

Half Year Report

For the six months ended
31 December 2023



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Disclaimer

This report 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.

It should be noted that no universally accepted framework (legal, regulatory, or otherwise) currently exists in relation to ESG reporting. The inclusion or absence of information in Beach's ESG statements should not be construed to represent any belief regarding the materiality or financial impact of that information. ESG statements may be based on expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Furthermore, no assurance can be given that such a universally accepted measurement framework or consensus will develop over time. Although there are regulatory efforts to define such concepts, the legal and regulatory framework governing sustainability is still under development. Calculations and statistics included in ESG statements may be based on historical estimates, assumptions and projections as well as assumed technology changes and therefore subject to change. Beach's ESG statements have not been externally assured or verified by independent third parties.

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.

References to planned activities in FY24 and beyond FY24 may be subject to finalisation of work programs, government approvals, JV approvals and board approvals.

Corporate Directory

Interim Chairman

Ryan Kerry Stokes, AO

BComm, FAIM
Non-executive

Directors

Brett Woods

BSc (Hons) Geology
and Geophysics
Managing Director &
Chief Executive Officer

Bruce Clement

BEng (Civil) Hons, BSc, MBA
Non-executive

Sally-Anne Layman

B Eng (Mining) Hon, B Com,
CPA, MAICD
Independent non-executive

Peter Stanley Moore

PhD, BSc (Hons), MBA, GAICD
Independent non-executive

Richard Joseph Richards

BComs/Law (Hons), LLM,
MAppFin
Non-executive

Margaret Hall

B Eng (Met) (Hons), GAICD,
MIEAust, SPE
Alternate (non-executive) director
for Ryan Stokes

Joint Company Secretaries

Susan Jones

LLB (Hons)

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Securities Exchange Listing

Beach Energy Limited shares
are listed on the ASX Limited
(ASX Code: BPT)

Beach Energy Limited

ABN 20 007 617 969

Website

www.beachenergy.com.au



APPENDIX 4D

For the half year ended 31 December 2023 (Rule 4.2A)

ABN	Previous Corresponding Period
20 007 617 969	31 December 2022

Results for announcement to the market

				\$A million
Revenues from ordinary activities	Increased	15%	to	953.9
Net profit/(loss) from ordinary activities after tax (NPAT) attributable to members	Decreased	267%	to	(345.1)
NPAT for the period attributable to members	Decreased	267%	to	(345.1)
Underlying NPAT ¹	Decreased	10%	to	172.7

1. Underlying results in this report are categorised as 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.

	Amount per Security	Franked amount per Security
Dividends		
Fully franked final dividend paid (on 3 October 2023)	2.00 cents	2.00 cents
Fully franked interim dividend to be paid	2.00 cents	2.00 cents
Record date for determining entitlements to the interim dividend		29 February 2024
Payment date for interim dividend		28 March 2024

This Half Year Report is to be read in conjunction with the 2023 Annual Report.

Net tangible asset backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security ²	\$1.49	\$1.59

2. Net assets excluding intangibles and lease assets.

Change in ownership of controlled entities

Control gained over entities having material effect	Not applicable
Loss of control of entities having material effect	Not applicable

Dividends

	Current Period \$million	Previous Corresponding Period \$million
Ordinary Securities	45.6	22.8

None of these dividends are foreign sourced.

Directors' Report

For the half year ended 31 December 2023

The directors of Beach Energy Limited (**Beach** or the **Company**) present their report for the half year ended 31 December 2023 and the state of affairs of the Company at that date. The Company's consolidated financial statements for the half year ended 31 December 2023, presented on pages 15 to 32, form part of this report.

Operating results, review of operations, state of affairs and likely developments

Financial results from the half year are summarised below:

- Group loss attributable to equity holders of Beach was \$345.1 million (H1 FY23 \$207.2 million profit).
- Sales revenue was up 16% from H1 FY23 to \$941.0 million with higher liquids volumes from the Cooper Basin and first Waitsia LNG cargo and one-off condensate cargo, offset in part by lower Victoria Otway gas customer nominations and softer liquids pricing.
- Cost of sales were up 30% from H1 FY23 to \$689.4 million, as a result of higher third-party purchases largely relating to the first Waitsia liquids cargoes, higher tariffs and tolls driven by the commencement of Waitsia processing and transportation arrangements, including unavoidable costs of \$20.8 million associated with LNG processing arrangements which commenced in Q2 FY24, and unfavourable petroleum inventory movements due to timing of liftings.
- Other expenses of \$759.6 million were up from H1 FY23 primarily due to recognition of impairment charges of \$721.2 million in relation to Cooper Basin producing carrying values and Cooper Basin, SA Otway and Bonaparte exploration carrying values.

Key Results		H1 FY24	H1 FY23	Change
Operations				
Production	MMboe	8.8	10.0	(11%)
Sales	MMboe	11.0	10.5	5%
Capital expenditure	\$m	(529.7)	(569.4)	7%
Income				
Sales revenue	\$m	941.0	813.3	16%
Total revenue	\$m	953.9	827.0	15%
Cost of sales	\$m	(689.4)	(532.3)	(30%)
Gross profit	\$m	264.5	294.7	(10%)
Other income	\$m	20.0	5.5	264%
Other expenses	\$m	(759.6)	1.1	n/m
Net profit after tax (NPAT)	\$m	(345.1)	207.2	(267%)
Underlying NPAT ¹	\$m	172.7	191.2	(10%)
Dividends paid	cps	2.00	1.00	100%
Dividends announced	cps	2.00	2.00	0%
Basic EPS	cps	(15.14)	9.09	(267%)
Underlying EPS ¹	cps	7.57	8.38	(10%)
Cash flows				
Operating cash flow	\$m	350.1	404.4	(13%)
Investing cash flow	\$m	(602.5)	(526.9)	(14%)

		As at 31 December 2023	As at 30 June 2023	Change
Financial position				
Net assets	\$m	3,489.0	3,877.9	(10%)
Cash balance	\$m	226.0	218.9	3%

- Underlying results in the table above are categorised as 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. Please refer to the table on page 6 for a reconciliation of this information to the financial report.

Directors' Report

For the half year ended 31 December 2023

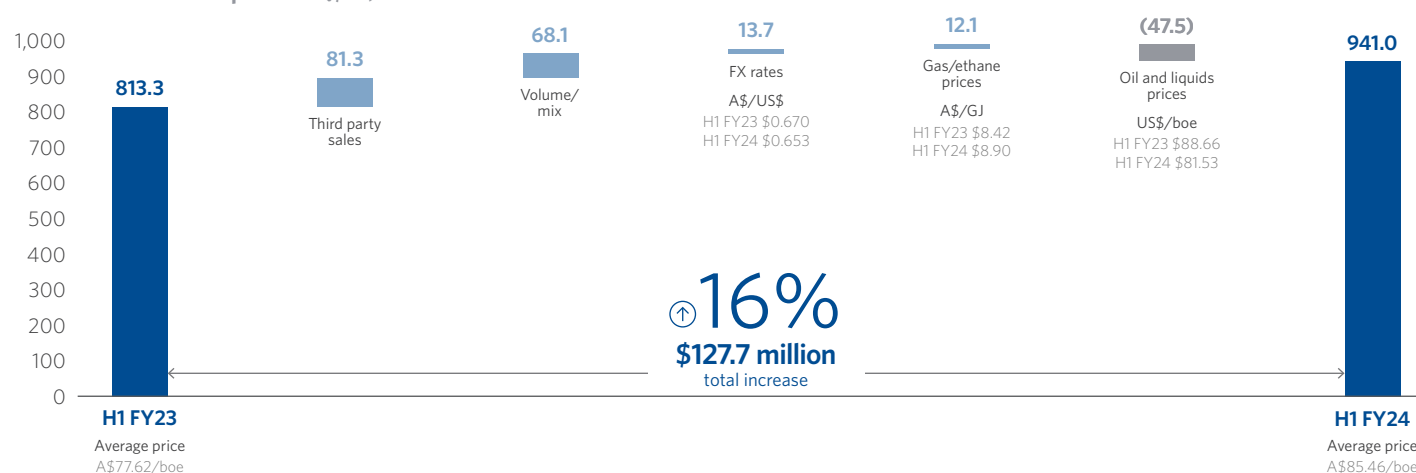
Financial review

Revenue

Sales revenue of \$941.0 million in H1 FY24 was \$127.7 million or 16% higher than H1 FY23, driven by higher third party sales and change in own volume product mix, partly offset by unfavourable oil and liquids prices.

Sales from third party product in H1 FY24 was \$81.3 million higher than H1 FY23 driven by third party purchases relating to a portion of the Waitsia LNG and condensate cargoes shipped during December 2023. A change in own volume mix increased sales revenue by \$68.1 million, with higher volumes from LNG, condensate and crude, partly offset by lower gas volumes. In addition, favourable FX rates increased revenues by \$13.7 million and higher gas prices contributed an additional \$12.1 million, with an average realised price for the half year of \$8.90/GJ. This was partly offset by lower oil and liquid prices reducing sales revenue by \$47.5 million, with average realised liquid prices decreasing to US\$81.53/boe (H1 FY23 US\$88.66/boe).

Sales Revenue Comparison (\$m)

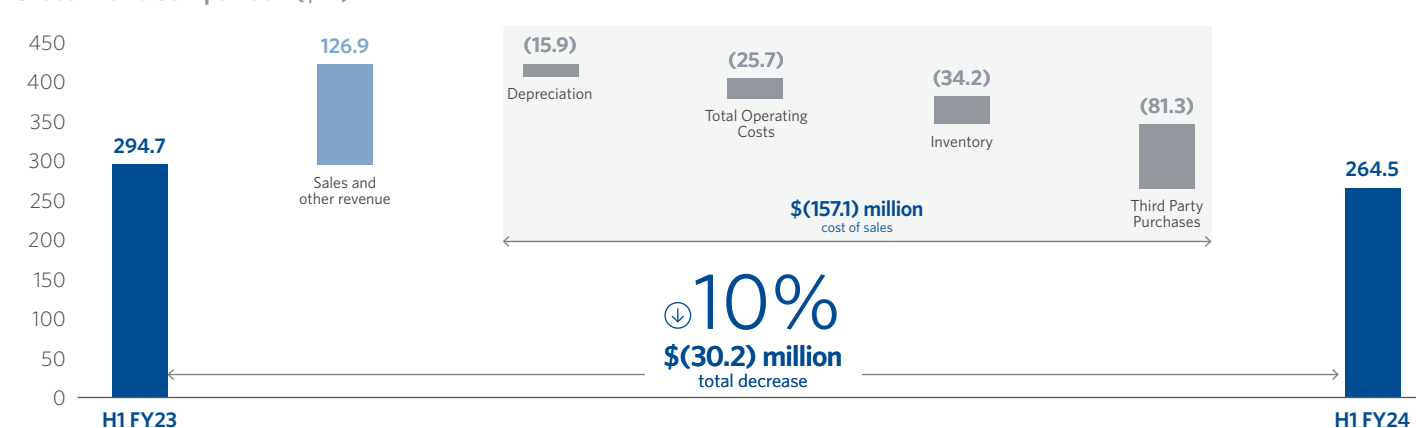


Gross Profit

Gross profit for H1 FY24 of \$264.5 million (H1 FY23 \$294.7 million) was down 10%, driven by an increase in cost of sales, including unavoidable costs of \$20.8 million associated with the commencement of LNG processing arrangements for Waitsia, partly offset by higher revenues.

Cost of sales for H1 FY24 of \$689.4 million were up \$157.1 million or 30% from H1 FY23, due to an increase in third party purchases (\$81.3 million) associated with a portion of the December Waitsia LNG and condensate cargoes, unfavourable inventory movements (\$34.2 million) due to timing of liftings, higher tariffs and tolls (\$25.2 million) driven by the commencement of Waitsia processing charges which includes unavoidable costs of \$20.8 million, and higher depreciation (\$15.9 million). This is partly offset by higher sales and other revenues of \$126.9 million.

Gross Profit Comparison (\$m)



Directors' Report

For the half year ended 31 December 2023

Financial review continued

Net Profit Result

Other expenses, net of other income, of \$739.6 million were \$746.2 million higher than the H1 FY23 net income position of \$6.6 million due to the impairment charges recognised across the Cooper Basin, SA Otway and Bonaparte non-current assets of \$721.2 million as well as FX losses of \$7.7 million. H1 FY23 included the reversal of accrued acquisition costs of \$16.8 million.

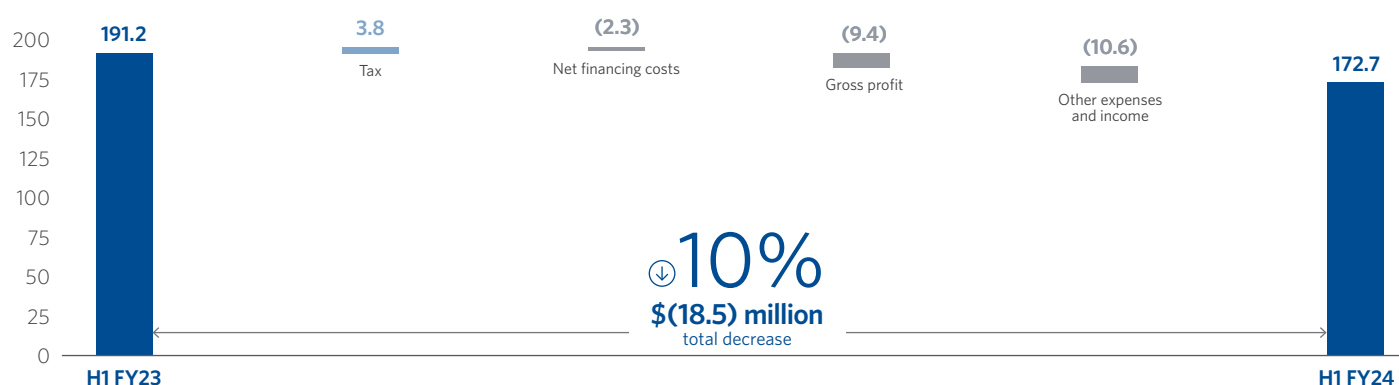
The reported net loss after income tax of \$345.1 million is \$552.3 million lower than the H1 FY23 reported net profit, primarily due to impairments recognised in relation to non-current assets and a lower gross profit.

By adjusting the H1 FY24 profit for the one-off items below, Beach's underlying net profit after tax is \$172.7 million. Impairment expense of \$721.2 million and tariffs incurred for unutilised capacity in relation to the NWS processing of \$20.8 million have been excluded from underlying profit after tax. In addition, insurance recoveries of \$16.2 million related to the failure of the Victoria Otway flowline and class action defence costs along with the related loss on the disposal of the flowline and class action defence costs incurred have also been excluded from underlying profit after tax.

Comparison of underlying profit	H1 FY24 \$ million	H1 FY23 \$ million	Movement from PCP \$ million	
Net profit/(loss) after tax	(345.1)	207.2	(552.3)	(267%)
Adjusted for:				
Tariff and Tolls related to unutilised NWS capacity	20.8	-	20.8	
Insurance recoveries	(16.2)	-	(16.2)	
Loss on disposal of non-current assets	12.4	-	12.4	
Legal costs related to shareholder class action	1.4	-	1.4	
Impairment of non-current assets	721.2	-	721.2	
Reversal of accrued acquisition costs	-	(16.8)	16.8	
Tax impact of above changes	(221.8)	0.8	(222.6)	
Underlying net profit/(loss) after tax¹	172.7	191.2	(18.5)	(10%)

1. Underlying results in this report are categorised as 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. All of the items being adjusted pre-tax are identified within Notes 2(b), 3(a) and 3(b) to the financial statements.

Underlying Net Profit After Tax Comparison (\$m)



Directors' Report

For the half year ended 31 December 2023

Financial review continued

Financial Position

Assets

Total assets decreased by \$101.4 million to \$5,793.5 million during the period with cash balances increasing by \$7.1 million to \$226.0 million, primarily due to:

- Cash inflow from operations of \$350.1 million,
- Cash inflow from financing activities of \$261.1 million, offset by
- Cash outflow from investing activities of \$602.5 million and
- Unfavourable foreign exchange impact of \$1.7 million.

Receivables increased by \$235.9 million due to higher customer and joint venture receivables.

Total non-current assets decreased by \$373.6 million due to the impairment of petroleum, exploration and intangible asset carrying values of \$721.2 million, depreciation and amortisation of \$223.2 million

and the disposal of the damaged Victoria Otway flowline, partly offset by capital expenditure of \$529.7 million, increase in restoration of \$26.1 million and borrowing costs capitalised \$16.1 million.

Liabilities

Total liabilities increased by \$287.5 million to \$2,304.5 million primarily due to an increase in debt drawn of \$314.8 million, an increase in payables of \$159.6 million, increase in the restoration provision by \$20.7 million, partly offset by reduction of deferred tax liabilities of \$192.3 million.

Equity

Total equity decreased by \$388.9 million, primarily due to a net loss after tax of \$345.1 million and dividends paid during the period of \$45.6 million.

Dividends

During H1 FY23, the Directors declared and paid a 2.0 cents per share fully franked dividend. The Company will also pay a fully franked interim dividend of 2.0 cents per share for the current financial year.

Operations overview

Production performance, drilling and development activities are summarised below. Further information can be found in Beach's quarterly activity reports.

Production (net to Beach)

	H1 FY23			H1 FY24			
	Oil equivalent (MMboe)	Oil (MMbbl)	Sales Gas (PJ)	LPG (kt)	Condensate (kbbl)	Oil equivalent (MMboe)	Change
Perth Basin	0.7	-	4.8	-	-	0.8	12%
Otway Basin	2.4	-	7.7	15	125	1.6	(33%)
Bass Basin	0.4	-	1.6	4	59	0.4	(11%)
Western Flank	2.0	1.4	2.0	10	76	1.9	(3%)
Cooper Basin JV	3.4	0.5	14.7	30	198	3.4	0%
Taranaki Basin	1.1	-	3.3	14	74	0.7	(31%)
Total Production	10.0	1.8	34.0	73	533	8.8	(11%)

Note that due to rounding, figures may not reconcile to totals.

Drilling

Basin	Target	Type	Wells drilled ¹	Successful Wells ²	Success rate
Cooper Basin	Oil	Exploration	12	3	25%
		Appraisal	5	-	0%
		Development	7	7	100%
	Gas	Exploration	2	1	50%
		Appraisal	20	19	95%
		Development	16	15	94%
Perth Basin	Gas	Exploration	2	2	100%
		Development	1	1	100%
Taranaki Basin	Gas	Development	1	1	100%
Total wells			66	49	74%

1. Denotes wells completed during the period.

2. Successful wells defined as wells cased and suspended or completed as future producers or plugged and suspended for future activity.

Directors' Report

For the half year ended 31 December 2023

Operations overview continued

Perth Basin

Production

Total production of 0.8 MMboe was 12% above the prior corresponding period (H1 FY23: 0.7 MMboe) and comprised 4.8 PJ of sales gas (+12%). Higher production was mainly due to strong customer demand and high plant uptime. The Beharra Springs and Xyris gas plants operated steadily at average rates of 25 TJ/day gross and 28 TJ/day gross, respectively.

Exploration

Beach continued its operated gas exploration and appraisal campaign, with two gas discoveries made from two exploration wells drilled.

Trigg Northwest 1 was drilled to a total depth of 5,000 metres and intersected gas in the target Kingia Sandstone reservoir. No gas pay was interpreted in the secondary High Cliff and Wagina reservoirs. Logging acquired whilst drilling shows net gas pay of six metres across a 49-metre gross section in the Kingia Sandstone reservoir. Gas was sampled from the Kingia reservoir using wireline tools and recovered to surface. The well was cased and completed to facilitate future testing of productivity, connected volumes and commerciality.

Tarantula Deep 1 reached total depth of 4,121 metres and intersected a 63-metre gross section of high quality Kingia Sandstone reservoir, comparable to the offset well Beharra Springs Deep 1. Tarantula Deep 1 intersected a gas water contact within the Kingia reservoir, with net gas pay of 10 metres above the contact confirmed by gas sampling. The well was drilled down-dip to identify the depth of gas water contact, provide greater certainty of recoverable gas in place and facilitate optimal development planning. The well was suspended to allow for future development of the discovery. Preliminary analysis of results indicates outcomes in line with pre-drill estimates.

Development

The Waitsia 11 gas development well was drilled in line with the Waitsia full field development plan to provide additional well deliverability as the Waitsia Gas Plant ramps up to plateau production rates after commissioning and start up.

Waitsia 11 was drilled from a surface location immediately adjacent to the Waitsia Gas Plant to a total depth of 3,556 metres. The well intersected high-quality Kingia reservoir with 24 metres of net gas pay. Waitsia 11 flowed on test at a constrained rate of 68 MMscfd with a flowing tubing head pressure of 2,355 psi on a 76/64" choke. The well delivered on its objectives with results consistent with pre-drill expectations.

The Beharra Springs Deep 2 development well spudded late in the period and was drilling ahead at half year-end. The well aims to develop existing Beharra Springs Deep reserves and extend the production plateau at the Beharra Springs Gas Plant.

Waitsia Stage 2

Construction of the 250 TJ/day Waitsia Gas Plant continued during the period, with planning and preparation for commissioning of the plant also underway. Beach is targeting first gas from the Waitsia Gas Plant in mid-CY2024.

Commissioning of transport and processing systems at the NWS was completed during the period. Gas was introduced to the Karratha Gas Plant via the Dampier to Bunbury Natural Gas Pipeline to facilitate commissioning.

Production and stored volumes from the Xyris Gas Plant, together with third-party surplus gas sourced via a swap arrangement, enabled processing and lifting of the first Waitsia LNG cargo at the NWS in December 2023. Beach acquired Mitsui's 50% share and sold the cargo to bp under the terms of the previously announced LNG SPA. The cargo delivered revenue of \$96 million and net cash proceeds to Beach of \$49 million after purchase of Mitsui's share.

Beach was entitled to sell one condensate cargo during the NWS gas processing term due to the liquids content of gas to be processed. Sale of the cargo occurred in December 2023 and sale proceeds of \$66 million were received in January 2024.

Acreege description

Perth Basin producing licence areas include Waitsia (Beach 50%, MEPAU 50% and operator) in licences L1 and L2, and Beharra Springs (Beach 50% and operator, MEPAU 50%) in licences L11 and L22. The exploration permit is EP 320 (Beach 50% and operator, MEPAU 50%).

Directors' Report

For the half year ended 31 December 2023

Operations overview continued

Otway Basin (Victoria)

Production

Total production of 1.6 MMboe was 33% below the prior corresponding period (H1 FY23: 2.4 MMboe) and comprised 7.7 PJ of sales gas (-34%), 15 kt of LPG (-31%) and 125 kbbl of condensate (-25%). The decrease in production was mostly due to lower customer nominations.

Beach concluded its process for determining the annual gas offtake requirement under the existing GSA¹ for CY2024. With higher well deliverability following connection of Thylacine North 1 and 2 in May 2023, the take-or-pay quantity for CY2024 has been set at a volume higher than CY2023.

Offshore Otway Development

Beach progressed activities for connection of the Thylacine West 1 and 2 development wells to the Otway Gas Plant. Manufacture of the replacement flowline is underway, a transportation and installation vessel has been contracted, and orders for long lead items are in place. Beach is targeting connection of Thylacine West 1 and 2 in H1 FY25.

Planning and community consultation for the next phase of offshore Victoria activity progressed during the period. Beach is participating in a consortium which secured the Transocean Equinox drill rig, with the rig expected to commence activity in CY2025. Beach's activity is expected to include development of the Artisan and La Bella gas discoveries, exploration drilling and well decommissioning. Confirmation of schedules, prospects and number of wells to be drilled is subject to completion of seabed assessments, joint venture and regulatory approvals and a final investment decision.

Nearshore Enterprise Development

Activity during the period included completion of pipeline tie-in activity at the Otway Gas Plant and wellsite pre-work activity in preparation for commissioning. Native title agreement was also completed. Commencement of wellsite hook-up and commissioning is now awaiting final regulatory approval. First gas from Enterprise is targeted for Q4 FY24.

Commercial

Beach settled the price review process for Otway Basin gas volumes sold to Origin under the existing GSA¹. While pricing details remain confidential, the agreed outcome will deliver Beach moderate price increases from CY2024 until the next review on 1 July 2026.

Beach signed a GSA to supply Origin with gas from the Enterprise field until the end of CY2026. The Enterprise GSA was contracted at competitive market pricing across the period and provides improved Otway Basin gas offtake certainty.

Acreage description

Otway Basin (Victoria) (Beach 60% and operator, OGOG (Otway) Pty Ltd 40%) includes producing nearshore licence VIC/L1(V) which contains the Halladale, Black Watch and Speculant gas fields, nearshore production licence VIC/L007745(V), containing the Enterprise gas field, and offshore licences VIC/L23, T/L2, T/L3 and T/L4 which contain the Geographe and Thylacine gas fields. Gas from all producing fields is processed at the Otway Gas Plant.

Otway Basin (Victoria) also comprises non-producing nearshore VIC/P42(V) (Beach 60% and operator, OGOG (Otway) Pty Ltd 40%), and offshore licences VIC/P43 (Beach 60% and operator, OGOG (Otway) Pty Ltd 40%), containing the Artisan gas discovery, VIC/P73 (Beach 60% and operator, OGOG (Otway) Pty Ltd 40%), containing the La Bella gas field and T/30P (Beach 100%). It also comprises the nearshore exploration permit VIC/P007192(V) (Beach 60% and operator, OGOG (Otway) Pty Ltd 40%), onshore exploration permit PEP 168 (Beach 50% and operator, Essential Petroleum Exploration 50%), and onshore production licences PPLs 6 and 9 (Lochard Energy 90% and operator, Beach 10%).

Otway Basin (South Australia)

Exploration

Processing of the Dombey 3D seismic survey was completed during the period and interpretation is now underway. The survey covers 165 square kilometres in PEL 494 and captures the Dombey discovery and surrounding exploration prospects.

Acreage description

Otway Basin (South Australia) comprises producing licences PPLs 62, 168 and 202 (Beach 100%), retention licences PRL 32 (Beach 70% and Cooper Energy 30%) and PRLs 1 and 2 (Beach 100%), exploration licences PEL 494, which contains the Dombey gas field, and PEL 680 (Beach 70% and Cooper Energy 30%). Otway Basin (South Australia) also comprises gas storage licences GSEL 654 (Beach 70% and Cooper Energy 30%) and GSRL 27 (Beach 100%), as well as a geothermal licence GEL 780 (Beach 100%).

Bass Basin

Production

Total production of 0.4 MMboe was 11% below the prior corresponding period (H1 FY23: 0.4 MMboe) and comprised 1.6 PJ of sales gas (-15%), 4 kt of LPG (+11%) and 59 kbbl of condensate (-4%). The decline in production was mainly due to planned and unplanned downtime at the Lang Lang Gas Plant for various maintenance and well intervention activities. Well performance improved in line with expectations following completion of well intervention works late in the period.

Development

Interpretation of the Prion 3D seismic survey acquired over the White Ibis, Bass and Trefoil discoveries was completed during the period. Assessment of development options is continuing.

Acreage description

Bass Basin operations include production from the Yolla field, situated approximately 140 km off the Gippsland coast in licence T/L1 (Beach 88.75% and operator, Prize Petroleum 11.25%). Gas from the Yolla field is piped to the Lang Lang Gas Plant located near the township of Lang Lang, approximately 70 km southeast of Melbourne. Beach also holds a 90.25% operated interest in licences T/RL2 (pending production licence application), T/RL4 and T/RL5, which capture the Trefoil, White Ibis and Bass discoveries.

1. For gas supply from the Geographe, Thylacine, Halladale, Black Watch and Speculant fields.

Directors' Report

For the half year ended 31 December 2023

Operations overview continued

Western Flank

Production

Total production of 1.9 MMboe was 3% below the prior corresponding period (H1 FY23: 2.0 MMboe) and comprised 1.4 MMbbl of oil (+5%), 2.0 PJ of sales gas (-19%), 10 kt of LPG (-19%) and 76 kbbl of condensate (-20%). The decrease in production was mainly due to natural field decline, partially offset by new oil well connections.

Exploration and Appraisal

Beach completed its FY24 oil exploration and appraisal campaign with 15 wells drilled during the period and the final well drilled after half year-end.

Two oil discoveries were made. Bangalee South 1 intersected 2.9 metres of net pay in the Namur reservoir (primary target) and 4.3 metres of net pay in the Birkhead reservoir (secondary target). The well was brought online in December 2023. Callawonga North 1 intersected 3.2 metres of net oil pay in the Namur reservoir. The well was cased and suspended with connection in Q4 FY24 targeted. Exploration wells in the Chadinga, Green Bay, Tractor, Saro, Skyrocket, Windmill West and Wooley Rock fields were plugged and abandoned.

The first three appraisal wells (Growler 22 in ex PEL 104, Kangaroo 4 in ex PEL 91 and Mustang 4 in ex PEL 111) targeted the Birkhead reservoir in the outer flank of each field. All three wells had oil shows, however, due to a lack of reservoir development and net pay, all were plugged and abandoned. The last two appraisal wells (Coorong 2 in ex PEL 92 and Magic Beach 2 in ex PEL 91) targeted the Namur reservoir. Both wells were plugged and abandoned.

The final well of the FY24 campaign, Martlet 10, was drilled in January 2024 and intersected 3.6 metres of net oil pay in the Namur reservoir. The well was cased and suspended with connection in Q4 FY24 targeted.

Development

Two horizontal oil development wells were drilled in the Growler and Spitfire fields as follow-up to the FY23 drilling campaign. Both wells targeted the Birkhead reservoir and were cased and suspended as future producers. Growler 21 intersected 251 metres of net pay across a 1,268-metre gross section in the horizontal well. Spitfire 10 intersected 314 metres of net pay across a 1,590-metre gross section in the horizontal well. Both wells were drilled, completed and brought online during the period.

Acreage description

Western Flank oil producing assets include ex PEL 91 (Beach 100%), ex PEL 104/111 (Beach 100%) and ex PEL 92 (Beach 75% and operator, Cooper Energy 25%). Western Flank gas producing assets include ex PEL 106 (Beach 100%) and the Udacha Block – PRL 26 (Beach 100%). Non-producing assets include ex PEL 101 (Beach 100%), ex PEL 182 (Beach 100%), ex PEL 107 (Beach 100%), and ex PEL 218 (Beach 100%). Beach also owns gas storage assets including GSEL 634 (Beach 75% and operator, Cooper Energy 25%), and GSELS 645, 646, 648 and 653 (all Beach 100%).

Cooper Basin JV

Production

Total production of 3.4 MMboe was in line with the prior corresponding period (H1 FY23: 3.4 MMboe) and comprised 0.5 MMbbl of oil (-3%), 14.7 PJ of sales gas (+2%), 30 kt of LPG (-2%) and 198 kbbl of condensate (-18%). New well connections and performance improvement activities offset natural field decline. Moomba sales gas production reached 295 TJ/day (gross) during the period which was the highest daily rate achieved since September 2021.

Exploration, Appraisal and Development

Beach participated in 45 wells with an overall success rate of 91% from two oil exploration wells, five oil development wells, two gas exploration wells, 20 gas appraisal wells and 16 gas development wells.

Oil exploration drilling was conducted in the Walter and Watkins North fields and gas exploration drilling was conducted in the Adzuki and Nhuganha Ngakalanga fields. Gas appraisal drilling was conducted in the Moomba, Napowie and Psyche fields.

One oil discovery (Watkins North 1) and one gas discovery (Nhuganha Ngakalanga 1) were made during the period. The wells were cased and suspended as future producers and analysis of results is underway to determine the potential for follow-up activity.

The Moomba 304 horizontal gas appraisal well which targeted the Granite Wash reservoir was brought online in November 2023.

Development drilling activity included continuation of the 22-well campaign targeting expansion of the Moomba South Patchawarra development area and a four-well gas development campaign in the Meranji field. All wells were cased and suspended. Gas development drilling was also undertaken in the Kappa, Nephrite South, Psyche, Tarwonga, Tindilpie North, Tirrawarra, Toolachee and Winninnia North fields and a 22-well campaign targeting expansion of the Moomba North Patchawarra development area was commenced.

Two horizontal oil development wells were drilled in the Hobbes field targeting the McKinlay reservoir. Hobbes 5 and 6 drilled lateral sections of 888 metres and 814 metres, respectively, and were cased and suspended as future producers. Two vertical oil development wells were drilled in the Cocinero field, Cocinero 14 and 15, targeting the Birkhead reservoir. The wells were cased and suspended as future producers.

Moomba CCS

The Moomba CCS project remains on schedule for first CO₂ injection in mid-2024, with 80% of works complete at the end of the period (as reported by the operator, Santos). Key activities included installation of downhole equipment in all four injector wells, completion of perforations to the storage formation and early-stage commissioning activities.

Acreage description

Beach owns non-operated interests in the South Australian Cooper Basin joint ventures (33.40% in SA Unit and 27.68% in Patchawarra East), the South West Queensland joint ventures (various interests of 30% to 52.5%) and ATP 299 (Tintaburra; Beach 40%), which are collectively referred to as the Cooper Basin JV. Santos is the operator.

Directors' Report

For the half year ended 31 December 2023

Operations overview continued

Taranaki Basin

Production

Total production of 0.7 MMboe was 31% below the prior corresponding period (H1 FY23: 1.1 MMboe) and comprised 3.3 PJ of sales gas (-31%), 14 kt of LPG (-31%) and 74 kbbl of condensate (-35%). The decrease in production was mainly due to planned downtime at the Kupe Gas Plant for integrity inspections, maintenance activities and drilling of the Kupe South 9 development well.

The four-yearly integrity shutdown of the Kupe Gas Plant involved statutory plant inspections and various maintenance activities. The shutdown required approximately 54,000 workhours with all health, safety and environment targets achieved.

Development

The Kupe South 9 development well was drilled and completed during the period. The Valaris 107 jack-up rig was mobilised immediately adjacent to the Kupe Wellhead Platform which is approximately 30 kilometres from the shoreline in water depth of 35 metres.

Kupe South 9 was drilled to a total depth of 3,630 metres and intersected 26 metres of net gas pay across two separate flow units within the eastern fault block of the field. The well was drilled on schedule, on budget and with no safety incidents. Results were marginally below pre-drill expectations. Kupe South 9 was cased and completed for production and connected to the Kupe Gas Plant after half year-end.

Acreage description

New Zealand operations comprise the offshore Kupe field (Beach 50% and operator, Genesis 46%, NZOG 4%) in the Taranaki Basin. Beach produces gas from Kupe, situated approximately 30 km off the New Zealand north island coast in licence PML 38146. Gas from the Kupe field is piped to the onshore Kupe Gas Plant.

FY24 FULL YEAR OUTLOOK

In the second half of FY24, Beach will continue to focus on delivering major growth projects in the Perth Basin (Waitsia Stage 2) and Otway Basin (connection of Enterprise and the Thylacine West 1 and 2 wells), as well as other activities across the portfolio. These include planning for the next phase of offshore Victoria activity, drilling and connections in the Cooper Basin JV and completing the Beach-operated drilling campaign in the Perth Basin.

Based on year-to-date results and the outlook for the remainder of FY24, Beach provided the following updates to its FY24 full year guidance.

	Original FY24 guidance	Revised FY24 guidance	H1 FY24
Production (MMboe)	18.0 – 21.0	18.0 – 20.0	8.8
Capital expenditure (\$ million)	850 – 1,000	900 – 1,000	530
One-off expense items ¹ (\$ million)	Up to 65	Up to 65	21

1. A one-off expense item of up to \$65 million may be incurred in relation to potential unavoidable costs for transportation, processing and sale of LNG in the event of a delay to timing of first gas from the Waitsia Stage 2 project. Beach is maturing a number of options to partially mitigate unutilised capacity under these arrangements.

Directors' Report

For the half year ended 31 December 2023

Directors

The names and qualifications of the directors of Beach in office during the half year financial reporting period and at the date of this report are:

Ryan Kerry Stokes AO

Interim CHAIRMAN, NON-EXECUTIVE DIRECTOR
BComm, FAIM

Glenn Stuart Davis (retired 14 November 2023)

INDEPENDENT NON-EXECUTIVE CHAIRMAN
LLB, BEc, FAICD

Brett Woods (commenced 29 January 2024)

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
BSc (Hons) Geology and Geophysics

Bruce Clement

INTERIM CHIEF EXECUTIVE OFFICER
(9 August 2023 – 28 January 2024)
& NON-EXECUTIVE DIRECTOR
BEng (Civil) Hons, BSc, MBA

Sally-Anne Layman

INDEPENDENT NON-EXECUTIVE DIRECTOR
B Eng (Mining) Hon, BCom, CPA, MAICD

Peter Stanley Moore

INDEPENDENT NON-EXECUTIVE DIRECTOR
PhD, BSc (Hons), MBA, GAICD

Richard Joseph Richards

NON-EXECUTIVE DIRECTOR
BComs/Law (Hons), LL.M., MAppFin, CA, Admitted Solicitor

Margaret Hall

Alternate NON-EXECUTIVE DIRECTOR for Ryan Stokes
B Eng (Met) (Hons), GAICD, MIEAust, SPE

Rounding off of amounts

Beach is an entity to which ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission applies relating to the rounding off of amounts. Accordingly, amounts in the Directors' Report and the Half Year Financial Report have been rounded to the nearest hundred thousand dollars, unless shown otherwise.

Events occurring after the balance date

Mr Brett Woods commenced in the role of Managing Director and Chief Executive Officer on 29 January 2024.

Other than the event described above, there has not been in the period since 31 December 2023 and up to the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Auditor's independence declaration

Section 307C of the *Corporations Act 2001* requires our auditors, Ernst & Young, to provide the directors of Beach with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is made on page 13 and forms part of this Directors' Report.

Dated at Adelaide this 12th day of February 2024 and signed in accordance with a resolution of the directors.



R K Stokes AO

Interim Chairman

Auditor's Independence Declaration



Ernst & Young
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Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Auditor's independence declaration to the directors of Beach Energy Limited

As lead auditor for the review of the half-year financial report of Beach Energy Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beach Energy Limited and the entities it controlled during the financial period.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'L A Carr' in black ink.

L A Carr
Partner
12 February 2024

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Half Year Financial Report

Of Beach Energy and controlled entities
For the six months ended 31 December 2023



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Consolidated			
	Note	Dec 2023 \$million	Dec 2022 \$million
Revenue	2(a)	953.9	827.0
Cost of sales	3(a)	(689.4)	(532.3)
Gross profit		264.5	294.7
Other income	2(b)	20.0	5.5
Other expenses	3(b)	(759.6)	1.1
Operating profit/(loss) before net financing costs		(475.1)	301.3
Interest income	13	3.7	1.4
Finance expenses	13	(21.1)	(16.5)
Profit/(loss) before income tax expense		(492.5)	286.2
Income tax benefit/(expense)	4	147.4	(79.0)
Net profit/(loss) after income tax expense		(345.1)	207.2
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Net gain/(loss) on translation of foreign operations		1.5	4.5
Tax effect relating to components of other comprehensive income		-	-
Other comprehensive income/(loss) net of tax		1.5	4.5
Total comprehensive income/(loss) after tax		(343.6)	211.7
Basic earnings per share (cents per share)	5(c)	(15.14)	9.09
Diluted earnings per share (cents per share)	5(c)	(15.14)	9.08

This consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the half year consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

Beach Energy Limited and Controlled Entities

		Consolidated	
	Note	Dec 2023 \$million	June 2023 \$million
Current assets			
Cash and cash equivalents		226.0	218.9
Receivables		474.0	238.1
Inventories		175.4	161.2
Current tax asset		34.4	24.2
Contract assets		14.3	14.2
Other current assets		18.2	13.5
Total current assets		942.3	670.1
Non-current assets			
Property, plant and equipment	6	2.9	4.0
Petroleum assets	7	4,304.0	4,482.1
Exploration and evaluation assets	8	380.1	562.2
Intangible assets	9	65.9	77.6
Contract assets		11.5	16.8
Lease assets	10	20.5	23.6
Other non-current assets		52.7	58.5
Deferred tax assets		13.6	-
Total non-current assets		4,851.2	5,224.8
Total assets		5,793.5	5,894.9
Current liabilities			
Payables		455.8	329.9
Provisions	11	98.2	91.2
Current tax liabilities		-	12.1
Interest bearing liabilities	13	249.7	-
Lease liabilities	10	9.3	11.0
Total current liabilities		813.0	444.2
Non-current liabilities			
Payables		36.4	2.7
Provisions	11	984.7	971.6
Interest bearing liabilities	13	448.4	383.3
Deferred tax liabilities		8.7	201.0
Lease liabilities	10	13.3	14.2
Total non-current liabilities		1,491.5	1,572.8
Total liabilities		2,304.5	2,017.0
Net assets		3,489.0	3,877.9
Equity			
Contributed equity	15	1,864.3	1,863.3
Reserves		707.0	751.8
Retained earnings		917.7	1,262.8
Total equity		3,489.0	3,877.9

The consolidated statement of financial position is to be read in conjunction with the notes to the half year consolidated financial statements.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

	Note	Contributed equity \$million	Retained earnings \$million	Share based payment reserve \$million	Foreign currency translation reserve \$million	Profit distribution reserve \$million	Total \$million
For the half year ended 31 December 2023							
Balance as at 1 July 2023		1,863.3	1,262.8	37.7	(7.5)	721.6	3,877.9
Profit for the period		-	(345.1)	-	-	-	(345.1)
Other comprehensive income/(loss)		-	-	-	1.5	-	1.5
Total comprehensive income/(loss) for the period		-	(345.1)	-	1.5	-	(343.6)
Transactions with owners in their capacity as owners:							
Shares purchased on market, net of tax (Treasury shares)	15	(0.5)	-	-	-	-	(0.5)
Utilisation of treasury shares for employee and executive incentive plans	15	1.5	-	(1.5)	-	-	-
Final dividend paid from profit distribution reserve	16	-	-	-	-	(45.6)	(45.6)
Increase in share-based payments reserve		-	-	0.8	-	-	0.8
Transactions with owners		1.0	-	(0.7)	-	(45.6)	(45.3)
Balance as at 31 December 2023		1,864.3	917.7	37.0	(6.0)	676.0	3,489.0
For the half year ended 31 December 2022							
Balance as at 1 July 2022		1,862.3	862.0	36.1	(10.5)	790.0	3,539.9
Profit for the period		-	207.2	-	-	-	207.2
Other comprehensive income/(loss)		-	-	-	4.5	-	4.5
Total comprehensive income/(loss) for the period		-	207.2	-	4.5	-	211.7
Transactions with owners in their capacity as owners:							
Shares issued during the period		0.2	-	-	-	-	0.2
Shares purchased on market (Treasury shares)		(0.4)	-	-	-	-	(0.4)
Utilisation of Treasury shares for employee and executive incentive plan		0.8	-	(0.8)	-	-	-
Final dividend paid from profit distribution reserve	16	-	-	-	-	(22.8)	(22.8)
Increase in share-based payments reserve		-	-	1.6	-	-	1.6
Transactions with owners		0.6	-	0.8	-	(22.8)	(21.4)
Balance as at 31 December 2022		1,862.9	1,069.2	36.9	(6.0)	767.2	3,730.2

The consolidated statement of changes in equity is to be read in conjunction with the notes to the half year consolidated financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Cash flows from operating activities		
Receipts from customers and other	862.3	938.3
Payments to suppliers and employees	(390.3)	(415.7)
Payments for restoration	(28.4)	(17.9)
Interest received	3.5	1.2
Financing costs	(16.2)	(4.7)
Income tax paid	(80.8)	(96.8)
Net cash provided by operating activities	350.1	404.4
Cash flows from investing activities		
Payments for property, plant and equipment	(0.4)	-
Payments for petroleum assets	(515.9)	(464.7)
Payments for exploration and evaluation assets	(86.0)	(61.8)
Payments for intangibles	(1.0)	(1.3)
Proceeds on sale of joint operations interests	0.8	0.7
Proceeds on sale of non-current assets	-	0.2
Net cash used by investing activities	(602.5)	(526.9)
Cash flows from financing activities		
Proceeds from employee incentive loans	-	0.4
Payment for shares purchased on market (Treasury shares)	(0.5)	(0.4)
Proceeds from borrowings	315.0	155.0
Repayment of borrowings	-	(65.0)
Payment of lease liabilities	(7.8)	(10.0)
Dividends paid	(45.6)	(22.8)
Net cash provided by financing activities	261.1	57.2
Net increase/(decrease) in cash held	8.8	(65.3)
Cash at the beginning of the half year	218.9	254.5
Effect of exchange rate changes on the balances of cash held in foreign currencies	(1.7)	0.3
Cash at the end of the half year	226.0	189.5

The consolidated statement of cash flows is to be read in conjunction with the notes to the half year consolidated financial statements.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Basis of preparation of Half Year Financial Report

Beach Energy Limited (Beach or the Company) is a for profit company limited by shares, incorporated in Australia and whose shares are publicly listed on the Australian Securities Exchange (ASX). The Half Year Financial Report of the Company for the six months ended 31 December 2023 comprises the Company and its controlled entities (together referred to as the Group). The Half Year financial report was authorised for issue in accordance with a resolution of the Directors on 12 February 2024.

The 2023 Annual Report is available upon request from the Company's registered office at Level 8, 80 Flinders Street, Adelaide, 5000 South Australia or at www.beachenergy.com.au.

The Half Year Financial Report for the six months ended 31 December 2023 is a general purpose report prepared in accordance with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. It is intended to provide users with an update on the latest annual financial statements of the Group and as such they do not include full disclosures of the type normally included in the annual report. It is recommended that they be read in conjunction with the 2023 Annual Report and any public announcements made by Beach during the half year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules. The functional and presentation currency for the Company is Australian dollars.

The Half Year Financial Report for the six months ended 31 December 2023 has been prepared in accordance with the accounting policies adopted in the 2023 Annual Report and have been consistently applied by the entities in the Group except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 July 2023. The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year. These have not had a significant or immediate impact on the Group's Half Year Financial Report.

The consolidated financial statements provide comparative information in respect of the previous period. Where there has been a change in the classification of items in the financial statements for the current period, the comparative for the previous period has been reclassified to be consistent with the classification of that item in the current period.

Critical accounting estimates & judgements

The preparation of the Half Year Financial Report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Half Year Financial Report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2023 unless noted otherwise.

The Half Year Financial Report has been prepared using a going concern basis of preparation and the Group continues to be able to pay its debts as they fall due.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

RESULTS FOR THE HALF YEAR

This section explains the results and performance of the Group including additional information about those individual line items in the financial statements most relevant in the context of the operations of the Group, including accounting policies that are relevant for understanding the items recognised in the financial statements and an analysis of the Group's result for the year by reference to key areas, including operating segments, revenue, expenses, taxation and earnings per share.

Note 1 Segment information

The Group has identified its operating segments to be its South Australian, Western Australian, Victorian and New Zealand interests based on the different geographical regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to the Chief Executive Officer for assessing performance and determining the allocation of resources within the Group.

The Group operates primarily in one business, namely the exploration, development and production of hydrocarbons. Revenue is derived from the sale of gas and liquid hydrocarbons. Gas sales contracts are spread across major Australian and New Zealand energy retailers and industrial users with liquid hydrocarbon product sales being made to major multi-national energy companies based on international market pricing.

Details of the performance of each of these operating segments for the six month period ended 31 December 2023 and 31 December 2022 are set out below.

	SA		WA		Victoria		New Zealand		Total	
	31 Dec 2023 \$million	31 Dec 2022 \$million	31 Dec 2023 \$million	31 Dec 2022 \$million	31 Dec 2023 \$million	31 Dec 2022 \$million	31 Dec 2023 \$million	31 Dec 2022 \$million	31 Dec 2023 \$million	31 Dec 2022 \$million
Segment revenue										
Sales revenue	588.2	551.6	185.7	19.9	122.7	171.1	44.4	70.7	941.0	813.3
Other revenue	9.7	10.7	-	-	3.2	3.0	-	-	12.9	13.7
Total revenue	597.9	562.3	185.7	19.9	125.9	174.1	44.4	70.7	953.9	827.0
Segment results										
Gross segment result before depreciation, amortisation and impairment	316.9	307.4	53.3	13.5	84.3	126.4	27.2	48.7	481.7	496.0
Depreciation and amortisation	(142.4)	(128.0)	(6.8)	(5.8)	(58.8)	(58.6)	(9.1)	(8.9)	(217.1)	(201.3)
Impairment loss	(714.3)	-	-	-	-	-	-	-	(714.3)	-
	(539.8)	179.4	46.5	7.7	25.5	67.8	18.1	39.8	(449.7)	294.7
Other income									20.0	5.5
Net financing costs									(17.4)	(15.1)
Other expenses ¹									(45.4)	1.1
Profit/(loss) before tax									(492.5)	286.2
Income tax benefit/(expense)									147.4	(79.0)
Net profit/(loss) after tax									(345.1)	207.2

1. Excludes impairment charges relating to reportable segments which have been shown separately.

Details of the assets and liabilities of each of these operating segments for the period ended 31 December 2023 and 30 June 2023 are set out below.

	SA		WA		Victoria		New Zealand		Total	
	31 Dec 2023 \$million	30 Jun 2023 \$million	31 Dec 2023 \$million	30 Jun 2023 \$million	31 Dec 2023 \$million	30 Jun 2023 \$million	31 Dec 2023 \$million	30 Jun 2023 \$million	31 Dec 2023 \$million	30 Jun 2023 \$million
Segment assets	2,403.4	3,046.1	1,162.7	856.2	1,529.0	1,569.7	261.9	220.1	5,357.0	5,692.1
Total corporate and unallocated assets									436.5	202.8
Total consolidated assets									5,793.5	5,894.9
Segment liabilities	705.2	685.6	209.2	75.9	401.3	417.3	188.5	120.4	1,504.2	1,299.2
Total corporate and unallocated liabilities									800.3	717.8
Total consolidated liabilities									2,304.5	2,017.0

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 2 Revenue and other income

(a) Revenue

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Crude oil	364.4	332.4
Sales gas and ethane	307.1	337.0
Liquefied petroleum gas	51.2	71.5
Condensate	122.2	72.4
Liquefied natural gas	96.1	-
Gas and gas liquids	576.6	480.9
Sales Revenue	941.0	813.3
Other operating revenue	12.9	13.7
Total revenue	953.9	827.0

(b) Other income

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Other income related to joint operations lease recoveries	1.5	1.6
Gain on sale of joint operations interests	0.9	1.0
Government grants	0.4	0.4
Foreign exchange gains	-	0.1
Insurance recoveries	16.2	-
Other	1.0	2.4
Total other income	20.0	5.5

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 3 Expenses

(a) Cost of sales

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Field operating costs	148.9	143.8
Tariffs and tolls ¹	76.4	51.2
Royalties	62.7	67.3
Total operating costs	288.0	262.3
Depreciation and amortisation of petroleum assets	212.4	197.9
Depreciation of leased assets	4.8	3.4
Third party product purchases	161.6	80.3
Change in inventories	22.6	(11.6)
Total cost of sales	689.4	532.3

1. Includes \$20.8 million of tariffs incurred for unutilised capacity in relation to the Northwest Shelf (NWS) processing which have been excluded from underlying profit after tax.

(b) Other expenses

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Impairment		
Impairment of petroleum assets	458.0	-
Impairment of goodwill	10.0	-
Impairment of exploration and evaluation assets ¹	253.2	-
Total impairment expense	721.2	-
Other		
Exploration expense	0.4	-
Depreciation of leased assets	1.6	1.7
Corporate expenses ²	8.0	8.0
Legal costs related to shareholder class action	1.4	-
Unwind of acquired contract assets and liabilities	6.9	5.5
Reversal of accrued acquisition costs	-	(16.8)
Loss on disposal of non-current assets	12.4	0.5
Foreign exchange loss	7.7	-
Other expenses	38.4	(1.1)
Total other expenses	759.6	(1.1)

1. Includes exploration and evaluation expenditure of \$35.2 million incurred in the current financial year.

2. Includes depreciation of property, plant & equipment and amortisation of software costs of \$4.4 million (Dec 2022: \$4.0 million).

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 4 Income tax

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Reconciliation of income tax expense calculated on operating profit to income tax charged in the statement of profit or loss		
Accounting profit/(loss) before tax	(492.5)	286.2
Prima facie tax on accounting profit before tax at 30%	(147.7)	85.9
Adjustment to income tax expense due to:		
Non-deductible expenditure	0.4	0.7
Non-assessable income	0.0	(6.6)
Impact of tax rates applicable outside Australia	(0.1)	(1.0)
Income tax expense/(benefit)	(147.4)	79.0

Note 5 Earnings per share

(a) Earnings after tax used in the calculation of earnings per share (EPS) is as follows:

	Dec 2023 \$million	Dec 2022 \$million
Basic earnings per share	(345.1)	207.2
Diluted earnings per share	(345.1)	207.2

(b) Weighted average number of ordinary shares and potential ordinary shares used in the calculation of earnings per share is as follows:

	Dec 2023 Number	Dec 2022 Number
Basic earnings per share	2,280,022,579	2,279,918,871
Share rights	3,461,750	1,290,573
Diluted earnings per share	2,283,484,329	2,281,209,444

(c) Calculation of earnings per share is as follows:

	Dec 2023 Number	Dec 2022 Number
Basic earnings per share (cents per share)	(15.14)	9.09
Diluted earnings per share (cents per share)	(15.14)	9.08

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

CAPITAL EMPLOYED

This section details the investments made by the Group in exploring for and developing its petroleum business including property plant and equipment, petroleum assets, exploration and evaluation assets, leases and details of future commitments.

Note 6 Property, plant and equipment

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Plant and equipment	14.7	15.5
Plant and equipment under construction	2.1	1.0
Less accumulated depreciation	(13.9)	(12.5)
Total property, plant and equipment	2.9	4.0
Reconciliation of movement in property, plant and equipment		
Balance at beginning of financial year	4.0	6.2
Additions	0.4	0.2
Depreciation expense	(1.5)	(2.4)
Total property, plant and equipment	2.9	4.0

Note 7 Petroleum assets

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Cost	9,033.0	8,536.8
Less: Accumulated depreciation and impairment	(4,729.0)	(4,054.7)
Balance at end of period	4,304.0	4,482.1
Balance at beginning of period	4,482.1	3,759.5
Additions	458.9	969.9
Depreciation and amortisation expense	(212.4)	(391.9)
Impairment loss	(458.0)	-
Increase/(decrease) in restoration	26.2	132.2
Disposals	(10.9)	(6.0)
Borrowing costs capitalised	15.5	13.2
Capitalised depreciation of lease assets	1.2	1.9
Foreign exchange movement	1.4	3.3
Balance at end of period	4,304.0	4,482.1

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 7 Petroleum assets continued

Impairment of Petroleum Assets

The carrying amounts of petroleum assets are assessed half yearly on a cash generating unit (CGU) basis to determine whether there is an indication of impairment or impairment reversal for those assets which have previously been impaired.

As at 31 December 2023, the group identified an indicator of impairment on the Cooper Basin CGU where an impairment loss has been recognised largely driven by an increase in capital expenditure and operating cost forecasts in relation to the Cooper Basin Joint Venture.

An impairment expense of \$458 million has been recorded against the carrying value of petroleum assets for the Cooper Basin CGU which is part of the SA operating segment. This impairment charge has been recognised within other expenses in the statement of profit or loss and other comprehensive income. The recoverable amount of the Cooper Basin CGU which has been calculated using the value in use method based on 2P reserves and a risked outcome on contingent resources is \$1,888 million.

With the exception of the change in capital and operating expenditure estimates as described above, and updated Brent oil price estimates below, key assumptions and judgements used to assess the recoverable amount of the Cooper Basin CGU's recoverable amount as at 31 December have not materially changed from those disclosed in Note 9 of the FY23 Financial Statements.

- Brent oil price (real) of US\$76.50/bbl for the remainder of FY24 (previously US\$79.50/bbl), US\$75.25/bbl in FY25 (previously US\$79.50/bbl), US\$75.50/bbl in FY26 and FY27 (previously US\$81.50/bbl for FY26 and US\$78.00/bbl for FY27) and US\$75/bbl for FY28 and beyond (previously US\$75/bbl).

Sensitivity

To the extent the Cooper Basin CGU has been written down to its recoverable amount, any adverse change in key assumptions on which the valuation is based would further impact the asset carrying value. When modelled in isolation, it is estimated additional impairment would arise due to the reasonably possible changes in the following assumptions; A\$1/GJ (real) reduction in uncontracted gas prices (\$129 million additional impairment), 0.5% increase in discount rate (\$65 million additional impairment), US\$5/bbl decrease in oil price all years (\$213 million additional impairment).

Note 8 Exploration and evaluation assets

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Exploration and evaluation assets at beginning of financial year	562.2	444.7
Additions	70.4	119.5
Impairment loss	(253.2)	-
Increase/(decrease) in restoration	(0.1)	(5.2)
Exploration and evaluation expenditure expensed	(0.4)	(0.1)
Disposal of joint operation interests	-	(3.8)
Borrowing costs capitalised	0.6	-
Capitalised depreciation of lease assets	0.6	7.1
Balance at end of period	380.1	562.2

Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective Area of Interest (AOI). Each potential or recognised AOI is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each AOI to which the exploration and evaluation expenditure is attributed.

As at 31 December 2023, the group identified an indicator of impairment for the following AOI's which has resulted in an impairment expense:

Western Flank: Recent drilling results were an indicator of impairment with the current carrying value no longer expected to be recouped through successful development and exploitation. Plans for future exploration and development drilling are being assessed.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 8 Exploration and evaluation assets continued

SA Otway: Given Beach's current portfolio of growth opportunities, a final investment decision on further exploration or development is no longer imminent which is an indicator of impairment with the current carrying value no longer expected to be recouped through successful development and exploitation.

Bonaparte: Proposed relinquishment of permits in the near term were an indicator of impairment with the current carrying value no longer expected to be recouped through successful development and exploitation. An updated assessment of this AOI indicates that the remaining fair value less costs of disposal is nil.

An impairment expense of \$246.2 million has been recorded against the carrying value of exploration assets for the Western Flank (\$178.0 million) and SA Otway (\$68.2 million) AOI's which are part of the SA operating segment with a further \$7.0 million impairment expense also recorded against the carrying value of the Bonaparte AOI. These impairment charges have been recognised within other expenses in the statement of profit or loss and other comprehensive income with all three AOI's being impaired to nil.

Note 9 Intangible assets

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Cost	110.3	109.1
Less accumulated amortisation and impairment	(44.4)	(31.5)
Balance at end of period	65.9	77.6
Balance at beginning of period	77.6	77.1
Additions	1.2	6.4
Amortisation expense	(2.9)	(5.9)
Impairment loss	(10.0)	-
Balance at end of period	65.9	77.6

Impairment of intangible assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less cost of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Impairment losses are recognised in profit or loss unless the asset has previously been revalued, in which case the impairment is recognised as a reversal to the extent of that previous revaluation with any excess recognised in profit or loss.

As at 31 December 2023, the group identified an indicator of impairment on the Cooper Basin CGU where an impairment loss has been recognised largely driven by an increase in capital expenditure and operating cost forecasts in the Cooper Basin Joint Venture.

An impairment expense of \$10 million has been recorded to fully impair the carrying value of goodwill related to the Cooper Basin CGU which is part of the SA operating segment. This impairment charge has been recognised within other expenses in the statement of profit or loss and other comprehensive.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 10 Leases

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Lease Assets		
Lease Assets at the beginning of the financial year	23.6	31.7
Additions	2.7	9.6
Lease remeasurement	2.3	2.8
Depreciation expense ¹	(8.1)	(20.5)
Total Lease Asset	20.5	23.6

1. Instances where the underlying costs regarding a lease contract would previously have been capitalised, the depreciation on the lease asset is capitalised. The Group capitalisation of depreciation is \$1.8 million (FY23 \$4.9 million).

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Lease Liabilities		
Lease Liabilities at the beginning of the financial year	25.2	33.0
Additions	2.7	9.6
Repayments ²	(8.2)	(22.4)
Lease remeasurement	2.3	2.8
Accretion of interest	0.5	1.2
Foreign exchange movements	0.1	1.0
Total Lease Liabilities	22.6	25.2
Current Liabilities	9.3	11.0
Non-current Liabilities	13.3	14.2

2. Instances where the payments regarding a lease contract are part of a joint arrangement and the Group is the responsible party for payment, the Group recognises the full lease liability, and recognises other income for the portion of payment that is recovered through other parties within the joint venture arrangement. The Group recognised \$1.5 million of other income relating to joint venture recoveries.

Note 11 Provisions

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Employee-entitlements	24.4	22.9
Restoration	73.8	66.6
Other provisions	-	1.7
Total current provisions	98.2	91.2
Employee-entitlements	1.4	1.8
Restoration	983.3	969.8
Total non-current provisions	984.7	971.6

Estimate of restoration costs

The basis of the restoration provision for assets with approved decommissioning plans or general directions issued by the regulator can differ from the assumptions disclosed above. Whilst the provisions reflect the Group's best estimate based on current knowledge and information, further studies and detailed analysis of the restoration activities for individual assets will be performed near the end of their operational life and/or when detailed decommissioning plans are required to be submitted to the relevant regulatory authorities. Actual costs and cash outflows can materially differ from the current estimate as a result of changes in laws & regulations and their application, prices, discovery and analysis of site conditions, public expectations, further studies, timing of restoration and changes in removal technology. These uncertainties may result in actual costs and cash outflows differing from amounts included in the provision recognised as at 31 December 2023. The timing and amount of future costs relating to decommissioning and environmental liabilities are reviewed annually, together with the inflation and discount rates.

Note 12 Commitments

There has been no material change to total capital and minimum exploration commitments since 30 June 2023.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

FINANCIAL AND RISK MANAGEMENT

This section provides details on the Group's debt and related financing costs, interest income, cash flows and the fair values of items in the Group's statement of financial position. It also provides details of the Group's market, credit and liquidity risks and how they are managed.

Note 13 Finances and borrowings

During the period Beach raised an additional \$320 million under the existing Senior Secured Syndicated Debt Facility.

Debt facilities in place total \$920 million, comprised of a \$250 million revolving facility maturing September 2024 (Facility A), a \$350 million revolving facility maturing September 2026 (Facility B), a \$220 million revolving facility maturing September 2025 (Facility D) and a \$100 million term facility maturing September 2025 (Facility E).

Beach also has \$75 million of bilateral Contingent Instrument facilities (CI Facilities) in place with a maturity date of September 2024.

As at 31 December 2023 \$700 million of debt facilities were drawn with \$50 million of bank guarantees issued under CI Facilities.

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Bank debt	250.0	-
Less debt issuance costs	(0.3)	-
Total current borrowings	249.7	-
Bank debt	450.0	385.0
Less debt issuance costs	(1.6)	(1.7)
Total non-current borrowings	448.4	383.3

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Net financing expenses		
Finance costs	1.4	2.0
Interest expense	14.9	2.6
Discount unwinding on net present value assets and liabilities	20.4	15.9
Finance costs associated with lease liabilities	0.5	0.6
Less borrowing costs capitalised	(16.1)	(4.6)
Total finance expenses	21.1	16.5
Interest income	(3.7)	(1.4)
Net financing expenses	17.4	15.1

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 14 Financial risk management

The Group's activities expose it to a variety of financial risks including currency, commodity, interest rate, credit and liquidity risk. Management identifies and evaluates all financial risks and may enter into financial risk instruments such as foreign exchange contracts, commodity contracts and interest rate swaps to minimise potential adverse effects of these risk exposures, in accordance with Board approved financial risk management policies. The Group does not trade in derivative financial instruments for speculative purposes.

The carrying value of the group's financial assets and financial liabilities, which also approximates their fair values, are set out below.

		Financial assets/ financial liabilities at carrying value		Financial assets/ financial liabilities at fair value	
	Note	Dec 2023 \$million	Jun 2023 \$million	Dec 2023 \$million	Jun 2023 \$million
Carrying amount					
Financial assets					
Cash and cash equivalents ¹		226.0	218.9	226.0	218.9
Receivables ²		474.0	238.1	474.0	238.1
Total financial assets		700.0	457.0	700.0	457.0
Financial liabilities					
Payables ²		492.2	332.6	492.2	332.6
Lease liabilities ²	10	22.6	25.2	22.6	25.2
Interest bearing liabilities ²	13	698.1	385.0	698.1	385.0
Total financial liabilities		1,212.9	742.8	1,212.9	742.8

1. Fair value based on level 1 inputs.

2. Fair value based on level 2 inputs.

Fair Values

Certain assets and liabilities of the Group are recognised in the statement of financial position at their fair value in accordance with accounting standard *AASB 13 Fair Value Measurement*. The methods used in estimating fair value are made according to how the available information to value the asset or liability fits with the following fair value hierarchy:

- Level 1 – the fair value is calculated using quoted prices in active markets;
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability; and
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2023 and there have been no transfers between the levels of the fair value hierarchy during the half year to 31 December 2023.

The Group also has a number of other financial assets and liabilities, including cash and cash equivalents, receivables and payables which are recorded at their carrying value which is considered to be a reasonable approximation of their fair value.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

EQUITY AND GROUP STRUCTURE

This section provides information which will help users understand the equity and group structure as a whole including information on equity and dividends.

Note 15 Contributed equity

(a) Movement in share capital

	Consolidated	
	Dec 2023 \$million	Jun 2023 \$million
Balance at beginning of period	1,863.3	1,862.3
Repayment of employee loans and sale of employee shares	-	0.8
Shares purchased on market (Treasury shares), net of tax	(0.5)	(0.6)
Utilisation of Treasury shares on vesting of shares and rights under employee and executive incentive plans	1.5	0.8
Balance at end of period	1,864.3	1,863.3

Treasury shares

Treasury shares are purchased for use on vesting for the executive incentive plan and the employee share scheme. Shares are accounted for at the weighted cost for the period.

(b) Movement in Treasury shares

	Dec 2023 Number	Jun 2023 Number
Balance at beginning of period	1,988,895	1,920,244
Shares purchased on market during the period	354,353	575,701
Utilisation of Treasury shares on vesting of shares under employee or executive incentive plan	(879,907)	(507,050)
Balance at end of period	1,463,341	1,988,895

(c) Movement in fully paid ordinary shares

	Dec 2023 Number	Jun 2023 Number
Balance at beginning of period	2,281,333,656	2,281,333,656
Shares issued on vesting/exercise of unlisted incentive rights	-	-
Balance at end of period	2,281,333,656	2,281,333,656

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

Note 15 Contributed equity continued

(d) Movement in unlisted Incentive Rights

	Dec 2023 Number	Jun 2023 Number
Balance at beginning of period	10,149,514	7,433,153
Issued during the period	495,697	5,697,807
Forfeited during the period	(1,997,934)	(2,474,396)
Vested/Exercised during the period	(801,228)	(507,050)
Balance at end of period	7,846,049	10,149,514

Employee Rights

During the period, Beach issued 193,504 unlisted rights pursuant to the Executive Incentive Plan for the 2023 short term incentive offer. 96,750 of the unlisted performance rights vest on 1 July 2024 and 96,754 vest on 1 July 2025 subject to the holder of the rights remaining employed with Beach on the vesting dates. Beach also issued 302,193 matched share rights under the Employee Share Plan. Further details of the Executive Incentive Plan and Employee Share Plan are detailed in the 2023 Annual Report.

Note 16 Dividends

	Consolidated	
	Dec 2023 \$million	Dec 2022 \$million
Final fully franked dividend of 2.0 cent per fully paid ordinary paid on 3 October 2023	45.6	-
Final fully franked dividend of 1.0 cent per fully paid ordinary paid on 30 September 2022	-	22.8
	45.6	22.8

Subsequent to the end of the period, the Company resolved to also pay a fully franked dividend of 2.0 cents per share for the interim period.

Notes to the Half Year Consolidated Financial Statements

For the half year ended 31 December 2023

Beach Energy Limited and Controlled Entities

OTHER INFORMATION

Additional information required to be disclosed under Australian Accounting Standards.

Note 17 Contingent assets and liabilities

Following the hydro pressure test failure which occurred during testing of one of the Otway flowlines in April 2023, our insurers agreed to an interim payment of \$15 million in December 2023 which has been recognised as other income in the consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2023. It is expected that the remaining costs to be incurred associated with replacing the flowline will be largely covered by our insurers, however this has not been recognised as a receivable as at 31 December 2023.

Other than the matter described above, there has been no material change to contingent assets and contingent liabilities since 30 June 2023.

Note 18 Events occurring after the balance date

Mr Brett Woods commenced in the role of Managing Director and Chief Executive Officer on 29 January 2024.

Other than the event described above, there has not been in the period since 31 December 2023 and up to the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

The Directors of the Company declare that:

1. The half year financial report and notes set out on pages 15 to 32, are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
 - (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Adelaide this 12th day of February 2024.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'R K Stokes', with a stylized flourish at the end.

R K Stokes AO

Interim Chairman

Independent Auditor's Review Report



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Independent auditor's review report to the members of Beach Energy Limited

Conclusion

We have reviewed the accompanying half-year financial report of Beach Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'L A Carr' in black ink.

L A Carr
Partner
Adelaide
12 February 2024

Glossary

\$	Australian dollars
BassGas	The BassGas Project (Beach 88.75% and operator, 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 90.25% operated interest in licenses T/RL2 (pending production licence application), T/RL4 and T/RL5 (Prize Petroleum International 9.75%)
bbl	Barrels
Beach	Beach Energy Limited and its subsidiaries
Beharra Springs	Beharra Springs (Beach 50% and operator, MEPAU 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
bp	BP Singapore Pte. Limited, a subsidiary of BP plc
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)
CY2024	Calendar year 2024
DD&A	Depreciation, depletion and amortisation
EP	Exploration Permit
Ex PEL 91	PRLs 151 to 172 and various production licences (Beach 100% and operator)
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% and operator)
Ex PEL 106	PRLs 129 and 130 and various production licences (Beach 100% and operator)
Ex PEL 513	PRLs 191 to 206 and various production licences
Ex PEL 632	PRLs 131 to 134 and various production licences
EBITDA	Earnings before Interest Tax Depreciation and Amortisation
ESG	Environmental, social and corporate governance
FEED	Front-End Engineering Design
FID	Final Investment Decision
FY(24)	Financial year (2024)
Genesis	Genesis Energy Limited and its subsidiaries
GSA	Gas sales agreement
GJ	Gigajoule
H(1) (FY24)	(First) half year period of (FY24)
H(1) (CY2024)	(First) half of calendar year 2024
JV	Joint Venture
JKM	LNG Japan/Korea Marker
kbbl	Thousand barrels of oil
kboe	Thousand barrels of oil equivalent
kbopd	Thousand barrels of oil per day
Kt	Thousand metric 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
Mt	Million metric tonnes
MTPA	Million metric tonnes per annum
NWS	North West Shelf
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 ex PEL 182 (Vanessa) (Beach 100%)
P&A	Plugged and abandoned
PEL	Petroleum Exploration Licence (SA)
PEP	Petroleum Exploration Permit (Victoria and NZ)
Perth Basin	Includes Beach's Waitsia and Beharra Springs assets
PL	Petroleum Lease (QLD)
PRL	Petroleum Retention Licence (SA)
Prize	Prize Petroleum International Pte Ltd
PJ	Petajoule
Qtr	Quarter
SACB JV	South Australian Cooper Basin Joint Ventures, which includes the Fixed Factor Area (Beach 33.4%, Santos 66.6% and operator) and the Patchawarra East Block (Beach 27.68%, Santos 72.32% and operator)
Santos	Santos Limited and its subsidiaries
SPA	Sale and Purchase Agreement
SWQ JV	South West Queensland Joint Ventures, incorporating various equity interests (Beach 30–52.5%, Santos operator)
TJ	Terajoule
Victorian Otway Basin	Produces gas from licences VIC/L1(V), which contain the Halladale, Black Watch and Speculant nearshore gas fields, VIC/L007745(V), which contains the Enterprise gas field, and licences VIC/L23, T/L2, T/L3 and T/L4 which contain the Geographe and Thylacine offshore gas fields. Beach also holds non-producing offshore licenses T/30P, VIC/P42(V), VIC/P43, VIC/P73 and VIC/P007192(V)
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 (Beach 100% and operator)
Western Flank Oil	Comprises oil production from ex PEL 91 (Beach 100% and operator), ex PEL 92 (Beach 75% and operator, Cooper Energy 25%) and ex PEL 104/111 (Beach 100% and operator)

