

7 MAY 2020

Macquarie Australia Conference



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: 1. actual results achieved in H1 FY20 and actual data to end February 2020, US\$30/bbl Brent oil price and 0.60 AUDUSD for March to June 2020; 2. various other economic and corporate assumptions; 3. assumptions regarding drilling results; and 4. expected future development, appraisal and exploration projects being delivered in accordance with their current expected project schedules.

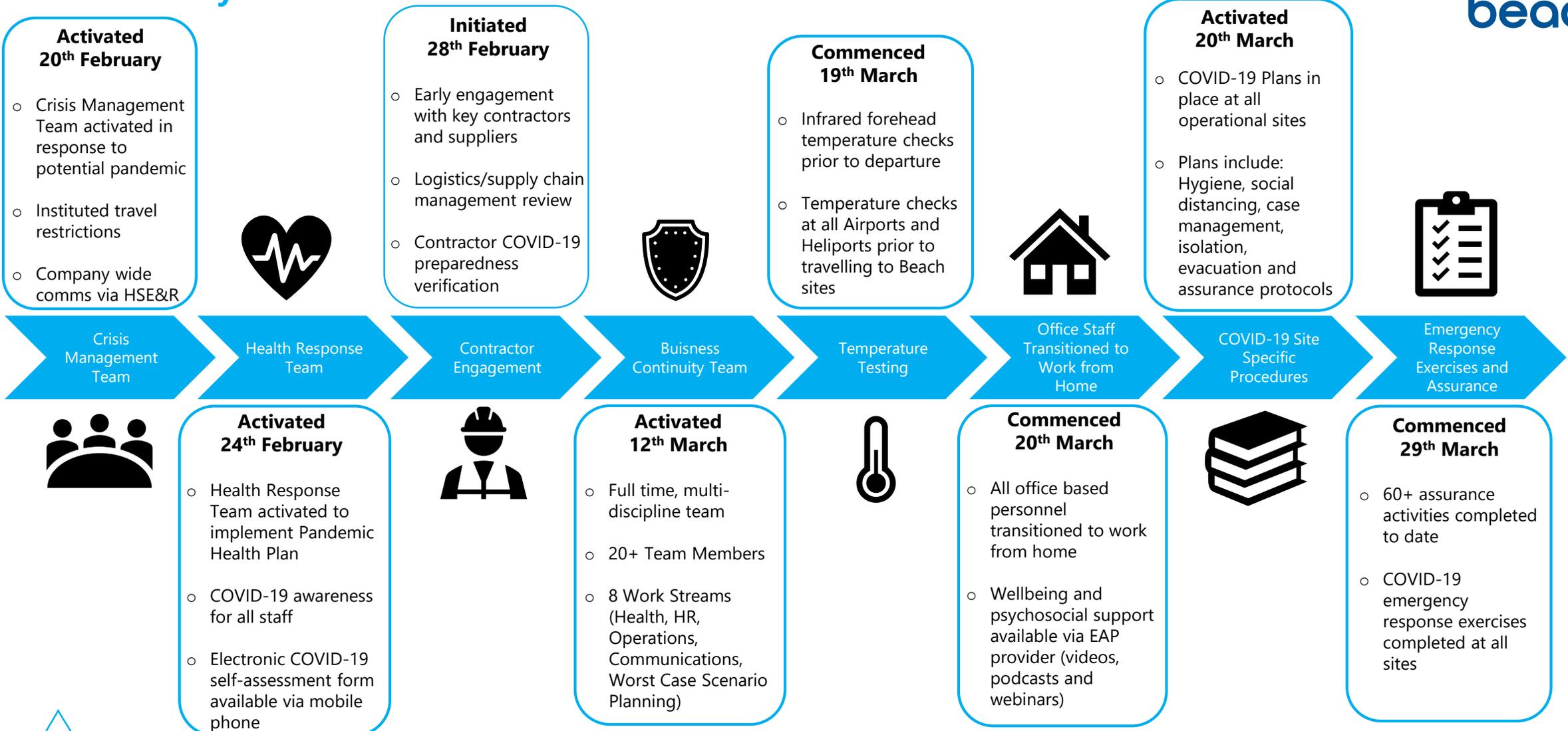
These future development, appraisal and exploration projects are subject to approvals such as government approvals, joint venture approvals and board approvals. Beach expresses no view as to whether all required approvals will be obtained in accordance with current project schedules.

Authorisation

This release has been authorised for release by Matt Kay, Managing Director and CEO of Beach Energy.

Beach Response to COVID-19

The Journey



Financial strength a priority

Well positioned for the downturn



Balance Sheet

- ✓ Conservative approach to balance sheet management
 - Rapidly paid down drawn debt post \$1.6 billion Lattice acquisition to be net cash within 18 months
 - \$450 million revolving credit facility in place; maturity November 2022; no breach of covenants under US\$10/bbl oil price scenario

Robust and stable revenue base

- ✓ Fixed price contracts provide revenue certainty
- ✓ 33% of revenue supported by fixed price or downside protection

Low cost operator with flexible growth strategy

- ✓ Direct controllable operating costs reduced by >15% since 2018
- ✓ Committed growth investment is currently low, providing a high degree of flexibility in executing our growth strategy

NET CASH AT 31 MARCH 2020

\$80 MILLION

LIQUIDITY AT 31 MARCH 2020

\$530 MILLION

FY21 FCF BREAK EVEN OIL PRICE

\$0/BBL¹

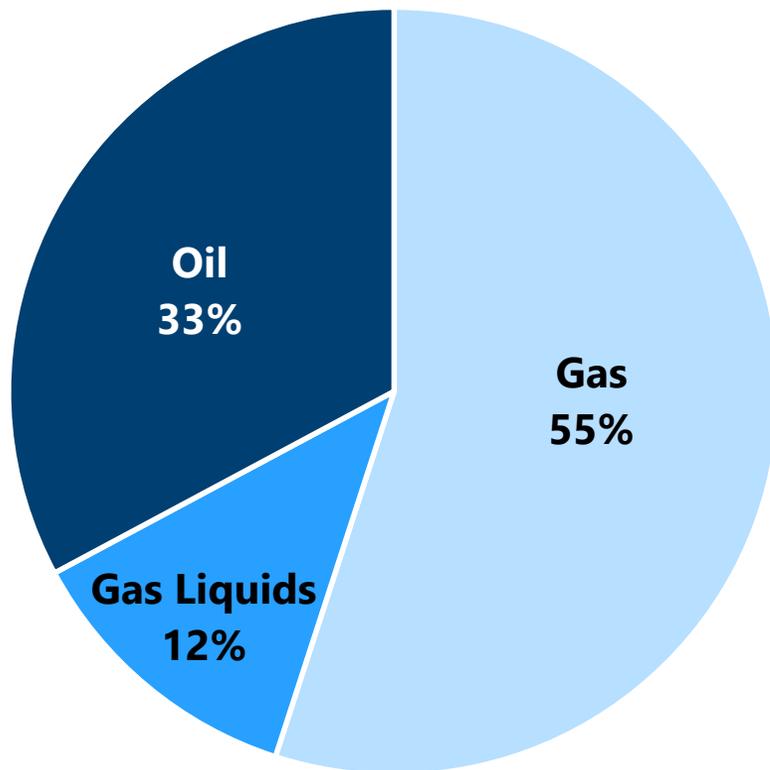


Diverse production mix

Stable contracted gas revenues, oil production economic above US\$10/bbl Brent



FY20 Estimated Product Mix



Gas

- Diversified gas sales into three distinct markets (East Coast, West Coast and NZ)
- Over 97% of forecast FY21 East Coast gas production sold into term contracts
- Gas contracts are fixed price or have downside protection
- Revenue from gas sales covers all group operating costs and stay in business costs¹

Gas liquids

- Supplements revenues derived from gas and ethane production
- Products sold into local markets, priced off oil and Saudi CP benchmark

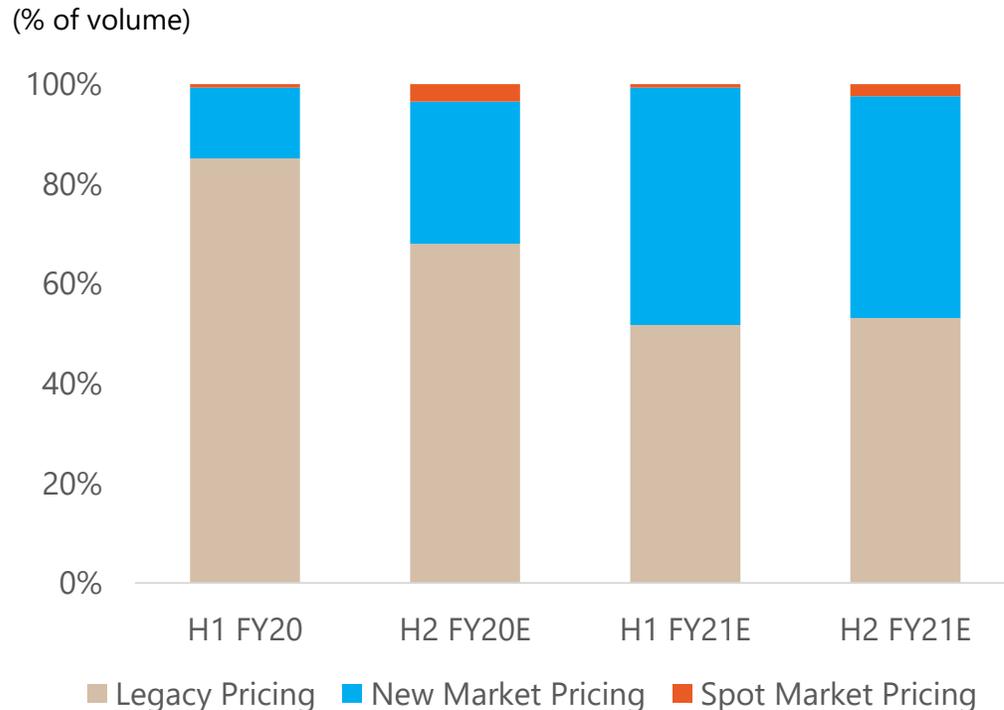
Oil

- Sold to major international energy traders from Port Bonython
- Realised prices over past 3 years at premium to Brent
- Low Western Flank field operating costs (<A\$5/bbl)
- Oil production generates positive operating cash flow above US\$10/bbl² Brent

Beach portfolio not exposed to spot gas prices



Historic and forecast east coast gas sales



Recent gas market dynamics

- Low LNG spot prices impacting East Coast Gas Market spot prices
- **Beach has minimal spot gas price exposure:** More than 97% of East Coast gas sales expected to be sold under contract in FY21
- Beach gas customer nominations have averaged 102% of take or pay levels over the past 6 months vs 107% forecast
- Origin GSA gas price review has been referred to arbitration

Mid-long term 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
- 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

> 97% of Beach's east coast gas sales in FY21 to be sold under term contracts

Investment focused on keeping infrastructure hubs full



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

Infrastructure advantage

- ✓ Investment targeted close to existing infrastructure, enhances returns and reduces time from investment to cash flow
- ✓ Spare capacity in gas infrastructure minimises cost of new surface investment requirements

Gas investment targeting existing contracts

- ✓ Majority of FY21 gas investment is expected to target gas for supply into existing contracts
- ✓ Beach sees gas production growth potential across all 7 gas production hubs

Unlocking the Perth Basin potential

- ✓ Beharra Springs Deep result confirms high quality Kingia play extension
- ✓ Tangible progress being made on Waitsia Stage 2, targeting FID in September 2020 quarter

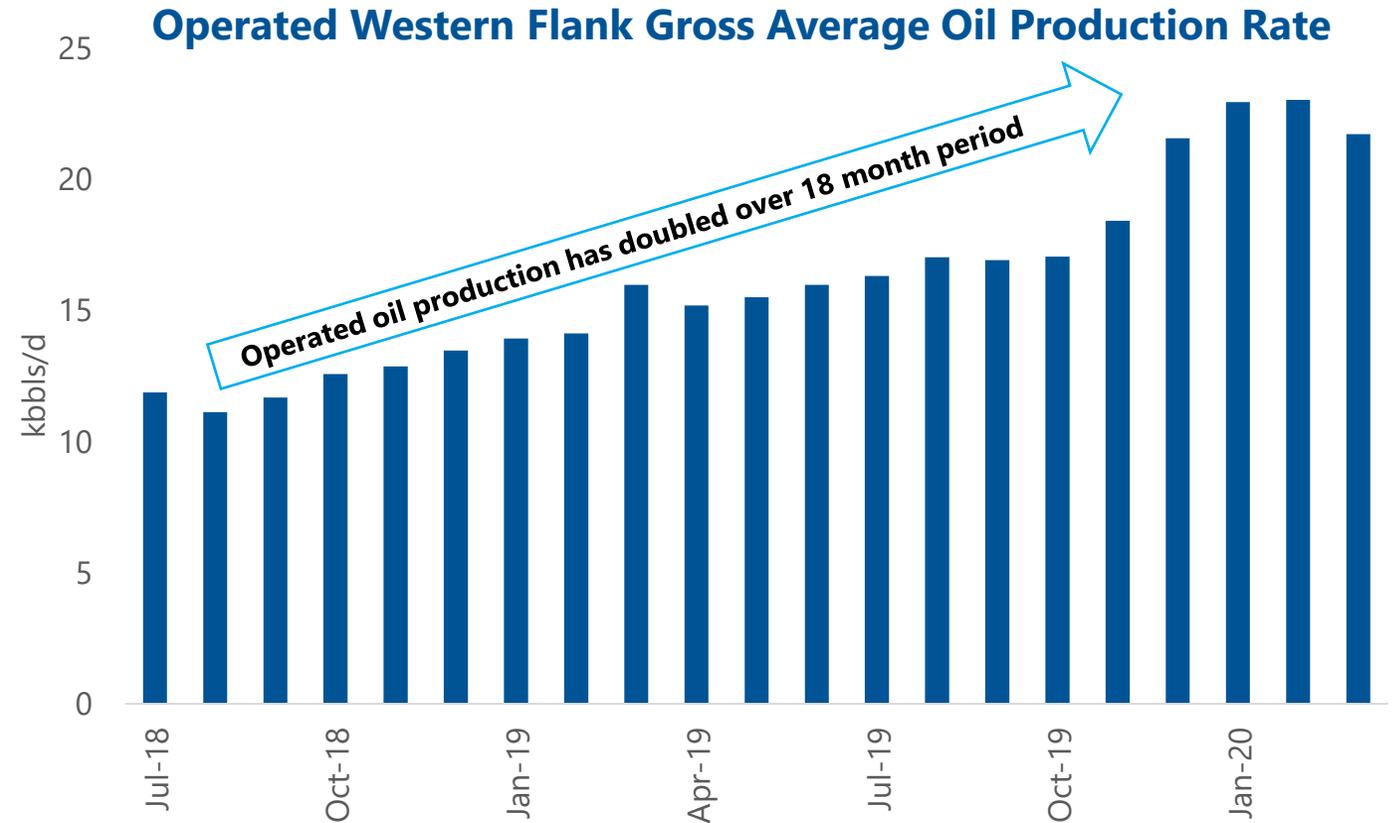
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Western Flank horizontal drilling success

Gross operated oil production averaging over 22,000 BOPD

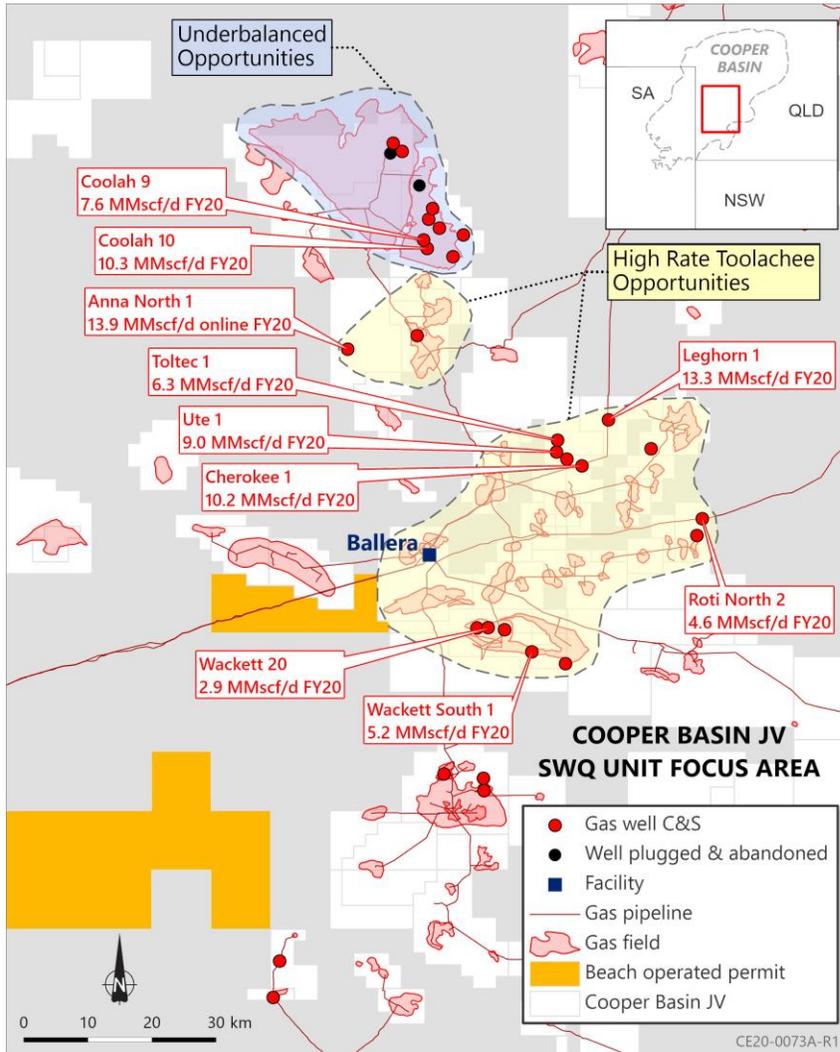


- ✓ Application of horizontal drilling has significantly enhanced development economics at ~1.5x cost of a vertical well and deliver ~8x productive potential
- ✓ Field operating costs less than A\$5/bbl
- ✓ Surface infrastructure has been optimised and expanded to export higher fluid rates
- ✓ Recent success means Beach has an inventory of connected wells with capacity to maintain production levels
- ✓ Assessing optionality to temporarily pause drilling and maintain flat oil output



Cooper Basin JV high quality drilling results in South West Queensland

Flow rates from recent wells indication of basin potential



SWQ Toolachee wells deliver outstanding results

- ✓ Four recent drilling campaigns in SWQ have targeted Toolachee formation
- ✓ High rate potential of the formation demonstrated across 8 wells
- ✓ Production rates exceeded pre-drill expectations, flowing with a 30 day average IP rate of 3 – 14 MMscf/d
- ✓ Operator is high grading follow up drilling candidates

Underbalanced drilling techniques unlock potential

- ✓ Coolah 9 and 10 drilled using underbalanced drilling techniques
- ✓ Wells had 30 day average IP rates of 7.6 and 10.3 MMscf/d respectively
- ✓ JV assessing follow up underbalanced drilling candidates

Targeting high rate wells quickens payback period, shortens investment cycle

Victorian Otway Basin

Update on events

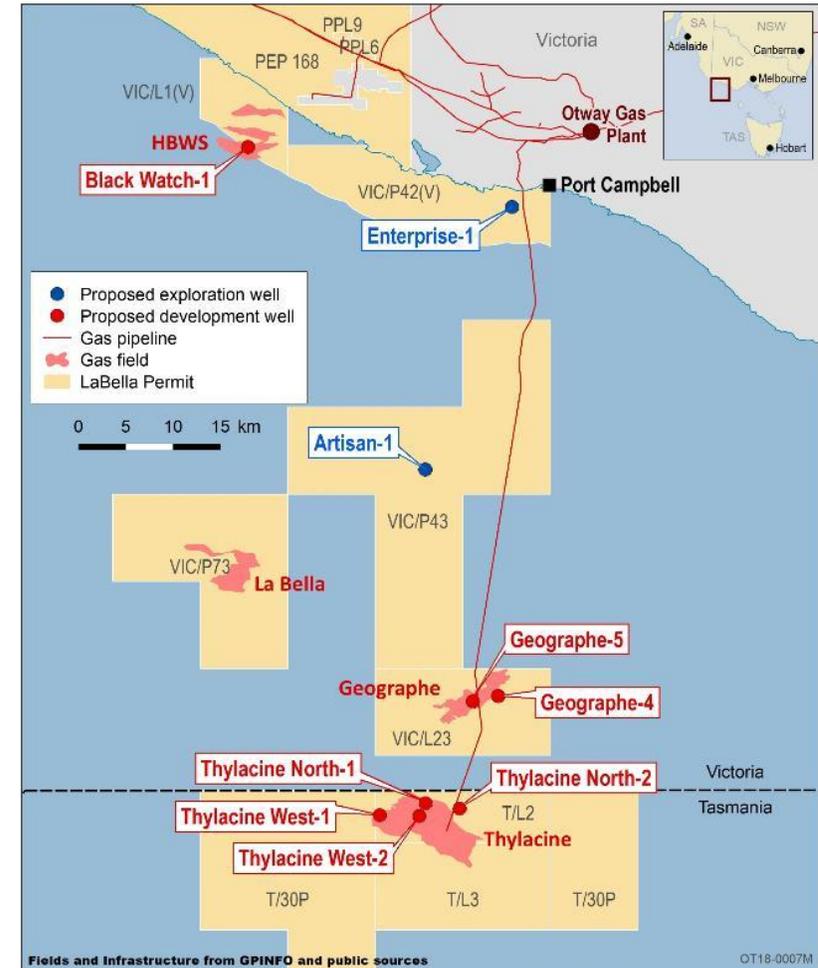


Black Watch-1 success

- Well successfully drilled 7,200 metres from onshore location (longest in Australia), to be tied into OGP in the June 2020 quarter.
- Well designed to support an initial production rate of 50 - 60 MMscfd

Offshore Wells

- 20 April - Beach issued a termination notice to Diamond Offshore Drilling Inc. due to late delivery of Ocean Onyx rig
- Preliminary assessment that drilling unlikely to commence until FY21
- 26 April - Diamond files for Chapter 11 in Texas, USA
- Contemporaneously, Diamond lodges complaint against Beach seeking a determination that the termination of the contract by Beach is invalid and that the contract remains in effect, and alternatively seeking damages. Beach denies claim.
- Parties continue engage in commercial discussions with regard to the future operations of the Ocean Onyx rig



Beach response to the oil price downturn

Immediate response to enhance robust business



- ✓ Targeting a deferral of up to 30% of FY21 capital expenditure from prior expectations
 - ✓ Anticipate capital reductions across all basins
 - ✓ FY21 work program and budget process is currently underway
 - ✓ FY21 investment to be targeted on highest quality investment opportunities with fastest payback
 - ✓ Further operating cost reductions progressing and being targeted
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Key takeaways



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- Beach is well positioned, with a strong balance sheet and robust revenue stream
 - Excellent Cooper Basin drilling results support delivery of FY20 production in-line with original guidance
 - Portfolio of growth opportunities available close to all 7 production hubs
 - Forward investment program to be right-sized to prioritise highest returning opportunities
 - Primarily the same plan at a prudent pace to manage market and pandemic issues
 - Confident in long term oil and gas market fundamentals
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Q & A



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