

ASX Announcement

FY22 First Quarter Activities Report

Reference #051/21

Date 20 October 2021

Q1 FY22 production of 5.7 MMboe down 4% on the prior quarter

- Production primarily lower due to natural Western Flank oil decline (in-line with expectation), partially offset by increased nominations at Otway and Cooper Basin JV
- Q1 sales revenue of \$388 million, down 8% due to lower sales, partially offset by higher liquids prices

Active quarter driven by positive developments across diverse portfolio of gas assets

- Completed drilling Geographe 5 development well, intersecting reservoir in-line with pre-drill expectations
- Two discoveries (Rosebay and Lowry South) from three exploration wells in Western Flank gas acreage
- 100% success rate from 16 oil and gas development wells in Cooper Basin Joint Venture acreage
- Kupe inlet compression project delivered first gas at 77 TJ per day in mid-October

Signed HOA with bp for LNG supply from Waitsia Stage 2, plant site construction commenced

- HOA signed with bp for Beach's 3.75 million tonnes of LNG from Waitsia Stage 2 from H2 2023
- LNG pricing linked to Brent/JKM – with downside protection, full upside exposure and start-up flexibility
- Clough commenced earthworks and construction activity for Waitsia Stage 2 gas plant

Healthy balance sheet maintained, returned to net cash position during the quarter

- Debt facility refinanced and upsized with new \$600 million revolving debt facility
- Liquidity increased to \$643 million, with net cash of \$43 million at 30 September 2021

Announced aspiration to reach net zero emissions by 2050. Progressed Moomba CCS FEED activities

- Federal Government released CCS methodology for the Emissions Reduction Fund
- Beach (and Santos) have submitted the application to register the Moomba CCS project with the Clean Energy Regulator to enable ACCUs generation

Hosted 2021 Investor Day, highlighting fully funded production growth target of 28 MMboe by FY24

Snapshot

| | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|---|-----------------|-----------------|-----------------|----------------------|
| Production (MMboe) | 6.77 | 5.96 | 5.71 | (4%) |
| Pro-Forma Production (MMboe) ¹ | 6.95 | 5.96 | 5.71 | (4%) |
| Sales Volumes (MMboe) | 6.98 | 6.44 | 5.76 | (11%) |
| Sales Revenue (\$ million) | 361 | 421 | 388 | (8%) |
| Realised Oil Price (\$/bbl) | 64.6 | 99.7 | 110.3 | 11% |
| Realised Sales Gas/Ethane Price (\$/GJ) | 7.1 | 7.6 | 7.5 | (2%) |

¹Pro forma production includes the impact of the acquisition of Senex Energy's Cooper Basin assets and Mitsui's Bass Basin assets, with effective date 1 July 2020.

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

Investor relations Chris Morbey, Head of Investor Relations

Media Rob Malinauskas, Head of Corporate Affairs and Community Relations

Historic LNG deal and first gas from Kupe compression highlight an active quarter for Beach

Beach Energy has released its First Quarter Activities Report for FY22. Key highlights during the quarter included the LNG HOA with bp and first gas from the Kupe inlet compression project.

Quarterly production of 5.7 MMboe was down 4% on the prior period due to natural field decline across the Western Flank oil and BassGas assets and planned and unplanned downtime within the Perth and Taranaki Basins. This was partially offset by increased customer nominations across Otway Basin and Cooper Basin Joint Venture assets.

Quarterly revenue fell 8% to \$388 million, due to lower production volumes and a reduction in Cooper Basin liquids liftings, which impacted sales volumes during the quarter. This was partially offset by higher realised liquids pricing, which was supported by improving global product demand.

In a quarter in which the Company outlined a base case production target of 28 MMboe in FY24, Beach also progressed its Offshore Otway drilling campaign and successfully completed the drilling of the Geographe 5 development well which intersected volumes in line with pre-drill expectations.

Beach's Managing Director Matt Kay said that the Company continues to make progress on its objective to fill its gas plants by FY24 and maintain production plateau into the future.

"While production is slightly down for the quarter, we are in a phase where our focus is on executing our major growth gas projects," Mr Kay said.

"The Offshore Otway development drilling campaign now moves to the Thylacine targets, following successful results at Geographe 4 and 5.

"This is Beach's largest ever drilling campaign and will be an important source of gas for the East Coast market.

"A major milestone of the quarter was signing a HOA with bp for the sale of 3.75 MT of LNG from the Waitsia Stage 2 Gas Project – heralding our arrival into global LNG markets for the first time in our 60-year history.

"We also achieved first gas from the Kupe compression project, which means that asset, which is critical for New Zealand's energy needs, will be able to maintain production at up to 77 TJ per day.

"It is also exciting to commence an exploration campaign in the Western Flank, where we've already had two successful gas finds in this quarter – with an oil exploration campaign set for later in the year."

"This is to be followed by an uplift in production from first gas from the Geographe wells and the Cooper Basin development drilling in the second half of FY22."

Mr Kay said that Beach continues to progress its emissions reductions ambitions, with the Company recently announcing a net zero aspiration for 2050.

"We continue to progress the Moomba Carbon Capture and Storage project, having completed the FEED phase," Mr Kay said.

At Beach's Investor Day Update in September, the Company announced a base case production target of 28 MMboe in FY24.

Importantly, the base case does not assume any success from Western Flank exploration, demonstrating Beach's highly robust business fundamentals.

Financial

Sales volume

Quarterly sales volumes decreased 11% on the prior quarter to 5,762 kboe due to reduced liquids liftings from the Cooper Basin, and reduced production from all products.

Gas sales and ethane volumes fell 2% on the prior quarter due to natural field declines at BassGas and commissioning activities at Kupe. This was partially offset by higher customer nominations through Otway and Cooper Basin JV.

Oil sales volumes fell 25% on the prior quarter, primarily due to a lower contribution from Western Flank oil production and timing of liquids liftings from Port Bonython. Quarter-on-quarter Western Flank oil production decline rate is currently trending towards the lower end of the previously disclosed annualised decline rate of 35 – 45% in FY22 (i.e. higher production rates). Western Flank production was also impacted by delays to undertaking workovers at certain fields due to COVID-19 restrictions.

| | | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|---------------------------------------|-------------------------|-----------------|-----------------|-----------------|----------------------|
| Oil (kbbl) | Own Product | 2,152 | 1,569 | 1,154 | (26%) |
| | Third Party | 202 | 168 | 152 | (10%) |
| | Total Oil | 2,355 | 1,737 | 1,306 | (25%) |
| Sales Gas and Ethane (PJ) | Own Product | 21.0 | 21.0 | 20.8 | (1%) |
| | Third Party | 0.1 | 0.7 | 0.5 | (31%) |
| | Total Gas | 21.1 | 21.7 | 21.3 | (2%) |
| LPG (kt) | Own Product | 54.3 | 55.9 | 41.6 | (26%) |
| | Third Party | 0.3 | (1.3) | 0.1 | (105%) |
| | Total LPG | 54.6 | 54.6 | 41.7 | (24%) |
| Condensate (kbbl) | Own Product | 574 | 544 | 475 | (13%) |
| | Third Party | 3 | 2 | - | (100%) |
| | Total Condensate | 577 | 546 | 475 | (13%) |
| Total Oil and Gas Sales (kboe) | | 6,977 | 6,444 | 5,762 | (11%) |
| Total - Own Product (kboe) | | 6,753 | 6,170 | 5,530 | (10%) |
| Total - Third Party (kboe) | | 224 | 274 | 232 | (15%) |

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Sales revenue

Quarterly sales revenue of \$388 million was 8% lower than the prior quarter due to lower sales volumes across all products. This was primarily impacted by reduced Western Flank oil production and reduced liquids liftings from Port Bonython. Gas revenue was down 4% on the prior quarter, with the prior quarter benefitting from the true-up payment relating to the Otway price review.

This was partially offset by higher oil, condensate and LPG prices, which continue to be supported by increasing demand as global economy activity recovers from COVID-19 shutdowns.

| \$ million | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|----------------------------------|-----------------|-----------------|-----------------|----------------------|
| Oil | 152 | 173 | 144 | (17%) |
| Sales Gas and Ethane | 150 | 165 | 159 | (4%) |
| LPG | 25 | 35 | 37 | 5% |
| Condensate | 35 | 48 | 48 | 2% |
| Sales Gas and Gas Liquids | 209 | 248 | 244 | (2%) |
| Total Oil and Gas Revenue | 361 | 421 | 388 | (8%) |
| Total - Own Product | 346 | 401 | 369 | (8%) |
| Total - Third Party | 15 | 20 | 19 | (2%) |

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Average realised price

The average realised price across all products was \$67.3 per boe, up 3% on the prior quarter.

The realised oil price increased 11% to \$110.3 per bbl, supported by a recovery in global oil prices during the first quarter as global demand continues to recover following COVID-19 shutdowns.

The realised gas price decreased 2% to \$7.5 per GJ on the prior period, however, increased 5% on the prior corresponding period. The lower realised price was due to the prior quarter benefitting from the true-up relating to the re-pricing of certain Otway Gas Project volumes following the Origin GSA price review.

| | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|------------------------------|-----------------|-----------------|-----------------|----------------------|
| All products (\$/boe) | 51.8 | 65.3 | 67.3 | 3% |
| Oil (\$/bbl) | 64.6 | 99.7 | 110.3 | 11% |
| Sales Gas and Ethane (\$/GJ) | 7.1 | 7.6 | 7.5 | (2%) |
| LPG (\$/tonne) | 462 | 640 | 879 | 37% |
| Condensate (\$/bbl) | 59.8 | 87.1 | 102.0 | 17% |

Capital expenditure

First quarter FY22 capital expenditure was \$195 million, up 13% on the prior quarter. Development, plant and equipment spend increased 14% as the offshore Otway drilling activities continued and increased drilling activity within the Cooper Basin JV and Western Flank.

| \$ million | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|----------------------------------|-----------------|-----------------|-----------------|----------------------|
| Exploration and Appraisal | 22 | 25 | 26 | 5% |
| Development, Plant and Equipment | 113 | 149 | 169 | 14% |
| Total | 135 | 173 | 195 | 13% |

Liquidity

During the quarter, Beach successfully refinanced and upsized the Company's \$450 million debt facility to \$600 million. This was achieved with favourable terms and margins and increasing the weighted average term to maturity of approximately 4.2 years.

At 30 September 2021, Beach had liquidity of \$643 million, comprising \$193 million of cash reserves and \$450 million in undrawn facilities. The Company has drawn down \$150 million under the new \$600 million committed revolving credit facility.

Beach ended the quarter with net cash of \$43 million, an increase of \$91 million on the prior quarter. This was supported by \$42 million one-off cash payment relating to a favourable arbitral outcome in respect to a contractual dispute relating to the carbon liability associated with a Kupe GSA and cash settlement inflow following completion of the acquisition of Mitsui's Bass Basin interests.

| \$ million | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|------------------------|-----------------|-----------------|-----------------|----------------------|
| Cash Reserves | 124 | 127 | 193 | 52% |
| Drawn Debt | (115) | (175) | (150) | (14%) |
| Net Cash/(Debt) | 9 | (48) | 43 | (190%) |
| Undrawn Facilities | 335 | 275 | 450 | 64% |

Capital structure

Beach's capital structure as at 30 September 2021 is set out below.

| | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|----------------------------|-----------------|-----------------|----------------------|
| Fully paid ordinary shares | 2,281,333,656 | 2,281,333,656 | - |
| Unlisted employee rights | 8,184,339 | 6,773,827 | (1,410,512) |

Hedging

As at 30 September 2021, Beach had no hedging in place.

Production (net to Beach)

| Asset | Product | | Sept Q1 FY21 | June Q4 FY21 | Sept Q1 FY22 | Qtr on Qtr Change |
|--------------------------------------|-------------------|-------------|-----------------|-----------------|-----------------|----------------------|
| Total Production | Sales Gas | <i>PJ</i> | 21.3 | 20.9 | 20.9 | (0%) |
| | LPG | <i>kt</i> | 51 | 54 | 55 | 1% |
| | Condensate | <i>kbbl</i> | 456 | 405 | 426 | 5% |
| | Oil | <i>kbbl</i> | 2,243 | 1,518 | 1,261 | (17%) |
| | Total | <i>kboe</i> | 6,769 | 5,955 | 5,711 | (4%) |
| Cooper Basin JV | Sales Gas | <i>PJ</i> | 9.5 | 7.8 | 8.0 | 2% |
| | LPG | <i>kt</i> | 15 | 19 | 18 | (5%) |
| | Condensate | <i>kbbl</i> | 176 | 153 | 136 | (11%) |
| | Oil | <i>kbbl</i> | 328 | 263 | 236 | (10%) |
| | Total | <i>kboe</i> | 2,245 | 1,912 | 1,889 | (1%) |
| Western Flank | Sales Gas | <i>PJ</i> | 2.1 | 2.1 | 2.2 | 3% |
| | LPG | <i>kt</i> | 10 | 11 | 12 | 16% |
| | Condensate | <i>kbbl</i> | 75 | 60 | 98 | 63% |
| | Oil | <i>kbbl</i> | 1,916 | 1,251 | 1,020 | (18%) |
| | Total | <i>kboe</i> | 2,427 | 1,763 | 1,594 | (10%) |
| Other Cooper Basin/ Gemba | Sales Gas | <i>PJ</i> | 0.0 | 0.2 | 0.2 | (2%) |
| | LPG | <i>kt</i> | 0 | 0 | 0 | (2%) |
| | Condensate | <i>kbbl</i> | 0 | 6 | 5 | (12%) |
| | Oil | <i>kbbl</i> | 0 | 4 | 5 | 28% |
| | Total | <i>kboe</i> | 7 | 40 | 40 | (0%) |
| SA Otway | Sales Gas | <i>PJ</i> | 0.6 | 0.3 | 0.2 | (34%) |
| | Condensate | <i>kbbl</i> | (1) | 0 | 0 | (38%) |
| | Total | <i>kboe</i> | 103 | 51 | 34 | (34%) |
| Perth Basin | Sales Gas | <i>PJ</i> | 0.4 | 2.0 | 1.6 | (20%) |
| | Condensate | <i>kbbl</i> | 0 | 0 | 0 | N/A |
| | Total | <i>kboe</i> | 62 | 344 | 276 | (20%) |
| Victorian Otway Basin | Sales Gas | <i>PJ</i> | 4.1 | 4.1 | 4.5 | 10% |
| | LPG | <i>kt</i> | 7 | 7 | 7 | 1% |
| | Condensate | <i>kbbl</i> | 52 | 47 | 51 | 9% |
| | Total | <i>kboe</i> | 805 | 800 | 875 | 9% |
| BassGas | Sales Gas | <i>PJ</i> | 1.4 | 1.7 | 1.6 | (7%) |
| | LPG | <i>kt</i> | 5 | 5 | 6 | 2% |
| | Condensate | <i>kbbl</i> | 50 | 58 | 58 | (0%) |
| | Total | <i>kboe</i> | 337 | 398 | 379 | (5%) |
| Kupe | Sales Gas | <i>PJ</i> | 3.3 | 2.7 | 2.6 | (3%) |
| | LPG | <i>kt</i> | 14 | 12 | 12 | (4%) |
| | Condensate | <i>kbbl</i> | 104 | 80 | 77 | (5%) |
| | Total | <i>kboe</i> | 783 | 645 | 623 | (3%) |

Note: Figures and ratios may not reconcile to totals throughout the report due to rounding.

Perth Basin

Production

Perth Basin production was 276 kboe, down 20% on the prior quarter. Beharra Springs production was impacted by planned maintenance (as previously reported), unplanned production downtime and maintenance due to CO₂ membrane issues. The facility is expected to return to full capacity of 20 TJ per day by December 2021.

Construction underway for Waitsia Stage 2

During the quarter, the Waitsia EPC contractor, Clough, commenced bulk earthworks on the site of the planned Waitsia Stage 2 gas facility. Offsite structural steel fabrication has commenced in parallel, using local Western Australian suppliers.

Waitsia LNG HOA signed with bp

Beach announced the signing of a Heads of Agreement ("HOA") with bp for all of Beach's 3.75 million tonne share of LNG from the Waitsia Gas Project Stage 2 project.

The HOA contains all material terms and conditions for bp to purchase Beach's expected LNG volumes and includes flexibility around the commencement of firm supply to ensure alignment with completion of construction and commissioning activities.

Beach and bp are targeting a fully termed LNG Supply and Purchase Agreement in H2 FY22. Supply will be delivered on a Free on Board ("FOB") basis from the North West Shelf ("NWS") facilities in Karratha, Western Australia, leveraging bp's leading LNG trading and shipping capability, who is an existing participant in the NWS Joint Venture.

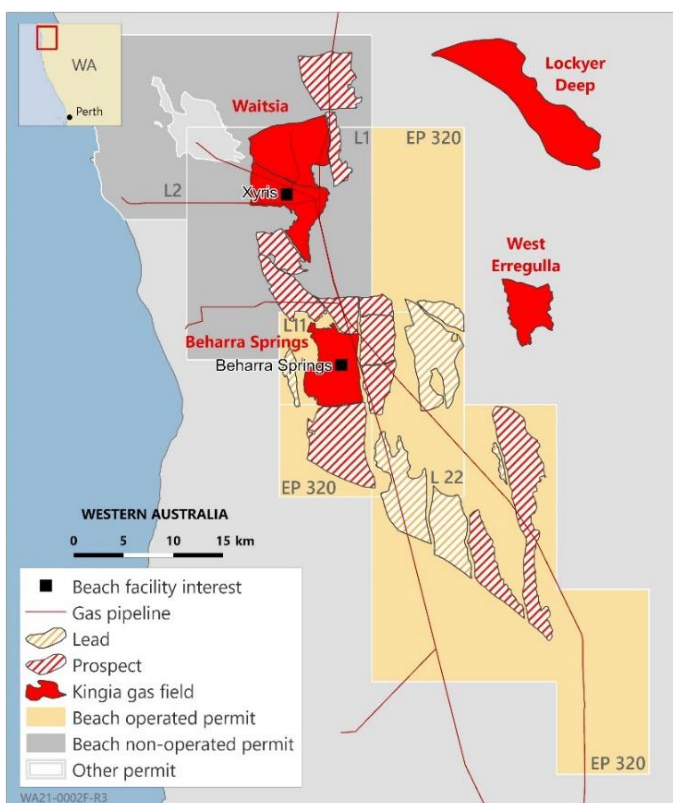
The agreed LNG pricing is linked to both Brent and Japan Korea Market ("JKM") price indices with full upside to each, while downside is protected through a price protection mechanism.

Supply is forecast to commence in H2 calendar year 2023.

Further activities

Beach and its joint venture participant Mitsui are finalising plans for a drilling campaign commencing in H2 FY22, which will include the five committed Waitsia development wells as well as three to six additional wells. This may include several development wells in the Beharra Springs Deep reservoir, which could lead to plant de-bottlenecking and/or expansion opportunities.

Additional exploration and appraisal wells are also being considered to create a further step-change in the Perth Basin for Beach.



Victorian Otway Basin

Production

Victorian Otway Basin production was 875 kboe, up 9% on the prior period, due to higher customer nominations.

Offshore drilling campaign

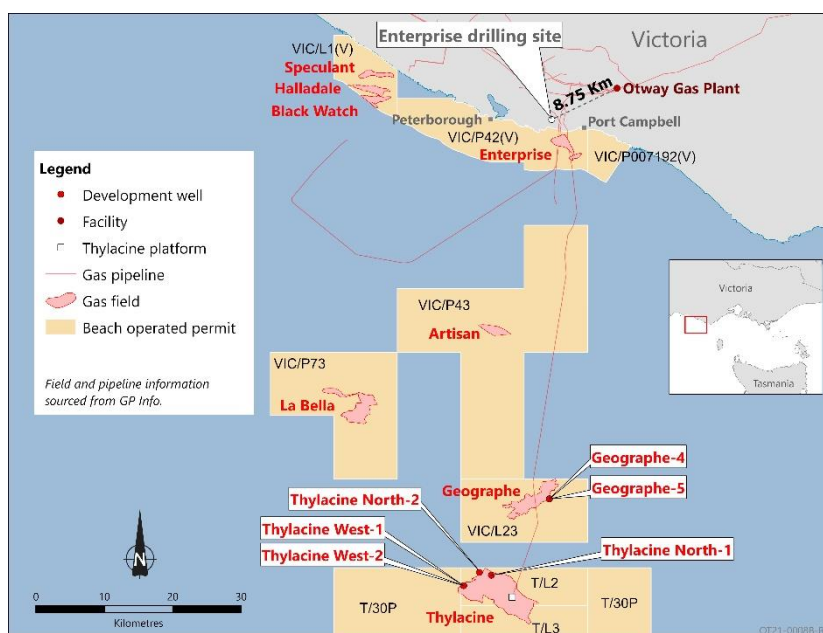
Drilling recommenced at the Geographe 5 development well in late-August 2021 following issues with the mooring lines.

The well was drilled to target depth and intersected reservoir in line with pre-drill expectations. The well encountered 1,660 metres of net gas pay in an overall horizontal section of 2,143 metres Measured Depth in the Thylacine member. The well has been flow tested at rates up to 62 MMscfd, limited by the test separator equipment, in line with expectations. Geographe 4 will be tested in November 2021 with production expected to commence in mid-FY22.

The rig will be moved to the Thylacine North 1 well location following the flow testing of the Geographe 4 and 5 wells during Q2 FY22.

Enterprise Phase 2

During the quarter, Beach completed Concept Select for Enterprise Phase 2 and is progressing Front-End Engineering Design (FEED) activities towards a Final Investment Decision in H2 FY22.



Western Flank Oil & Gas

Production

Total Western Flank oil and gas production was 1.6 MMboe, down 10% on the prior quarter, with higher gas and associated liquids production offset by lower oil volumes.

Western Flank oil production was 1.0 MMboe, down 18% on the prior quarter due to natural field decline, with no new wells tied-in during the quarter, and COVID-19 related border restrictions impacting timing of workovers on certain wells.

The field production decline rate is currently trending towards the lower end of the previously disclosed annualised decline rate of 35 – 45% in FY22 (i.e. higher production rates). Development activity during the second quarter of FY22 is expected to further reduce declines during the second half of the financial year.

Western Flank gas and gas liquids production was 574 kboe, up 12% following planned maintenance work

at the Middleton gas processing facility during the prior quarter. Middleton is forecast to be offline during October 2021 to allow for CBJV maintenance activities.

FY22 drilling activities

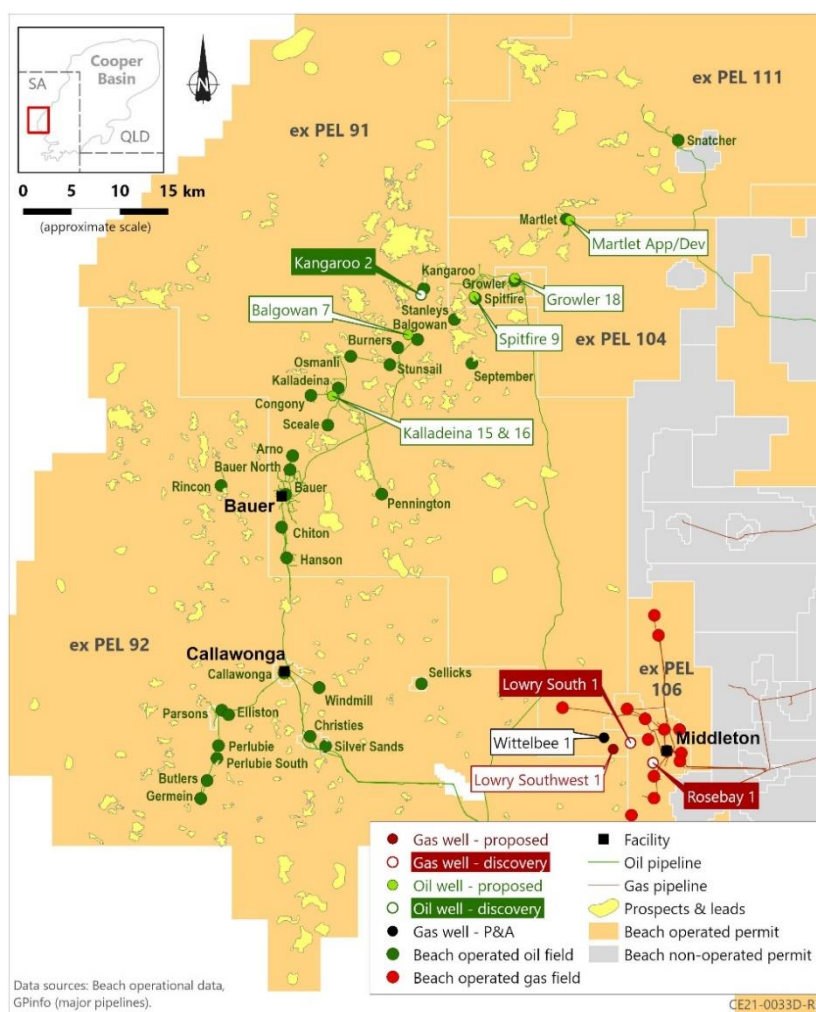
Beach commenced the FY22 drilling program with the Kangaroo 2 appraisal well drilled in ex PEL 91 to appraise the Birkhead reservoir of the Kangaroo field. The well intersected the oil-bearing Birkhead reservoir and was completed as a future water injector to support oil recovery from the field.

The FY22 gas exploration drilling program commenced in ex PEL 106 in late August 2021. Three wells were drilled by the end of the first quarter, yielding two discoveries at Rosebay 1 and Lowry South 1. Both discoveries will be completed as producers and tied-in to the Middleton gas processing facility in mid-FY22. The final well in the gas exploration campaign, Lowry Southwest 1, was drilling ahead at the end of the quarter.

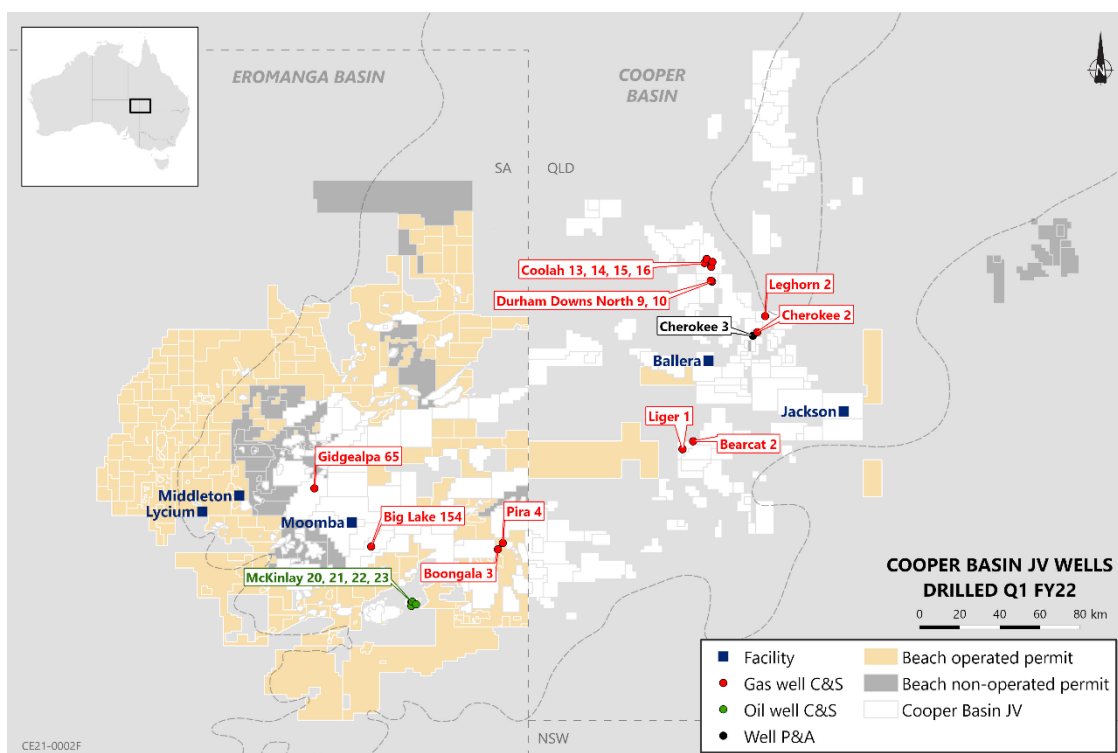
The impact on plateau extension through the Middleton plant and potential for reserves addition will not be known until the wells have been online for at least six months.

Following completion of the gas exploration program, the rig will move to ex PEL 104 to undertake a two well horizontal development program within the Birkhead reservoir of the Growler and Spitfire fields. Production from these two wells is expected to commence in H2 FY22.

The rig will then move to ex PEL 91 and drill a total of three horizontal development wells in the McKinlay reservoir of the Balgowan and Kalladeina fields before moving to drill at least two appraisal/development wells in the ex PEL 104 Martlet field. The rig is then anticipated to move to drill up to 15 oil exploration wells in various licences throughout the Western Flank.



Cooper Basin Joint Venture



Production

Total Cooper Basin JV production was 1.9 MMboe, 1% lower than the previous quarter. Sales gas production increased 2% following successful remediation of compressor outages at satellite fields and the connection of recently drilled development wells in the FY22 campaign.

Oil production decreased 10% due to natural field decline.

Drilling

In the non-operated Cooper Basin JV, Beach participated in 22 wells, with three wells drilling ahead at the end of the quarter, at an overall success rate of 95% (wells cased and suspended or completed as a future producer). The FY22 drilling program is off to a positive start, with highlights including:

- 12 gas development wells were drilled at a 100% success rate with positive results from the Coolah field, which is expected to support near-term gas production.
- Four oil development wells within the McKinlay field drilled at a 100% success rate. The fifth McKinlay development well was successfully completed subsequent to the end of the quarter. All five wells are expected to be brought online during Q2 FY22 with potential uplift to oil production.

Moomba Carbon Capture and Storage project

FEED for the Moomba Capture and Storage (CCS) project has been completed. The project will leverage existing infrastructure and depleted fields within the Cooper Basin to sequester up to 1.7 million tonnes of CO₂ per annum (gross).

During the quarter, the Federal Government released its methodology for CCS projects to generate Australian Carbon Credit Units (ACCUs) through the Emissions Reduction Fund. Beach and the operator, Santos, have submitted the application to register the Moomba CCS Project with the Clean Energy Regulator which will entitle Beach to generate ACCUs in relation to its sequestered CO₂.

New Zealand

Production

Kupe production was 623 kboe, down 3% on the prior quarter, partially attributable to commissioning activities for the Kupe inlet compression project.

Kupe compression project

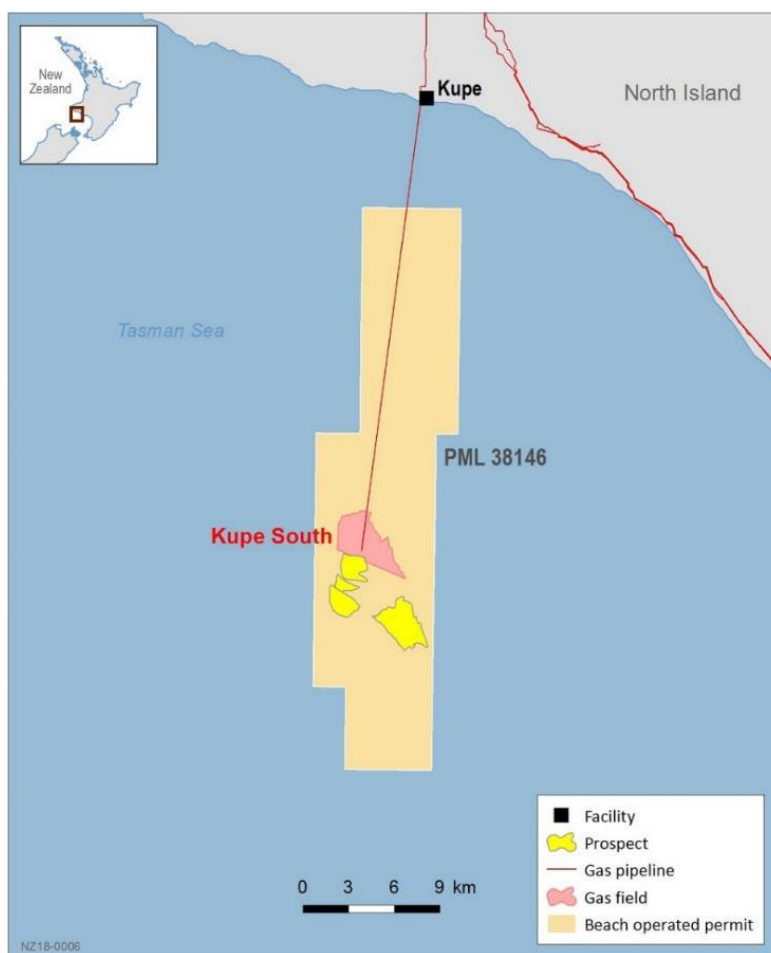
Commissioning of the Kupe compression project was completed in late September, with first gas introduced into the plant two weeks ahead of schedule.

Plant throughput has since returned to full capacity, with the newly installed compressor expected to support plateau production rates from the Kupe field until mid-FY24.

Plans to extend plateau production

Beach and its joint venture participants continue to assess opportunities to maintain plateau production rates.

In particular, Beach is assessing a potential development well (Kupe East) which could be drilled from the existing Kupe platform. The well would drain the incremental 2P reserves within the eastern culmination of the field. The well is currently being considered for drilling in FY23, subject to approvals and rig availability.



Victorian Bass Basin

Production

Production from BassGas was 379 kboe, down 5% on the prior quarter, due to natural field decline.

Beach has commenced planning for the Yolla wireline program, which aims to improve the production performance of three producing wells within the Yolla field. The program is expected to commence in November and, if successful, could deliver upside to FY22 production.

The 28-day statutory shutdown of the Lang Lang gas facility has been deferred until H2 FY22 due to COVID-19 restrictions in Victoria.

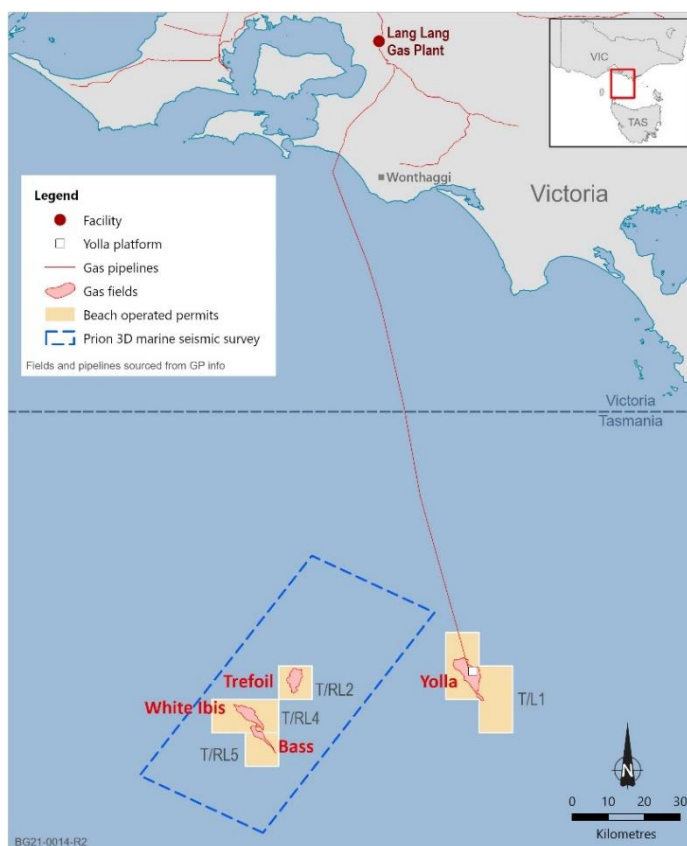
Progressing Trefoil FEED activities

Beach is progressing the Trefoil development opportunity which would include two subsea development wells and a 37-kilometre tie-back to Beach's existing offshore Yolla platform.

The project would support the extension of the Yolla field and deferral of abandonment activities. Beach is targeting Final Investment Decision in H1 FY23, with potential for first gas in H2 FY25, subject to necessary internal and external approvals.

Prion 3D seismic

Beach continued preparations for the acquisition of the Prion 3D seismic across the Trefoil, White Ibis and Bass discoveries during mid-FY22, with an expected start date in November 2021. The new seismic data will improve imaging of the Trefoil field and allow for a more informed FID for the proposed Trefoil development. It will also provide additional improved data to quantify the potential of the White Ibis and Bass discoveries, with potential to be tied back to the proposed Trefoil infrastructure.



South Australian Otway

Production

Production from the SA Otway was 34 kboe, down 34% on the prior quarter due to natural field decline and unplanned downtime.

The plant is expected to be shut-in during FY22 as volumes decline below the minimum turndown rate with the plant to be kept available for production in the event of future exploration success.

Exploration activities

Beach plans to acquire 3D seismic over the Dombey field between November 2021 and January 2022. This newly acquired seismic aims to assess further opportunities to re-commence operations at the plant in future years.

Drilling Summary

| | Basin / area | Target | Type | BPT % | Well status |
|-----------------------------------|--------------|--------|----------|-------|----------------|
| Kangaroo 2 | SA Cooper | Oil | App | 100% | C&S |
| Lowry South 1 | SA Cooper | Gas | Exp | 100% | C&S |
| Lowry Southwest 1 | SA Cooper | Gas | Exp | 100% | Drilling ahead |
| Rosebay 1 | SA Cooper | Gas | Exp | 100% | C&S |
| Wittelbee 1 | SA Cooper | Gas | Exp | 100% | P&A |
| Wittelbee 1 DW1 | SA Cooper | Gas | Exp | 100% | P&A |
| Bearcat 2 | Qld Cooper | Gas | Dev | 40% | C&S |
| Big Lake 154 [^] | SA Cooper | Gas | Dev | 33% | C&S |
| Boongala 3 [^] | SA Cooper | Gas | Dev | 33% | C&S |
| Cherokee 2 | Qld Cooper | Gas | App | 40% | C&S |
| Cherokee 3 | Qld Cooper | Gas | App | 40% | P&A |
| Coolah 13 | Qld Cooper | Gas | Dev | 40% | C&S |
| Coolah 14 | Qld Cooper | Gas | Dev | 40% | C&S |
| Coolah 15 | Qld Cooper | Gas | Dev | 40% | C&S |
| Coolah 16 | Qld Cooper | Gas | Dev | 40% | C&S |
| Coolah 17 | Qld Cooper | Gas | Dev | 40% | Drilling ahead |
| Durham Downs North 9 [^] | Qld Cooper | Gas | Dev | 40% | C&S |
| Durham Downs North 10 | Qld Cooper | Gas | Dev | 40% | C&S |
| Gidgealpa 65 | SA Cooper | Gas | Dev | 33% | C&S |
| Leghorn 2 | Qld Cooper | Gas | Dev | 40% | C&S |
| Liger 1 | Qld Cooper | Gas | App | 40% | C&S |
| McKinlay 20 | SA Cooper | Oil | Dev | 33% | C&S |
| McKinlay 21 | SA Cooper | Oil | Dev | 33% | C&S |
| McKinlay 22 | SA Cooper | Oil | Dev | 33% | C&S |
| McKinlay 23 | SA Cooper | Oil | Dev | 33% | C&S |
| McKinlay 24 | SA Cooper | Oil | Dev | 33% | Drilling ahead |
| Merlin 1 | Qld Cooper | Gas | Exp | 40% | Drilling ahead |
| Pira 4 | SA Cooper | Gas | Dev | 33% | C&S |
| Geographe 5 [^] | Vic. Otway | Gas | Dev (Hz) | 60%* | Drilling ahead |

*Indicates Beach-operated

[^]Indicates spudded in prior quarter

| Basin | Category | Wells Spudded | Rig Released | Successful Wells | Success Rate |
|-----------------------|-------------|---------------|--------------|------------------|--------------|
| Cooper | Oil – Expl. | - | - | - | - |
| | Oil – App. | 1 | 1 | 1 | 100% |
| | Oil – Dev. | 5 | 4 | 4 | 100% |
| | Gas – Expl. | 6 | 4 | 2 | 50% |
| | Gas – App. | 3 | 3 | 2 | 67% |
| | Gas – Dev. | 10 | 12 | 12 | 100% |
| Vic. Otway | Gas – Expl. | - | - | - | - |
| | Gas – Dev. | - | - | - | - |
| Total Wells | | 25 | 24 | 21 | 88% |
| All Exploration Wells | | 6 | 4 | 2 | 50% |
| All Appraisal Wells | | 4 | 4 | 3 | 75% |
| All Development Wells | | 15 | 16 | 16 | 100% |

Drilling success is defined as wells cased and suspended or completed as a future producer or water injector.

Authorisation, disclaimer and other information

Authorisation

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

Conversions

| Product | Unit Conversion | Operation | Factor |
|----------------------|-----------------|-----------|---------|
| Sales gas and ethane | PJ to MMboe | Multiply | 0.17194 |
| Condensate | MMbbl to MMboe | Multiply | 0.935 |
| LPG | Kt to boe | Multiply | 8.458 |

Disclaimer

This ASX Release contains forward looking statements that are subject to risk factors associated with oil, gas and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

All references to dollars, cents or \$ in this announcement are to Australian currency, unless otherwise stated. References to "Beach" may be references to Beach Energy Limited or its applicable subsidiaries.

Certain FY22 planned activities are subject to joint venture approvals. References to planned activities beyond FY22 are subject to finalisation of work programs, government approvals, JV approvals and board approvals.

Assumptions

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.

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. Reserves are stated net of fuel, flare and vent at reference points defined by the custody transfer point of each product.

Glossary

| | |
|------------------|---|
| \$ | Australian dollars |
| BassGas | The BassGas Project (Currently Beach 53.75% and operator, MEPAU 35%, Prize Petroleum International 11.25%), produces gas from the offshore Yolla gas field in the Bass Basin in production licence T/L1. Beach also holds a 50.25% operated interest in licenses TR/L2, TR/L4 and TR/L5. Beach has entered into an agreement to acquire MEPAU's 35% participating interest in T/L1 and 40% participating interest in TR/L2, TR/L4 and T/RL5 |
| bbl | Barrels |
| Beach | Beach Energy Limited and its subsidiaries |
| Beharra Springs | Beharra Springs (Beach 50% and operator, Mitsui 50%) produces gas from the onshore Beharra Springs gas field in the Perth Basin in production licences L11 and L22 |
| 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 |
| C&S | Cased and suspended |
| CCS | Carbon capture and storage |
| Cooper Energy | Cooper Energy Ltd and its subsidiaries |
| Cooper Basin | Includes both Cooper and Eromanga basins |
| Cooper Basin JV | The Santos operated, SACB JVs and SWQ JVs and ATP 299 (Tintaburra) (Beach 40%, Santos 60% and operator), |
| DD&A | Depreciation, depletion and amortisation |
| EP | Exploration Permit |
| Ex PEL 91 | PRLs 151 to 172 and various production licences. Beach 100% |
| Ex PEL 92 | PRLs 85 to 104 and various production licences. Beach 75% and operator, Cooper Energy 25%. |
| Ex PEL 104 / 111 | PRLs 136 to 150 and various production licences. Beach 100% |
| Ex PEL 106 | PRLs 129 and 130 and various production licences. Beach 100%. |
| EBITDA | Earnings before interest tax depreciation and amortisation |
| FEED | Front-End Engineering Design |
| FID | Final investment decision |
| FY(22) | Financial year (2022) |
| Genesis | Genesis Energy Limited and its subsidiaries |
| GSA | Gas sales agreement |
| GJ | Gigajoule |
| H(1) (FY22) | (First) half year period of (FY22) |
| H(2) (CY23) | (Second) half of calendar year 2023 |
| HOA | Heads of Agreement |
| JV | Joint Venture |
| kbbl | Thousand barrels of oil |
| kboe | Thousand barrels of oil equivalent |
| Kbopd | Thousand barrels of oil per day |
| kt | Thousand tonnes |

| | |
|-----------------------|---|
| Kupe | Kupe Gas Project (Beach 50% and operator, Genesis 46%, NZOG 4%) produces gas from the offshore Kupe gas field in the Taranaki Basin in licence PML38146 |
| LNG | Liquefied natural gas |
| LPG | Liquefied petroleum gas |
| MEPAU | Mitsui E&P Australia |
| Mitsui | Mitsui & Co., Ltd and its subsidiaries |
| MMbbl | Million barrels of oil |
| MMboe | Million barrels of oil equivalent |
| MMscfd | Million standard cubic feet of gas per day |
| MTPA | Million metric tonnes per annum |
| NZOG | New Zealand Oil & Gas and its subsidiaries |
| O.G. Energy | O.G. Energy Holdings Limited., a member of the Ofer Global group of companies |
| Origin | Origin Energy Limited and its subsidiaries |
| Other Cooper Basin | Other Cooper Basin producing permit areas are ex PEL 513/632 (Beach 40%, Santos 60% and operator) and PRL 135 (Vanessa) (Beach 100% and operator) |
| P&A | Plugged and abandoned |
| PEL | Petroleum Exploration Licence |
| Perth Basin | Includes Beach's assets Waitsia and Beharra Springs |
| PRL | Petroleum Retention Licence |
| Prize | Prize Petroleum International |
| PJ | Petajoule |
| Qtr | Quarter |
| RL | Retention Licence |
| SACB JV | South Australian Cooper Basin Joint Ventures, which include the Fixed Factor Area (Beach 33.4%, Santos 66.6%) and the Patchawarra East Block (Beach 27.68%, Santos 72.32%) |
| Santos | Santos Limited and its subsidiaries |
| Senex | Senex Energy Limited and its subsidiaries |
| SWQ JV | South West Queensland Joint Ventures, incorporating various equity interests (Beach 30-52.2%) |
| TJ | Terajoule |
| Victorian Otway Basin | Produces gas from licences VIC/L1(v) and VIC/P42(v) which contain the Halladale, Black Watch and Speculant near shore gas fields and licences VIC/L23, T/L2 and T/L3 which contain the Geographe and Thylacine offshore gas fields. Beach also holds non-producing offshore licenses. |
| Waitsia | Waitsia Gas Project (Beach 50%, MEPAU 50% and operator) produces gas from the onshore Waitsia gas field in the Perth Basin in licence L1/L2. |
| Western Flank Gas | Comprises gas production from ex PEL 91 and 106. Both Beach 100%. |
| Western Flank Oil | Comprises oil production from ex PEL 91 (Beach 100%), ex PEL 92 (Beach 75% and operator, Cooper Energy 25%) and ex PEL 104/111 (Beach 100%) |