

Quarterly Report

Period ending 31 December 2014

HIGHLIGHTS

FINANCIAL

- Sales volumes of 2.9 MMboe, down 1% on prior quarter; record first half sales volumes of 5.7 MMboe
- Total revenue of \$194 million, down 17% on prior quarter; lower US\$ oil price partly offset by a weaker Australian dollar and more liquids in the sales mix
- Cash reserves of \$249 million and undrawn debt facility of \$300 million

OPERATIONS

- Quarterly production of 2.4 MMboe, in line with prior quarter; first half production of 4.8 MMboe
- Bauer field production up 3% to 410 kbbbl as tie-in of development wells and infrastructure upgrades continue
- Four-well pad development campaign in the Bauer field complete; results high to prognosis with 2P reserves increase expected
- Fracture stimulation of ETTY-1 identified a new play type in the Daralingie Formation
- 974 km² Flanagan 3D seismic survey completed in the offshore Otway Basin
- 34 wells completed with a drilling success rate of 88%

CORPORATE

- Appointment of Mr Robert Cole as Managing Director, effective 1 June 2015, and Mr Colin Beckett as independent non-executive director, effective 2 April 2015
- Transitional gas sales agreement with Origin Retail for up to 2.3 PJ of sales gas to 30 June 2015
- Ownership interest in T/49P permit in the offshore Otway Basin increased to 30%

SUBSEQUENT EVENTS

- Initial 2H FY15 capital expenditure cuts of up to \$55 million (~20%); FY15 guidance conservatively revised down to \$430 – \$470 million
- FY15 production guidance range narrowed to 8.9 – 9.4 MMboe
- Road access restrictions due to rain in the Cooper Basin

KEY STATISTICS

	December Q2 FY14	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change	YTD
Production (kboe)	2,479.7	2,398.6	2,386.8	(0%)	4,785.4
Sales Volumes (kboe)	2,755.3	2,875.2	2,857.4	(1%)	5,732.6
Revenue (\$ million)	286.8	232.9	194.0	(17%)	426.8
Oil Price (\$/bbl)	129.8	114.1	86.8	(24%)	100.6
Cash (\$ million)	404.3	342.7	248.6	(28%)	248.6

Beach Energy Limited

ABN: 20 007 617 969

ASX: BPT

25 Conyngham Street
GLENSIDE SA 5065

GPO Box 175
ADELAIDE SA 5001

T +61 8 8338 2833

W www.beachenergy.com.au

E info@beachenergy.com.au

Investor enquiries

Chris Jamieson

Derek Piper

T +61 8 8338 2833

Media enquiries

Sylvia Rapo

T +61 8 8338 2833

DIRECTORS

Independent

Non-executive Chairman

Glenn Davis

Managing Director

Reg Nelson

Independent

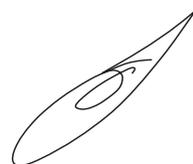
Non-executive Directors

John Butler

Belinda Robinson

Fiona Bennett

Doug Schwebel



Reg Nelson

Managing Director

29 January 2015

Ref: #005/15

FINANCIAL

SALES

Sales volumes of 2,857 kboe were broadly in line with the prior quarter. Reduced gas sales following peak winter demand and lower third party oil sales were partly offset by additional shipments of LPG and condensate. For the half year, record sales volumes of 5,733 kboe were achieved, underpinned by sustained levels of oil production from the Bauer field, strong gas demand and limited downtime at the Moomba processing facility.

Sales		December Q2 FY14	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change	YTD
Oil (kbbbl)	Cooper and Eromanga Basins - Own Production	1,368.6	1,207.9	1,212.8	0%	2,420.8
	Cooper and Eromanga Basins - Third Party	440.0	358.2	312.2	(13%)	670.3
	Total Cooper Oil	1,808.6	1,566.1	1,525.0	(3%)	3,091.1
	Egypt	13.2	21.4	27.0	26%	48.4
	Total Oil	1,821.8	1,587.5	1,552.0	(2%)	3,139.5
Gas and Ethane (PJ)	Cooper Basin - Own Product	3.8	5.9	5.1	(14%)	11.0
	Cooper Basin - Third Party	0.5	0.7	0.9	24%	1.6
	Total Gas and Ethane	4.3	6.6	6.0	(10%)	12.6
LPG (kt)	Cooper Basin - Own Product	12.5	8.4	17.4	107%	25.8
	Cooper Basin - Third Party	0.5	0.3	0.3	14%	0.7
	Total LPG	13.0	8.7	17.7	103%	26.5
Condensate (kbbbl)	Cooper Basin - Own Product	79.6	74.0	137.4	86%	211.4
	Cooper Basin - Third Party	4.8	2.9	2.1	(29%)	5.0
	Total Condensate	84.4	76.9	139.5	81%	216.4
Total Oil and Gas Sales (kboe)		2,755.3	2,875.2	2,857.4	(1%)	5,732.6
Total – Own Product (kboe)		2,226.5	2,390.9	2,390.3	(0%)	4,781.1
Total – Third Party (kboe)		528.8	484.3	467.1	(4%)	951.5

REVENUE

Total revenue decreased 17% to \$194 million as oil prices declined over the quarter. The average realised Australian dollar oil price declined to \$87/bbl (from \$114/bbl), which represents a 24% decrease relative to the prior quarter. Partly offsetting the oil price decline was a higher liquids portion in the overall sales mix.

Revenue (\$ million)	December Q2 FY14	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change	YTD
Oil	236.4	181.2	134.8	(26%)	315.9
Sales Gas and Ethane	25.9	35.2	34.6	(2%)	69.8
LPG	14.4	8.1	13.1	63%	21.2
Condensate	10.1	8.4	11.4	36%	19.8
Sales Gas and Gas Liquids	50.3	51.7	59.2	14%	110.9
Total Oil and Gas	286.8	232.9	194.0	(17%)	426.8
Total – Own Product	226.8	187.2	160.2	(14%)	347.3
Total – Third Party	60.0	45.7	33.8	(26%)	79.5
Average Realised Prices	December Q2 FY14	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change	YTD
All Products (\$/boe)	104.1	81.0	67.9	(16%)	74.4
Oil (\$/bbl)	129.8	114.1	86.8	(24%)	100.6
Sales Gas and Ethane (\$/GJ)	6.0	5.3	5.8	10%	5.5
LPG (\$/t)	1,109.0	926.0	740.3	(20%)	801.5
Condensate (\$/bbl)	119.9	109.1	81.9	(25%)	91.6

CAPITAL EXPENDITURE AND REVISED FY15 GUIDANCE

Capital expenditure of \$149 million was in line with expectations as existing contracts and committed spend continued. Key variations from the prior quarter included seismic survey expenditure in relation to T/49P and ATP 924, SACB and SWQ JVs development expenditure and ATP 855 fracture stimulation expenditure.

Capital Expenditure (\$ million)	December Q2 FY14	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change	YTD
Exploration and Appraisal	46.0	36.5	55.5	52%	92.0
Development, Plant and Equipment	98.3	82.1	93.7	14%	175.8
Total	144.3	118.6	149.2	26%	267.8

Beach has undertaken a detailed review of its capital expenditure program as a result of the current environment of lower oil prices. Within the constraints of existing contracts and committed expenditure, some projects have been identified for deferment. This will provide an initial reduction in estimated H2 FY15 capital expenditure of up to \$55 million (~20%). Final 2015 calendar year guidance is yet to be received from Santos in relation to the SACB and SWQ JVs, with Santos continuing to flag significant cuts across its business. It should be noted that Beach has a large exposure to SACB and SWQ JVs capital expenditure. On receipt of the final estimates from Santos, Beach will provide further guidance in relation to its FY15 capital expenditure. Pending this, Beach has conservatively revised its FY15 guidance range down to \$430 – \$470 million. Further details of the revised guidance are included in the Beach announcement of 29 January 2015.

LIQUIDITY AND CAPITAL STRUCTURE

Cash reserves were \$249 million at quarter-end and the \$300 million secured loan facility remains undrawn. Cash reserves decreased by \$94 million during the quarter, mainly due to tax payments of \$58 million and ongoing capital expenditure.

Capital Structure	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change
Fully Paid Ordinary Shares	1,297,496,886	1,297,496,886	-
Unlisted Employee Rights	6,821,053	5,777,763	(15%)

HEDGING

Beach's policy is to hedge up to 80% of oil production and corporate costs by securing floors to protect against downside oil price scenarios, while retaining upside potential. This prudent approach to hedging continued during the December quarter and has provided Beach with some protection during the current period of volatile oil prices. The following hedges were in place as at 31 December 2014.

Period	Floor \$45 per bbl (Brent)	Floor \$65 per bbl (Brent)	Floor \$70 per bbl (Brent)	Total Hedged Volumes (bbl)
FY15 (remaining)	-	787,500	225,000	1,012,500
FY16	630,000	472,500	225,000	1,327,500
Total	630,000	1,260,000	450,000	2,340,000

OPERATIONS

PRODUCTION

Production of 2,387 kboe was in line with the prior quarter. Key highlights included:

- Increased oil production from the Bauer field as tie-in of development wells and infrastructure upgrades continue;
- Limited downtime at the Moomba facility with increased production of sales gas; and
- Increased production from the Abu Sennan Concession in Egypt.

		December Q2 FY14	September Q1 FY15	December Q2 FY15	Qtr on Qtr Change	YTD
Oil (kbbbl)	Cooper Basin	1,318.0	1,195.7	1,174.5	(2%)	2,370.2
	Egypt	14.3	19.2	30.3	57%	49.5
	Total Oil	1,332.3	1,214.9	1,204.8	(1%)	2,419.7
Sales Gas and Ethane (PJ)	Cooper Basin	5.4	5.7	5.8	1%	11.5
LPG (kt)	Cooper Basin	12.5	12.1	12.1	0%	24.2
Condensate (kbbbl)	Cooper Basin	118.5	103.3	95.6	(8%)	198.9
Total Oil and Gas (kboe)		2,479.7	2,398.6	2,386.8	(0%)	4,785.4

NB. Preliminary data for Egypt and PRLs 136 to 150 (formerly PEL 104/111)

Cooper Basin Operated

PRLs 151 to 172 (formerly PEL 91)

(Beach 40%, Drillsearch 60%)

Oil production increased 3.5% to 423 kbbl (net), mainly due to higher production from the Bauer field. Bauer-12 and -13 came online late in Q1 FY15 and contributed a full quarter of production. Bauer-14 and -15 were brought online in December 2014 and the Bauer-16 to -19 pad wells will be brought online during Q3 FY15. Infrastructure upgrades continued, including flowline de-bottlenecking and preparation for fluid handling capacity increases at the Bauer facility.

PRLs 85 to 104 (formerly PEL 92)

(Beach 75%, Cooper 25%)

Oil production decreased 7.2% to 299 kbbl (net) due to natural field decline.

PRLs 129 and 130 (formerly PEL 106)

(Beach 50%, Drillsearch 50%)

Sales gas and LPG production increased 25% to 89 kboe (net), mainly due to limited downtime at the Moomba processing facility. Condensate production decreased 30% to 9.5 kboe due to reduced gas flow from Canunda-1.

Kenmore and Bodalla

(Beach 100%)

Oil production increased 3.1% to 47 kbbl (gross and net) as high water cut wells were shut-in and Bodalla South-21 was brought online.

Cooper Basin Non-operated

PRLs 136 to 150 (formerly PEL 104/111)

(Beach 40%, Senex 60%)

Oil production decreased 0.5% to 179 kbbl (net), with Martlet-1 coming online and continued strong production from the Spitfire field.

SACB and SWQ JVs

Oil production decreased 5.3% to 227 kbbl (net) following higher than expected production in Q1 FY15. Sales gas and gas liquids production decreased 1.4% to 1,084 kboe (net).

Egypt – Abu Sennan Concession

(Beach 22%, KEE 50% and operator, Dover 28%)

Oil production increased 57.8% to 30 kbbl (net), mainly due to ASA-1X ST3 coming online in October 2014 which produced at an average gross rate of 1,300 bopd from the Abu Roash “C” and “E” reservoirs.

DEVELOPMENT

Cooper Basin – Operated

PRLs 151 to 172 (formerly PEL 91)

(Beach 40%, Drillsearch 60%)

The joint venture was granted Petroleum Retention Licenses 151 to 172 over the former PEL 91 permit, which secures tenure for Beach’s Western Flank oil operations for up to 15 years.

A six-well development campaign was completed in the Bauer field. This campaign is part of a broader full field development plan aimed to support past record levels of production through the development of the highly productive Namur Sandstone reservoir, as well as the overlying McKinlay Member. The six-well drilling campaign comprised four deviated wells drilled from a single pad location and two vertical wells.

The Bauer-16 to -19 pad wells were drilled approximately 10 metres apart at surface, with directional drilling commencing from depths of approximately 700 metres to reach target zones. The close proximity of the wells and the ‘walk’ capability of the rig reduced time taken for rig moves and achieved savings in terms of footprint, drilling time and costs. As an example, the sideways rig walk from Bauer-16 to -17 was completed in two hours, a record for the Cooper Basin. Consequently, when combined with efficient drilling, the full four-well pad program was completed in 34 days. The two vertical wells, Bauer-14 and -15, were drilled in the central and northern parts of the field, respectively.

Results from the program exceeded Beach’s pre-drill expectations, with a number of oil column intersections high to original estimates and strong flow rates recorded from short-term tests. The results are expected to yield incremental 2P reserves and provide support for current production levels. All wells were cased and suspended with Bauer-14 and -15 subsequently coming online during the quarter. The Bauer-16 to -19 pad wells are expected online in Q3 FY15. Beach’s assessment of well results is summarised below.

Well	High / (Low) to Prognosis (metres)	Namur Sandstone Oil Pay (net; metres)	McKinlay Member Interval (gross; metres)
Bauer-14	(0.6)	-	4.1
Bauer-15	2.2	5.5	4.3
Bauer-16	(1.1)	3.5	4.5
Bauer-17	3.1	5.5	4.2
Bauer-18	0.7	6.6	4.2
Bauer-19	4.2	8.7	3.9

A second four-well pad drilling campaign, located in the north of the Bauer field and targeting the Namur Sandstone and Birkhead Formation, has been approved by the joint venture and is expected to be undertaken in Q3 FY15.

Hanson-2 was drilled as a development well approximately 450 metres to the East of the currently producing Hanson-1 well. Hanson-2 reached total depth subsequent to period end and was cased and suspended as a future Namur

Sandstone and McKinlay Member oil producer. The well intersected the target top Namur Sandstone 1.8 metres high to prognosis, with six metres of net oil pay in the McKinlay Member and Namur Sandstone reservoirs.

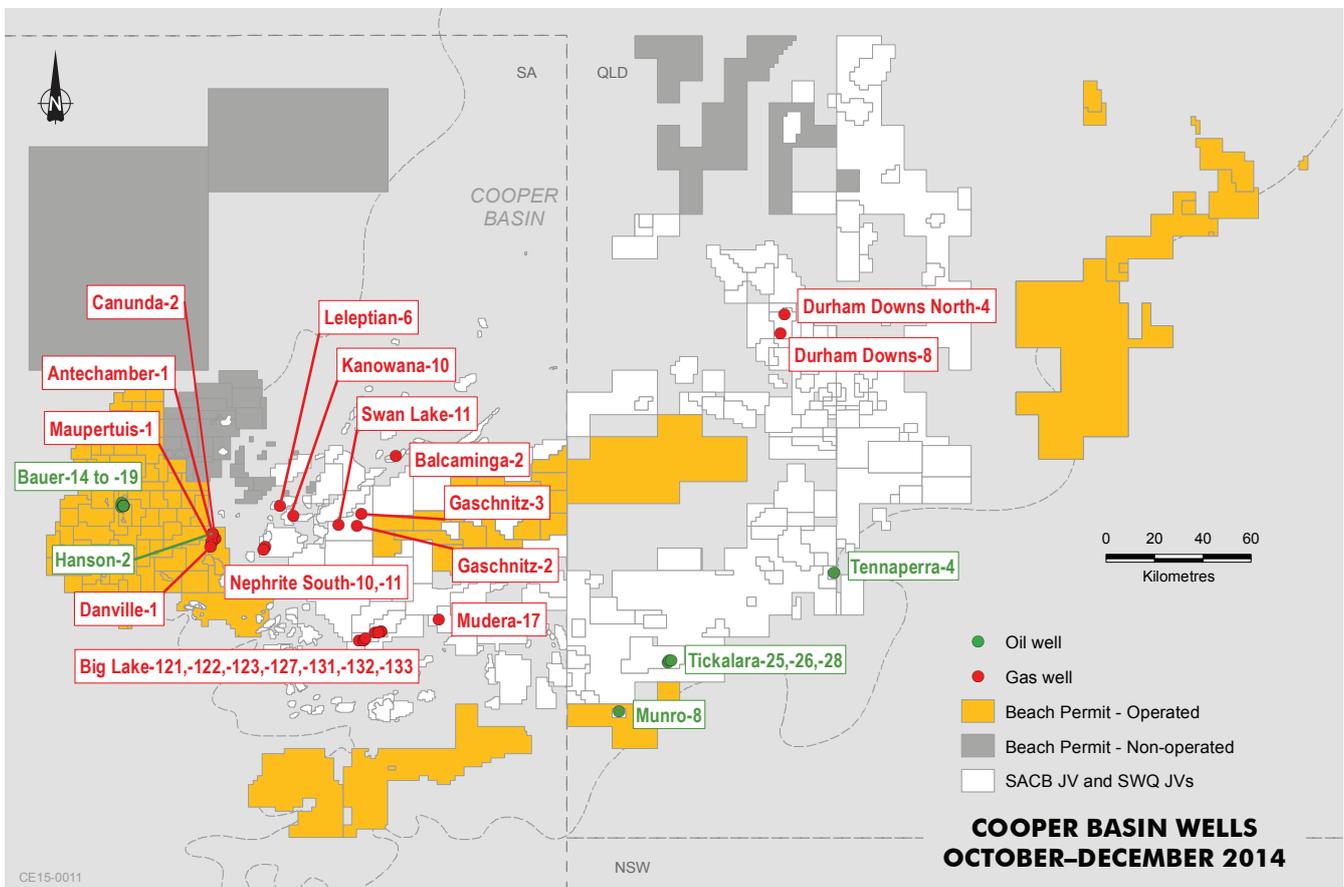
Cooper Basin – Non-operated

South Australian Gas

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

During calendar years 2013 and 2014, the gas development program on the South Australian side of the Cooper Basin primarily focused on closely spaced infill drilling in the Cowralli, Moomba North and Big Lake fields. This infill drilling campaign targeted conversion of undeveloped reserves to developed reserves, with the objective of increased gas production from 2015.

During the quarter, seven wells were drilled in the Big Lake field with all wells cased and suspended as future Permian gas producers. In the central area of the field, drilling included Big Lake-127, the last of a four-well pad development program in the western sector (pad B) and Big Lake-121 to -123, a three-well pad development



program in eastern sector (pad F). In total, the central area field development drilling program was completed over the period November 2013 to December 2014 and comprised 31 wells drilled from seven pads and one standalone well. In the south-west area of the field, drilling included Big Lake-131 to -133, a three-well stand-alone development program.

The Nephrite South and Kanowana fields are located to the north-west of Moomba and the Mudera field is located to the south-east of Moomba. Development drilling in these fields is consistent with the joint venture's current objective for more geographically widespread drilling relative to the closely spaced infill drilling conducted near Moomba.

Nephrite South-10 and -11 are the first two wells of a four-well pad program targeting the Patchawarra Formation in the Nephrite South Field, located approximately 45 kilometres north-west of Moomba. Nephrite South-10 and -11 were cased and suspended as future gas producers following intersection of 57 metres and 81 metres of net gas pay, respectively, in the target zone.

Kanowana-10 is a standalone development well in the Kanowana field, located approximately 40 kilometres north-west of Moomba. Kanowana-10 was cased and suspended following intersection of 55 metres of net gas pay in the Patchawarra Formation and 28 metres of net oil pay in the Tirrawarra Sandstone.

Mudera-17 is the first well of a nine-well development program targeting the Coorikiana Sandstone in the Mudera, Marabooka and Strzelecki fields and located approximately 35 kilometres south-east of Moomba. Mudera-17 was cased and suspended as a future gas producer after intersecting 10 metres of net gas pay in the Coorikiana Sandstone.

Balcaminga-2 is a standalone well in the Balcaminga field, located approximately 65 kilometres north-east of Moomba. The well intersected net gas pay of 22 metres, 5.5 metres and 28 metres in the Toolachee, Epsilon and Patchawarra Formations, respectively, and was cased and suspended as a future gas producer. The gas bearing sands in the Epsilon and Patchawarra Formations were secondary targets, providing an encouraging result for future drilling.

Leleptian-6 is the final well in a four-well development campaign targeting the Patchawarra Formation in the Andree-Leleptian fields. The well was cased and suspended as a future gas producer after intersecting 86 metres of net gas pay.

Queensland Gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.5%, APL 0.24%)

Durham Downs-8 and Durham Downs North-4 were the third and fourth development wells of a four-well campaign in the field located on the Durham Downs and Durham Downs culminations. Durham Downs-8 intersected net gas pay of 6.5 metres and 30 metres in the Toolachee and Patchawarra Formations, respectively, and was cased and suspended as a future producer. Durham Downs North-4 intersected net gas pay of approximately 12 metres and extended the field limit on this culmination. The well was cased and suspended as a future Toolachee Formation gas producer. All four wells in the campaign were successful and cased and suspended.

EXPLORATION AND APPRAISAL

Cooper Basin – Operated

PRLs 151 to 172 (formerly PEL 91)

(Beach 40%, Drillsearch 60%)

Acquisition of the Solidus 3D seismic survey was completed over 492 km² of prospective acreage to the north of the Bauer field. Processing and interpretation is expected to be completed by the end of Q2 FY16. Merge and re-processing of the Neritus, Modiolus and Calpurnus 3D seismic surveys in PRLs 85 to 104 (formerly PEL 92) is near completion, with interpretation to be undertaken through Q3 FY15. The results from all surveys will help define exploration and development drilling targets in 2015 and beyond.

PRLs 129 and 130 (formerly PEL 106)

(Beach 50%, Drillsearch 50%)

The joint venture was granted Petroleum Retention Licences 129 and 130 over the former PEL 106 permit, which secures tenure for Beach's Western Flank wet gas operations for up to 15 years.

The joint venture's five-well exploration and appraisal campaign, which is proximal to the existing Canunda field and gas pipeline to Middleton, is near completion. The program is targeting gas and gas liquids in the Patchawarra Formation and Tirrawarra Sandstone.

The Canunda-2 appraisal well, the first well in the program, was cased and suspended in October 2014. The Maupertuis-1 exploration well, the second well in the program, was cased and suspended but with Beach electing not to participate due to sub-economic assessment of initial results. The Antechamber-1 and Danville-1 exploration

wells were plugged and abandoned after failing to intersect commercial hydrocarbons. The Ralgnal-1 exploration well spudded subsequent to quarter-end and is currently drilling ahead.

Nappamerri Trough Natural Gas

ATP 855

(Beach 46.9% and operator, Chevron 18% and Icon 35.1%)

The joint venture completed fracture stimulation of the final three wells of a four-well program in November 2014. The ETTY-1 vertical well was stimulated over four intervals, one in the Daralingie Formation and three in the Toolachee Formation. The well cleaned up to a peak flow rate of 0.9 MMscfd and was shut-in on 15 January 2015 having achieved flow test objectives. Immediately prior to shut-in, ETTY-1 was flowing at 0.7 MMscfd through a 24/64" choke with wellhead pressure of 405 psi. Gas analysis indicated approximately 70% methane and 30% CO₂. As reported previously, test results confirmed that at least 93% of gas flow was emanating from the single interval stimulation in the Daralingie Formation. This new play has earmarked ETTY-1 as a priority target for further appraisal testing in Stage 2 (subject to joint venture approval).

The Geoffrey-1 vertical well was stimulated over five intervals, four in the Patchawarra Formation and one in the Epsilon Formation. The well cleaned up to a peak flow rate of 1.1 MMscfd while heavily choked back at 12/64" with wellhead pressure of 3,058 psi. On 10 January 2015, Geoffrey-1 was shut-in due to weather related access restrictions. Prior to shut-in, the well was flowing gas at 0.9 MMscfd with wellhead pressure of 1,134 psi. Gas analysis indicated approximately 75% methane and 25% CO₂. Geoffrey-1 was re-opened on 16 January 2015 and extended flow testing has recommenced. It is the intention of the joint venture to open the choke to test the well under higher flow rate scenarios.

The Redland-1 vertical well was stimulated over three intervals in the Toolachee Formation. Mechanical issues prevented the joint venture from ascertaining whether the target zone was effectively delivering gas to surface and consequently the well was shut-in.

Details of the Stage 2 work program will be agreed post Chevron's decision as to its participation in Stage 2. Chevron must advise of its decision as to ATP 855 Stage 2 participation by 31 March 2015.

PRLs 33 to 49

(Beach 70% and operator, Chevron 30%)

The joint venture has approved fracture stimulation of the Boston-2 vertical well over eight stages. Boston-2, located in PRL 37, was drilled in Q4 FY13. Commencement of the program was delayed due to weather related access restrictions, however, the fracture stimulation spread is now on-site and the program is expected to commence during the week beginning 26 January 2015.

Fracture stimulation at Boston-2 and flow testing will mark completion of the broader NTNG Stage 1 work program and Beach will notify Chevron of completion once flow rates have been determined. Chevron then has 60 days to advise of its decision as to Stage 2 participation in relation to PRLs 33 to 49

Cooper Basin – Non-operated

South Australian Gas

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

The Swan Lake-11 appraisal well was drilled in the north-east sector of the Swan Lake field and was cased and suspended following intersection of net gas pay of 17 metres, 3.5 metres and 41 metres in the Toolachee, Epsilon and Patchawarra Formations, respectively, and 26 metres in the Tirrawarra Sandstone. The well significantly extended the limits in the north-east sector of the Swan Lake field. Development drilling in the Swan Lake field is consistent with the joint venture's objective for more geographically widespread drilling relative to the closely spaced infill drilling conducted near Moomba. Up to six development wells are planned for the Swan Lake field in calendar year 2015.

Unconventional Gas

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

Gaschnitz-2 and -3 are the last two wells of a three-well Gaschnitz field exploration drilling campaign targeting the Toolachee, Epsilon and Patchawarra Formations and Tirrawarra Sandstone. Gaschnitz-3 was cased and suspended after intersecting approximately 122 metres of gas bearing sands across the target zones. Gaschnitz-2 is currently drilling ahead.

Queensland Oil

Munro-8 (Beach 40%, Santos 60%) was drilled to appraise the northern extent of the Munro field. The primary target was the Birkhead Formation, which had no evident pay on wireline logs. However, an approximate two metre net pay interval was encountered in the Mid-Namur Sandstone and the well was subsequently cased and suspended as a future Mid-Namur Sandstone oil producer.

Tennaperra-4 (Beach 30%, Santos 70%) was drilled to appraise the northern area of the Tennaperra field and intersected 5.4 metres of net pay in the Birkhead Formation and 3.2 metres in the Namur Sandstone. The well was cased and suspended as a future Birkhead Formation oil producer.

Tickalara-25,-26 and -28 (Beach 30%, Santos 70%) were drilled to appraise the north-east area of the Tickalara field, targeting the McKinlay Member on the down-dip flank of the field. Tickalara-25 and -26 intersected 3.9 metres and 2.9 metres of net pay, respectively, and were cased and suspended as future oil producers. Tickalara-28 encountered approximately 1.4 metres of net pay but was plugged and abandoned as the result was deemed sub-economic.

Australia – Otway Basin

T/49P – Offshore Otway

(Beach 30%, 3D Oil 70% and operator)

Acquisition of the 974 km² Flanagan 3D seismic survey, targeting prospects and leads in the north of the block, was completed in December 2014. Processing of data is now underway with identification of targets expected by the end of FY15.

As a result of Beach’s cost contribution to the expanded Flanagan 3D seismic survey, an additional 10% interest in the T/49P was earned, taking Beach’s ownership interest to 30%.

International – Egypt

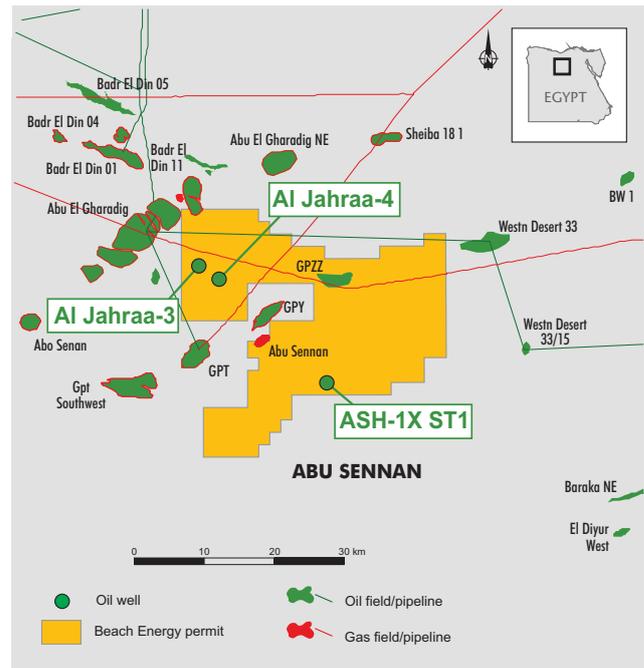
Abu Sennan Concession

(Beach 22%, Kuwait Energy 50% and operator, Dover 28%)

The Al Jahraa-3 oil appraisal well was cased and completed as an Abu Roash “C” member oil producer following intersection of seven metres of net oil pay. A cased hole test at a depth of 2,953 metres to 2,961 metres was conducted over an 11 hour period. Over this period the well flowed at a maximum recorded rate of 1,385 barrels of oil per day on a 128/64” choke.

The Al Jahraa-4 oil appraisal well, located approximately 3.3 kilometres south-east from Al Jahraa-3, spudded in December 2014 and is currently drilling ahead. The well is targeting the Abu Roash “C”, “D” and “E” members.

The ASH-1X ST1 oil exploration well is primarily targeting the Alam El Bueib and Khatatba Formations. The well is continuing to drill ahead in the top Alam El Bueib.



International – Tanzania

Lake Tanganyika

(Beach 30% and operator, Woodside 70% (subject to Government approvals))

Subsequent to quarter-end, 2D seismic surveying in the prospective East African Rift was completed, which included 1,333 line kilometres of marine survey and 107 line kilometres of marine-land transition survey. Processing and interpretation of data is now underway and is expected to be completed by the end of FY15. The seismic surveys were programed to verify drilling options identified from the aeromagnetic and gravity surveys flown in 2010, and the 2,080 line kilometres of 2D seismic acquired in August 2012. From these surveys Beach identified tilted fault blocks, low-side rollovers and mounded features as potential hydrocarbon traps.

WELL RESULTS

Area	Category	Wells spudded	Wells completed	Successful wells	Success Rate	Successful Well Name
Cooper Basin	Gas – Exploration	3	3	-	-	
	Gas – Exploration Uncon.	1	1	1	100%	Gaschnitz-3
	Gas – Appraisal	2	2	2	100%	Canunda-2, Swan Lake-11
	Gas – Development	15	15	15	100%	Balcaminga-2, Big Lake-121,-122,-123,-127,-131,-132,-133, Durham Downs North-4, Durham Downs-8, Kanowana-10, Leleptian-6, Mudera-17, Nephrite South-10,-11
	Oil – Appraisal	5	5	4	80%	Munro-8, Tennaperra-4, Tickalara-25,-26
	Oil – Development	7	7	7	100%	Bauer-14,-15,-16,-17,-18,-19, Hanson-2
Egypt	Oil – Exploration	1	-	-	-	
	Oil – Appraisal	2	1	1	100%	Al Jahraa-3
Total		36	34	30	88%	
All Exploration Wells		5	4	1	25%	
All Appraisal Wells		9	8	7	88%	
All Development Wells		22	22	22	100%	

CORPORATE

Mr Robert Cole was appointed as Beach’s next Managing Director, effective 1 June 2015. Rob most recently served as Executive Director and Executive Vice President, Corporate and Commercial at Woodside Petroleum Ltd and joined the Board of Woodside in February 2012 as one of two Executive Directors. Rob led Woodside’s corporate and commercial division and has broad experience across strategy and planning, upstream commercial marketing and trading, human resources, corporate affairs and joint venture management. Full details of this appointment are included in the announcement of 27 November 2014.

Mr Colin Beckett was appointed as an independent non-executive director of the Board, effective 2 April 2015. Colin is an engineer with over 35 years of experience in design, project management, commercial negotiations and gas marketing. Colin previously held senior executive

positions at Chevron Australia Pty Ltd, most recently as the General Manager responsible for the development of the Gorgon LNG and domestic gas project. Further details of this appointment are included in the announcement of 19 November 2014.

Delhi Petroleum Pty Ltd, a wholly owned subsidiary of Beach, and Origin Energy Retail Ltd (Origin Retail) entered a transitional gas sales agreement (Transitional GSA) for the supply of up to 2.3 PJ of sales gas over the period 1 January 2015 to 30 June 2015. Supply under this agreement represents Beach’s first separately marketed gas from the SACB and SWQ JVs and volumes are incremental to the longer term Origin Retail gas sales agreement announced on 10 April 2013. Terms and pricing of the Transitional GSA are consistent with the longer term gas sales agreement.

SUBSEQUENT EVENTS

The Cooper Basin experienced moderate to heavy rainfall over the period 9 January to 12 January 2015. Rainfall averaged 25 – 50 millimetres across most of the Cooper Basin, with heavier falls of up to 110 millimetres experienced near Innamincka. While no flooding in the Cooper River system occurred or is expected to occur, the rain did result in restricted road access to certain sites due to overlaying surface water, which has subsequently cleared. Trucking of oil was also restricted, however, the overall impact on annual production was not material. Some drilling activities were delayed, including the fracture stimulation of Boston-2, however all affected activities have since recommenced.

Beach has revised its FY15 production guidance range to 8.9 – 9.4 MMboe (from 8.6 – 9.4 MMboe). While Beach has retained production guidance within the range originally announced, there is an expectation that full year production will be weighted towards the upper end of the original range. Production for the second half is expected to be lower than the first half, predominantly due to a conservative approach taken in relation to expectations for non-operated production.

GLOSSARY

3D Oil	3D Oil Ltd	MMscfd	million standard cubic feet of gas per day
\$	Australian dollars	Origin	Origin Energy Ltd
APL	Australia Pacific LNG Ltd	PEL	Petroleum Exploration Licence
ATP	Authority to Prospect	PRL	Petroleum Retention Licence
bbl	barrels	PJ	Petajoule
Beach	Beach Energy Ltd	SACB JV	South Australian Cooper Basin Joint Venture, which includes the Fixed Factor Area (Beach 20.21%, Santos 66.6%, Origin 13.19%) and the Patchawarra East Block (Beach 17.14%, Santos 72.32% and Origin 10.54%)
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	SACB and SWQ JVs	The Delhi operations, which incorporate the SACB JV and the SWQ JVs
bopd	barrels of oil per day	Santos	Santos Ltd
Chevron	Chevron Exploration 1 Pty Ltd	Senex	Senex Energy Ltd
Cooper	Cooper Energy Ltd	Strike	Strike Energy Ltd
Cooper Basin	Includes both Cooper and Eromanga Basins	SWQ JVs	South West Queensland Joint Ventures
Drillsearch	Drillsearch Energy Ltd	US\$	United States dollars
FY	Financial Year	Woodside	Woodside Petroleum Ltd
GJ	Gigajoule		
kbbbl	thousand barrels of oil		
kboe	thousand barrels of oil equivalent		
kt	Thousand tonnes		
KEE	Kuwait Energy Egypt Ltd		
LPG	Liquefied Petroleum Gas		
MMbbl	million barrels of oil		
MMboe	million barrels of oil equivalent		