



# ASX Announcement

## 2022 Annual General Meeting

### Addresses and Presentation

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Reference #039/22

Date 16 November 2022

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To follow is the Chairman's Address, Chief Executive Officer's Address and presentation for the Beach Energy Limited (ASX: BPT, Beach) 2022 Annual General Meeting (AGM) which commences at 10.30am (ACDT) today.

The AGM will be webcast and can be viewed at <https://webcast.openbriefing.com/9092/>

Further information regarding the AGM is available at [www.beachenergy.com.au/agm](http://www.beachenergy.com.au/agm)

**For further information contact the following on +61 8 8338 2833**

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Investor Relations	Derek Piper, General Manager Investor Relations
Media	Chris Burford, Corporate Affairs Manager

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# Beach Energy 2022 AGM

## Chairman and CEO Addresses

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Date 16 November 2022

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### **Chairman's Address**

#### **Slide 1 – 2022 Annual General Meeting**

Good morning ladies and gentlemen and welcome to the 2022 Beach Energy Annual General Meeting. A quorum is present and I declare the meeting open.

It's good to see you again at our first AGM in the 'traditional format' since 2019. Thankfully, Covid interruptions are behind us and it's nice to see shareholders here in person today.

I would like to start with a safety message. In the unlikely event of an emergency evacuation, you will hear an alarm. On hearing that alarm please evacuate in a calm manner through the exits and follow the instructions from the Crowne Plaza staff who will direct you to a safe assembly point.

#### **Slide 2 – Acknowledgement of Country**

Respect is one of our core values at Beach and we pay our respects to the traditional custodians across Australia and New Zealand.

We acknowledge that we meet today on the traditional country of the Kurna People of the Adelaide Plain, and we pay our respect to their Elders past and present.

We also recognise and respect their cultural heritage, beliefs and spiritual relationship with the land and acknowledge that they are of continuing importance to the Kurna People today.

### **Slide 3 – Compliance statements**

Our compliance statements are set out on slide 3 of today's AGM presentation for those of you who wish to review them later.

### **Slide 4 – Welcome and Introduction**

A few quick housekeeping matters:

- If you haven't already done so, could you please turn your mobile phone to silent.
- I would also ask you to note that any unauthorised recording or photography during the course of the meeting today is prohibited.
- Lastly, the presentation is being webcast and a recording will be available on the Beach website after the meeting. I welcome those who are viewing via the webcast.

I am joined today by our Chief Executive Officer Morné Engelbrecht who will address you shortly, along with fellow continuing directors

Phil Bainbridge, Sally-Anne Layman, Margaret Hall, Peter Moore and Richard Richards.

Also in attendance today is Anthony Jones from our auditor EY who is available for questions in relation to the 2022 financial accounts and remuneration report.

We have received a number of questions from shareholders in advance of the meeting which will be addressed later in question time.

## **Slide 5 – Chairman’s Address**

With those introductions behind us, let’s now move on to the rest of the meeting.

## **Slide 6 – Energy supply and decarbonisation fundamentals**

It’s hard to read the media today without a story about energy security, gas supply and energy demand and pricing.

What sense can we make of it all?

There are a few fundamentals that you, as shareholders, should hold onto:

- National energy security is a live, relevant and critical issue – if you’re looking for evidence just ask Europe.
- Gas is going to play a critical role in Australia’s energy mix for decades to come and within the foreseeable future there are real

risks of shortfalls both on the East and West Coast – in terms of evidence just look at the statements from the Australian Federal Government, the Australian Energy Market Operator and the Australian Competition and Consumer Commission.

- Energy pricing is, not surprisingly, a function of supply and demand and given the potential shortfalls we need to get more gas developed and into the market – again just ask the Australian Government, AEMO and the ACCC.
- Yes, the world will decarbonise, and we support that. How and over what period of time remains unclear and will remain unclear for many years to come – in terms of evidence have a read of the International Energy Agency World Energy Outlook 2022.
- In a decarbonising world what we produce remains important and demand will remain that outstrips current supply, especially having regard to natural field decline so more resources need to be found and developed – again the evidence lies in the statements from the Australian Federal Government, AEMO and the ACCC and even the IEA.

Some will disagree with these facts but the truth, that I accept is uncomfortable for some, remains in these fundamentals.

## **Slide 7 – Playing a critical role in supporting local energy security**

Beach has a role to play in addressing these fundamentals and our strategy is aligned with them:

- We are contributing to Australian energy security supplying critical domestic gas into the East and West Coast markets, and that will increase on the East Coast in the short term as we connect further wells to the Otway Gas Plant this year.
- We are playing our part in increasing supply:
  - Waitsia start-up on the West Coast is targeted for late 2023;
  - Perth Basin and Cooper Basin exploration drilling and appraisal programs will be delivered this financial year;
  - As I mentioned, further gas connections to the Otway Gas Plant will be online soon; and
  - There are further opportunities in all of our basins which are under active consideration.
- We are also active in moving toward our aspiration to be net zero in scope 1 and 2 emissions by 2050:
  - We are committed to the Moomba Carbon Capture and Storage project with our joint venture operator Santos;
  - We are active in reviewing further opportunities for CCS in the Otway;
  - We are pursuing fuel, flair and vent projects, CO2 membrane replacement projects and electrification where practicable; and
  - Where logically adjacent to our operations or infrastructure, we are investigating new energy opportunities in wind in New Zealand, hydrogen and hydrogen storage in the Otway and low carbon energy in the Cooper.

Beach plays an important role in significantly contributing to Australia's energy security, energy supply and the pathway to decarbonisation, and will continue to do so.

## **People**

In playing that role, Beach needs and has a team of high quality and committed people led by our CEO Morné.

Our people recently delivered the Otway Basin's largest ever drilling campaign delivering one new discovery, six development wells, two connections and with more connections to come.

And in delivering that work programme our core value of safety was at the forefront throughout. The project was delivered safely and was recognised with the 2021 IADC safety award.

Congratulations to all involved, both staff and contractors, on delivering a great project safely.

The team is also working hard on the delivery of the Waitsia Stage 2 project, further drilling in the Cooper Basin, further refinement of our opportunities and pathway in the Bass Basin, potential drilling in New Zealand and carbon abatement and new energy projects across the portfolio.

They are doing great work and they are all playing their role in the energy security, reliability and supply Australia, New Zealand and the globe critically need.

I want to thank all of you for your hard work and commitment which I know will continue.

In relation to people I also need to mention two directors leaving us today:

- Firstly, Rob Jager. Rob our very best wishes to you and your family.
- Secondly, Colin Beckett. Colin joined Beach coming on eight years ago. He has been through a lot in those eight years including the Drillsearch and Lattice transactions. Colin, thank you for your wise counsel, guidance and commitment to Beach and we wish you well in your retirement.

And of course in terms of people, thank you to you, our shareholders. Without you, we cannot play our part in underpinning energy security, reliability and supply. Thank you for your support in us fulfilling that important role.

On that note, I will hand over to Morné for the CEO address.

Thank you.

## **CEO's Address**

### **Slide 8 – CEO's Address**

Thank you, Glenn.

Good morning and welcome everyone.

First of all, it is a great honour and privilege to have been appointed the CEO of Beach Energy.

I recognise and honour the proud 60-year history of the company, and those who have been before me in this role.

I am passionate about our people and the future of this company, and the great team we have to deliver our strategy.

I have been a part of the journey at Beach for the last 6 years, and I look forward to leading the team through our next exciting phase of our growth.

### **Slide 9 – CEO observations**

I would briefly like to take the opportunity to pass on my views on our current strengths here at Beach, as well as some of our focus areas.

Let's begin with our strengths:

- First, Beach represents a unique value proposition for you, our shareholders and investors. It is my view that our exposure to the East Coast gas and soon the global LNG markets puts us in

an enviable position, while at the same time we pursue a sustainable low emissions future.

- Second, we have demonstrated that we possess the core competencies to deliver major projects both on and offshore. As Glenn mentioned, our delivery of the Otway offshore drilling campaign demonstrates that Beach can deliver on the big stage. It was a tremendous success, and I too would like to congratulate the team.
- Third, we believe we have the right strategy in place to grow and evolve. We have drilling planned in all basins across the portfolio and we continue to assess CCS, new energy and growth opportunities in various forms.
- Fourth, we will soon be supplying a total of five markets with strong fundamentals with the addition of LNG. It is clear that our products remain in high demand across Australia, New Zealand and internationally, with Beach in a prime position to deliver.
- And finally, our financial position continues to be strong, providing Beach with optionality when it comes to growth and capital management.

As for my key focus areas in the short term:

- As Glenn also acknowledged we are fortunate to have great people at Beach, and I want them to have a culture that we can all be very proud of. Beach should be the place where everyone in our industry wants to work. I want to lead and further grow that environment.

- The team and I remain focussed on completing our major projects in the Otway and Perth basins and delivering on our FY24 production target. These major growth projects are progressing and our team is working very hard to deliver them on time and within budget.
- Third, by delivering these major projects, Beach is setting up the base for further growth. With a growing production and free cash flow profile, we will be ready to take the next step in our growth journey. Our balance sheet allows us to keep our options open on all opportunities that add value to our portfolio.
- Fourth, I want to make sure we take a disciplined approach to new energy opportunities. This means doing the rigour, doing the desktop studies, assessing commercial opportunities with our partners, and making sure we are ready to take the right steps at the right time.
- Lastly, I look forward to formalising a dividend policy with the Board which will provide clarity on how we will determine dividend payments once major projects have been delivered and free cash flow has strengthened.

## **Slide 10 – Executing our corporate strategy**

I would also like to reiterate our Chairman's message that Beach is playing a critical role in supporting local energy security.

We are doing this by executing our strategy to deliver sustainable growth in gas supply.

In the Otway Basin, our offshore well connections will deliver more than a 30% increase in our share of supplying East Coast gas demand, from ~12% currently to ~16% in FY24.

We are proud to say Beach is the only gas producer of scale increasing its share of the East Coast gas market, and this is coming at a time when new supply is desperately needed.

In the Perth Basin, the Waitsia Stage 2 project will deliver transformational LNG revenue for Beach and see us become a new entrant in the global LNG market.

To deliver our corporate strategy, we are enabled by our talented people and the Beach culture which represent the foundation of our growth and success.

## **Slide 11 – Binding agreement to acquire Warrego Energy**

As well as developing our existing assets, inorganic growth has always been part of our strategy.

On this front, you may have seen that we have entered into a Scheme Implementation Deed to acquire Warrego Energy.

There's still a way to go, but if we complete the acquisition as planned we will add an exciting and complementary gas development asset to our Perth Basin portfolio which will help accelerate gas development for WA.

Warrego has a 50% interest in West Erregulla.

This is a fully appraised and development ready gas discovery.

A Final Investment Decision is yet to be taken meaning we can deploy our gas development expertise for optimal commercialisation.

As well as being compelling for Beach, we believe the offer provides full and fair value for Warrego shareholders.

We are offering 20 cents per share in cash, which delivers immediate and certain value and represents a 36% premium to the one-month volume weighted average Warrego share price to 9 November.

I note there was a competing offer for Warrego – the inferior all-share non-binding proposal from Strike Energy. Strike’s non-binding proposal was valued by Strike, before our binding offer moved market prices, at 18.6 cents per share. Our cash offer is binding and superior at 20 cents per share.

There are a few points I would like to make on the relative merits of our offers, Beach’s objectives for the Perth Basin and West Erregulla, and current speculation in the market.

First, a quick comparison of our offer versus Strike’s offer:

- Our offer is binding. Strike’s offer is indicative and non-binding.
- Our offer is all-cash. It delivers immediate and certain value to Warrego shareholders.
- Strike’s offer is all-shares which creates inherent volatility in the offer value from movements in Strike’s share price. We note Strike’s share price has been as low as 14.5 cents over the last 12 months.

- Warrego's Board of Directors has unanimously recommended Beach's offer to its shareholders and the Directors intend to vote their shares in favour of our cash offer.
- Beach will bring financial strength to the West Erregulla joint venture, to achieve faster delivery of the project relative to its current pathway.
- We would welcome Warrego shareholders to invest their sale proceeds, if they so choose, in Beach and be part of our compelling growth story.

Second, to reiterate our objectives for the Perth Basin and West Erregulla:

- Our strategy is to sustainably develop new gas supply for the WA market.
- We are excited to work swiftly to develop West Erregulla in the best interests of the joint venture.
- We have the expertise, access to infrastructure and the balance sheet to support and accelerate gas development for WA, which in turn supports WA energy security.
- We don't need to raise capital to deliver our current growth projects or opportunities such as Warrego.

Third, to set the record straight on some speculation currently in the market:

- We have no intention to make an offer for Strike Energy. If you apply our Warrego offer on a look through basis to Strike's 2P

reserves you'll realise we believe Strike is not something we would acquire at its current share price.

- We intend to develop West Erregulla as quickly as we can.
- We are not bidding for Warrego to backfill Waitsia Stage 2 volumes with the West Erregulla volumes not permitted to be exported.

In closing, the offer to acquire Warrego is a great example of how our strong balance sheet and disciplined approach to inorganic growth puts us in great shape to pursue such value accretive growth opportunities.

## **Slide 12 – Core competencies in place to deliver major projects**

I mentioned briefly that the Otway Offshore project demonstrates our core competencies for delivering major projects.

While this was the most significant milestone achieved in FY22, it was not the only highlight. Others include:

- Taking a final investment decision on the Enterprise nearshore project in the Otway Basin which will deliver more gas to the east coast gas market.
- Delivering the Kupe compression project in New Zealand which brought the plant back to full capacity.
- Signing the sales agreement with bp for our Waitsia Stage 2 LNG volumes, with plant construction progressing and 6 wells drilled out of a total of 14 currently planned.

- Taking a final investment decision for Moomba CCS which is now under construction.
- Delivering the Yolla wireline campaign in the Bass Basin; and
- Mitigating Western Flank oil decline, with an exploration campaign delivering new discoveries.

Delivering these milestones demonstrates our ability to deliver projects safely, on time and on budget and brings us closer to our FY24 production target.

### **Slide 13 – Health, safety and environment**

Safety takes precedence in everything we do at Beach. We recorded pleasing outcomes this year, particularly given it was a year of record hours worked across the organisation – more than 3.3 million hours.

Highlights included a number of safety awards, extended injury free periods and significant reductions in spills.

Safety performance did unfortunately show an uptick in minor incidents. This is disappointing and we are addressing this through ongoing safety campaigns and training.

We maintain our focus on continual improvement and I thank all of our people for their dedication and demonstrating through action that safety does take precedence in everything we do.

## **Slide 14 – Targeting 35% emissions intensity reduction by 2030**

You may have seen that Beach recently announced that we are investigating several initiatives to reduce our scope 1 and 2 emissions, as well as pursuing opportunities in new energy markets.

Moomba CCS is just the beginning.

We have several feasibility studies underway, including Otway CCS, which is earmarked as the next most likely asset to deploy CCS following Moomba.

Meanwhile, we continue further assessments on electrification at BassGas and Kupe and we are investigating ammonia production possibilities to name a few.

## **Slide 15 – Financial strength to support growth and returns**

Beach ended FY22 in a strengthened financial position. We had a \$165 million net cash position and \$765 million total liquidity.

We also successfully refinanced and upsized our debt facility to \$600 million during the financial year.

This means that we are well placed to balance capital management initiatives with future growth opportunities.

With our free cash flow expected to increase materially from FY24, we plan to release a formal dividend policy with our FY23 half-year results. This will provide transparency on how we plan to determine dividend payments following this current period of higher capital expenditure for our major growth projects.

## **Slide 16 – Momentum building in FY23**

You will have no doubt seen that we've started the new financial year with strong momentum across our operations and major growth projects.

In the Otway Basin, connection of the Thylacine wells is underway and tracking to our target for first gas in mid-2023. As I mentioned, this will be a key driver of the more than 30% increase in East Coast gas market share and will deliver much needed new volumes.

Construction of the Waitsia Stage 2 gas plant is well under way and we have drilled six of the 14 development wells needed for the development. The rig has since been mobilised for exploration drilling and the first exploration well is underway, which we are all very excited about.

We also had a successful first quarter of drilling in the Cooper Basin.

Operations there have been impacted by severe wet weather, however, we have managed that as well as can be expected and we look forward to working through our backlog of well connections and workover activities.

## **Slide 17 – A unique value proposition for investors**

To conclude, the message I want you to take away from today is that your company is delivering the foundation for sustainable growth and increasing much needed gas supply at a time when energy security is paramount.

1. *First:* Beach's entrance into the global LNG market is truly transformational. We are doing this with our share of volumes sold to an excellent customer in bp, with attractive LNG pricing. The Waitsia Stage 2 project is progressing well, and we have a very exciting Perth Basin exploration campaign now underway.
2. *Second:* We are increasing our share of the East Coast gas market by more than 30% by middle of next year. We have 674 PJ of reserves to be produced, with an increasing uncontracted gas profile as gas prices are strengthening.
3. *Third:* We will grow while we focus on reducing our emissions through proven technologies like CCS, while we investigate future energy opportunities and markets. We are already a participant in the Moomba CCS project, one of the nation's biggest.

In summary, we believe that Beach represents a unique value proposition and is primed for growth as we deliver our major projects.

Once again, I am really excited about the future of Beach Energy and I am fortunate to have a great team in place, supported by a very experienced Board of Directors.

16 NOVEMBER 2022

# 2022 Annual General Meeting



## Acknowledgement of Country

*Respect is one of our core values at Beach and we respect the traditional custodians of Australia and New Zealand.*

***We acknowledge that we are meeting today on the traditional country of the Kurna People of the Adelaide Plain, and we pay our respect to their Elders past and present.***

*We also recognise and respect their cultural heritage, beliefs and spiritual relationship with the land and acknowledge that they are of continuing importance to the Kurna People today.*

# Compliance statements



## Disclaimer

This presentation 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 presentation, 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.

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 audited financial statements.

Free cash flow is defined as net cash flow before debt repayments, dividends, transaction adjustments and foreign exchange movements. 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.

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 FY23 and beyond FY23 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

FY23 guidance is uncertain and subject to change. FY23 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.

The production and capital expenditure forecasts beyond FY23 within this presentation are not guidance and is subject to change. Outlook has been estimated on the basis of the following economic assumptions: 1. Brent oil price of US\$95 per barrel, US\$87.5 per barrel and US\$83.8 per barrel in FY23 – 25 respectively, 2. AUD/USD exchange rate of 0.74 in FY23 and 0.75 from FY24, 3. various other economic assumptions 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

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

The statement presents Beach's net economic interest estimated at 30 June 2022 using a combination of probabilistic and deterministic methods. Each category is aggregated by arithmetic summation. Note that the aggregated 1P category may be a very conservative estimate due to the portfolio effects of arithmetic summation.

Reserves are stated net of fuel, flare and vent at reference points defined by the custody transfer point of each product, with the exception of Waitsia reserves that include 20 PJ of fuel used for LNG processing through the North West Shelf (NWS) facilities in Karratha.

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.

The estimates are based on, and fairly represent, information and supporting documentation prepared by, or under the supervision of, Qualified Petroleum Reserves and Resources Evaluators (QPRRE) employed by Beach. The QPRRE are Ian Cockerill, Scott Delaney, Mark Sales and Jason Storey, who are all members of SPE.

The reserves statement as a whole is approved by Ms Paula Pedler (Head of Reservoir Engineering). Ms Pedler is employed by Beach and is a member of SPE; she has a Bachelor of Engineering (Honours) degree from the University of Adelaide and more than 30 years of relevant experience. The reserves statement has been issued with the prior written consent of Ms Pedler as to the form and context in which the estimates and information are presented.

Beach prepares its reserves and resources estimates annually as specified in the Beach reserves policy. This policy also details the internal governance and external audit requirements of the reserves and resources estimation process.

An independent audit of Beach's reserves at 30 June 2022 was conducted by Netherland, Sewell & Associates Inc. (NSAI). In NSAI's opinion the reserves estimates are reasonable when aggregated at the 1P, 2P and 3P levels and have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE. The audit encompassed 62% of 2P reserves, including 79% of developed reserves and 48% of undeveloped reserves. Contingent resources have not been audited.

## Authorisation

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

2022 ANNUAL GENERAL MEETING

# Welcome and Introduction



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2022 ANNUAL GENERAL MEETING

# Chairman's Address

Glenn Davis



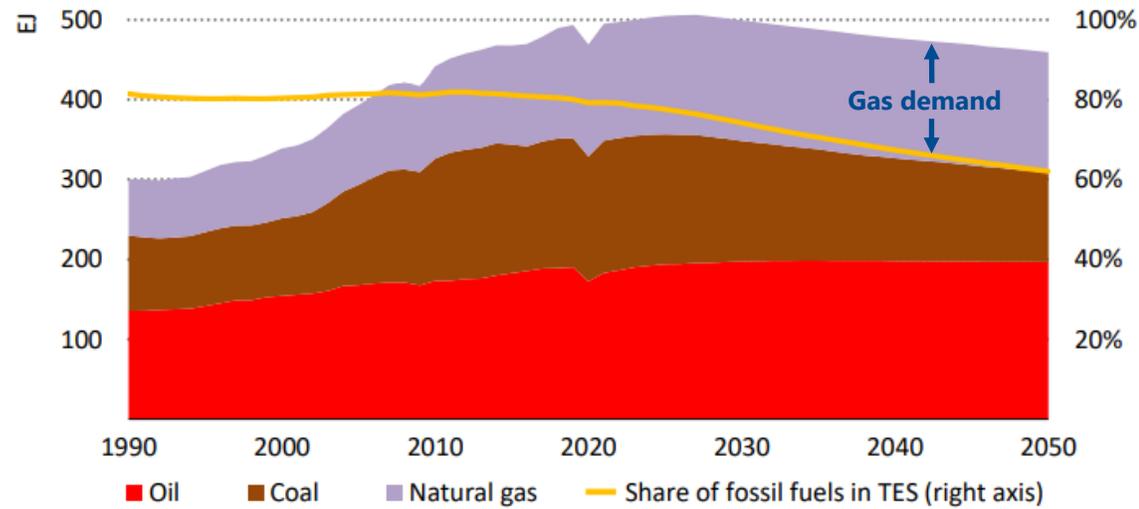
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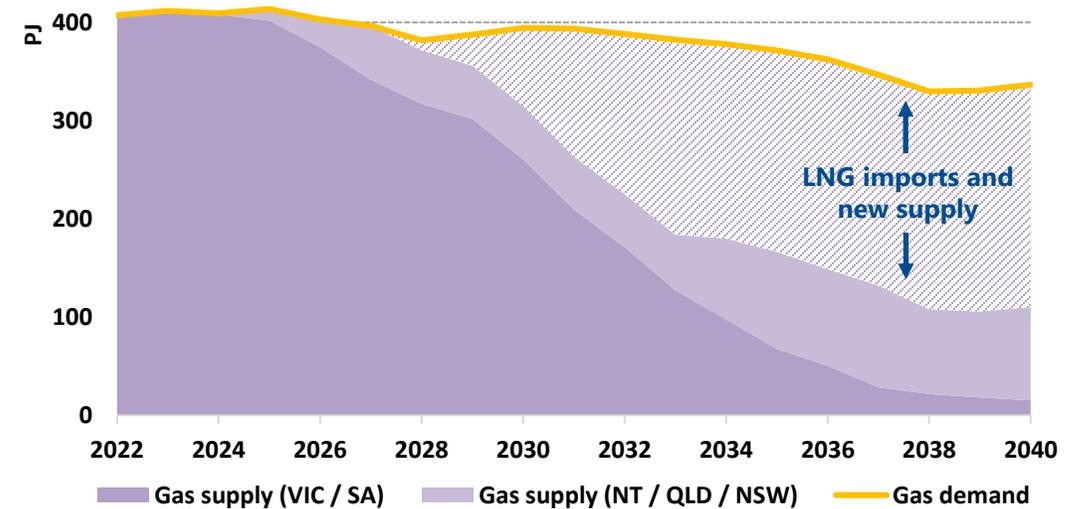
# Energy supply and decarbonisation fundamentals

## Natural gas to remain an integral component of the energy supply mix

### Stable gas demand despite global fossil fuel decline<sup>1</sup>



### Increasing south-east gas supply shortfalls<sup>2</sup>



*"By 2030, fossil fuels account for less than three-quarters of total energy supply, and by 2050 their share falls to just above 60%."*

**IEA World Energy Outlook 2022**

*"Gas is expected to retain a key role in maintaining the reliability and security of the National Electricity Market, especially during periods of low variable renewable energy generation or prolonged outages impacting other dispatchable generation."*

**AEMO Gas Statement of Opportunities 2022**

1. Source: International Energy Agency, World Energy Outlook 2022; Stated Policies Scenario (STEPS) presented; EJ = exajoule; TES = total energy supply  
2. Source: EnergyQuest, East Coast Gas Outlook to 2040, October 2022; south-east demand includes NSW, ACT, VIC, TAS and SA

# Playing a critical role in supporting local energy security

Active gas development and appraisal across three East Coast basins

**7-well offshore Otway Basin drilling campaign completed**  
**Connection of Thylacine wells to OGP<sup>1</sup> underway**

**Returning OGP<sup>1</sup> to full capacity of 205 TJ/day (gross)**  
**(Current well deliverability ~110-120 TJ/day)**

**Planning for Bass Basin drilling in FY24**

**Plant capacity ~67 TJ/day (gross);**  
**current production ~10-15 TJ/day**

**Active Cooper Basin drilling campaigns to maintain**  
**production (~100 TJ/day FY22 average, net to Beach)**

## Largest offshore drilling campaign in the Otway Basin

- ✓ Seven-well drilling campaign completed in FY22
- ✓ One discovery and six successful development wells
- ✓ Safety award won by drilling contractor
- ✓ Geographe 4 and 5 connected to the Otway Gas Plant in FY22
- ✓ Remaining well connections underway



2022 ANNUAL GENERAL MEETING

# CEO's Address

Morné Engelbrecht



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# CEO observations

Strengths and opportunities



## Beach strengths

- Unique value proposition
- In-house competencies
- Strategic growth opportunities
- Market diversification
- Strong balance sheet

## CEO focus areas

- Lead corporate culture
- Deliver FY24 production target
- Building a base for further growth
- Pursue new energy opportunities
- Dividend policy framework



**OUR PEOPLE + OUR CULTURE =** Our foundation for growth and success

# Executing our corporate strategy

Material long-term cash flows being pursued



## Grow Gas/LNG Supply

- East Coast and West Coast gas supply increase
- Otway Gas Plant back to capacity by mid-2023
- LNG through North West Shelf
- Perth Basin exploration
- Organic infield/near field opportunities
- Ongoing assessment of accretive inorganic growth

## Grow Free Cash Flow

- Targeting eight plants feeding four markets for >15 years from FY24
- Fully funded FY24 growth
- Supported by stable gas and LNG free cash flows
- Building cash flow diversity through markets and products

## Grow Sustainably

- 2050 net zero aspiration
- Targeting 35% emissions intensity reduction by 2030
- Carbon Capture and Storage a key enabler

# Binding agreement to acquire Warrego Energy<sup>1</sup>

A compelling acquisition consistent with Beach's growth strategy

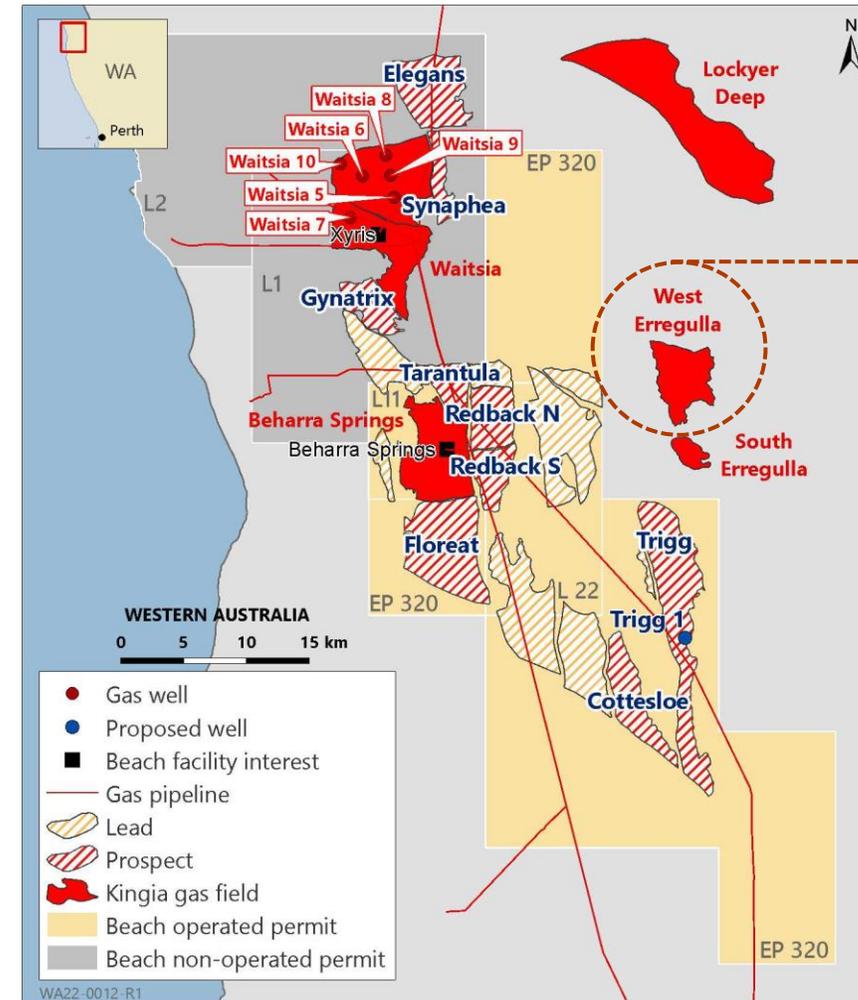


## Compelling strategic rationale for Beach

- ✓ Complements existing Perth Basin acreage; consistent with growth strategy
- ✓ West Erregulla fully appraised; pre-FID project with development optionality
- ✓ Leverages gas development competencies to develop new gas supply for WA
- ✓ Further optionality to leverage existing infrastructure
- ✓ \$246 million offer value funded through existing debt facilities and cash reserves<sup>2</sup>

## An attractive offer for Warrego shareholders

- ✓ All-cash offer delivers immediate and certain value recognition
  - No volatile equity consideration component
- ✓ Attractive \$0.20 per share offer recognises asset value and synergy potential
  - 36% premium to Warrego's 1-month VWAP to 9 November 2022
- ✓ Binding offer with unanimous recommendation from Warrego Board of Directors

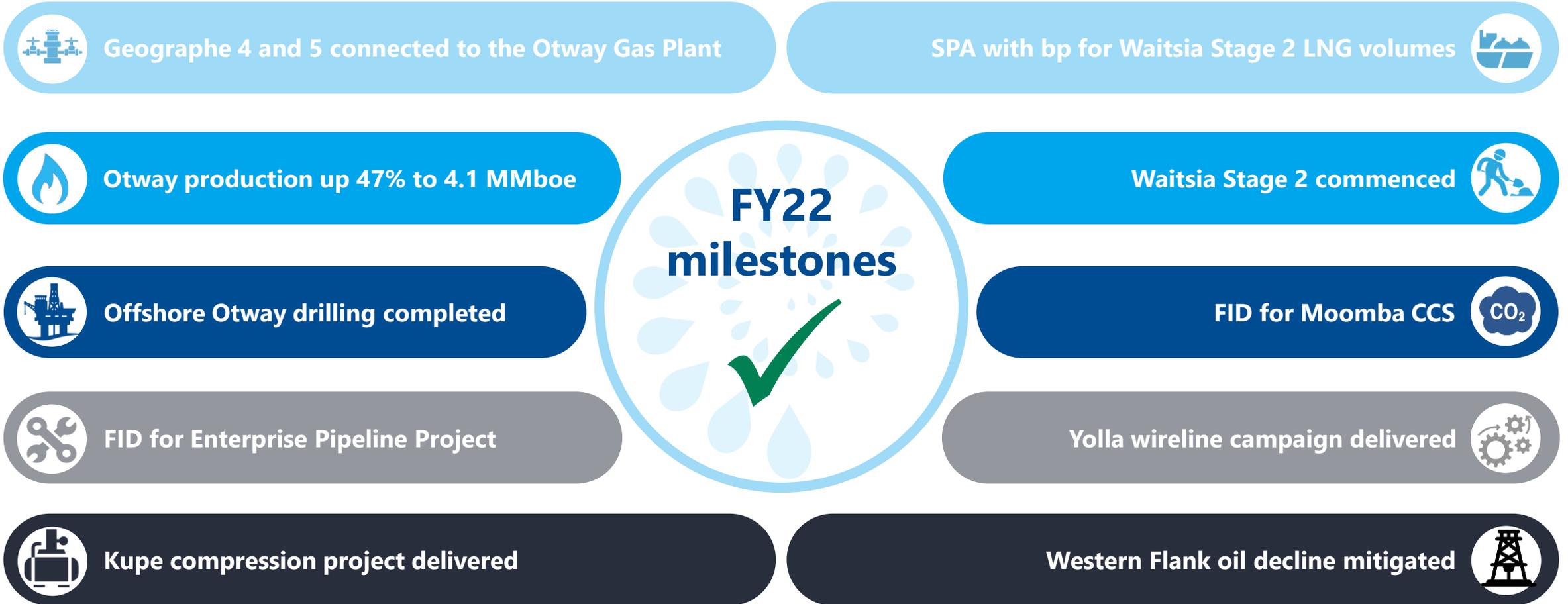


50% interest in West Erregulla<sup>3</sup>  
Fully appraised field  
Development ready

1. For further information, refer to Beach's ASX announcements dated 11 November and 14 November 2022  
2. Warrego equity value on a fully diluted basis  
3. Warrego: 50% non-operated interest; Strike Energy: 50% operated interest

# Core competencies in place to deliver major projects

Key project milestones delivered in FY22

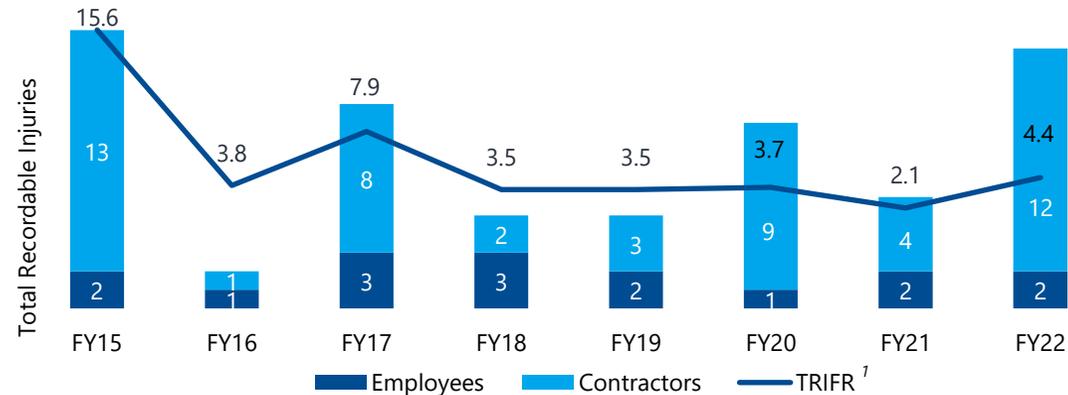


# Health, safety and environment

Focused on continual improvement



## Safety performance



**TRIFR increase being addressed through safety campaigns**

## Improving environmental performance

Spills	FY21	FY22	Change
Volume of hydrocarbon spills (bbl)	117.1	6.4	↓ 95%
Volume of non-hydrocarbon spills (bbl)	3.7	1.5	↓ 59%
Total volume of spills (bbl)	128.4	7.9	↓ 94%
Number of significant spills <sup>2</sup>	–	–	–

1. Total Recordable Injury Frequency Rate (TRIFR) represented as a 12-month rolling average  
 2. Significant spills are defined as spills that are included in the financial statements, for example, due to resulting liabilities

## FY22 highlights

✓ **2021 IADC Safety Award**  
 Outstanding safety performance for the Otway Basin drilling campaign, awarded to the rig operator Diamond Offshore Drilling



✓ **Recipient of the APPEA Environmental Award**  
 Collaboration with the fishing industry on the Prion Seismic survey



✓ **>7 years of no recordable injuries at Otway Gas Plant**

✓ **>4 years at Beharra Springs Gas Plant**

✓ **Record >3.3m hours worked across the organization**

✓ **Robust COVID-19 management plans executed**

✓ **No Tier 1 process safety events**

✓ **Life saving rules training launched**



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# Targeting 35% emissions intensity reduction by 2030

Carbon capture and storage to underpin emissions reduction

## Assessing several emissions and energy transition initiatives



**Progress  
towards a  
lower carbon  
future**

- Carbon capture and storage – Moomba and Otway basins
- Electrifications – Cooper, Bass and Taranaki basins
- Ammonia production – Cooper Basin
- Hydrogen production – Otway Basin
- 3<sup>rd</sup> party CO<sub>2</sub> sequestration – Otway Basin
- Membrane expansion – Perth Basin

## Moomba CCS a key driver of emissions reduction

- Targeting up to 1.7 Mtpa CO<sub>2</sub> storage (>0.5 Mtpa net Beach)
- Potential to store up to 20 Mtpa gross if fully developed<sup>1</sup>
- Registered for ACCUs with the Clean Energy Regulator
- Targeting first injection in 2024
- CCS feasibility studies underway across other basins

*"Without [Carbon Capture and Storage], our energy and climate goals will become virtually impossible to reach."*

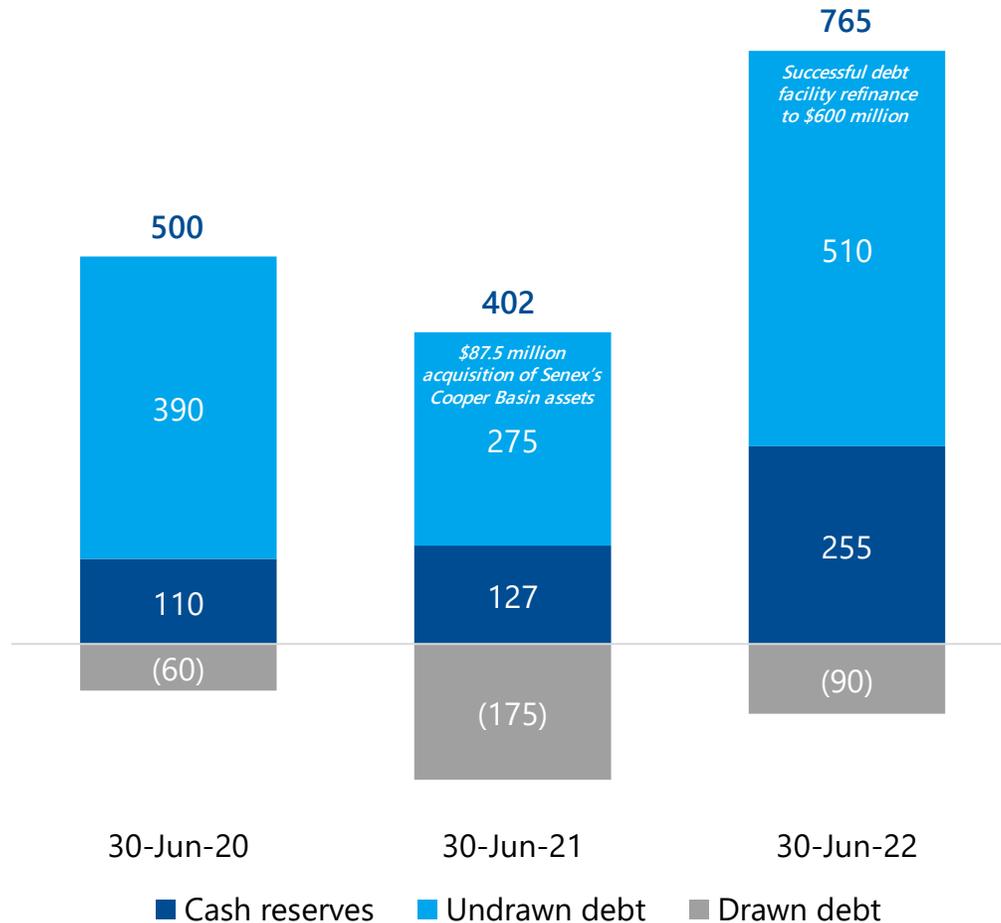
**Dr. Fatih Birol  
Executive Director  
International Energy Agency**

# Financial strength to support growth and returns

Dividend policy to be released with FY23 half-year results



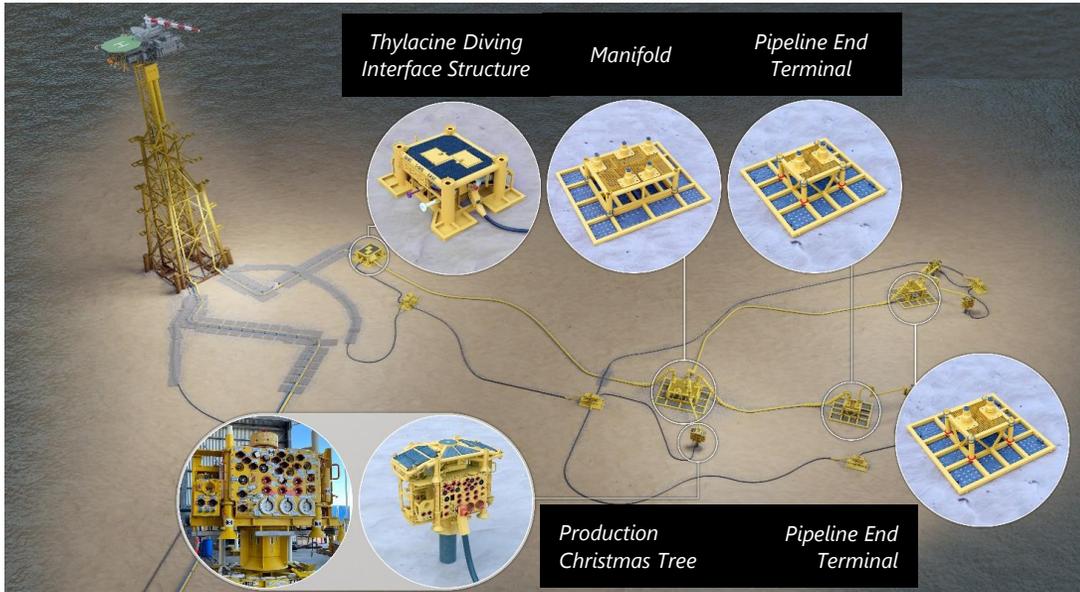
Available Liquidity (\$ million)



- A strengthened financial position in FY22
  - \$165 million net cash at 30 June 2022
  - \$765 million total liquidity at 30 June 2022
- Debt facility successfully refinanced and upsized to \$600 million
  - Improved terms and margins obtained
- 1.0 cps final dividend declared
  - ~\$550m franking credit balance at 30 June 2022
- Dividend policy to be released with FY23 half-year results
  - Transparent returns through a formal dividend policy
  - Higher cash flows post major growth capital expenditure to support higher dividends

# Momentum building in FY23

Delivering a >30% increase in East Coast gas market share and transformational LNG revenue



Thylacine field subsea development



Waitsia Stage 2 CO2 absorber lift

## FY23 year-to-date highlights

### Otway Basin

- ✓ Thylacine well connections underway in the offshore Otway Basin
- ✓ Otway Gas Plant at maximum well deliverability on strong customer demand

### Perth Basin

- ✓ Waitsia Stage-2 gas plant construction progressing to schedule
- ✓ Six-well Waitsia Stage 2 development drilling campaign complete
- ✓ Perth Basin gas exploration campaign commenced
- ✓ Entry into binding agreement to acquire Warrego Energy

### Cooper Basin

- ✓ One Western Flank oil discovery and four cased and suspended oil appraisal and development wells in Q1
- ✓ 100% success rate from 29 Cooper Basin JV oil and gas wells in Q1

### Decarbonisation

- ✓ Otway Basin CCS opportunity entered assess/select phase post completion of pre-feasibility study

# A unique value proposition for investors

Transformational LNG supply; increasing East Coast gas share; sustainable growth



## LNG



**3.75 Mt / ~200 million MMBtu**

New LNG supply over ~5 years from H2 2023

### Attractive LNG pricing

JKM and Brent-linked with full upside participation

### Transforming Beach

LNG to deliver earnings and cash flow step-change

## EAST COAST GAS



**~16% ECG market share**

Targeted increase from current ~12% share

### 674 PJ of 2P gas reserves

Developing reserves to maximise plant throughput

### Increasing uncontracted volumes

New supply and expiry of existing contracts

## SUSTAINABLE GROWTH



**Emissions reductions underway**

Targeting 35% emissions intensity reduction by 2030

### Clearly defined growth strategy

Targeting 24-40% production growth in FY24<sup>1</sup>

### New energy opportunities

Moomba CCS 2024<sup>2</sup>; Otway, Perth Basin CCS

2022 ANNUAL GENERAL MEETING

# Q&A



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2022 ANNUAL GENERAL MEETING

# Resolutions for voting



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# Proxy voting

Vote totals based on the first resolution



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<b>Valid proxy votes received</b>	<b>1,060,017,500</b>
<b>% of total votes</b>	<b>46.46%</b>

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# Financial statements



To receive and consider the financial statements and the reports of the directors and auditors for the financial year ended 30 June 2022.

**There is no requirement for shareholders to approve the financial statements and reports.**

## Resolution 1

### Adoption of the remuneration report

To consider and put to a non-binding vote the following ordinary resolution:

*“That, for the purposes of section 250R(2) of the Corporations Act, the remuneration report for the financial year ended 30 June 2022, as set out in Beach’s 2022 Annual Report, be adopted.”*

# Resolution 1

Adoption of the remuneration report



<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
1,032,029,088	24,688,443	3,299,969	1,060,017,500	964,650
97.36%	2.33%	0.31%	100%	



## Resolution 2

Re-election of Phillip Bainbridge as a director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Phillip Bainbridge, who retires by rotation pursuant to clause 6.1 of the Beach Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a director of Beach."*



## Resolution 2

Re-election of Phillip Bainbridge as a director



<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
1,439,885,263	18,087,508	3,478,635	1,461,451,406	784,239
98.52%	1.24%	0.24%	100%	



## Resolution 3

Re-election of Peter Moore as a director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Peter Moore, who retires by rotation pursuant to clause 6.1 of the Beach Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a director of Beach."*



# Resolution 3

Re-election of Peter Moore as a director



<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
1,400,941,377	57,131,144	3,491,504	1,461,564,025	671,620
95.85%	3.91%	0.24%	100%	

## Resolution 4

Re-election of Sally-Anne Layman as a director



To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Sally-Anne Layman, who retires by rotation pursuant to clause 6.1 of the Beach Constitution and ASX Listing Rule 14.4 and, being eligible, offers herself for re-election, is re-elected as a director of Beach."*



# Resolution 4

Re-election of Sally-Anne Layman as a director



<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
1,429,808,884	28,113,140	3,567,794	1,461,489,818	745,827
97.83%	1.92%	0.25%	100%	



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## Resolution 5

### Reinstatement of Partial Takeover Provisions in the Constitution

To consider and, if thought fit, pass the following special resolution:

*"That, for the purposes of section 648G of the Corporations Act 2001 (Cth) and for all other purposes, clause 14 (Approval of Proportional Takeover Bids) of the Constitution is renewed for a further 3 years after the date of this Annual General Meeting."*

# Resolution 5

## Reinstatement of Partial Takeover Provisions in the Constitution



<b>For</b>	<b>Against</b>	<b>Open-Usable</b>	<b>Total Valid Available Votes</b>	<b>Abstain</b>
1,454,310,967	3,288,386	3,478,997	1,461,078,350	1,157,295
99.54%	0.22%	0.24%	100%	

2022 ANNUAL GENERAL MEETING

# Finalisation of polls



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