Quarterly Report

For the period ended 30 June 2017

Key Highlights

Record production and infrastructure expansions

- Record full-year production of 10.6 MMboe, up 9% from the prior year.
- Quarterly production of 2.5 MMboe, in-line with the prior quarter and supported by strong oil production and a material increase in Western Flank gas and gas liquids production.
- Bauer facility expansion commissioned; first well connections to occur in Q1 FY18.
- Middleton gas compression project commissioned; 68% production increase in Q4 FY17.
- FY18 production guidance of 10.0 – 10.6 MMboe; targeting >10 MMboe production in FY19 and FY20.
- FY18 production underpinned by existing producers and current well inventory, and does not rely on exploration drilling success.

Drilling success and increasing well inventory

- Successful five-well Callawonga Field oil development campaign; 2P reserve additions expected.
- 58 wells drilled in FY17 at a success rate of 79%; 18 wells drilled in Q4 FY17 at a success rate of 67%.
- Planned participation in up to 78 wells in FY18, up 35% from FY17.
- More than 20 currently cased and suspended wells expected to commence production in FY18.

Strengthened financial position and commercial arrangements

- Net cash increased by $149 million in FY17; year-end available liquidity of ~$700 million.
- Net operating cash flow of $84 million generated in Q4 FY17.
- Improved oil pricing from re-negotiated sale and purchase terms with the Cooper Basin JV.
- FY18 capital expenditure guidance of $220 – 260 million, with two thirds of discretionary expenditure targeting projects with >60% internal rate of return; multi-year capital program underway.

Comments from Chief Executive Officer, Matt Kay

"Results from the fourth quarter contributed to a strong year for Beach. Record full-year production of 10.6 MMboe, completion of major infrastructure upgrades, successful drilling campaigns and close to $700 million of available liquidity demonstrate a strengthened platform for growth.

To continue this momentum, Beach has commenced a multi-year capital program which seeks to extract maximum value from our core Cooper Basin acreage. By fully appraising the undeveloped reserve and prospective resource potential of the basin, the program provides the foundation for sustained activity and production over coming years.

In FY18, Beach expects to connect more than 20 currently cased and suspended wells, undertake various optimisation and expansion projects, and participate in up to 34 development wells. These activities are expected to offset natural field decline and sustain production levels in FY18. To support production and activity beyond FY18, the program also comprises increased exploration drilling and will deliver optimal development plans for recent discoveries. Capital expenditure of $220 – 260 million is expected, with two thirds of discretionary spend targeting projects with internal rates of return greater than 60%.

The multi-year program is consistent with Beach's strategy to optimise its core Cooper Basin acreage. It provides confidence to guide towards production of 10.0 – 10.6 MMboe in FY18 and target at least 10 MMboe of production in FY19 and FY20. FY18 guidance is underpinned by existing producers and current well stock, and does not rely on exploration drilling success. With an expanded exploration and appraisal drilling campaign and a full-year rig schedule in FY18, Beach also has confidence to target at least 100% replacement of produced reserves through to year-end FY19."

Key Statistics	June Q4 FY16	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change	Full-year FY17
Production (kboe)	2,721	2,509	**2,499**	(0%)	10,553
Sales Volumes (kboe)	3,097	2,647	**2,835**	7%	11,845
Sales Revenue ($ million)	167	153	**152**	(0%)	649
Oil Price ($/bbl)	66.1	68.8	**69.5**	1%	68.2
Cash ($ million)	199	325	**348**	7%	348
Drawn Debt ($ million)	150	150	**150**	–	150

Financial

Sales volumes

Beach achieved record full-year sales volumes of 11.8 MMboe in FY17, up 9% from the prior year and in-line with record production volumes. Quarterly sales volumes of 2,835 kboe were 7% higher than the prior period.

Sales Volumes		June Q4 FY16	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change	Full-year FY17
Oil (kbbl)	Own Product	1,526	1,301	1,184	(9%)	5,528
	Third Party	134	76	136	79%	502
	Cooper Basin Oil	**1,660**	**1,377**	**1,320**	**(4%)**	**6,030**
	Egypt	24	–	–	–	–
	Total Oil	**1,684**	**1,377**	**1,320**	**(4%)**	**6,030**
Sales Gas and Ethane (PJ)	Own Product	6.6	5.7	7.5	33%	27.5
	Third Party	0.1	0.1	0.1	(27%)	0.6
	Egypt	0.1	–	–	–	–
	Total Gas	**6.8**	**5.8**	**7.6**	**31%**	**28.1**
LPG (kt)	Own Product	12.7	14.2	8.5	(40%)	47.2
	Third Party	–	0.2	1.3	374%	1.9
	Total LPG	**12.7**	**14.4**	**9.8**	**(32%)**	**49.1**
Condensate (kbbl)	Own Product	140	142	120	(16%)	580
	Third Party	11	6	6	13%	19
	Total Condensate	**151**	**148**	**126**	**(15%)**	**599**
Total Oil and Gas Sales (kboe)		**3,097**	**2,647**	**2,835**	**7%**	**11,845**
Total – Own Product (kboe)		2,935	2,536	2,662	5%	11,204
Total – Third Party (kboe)		162	111	173	55%	641

Sales revenue

Total sales revenue of $152 million was in-line with the prior period. The impact on revenue from lower Brent oil prices and lower oil sales volumes was mitigated by improved pricing terms of the renewed Crude Oil Sale and Purchase Agreements with the Cooper Basin JV. The average realised Australian dollar oil price increased by 1% to $69/bbl during a period in which the average daily Australian dollar Brent oil price decreased by 6%. The average realised sales gas and ethane price of $6.21/GJ was in-line with the prior period.

Sales Revenue ($ million)	June Q4 FY16	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change	Full-year FY17
Oil	**111.4**	**94.8**	**91.7**	**(3%)**	**411.4**
Sales Gas and Ethane	40.6	36.7	47.4	29%	170.8
LPG	6.0	9.7	5.3	(45%)	27.4
Condensate	8.6	11.5	7.8	(32%)	39.7
Sales Gas and Gas Liquids	**55.2**	**57.9**	**60.5**	**5%**	**237.9**
Total Oil and Gas	**166.6**	**152.7**	**152.2**	**(0%)**	**649.3**
Total – Own Product	157.0	146.0	141.6	(3%)	611.2
Total – Third Party	9.6	6.7	10.6	58%	38.1
Average Realised Prices	**June Q4 FY16**	**March Q3 FY17**	**June Q4 FY17**	**Qtr on Qtr Change**	**Full-year FY17**
All Products ($/boe)	**53.8**	**57.7**	**53.7**	**(7%)**	**54.8**
Oil ($/bbl)	66.1	68.8	69.5	1%	68.2
Sales Gas and Ethane ($/GJ)	6.0	6.3	6.2	(1%)	6.1
LPG ($/t)	471.9	675.5	543.6	(20%)	557.8
Condensate ($/bbl)	56.9	77.8	61.6	(21%)	66.3

Capital expenditure

Capital expenditure of $46 million was 25% higher than the prior period as well completion and connection activity increased in Beach's operated Western Flank oil and gas acreage. Quarterly capital expenditure was lower than expected due to delayed commencement of workover rig operations and re-scheduling of the Bauer Field horizontal well to Q1 FY18.

Full-year FY17 capital expenditure of $155 million was 16% lower than the prior year. Despite reduced expenditure, the program delivered:

- An increase in wells drilled relative to the prior year due to operating efficiencies, faster drill times and a full-year operated rig schedule;
- Infrastructure expansions enabling greater Western Flank oil and gas production;
- A step-change in field development activity, including multiple production optimisation initiatives;
- Record production volumes; and
- Sustainable reductions in non-essential maintenance within both operated and non-operated ventures.

Capital Expenditure ($ million)	June Q4 FY16	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change	Full-year FY17
Exploration and Appraisal	7.4	14.3	14.3	0%	51.3
Development, Plant and Equipment	17.0	22.3	31.6	41%	103.6
Total	**24.4**	**36.6**	**45.9**	**25%**	**154.9**

Subsequent to quarter-end, Beach commenced a multi-year capital program designed to fully appraise undeveloped reserve and prospective resource potential of the Cooper Basin. The program is consistent with Beach's strategy to optimise its core Cooper Basin acreage, and provides confidence to guide towards production of 10.0 – 10.6 MMboe in FY18 and also target at least 10 MMboe of production in FY19 and FY20. An expanded, full-year operated and non-operated multi-rig exploration and appraisal drilling campaign also provides confidence to target at least 100% replacement of produced reserves through to year-end FY19.

Capital expenditure in FY18 is expected to be within the range of $220 – 260 million. Planned activities will establish the foundation for sustained activity in future years and include:

- Completion and connection of more than 20 currently cased and suspended wells, production optimisation projects, facility expansions and development drilling. These activities are expected to offset natural field decline and sustain production levels in FY18.
- An expanded drilling program of up to 78 wells (+35% from FY17), including up to 44 exploration and appraisal wells (+42% from FY17) to add reserves and guide development programs for future years.
- Processing and interpretation of recently acquired 3D seismic to identify exploration targets for FY19 and beyond.

The capital program continues to demonstrate Beach's strict focus on value accretive capital allocation. Approximately 75% of expected FY18 capital expenditure is classified as discretionary and meets strict investment hurdles and return requirements. Due to the low-cost, fast payback nature of Beach's Cooper Basin acreage, approximately two thirds of discretionary expenditure is allocated to projects with expected internal rates of return greater than 60%.

Further details in relation to FY18 capital expenditure and production guidance are contained in the announcement of 27 July 2017.

Liquidity

Material cash flows included net operating cash flow of $84 million, capital expenditure of $46 million and participation in the Cooper Energy equity raising of $15 million. Cash reserves increased by $23 million during the quarter and by $149 million during FY17. At year-end, Beach had cash reserves of $348 million and available liquidity of approximately $700 million.

Liquidity ($million)	June Q4 FY16	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change
Cash Reserves	199.1	325.3	348.0	7%
Drawn Debt	150.0	150.0	150.0	–
Net Cash	**49.1**	**175.3**	**198.0**	**13%**
Undrawn Facilities	350.0	350.0	350.0	–

Capital structure

	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change
Fully Paid Ordinary Shares	1,873,246,528	1,873,812,484	0%
Unlisted Employee Rights	7,386,752	6,820,796	(8%)

Hedging

Beach seeks to hedge sufficient volumes to cover up to 70% of its total oil production costs and total corporate costs. A range of instruments is used to protect against downside oil price scenarios, and all hedging transactions since June 2016 have been entered into using zero-cost instruments. The following hedges were in place as at 30 June 2017.

Hedges (Brent)	Collar $40 – 111 per bbl	Collar $40 – 102 per bbl	3-way Collar $50 – 96 – 106 per bbl	Collar $40 – 90 per bbl	Total Hedged Volumes (bbl)
FY18	517,500	517,500	405,000	825,000	2,265,000
FY19	–	–	–	285,000	285,000
Total	**517,500**	**517,500**	**405,000**	**1,110,000**	**2,550,000**

Drilling Chiton-4.

Operations

Production

Quarterly production of 2,499 kboe was in-line with the prior period and benefited from commissioning of gas compression at Middleton and subsequent ramp-up of sales gas and gas liquids production. Other field activities progressed, including artificial lift installations and preparations for completion and connection of well inventory. At quarter-end, more than 20 successful oil and gas wells were drilled but not connected and are expected to be progressively brought online during FY18.

Beach achieved record full-year production of 10,553 kboe in FY17, up 9% from the prior year. Incremental production from field development activities, new wells brought online, and a full year of production from assets acquired through the Drillsearch merger contributed to this result. Beach also achieved record operated production of 5,419 kboe, representing a 37% increase from the prior year and accounting for 51% of total production in FY17.

Production		June Q4 FY16	March Q3 FY17	June Q4 FY17	Qtr on Qtr Change	Full-year FY17
Oil (kbbl)	Cooper Basin	1,592	1,349	1,276	(5%)	5,719
	Egypt	24	–	–	–	–
Total Oil (kbbl)		**1,616**	**1,349**	**1,276**	**(5%)**	**5,719**
Sales Gas and Ethane (PJ)	Cooper Basin	5.4	5.5	5.9	6%	23.1
	Egypt	0.0	–	–	–	–
LPG (kt)	Cooper Basin	10.5	12.7	13.4	5%	52.7
Condensate (kbbl)	Cooper Basin	91.3	109	103	(6%)	447
Total Sales Gas and Gas Liquids (kboe)		**1,105**	**1,161**	**1,223**	**5%**	**4,834**
Total Oil and Gas (kboe)		**2,721**	**2,509**	**2,499**	**(0%)**	**10,553**

NB. Preliminary data for operated oil and ex PEL 104 / 111.

Cooper Basin

Western Flank Oil – ex PEL 91

(Beach 100%)

Multiple field development projects progressed during the quarter, including completion and connection activities and artificial lift installations. Seven wells are on schedule to be brought online in Q1 and Q2 FY18, and four artificial lift installations are expected to be completed in Q1 FY18.

The Bauer facility expansion was commissioned in Q4 FY17, which increased water handling capacity by 60% to 120,000 bfpd. This provides production capacity headroom to manage current activity, new producers from future drilling campaigns, and ongoing production optimisation initiatives.

Oil production of 820 kbbl (9,010 bopd) was 7% lower than the prior period.

Bauer facility expansion, commissioned in Q4 FY17.

Western Flank Oil – ex PEL 92

(Beach 75% and operator, Cooper Energy 25%)

Average daily oil production of 2,340 barrels (gross) was 8% lower than the prior period, with total net oil production of 160 kbbl.

Production was impacted by downtime at the Callawonga facility for scheduled maintenance and optimisation projects. Projects included reconfiguring of the inlet manifold and header network. These activities were completed late in the quarter and resulted in incremental daily oil production of approximately 150 bopd upon re-commissioning of the Callawonga facility.

Work commenced on completion of the five Callawonga Field development wells drilled during the quarter. All wells are expected to be brought online in Q2 FY18. Three wells will be completed as Namur Sandstone producers and two as McKinlay Member producers post installation of artificial lift.

Western Flank Oil – ex PEL 104 / 111

(Beach 40%, Senex 60% and operator)

Successful workovers and a full quarter of production from the recently connected Spitfire-8 development well mitigated natural field decline. Average daily oil production of 2,380 barrels (gross) was approximately 5% lower than the prior quarter, with total net oil production of 87 kbbl.

Queensland Oil – ATP 299

(Beach 40%, Santos 60% and operator)

ATP 299 contributed 35 kbbl (net) of oil production, 4% lower than the prior quarter.

Western Flank Gas and Gas Liquids – ex PEL 106; ex PEL 513 / 632

(Ex PEL 106: Beach 100%; ex PEL 513 / 632: Beach 40%, Santos 60% and operator)

Commissioning of compression at Middleton was completed and ramp-up of production occurred during the quarter. Compression has enabled greater gas throughput, and allowed maximum daily raw gas production of 25 MMscfd to be achieved during the quarter from seven producing wells (Brownlow-1, Coolawang-1, Middleton-1, Middleton East-1, Ralgnal-1, Udacha-1 and connection of Canunda-3 in Q4 FY17).

Quarterly production of 303 kboe (3,330 boepd) was 68% higher than the prior period. Production comprised sales gas of 225 kboe (up 83%), LPG of 46 kboe (up 77%) and condensate of 32 kboe (up 2%).

Completion and connection of Crockery-1 and Mokami-1 will occur during FY18, which is expected to allow maximum daily raw gas production of 25 MMscfd to be maintained (excluding downtime). Due to the expanded gas exploration drilling program of up to 11 wells in FY18, and assuming continued exploration success, expansion of daily capacity to 40-50 MMscfd is currently being evaluated.

Middleton compression, commissioned in Q4 FY17.

Ex PEL 513 / 632 contributed 29 kboe (net) of sales gas and gas liquids production, down 17% from the prior period due to natural field decline.

Cooper Basin JV

(Various non-operated interests)

Ongoing connection of gas well inventory mitigated natural field decline. Sales gas and gas liquids production of 890 kboe (net) was 6% lower than the prior period and comprised sales gas of 770 kboe (down 5%), LPG of 63 kboe (down 18%) and condensate of 57 kboe (down 8%).

Oil production was assisted by production optimisation initiatives and continued strong performance from recently connected wells. Production of 175 kbbl (net) was 3% higher than the prior quarter.

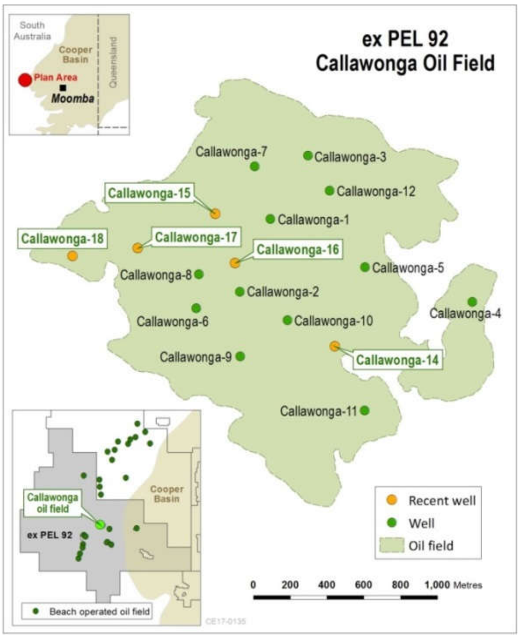
Development

Cooper Basin

Western Flank Oil – ex PEL 92

(Beach 75% and operator, Cooper Energy 25%)

A five-well oil development and appraisal campaign was successfully undertaken in the Callawonga Field. The campaign was designed to develop oil reserves in the McKinlay Member and appraise the extent and productivity of this reservoir. The Namur Sandstone was targeted as a secondary objective.



The campaign proved successful with all five wells (Callawonga-14 to -18) expected online in Q2 FY18. Four wells intersected oil columns high to prognosis, indicating extensions of field limits with 2P reserve additions expected. Namur columns were also intersected at three wells which will allow earlier connection and acceleration of production. The campaign also provided evidence to support additional in-fill development drilling, with planning of a future five-well program currently underway.

Campaign results are summarised below.

Campaign Results (metres)	High / (Low) to Prognosis	Net Oil Pay McKinlay	Net Oil Pay Namur	Highlights
Callawonga-14	1.5	1.0	–	Eastern field extension; 5.1 day drill time (spud to rig release)
Callawonga-15	2.2	1.7	2.3	Secondary Namur column; highest oil intersection in field to date
Callawonga-16	(1.0)	2.0	1.8	Secondary Namur column
Callawonga-17	2.7	1.0	1.8	Secondary Namur column
Callawonga-18	1.8	2.1	–	Western field extension

Pad drilling at the Callawonga Field.

Western Flank Oil – ex PEL 91

(Beach 100%)

A two-well oil development campaign was completed in the Pennington Field, located approximately 10 kilometres east of the Bauer Field. Reservoir simulation modelling identified potential for improved field commerciality through in-fill drilling to accelerate production. The wells targeted the Namur Sandstone as a primary objective and the McKinlay Member and Mid-Namur Sandstone as secondary objectives. Pennington-6, the second well of the campaign, was cased and suspended as a future producer following intersection of four metres of net oil pay in the Namur Sandstone, four metres of net oil pay in the overlaying McKinlay Member, and one metre of net oil pay in the Mid-Namur Sandstone.

South Australian Gas – Cooper Basin JV

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

A two-well gas development campaign was undertaken in the Dullingari and Dullingari North fields, located approximately 65 kilometres east of the Moomba processing facility. The campaign utilised a workover rig and applied directional drilling techniques from existing wells. The primary objective was the Patchawarra Formation, with the Toolachee and Epsilon formations providing secondary targets.

The first well of the campaign, Dullingari-43 DW1, intersected approximately 25 metres of net gas pay across a 286 metre gross section in the Patchawarra Formation, and approximately 11 metres of net gas pay across the secondary targets. The second well of the campaign, Dullingari-42 DW1, intersected approximately 62 metres of net gas pay in the Patchawarra Formation. Both wells were cased and suspended as future producers. Further review of results will be undertaken to determine if directional drilling from existing non-producing wells can be applied to other development opportunities across the Cooper Basin.

Exploration and Appraisal

Western Flank Oil – ex PEL 91

(Beach 100%)

A two-well oil appraisal campaign commenced in the Chiton Field, located approximately two kilometres south of the Bauer Field. The campaign is designed to appraise the extent and productivity of the McKinlay Member to the south and east of currently producing wells, where there has been limited appraisal drilling to date. Chiton-4, the first well of the campaign, was plugged and abandoned due to lack of commercial pay.

Western Flank Oil – PEL 630

(Beach operator and farming into 50% interest with Bridgeport)

A two-well oil exploration campaign was undertaken in the western block of PEL 630, located approximately 60 kilometres northeast of the Bauer Field. The wells are located outboard of existing oil discoveries to test a possible northern extension of the Namur and Birkhead play fairways. Butterfish-1, the first well of the campaign, detected trace oil shows within the Birkhead Formation, however the Namur Sandstone primary target was water bearing. No oil shows were detected in the second well of the campaign, Harvey's Return-1. Both wells were plugged and abandoned. Results from the campaign have helped refine the northern extent of the oil play fairways.

Western Flank Oil – PEL 182

(Beach 43%, Senex Energy 57% and operator)

A three-well oil exploration campaign was completed in PEL 182, located approximately 25 kilometres northeast of producing fields in ex PEL 104 / 111. The campaign tested the extent of hydrocarbon migration to the north of the Western Flank, with prospects targeting the Namur Sandstone (primary objective) and Birkhead and Murta formations (secondary objectives). The final well of the campaign, Immortals-1, was plugged and abandoned due to lack of commercial pay. The campaign improved definition of the Namur and Birkhead play fairway boundaries.

Queensland Gas – Cooper Basin JV

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

Lepard-3 was drilled as a standalone appraisal well on the western flank of the Lepard Field. The well targeted the Toolachee and Patchawarra formations as primary objectives, and the Epsilon Formation as a secondary objective. The well was cased and suspended as a future gas producer.

A six-well near-field gas exploration campaign progressed in southwest Queensland. Gallan-1 and Hector South-1, the second and third wells of the campaign, were drilled on the southern flank of the Nappamerri Trough. Gallan-1 targeted the Toolachee and Patchawarra formations as primary objectives and the Epsilon Formation as a secondary objective. The well intersected insufficient commercial pay and was plugged and abandoned. Hector South-1 targeted the Toolachee Formation as a primary objective and the Epsilon and Patchawarra formations as secondary objectives. The well intersected approximately seven metres of net pay across a 148 metre gross section in the primary target and was cased and suspended as a future producer.

The fourth and fifth wells of the campaign, Cougar-1 and Snefru-1, are located within the Windorah Trough and follow successful exploration and infrastructure installations in the region in 2016. Both wells targeted the Toolachee Formation as a primary objective and the Patchawarra Formation and Nappamerri Group as secondary objectives. Cougar-1 was plugged and abandoned due to lack of commercial pay. Snefru-1 intersected approximately three metres of net gas pay in the Toolachee Formation and approximately three metres of net gas pay across the secondary targets. The well was cased and suspended as a future producer.

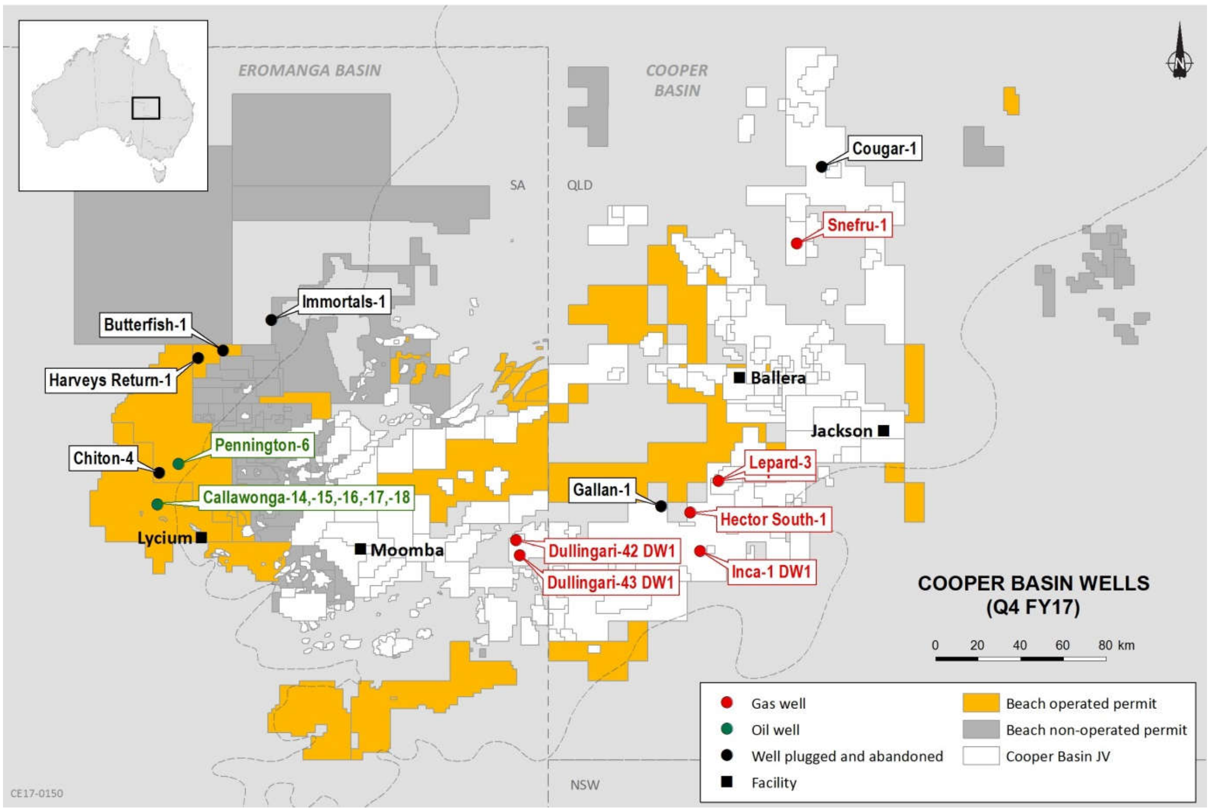
The Inca-1 DW1 project involved deepening the Inca-1 well (previously cased and suspended as an Eromanga oil producer) to appraise gas potential of the Toolachee Formation. The well was cased and suspended as a future producer.

Interpretation of the 1,200 km^2 Snowball 3D seismic survey commenced to identify prospects in Queensland for the FY18 and FY19 drilling campaigns.

Artificial lift at Callawonga-12.

Well results

Area	Category	Wells Spudded	Rig Released	Successful Wells	Success Rate	Successful Wells
Cooper Basin	Oil – Exploration	3	3	–	–	
	Oil – Appraisal	1	1	–	–	
	Oil – Development	6	6	6	100%	Callawonga-14,-15,-16, -17,-18; Pennington-6
	Gas – Exploration	4	4	2	50%	Hector South-1; Snefru-1
	Gas – Appraisal	2	2	2	100%	Inca-1 DW1; Lepard-3
	Gas – Development	2	2	2	100%	Dullingari-42 DW1, -43 DW1
Total Wells		**18**	**18**	**12**	**67%**	
All Exploration Wells		7	7	2	29%	
All Appraisal Wells		3	3	2	67%	
All Development Wells		8	8	8	100%	



Corporate and Commercial

Sale of Queensland exploration permits

Beach completed the sale of operated Queensland oil exploration permits ATP 920, 924 and 783 to Key Petroleum Limited (subject to standard Ministerial approvals). The decision to sell these permits is consistent with Beach's ongoing focus on portfolio rationalisation, managing future liabilities, and selective capital allocation to projects with clear line of sight to value creation.

Acquisition of 10% interest in the Udacha block

Beach completed the acquisition of a 10% interest in the Udacha block (PRL 26) from Rawson Oil and Gas Ltd. The Udacha block sits adjacent to Beach's 100% owned ex PEL 106 permit area and includes the currently producing Udacha-1 gas and gas liquids well. The acquisition takes Beach's ownership interest in the Udacha block to 100% and will streamline operating efficiencies and exploration activities.

Subsequent Events

Director appointment

Dr Peter Moore was appointed as an independent non-executive director, with effect from 1 July 2017. Dr Moore is a geologist with over 35 years of oil and gas industry experience, including executive exploration appointments with ExxonMobil and Woodside. A biography is included in the announcement of 3 July 2017.

FY18 production guidance

Beach has commenced a multi-year capital program designed to fully appraise undeveloped reserve and prospective resource potential of the Cooper Basin. The program is consistent with Beach's strategy to optimise its core Cooper Basin acreage, and provides confidence to guide towards production of 10.0 – 10.6 MMboe in FY18 and also target at least 10 MMboe of production in FY19 and FY20. FY18 production is underpinned by connection of existing well stock, production optimisation projects and ongoing development drilling, and does not rely on FY18 exploration drilling success. Further details in relation to FY18 production and capital expenditure guidance are contained in the announcement of 27 July 2017.

Birkhead oil discovery

On 25 July 2017, Beach announced a Birkhead oil discovery in ex PEL 104 (Beach 40%, Senex 60% and operator), approximately two kilometres north of the producing Growler and Spitfire oil fields. The Marauder-1 prospect was identified from the Mollichuta 3D seismic survey and was drilled as a vertical calibration well to appraise a potential northern extension of the Western Flank Birkhead oil play fairway.

Marauder-1 encountered oil shows within the Birkhead Formation, with initial evaluation of logs indicating net oil pay of up to 8.6 metres across a 17.5 metre gross column. A drill stem test over the interval from 1,744.2 to 1,764.6 metres recovered 84 barrels of approximately 48 degree API oil. Oil flowed to surface after 79 minutes and continued to flow for the full 184 minute flow period on a 32/64" choke. The flow rate was calculated to be 655 barrels of oil per day, with no indication of formation water throughout the drill stem test. Marauder-1 will be cased and suspended as a future producer and brought online in coming months.

Glossary

$	Australian dollars
ATP	Authority to Prospect
bbl	Barrels
Beach	Beach Energy Ltd
Bcf	Billion cubic feet
bfpd	Barrels of fluid per day
boe	Barrels of oil equivalent – the volume of hydrocarbons expressed in terms of the volume of oil which would contain an equivalent volume of energy
bopd	Barrels of oil per day
Bridgeport	Bridgeport (Cooper Basin) Pty Ltd
Cooper Energy	Cooper Energy Ltd
Cooper Basin	Includes both Cooper and Eromanga basins
Cooper Basin JV	The Delhi operations, which incorporate the SACB JVs and SWQ JVs
COSPAs	Crude Oil Sale and Purchase Agreements
Delhi	Delhi Petroleum Pty Ltd
Drillsearch	Drillsearch Energy Pty Ltd
EP	Exploration Permit
Ex PEL 91	PRLs 151 to 172 and various production licences
Ex PEL 92	PRLs 85 to 104 and various production licences
Ex PEL 101	PRLs 173 and 174 and various production licences
Ex PEL 104 / 111	PRLs 136 to 150 and various production licences
Ex PEL 106	PRLs 129 and 130 and various production licences
Ex PEL 107	PRLs 175 to 179
Ex PEL 513 / 632	PRLs 191 to 206 and various production licences
FY(17)	Financial year (2017)
GJ	Gigajoule
H(2) (FY17)	(Second) half-year period (of FY17)
Internal rate of return	The discount rate which equates the present value of a project's cash inflows with the present value of the project's cash outflows
kbbl	Thousand barrels of oil
kboe	Thousand barrels of oil equivalent
kt	Thousand tonnes
LPG	Liquefied petroleum gas
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalent
MMscfd	Million standard cubic feet of gas per day
Origin	Origin Energy Ltd
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PPL	Petroleum Production Licence
PRL	Petroleum Retention Licence
PJ	Petajoule
Q(4) (FY17)	(Fourth) quarter of (FY17)
Qtr	Quarter
SACB JV	South Australian Cooper Basin Joint Ventures, which include the Fixed Factor Area (Beach 20.21%, Santos 66.6%, Origin 13.19%) and the Patchawarra East Block (Beach 17.14%, Santos 72.32% and Origin 10.54%)
Santos	Santos Ltd
Senex	Senex Energy Ltd
SWQ JV	South West Queensland Joint Ventures, incorporating various equity interests (Beach 20-40%)

Competent person statement

The reserves and resources information in this presentation is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Manager Gas Development). Mr Lake is an employee of Beach Energy Ltd and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers. The reserves and resources information in this presentation has been issued with the prior written consent of Mr Lake in the form and context in which it appears.