment in new gas supply**

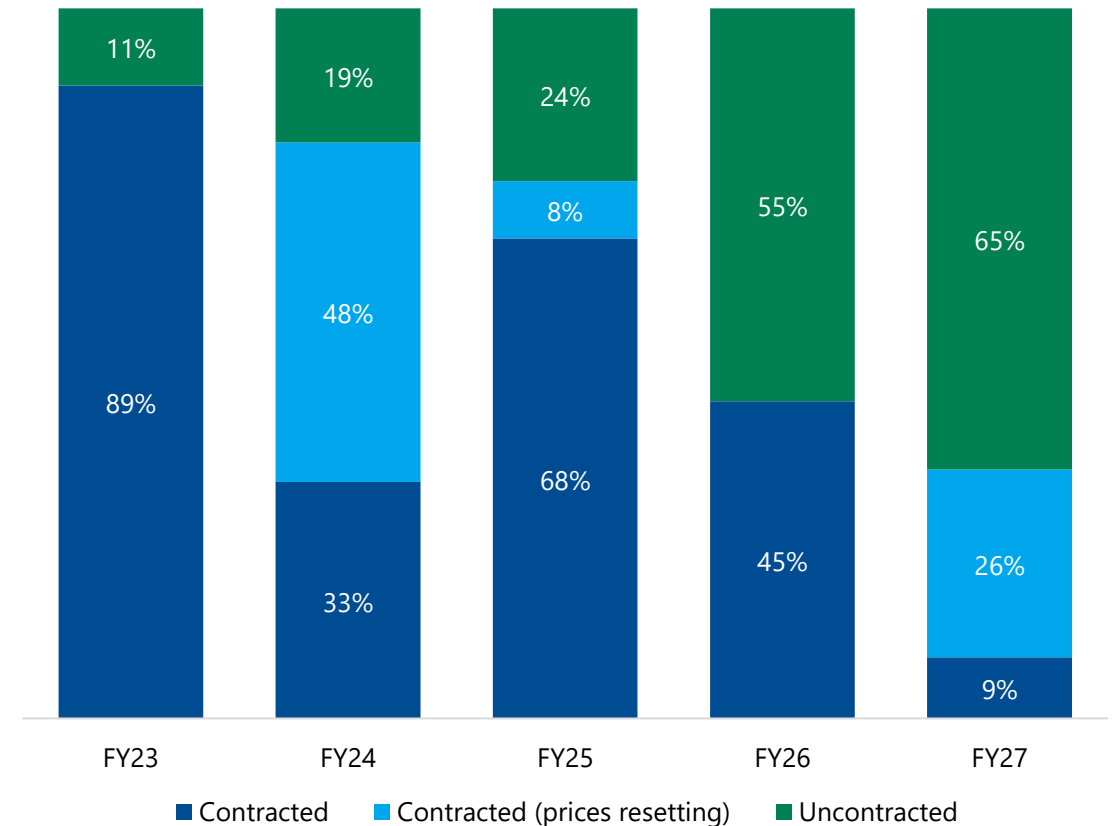
**Gas remains key to power Australia's energy transition**

**Supply issues are well documented, but risks are accelerating**

*"...supply conditions in the east coast market are expected to deteriorate significantly in 2023, with a shortfall of 56 PJ now expected."*

ACCC Gas Inquiry 2017-2025 Interim Report, July 2022

**Beach contracted vs uncontracted East Coast gas volumes<sup>1</sup>**



1. Based on Beach production profiles for currently producing assets; incremental volume from Thylacine development wells and Enterprise discovery included; no volume from Yolla West, Trefoil or exploration success included; does not assume re-contracting of uncontracted volumes

# LNG sale agreement with bp signed

Targeting first LNG sales in H2 2023



**Beach a new entrant in the global LNG market**

**Sale and Purchase Agreement with bp signed**

**bp to acquire all 3.75 Mt of Beach LNG from Waitsia over ~5 years**

**Up to ~200 million MMBtu**

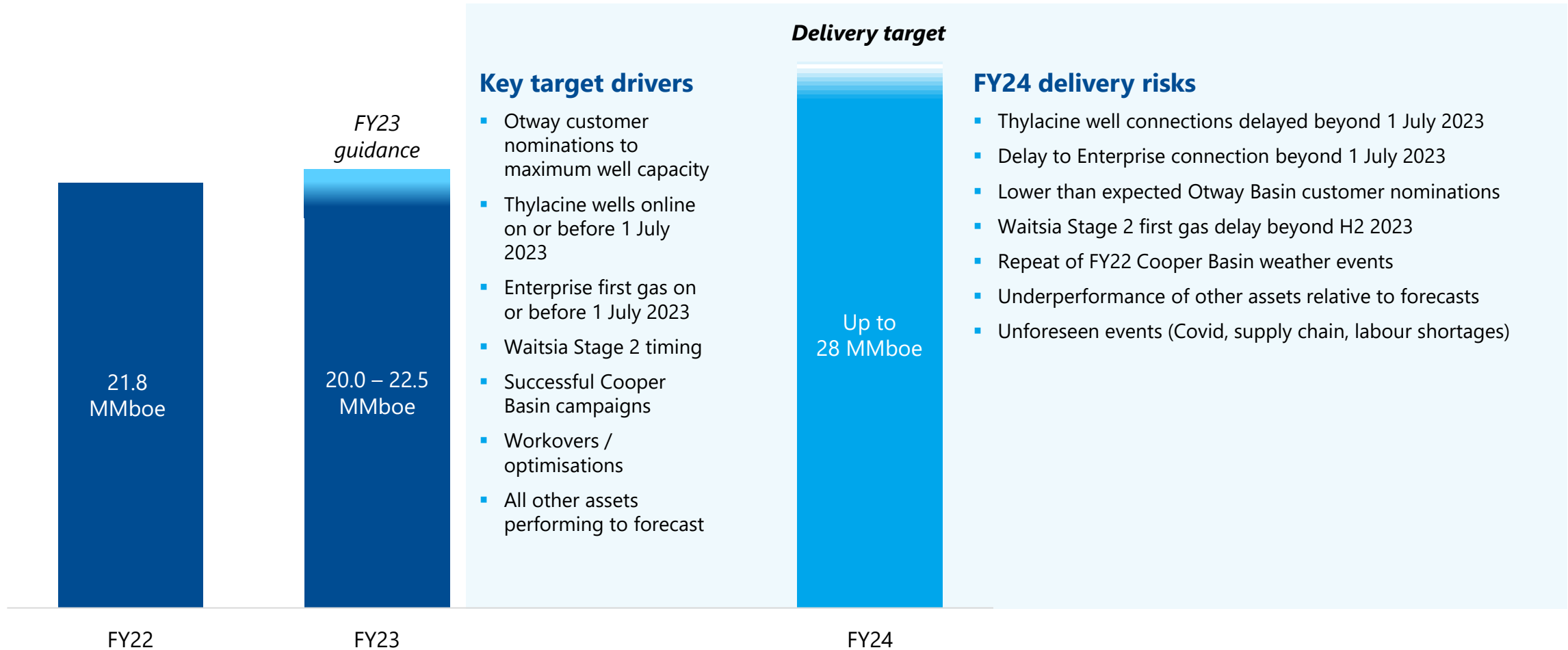
**Hybrid pricing linked to both Brent and JKM indices with downside price protection and full upside price participation**

**Flexibility for commencement of supply to ensure alignment with Waitsia Stage 2 commissioning**



# Major projects underpin production growth

Completion of major projects to deliver production target



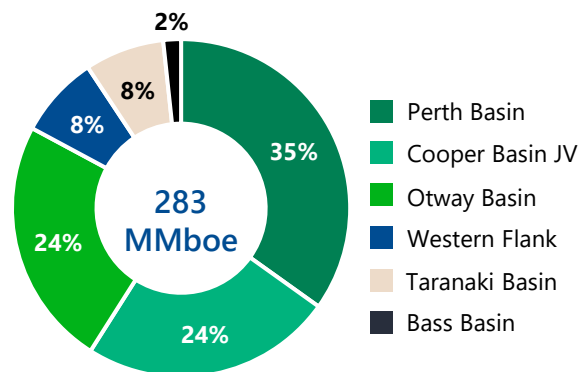


# Reserves and resources

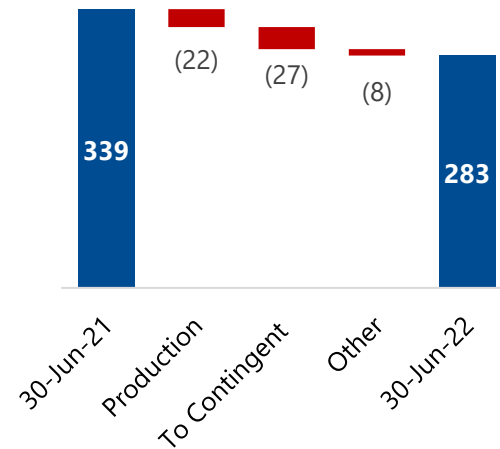
## 2P Reserves impacted by Trefoil development deferral and limited exploration

MMboe	30-Jun-21	30-Jun-22	Change
1P reserves	183	146	(20%)
<b>2P reserves</b>	<b>339</b>	<b>283</b>	<b>(17%)</b>
3P reserves	531	466	(12%)
<b>2C contingent resources</b>	<b>191</b>	<b>221</b>	<b>+16%</b>
<b>2P CO2 storage (Mt)</b>	<b>-</b>	<b>4.4</b>	<b>+4.4</b>

### 2P Reserves at 30 June 2022



### 2P Reserves movements (MMboe)



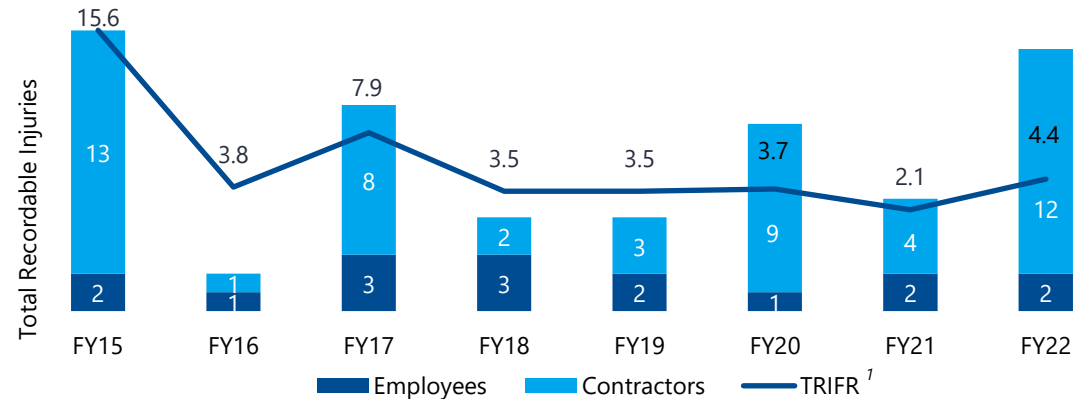
- Decline in 2P reserves primarily driven by production (-22 MMboe) and Bass Basin revisions (-25 MMboe) with the latter revisions from reclassification to contingent resources on deferral of Trefoil development decision (announced 20 May 2022), partially offset by successful Yolla perforations<sup>1</sup>
- Otway Basin additions (+2 MMboe) from drilling outcomes and production performance
- Initial classification of Cooper Basin CO2 storage reserves (4.4 Mt)
- Western Flank oil (-4 MMboe)
  - FY22 work program outcomes and Bauer production performance; revisions not related to FY21 downgrades
  - Oil upgrades from exploration success, appraisal of Martlet and infill drilling and production performance at Spitfire and Growler
  - Offset by poor fracture stimulation results at Balgowan, infill drilling results at Kalladeina and production performance at Bauer
  - Reservoir management strategies underway at Bauer
- Western Flank Gas (-3 MMboe)
  - Primarily due to revised view of future production performance from refined reservoir modelling assumptions using latest data
- Other revisions also include Cooper Basin JV (-2 MMboe) and Taranaki Basin (-2 MMboe)

# Health, safety and environment

Focused on continual improvement



## Safety performance



**TRIFR increase being addressed through safety campaigns**

## Improving environmental performance

Spills	FY21	FY22	Change
Volume of hydrocarbon spills (bbl)	117.1	6.4	↓ 95%
Volume of non-hydrocarbon spills (bbl)	3.7	1.5	↓ 59%
Total volume of spills (bbl)	128.4	7.9	↓ 94%
Number of significant spills <sup>2</sup>	–	–	–

1. Total Recordable Injury Frequency Rate (TRIFR) represented as a 12-month rolling average  
 2. Significant spills are defined as spills that are included in the financial statements, for example, due to resulting liabilities

## FY22 highlights

✓ **2021 IADC Safety Award**  
 Outstanding safety performance for the Otway Basin drilling campaign, awarded to the rig operator Diamond Offshore Drilling



✓ **Recipient of the APPEA Environmental Award**  
 Collaboration with the fishing industry on the Prion Seismic survey



✓ **>7 years of no recordable injuries at Otway Gas Plant**

✓ **>4 years at Beharra Springs Gas Plant**

✓ **Record >3.3m hours worked across the organization**

✓ **Robust COVID-19 management plans executed**

✓ **No Tier 1 process safety events**

✓ **Life saving rules training launched**

FY22 FULL-YEAR RESULTS

# Financial results



# FY22 financial highlights

A strengthened financial position to deliver sustainable growth



## Growing Free Cash Flow

- \$1.2 billion operating cash flow
- 73% increase in free cash flow pre-growth<sup>1</sup> to \$752 million
- 100% increase in cash reserves to \$255 million

## Fully Funded Growth

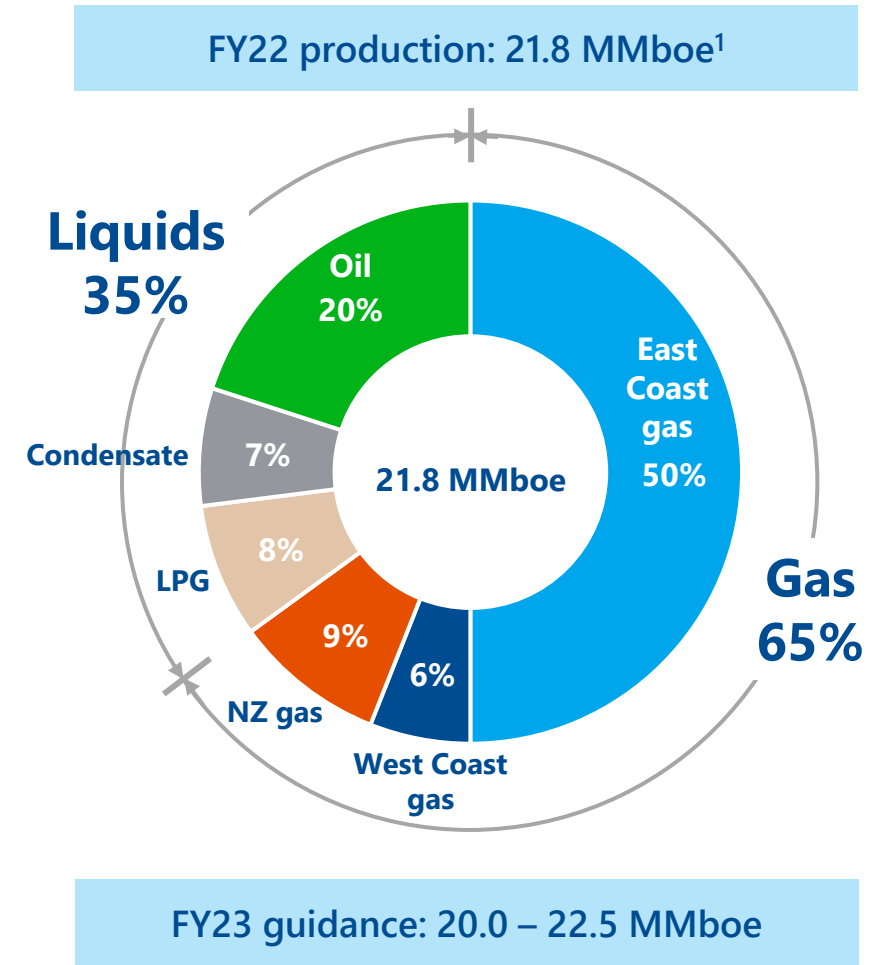
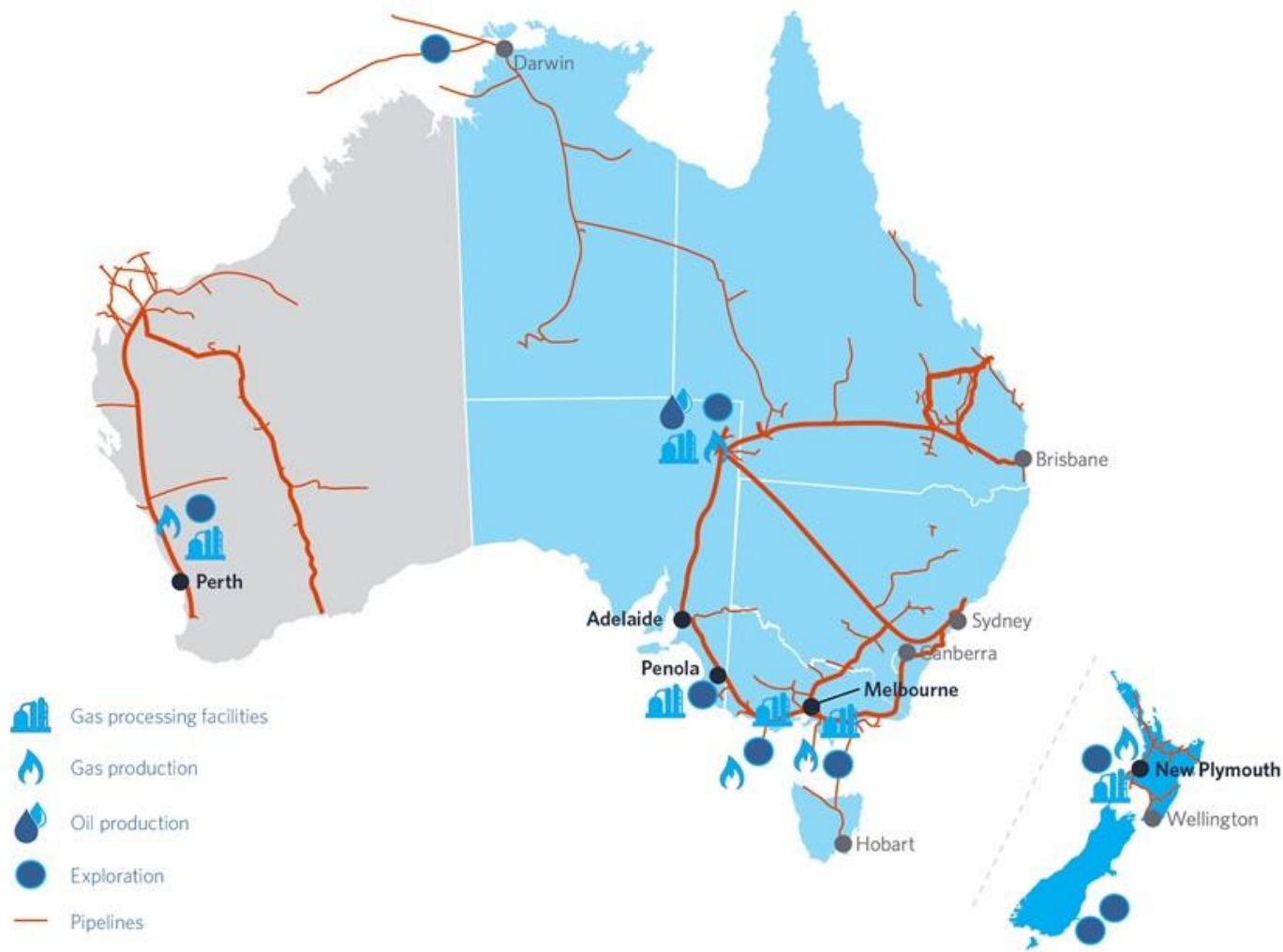
- \$765 million liquidity at year-end
- FY23 project delivery fully funded
- Targeting net cash position throughout FY23<sup>2</sup>

## Capital Management

- Demonstrated capital management discipline
- Targeting continuing growth in free cash flow
- Balancing growth with capital management initiatives

# Production diversity from multi-basin strategy

Investing to produce more gas for supply-constrained domestic and LNG markets



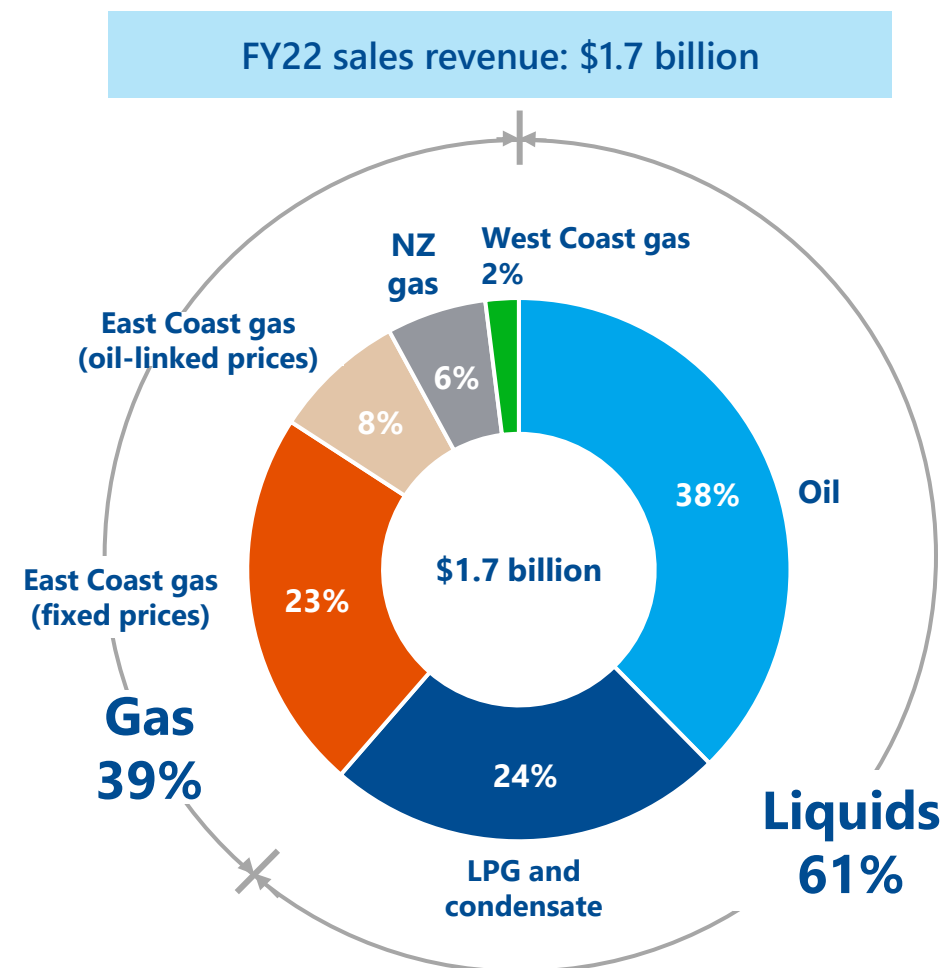
1. FY22 production guidance of 21.0 – 23.0 MMboe; FY21 production: 25.6 MMboe (55% gas, 45% liquids)

# Financial highlights

## Diverse revenue streams



<i>\$ million (unless otherwise indicated)</i>	FY21	<b>FY22</b>	Change
Production (MMboe)	25.6 <sup>1</sup>	<b>21.8</b>	(15%)
Sales volumes (MMboe)	26.1	<b>22.4</b>	(14%)
Sales revenue	1,519	<b>1,749</b>	+15%
Average realised oil price (\$ per bbl)	78.1	<b>140.1</b>	+79%
Average realised gas/ethane price (\$ per GJ)	7.35	<b>8.05</b>	+10%
Underlying EBITDA	953 <sup>2</sup>	<b>1,111</b>	+17%
Underlying EBITDA margin (%)	63%	<b>64%</b>	+1 bp
Underlying NPAT	363	<b>504</b>	+39%
Operating cash flow	760	<b>1,223</b>	+61%
Free cash flow pre-growth expenditure <sup>3</sup>	434	<b>752</b>	+73%
Dividends paid (cps)	2.0	<b>2.0</b>	–
Net cash / (debt) <sup>4</sup>	(48)	<b>165</b>	+\$213m



1. 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

2. Includes exploration expensed of \$57 million, primarily relating to Ironbark, Wherry and Bonaparte assets

3. Free cash flow pre-growth expenditure is defined as free cash flow before expenditure for the offshore Otway Basin, Waitsia Stage 2, Western Flank oil exploration and Moomba CCS

4. Net cash / (debt) defined as interest bearing liabilities less cash and cash equivalents

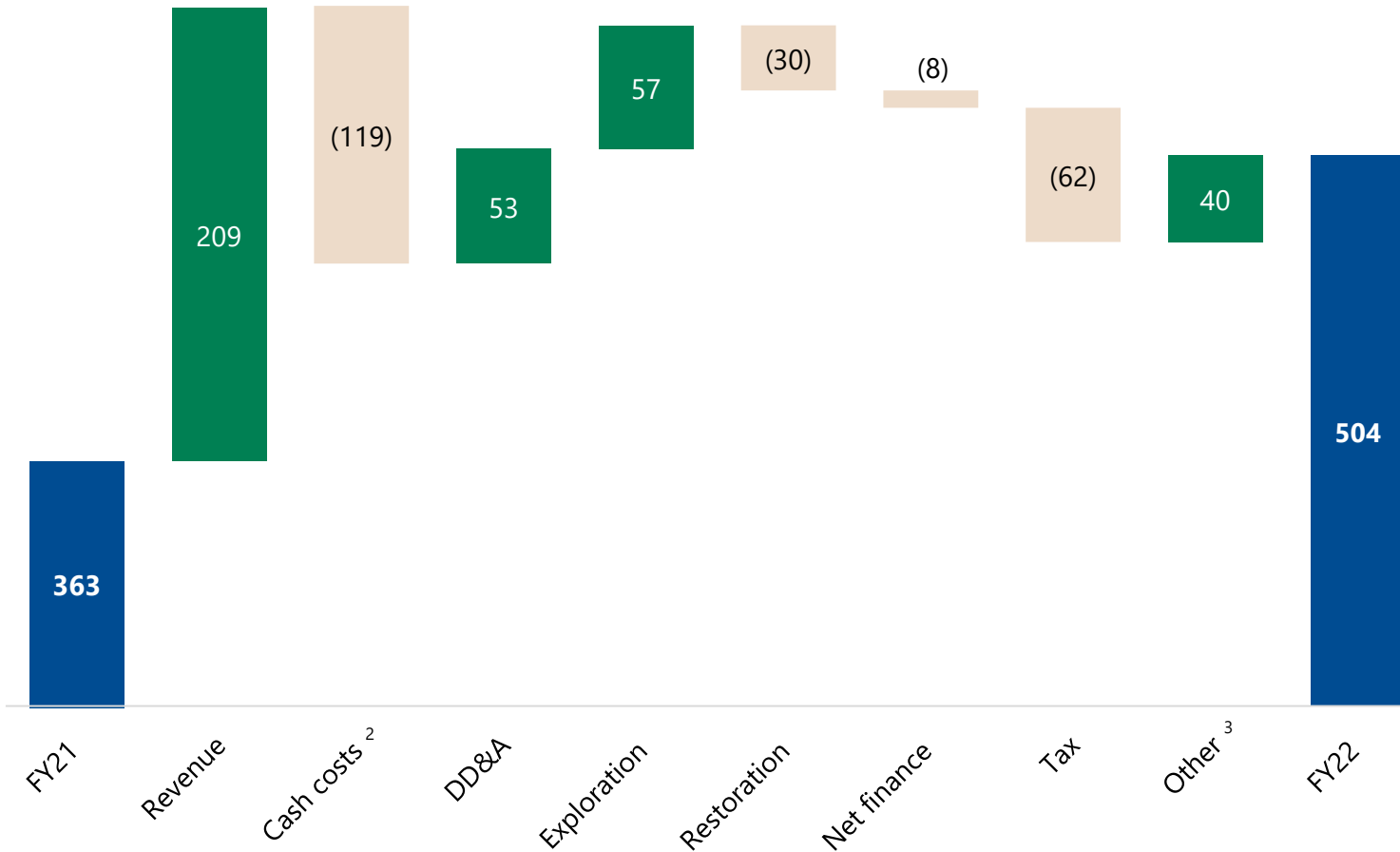


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# Underlying Net Profit After Tax<sup>1</sup>

## Strong FY22 earnings growth

\$ million



### Underlying NPAT up 39% due to:

- Higher realised prices and revenue
- Reduced depreciation from lower production
- Minimal exploration expensed

### Partially offset by:

- Higher royalties and third-party purchases driven by higher prices
- Higher tariffs and tolls due to one-off reduction in FY21 from carbon liability reversal
- Restoration provision for assets in abandonment phase (non-cash)
- Higher tax due to higher profit

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

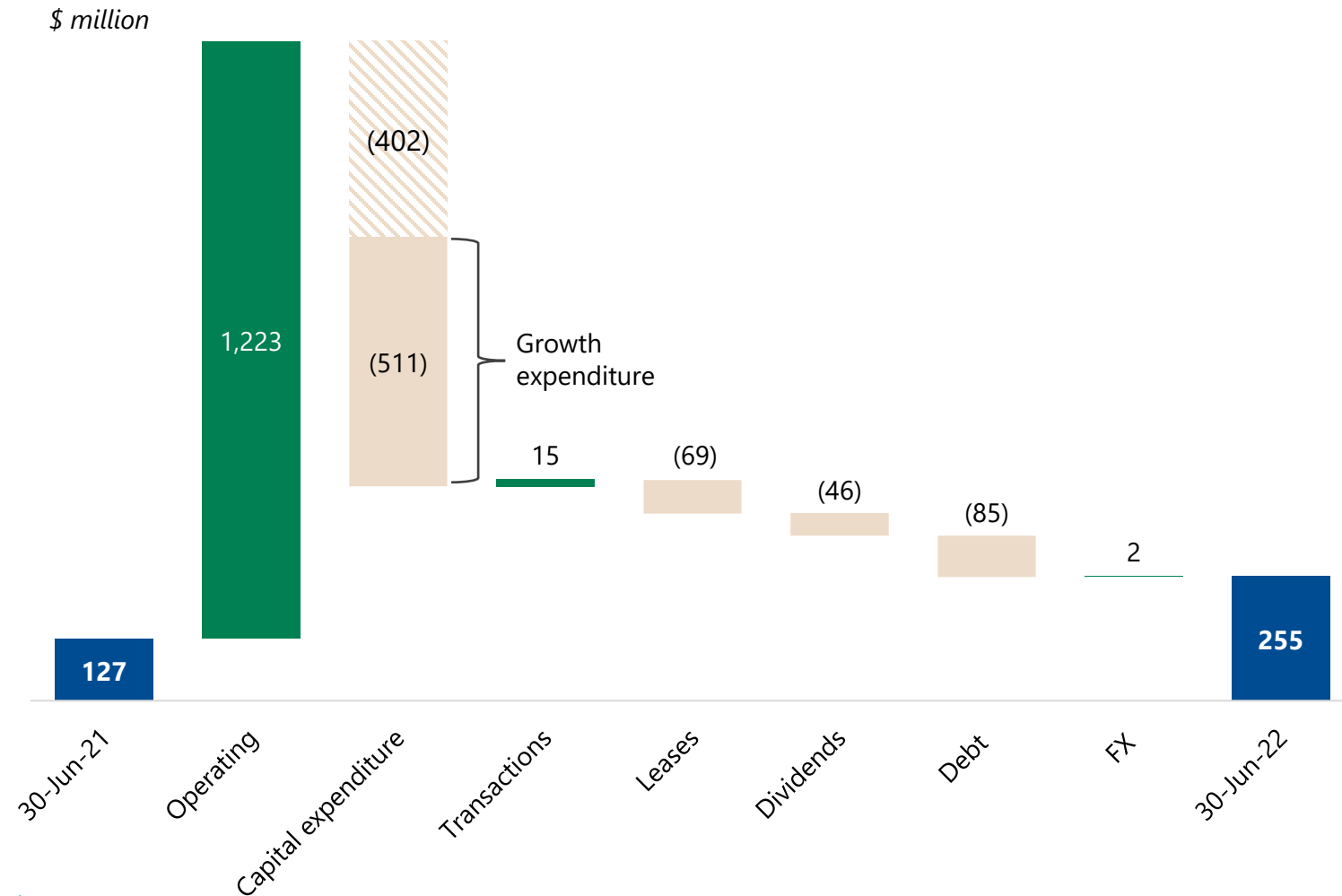
2. Cash costs of sales include field operating costs, tariffs and tolls, royalties and third-party purchases

3. Other includes inventory changes, FX, government grants, gain on reversal of liabilities, income related to joint venture lease recoveries and gains on sale of assets



# Cash flow movements

A strengthened financial position supports delivery of the FY23 capital program



- Cash reserves up 100% to \$255 million
- \$242 million free cash flow generated<sup>1</sup>
  - 6.2% free cash flow yield<sup>2</sup>
- \$752 million free cash flow pre-growth expenditure<sup>3</sup>
- Operating cash flow items include:
  - \$1.3 billion net operating receipts
  - \$110 million income tax paid
  - \$16 million restoration payments
  - \$42 million Kupe arbitration settlement
- Transaction inflows of \$15 million on completion of acquisitions and sales

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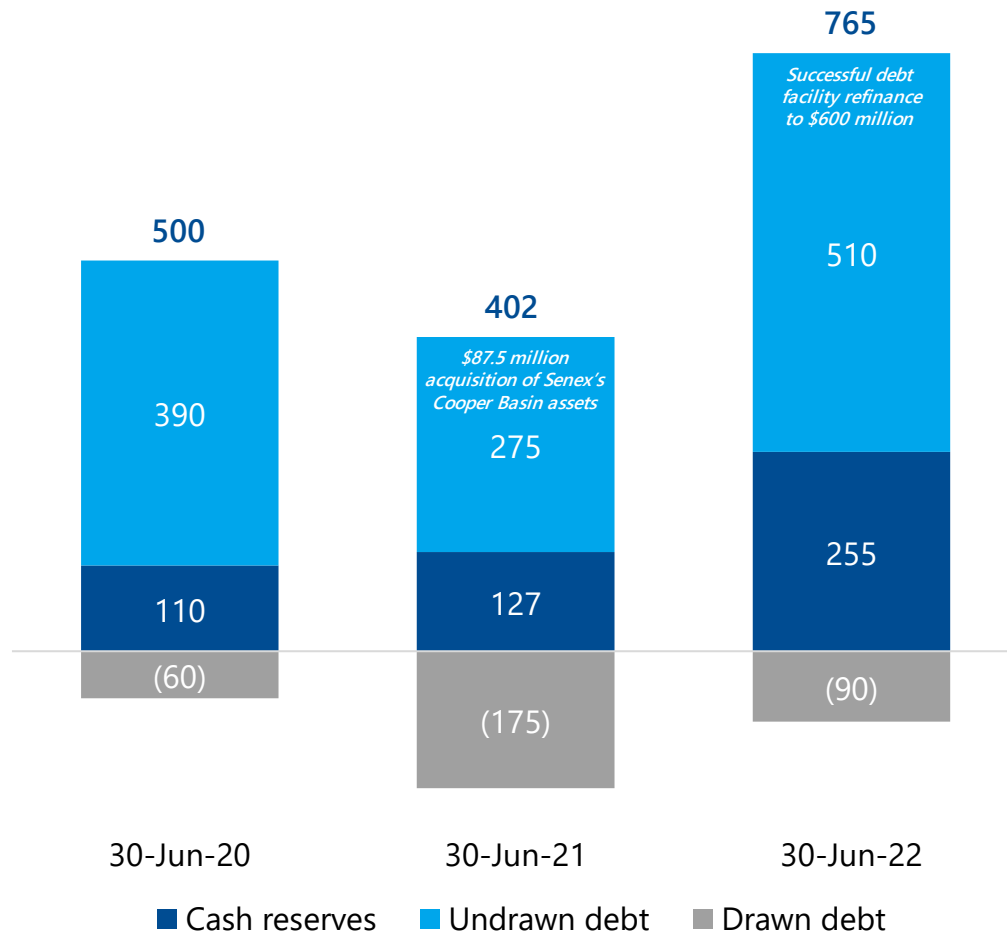
1. Free cash flow is defined as net cash flow before debt repayments, dividends, transaction adjustments and foreign exchange movements  
 2. Free cash flow yield calculated using Beach's closing share price of \$1.725 on 30 June 2022 and 2,281 million ordinary shares on issue  
 3. Free cash flow pre-growth expenditure is defined as free cash flow before expenditure for the offshore Otway Basin, Waitsia Stage 2, Western Flank oil exploration and Moomba CCS

# Fully funded to deliver major capital programs

Targeting a net cash position throughout FY23



Available Liquidity (\$ million)



- A strengthened financial position
- Provides flexibility for current and future growth projects
- Debt facility successfully refinanced and upsized to \$600 million
  - Improved terms and margins obtained
- 1.0 cps final dividend declared
  - ~\$550m franking credit balance at 30 June 2022
- \$165 million net cash at 30 June 2022 (+\$213 million)
- Targeting a net cash position throughout FY23

FY22 FULL-YEAR RESULTS

# Sustainability



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# Sustainability at Beach

## Environment, Social and Governance (ESG)



### Environment



- Aspiration to reach net zero Scope 1 and 2 emissions by 2050
- >90% of Beach customers have net zero carbon emissions targets
- Emissions intensity reduction target of 35% by 2030
- Environmental partnership with Deakin University's Blue Carbon Lab for new technologies to re-establish coastal wetlands
- Otway Basin drilling campaign completed without affecting the behavior of blue whales

### Social



- \$4.1m contributions (monetary and volunteering hours) across 66 organisations in FY22, benefiting more than 29,000 people
- 971 hours of workplace volunteering in H2 FY22
- Māori and Aboriginal cultural awareness training delivered
- Member of Supply Nation, a not-for-profit connecting organisations to First Nations business

### Governance



- Board committees for oversight on all ESG matters
- Policies and governance documents
- Clear lines of accountability
- Performance tracking against external benchmarks

### Reporting



- Several reports and statements released during FY22
  - 2022 Sustainability Report
  - 2021 Modern Slavery statement
  - FY21 Tax Contribution Report<sup>1</sup> highlighting \$472 million of taxes paid<sup>2</sup>
  - 2021 submission for Workplace Gender Equity Australia

**Beach Energy's 2022 Sustainably Report released 15 August 2022**

# New emissions intensity reduction target

Targeting 35% reduction by 2030

## New emissions intensity reduction target



- Emissions intensity measures CO2 per unit of production
- Robust measure which accommodates growth aspirations
- Projects to achieve 2030 target are fully funded
- Target captures operated and non-operated assets
- Progress against targets will be reported regularly
- Aspiration to reach net zero Scope 1 and 2 emissions by 2050

## Beach is committed to the emissions reduction journey

- ✓ Dedicated sustainability team focused on emissions reduction opportunities
- ✓ 7.4 kt CO2e emissions reductions delivered in FY22
- ✓ >90% of Beach customers have net zero carbon emissions targets
- ✓ Significant investment in Moomba CCS, one of Australia's largest emissions reduction projects
- ✓ Fuel, flare and vent projects delivered
- ✓ Leak detection and repair programs at all facilities

For more information, please refer to the  
2022 Sustainability Report at  
[www.beachenergy.com.au/sustainability](http://www.beachenergy.com.au/sustainability)





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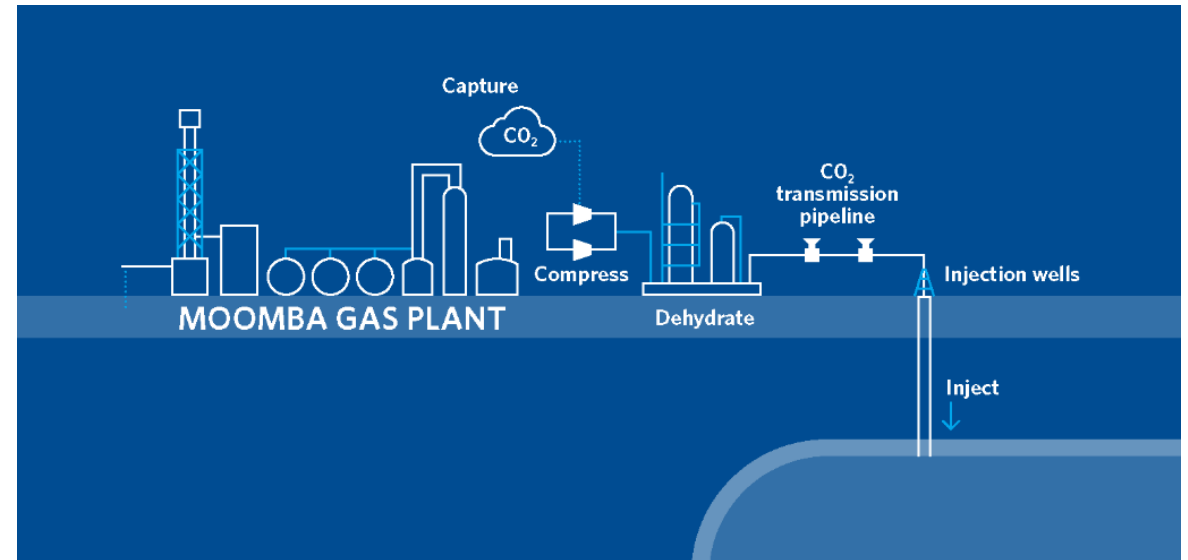
# Moomba CCS to deliver material CO2 reductions

A globally significant Carbon Capture and Storage project



- Targeting up to 1.7 Mt of CO2 storage annually (>0.5 Mtpa net to Beach)
- Depleted reservoirs with proven rock seal across the Cooper Basin
- Potential to store up to 20 Mtpa gross if fully developed<sup>1</sup>
- Existing wells to be re-purposed

- ✓ Final Investment Decision taken November 2021
- ✓ Registered for ACCUs with the Clean Energy Regulator
- ✓ Long-lead items ordered
- ✓ Initial CO2 2P storage booking (4.4 Mt)
- Targeting commencement of facilities construction and injector well drilling in H1 FY23
- First injection targeted for 2024



FY22 FULL-YEAR RESULTS

# Markets



  
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# Exposure to five markets with strong fundamentals

Underinvestment in new supply, strengthening demand and energy security concerns



## East Coast gas market



- Beach supplying ~12% of annual demand, targeting ~16% in FY24
- Beach investing heavily in the Otway Basin to support the East Coast market
- Reducing coal-fired power, intermittent renewable supply and grid network instability support gas demand outlook
- Stable policy framework required to stimulate investment in new gas supply

## West Coast gas market



- Beach supplying ~2% of annual demand
- Beach investing heavily in development and exploration to supply the domestic and LNG markets
- Existing gas supply expected to decline with tightness in late-2020s anticipated
- New industries and demand opportunities emerging

## NZ gas market



- Beach supplying ~8% of annual gas demand and ~25% of annual LPG demand
- Gas accounts for >20% of energy mix and expected to remain a critical source
- Supply constraints emerging with no new gas developments
- Other major New Zealand gas fields in decline, supporting further investment in Beach acreage

## Global oil and liquids Global LNG



- Geopolitical / energy security concerns highlight importance of oil and liquids
- Increasing demand outlook to support energy transition
- Limited investment in new supply accentuating imbalances
- Beach offers unhedged exposure to Brent and liquids pricing
- Targeting first LNG sales in H2 2023 with Brent and JKM pricing



# East Coast gas market

Gas prices continue to rise as demand and supply challenges persist

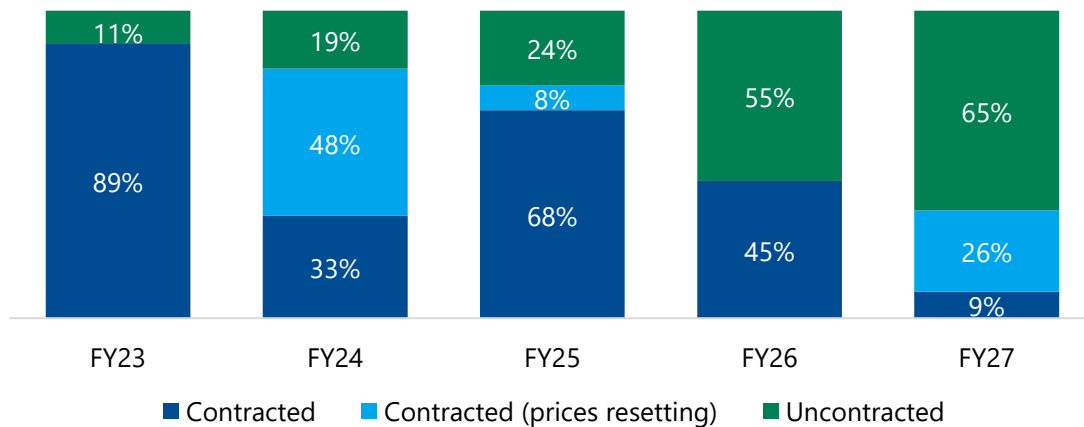


**Reducing coal-fired power, intermittent renewable supply and grid network instability support gas demand outlook**

**Anticipate gas supply will continue to tighten**

**Stable policy framework required to stimulate investment in new gas supply**

## Contracted vs uncontracted East Coast sales gas volumes<sup>1</sup>



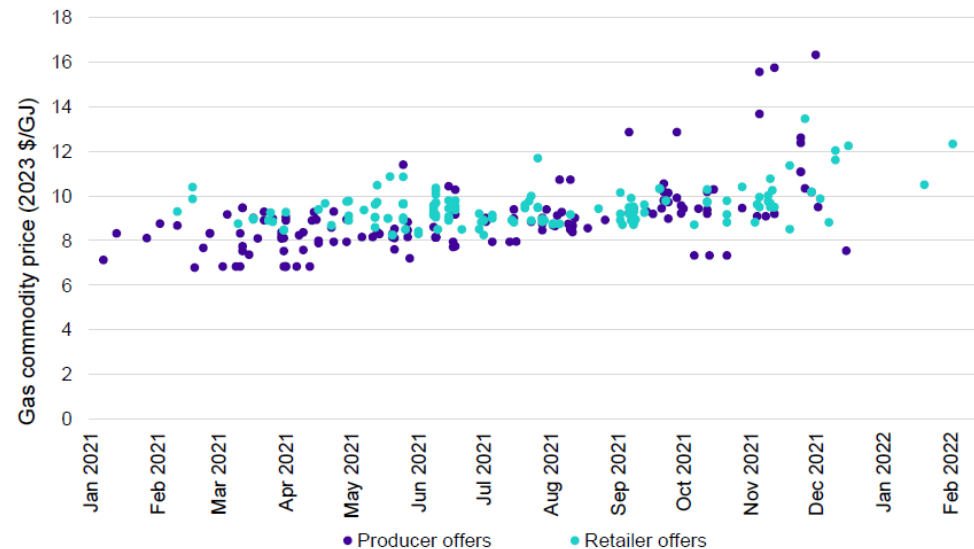
## Upward pressure on term contract prices

*"...the ACCC is concerned at the recent extreme price increases observed in spot markets in Australia and overseas, and their implications for future contract prices in the east coast gas market."*

*"Prices offered for supply in 2023 have increased, influenced by significant increases in LNG netback."*

ACCC Gas Inquiry 2017-2025 Interim Report, July 2022

## Contract price offers for 2023 supply (2023/GJ)



Source: ACCC Gas Inquiry 2017-2025 Interim Report, July 2022; ACCC analysis of offer information provided by suppliers

1. Based on Beach production profiles for currently producing assets; incremental volume from Thylacine development wells and Enterprise discovery included; no volume from Yolla West, Trefoil or exploration success included; does not assume re-contracting of uncontracted volumes

# Western Australia domestic gas market

Market expected to tighten further from mid-2020s

Domestic gas prices have strengthened while remaining globally competitive

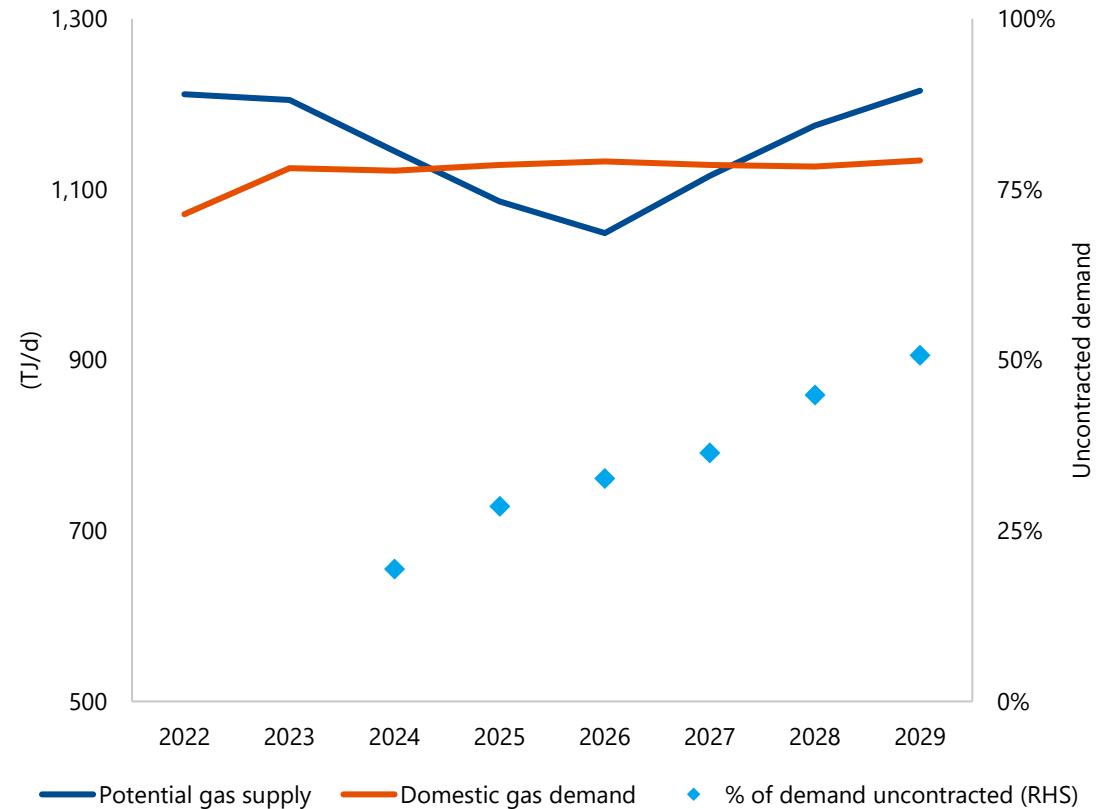
Stable demand with potential growth from emerging demand sources

Demand forecast to exceed supply in the mid-2020s



- ✓ Beach committed to supplying the domestic market
- ✓ Currently supplying >20 TJ/day with plans to expand capacity
- ✓ Waitia Stage 2 well positioned to supply the domestic market from 2029, post the LNG export period

Demand forecast to exceed supply in the mid-2020s, coinciding with rising uncontracted demand



Source: AEMO – 2021 WA Gas Statement of Opportunities, Base scenario WA gas market balance

# Global LNG market

Increasing demand and geopolitical uncertainty driving prices higher

**Geopolitical / energy security concerns highlight importance of LNG**

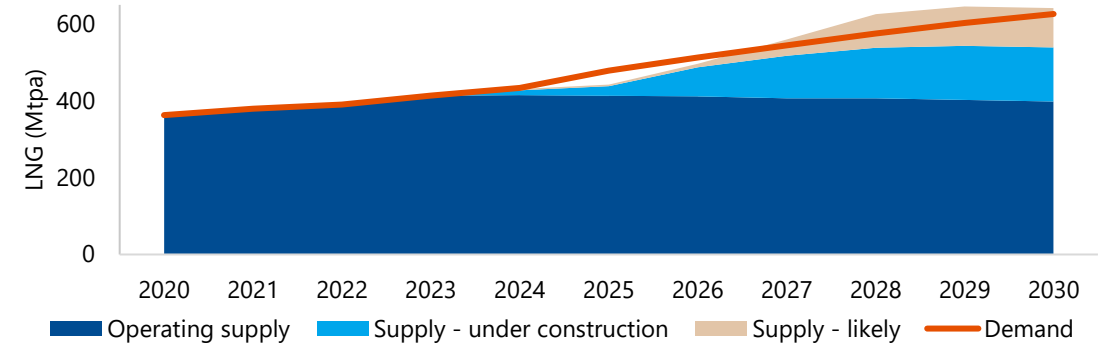
**Increased European demand (diversifying from Russian pipeline gas) competing with Asian demand**

**Delays to new LNG supply, long lead times (4+ years) and doubts over Russian supply (new and existing)**



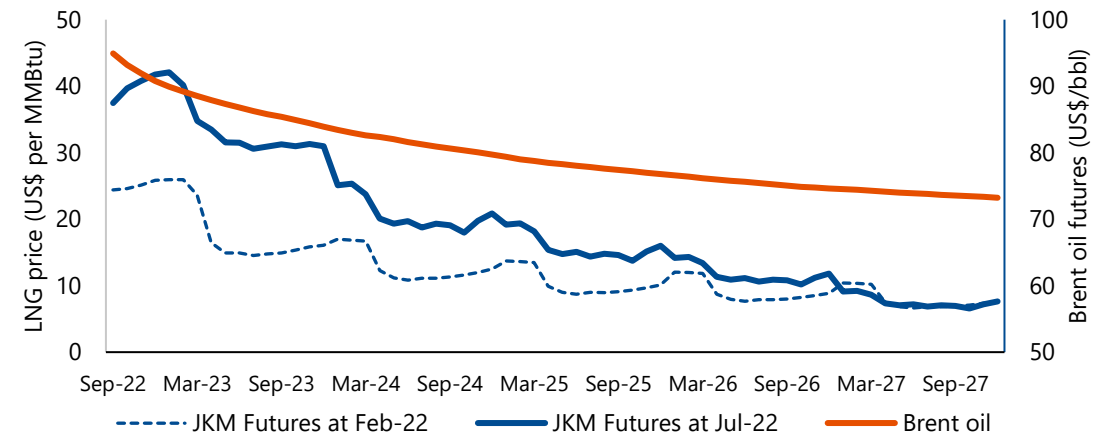
- ✓ Targeting Waitsia Stage 2 LNG supply to commence in H2 2023 for ~5 years
- ✓ Hybrid pricing structure linked to Brent and JKM indices, preserving exposure to current commodity prices

## Tightening global LNG market



Source: Facts Global Energy, LNG Online Data System

## Beach exposed to strengthened LNG prices and Brent oil



Source: Source: Source: CME Group, [www.cmegroup.com](http://www.cmegroup.com)

FY22 FULL-YEAR RESULTS

# Outlook



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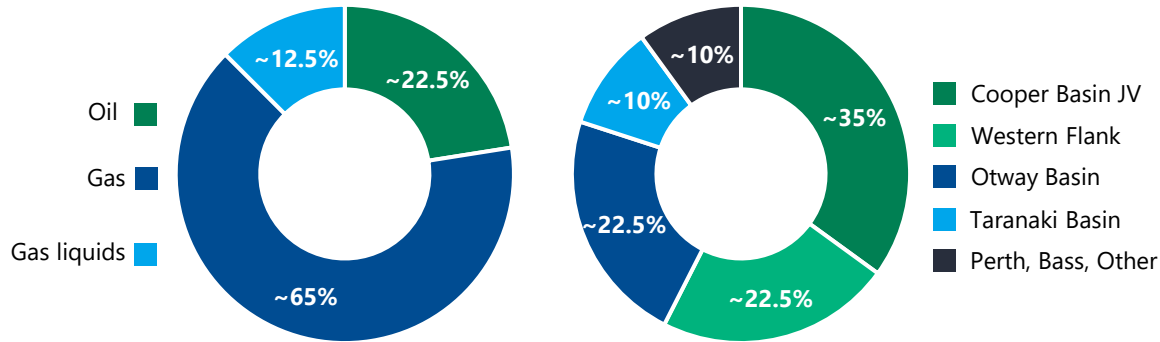




# FY23 guidance

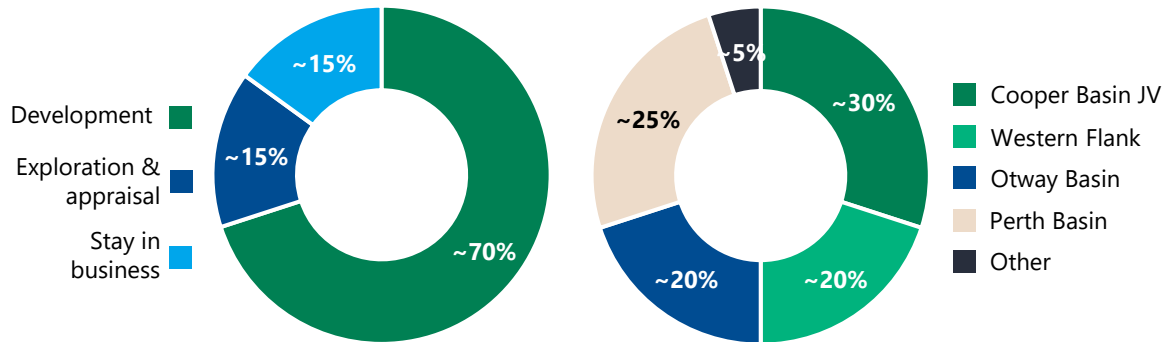
Optimising production performance ahead of growth in FY24

## FY23 production guidance: 20.0 – 22.5 MMboe



- FY23 highly dependent on Otway customer nominations
- Targeting flat production from Western Flank oil and Cooper Basin JV
- ~15-20% natural field decline in Bass and Taranaki basins; Steady production in Perth Basin

## FY23 capital expenditure guidance: \$800 – 1,000 million



## FY23 operating cost guidance

	FY22	FY23 guidance
Unit operating costs <sup>1</sup> (\$ per boe)	\$11.74 per boe	\$12 - 13 per boe

1. Unit field operating costs exclude pipeline tariffs, royalties and third-party purchases

# FY23 guidance

Otway and Perth basin developments underpin growth in FY24



## FY23 production assumptions (20.0 – 22.5 MMboe)

- **Otway Basin:** Sales gas outlook based on offshore well deliverability
- ~3 weeks downtime at Otway Gas Plant in FY23 for well connections and maintenance
- Incremental production from Thylacine / Enterprise wells assumed in FY24
- **Perth Basin:** Steady production of 20-22 TJ/day from Beharra Springs and Xyris gas plants targeted; incremental production from Waitsia Stage 2 from H2 2023
- **Western Flank:** Active drilling and workover activities support a flat oil production target
- Gas decline of 25-30% assumed due to natural field decline and faster decline from recent discoveries than originally anticipated
- **Cooper Basin JV:** Five-rig drilling campaign and active workover and optimisation activities support a flat production target
- **Bass and Taranaki basins:** Natural field decline of 15-20% assumed

## FY23 capital expenditure assumptions (\$800 – 1,000 million)

- **Otway Basin:** Pipelines and connections for Thylacine and Enterprise wells
- Offshore exploration prospect maturation and nearshore / onshore 3D seismic acquisition planning
- **Perth Basin:** Waitsia Stage 2 gas plant construction and development drilling
- Exploration and appraisal drilling in operated and non-operated acreage
- **Western Flank:** ~30 wells (predominantly oil), including up to 12 horizontal wells; workover and optimisation activities
- New oil production facilities in the Martlet field
- Assess gas exploration drilling for H2 FY23 to arrest decline
- **Cooper Basin JV:** ~100 wells (predominantly gas); workover and optimisation activities
- Moomba CCS progress
- **Bass and Taranaki basins:** Optimisation activities; planning for FY24 drilling



# Perth Basin

## Targeting commencement of LNG sales in H2 2023

### Asset overview

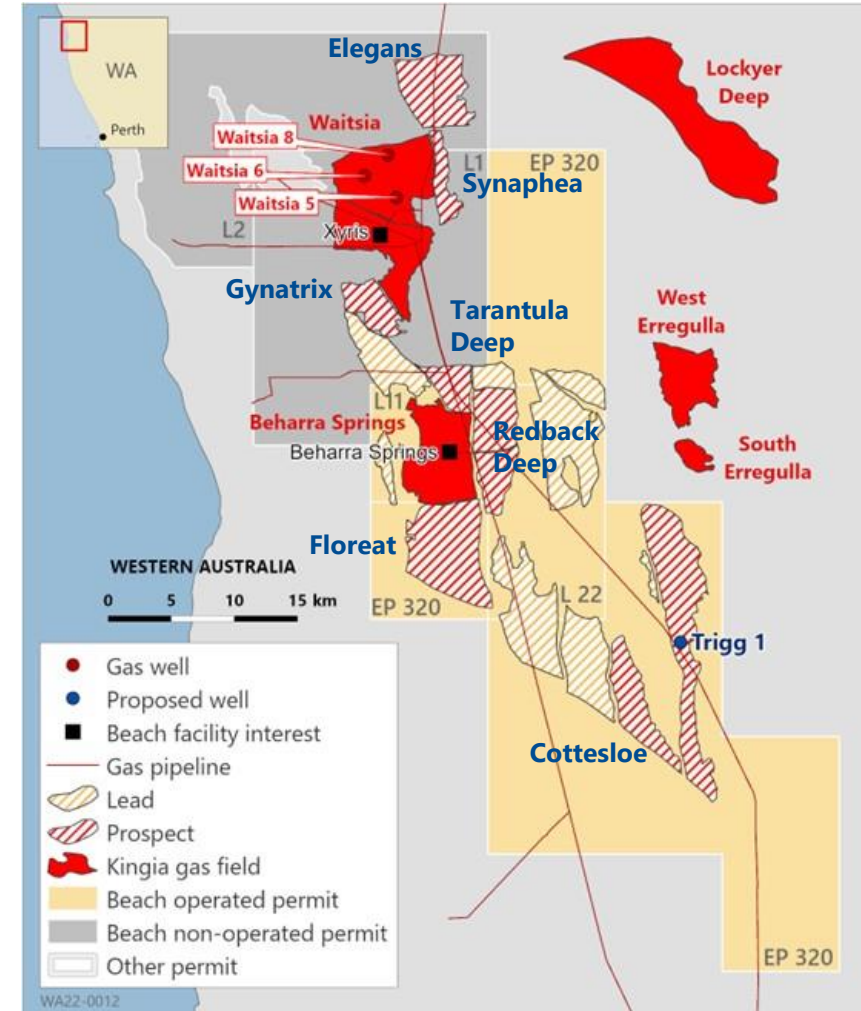
- **Interests:** 50% interest and operator of Beharra Springs (Mitsui 50%); 50% interest in Waitsia (Mitsui 50% and operator)
- **Assets:** Beharra Springs Gas Plant (~22 TJ/day capacity); Xyris Gas Plant (~24 TJ/day capacity); Beharra Springs and Waitsia gas fields

### FY22 highlights

- Over four years of Beharra Springs Gas Plant operations with no Lost Time Injury
- Signing of LNG HoA with bp
- Commencement of construction of the 250 TJ/day Waitsia Gas Plant
- Commencement of the Waitsia Stage 2 development drilling campaign
- Rectification of the CO2 removal membranes at Beharra Springs Gas Plant

### FY23+ outlook

- Complete construction of the Waitsia Gas Plant
- Complete the six-well Waitsia Stage 2 development drilling campaign
- Commence the Perth Basin gas exploration and appraisal drilling<sup>1</sup>
  - Two Mitsui-operated exploration wells, Elegans 1 and Gynatrix 1; followed by
  - Beach-operated Trigg 1 exploration well, Beharra Springs Deep 2 appraisal/development well and an additional 2-4 Beach operated wells



NB. Represents Beach's interpretation of fields, prospects and leads from available data  
Prospects are named, leads have not been named in above image

# Otway Basin

Investing in new gas supply to support the East Coast market



## Asset overview

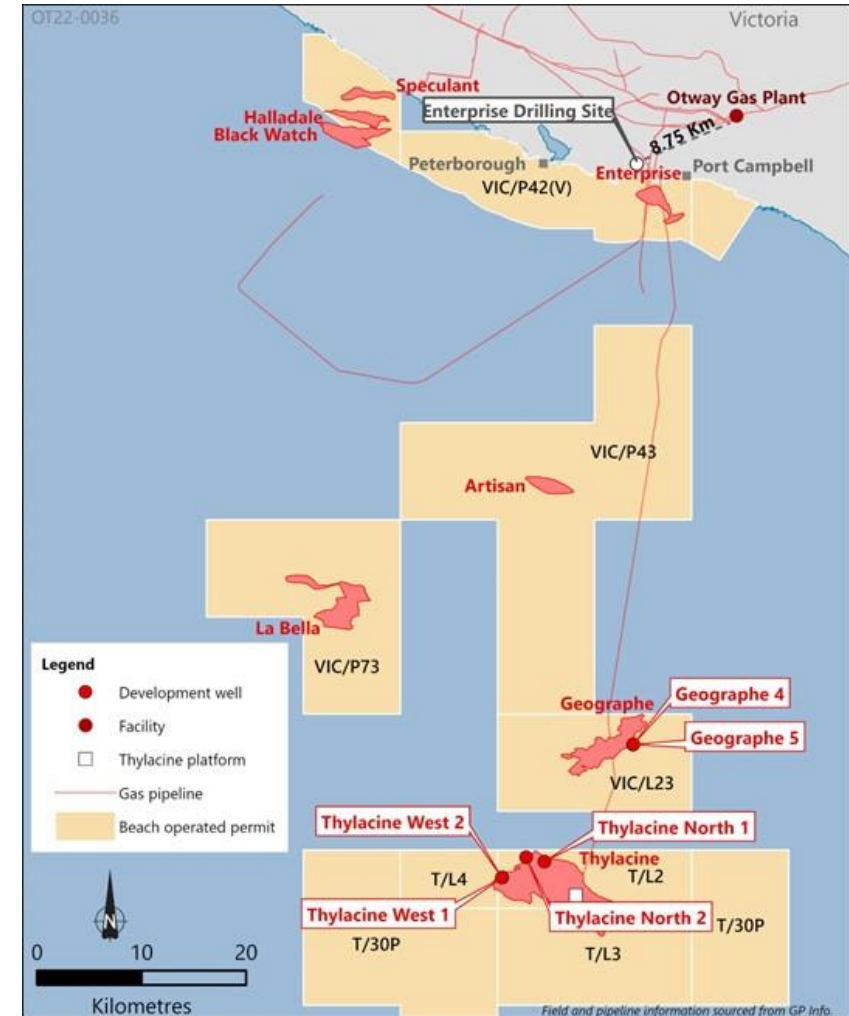
- **Interest:** 60% interest and operator (O.G. Energy 40%)
- **Assets:** Otway Gas Plant (~205 TJ/day capacity); Thylacine, Geographe, Speculant, Halladale and Black Watch gas fields; Enterprise, Artisan and La Bella gas discoveries

## FY22 highlights

- Over 7.5 years of Otway Gas Plant operations with no Lost Time Injury
- Completion of the seven-well offshore drilling campaign
- Commissioning of Geographe 4 and 5 in Q3 FY22
- Average daily sales gas production up 46% to 94 TJ/day gross (FY21: 64 TJ/day)
- Final Investment Decision taken for connection of Enterprise to the Otway Gas Plant

## FY23+ outlook

- Connection of the four Thylacine wells and the Enterprise discovery to the Otway Gas Plant, subject to regulatory approvals
- Marketing of new Enterprise gas volumes
- Maturing offshore exploration drilling prospects for FY24/25 drilling
- Planning for nearshore and onshore 3D seismic acquisition

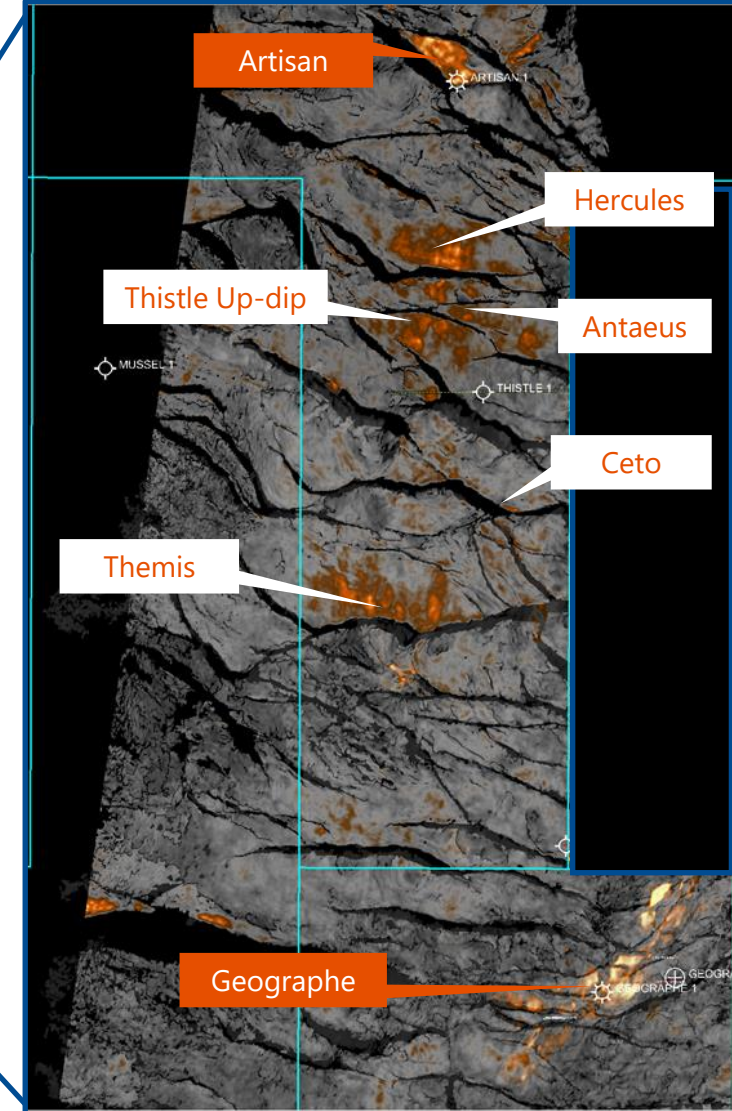
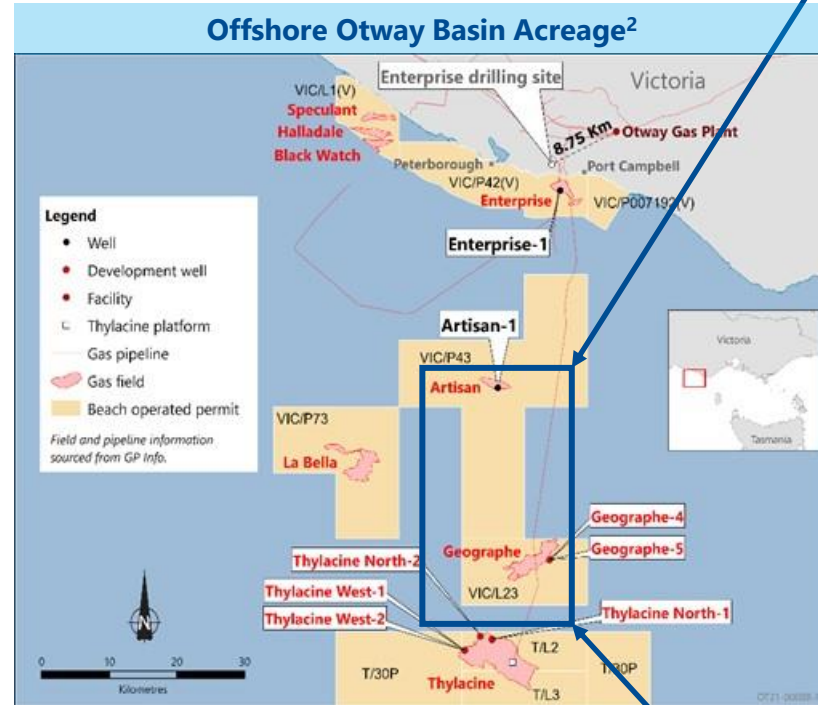




# Offshore Otway Basin exploration

## Multiple seismic-amplitude supported prospects

- 100% success rate from seismic amplitude supported wells in Beach acreage<sup>1</sup>, including:
  - La Bella, Geographe, Thylacine, Halladale, Enterprise, Artisan
- Multiple amplitude-supported prospects between Artisan and Geographe fields
  - Hercules, Antaeus, Thistle Up-dip, Ceto, Themis
- Artisan and La Bella discoveries to be developed in conjunction with exploration opportunities to maximise value
- Potential FY24 drilling program to define most value-accretive development of Artisan and La Bella
- Targeting to have successful wells online by FY25/26 to extend Otway Gas Plant production



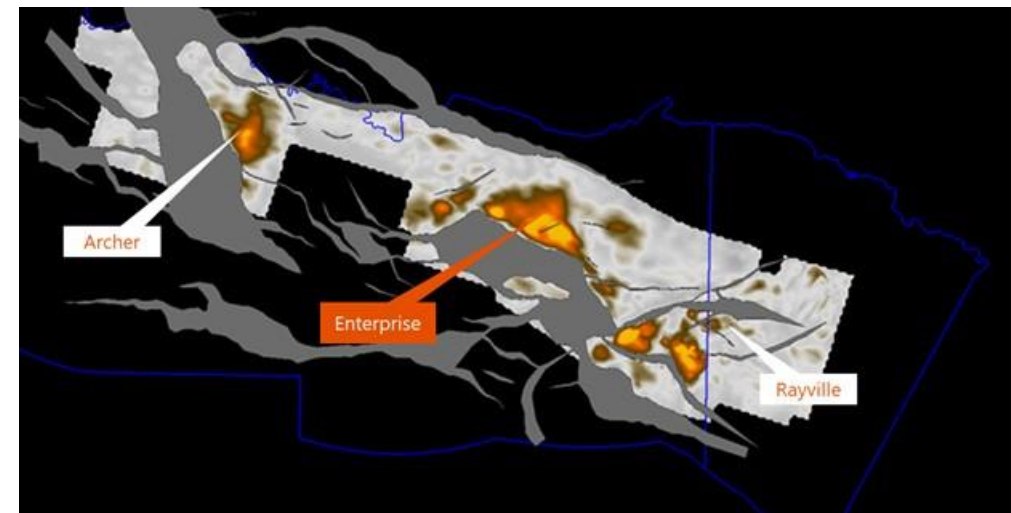
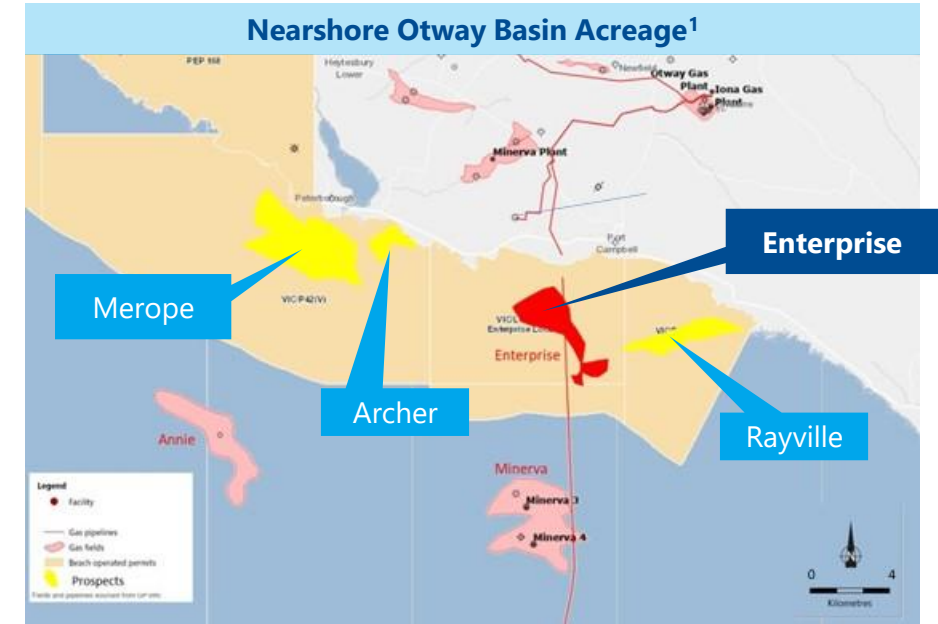
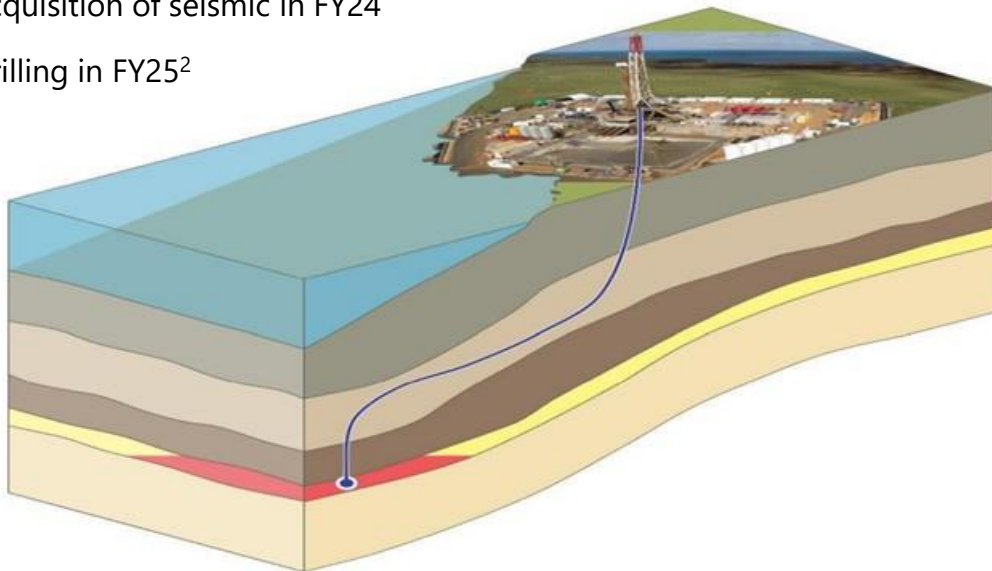


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# Nearshore Otway Basin exploration

Short-cycle opportunities; 3D seismic planning underway

- Enterprise discovery drilled from onshore well pad to offshore reservoir
  - 4.9 km directional well
  - High-value liquids-rich gas with direct tie-in to the Otway Gas Plant
  - 34 MMboe gross (20 MMboe net) 2P gas and gas liquids reserves
- Three high-impact nearshore leads to be assessed via 3D seismic
  - Potential for one lead to be drilled from the Enterprise well pad
  - Targeting acquisition of seismic in FY24
  - Targeting drilling in FY25<sup>2</sup>





# Taranaki Basin

## Planning for development drilling in FY24

### Asset overview

- **Interest:** 50% interest and operator (Genesis Energy 46%, NZOG 4%)
- **Assets:** Kupe Gas Plant (~77 TJ/day capacity); Kupe gas field

### FY22 highlights

- Completion of the Kupe Inlet Compression project with improved plant reliability
- Kupe Gas Plant rates increased post compression project
- Reliable production with Kupe Gas Plant uptime exceeding 99%
- No recordable safety incidents

### FY23+ outlook

- Planning for potential drilling of Kupe development well in FY24
- Ongoing productivity and optimisation activities





# Bass Basin

## Planning developments to increase production and extend asset life

### Asset overview

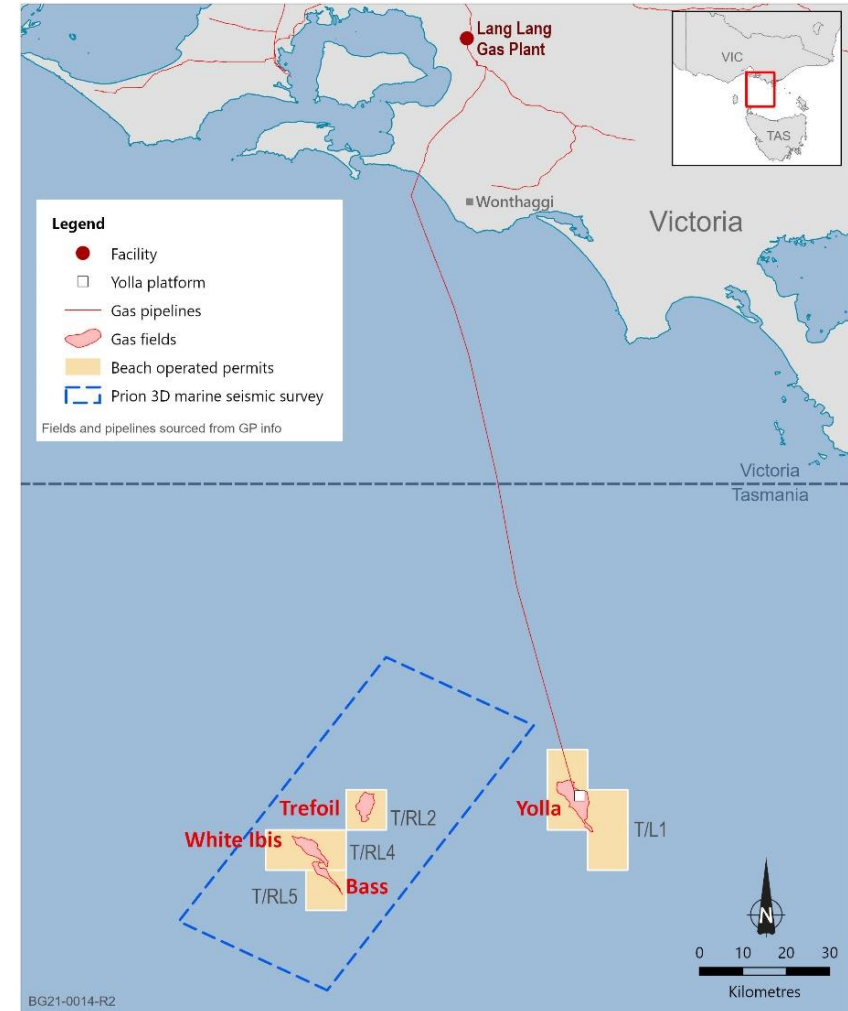
- **Interest:** 88.75% interest and operator of BassGas (Prize Petroleum 11.25%); 90.25% interest and operator of Trefoil (Prize Petroleum 9.75%)
- **Assets:** Lang Lang Gas Plant (~67 TJ/day capacity); Yolla gas field; Trefoil, White Ibis and Bass gas discoveries

### FY22 highlights

- Completion of the Yolla wireline intervention project
- Acquisition of the Prion 3D seismic survey over the Trefoil, White Ibis and Bass discoveries
- Reprocessing of existing 3D seismic data over the Yolla field
- Identification of the Yolla West infield opportunity

### FY23+ outlook

- Planning for drilling of Yolla West
- Update Trefoil, White Ibis and Bass resource estimates from new 3D seismic
- Progress Trefoil FEED to inform next steps





# Western Flank oil and gas

## Active drilling and workovers to target flat oil production in FY23

### FY22 drilling highlights

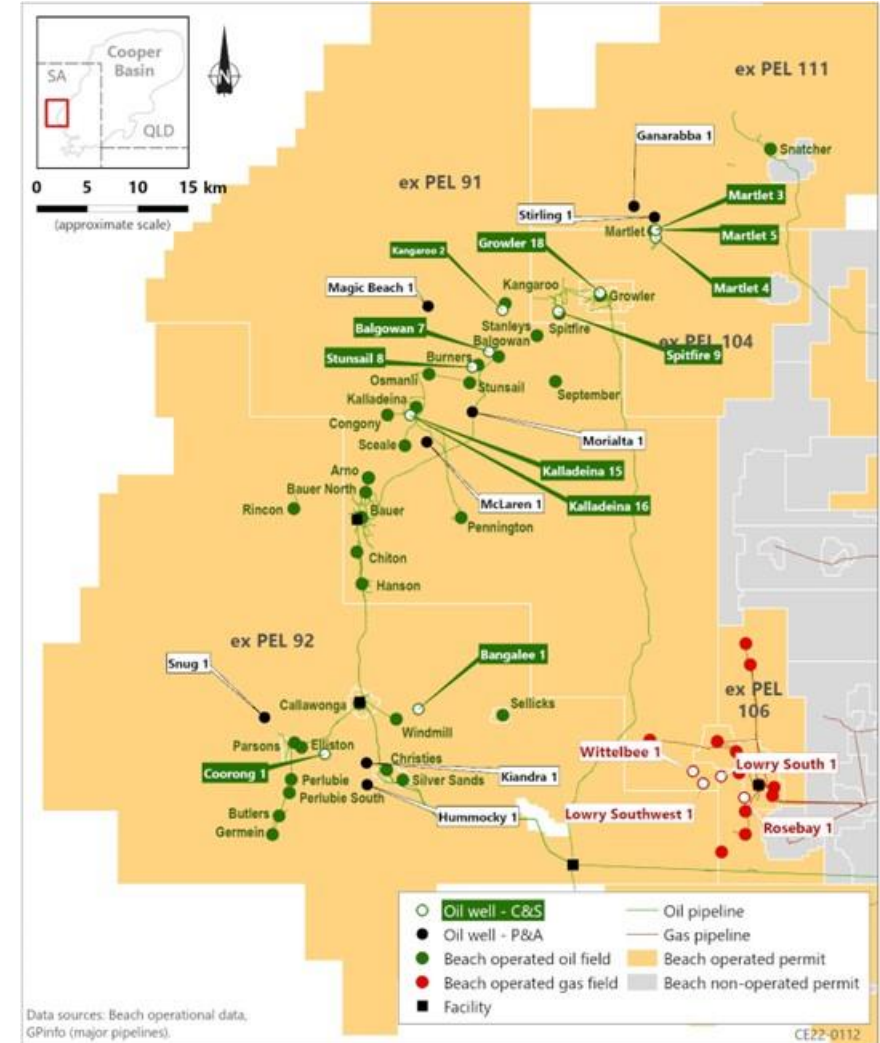
- 40% exploration and appraisal drilling success rate (total 20 wells)
  - Two oil discoveries (Bangalee, Coorong); one discovery after year-end (Rocky)
  - Two gas discoveries (Rosebay and Lowry South)
  - Successful appraisal campaigns at Martlet (three wells) and Kangaroo (one well)
- 100% development drilling success rate (six horizontal oil wells)
  - Spitfire, Growler and Martlet particularly positive with 10 follow-up wells planned for FY23

### Key learnings from exploration campaign

- New seismic techniques (PSDM) improved accuracy of depth imaging - key uncertainty
  - Two Namur exploration discoveries Bangalee and Coorong used this technique
- Approach to be applied across the Western Flank for future exploration and appraisal activity

### FY23 plans

- Single-rig drilling campaign targeting up to 30 wells
  - Four near field oil exploration wells – Namur and Birkhead targets
  - Up to 11 appraisal wells, including four follow-up Martlet wells
  - Up to 10 horizontal development wells including Spitfire, Growler and Bauer
  - Contingent wells, including potential gas exploration, subject to early drilling results
- Active workover rig program throughout FY23



NB. FY22 activity highlighted

# Cooper Basin JV

## Five-rig drilling campaign targeting stable production in FY23



### Asset overview

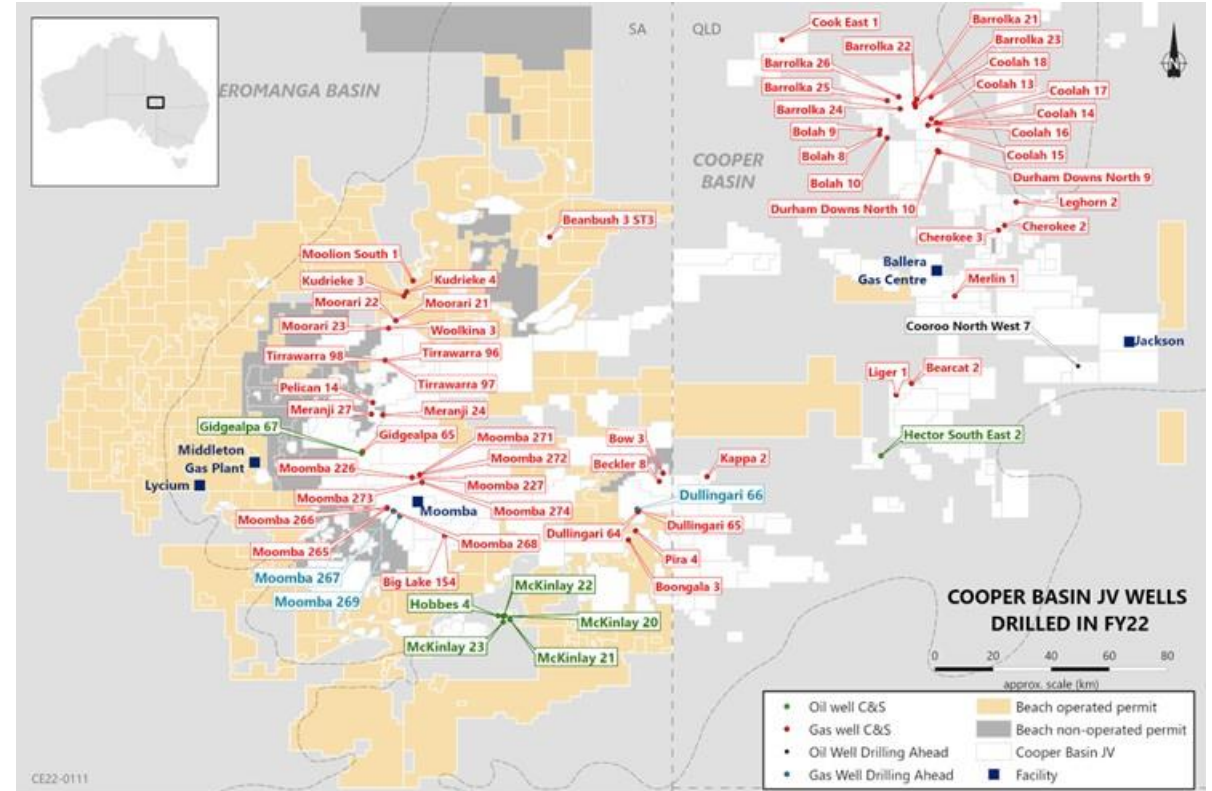
- **Interest:** Various non-operated interests (Santos operator)
- **Assets:** Moomba Gas Plant ~400 TJ/day capacity; ~190 producing oil and gas fields; depleted reservoirs for CCS

### FY22 highlights

- Final Investment Decision for the Moomba Carbon Capture and Storage project
- Participation in 64 wells with an overall success rate of 94%
- Gas exploration success at the Merlin and Cook East fields

### FY23+ outlook

- Five-rig drilling campaign with a primary focus on gas development
- Ongoing production and performance improvement initiatives
- Ongoing electrification across the asset portfolio
- Commence construction of Moomba Carbon Capture and Storage project



NB. FY22 activity highlighted

# Key takeaways

Delivering the foundation for sustainable growth



## Growing Gas Supply

- 7 well offshore Otway campaign complete
- Geographe 4 and 5 wells producing
- Connecting Thylacine and Enterprise
- Waitsia Stage 2 under construction

## Growing in Key Markets

- Targeting 4 gas markets for >15 years from FY24
- Inflation adjusted fixed price gas, oil-linked gas, JKM and Brent exposure
- bp LNG SPA signed
- Targeting material LNG revenues from FY24

## Growing Free Cash Flow

- \$1.2 billion operating cash flow
- 73% increase in free cash flow pre-growth<sup>1</sup> to \$752 million
- Targeting net cash position throughout FY23<sup>2</sup>

## Growing Sustainably

- New target for 35% emissions intensity reduction by 2030
- Moomba CCS first CO2 injection in 2024 targeted
- Aspiration to reach net zero Scope 1 and 2 emissions by 2050
- Inaugural CO2 storage capacity reserves

FY22 FULL-YEAR RESULTS

# Q&A and appendix



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# Other financial statement impacts



## Reconciliation of EBITDA and NPAT

<i>\$ million</i>	FY21	FY22	Change
<b>Underlying EBITDA</b>	<b>953</b>	<b>1,111</b>	<b>+17%</b>
Legal cost provision for shareholder class actions	-	(5)	
Gain on reversal of acquired liabilities	35	-	
Impairment of assets	(117)	-	
<b>EBITDA</b>	<b>871</b>	<b>1,106</b>	<b>+27%</b>
Depreciation and amortisation	(429)	(376)	
Finance expenses	(6)	(14)	
Interest income	1	-	
Tax	(120)	(216)	
<b>Statutory NPAT</b>	<b>317</b>	<b>501</b>	<b>+58%</b>
Legal cost provision for shareholder class actions	-	5	
Gain on reversal of acquired liabilities	(35)	-	
Impairment of assets	117	-	
Tax impact of the above	(35)	(2)	
<b>Underlying NPAT</b>	<b>363</b>	<b>504</b>	<b>+39%</b>

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