



ASX Release

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1P, 2P AND 3P RESERVES AND 2C CONTINGENT RESOURCES AS AT 30 JUNE 2016

Beach Energy Limited (ASX: BPT, “Beach”) provides the following update in relation to its reserves and contingent resources as at 30 June 2016. Categories presented are 1P (Proved), 2P (Proved and Probable), 3P (Proved, Probable and Possible) reserves and 2C contingent resources.

Reserves (Net)	1P	2P	3P
Oil (million barrels “MMbbl”)	9.4	23.2	44.7
Gas and gas liquids (million barrels of oil equivalent “MMboe”)	20.5	46.6	87.9
Total (MMboe)	29.9	69.8	132.6

NB. All reserve and resource figures are quoted net of fuel; due to rounding, figures may not reconcile precisely to totals

Contingent resources (Net)	2C
Oil (MMbbl)	25.1
Conventional gas and gas liquids (MMboe)	88.6
Unconventional gas and gas liquids (MMboe)	91.5
Total (MMboe)	205.2

A breakdown of net reserves between Developed and Undeveloped is summarised below.

Developed and undeveloped reserves (Net)	Developed			Undeveloped		
	1P	2P	3P	1P	2P	3P
Oil (MMbbl)	7.8	18.4	35.2	1.7	4.8	9.5
Gas and gas liquids (MMboe)	13.6	35.6	66.5	6.9	11.0	21.4
Total (MMboe)	21.4	54.0	101.8	8.6	15.8	30.9

A breakdown of net 2P reserves by permit, or business unit where practical, as at 30 June 2016 is summarised below. Production is presented on a pre-fuel usage basis.

2P reserves (Net)	Note	FY15	Oil equivalent Production (MMboe)	Revisions	FY16	Oil (MMbbl)	Gas liquids (MMboe)	Gas (PJ)
Ex PEL 91	1	5.8	(2.6)	6.8	10.0	10.0	–	–
Ex PEL 92	2	2.5	(0.9)	1.1	2.7	2.7	–	–
Ex PEL 104 / 111	3	1.5	(0.5)	0.1	1.1	1.1	–	–
Kenmore - Bodalla	4	0.4	(0.2)	0.1	0.3	0.3	–	–
Tintaburra	5	–	(0.1)	1.0	0.9	0.9	–	–
Ex PEL 106	6	2.2	(0.3)	3.0	4.8	–	1.4	20.1
Ex PEL 513 / 632	7	–	(0.1)	0.3	0.2	–	0.1	0.8
Delhi	8	58.9	(4.9)	(7.5)	46.5	5.2	6.7	201.6
Cooper / Eromanga		71.3	(9.5)	4.9	66.7	20.3	8.1	222.6
Egypt	9	3.1	(0.2)	0.2	3.1	2.9	–	1.0
Total		74.4	(9.7)	5.1	69.8	23.2	8.1	223.6

1. Beach equity interest: 100%; probabilistic methodology applied, except for Chiton Field (deterministic methodology applied); revisions primarily reflect equity interest uplift from the merger with Drillsearch
2. Beach equity interest: 75%; deterministic methodology applied
3. Beach equity interest: 40%; deterministic methodology applied
4. Beach equity interest: 100%; deterministic methodology applied; as announced on 3 August 2016, Beach has entered into a binding agreement for the sale of its Kenmore-Bodalla interests to Bridgeport
5. Beach equity interest: 40%; deterministic methodology applied; interest acquired as part of the merger with Drillsearch
6. Beach equity interest: 100%; deterministic methodology applied; revisions include 2.7 MMboe of equity interest uplift from the merger with Drillsearch
7. Beach equity interest: 40%; deterministic methodology applied; interest acquired as part of the merger with Drillsearch
8. Beach equity interests: SACB JV 17.14% and 20.21%, SWQ JVs 20% to 40%; deterministic methodology applied
9. Beach equity interest: 22% (net entitlement 9.4%); probabilistic methodology applied; as announced on 17 August 2016, Beach completed the sale of Beach Egypt to Rockhopper, with a consequent reduction in Egypt reserves and resources to nil

Drillsearch merger

Beach acquired various permit interests as part of the merger with Drillsearch. Review of these interests resulted in an additional 10.9 MMboe of 2P reserves reported as at 30 June 2016, as summarised below.

Permit / Business Unit	Drillsearch Interest Acquired	Attributable 2P Reserves as at 30 June 2016 (MMboe)
Ex PEL 91	60%	6.9
Ex PEL 106 and Udacha Field	50% and 75%	2.7
Tintaburra (ATP 299)	40%	1.0
South West Joint Venture (ex PEL 513 / 632)	40%	0.3
Additional 2P Reserves		10.9

Delhi revisions

Oil and gas reserves have been reviewed under the assumption of a continuing lower oil price environment. Consequently, the commerciality of certain fields has reduced and downward revisions to undeveloped reserves have been made.

In addition, outcomes of recent joint venture negotiations have afforded Beach greater flexibility to opt in or out of drilling campaigns. Consequently, certain development projects may not be pursued by Beach, which has resulted in reclassification of previously booked 2P undeveloped reserves to contingent resources. These contingent resources may be reclassified as 2P reserves if Beach's economic assessment changes at a later date.

The following table summarises movements in net Delhi reserves.

Net Delhi Reserves (MMboe)	1P	2P	3P
As at 30 June 2015	24.5	58.9	117.9
Less: FY16 Production	(4.9)	(4.9)	(4.9)
Less: FY16 Revisions	(1.9)	(7.5)	(22.6)
As at 30 June 2016	17.8	46.5	90.4

Contingent resources

Beach has reduced contingent resources associated with its operated unconventional gas acreage (PRLs 33 to 49 and ATP 855: Nappamerri Trough Natural Gas, "NTNG") to nil. This follows completion of the NTNG stage 1 exploration program and subsequent review of results. Analysis of these results demonstrated that the high cost of addressing fundamental technical issues means the NTNG project is unlikely to be developed commercially in the medium term. Beach is continuing to refine its strategy on management of these permits going forward based upon minimal spend commitments.

Yours sincerely,



Matt Kay
Chief Executive Officer

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Competent Persons Statement

The reserves and resources information in this announcement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Manager Cooper Gas). 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 announcement has been issued with the prior written consent of Mr Lake in the form and context in which it appears.