



ASX Announcement

FY19 Fourth Quarter Activities Report

Reference #020/19

Date 24 July 2019

Western Flank and expanded asset portfolio deliver record full year production of 29.4 MMboe

- Q4 FY19 production of 7.0 MMboe was highlighted by a further 5% increase in Western Flank oil output.
- Western Flank gas production was up 32% on the quarter after commissioning of the Middleton liquids handling expansion.

FY19 sales revenue of \$1.9 billion, Otway sale proceeds sees Beach debt free at 30 June 2019

- Q4 FY19 sales revenue of \$501 million was up 7% on the prior quarter and brings FY19 sales revenue to \$1.9 billion on full year sales volumes of 31.2 MMboe.
- Q4 FY19 free cash flow of \$130 million combined with \$262 million Otway Sale proceeds brings Beach to a net cash position of \$172 million at 30 June 2019 - two years earlier than initially expected.

Another successful year with the drill bit; Haselgrove-4 to be production tested

- Beach participated in 134 wells in FY19, a 40% increase over FY18. Overall success rate was 84%.
- Longest lateral segment drilled to date by Beach at Kalladeina-4 (1,438 metres with 84% net reservoir).
- Subsequent to quarter end, appraisal well Haselgrove-4 in the Otway Basin is being completed for production testing in Q1 FY20.

Perth Basin commercial agreements executed

- Subsequent to quarter end, Mitsui E&P Australia (MEPAU) agreed to purchase 17% of Beharra Springs and associated infrastructure. Beach and MEPAU now at 50:50 across all shared Perth Basin assets.
- FID reached on Waitsia Gas Project Stage 1 expansion to 20 TJ/day including connection to Dampier Bunbury Natural Gas Pipeline with capacity sufficient for Waitsia Gas Project Stage 2 potential volumes.

Snapshot

	June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change	FY19
Production (MMboe)	7.23	7.23	6.97	(4%)	29.39
Sales Volumes (MMboe)	7.60	7.52	7.69	2%	31.18
Sales Revenue (\$ million)	471	470	501	7%	1,925
Realised Oil Price (\$/bbl)	103.2	104.2	102.0	(2%)	101.8
Realised Sales Gas/Ethane Price (\$/GJ)	6.6	7.0	7.0	(1%)	6.8

In FY19 Beach accounted for its Victorian Otway interests at 100% until 31 May 2019 and 60% thereafter. FY18 results consolidate Lattice, Benaris and Toyota Tsusho assets from 1 January 2018, although the full six months' contribution from the Toyota Tsusho assets was recorded in the June Q4 FY18 period.

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

[Investor relations](#) Nik Burns, Investor Relations Manager

[Media](#) Rob Malinauskas, Head of Corporate Affairs and Community Relations

Expanded Asset Portfolio Delivers Record Sales and Production Volumes for Beach Energy

Record net to Beach annual sales and production volumes have capped off Beach Energy's FY19 in which it reached a net cash position two years ahead of expectations after the acquisition of Lattice.

Beach produced 6.97 MMboe in the fourth quarter, in line with prior quarter's production after accounting for the 40% Otway Sale which completed in the quarter. This brought Beach's reported annual production to a record 29.4 MMboe in FY19. Sales volumes topped 31 MMboe in the financial year, after fourth quarter sales reached 7.69MMboe.

Beach Managing Director Matt Kay said another strong quarter of free cash flow generation saw the business deliver annual free cash flow of \$557 million for the financial year.

"The strong free cash flow performance combined with the completion of the Otway Sale saw Beach finish the year in a net cash position - more than two years ahead of initial expectations," Mr Kay said.

"This is a strong performance, considering we only completed the Lattice Acquisition less than 18 months ago. It is a testament to our diverse portfolio and our dedicated team."

"Exceeding expectations over the past 18 months, provides Beach with an excellent platform to accelerate investment in growth across our value-accretive asset portfolio."

Mr Kay said continued high activity in the Western Flank underpinned a strong final quarter of FY19.

"After success at the Bauer and Pennington fields earlier in the year, we expanded our horizontal drilling program to the Kalladeina and Congony fields in the fourth quarter, with Beach drilling its longest lateral section to date at Kalladeina-4.

"The successful application of horizontal drilling has helped lift Western Flank quarterly oil output by a further 5% over last quarter's record production level, while the recent capacity expansion at our Middleton Facility saw Western Flank gas production rise 32 per cent," Mr Kay said.

"However, it's the continued strong performance across all of our assets that is particularly pleasing.

"The combination of high drilling success rate at 84 per cent, expanded horizontal drilling program, strong customer demand and continuous improvement in facility reliability across all of our operated assets helped deliver full year production of 29.4 MMboe - well ahead of guidance set at the start of the year."

"We drilled 134 wells in the Financial Year which was a 40 per cent increase over the prior year. We also added three operated drilling rigs and one non-operated drilling rig over the course of the year," Mr Kay said.

Mr Kay said activity continued to grow on the drilling front and that would remain a consistent theme moving forward.

Outside of the Cooper Basin, Mr Kay said the company had taken some exciting steps in the Perth Basin, where drilling activity is planned to commence in Q1 FY20 with the Beharra Springs Deep exploration well.

"We also announced an initial, Stage 1 expansion of the Xyris gas facility to meet a new 20 TJ/day gas sales agreement with Alinta Energy which was signed in the quarter," Mr Kay said.

“Importantly the Stage 1 expansion will include a large diameter pipeline to tie the Waitsia Field into the nearby Dampier to Bunbury Natural Gas Pipeline, with capacity sufficient for future Stage 2 potential volumes.

“To that end, FEED has been completed on Stage 2 gas plant options of 100 to 250 TJ/d. EPC tenders are due shortly. Priority remains on extracting maximum value from this gas, and we look forward to keeping the market updated on our progress.”

Beach’s Otway Basin drilling program kicked off in the June quarter with the spudding of the Haselgrove-4 appraisal well in the onshore SA Otway Basin. Early indications are encouraging and preparations are underway for production testing in Q1 FY20.

In Beach’s frontier exploration portfolio, the company completed the farm-in to the Ironbark joint venture in the Carnarvon Basin (Beach 21% interest) during the June 2019 quarter. BP is operator of the joint venture which is currently scheduled to drill the Ironbark prospect in mid-FY21.

In New Zealand, Beach and Discover Exploration Ltd have executed a farmout agreement with O.G. Energy for Block PEP38264 which contains the Wherry prospect. Beach will retain a 37.5% stake in the permit and operatorship. The JV has committed to Stage 3 work program, which includes the requirement to drill one well by October 2021.

Beach will update the market on its FY20 plans when it presents its Full Year Results on 19 August 2019.

FY19 guidance

The following table summarises our FY19 guidance:

Item	Prior guidance	Comment
Production	28 – 29 MMboe (upper end)	29.4 MMboe
Capital Expenditure	\$450 – 500 million (lower end)	\$447 million
Underlying EBITDA	\$1.25 – 1.35 billion (upper end)	To be released 19 August
DD&A	\$450 – 500 million (upper end)	To be released 19 August

Beach reported FY19 production and capital expenditure of 29.4 MMboe and \$447 million respectively. FY19 production was above the upper end of the guidance range after inclusion of additional two months of 100% Victoria Otway production.

FY19 results are in the process of being finalised. These results, including underlying EBITDA and DD&A, will be released to the market on 19 August 2019.

Beach will provide FY20 guidance ranges with its full year result on 19 August 2019.

Financial

Sales volume

Quarterly sales volumes of 7,689 kboe were 2% higher than the prior quarter. Oil sales volumes were 10% higher driven by higher oil production and timing of shipments. Total sales volumes for FY19 were 31,175 kboe.

		June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change	FY19
Oil (kbbbl)	Own Product	1,515	1,591	1,852	16%	6,372
	Third Party	324	371	300	(19%)	1,246
	Total Oil	1,838	1,961	2,151	10%	7,619
Sales Gas and Ethane (PJ)	Own Product	26.8	26.7	24.9	(7%)	110.6
	Third Party	(0.1)	0.1	0.0	(113%)	0.3
	Total Gas	26.7	26.8	24.9	(7%)	110.9
LPG (kt)	Own Product	62	45	73	63%	250
	Third Party	(1)	0	1	489%	3
	Total LPG	61	45	74	64%	254
Condensate (kbbbl)	Own Product	696	611	678	11%	2,501
	Third Party	3	1	3	326%	5
	Total Condensate	699	612	681	11%	2,506
Total Oil and Gas Sales (kboe)		7,602	7,522	7,689	2%	31,175
Total - Own Product (kboe)		7,297	7,133	7,380	3%	29,839
Total - Third Party (kboe)		305	389	308	(21%)	1,336

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

Sales revenue

Total sales revenue of \$501 million was 7% higher than the prior quarter underpinned by higher oil sales volumes, as well as higher LPG and condensate sales volumes and pricing. FY19 sales revenue was \$1,925 million.

\$ million	June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change	FY19
Oil	190	204	219	7%	776
Sales Gas and Ethane	176	188	173	(8%)	756
LPG	40	27	48	76%	171
Condensate	66	50	61	22%	223
Sales Gas and Gas Liquids	282	265	282	6%	1,150
Total Oil and Gas Revenue	471	470	501	7%	1,925
Total - Own Product	440	434	468	8%	1,793
Total - Third Party	31	36	33	(6%)	132

Average realised price

Average realised pricing across all products was up 4% to \$65.2 supported by stronger realised LPG and Condensate pricing and a favourable contribution of liquids to overall product sales volumes. Average realised oil price was down 2% at \$102/bbl.

	June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change	FY19
All products (\$/boe)	62.0	62.4	65.2	4%	61.8
Oil (\$/bbl)	103.2	104.2	102.0	(2%)	101.8
Sales Gas and Ethane (\$/GJ)	6.6	7.0	7.0	(1%)	6.8
LPG (\$/tonne)	653	603	646	7%	673
Condensate (\$/bbl)	93.6	81.2	89.3	10%	89.1

Capital expenditure

FY19 capital expenditure was \$447 million as capital expenditure increased 53% from the March quarter to \$161 million. The increase in quarterly expenditure was driven by: A 100% increase in the number of operated Western Flank wells drilled vs the prior quarter, commencement of drilling in the SA Otway Basin, and long lead items for upcoming drilling campaigns in the Perth and Victorian Otway Basins.

\$ million	June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change	FY19
Exploration and Appraisal	17	21	49	136%	102
Development, Plant and Equipment	59	85	112	32%	345
Total	76	105	161	53%	447

Liquidity

Beach ended the quarter in a net cash position with no drawn debt and cash reserves of \$172 million. With undrawn revolving credit facilities of \$450 million, Beach has total liquidity of \$622 million at the end of the quarter.

Material cash flows for the quarter were operating cash flow of \$288 million, which included cash tax payments of \$13 million, cash receipts of \$262 million from the 40% Otway Sale, cash capital expenditure of \$158 million, and debt repayments of \$375 million. Quarterly free cash flow (excluding acquisitions and divestments) was \$130 million, in-line with the prior quarter.

\$ million	June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change
Cash Reserves	311	156	172	16
Drawn Debt	(950)	(375)	-	(375)
Net Cash/(Debt)	(639)	(219)	172	391
Undrawn Facilities	450	200	450	250

Capital structure

Beach's capital structure as at 30 June 2019 is set out below.

	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change
Fully paid ordinary shares	2,278,249,104	2,278,249,104	-
Unlisted employee rights	7,711,875	7,711,875	-

Hedging

As at 30 June 2019 Beach had no hedging in place.

Operations

Production

Asset	Product	Units	June Q4 FY18	March Q3 FY19	June Q4 FY19	Qtr on Qtr Change	FY19
Total Production	Sales Gas	PJ	26.9	26.0	24.2	(7%)	107.4
	LPG	kt	63	58	57	(2%)	248
	Condensate	kbbl	554	491	466	(5%)	2,066
	Oil	kbbl	1,546	1,812	1,883	4%	6,890
	Total	kboe	7,233	7,234	6,973	(4%)	29,391
Cooper Basin JV	Sales Gas	PJ	8.1	7.8	8.0	3%	32.3
	LPG	kt	17	12	13	9%	58
	Condensate	kbbl	144	117	135	15%	528
	Oil	kbbl	301	388	388	(0%)	1,543
	Total	kboe	1,976	1,947	2,009	3%	8,084
Western Flank	Sales Gas	PJ	1.4	1.6	2.1	32%	7.4
	LPG	kt	8	8	10	34%	41
	Condensate	kbbl	61	57	70	23%	297
	Oil	kbbl	1,206	1,390	1,459	5%	5,210
	Total	kboe	1,561	1,784	1,976	11%	7,103
Other Cooper Basin	Sales Gas	PJ	0.3	0.2	0.1	(37%)	0.5
	LPG	kt	1	1	0	(51%)	2
	Condensate	kbbl	4	8	1	(83%)	10
	Oil	kbbl	39	33	36	8%	136
	Total	kboe	95	75	58	(23%)	243
Perth Basin	Sales Gas	PJ	1.2	0.8	0.9	11%	3.9
	LPG	kt	-	-	-	N/A	-
	Condensate	kbbl	1	0	0	17%	1
	Total	kboe	213	139	155	11%	672
Victorian Otway Basin	Sales Gas	PJ	10.5	10.3	8.4	(18%)	43.0
	LPG	kt	16	17	14	(15%)	69
	Condensate	kbbl	118	113	90	(20%)	472
	Total	kboe	2,048	2,015	1,646	(18%)	8,411
BassGas	Sales Gas	PJ	2.9	2.0	1.4	(33%)	7.5
	LPG	kt	9	6	4	(37%)	23
	Condensate	kbbl	96	65	43	(35%)	245
	Total	kboe	667	458	306	(33%)	1,709
Kupe	Sales Gas	PJ	2.6	3.3	3.4	1%	12.9
	LPG	kt	13	15	15	2%	55
	Condensate	kbbl	130	131	127	(3%)	514
	Total	kboe	673	816	823	1%	3,169

Group production

Q4 FY19 group production of 7.0 MMboe was 4% lower than Q3 FY19, due to the 40% Otway Sale completing on 31 May 2019 and Beach reporting Victorian Otway production at 60% thereafter, and lower gas customer nominations. This was partly offset by higher Western Flank output and continued improvement in facility reliability.

SAWA

Cooper Basin

- Cooper Basin JV production was up 3% to 2,009 kboe, with oil production flat quarter-over-quarter and gas and gas liquids production up 4% to 1,621 kboe.
- Western Flank oil production was up 5% quarter-over-quarter to 1,459 kbbl.
 - Beach-operated oil production was underpinned by a combination of rapid well connections and timely artificial lift installations which lifted oil production 10% in Ex PEL 91 to 1,194 kboe. Oil production declined by 11% in Ex PEL 92 to 157 kboe.
 - Artificial lift was installed at Hanson-5, -7 and Bauer-32 initially adding a cumulative 2,760 bopd above the cumulative free flow rate.
 - Two of the five Bauer vertical development wells drilled during the quarter were brought online on free flow production at initial rates of 700 bopd and 540 bopd, first 30 days average. The remaining three wells, Bauer-35, -36 and -37 were all connected, commissioned and tested late in the quarter, ready to be brought into production in Q1 FY20.
 - Horizontal well Kalladeina-4 was drilled during the quarter. It was brought online subsequent to quarter end on free flow production generating initial free flow test rates of 2,930 bopd before being choked back. Artificial lift will be installed once performance data is gathered from initial production and Kalladeina Field export facilities upgraded.
 - Oil production declined 14% in Senex-operated Ex PEL 104/111 to 108 kboe.
- Beach's Western Flank gas production benefited from the recent expansion of liquids handling capacity at the Middleton facility. The facility upgrade was successfully commissioned and supported a 32% increase in gas production to 2.1 PJ, after a record 100% reliability was achieved at the Middleton facility in May.
- At quarter-end, gas wells Lowry-2, -3, -4, -5 were awaiting connection, with Lowry-3 and -4, expected to be among the first wells online early in FY20.

Perth Basin

- Perth Basin production was approximately 78% from Beharra Springs and 22% from Waitsia.
- Total production was 155 kboe an 11% increase over the prior quarter driven by high facility reliability.

Victoria (Victorian Otway Basin and BassGas)

- Otway Basin production was 1,646 kboe, 18% down on the prior quarter and 20% down on pcp, driven by the completion of the 40% Otway Sale on 31 May, lower customer nominations and six days of planned and unplanned downtime.
- BassGas production was 306 kboe, 33% down on the prior quarter and 54% down on pcp due to natural field decline, lower customer nominations and 11 days of planned and unplanned downtime.

New Zealand (Kupe Gas Project)

- Total production was 823 kboe, up 1% on the prior quarter and up 22% on pcp driven by high demand for Kupe gas underpinned by continued high facility reliability, with 100% reliability achieved at the Kupe facility in June.

Drilling Summary

Well name	Basin / area	Target	Type	Beach %	Well status
Haselgrove-4	SA Otway	Gas	App.	100%*	Drilling ahead
Coopers Creek-4	SA Cooper	Gas	Dev.	33.40%	C&S
Coopers Creek-5	SA Cooper	Gas	Dev.	33.40%	C&S
Gidgealpa-64	SA Cooper	Gas	Dev.	33.40%	C&S
Munkarie-11	SA Cooper	Gas	Dev.	33.40%	C&S
Namur-16	SA Cooper	Gas	Dev.	33.40%	C&S
Namur-17	SA Cooper	Gas	Dev.	33.40%	C&S
Namur-19	SA Cooper	Gas	Dev.	33.40%	C&S
Nanima-2	SA Cooper	Gas	Dev.	33.40%	C&S
Strzelecki-33	SA Cooper	Gas	Dev.	33.40%	C&S
Lowry-2	SA Cooper	Gas	App.	100%*	C&S
Lowry-4	SA Cooper	Gas	App.	100%*	C&S
Lowry-5	SA Cooper	Gas	App.	100%*	C&S
Bookabourdie-12	SA Cooper	Gas	App.	33.40%	P&A
Namur-18	SA Cooper	Gas	App.	33.40%	C&S
Taylor South-2	SA Cooper	Gas	App.	33.40%	P&A
Udacha South-1	SA Cooper	Gas	Exp.	100%*	C&S
Udacha South-2	SA Cooper	Gas	Exp.	100%*	C&S
Udacha South-3	SA Cooper	Gas	Exp.	100%*	P&A
Dunadoo-2	Qld Cooper	Gas	App	39.94%	C&S
Durham Downs-11	Qld Cooper	Gas	App	39.94%	C&S
Durham Downs-10	Qld Cooper	Gas	Dev	39.94%	P&A
Durham Downs North-7	Qld Cooper	Gas	Dev	39.94%	C&S
Raffle North West-1	Qld Cooper	Gas	Exp	39.94%	C&S
Bauer-33	SA Cooper	Oil	Dev.	100%*	C&S
Bauer-34	SA Cooper	Oil	Dev.	100%*	C&S
Bauer-35	SA Cooper	Oil	Dev.	100%*	C&S
Bauer-36	SA Cooper	Oil	Dev.	100%*	C&S
Bauer-37	SA Cooper	Oil	Dev.	100%*	C&S
Congony-3	SA Cooper	Oil	Dev. (Hz)	100%*	Drilling ahead
Kalladeina-4	SA Cooper	Oil	Dev. (Hz)	100%*	C&S
Congony-2	SA Cooper	Oil	App.	100%*	C&S
Hanson South-1	SA Cooper	Oil	App.	100%*	P&A
Charo-17	SA Cooper	Oil	App	33.40%	C&S
Gidgealpa-62	SA Cooper	Oil	App	33.40%	C&S

Gidgealpa-63	SA Cooper	Oil	App	33.40%	C&S
Bankhead-1	SA Cooper	Oil	Exp	33.40%	P&A
Tennaperra-6	Qld Oil	Oil	App	30%	C&S
Watson North-2	Qld Oil	Oil	App	38.50%	C&S
Watson North-3	Qld Oil	Oil	App	38.50%	C&S
Cocinero-10	Qld Oil	Oil	Dev	45%	C&S

* Indicates Beach-operated

Basin	Category	Wells Spudded	Rig Released	Successful Wells	Success Rate
Cooper	Oil – Expl.	1	1	0	0%
	Oil – App.	8	8	7	88%
	Oil – Dev.	8	7	7	100%
	Gas – Expl.	4	4	3	75%
	Gas – App.	8	8	6	75%
	Gas – Dev.	11	11	10	91%
Otway	Gas – App.	1	0	0	NA
Total Wells		41	39	33	85%
All Exploration Wells		5	5	3	60%
All Appraisal Wells		17	16	13	81%
All Development Wells		19	18	17	94%

Drilling highlights:

Beach participated in 41 wells that spudded in the quarter. Drilling operations were completed at 39 wells at a success rate of 85% (success defined as wells that are cased and suspended as future producers or injectors) while two wells were drilling ahead at quarter-end.

Beach participated in 134 wells where drilling operations were completed in FY19 at an 84% success rate, representing a 40% increase in wells drilled over FY18 at a higher success rate. FY19 drilling comprised:

- 23 exploration wells at a 57% success rate
- 50 appraisal wells at an 82% success rate
- 61 development wells at a 95% success rate

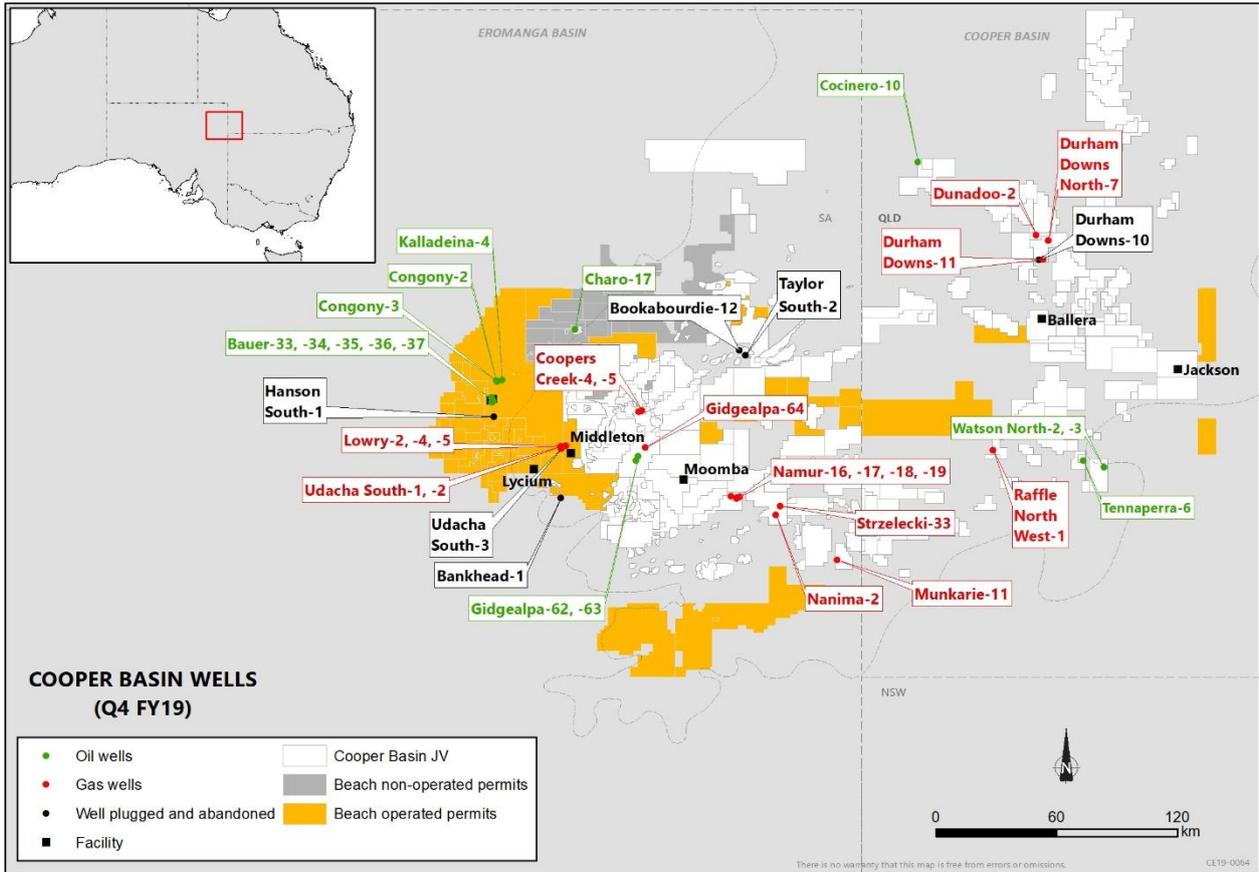
Highlights of the fourth quarter Beach-operated program included:

- 14 operated wells drilled at a success rate of 86% (eight oil wells at 88% and six gas wells at 83%).
- Gas appraisal well Haselgrove-4 spudded in the SA Otway Basin. The well is a down-dip appraisal of the Haselgrove-3ST1 gas discovery announced in early 2018 and is targeting conventional gas and gas liquids prospects in the Sawpit and Lower Pretty Hill sandstones. Subsequent to quarter end, the well completed drilling and is being completed for production testing in Q1 FY20.
- Successful completion of a five-well Bauer oil development campaign, following the December quarter appraisal campaign which confirmed an easterly extension to the structure. The five vertical development wells, Bauer-33, -34, -35, -36 and -37 have all been cased and suspended as future producers. By quarter end, two of the five wells, Bauer-33 and -34, were on free flow production recording initial rates of 700 bopd and 540 bopd, first 30 days average.
- Horizontal well campaigns on the Kalladeina and Congony fields. Kalladeina-4 drilled a 1,438 metre lateral segment, the longest lateral segment drilled by Beach to date and encountered 84% net reservoir. The well was cased and suspended as a future producer. The well is free flowing as of early July and awaiting artificial lift installation and a facilities upgrade for the field to increase oil export capability.
- At quarter-end, a further horizontal oil development well Congony-3, also located in the Congony-Kalladeina-Sceale field complex was drilling ahead. Subsequent to quarter end, Congony-3 reached TD intersecting 73 per cent net reservoir in the 1,229 metre lateral and is awaiting connection.
- The seven-well gas drilling campaign continued on the Lowry and Udacha South fields. Appraisal wells Lowry-2, -4 and -5 followed the success of Lowry-3 in the March quarter, all being cased and suspended as future producers and confirming an extension of the Lowry Field. Lowry-3 and -4 are expected to be the first wells brought online, currently expected in early FY20. The Lowry Field is a high liquids content gas field, with approximately twice the condensate yield of Beach's liquids-rich, Middleton and Brownlow Western Flank gas fields.
- Beach made a gas discovery on the Udacha South Field with Udacha South-1 and -2 exploration wells cased and suspended as future producers.

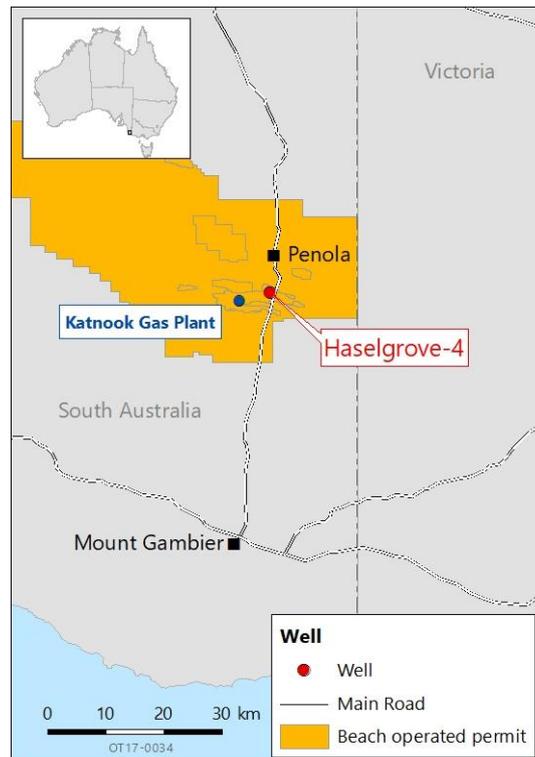
In the Cooper Basin JV, 25 wells were drilled during the quarter at a success rate of 84% (17 gas wells at 82% and eight oil wells at 88%). Highlights included:

- Completion of the five-well gas appraisal and development campaign on the Namur Field. All five wells were cased and suspended as future producers.
- The four-well Cocinero oil appraisal and development campaign completed with 100% success rate after Cocinero-10 was cased and suspended as a future producer. The result raised the expected recovery rate compared to pre-drill expectations.
- The five-well Watkins/Watson oil appraisal and development campaign completed with success at appraisal wells Watson North-2 and -3. This resulted in four of the five wells being cased and suspended as future producers.

Cooper and Eromanga basins



SA Otway Basin



Corporate and Commercial

Otway Sale completion

Beach completed the 40% sell-down of its Victorian Otway Assets to O.G. Energy on 31 May 2019. A completion payment of \$262 million¹ was received comprising the purchase price of \$344 million less adjustments of \$82 million¹. These adjustments reflect O.G. Energy's share of net cash flow from these assets between the effective date of the transaction (1 July 2018) and the completion date. Beach reports FY19 production from the Victorian Otway assets at 100% for the 11 months to 31 May 2019 and 60% for June 2019.

Gas Sales Agreement with Alinta Energy

Beach together with MEPAU signed a gas sales agreement with Alinta Energy for the supply of up to 20 TJ/day of gas from the Waitsia Field in the Perth Basin. The contract will commence 1 July 2020 with a duration of 4.5 years.

The Waitsia joint venture (Beach 50% and MEPAU 50%) has approved the expansion of the Xyris gas processing facility from the existing 10 TJ/day capacity (defined as Waitsia Gas Project Stage 1) to 20 TJ/day output (defined as Waitsia Gas Project Stage 1 expansion).

Stage 1 expansion activities will incorporate a large diameter pipeline connecting the Xyris facility to the Dampier to Bunbury Natural Gas Pipeline (DBNGP) with capacity for Waitsia Gas Project Stage 2 production volumes. Waitsia Gas Project Stage 2 development options include the construction of a new 100 to 250 TJ/day gas processing facility. FEED for Waitsia Gas Project Stage 2 is complete and EPC tenders are in progress.

Addition of BPT to S&P/ASX 100 Index

Effective at the open of trading on 24 June 2019, S&P Dow Jones Indices added Beach Energy to the S&P/ASX100 Index.

¹ Completion payment and adjustments were calculated utilising forecast May 2019 cash flows. Adjustments for actual May 2019 cash flows were made in June 2019.

Subsequent Events

Perth Basin activity

Subsequent to quarter end, Beach executed agreements with AWE (Beharra Springs) Pty Ltd, a related body corporate of MEPAU, to move to 50:50 ownership of production licences L11 and L22 (Beharra Springs), exploration permit EP 320 and pipeline licence PL 18 in the Perth Basin. The previous ownership structure for these permits was Beach 67% and MEPAU 33%. Beach retains operatorship of the permits. The transaction has an effective date of 1 January 2019 and is expected to be completed during Q1 FY20, subject to satisfaction of various conditions including regulatory approval.

Following completion of the transaction, MEPAU and Beach will each hold a 50% interest across all joint Perth Basin interests, increasing alignment between the two companies. MEPAU remains operator of licences L1 and L2, containing the Waitsia gas field.

The table below summarises the Perth Basin interests following the completion of this transaction.

Asset	Ownership post transaction	Comment
Waitsia (L1/L2)	MEPAU 50% and operator, Beach 50%	No change
Beharra Springs (L11 and L22)	Beach 50% and operator, MEPAU 50%	MEPAU acquires 17% interest from Beach
EP 320	Beach 50% and operator, MEPAU 50%	MEPAU acquires 17% interest from Beach
PL 18 (pipeline)	Beach 50% and operator, MEPAU 50%	MEPAU acquires 17% interest from Beach

Canterbury Basin farm out and drilling commitment

Subsequent to year end a farm-out agreement was signed with OGOG (1) Limited (hereafter, OGOG), a wholly owned subsidiary of O.G. Energy in relation to PEP38264. PEP 38264 is in the Canterbury Basin in New Zealand and contains the Wherry and Gondola gas prospects. Subject to regulatory approvals of the farm-out, PEP38264 will become Beach 37.5% and operator, OGOG 37.5% and Discover Exploration Ltd 25%.

A Change of Conditions to extend Stage 3 of the work programme was submitted to and approved by the NZ regulator in Q4 FY19. The PEP38264 Joint Venture subsequently committed to Stage 3 work program, which includes the requirement to drill one well by October 2021.

Disclaimer and other information

Conversions

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

Comparable periods

In FY19 Beach accounts for its Victorian Otway interests at 100% until 31 May 2019 and 60% thereafter. Please note that FY18 results consolidate Lattice, Benaris and Toyota Tsusho assets from 1 January 2018. The full six months' contribution from the Toyota Tsusho assets was recorded in the June Q4 FY18 period.

Disclaimer

This ASX Release contains forward looking statements that are subject to risk factors associated with oil, gas and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

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

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

Assumptions

The outlook provided in this ASX Release is not guidance. The outlook is uncertain and subject to change. The outlook 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. These future development, appraisal and exploration projects are subject to approvals such as government approvals, joint venture approvals and board approvals. Beach expresses no view as to whether all required approvals will be obtained in accordance with current project schedules.

Glossary

\$	Australian dollars	O.G. Energy	O.G. Energy Holdings Limited, a member of the Ofer Global group of companies
bbl	Barrels	OGOG	OGOG (1) Limited, a wholly owned subsidiary of O.G. Energy
BassGas	Producing assets: Beach 53.75% and operator, Mitsui 35%, Prize 11.25%; Exploration permits: Beach 50.25% and operator, Mitsui 40%, Prize 9.75% Includes the producing Yolla field, the BassGas pipeline and Lang Lang gas plant as well as separate retention leases over the Trefoil, Rockhopper and White Ibis discoveries.	Origin	Origin Energy Limited and its subsidiaries
Beach	Beach Energy Limited and its subsidiaries	Other Cooper Basin	Other Cooper Basin producing permit areas comprise ATP 299 (Tintaburra) (Beach 40%, Santos 60% and operator), ex PEL 513/632 (Beach 40%, Santos 60% and operator) and PRL 135 (Vanessa) (Beach 43%, Senex 57% and operator)
Benaris assets / interests	Refers to 27.77% of Otway Gas Project, acquired by Lattice, as announced by Origin on 11 September 2017	Otway Gas Project	Consists of offshore gas fields, Thylacine and Geographe, the Thylacine Well Head Platform, Otway Gas Plant and associated infrastructure
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	Otway Sale	Sale of 40% of Beach's Victorian Otway interests to O.G. Energy (for additional information please refer to ASX announcement Ref: #047/18)
C&S	Cased and suspended	P&A	Plugged and abandoned
Cooper Energy	Cooper Energy Ltd and its subsidiaries	PCP	Previous corresponding period
Cooper Basin	Includes both Cooper and Eromanga basins	PEL	Petroleum Exploration Licence
Cooper Basin JV	The Santos operated, SACB JVs and SWQ JVs	Perth Basin production	Comprises Beharra Springs (Beach 67% and operator, Mitsui 33%) and Waitsia (Beach 50%, Mitsui 50% and operator).
Ex PEL 91	PRLs 151 to 172 and various production licences. Beach 100%	Prize	Prize Petroleum International
Ex PEL 92	PRLs 85 to 104 and various production licences. Beach 75% and operator, Cooper Energy 25%.	PJ	Petajoule
Ex PEL 104 / 111	PRLs 136 to 150 and various production licences. Beach 40%, Senex 60% and operator.	Q(3) (FY19)	(Third) quarter of (FY19)
Ex PEL 106	PRLs 129 and 130 and various production licences. Beach 100%.	Qtr	Quarter
Free cash flow	Defined as operating cash flow less capital expenditure (excluding acquisitions and divestments)	SACB JV	South Australian Cooper Basin Joint Ventures, which include the Fixed Factor Area (Beach 33.4%, Santos 66.6%) and the Patchawarra East Block (Beach 27.68%, Santos 72.32%)
FY(19)	Financial year (2019)	Santos	Santos Limited and its subsidiaries
Genesis	Genesis Energy Limited and its subsidiaries	Senex	Senex Energy Limited and its subsidiaries
GSA	Gas sales agreement	SWQ JV	South West Queensland Joint Ventures, incorporating various equity interests (Beach 30-52.2%)
GJ	Gigajoule	TJ	Terajoule
H(1) (FY19)	(First) half year period (of FY19)	Toyota Tsusho assets / interests	Refers to 5% of Otway Gas Project and 11.25% of BassGas. Refer Beach's announcement #098/17 of 21 December 2017.
HBWS	Halladale, Black Watch and Speculant fields, offshore Otway Basin	Victorian Otway Basin production	Comprises Otway Gas Project (Beach 60% and operator) and HBWS (Beach 60% and operator).
kbbl	Thousand barrels of oil	Western Flank Gas	Comprises gas production from ex PEL 91 and 106. Both Beach 100%.
kboe	Thousand barrels of oil equivalent	Western Flank Oil	Comprises oil production from ex PEL 91 (Beach 100%), ex PEL 92 (Beach 75% and operator, Cooper Energy 25%) and ex PEL 104/111 (Beach 40%, Senex 60% and operator)
kt	Thousand tonnes		
Kupe Gas Project	Beach 50% and operator, Genesis 46%, NZOG 4%. Consists of offshore Kupe gas field in the Taranaki Basin, the Kupe offshore platform, Kupe gas plant and associated infrastructure.		
Lattice	Lattice Energy Ltd		
LPG	Liquefied petroleum gas		
MEPAU	Mitsui E&P Australia		
Mitsui	Mitsui & Co., Ltd and its subsidiaries		
MMbbl	Million barrels of oil		
MMboe	Million barrels of oil equivalent		
MMscfd	Million standard cubic feet of gas per day		
NZOG	New Zealand Oil & Gas and its subsidiaries		