



ASX Announcement

Beach Energy FY22 Half Year results

Reference #006/22

Date

14 February 2022

Growth project execution in H1 delivers progress towards base case FY24 target of 28 MMboe

- Connection of Geographe 4 and 5 into the Otway Gas Plant delivers gas production uplift
- First of four Thylacine wells drilled, offshore drilling program scheduled for completion mid-2022
- LNG HOA signed with bp for Beach's 3.75 million tonnes from Waitsia Stage 2 from H2 2023
- Waitsia Stage 2 construction commenced, development drilling campaign set to commence in Q3 FY22
- Kupe Compression Project online and delivering a production boost, plant now running at full capacity

Operational summary

- H1 FY22 production of 11.02 MMboe
- Continued safety focus including achievement of 5 million hours recordable injury free across the company and 7 years without a recordable injury at Otway Gas Plant
- Western Flank oil exploration campaign set to commence in H2 FY22
- Sanctioning of Moomba CCS project and commencement of execute phase with operator Santos
- Completed offshore Prion Seismic Survey (Bass Basin) and commenced Dombey Seismic Survey (SA Otway)

Financial summary

- Net profit after tax (NPAT) of \$213 million, up 66% on H1 FY21
- EBITDA of \$513 million (up 26%), at an EBITDA margin of 65% on sales revenue
- Debt facility refinanced and upsized with new \$600 million revolving debt facility
- Strong balance sheet maintained with net cash position of \$73 million, availability liquidity \$673 million
- Interim dividend of 1.0 cps, fully franked

	Prior FY22 guidance	Unchanged FY22 guidance
Production (MMboe)	21.0 – 23.0	21.0 – 23.0
Capital expenditure (\$ million)	\$900 – 1,100	\$900 – 1,100
Unit operating cost (\$ per boe)	\$11.50 – 12.50	\$11.50 – 12.50
Unit DD&A (\$ per boe)	\$15.75 – 16.75	\$15.75 – 16.75

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Beach records NPAT of \$213 million and delivers first gas from Otway offshore wells

Beach Energy has today released its FY22 Half Year results, in which a successful period of growth project execution helped the Company deliver a statutory Net Profit After Tax (NPAT) of \$213 million, a 66 percent increase on the corresponding period.

Beach recorded first-half production of 11.02 MMboe, as well as an EBITDA of \$513 million at a revenue sales margin of 65%, buoyed by realised oil price of \$113.6/bbl.

The Company finished 2021 in a net cash position of \$73 million and reported an interim dividend of 1 cent.

Production and financial guidance for FY22 remains unchanged.

Beach Energy Acting Chief Executive Officer Morné Engelbrecht said the First Half of FY22 saw steady progress on Beach's major growth projects in the Perth and Victorian Otway basins, as well as the Kupe gas plant returning to nameplate capacity.

"Delivering on this phase of our growth means we are making progress towards our production target of 28 MMboe in FY24," Mr Engelbrecht said.

"We had previously stated FY22 was going to be a pivotal year in Beach's transformation, and I'm proud of what we have achieved so far.

"This includes our historic LNG agreement with bp and connecting our first Otway offshore wells to the East Coast market.

"Our balance sheet remains in great shape as we retain a net cash position, and we are well placed to deliver on the next stage of our growth agenda."

Mr Engelbrecht acknowledged that the last year had not been without its challenges but said he was proud of the way the Beach team showed resilience in its pursuit of the company's growth ambitions.

"Despite the challenges in 2021, it is important to point out that Beach executed a significant portion of its organic growth platform, allowing us to enter 2022 with a solid base to keep delivering and reach our target of 28MMboe in FY24," Mr Engelbrecht said.

"The second half of FY22 remains a busy period with activity across the portfolio, and we are looking forward to the forthcoming Western Flank oil exploration campaign – in which any success would sit above our base-case target."

"We have an outstanding team at Beach and it's an exciting time to be leading the company."

Beach is currently undertaking an extensive international search for a new Chief Executive Officer.

The Beach board advises it has full confidence in Mr Engelbrecht to oversee the company's growth agenda, while the thorough search process is conducted in order to find the best possible candidate.

Authorisation

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

Disclaimer

This report contains forward-looking statements, including statements of current intention, opinion and predictions regarding the Company's present and future operations, possible future events and future financial prospects. While these statements reflect expectations at the date of this report, they are, by their nature, not certain and are susceptible to change. Beach makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilling of such forward looking statements (whether expressed or implied), and except as required by applicable law or the ASX Listing Rules, disclaims any obligation or undertaking to publicly update such forward-looking statements.

EBITDAX (earnings before interest, tax, depreciation, amortisation, exploration expenses and impairment adjustments), EBITDA (earnings before interest, tax, depreciation, amortisation, and impairment adjustments) and EBIT (earnings before interest, tax, and impairment adjustments) are non-IFRS financial information provided to assist readers to better understand the financial performance of the operating business. They have not been subject to audit or review by Beach's external auditors. The information has been extracted from the audited or 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.

References to planned activities in FY22 and beyond FY22 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

FY22 guidance is uncertain and subject to change. FY22 guidance has been estimated on the basis of the following assumptions: 1. various other economic and corporate assumptions; 2. assumptions regarding drilling results; and 3. expected future development, appraisal and exploration projects being delivered in accordance with their current expected project schedules.

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

Beach most recently released full company reserves and resources information in its 2021 Annual Report. Beach confirms that it is not aware of any other new information or data that materially affects the information and that all material assumptions and technical parameters underpinning the estimates in the 2021 Annual Report continue to apply and have not materially changed.

Conversion factors used to evaluate oil equivalent quantities are sales gas and ethane: 171,940 boe per PJ, LPG: 8.458 boe per tonne, condensate: 0.935 boe per bbl and oil: 1 boe per bbl.