



ASX Announcement

FY22 full-year results and FY23 outlook

Reference #024/22

Date 15 August 2022

FY22 highlights

- De-risking growth with safe delivery of key milestones
 - Offshore Otway Basin drilling completed; one gas discovery and six successful development wells
 - 2021 IADC Safety Award for the Otway Basin drilling campaign
 - Geographe 4 and 5 connected to the Otway Gas Plant; Otway Basin production up 47% to 4.1 MMboe
 - Final Investment Decision taken for connection of Enterprise to the Otway Gas Plant
 - Transformational Waitsia Stage 2 project in the Perth Basin commenced and under construction
 - SPA with bp for up to 3.75 mt of Waitsia Stage 2 LNG, equivalent to ~200 million MMBtu
 - Kupe compression and Yolla wireline projects delivered
 - Final Investment Decision taken for Moomba Carbon Capture and Storage (CCS) project
 - >7 years of no recordable injuries at Otway Gas Plant and >4 years at Beharra Springs Gas Plant
 - Recipient of the APPEA Project Environmental Award for collaboration with the fishing industry
- Strengthening cash flows and financial position to deliver growth aspirations
 - Total revenue up 13% to \$1.8 billion, underlying EBITDA up 17% to \$1.1 billion and underlying NPAT up 39% to \$504 million
 - Operating cash flow up 61% to \$1.2 billion with \$752 million free cash flow pre-growth expenditure¹
 - Net cash position and total liquidity of \$765 million at year-end
- Beach committed to the emissions reduction journey
 - New net equity emissions framework targeting a 35% reduction in emissions intensity by 2030
 - Aspiration to reach Net Zero emissions by 2050
 - Moomba CCS targeting first CO₂ injection in 2024

Beach Energy Limited (ASX: BPT, Beach) reported its financial and operating results for FY22, including delivery of key project milestones and increased earnings and cash flow.

Chief Executive Officer Morné Engelbrecht said "The 2022 financial year brought into sharp focus the important role natural gas currently plays in providing energy security, and will continue to do so for decades to come. Beach continues to play its part by investing in new gas supply for domestic users.

¹ Free cash flow pre-growth expenditure is defined as free cash flow before expenditure for the offshore Otway Basin, Waitsia Stage 2, Western Flank oil exploration and Moomba CCS

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“Beach’s multi-basin strategy is to develop the assets within our portfolio, keep our plants processing at higher rates for longer, and in doing so maximise gas supply. The benefits of this strategy were clearly evident in our financial results this year.

“Despite lower production, increased demand and pricing for our products saw a rise in earnings and cash flows. Total revenue increased 13% to \$1.8 billion and underlying earnings before interest, tax, depreciation and amortisation increased 17% to \$1.1 billion.

“These results contributed to a strengthening of our financial position. We ended the year with total available liquidity of \$765 million and \$752 million in free cash flow pre-growth expenditure² generated. This leaves Beach in great shape to deliver its current growth projects and balance longer-term growth aspirations with capital management initiatives.

“In the field, Beach is demonstrating its ability to deliver large and complex projects. Beach is safely achieving key milestones which are de-risking growth and strengthening the foundation for our FY24 production growth target.

“In the offshore Otway Basin, the seven-well drilling campaign was successfully completed and delivered one new gas discovery at the Artisan field and six successful development wells in the Geographe and Thylacine fields. Geographe 4 and 5 were connected to the Otway Gas Plant and contributed to a 47% increase in Otway Basin production. Connection of the final four wells in mid-2023 is targeted.

“In the Perth Basin, the transformational Waitsia Stage 2 project commenced with good progress made on plant construction and development well drilling. First LNG sales in the second half of 2023 is targeted, which will herald Beach as a new entrant in the global LNG market.

“Another key milestone was the recent signing of the LNG Sale and Purchase Agreement which will see bp purchase all 3.75 million tonnes of Waitsia Stage 2 LNG. This is equivalent to ~200 million MMBtu of LNG which represents material revenue from LNG to Beach over the five-year term.

“Beach also made good progress with its decarbonisation plans and has announced a new Emissions Intensity Reduction Target of 35% by 2030. We also maintain our aspiration to reach net zero Scope 1 and 2 emissions by 2050. A key plank of our emissions reduction journey is the globally significant Moomba CCS project. A Final Investment Decision was taken in FY22 and we are targeting first CO₂ injection in 2024.

“We have a busy schedule in FY23 completing the major projects that will deliver material free cash flow from FY24. Key activities include connecting the Thylacine and Enterprise wells to the Otway Gas Plant, Waitsia Stage 2 progress, Perth basin exploration drilling, ongoing Cooper Basin drilling, and planning for exploration and development activity in the Otway, Bass and Taranaki basins”, Mr Engelbrecht said.

Reserves and resources

The following table sets out reserves and resources as at 30 June 2022. An independent audit of Beach’s reserves at 30 June 2022 was conducted by Netherland, Sewell & Associates Inc. The audit encompassed 62% of 2P reserves, including 79% of developed reserves and 48% of undeveloped reserves.

² Free cash flow pre-growth expenditure is defined as free cash flow before expenditure for the offshore Otway Basin, Waitsia Stage 2, Western Flank oil exploration and Moomba CCS

MMboe	30-Jun-21	30-Jun-22	Change
1P reserves	183	146	(20%)
2P reserves	339	283	(17%)
3P reserves	531	466	(12%)
2C contingent resources	191	221	+16%
2P CO2 storage (Mt)	–	4.4	+4.4

Beach ended FY22 with 283 MMboe of 2P oil and gas reserves (30 June 2021: 339 MMboe). The decrease was mainly attributable to production (-22 MMboe) and Bass Basin revisions (-25 MMboe). The opportunity to increase reserves was limited without exploration or appraisal drilling in FY22 outside of the Cooper Basin.

Bass Basin revisions resulted from re-classification of the Trefoil project from reserves to contingent resources and an associated reduction of Yolla economic life. This follows deferral of the Trefoil development decision, as announced on 20 May 2022. Other revisions included:

- In Western Flank Oil, exploration success, appraisal of Martlet, infill drilling and production performance at Spitfire and Growler, offset by fracture stimulation results at Balgowan, infill drilling results at Kalladeina and production performance at Bauer;
- Revised modelling assumptions in Western Flank Gas and the Taranaki Basin;
- Additional development of Moomba South and production performance in the Cooper Basin JV; and
- Infill drilling and production performance in the Otway Basin.

Beach recorded 2P CO2 storage capacity of 4.4 Mt and 2C contingent storage resources of 11.6 Mt after taking a Final Investment Decision for Moomba CCS.

Further information is contained in Beach's 2022 Annual Report released today.

FY23 guidance

FY23 full-year guidance is set out in the table below. Further information is contained in the results presentation released today.

	FY22	FY23 full-year guidance
Production	21.8 MMboe	20.0 – 22.5 MMboe
Capital expenditure	\$872 million	\$800 – 1,000 million
Unit field operating costs ¹	\$11.74 per boe	\$12 – 13 per boe

1. Unit field operating costs exclude pipeline tariffs, royalties and third-party purchases

Results webcast

Beach Energy's Chief Executive Officer Morné Engelbrecht and Chief Financial Officer Anne-Marie Barbaro will lead a webcast this morning to discuss the FY22 results and FY23 outlook.

- *Date:* Monday, 15 August 2022
- *Time:* 9.30am ACST (Adelaide) / 10.00am AEST (Sydney, Melbourne)
- *Webcast link* (listen only): [Webcast link](#)

A recording of the webcast will be available via the webcast link and the Beach website later in the afternoon.

Authorisation

This release has been authorised for release by the Beach Board of Directors.