

UBS conference
18 June 2014

Compliance statements



Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with oil, gas, geothermal 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 presentation are to Australian currency, unless otherwise stated. References to “Beach” may be references to Beach Energy Limited or its applicable subsidiaries.

Unless otherwise noted, all references to reserves and resources figures are as at 30 June 2013 and represent Beach’s share.

Competent Persons Statement

The reserves and resources information in this presentation is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Reservoir Engineering Manager). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The reserves and resources information in this presentation has been issued with the prior written consent of Mr Lake in the form and context in which it appears.

Looking forward....



Beach targeting the following in the next 1-2 years:

- Continued investment in growth of conventional Cooper Basin gas production capacity
- First exposure to oil linked domestic gas pricing and improved margins
- New oil fields and facilities being brought online to partly offset existing field depletion
- Continued oil exploration success to increase Western Flank oil production
 - Over 100 Western Flank 3D prospects and leads
 - 40%+ historical success rate from 3D seismic prospects
- NTNG and SACB JV unconventional gas exploration in the Cooper Basin moving to pilot production and appraisal
- Discovery and development of new onshore Otway Basin gas (conventional and unconventional)
- Discovery of Bonaparte Basin conventional and unconventional gas and liquids
- Continued focus on portfolio optimisation

Increasing conventional gas production and greatly improved gas margins from oil linked pricing expected to drive future shareholder return

Australian east coast gas



Australian east coast gas is one of the only commodities globally currently increasing in price

Gas price drivers:

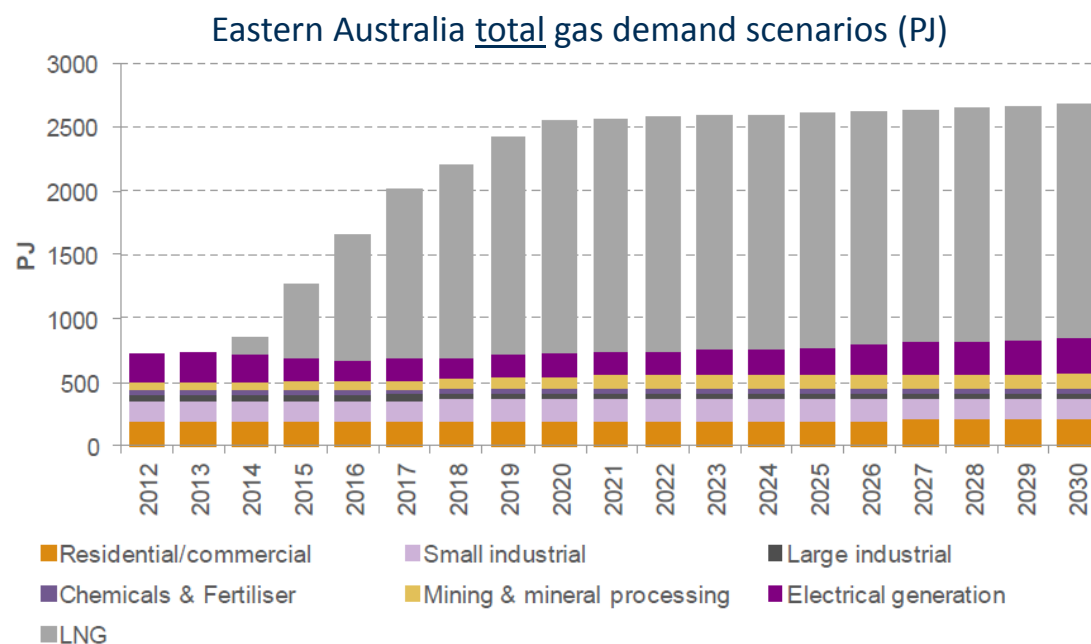
- LNG export from Gladstone accessing Asian markets
- Higher upstream costs for exploration and development
- Certain lobbyist activity restricting permit access and resultant supply

Beach gas portfolio positioned to maximise exposure to the expanding Australian east coast gas market

Eastern Australian gas markets



- Strong predicted growth in Eastern Australian gas and Asian LNG demand
- Gladstone based export LNG projects have transformed the east coast gas market
- Projected gas supply is 'tight' and demand strong
- The bulk of 'non-LNG' demand is yet to be contracted
- Upward pricing trajectory confirmed by recent contracts and market commentary



CBA Energy Research prediction for 2014: "East Coast Gas prices spike above \$13/GJ with Gladstone LNG projects..... hoovering up supply to fill facility LNG capacity shortfall"

Source: ACIL Allen, 2013

Upstream and downstream dynamics



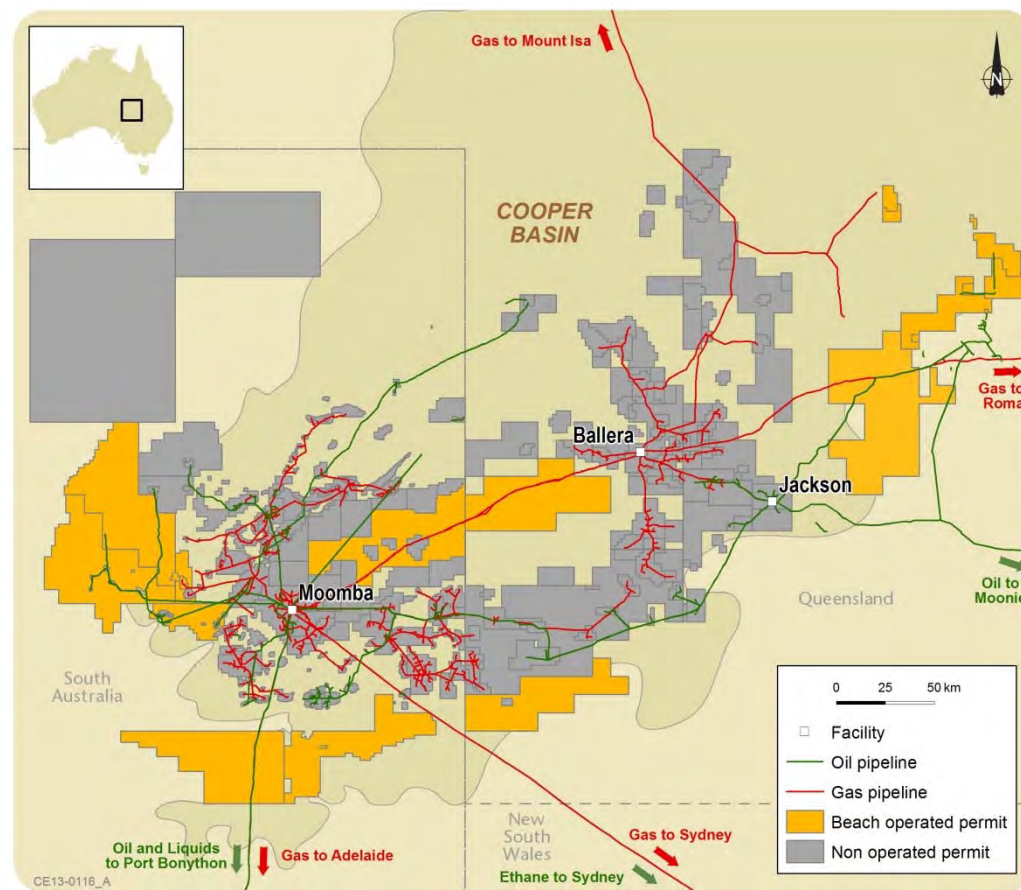
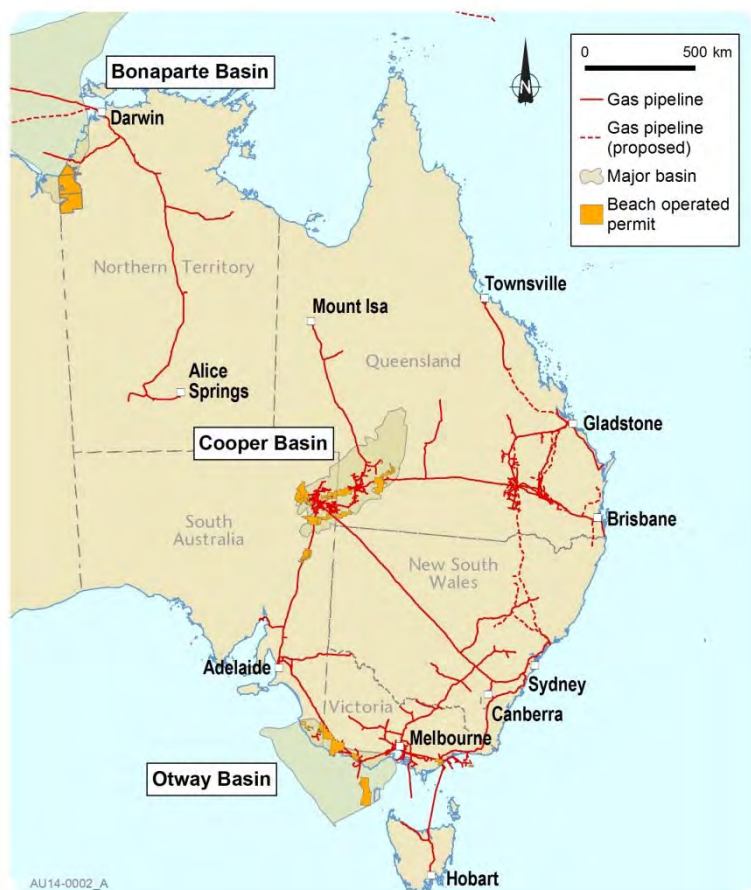
- 'Equity' molecules to 'equity' projects
- Suppliers creating new markets via downstream investments
- Vertical integration driven by both domestic and export opportunities
- Depending on volume and deliverability, supply likely to underwrite 'equity' projects as a priority
- Strong drivers for LNG participants to fill ramp-up wedge capacity and position for future expansion

Beach well placed as an independent upstream producer with exposure to oil linked gas pricing without LNG capital outlay



Source: Logos sourced from company websites

Prolific acreage strategically located



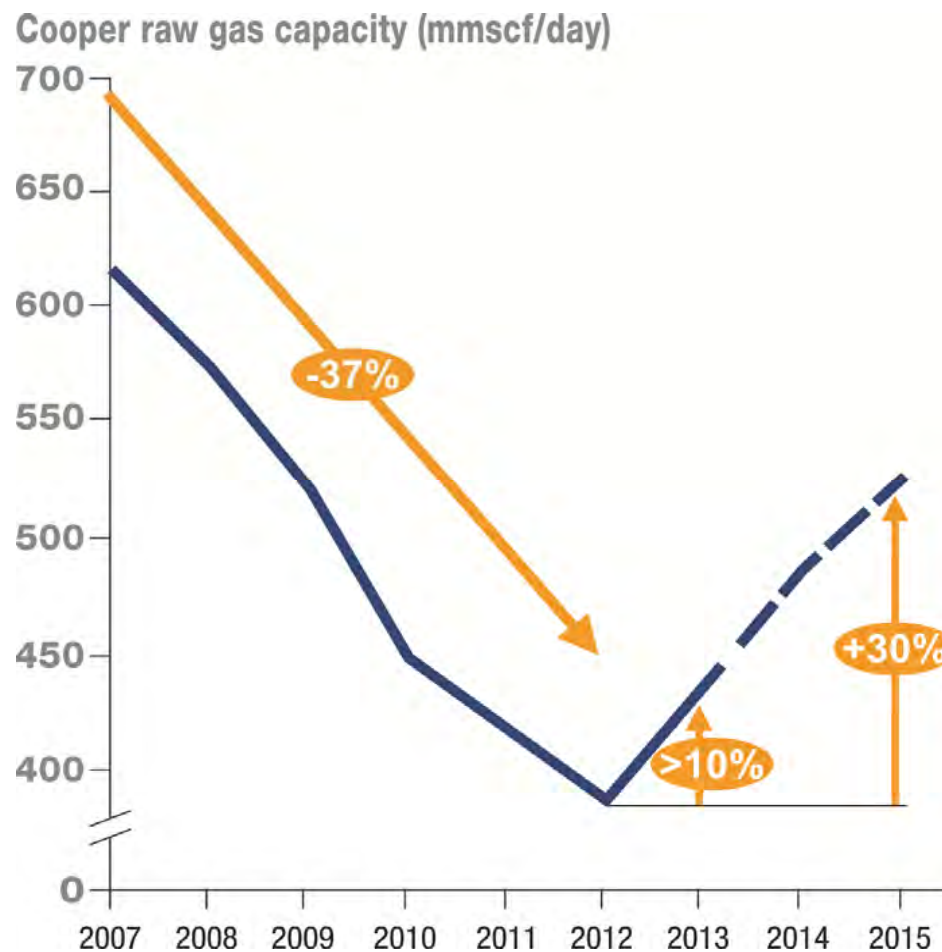
Multi-basin portfolio to feed eastern and northern Australian markets

SACB JV conventional gas



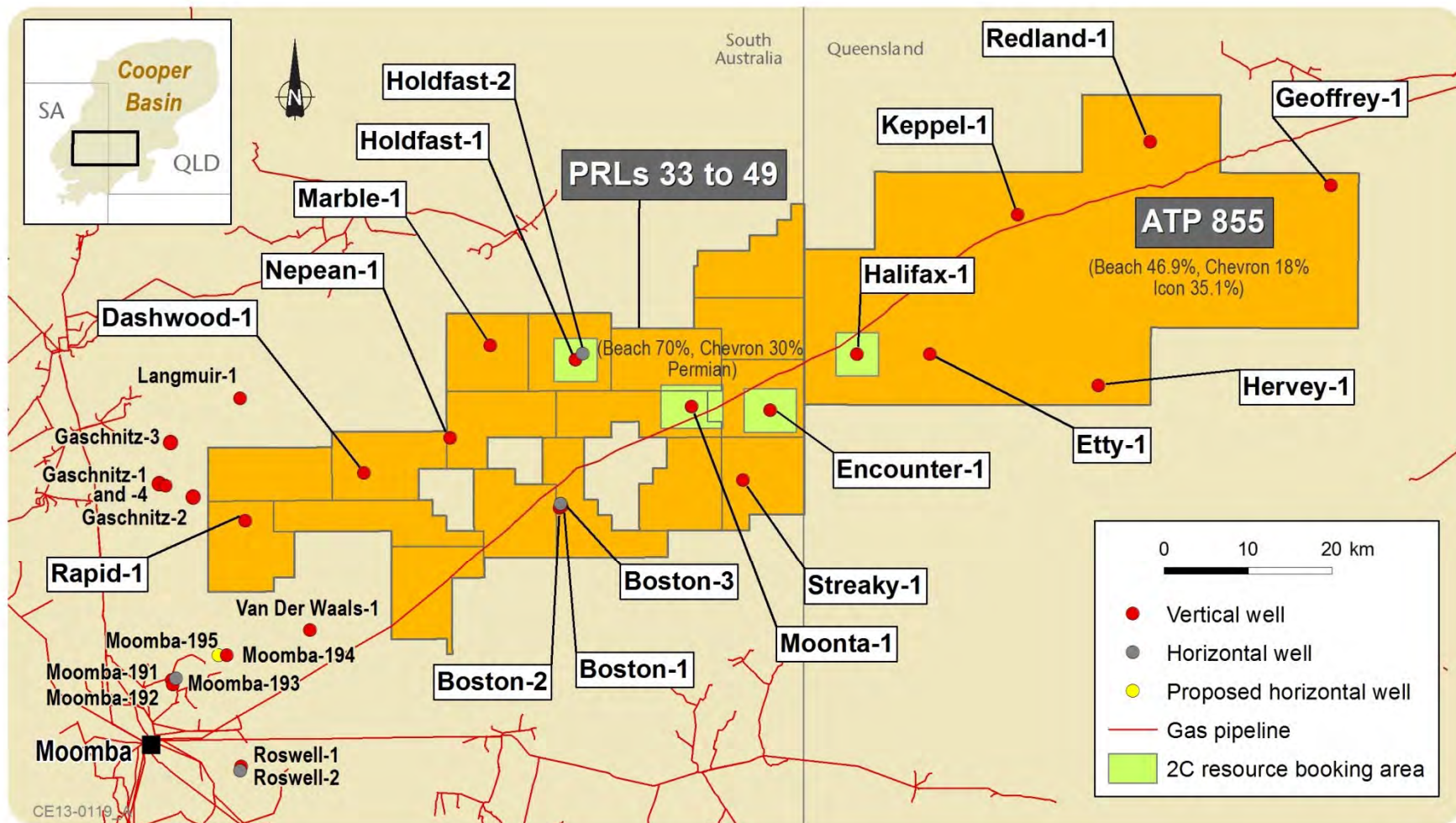
- Five rigs operating
- Focus on cost savings through multi-well pad drilling
- SIMOPS approach to fracture stimulation
- Targeted 30% capacity growth by 2015, leading to a step-change in cost reductions
- Maintenance strategies successfully delivering record low downtime levels leading to production benefits

Extracting more gas from existing fields through active infill drilling

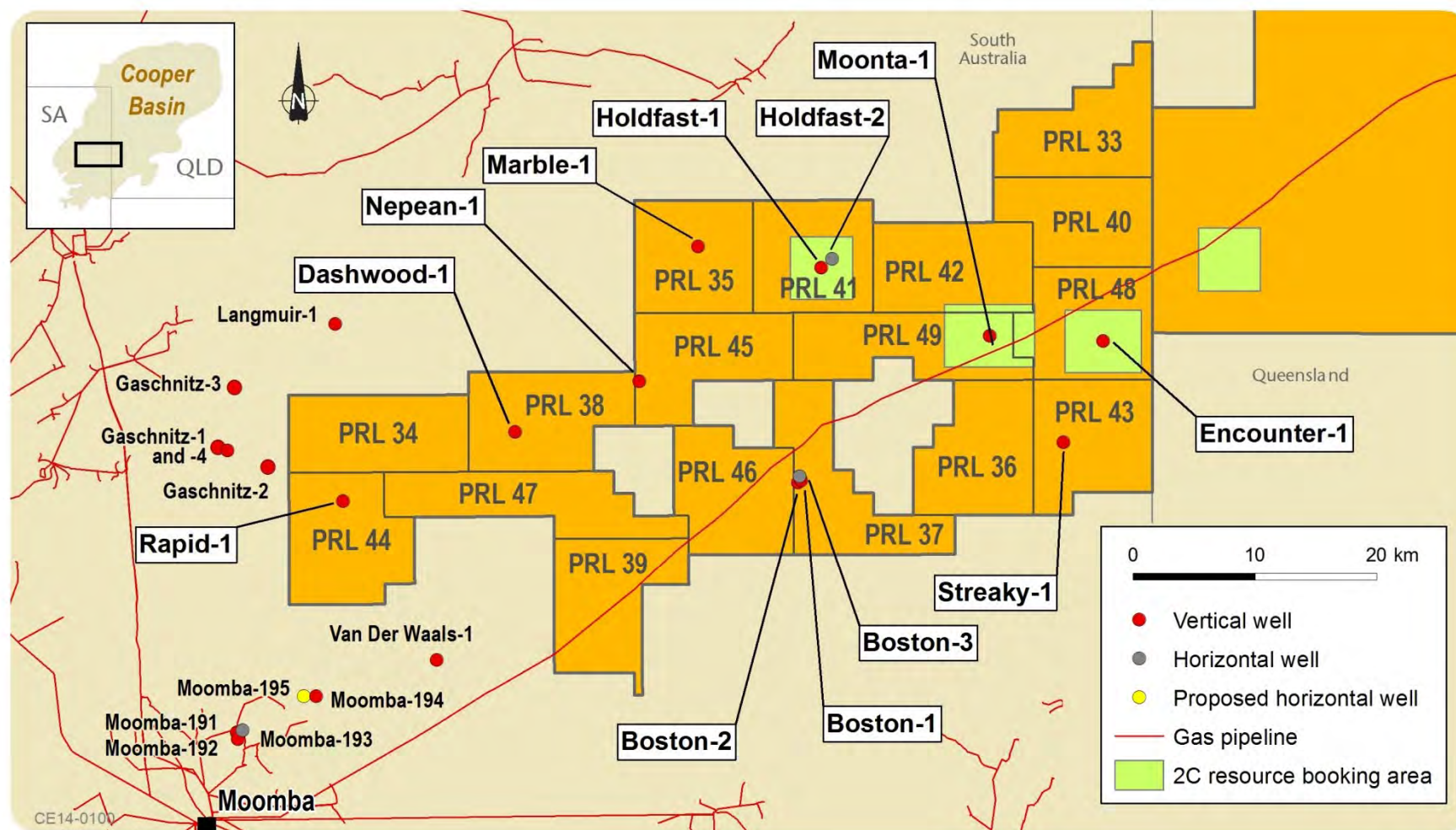


Source: Derived from Santos

NTNG and SACB JV unconventional



Retention licences granted

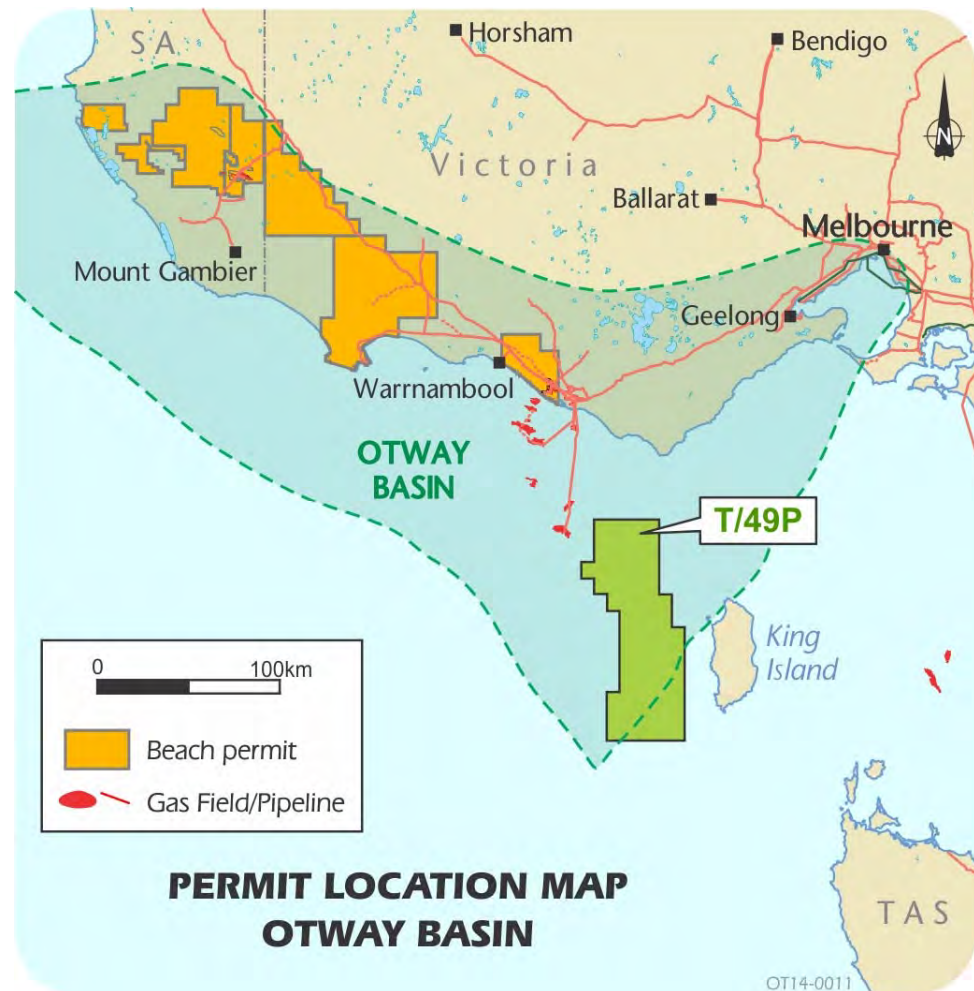


Otway Basin



- Supplying gas to the South Australian and Victorian markets
- Building a portfolio of onshore and offshore gas assets
- Two onshore wells recently drilled, with conventional and unconventional targets identified
- Further conventional onshore drilling anticipated
- Joint venture with 3D Oil recently announced in the T/49P block
- Positioned near existing infrastructure and producing fields

Exploring for conventional and unconventional liquids rich gas near existing infrastructure

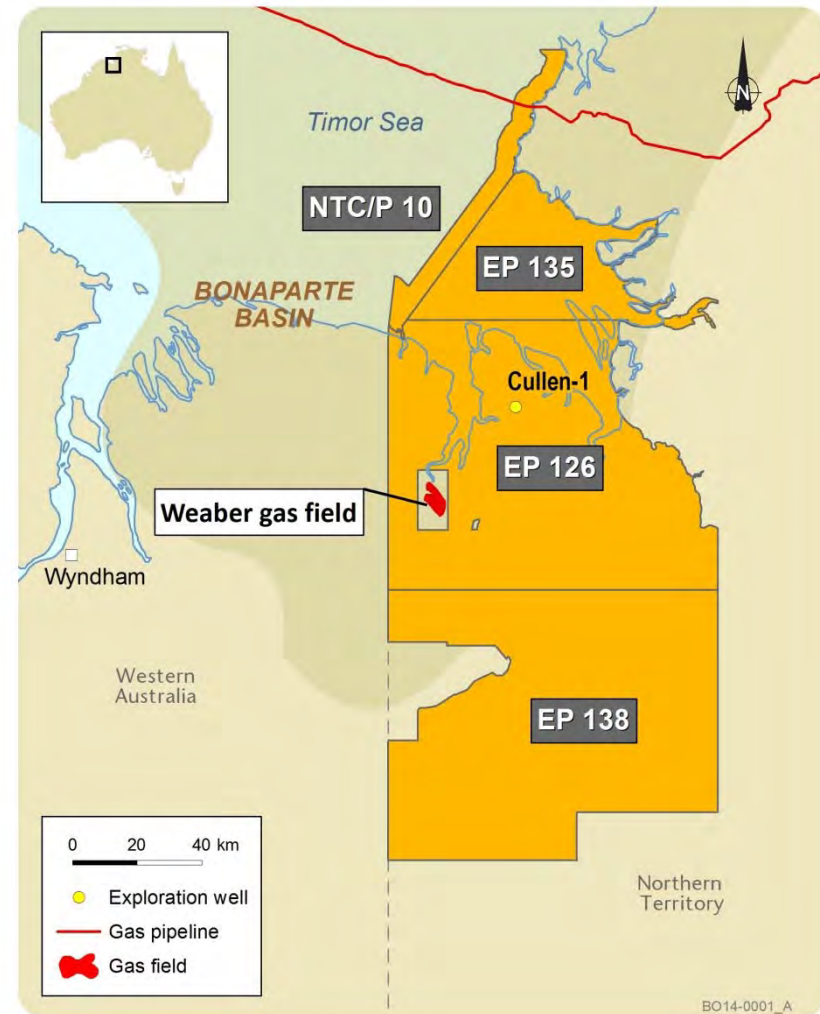


Bonaparte Basin



- EP 126, 138 (Beach earning up to 90%)
- ~6,500 km² high resolution airborne gravity and magnetic survey acquired, processed and interpreted
- Cullen-1 currently coring at ~1,500 metres
- Undeveloped Weaber gas field evidence of hydrocarbon presence

Underexplored with conventional and unconventional oil and gas targets



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