

11 FEBRUARY 2020

FY20 HALF YEAR RESULTS PRESENTATION



Compliance statements



Disclaimer

This presentation 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.

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 reviewed financial statements.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. References to "Beach" may be references to Beach Energy Limited or its applicable subsidiaries. Unless otherwise noted, all references to reserves and resources figures are as at 30 June 2019 and represent Beach's share.

References to planned activities in FY20 and beyond FY20 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

FY20 guidance is uncertain and subject to change. FY20 guidance has been estimated on the basis of actual results achieved in H1 FY20 and the following assumptions in H2 FY20: 1. US\$60/bbl Brent oil price; 2. 0.68 AUD/USD exchange rate; 3. various other economic and corporate assumptions; 4. assumptions regarding drilling results; and 5. expected future development, appraisal and exploration projects being delivered in accordance with their current expected project schedules.

These future development, appraisal and exploration projects are subject to approvals such as government approvals, joint venture approvals and board approvals. Beach expresses no view as to whether all required approvals will be obtained in accordance with current project schedules.

Reserves disclosure

Beach prepares its petroleum reserves and contingent resources estimates in accordance with the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers. The reserves and contingent resources presented in this report were originally disclosed to the market in the FY19 annual report released 19 August 2019. Beach confirms that it is not aware of any new information or data that materially affects the information included in the aforesaid market announcement and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcement continue to apply and have not materially changed.

The reserves and resources information in this report is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr David Capon (Manager Development Offshore Victoria, New Zealand and NT). Mr Capon is a full time employee of Beach Energy Limited and has a BSc (Hons) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers. He has in excess of 25 years of relevant experience. The reserves and resources information in this presentation has been issued with the prior written consent of Mr Capon as to the form and context in which it appears.

Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 5.816 TJ per kboe, LPG: 1.398 bbl per boe, condensate: 1.069 bbl per boe and oil: 1 bbl per boe. The reference point for reserves determination is the custody transfer point for the products. Reserves are stated net of fuel, flare & vent and third party royalties.

Growth program is on track in FY20



Growth execution on track

- ✓ Growth program execution progressing well
- ✓ 105 wells drilled in H1 FY20 at 83% success rate
- ✓ Western Flank operated oil production above 22,000 bopd
- ✓ Victorian Otway drilling program underway with Black Watch-1
- ✓ Ocean Onyx rig expected to arrive in March for offshore drilling program

Exploration/appraisal success

- ✓ Bauer appraisal confirms further field extension
- ✓ Cooper Basin exploration/appraisal success rate of 66%
- ✓ Beharra Springs Deep-1 gas discovery in Perth Basin, flow tested at 46 MMscfd¹
- ✓ Dombey-1 gas discovery in SA Otway
- ✓ Easternwell 106 rig contracted to appraise SA Otway, Perth Basin discoveries

Operational excellence program

- ✓ Facility reliability averaged 98% across operated asset base in H1 FY20
- ✓ Kupe shutdown completed safely, on time and on budget
- ✓ H1 FY20 production 13.0 MMboe, oil production on track

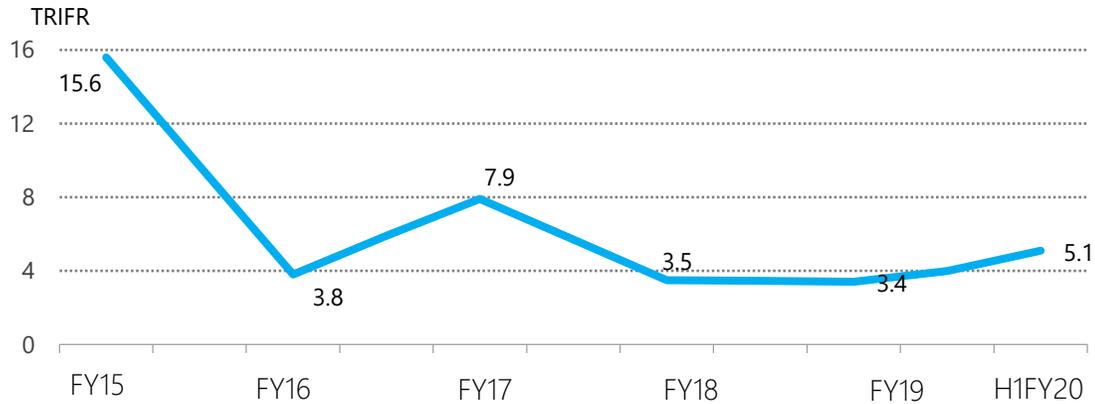
Financial strength

- ✓ Underlying EBITDA \$622 million
- ✓ Underlying NPAT \$274 million, +9% versus Pro Forma H1 FY19 Underlying NPAT²
- ✓ Interim dividend 1.0 cps

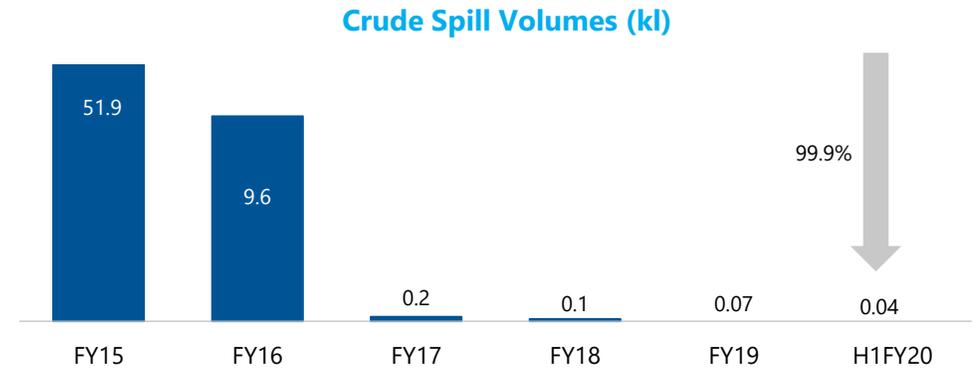
Health, Safety and Environmental Performance



Safety Performance



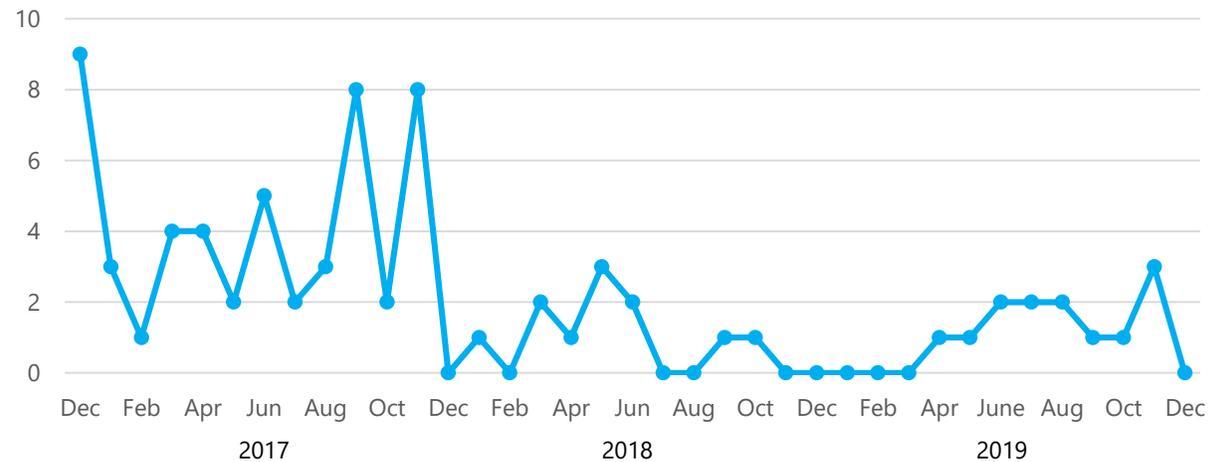
Environmental Performance



Focused on HSE performance

- **Safety:** increase in minor injuries being addressed through rigorous campaigns
- **Environment:** Continuing industry leading performance
- **Process Safety:** Sustained performance with only minor loss of containment events recorded

Process Safety - Loss of containment¹

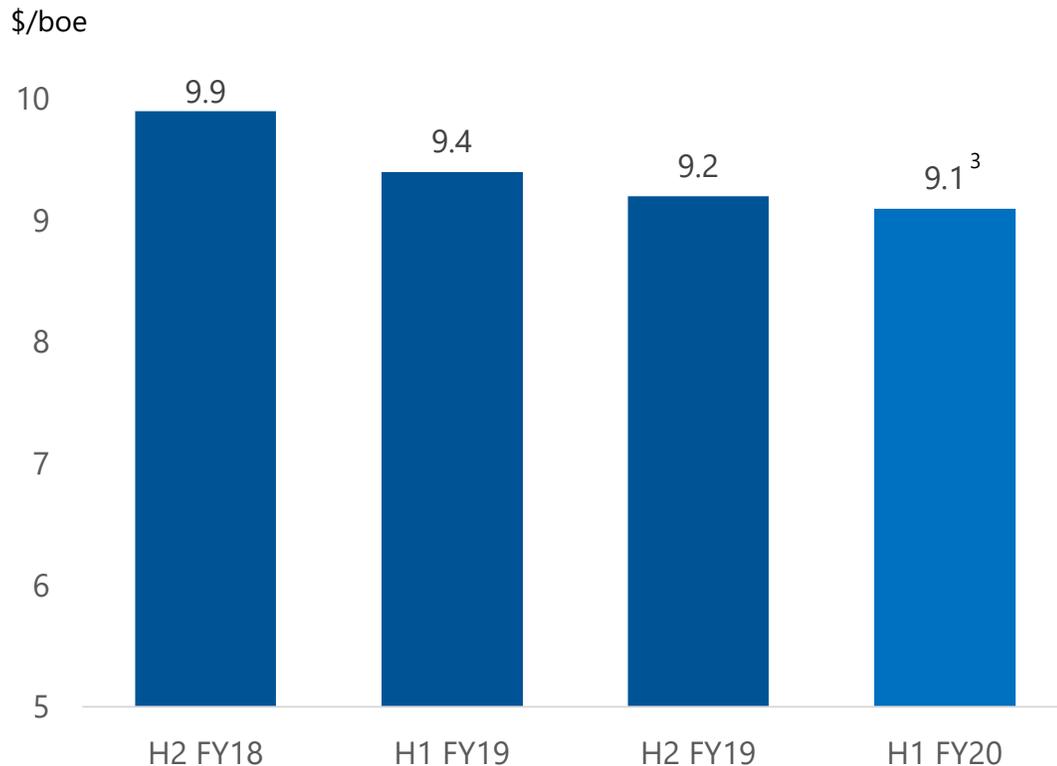


1. Based on API 754 Tier 1, 2, 3, 4 modified

Continued success in reducing operating costs



Field operating costs/boe¹



Operational Excellence

- Generating value through **safe, reliable** and **efficient** operations.
 - Kupe full plant statutory shutdown completed on time and on budget In November 2019. Over 80,000 hours of work executed with no recordable HSE incidents. Facility reliability returned to pre-shutdown levels after the plant restart.
 - H1 FY20: Average facility reliability improves to 98%
 - H2 FY20 target: Maintain reliability above 98%
- Re-phasing of Otway Gas Plant shutdown nets downtime reduction of 5 – 6 days and \$4 million cost savings
- \$30 million reduction² in direct controllable operating costs by the end of FY20 remains on track to be reached or exceeded (\$28 million achieved by the end of December 2019)

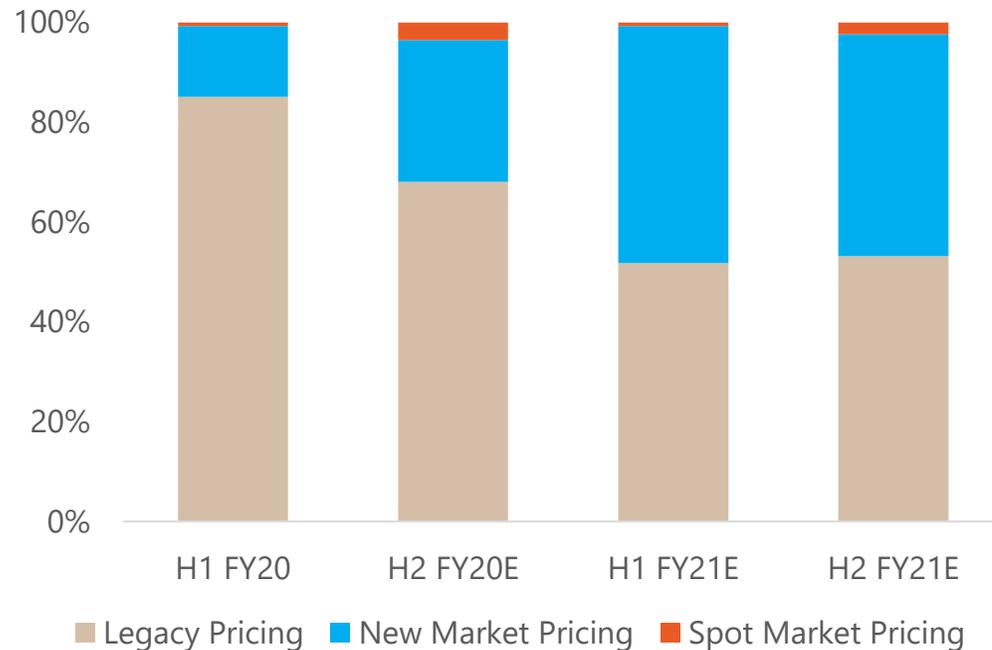
1. Operating costs exclude royalties, tolls, tariffs and 3rd party purchases.
2. Relative to FY18 baseline direct controllable operating costs of \$160 million
3. Excludes impact associated with Kupe statutory shutdown activities

Beach portfolio not exposed to spot gas prices



Historic and forecast east coast gas sales

(% of volume)



Recent gas market dynamics

- Low LNG spot prices impacting East Coast Gas Market spot prices
- **Beach has minimal spot gas price exposure:** More than 99% of East Coast gas sales in H1 FY20 sold under contract, with 98% expected to be sold under contract in H2 FY20

Mid-long gas market dynamics

- Non-CSG East Coast gas supply is expected to decline in the medium-term in the absence of material new developments¹
- There are physical (pipeline) constraints on how much QLD gas can flow to southern demand centres, no matter how much is made available long-term
- New sources of southern supply will still be ultimately required
- LNG imports to the East Coast would require domestic prices of >\$9/GJ if long-term LNG prices were as low as US\$6 / MMBtu²

> 99% of Beach's east coast gas sales in H1 FY20 were sold under contract

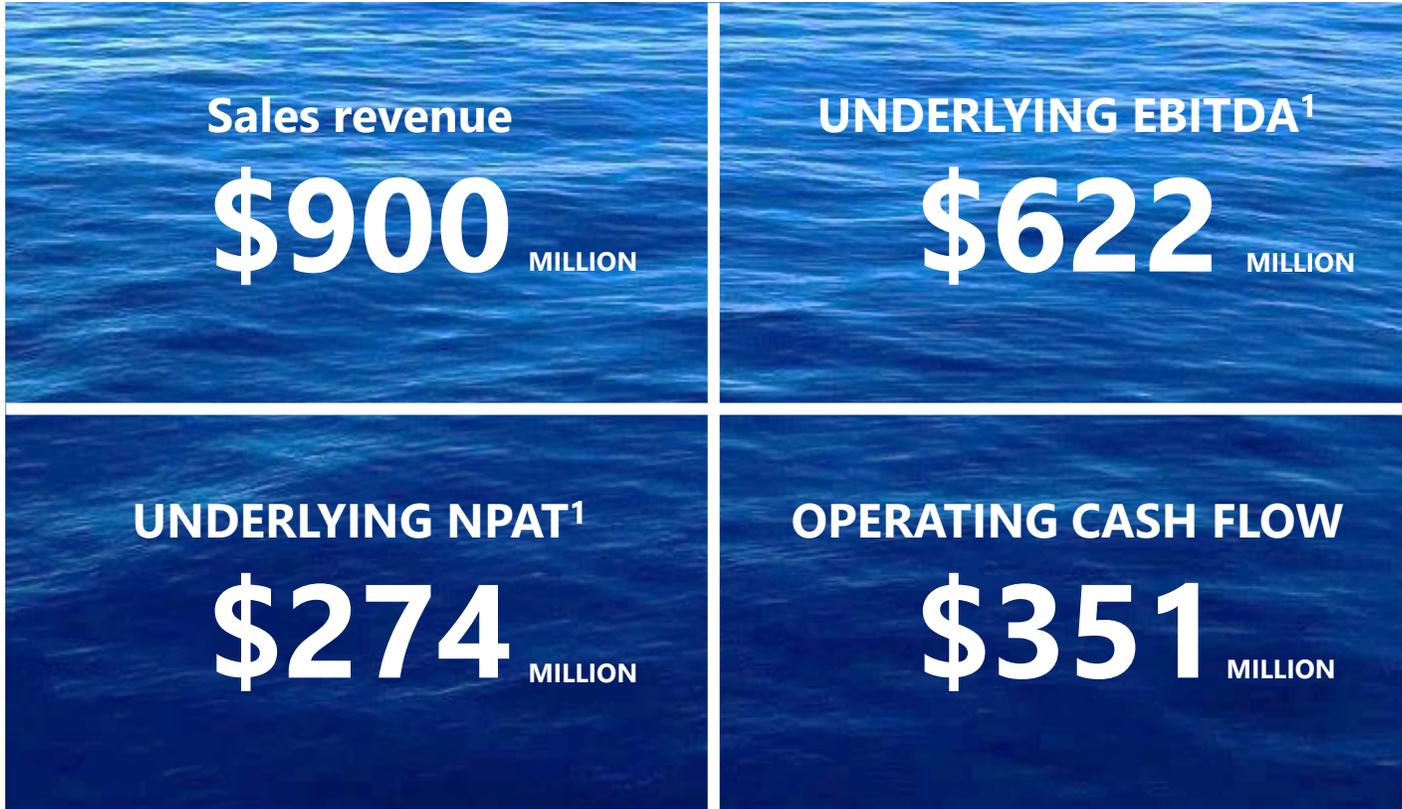
FY20 HALF YEAR RESULTS PRESENTATION

Financial Results



Financial highlights

Strong financial performance maintained after partial sale of Victorian Otway interests in prior period



- First full half since completion of sale of 40% of Victorian Otway Basin interests in H2 FY19
- H1 FY20 Sales Revenue up 3% on a pro forma basis²
- H1 FY20 Underlying NPAT up 9% on a pro forma basis³
- Operating cash flow of \$351 million after making \$238 million tax payments in H1 FY20

1. Underlying results in this presentation 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. The information has been extracted from the reviewed financial statements. For a reconciliation of H1 FY20 net profit after tax to underlying net profit after tax and EBITDA, refer to Appendix.

2. Pro Forma H1 FY19 Sales Revenue is calculated as \$873 million, equal to H1 FY19 Sales Revenue of \$954.7 million less \$82.1 million Sales Revenue contribution from a 40% interest in the Vic Otway Basin assets in H1 FY19.

3. Pro Forma H1 FY19 Underlying NPAT is calculated as \$250 million, equal to H1 FY19 Underlying NPAT of \$278.8 million less \$28.6 million NPAT contribution from a 40% interest in the Vic Otway Basin assets in H1 FY19.

Financial highlights



\$ million (unless otherwise indicated)	H1 FY19	H1 FY20	Change
Production (MMboe)	15.2	13.0	↓ 15%
Pro Forma Production (MMboe)	13.2	13.0	↓ 2%
Sales volumes (MMboe)	16.0	13.4	↓ 16%
Avg. realised oil price¹ (\$/bbl)	100.4	104.6	↑ 4%
Avg. realised gas /ethane price (\$/GJ)	6.65	7.05	↑ 6%
Sales revenue	955	900	↓ 6%
Pro Forma Sales revenue	873	900	↑ 3%
Net profit after tax	283	279	↓ 2%
Underlying NPAT²	279	274	↓ 2%
Pro Forma Underlying NPAT³	250	274	↑ 9%
Operating cash flow	479	351	↓ 27%
Net assets	2,374 ⁴	2,632	
Net (debt) / cash	172 ⁴	60	

Underlying NPAT recognises

- 4% increase in realised oil price, 6% increase in realised gas and ethane price
- Sale of 40% of Victorian Otway Basin interests in H2 FY19
- H1 FY20 Underlying NPAT up 9% on a pro forma basis³

Operating cash flow

- 27% decrease in operating cash flow driven by \$238 million tax payments in H1 FY20

Net cash position

- \$60 million net cash at 31 December 2019
- 1.0 cent per share fully franked interim dividend announced

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

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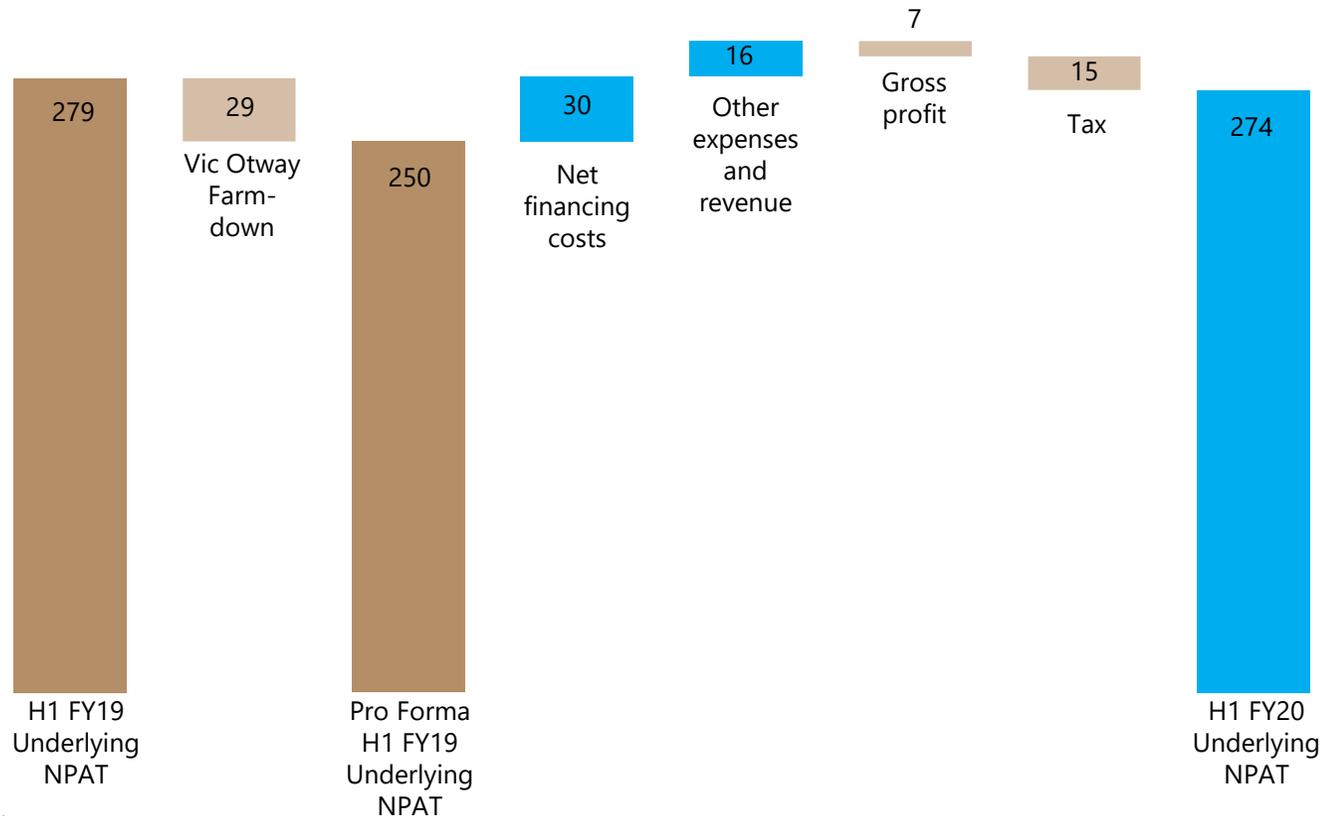
4. Balance sheet items as at 30 June 2019.

Underlying NPAT



Underlying Net Profit After Tax Comparison

\$ millions



\$274 million Underlying NPAT is 2% lower than H1 FY19 driven by factors including:

- Partial sale of Victorian Otway Basin interests in FY19
- Lower gross profit²
- Higher tax

Partly offset by:

- Lower net financing costs
- Lower other expenses

AASB 16 lease impact – accounting change only

- Lease payments shift from operating expenses to depreciation and interest expenses (refer slide 37)

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2. Movement in gross profit includes lower third party purchases (\$16.3 million), lower depreciation (\$15.5 million) and decrease in inventory charges (\$5.9 million), offset by higher cash production costs (\$47.3 million) and lower sales and other revenue (\$2.8 million)

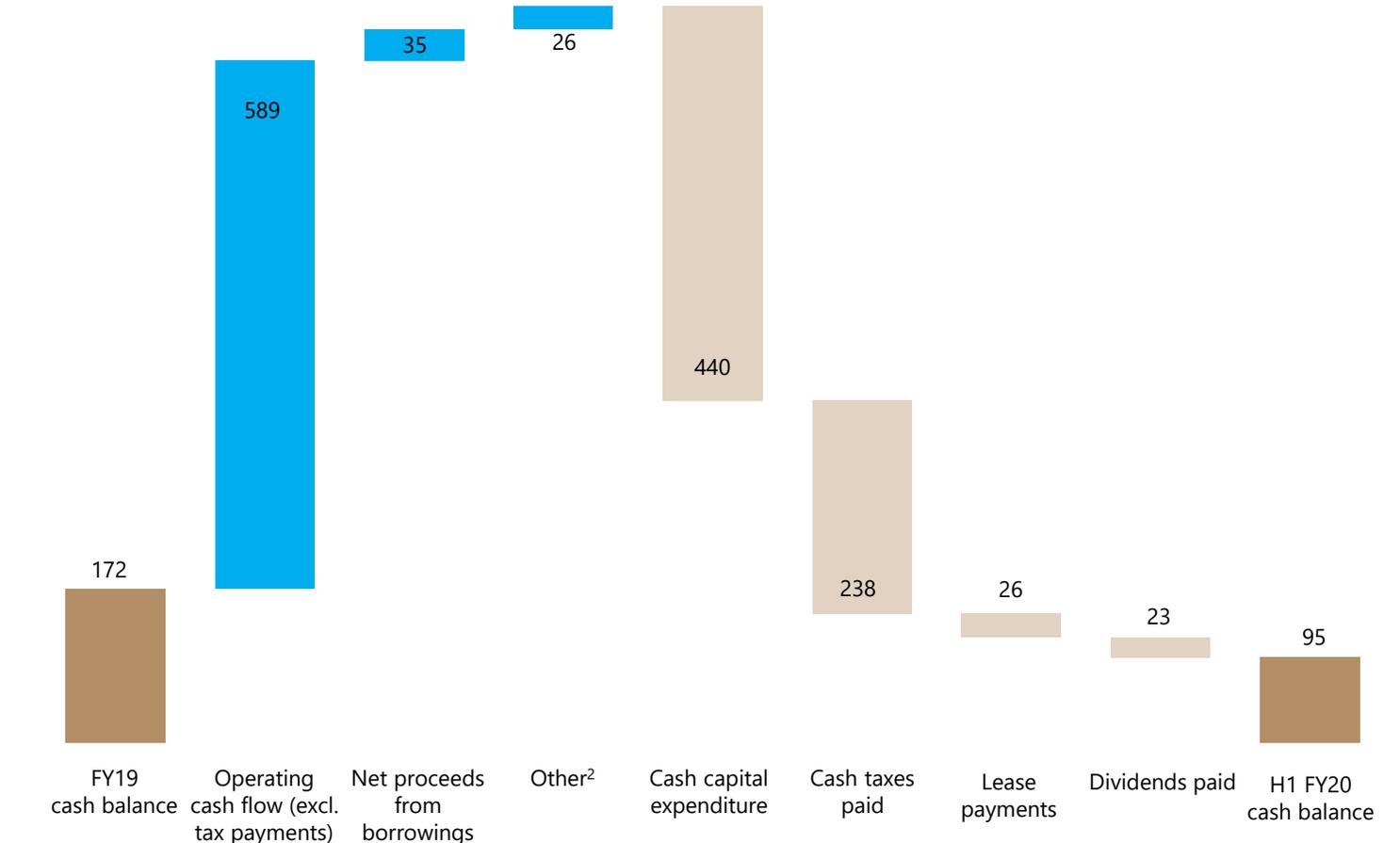
Financial strength maintained

Strong operating cash flow supports investment program



Movement in cash

\$ millions



- First half operating cash flow, excluding tax paid, of \$589 million
 - H1 FY20 cash tax of \$238 million relates to finalisation of FY19 period and provisional cash tax payment for H1 FY20.
- Cash capital expenditure of \$440 million as multi-year capital investment campaign ramps
- Closing cash balance of \$95 million
 - Net cash position of \$60 million
 - Total liquidity of \$510 million (cash plus revolver availability) at 31 December 2019
- No net cash impact from application of AASB 16 accounting standards (refer slide 37)

1. Net cash defined as drawn debt less cash and cash equivalents

2. Other includes proceeds from government grants, net proceeds from acquisitions and divestments, proceeds from repayment of employee share loans, payment for shares purchased on-market (employee share plan) and effect of exchange rate on foreign cash balances.

Summary

Strong financial performance maintained



Balance sheet flexibility

- ✓ Strong balance sheet position provides flexibility to continue growth investment
- ✓ On track to end year in net cash position while also increasing FY20 investment
- ✓ \$510 million available liquidity at 31 December 2019

High revenue certainty

- ✓ Gas portfolio provides revenue certainty, covers all of FY20 operating costs
- ✓ East coast gas market price resets at end of this financial year

Low cost operator

- ✓ Field operating costs/boe continue to decline; \$9.10/boe in H1 FY20
- ✓ 20% reduction in direct controllable operating costs on track by end of FY20

Growth portfolio

- ✓ Priority given to value-accretive investment to drive Total Shareholder Return (TSR)
- ✓ Significant year of organic reinvestment underway
- ✓ 90% of FY20 growth projects deliver IRRs > 50%

FY20 HALF YEAR RESULTS PRESENTATION

FY20 guidance and asset update



beach

Updated FY20 guidance



	Prior FY20 Guidance	Current FY20 Guidance
Production	27 – 29 MMboe	27 – 28 MMboe
Capital Expenditure¹	\$750 – 850 million	\$875 – 950 million
Underlying EBITDA	\$1.25 – 1.4 billion	\$1.275 – 1.35 billion
DD&A³	\$17-18 / boe	\$17 – 17.5 / boe

- FY20 Underlying EBITDA guidance includes:
 - Estimated \$50 million of “other revenue” associated with unwinding of GSA liabilities (unchanged vs prior); and
 - Estimated \$20 million positive impact from the application of AASB 16 (lease) accounting standard (prior: \$30 million)
- FY20 DD&A guidance includes an updated estimate of \$20 million associated with the impact of AASB16 (lease) accounting standard (prior: \$30 million)

Increased growth investment to drive longer term production growth

FY20 production guidance update

Production momentum building into H2 FY20

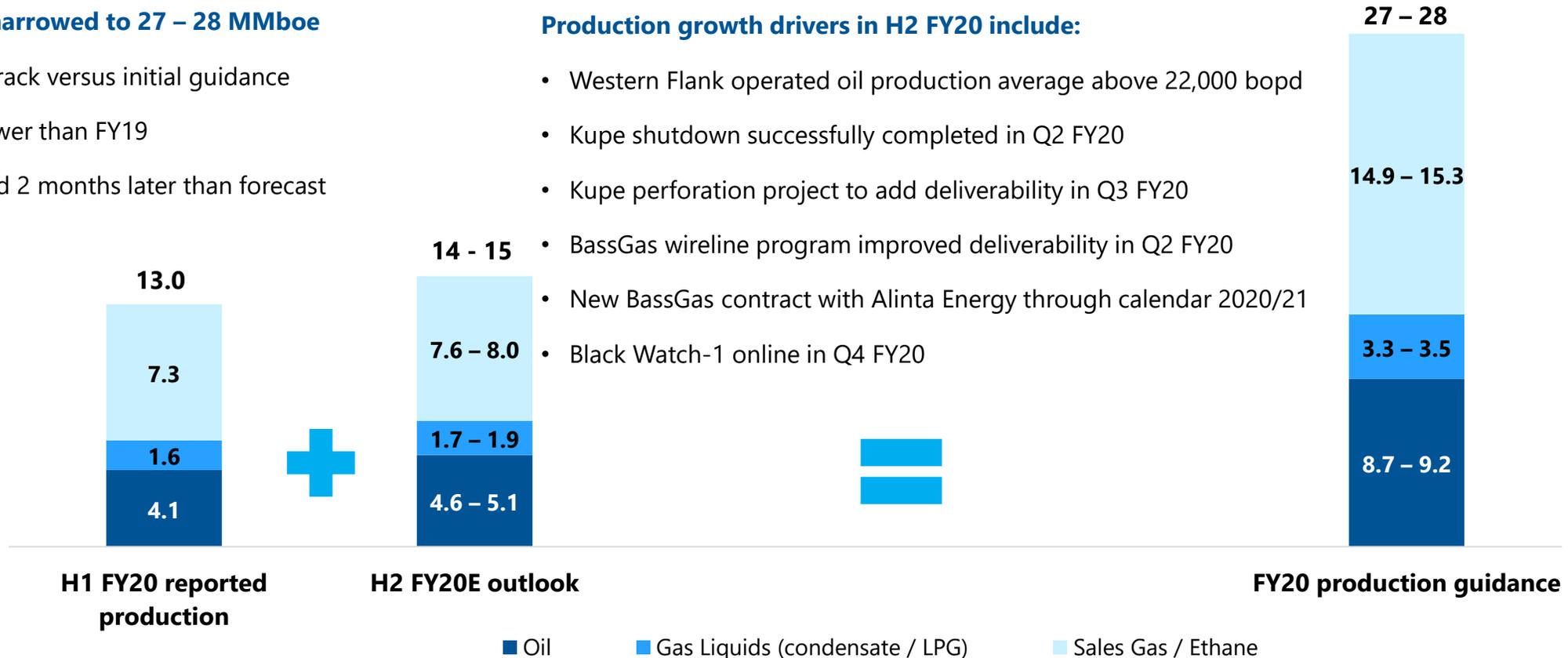


FY20 production guidance narrowed to 27 – 28 MMboe

- Oil production growth on track versus initial guidance
- Contracted gas demand lower than FY19
- Black Watch-1 well spudded 2 months later than forecast

Production growth drivers in H2 FY20 include:

- Western Flank operated oil production average above 22,000 bopd
- Kupe shutdown successfully completed in Q2 FY20
- Kupe perforation project to add deliverability in Q3 FY20
- BassGas wireline program improved deliverability in Q2 FY20
- New BassGas contract with Alinta Energy through calendar 2020/21
- Black Watch-1 online in Q4 FY20



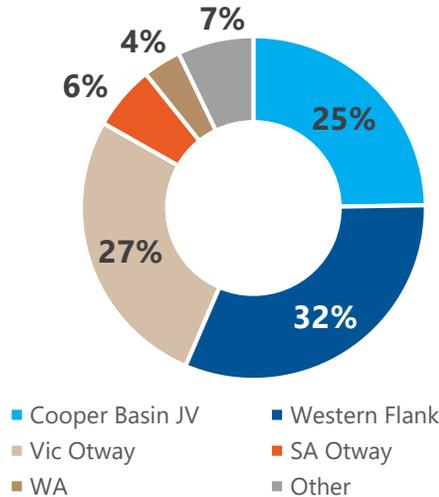
Higher Western Flank oil volumes a key contributor to H2 FY20 growth

FY20 capital expenditure update

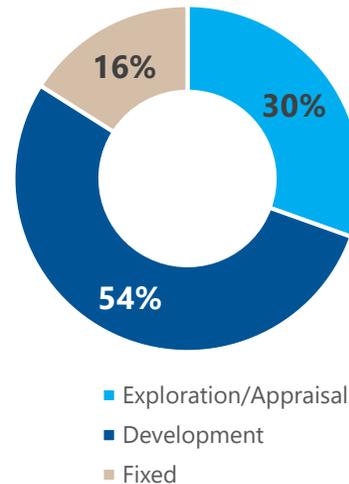
Updated FY20 capital investment guidance \$875 – 950 million



By asset group



...and by type



- 1. Western Flank infrastructure investment (~\$30 million)**
 - Follows successful drilling efforts in H1 FY20
 - Higher fluid handling capacity
 - More artificial lift investment to increase production volumes from more wells
 - Other surface infrastructure (flow lines, roads etc)
- 2. Additional SA Otway and Perth Basin drilling (~\$25 million)**
 - Following on from new discoveries in H1 FY20
 - Added two SA Otway wells for drilling in FY20
 - Long lead items for FY21 Perth Basin exploration and appraisal drilling activity
- 3. Tawhaki-1 exploration well (~\$25 million)**
 - Farm-in announced on 19 December 2019
- 4. Cooper Basin JV maintenance capex (~\$20 million)**
 - Major component targeting Port Bonython to support higher liquids rates
- 5. Cost overruns at Haselgrove, Dombey (~\$10 million)**
 - Drilling duration longer than anticipated

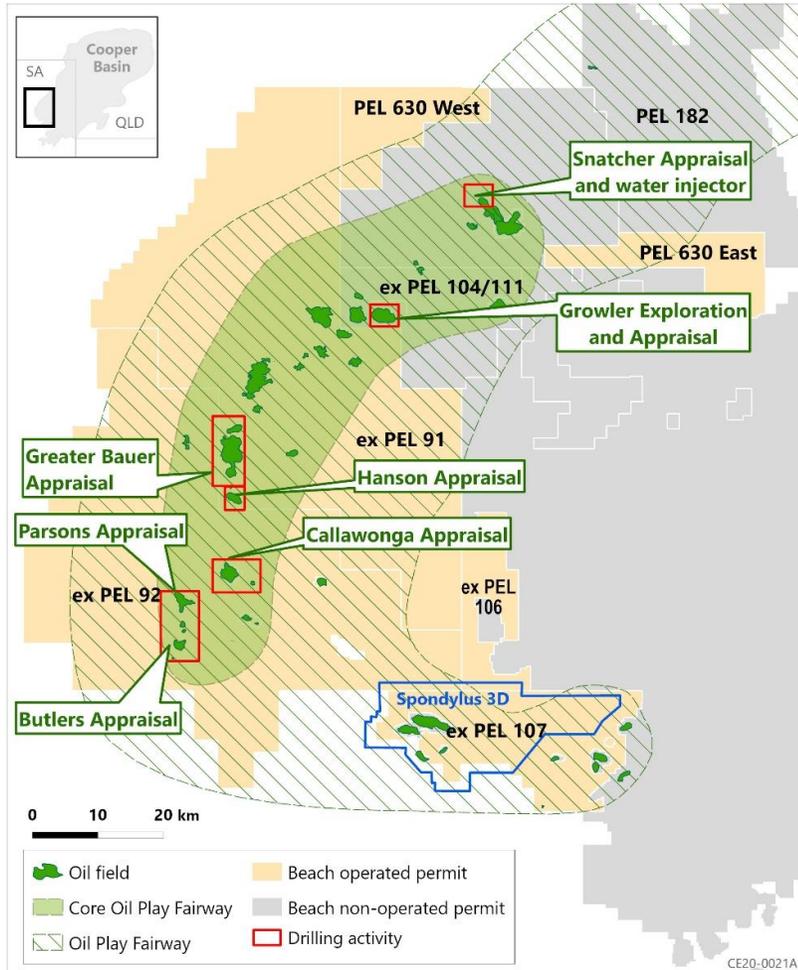
Beach is investing more than \$500 million in FY20 to bring on new east coast gas supplies

Western Flank Oil

Beach operated interests 75 - 100%; non-operated 40%, Senex operator



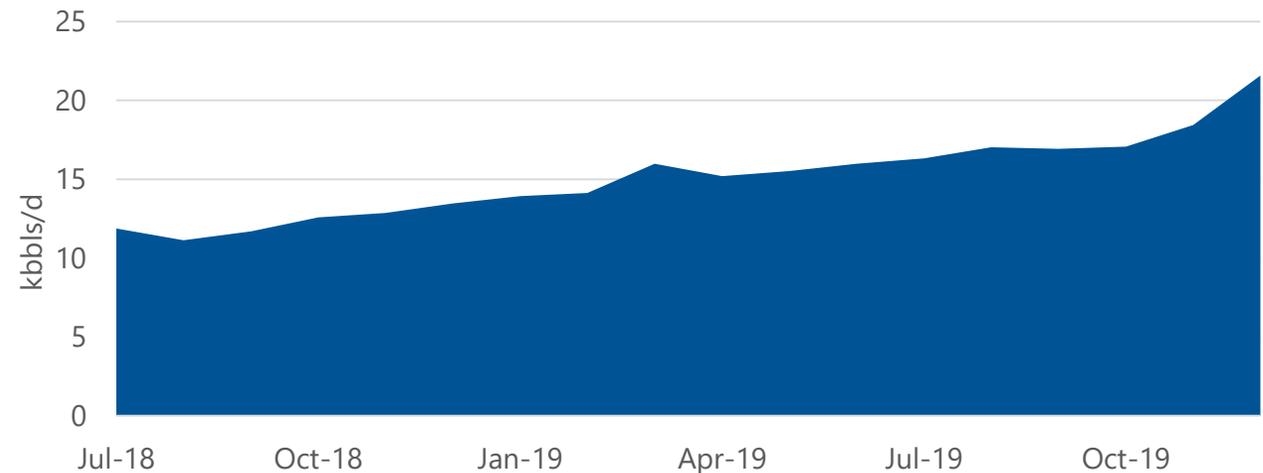
H1 FY20 areas of activity



Successful drilling campaign leads to 44% increase in oil output

- H1 FY20 production of 3.4 MMbbl, +44% vs H1 FY19
- 46 wells drilled at 72% success rate¹
 - 100% success rate in operated development drilling
 - Operated appraisal campaigns on Bauer, Chiton, Hanson and Arno fields in Ex PEL 91 and Parsons, Callawonga, and Butlers fields in Ex PEL 92
 - Appraisal campaign has identified new development well locations

Western Flank gross operated oil production (ex PEL 91 and 92)



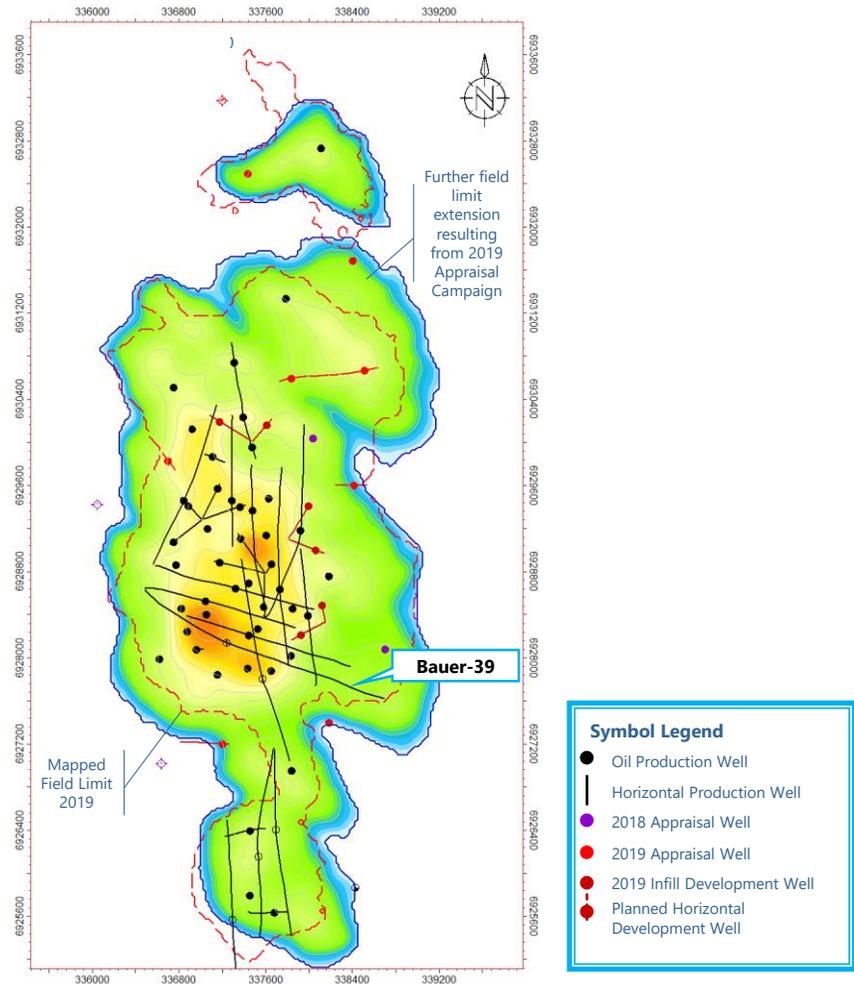
1. Drilling success defined throughout as wells cased and suspended or completed as future producers or water injectors

Western Flank Oil

Bauer appraisal drilling identifies further field extension



Bauer top McKinlay reservoir map showing movement in field limit



Appraisal strategy proving effective

- H1 FY20 Bauer appraisal drilling activity added new oil production wells and identified field extensions in both the northern and southern parts of the field
- Reserves to be reviewed at end of FY20 incorporating new development, appraisal and production data
- Bauer phase 3 appraisal program planned for early FY21 to further resolve structural extent

Positive production results from horizontal drilling campaign

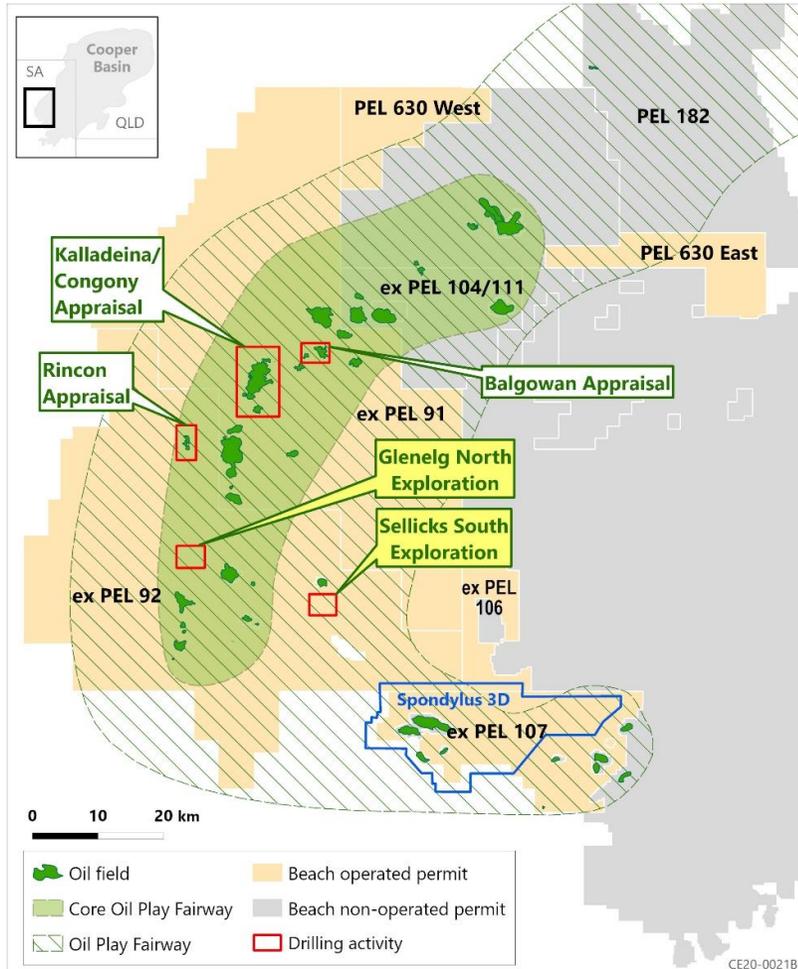
- Bauer-39:
 - Longest horizontal well drilled in the field to date (McKinlay section: 1,517 metres, 90% reservoir)
 - Lifted McKinlay structure in the south east of the field
 - Anticipate 30 day IP rate > 2,000 bopd on pump

Western Flank Oil

High levels of activity to continue



H2 FY20 planned areas of activity



H2 FY20 focus areas

1. Continued use of dedicated exploration and appraisal rig to:

- Further appraise Kalladeina / Congony fields
- Appraise Balgowan and Rincon fields
- Return to exploration drilling with Sellicks South-1 and Glenelg North-1

2. Development rig to target maintaining/increasing oil output in H2 FY20:

- 10 additional Bauer lateral McKinlay wells
- Trial of new technology to improve drawdown along the lateral length
- Increased use of horizontal drilling to optimise field development

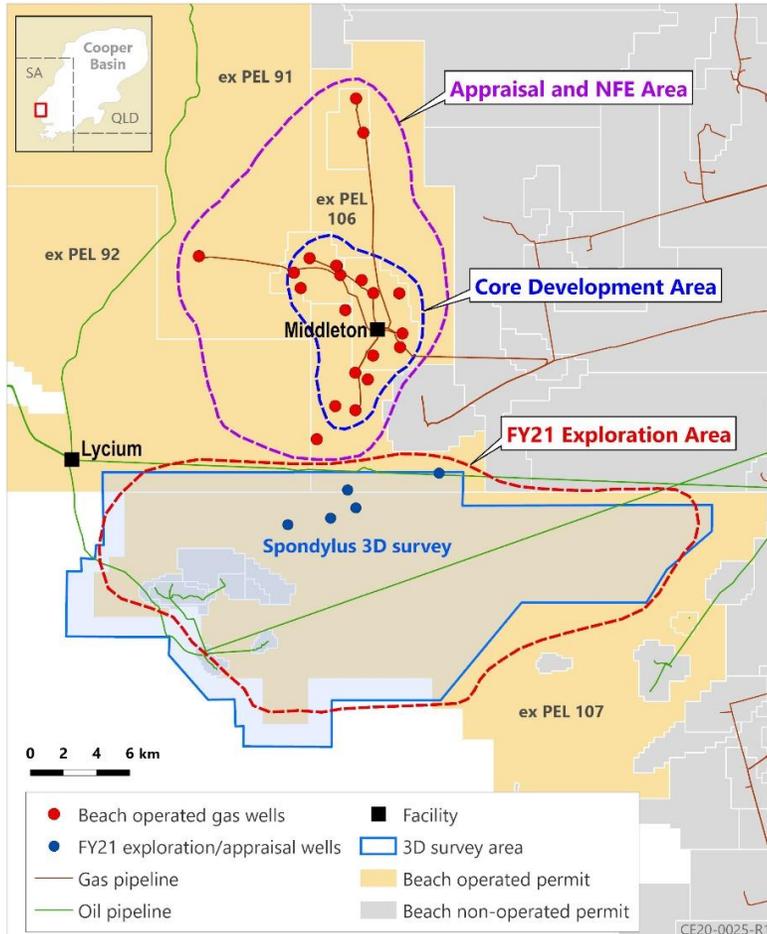
3. Increased infrastructure investment associated with gathering and optimizing production from new wells.

Western Flank Gas

ex PEL 106, ex PEL 107 and ex PEL 91, Beach 100% and operator



Western Flank Gas areas of activity



H1 FY20 progress

- H1 FY20 production of 1.1 MMboe, +8% vs H1 FY19
- Gas drilling campaign was completed in early FY20 with two successful wells
- Inventory of wells sufficient to keep plant full for next 12-18 months; no further gas drilling expected until FY21

H2 FY20 focus areas

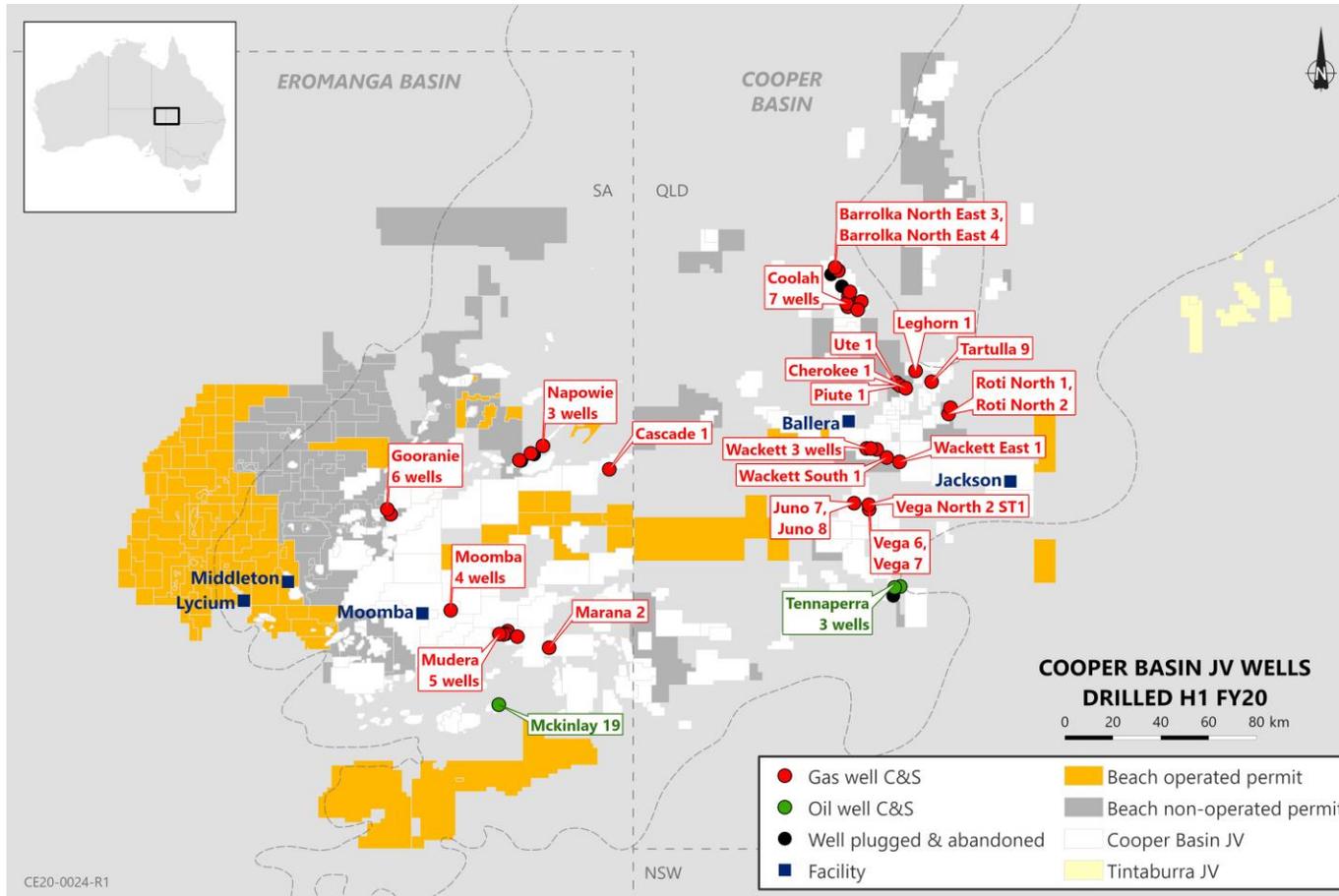
- Increase/optimize condensate output – recently connected Lowry wells have condensate-gas ratio of 50 bbl/MMscf
- Preparation for FY21 drilling campaign:
 - **ex PEL 106** Udacha appraisal / development wells to maintain deliverability into the Middleton gas facility
 - **ex PEL 107** drilling campaign in FY21. Option to either back fill Middleton gas facility or consider infrastructure expansion in the success case

Cooper Basin JV

Beach various interests (20.76 - 52.2% range), Santos operator



H1 FY20 Cooper Basin JV drilling activity



H1 FY20 progress

- H1 FY20 production of 4.2 MMboe, stable on prior year
- Beach participated in 53 wells at 92% success rate
- First half highlights included the 100% success rate in the Near Field Exploration campaign in Queensland
 - Leghorn-1 brought online in January at 12 MMscfd

H2 FY20 focus areas

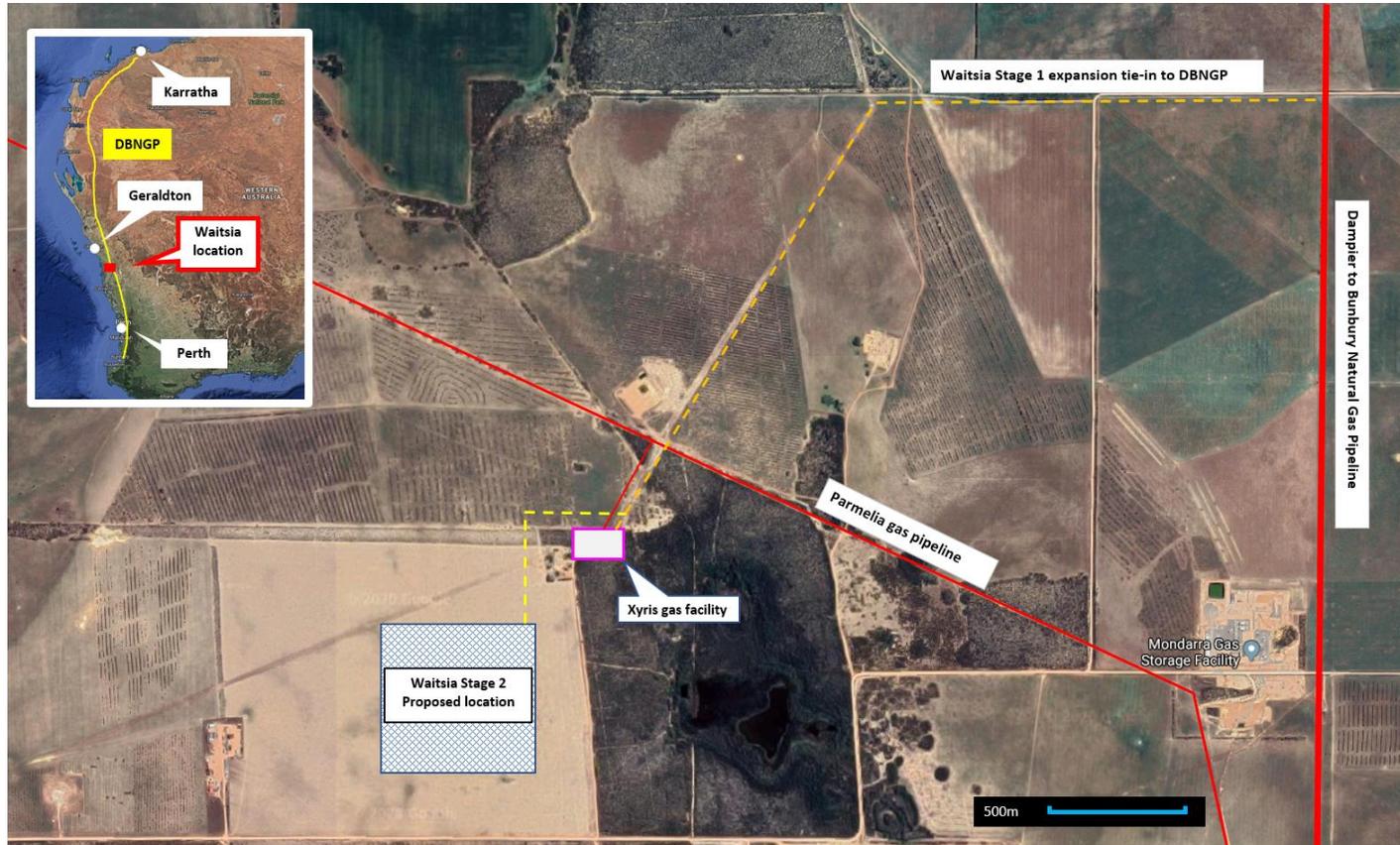
- Facility upgrades at Port Bonython to improve capacity will add stay-in-business capital
- On track to drill 46 wells in H2, including 29 oil wells

Perth Basin

Waitsia (50% interest, Mitsui operated)



Waitsia Stage 1 expansion and Waitsia stage 2 locations



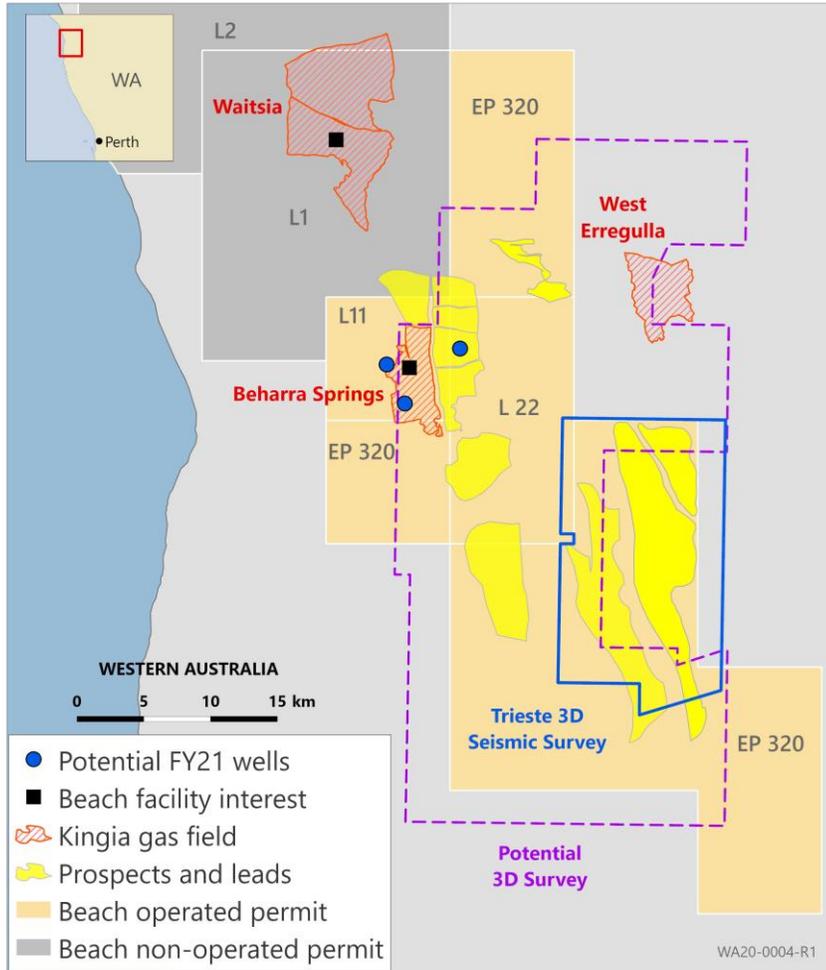
Diagrammatical representation of Waitsia stage 1 expansion of the Xyris gas facility and tie-in to DBNGP, as well as the proposed location of Waitsia Stage 2

Waitsia stage 1 expansion underway and progressing towards Stage 2 FID

- Waitsia Stage 1 expansion FID reached in July 2019, construction underway
 - Waitsia production shut in from January 2020 until works completed in H1 FY21
 - Includes interconnector to DBNGP
- Positive progress on Waitsia Gas Project Stage 2
 - Discussions with gas customers and key stakeholders
 - FEED and EPC tender process complete
 - Targeting FID by the end of FY20

Perth Basin – substantial exploration and appraisal potential

Beharra Springs (Beach 50% operated)

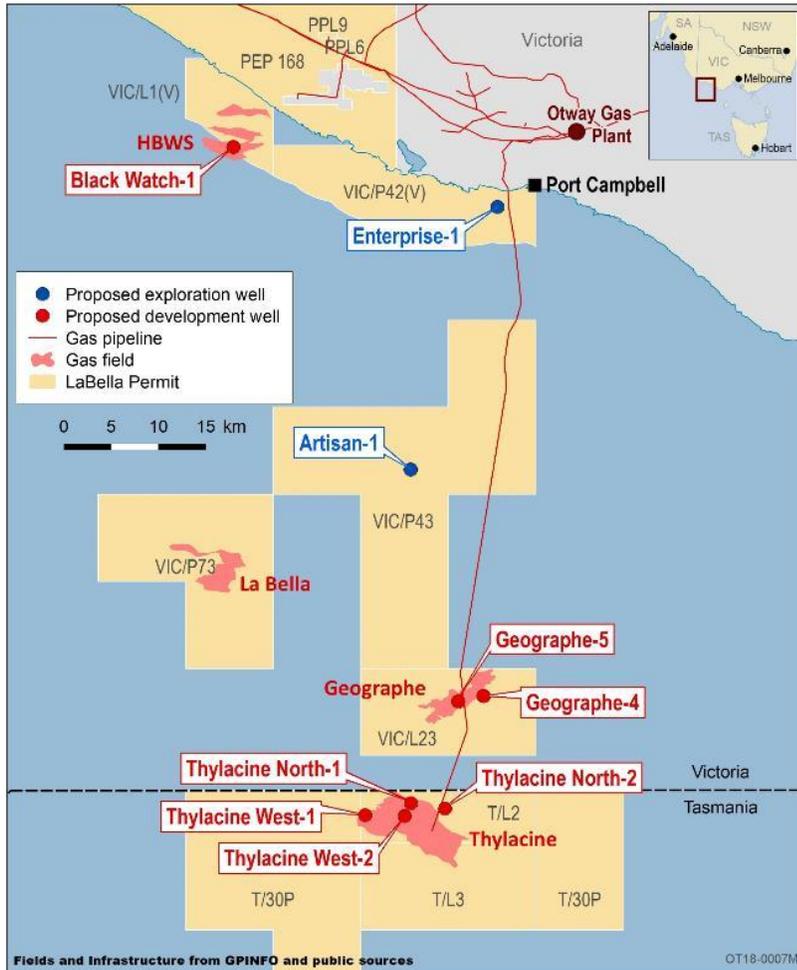


Recent results supporting ramp up in activity

- Beach and MEPAU aligned interests 50:50 across Perth Basin
- Beharra Springs Deep-1 Kingia success, flowed at up to 46 MMscfd on test¹, similar reservoir quality to Waitsia-3 and -4
- Trieste 3D survey underway. Interpretation by H1 FY21.
- JV considering further 3D survey to cover entire acreage position
- Easternwell 106 rig (drilled Beharra Springs Deep-1) secured for Perth Basin exploration and appraisal in FY21, subject to JV approval, including:
 - Beharra Kingia appraisal following success of Beharra Springs Deep
 - Near field exploration for analogue Kingia plays
 - Exploration drilling for targets identified by Trieste 3D survey

Victorian Otway Basin

Beach 60% and operator



H1 FY20 progress

- H1 FY20 production of 2.1 MMboe, -55% on prior year (impacted by sale of 40% interest, natural field decline, customer demand)
- 100% facility reliability achieved in the December 2019 quarter

H2 FY20 focus areas

- Statutory shutdown in March 2020 reduced from 30 days to 4 days following engineering review. Remaining shutdown activities deferred until H1 FY21
 - Reduces overall planned FY20/21 shutdown days from 32 days to 26 days
 - Budget of combined shutdowns reduced by ~\$4 million
- Black Watch-1 spudded in early January, currently drilling 12-1/4" section at 5,500 metres (measured depth). Target total measured depth is 7,200 metres
- Ocean Onyx rig scheduled to arrive in March for 9 well program. Artisan-1 to be drilled first, followed by Geographe/Thylacine development wells

South Australian Otway Basin

Beach interests 70 – 100% and operator



The new 10 TJ/day Katnook gas plant in the south east of South Australia

H1 FY20 progress

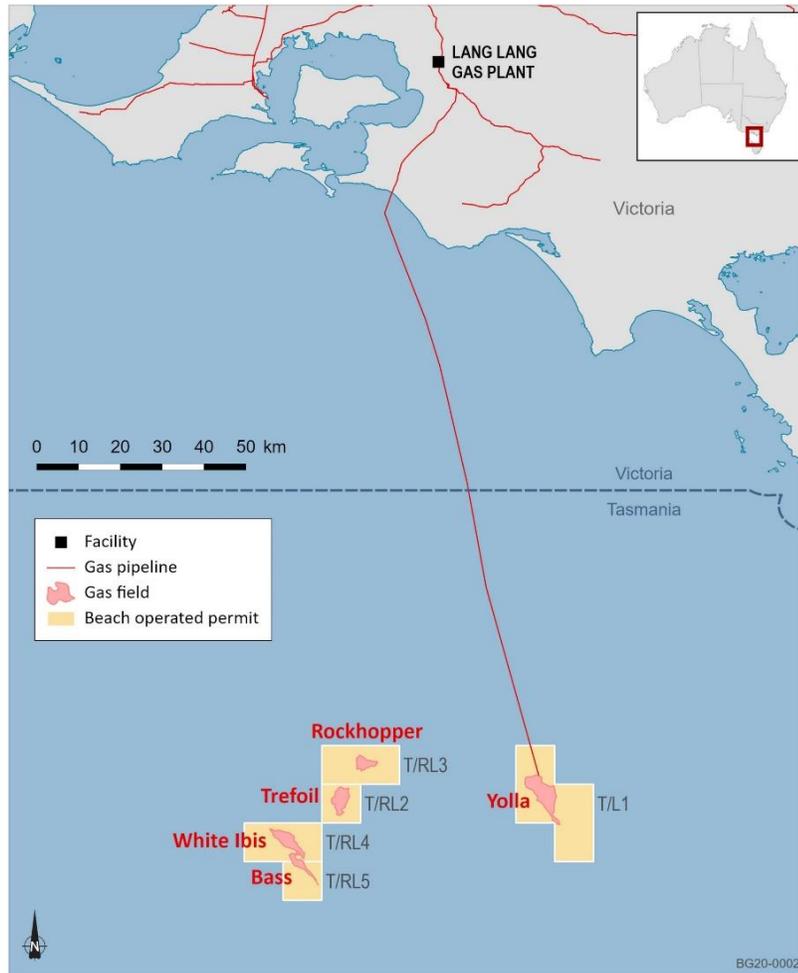
- Dombey-1 gas discovery:
 - Flow testing completed. Gas analysis: CO₂ < 0.1%, CGR 5–8 bbl/MMscf
 - Geological model to be updated with data from ongoing pressure monitoring to assess connected volumes and potential field size
- Haselgrove-4 drilled, mechanical difficulties meant testing could not be completed
- 10 TJ/day Katnook gas plant construction progressed

H2 FY20 focus area

- First gas sales from Katnook gas plant (achieved on 10 February 2020)
- Easternwell 106 rig option exercised to further appraise Haselgrove gas field:
 - Haselgrove-4 side track to commence late February 2020
 - Haselgrove-5 to follow Haselgrove-4
- Planning for 3D seismic campaign over Dombey, subject to JV approval

Bass Basin

Beach 53.75% producing assets, 50.25% non-producing, Beach operated



H1 FY20 progress

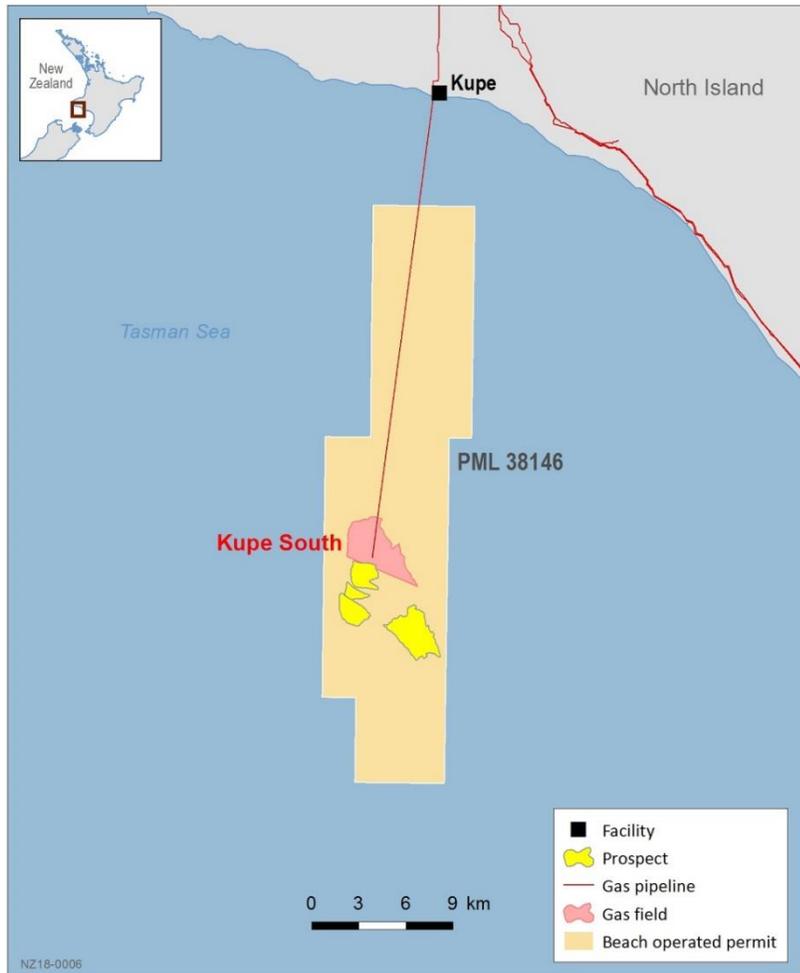
- H1 FY20 production of 0.6 MMboe, -36% on prior year due to lower customer demand and natural field decline
- Wireline work on Yolla wells successfully increased production by 19 MMscfd (gross)
- Trefoil concept select process commenced

H2 FY20 focus areas

- Trefoil concept select activities continue
- Target FEED entry by late FY20
- Progress design and planning of 3D survey covering Bass and White Ibis gas fields, subject to JV approval

New Zealand – Kupe Gas Project

Beach 50% and operator



H1 FY20 progress

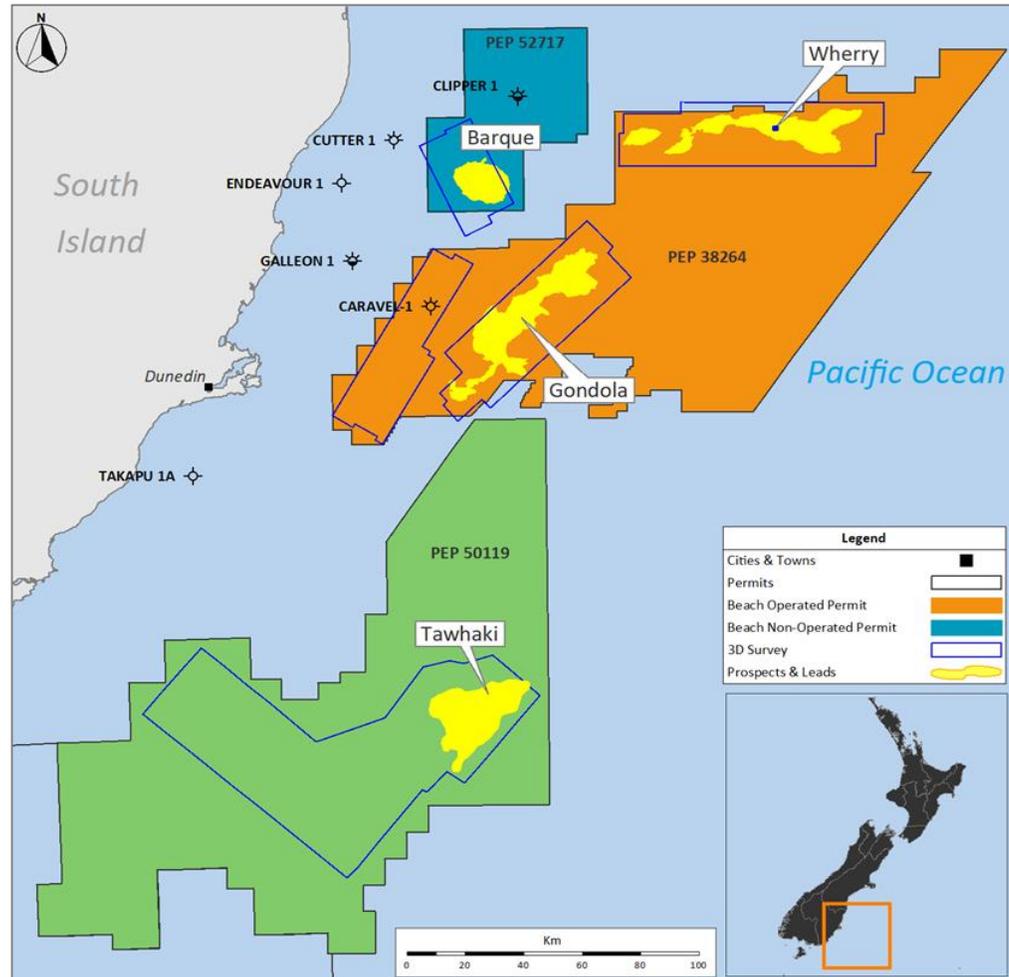
- H1 FY20 production of 1.3 MMboe, -16% on prior year
- Kupe compression FID reached in July 2019 (~\$70 million gross budget); first gas on track for late FY21
- November statutory shutdown successfully completed in 29 days as budgeted
 - No material issues found. 80,000 hours of work executed with no recordable health, safety or environmental incidents
 - Facility reliability returned to pre-shutdown levels after the plant restart

H2 FY20 focus areas

- Reperforation opportunity (cost of \$3.5 million gross) to increase output ahead of completion of compression project
- JV to continue evaluation of additional drilling potential (Kupe and NFE)

Frontier Exploration – New Zealand

Three high impact exploration targets; drilling underway at first



Tawhaki – Great South Basin (Beach 30% interest)

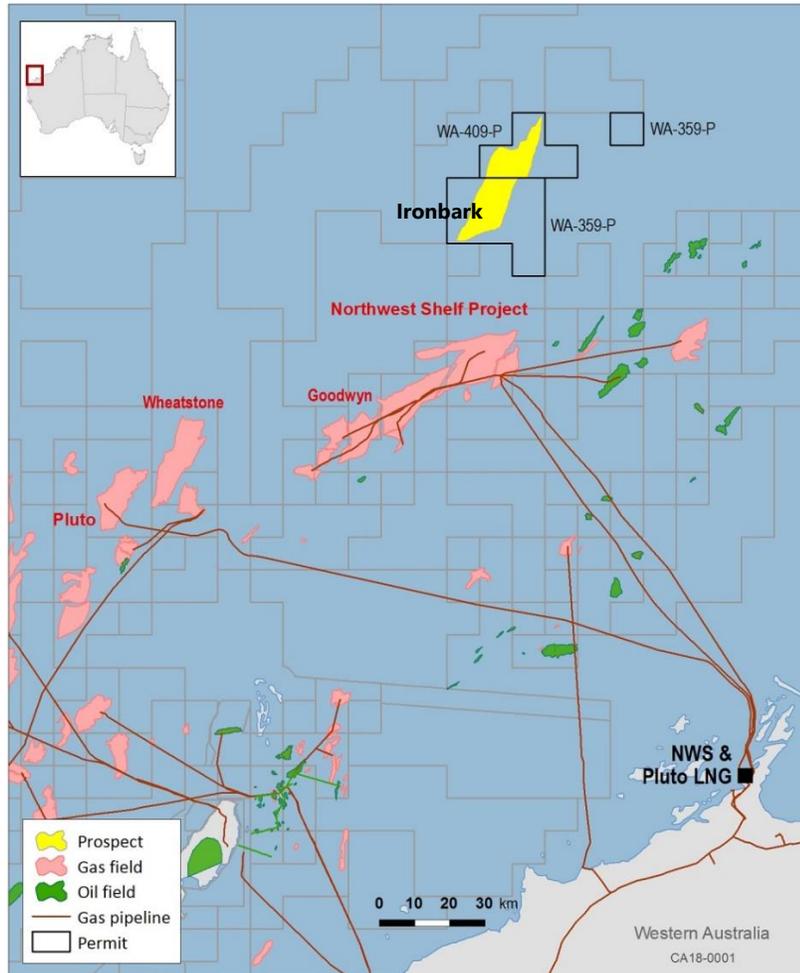
- Acquired a 30% interest in exploration permit PEP50119, offshore NZ
- OMV is operator
- Contains the undrilled Tawhaki exploration prospect, which has a mapped closure area of up to 470 km²
- Tawhaki-1 spudded on 8 January. Well result expected in March quarter
- Beach's share of costs is estimated at approximately \$25 million

Wherry – Canterbury Basin (Beach 37.5% interest, operator)

- Working towards a FY21 drill date, subject to rig availability
- Well location agreed by JV during H1 FY20
- Wherry is a large liquids prospect with follow-up potential
- Beach share of drilling cost ~\$30 million

Frontier Exploration – Australia

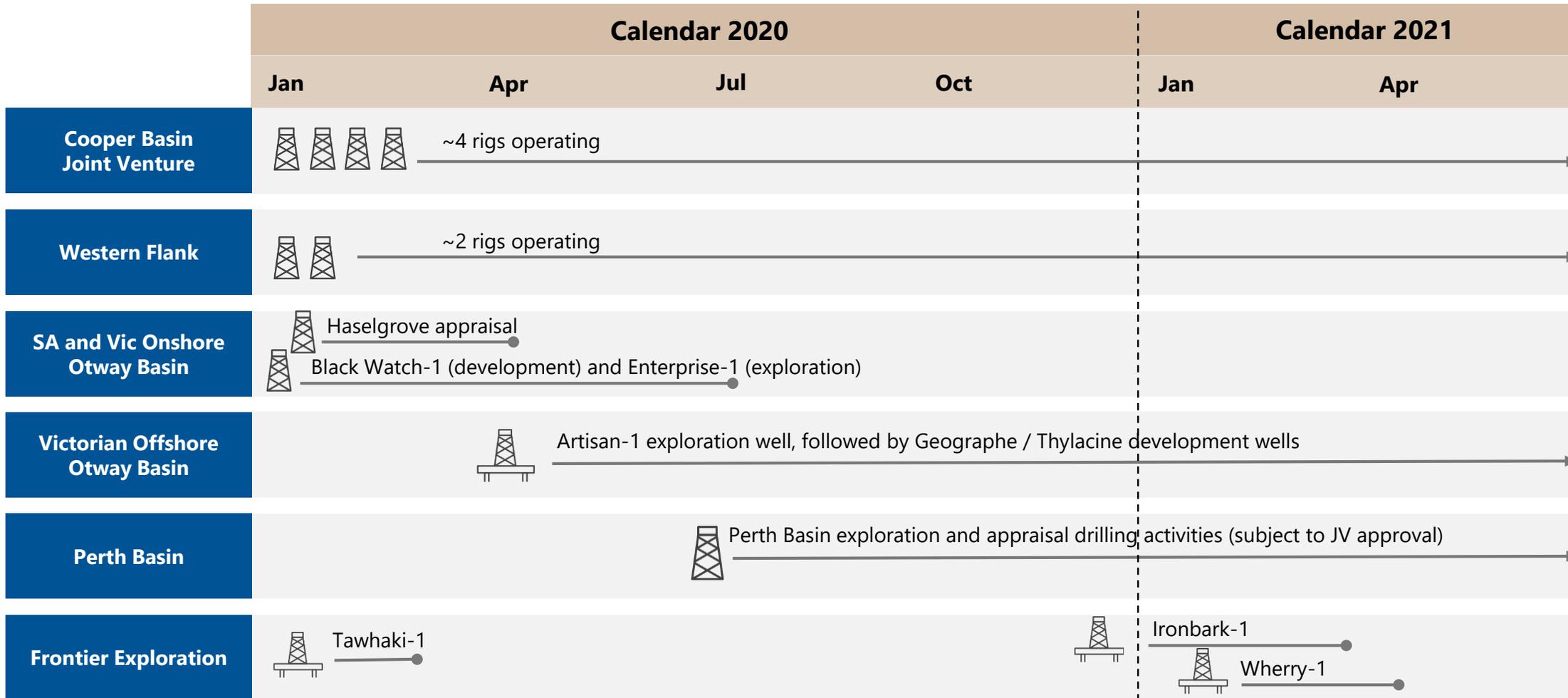
Ironbark prospect to be drilled in mid FY21



Ironbark – Carnarvon Basin (Beach 21% interest)

- Preparations for drilling continuing with operator, BP
- Ocean Apex rig contracted and long lead items ordered
- Drilling scheduled to commence in December 2020 quarter
- Ironbark is a large gas prospect within tie-back distance to NWS project. Targeting deeper Mungaroo reservoirs; the primary reservoirs at Gorgon
- Beach share of drilling cost ~\$35 million

Near term work program¹



Indicative FY20 drilling program

Record drilling activity in the Western Flank, offshore Otway drilling to commence



FY20 expected number of wells

	Gas	Oil	Total
Western Flank	3	80	83
Cooper Basin JV	65	34	99
Total Cooper Basin	68	114	182
SA Otway Basin	4	0	4
Victorian Otway Basin	3	0	3
Perth Basin	1	0	1
Frontier exploration	1	0	1
Total Beach	77	114	191

Highlights

- Record drilling activity in FY20 - up to 191 wells (FY19: 134)
- Target 83 wells in Western Flank (FY19: 42)
- Oil targeted in more than half of Cooper Basin wells
- Two SA Otway appraisal wells added to the FY20 program
- Offshore Otway drilling to commence, with 2 wells in FY20
- Cooper Basin JV expected to maintain 4 rigs and drill ~100 wells
- Drilling underway at first of three frontier exploration wells

Key takeaways

Beach is executing well and delivering on its promises



A successful H1 FY20

Growth execution on track

Operations

- ✓ 98% facility reliability
- ✓ Kupe shutdown completed on time/budget and safely

Development

- ✓ 105 wells drilled, including 14 horizontal wells, at 83% success rate

Exploration/Appraisal

- ✓ Bauer appraisal confirms further field extension
- ✓ Beharra Springs Deep-1 gas discovery, significant Kingia follow up potential
- ✓ Dombey-1 gas discovery

Production, growth activities ramping up through H2 FY20

- ✓ Strong production momentum heading into H2 FY20
- ✓ Victorian Otway Basin program underway
- ✓ Follow up exploration and appraisal activity in Perth Basin, SA Otway
- ✓ Frontier results expected within next 18 months (Tawhaki, Ironbark, Wherry)
- ✓ Waitsia Stage 2 FID targeted by end of FY20
- ✓ Strong financial position allows Beach to consider further growth investment

FY20 HALF YEAR RESULTS PRESENTATION

Q&A



FY20 HALF YEAR RESULTS PRESENTATION

Appendices



Reconciliation of NPAT to Underlying NPAT¹

\$ millions



	H1 FY19	H1 FY20	Change	
Net profit after tax	283	279	(4)	(2%)
Acquisition costs and writeoff of debt establishment fees	8	-	(8)	
Gain on asset sales	-	(9)	(9)	
Unrealised hedging movements	(14)	-	14	
Impairment of exploration asset	-	1	1	
Tax impact of the above	2	2	-	
Underlying net profit after tax	279	274	(5)	(2%)

Note: Due to rounding, figures and ratios may not reconcile to totals.

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 reviewed financial statements.

Underlying EBITDAX, EBITDA, EBIT, NPBT and NPAT¹

\$ millions



	H1 FY19	H1 FY20	Change
Underlying EBITDAX	724	622	(102)
Exploration expense	-	-	-
Underlying EBITDA	724	622	(102)
Depreciation and amortisation	284	224	60
Underlying EBIT	440	398	(42)
Finance expenses	48	8	40
Interest income	(2)	(2)	-
Underlying net profit before tax (NPBT)	394	392	(2)
Tax	115	118	(3)
Underlying net profit after tax (NPAT)	279	274	(5)

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AASB 16 Lease Impacts

Adopted 1 July 2019



Dec-19 Financial Statement Disclosures

Balance Sheet

- Lease Assets \$100m
- Lease Liabilities \$101m

Profit & Loss

- Depreciation of Lease Assets ⁽¹⁾ \$11m
- Interest on Lease Liabilities \$2m
- Other income from JV lease recoveries \$8m

Cash Flow

- Net operating cash inflows \$6m
- Financing cash outflows \$26m

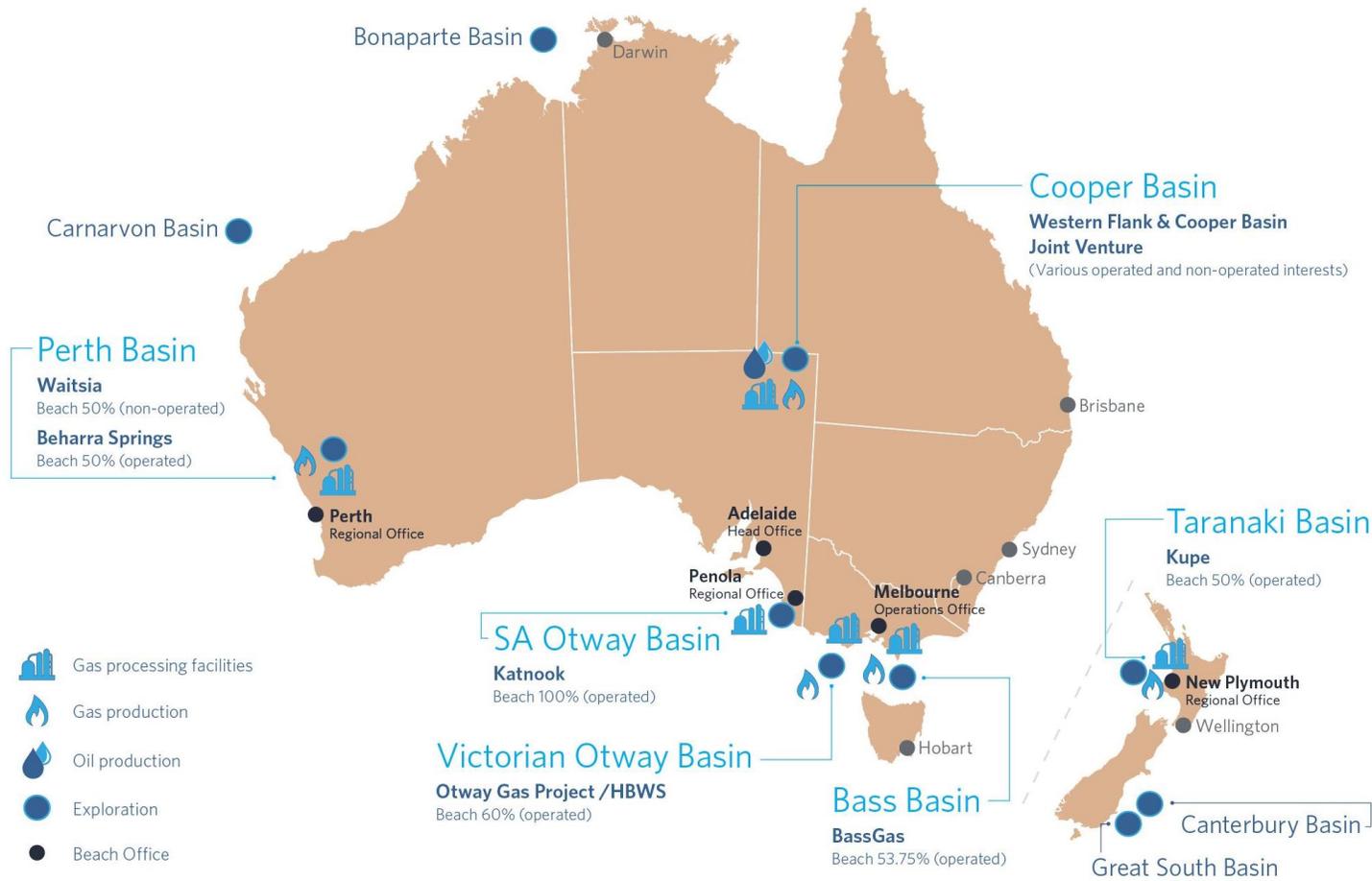
Net Impact of AASB 16

- Accounting change only
 - No net cash impact
 - NPAT impact of \$1m decrease
 - Immaterial net Asset impact
- Lease payments relating to operations shift operating expenses to depreciation and interest expense, and other income related to joint venture recoveries
- Lease payments relating to capital spend shift capital expenditure additions to depreciation and other income related to joint venture recoveries, with Beach's share of depreciation then capitalised
- Majority of Lease balances relate to rigs, property and transportation

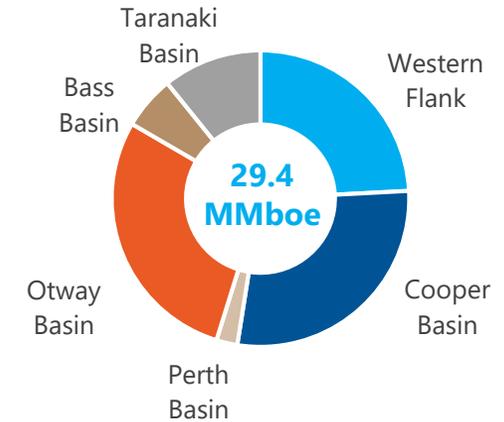
Note: Due to rounding, figures and ratios may not reconcile to totals.

(1) Represents depreciation expense (\$27m), offset by capitalised depreciation for lease assets related to capital spend (\$16m)

Beach Energy portfolio



FY19 production



FY19 2P reserves

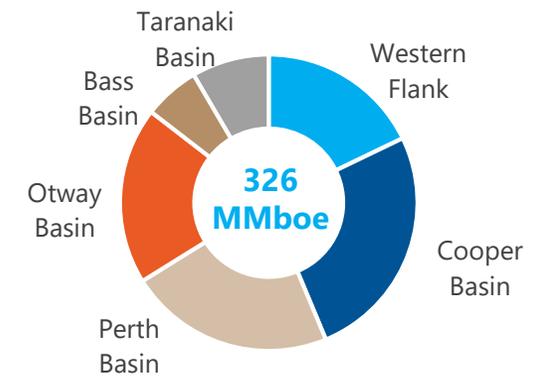


Illustration not to scale. Ownership percentages provided are Beach's ownership of the producing assets in the respective regions.

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