



## ASX Release

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ASX Ltd  
Companies Announcement Office  
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Dear Sir,

### **FY16 GUIDANCE – PRODUCTION VOLUMES AND CAPITAL EXPENDITURE**

- **Production volumes: 7.8 – 8.6 MMboe**
- **Capital expenditure: \$240 – \$270 million**
- **Higher year-on-year gas sales volumes expected, due in part to utilisation of storage volumes**

Beach Energy Ltd (ASX: BPT, “Beach”) provides the following guidance in relation to FY16 production volumes and capital expenditure. Guidance excludes potential impacts from weather related events, other unforeseen operational delays, exploration successes and corporate activity (acquisitions / divestments or farm-ins / farm-outs). Production guidance is net of fuel.

#### **Production volumes**

The recent industry-wide focus on preserving cash reserves and liquidity has seen reduced drilling activity across the Cooper Basin and lower expectations for near-term production profiles. Accordingly, the FY16 production guidance range of 7.8 to 8.6 MMboe reflects the impact of natural field decline and curtailed drilling activity. Consideration has also been given to timing of new wells and facilities coming online.

Despite lower production, gas sales volumes in FY16 are expected to be higher than FY15 levels as a result of likely drawdown from storage.

#### **Capital expenditure**

The FY16 capital expenditure program has been prepared under the assumption of a continuing lower oil price environment, with a focus on preserving cash reserves and maintaining liquidity. Accordingly, a major reduction in capital expenditure is budgeted, with lower priority projects deferred. The FY16 capital expenditure guidance range of \$240 to \$270 million is summarised below.

Capital Expenditure	FY15A \$ million	FY16 Guidance \$ million
<b>DEVELOPMENT</b>		
Cooper Basin (SACB and SWQ JVs)	228	145 – 160
Cooper Basin (non SACB and SWQ JVs)	45	45 – 50
International	12	–
<b>Total Development Expenditure</b>	<b>285</b>	<b>190 – 210</b>
<b>EXPLORATION</b>		
Cooper Basin (SACB and SWQ JVs)	7	5 – 10
Cooper Basin (non SACB and SWQ JVs)	38	30 – 35
Unconventional	60	5
International	19	5
Other Australia	7	5
<b>Total Exploration</b>	<b>131</b>	<b>50 – 60</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>416</b>	<b>240 – 270</b>

As at 30 June 2015, Beach had a robust liquidity profile comprising cash on hand of \$170 million, drawn debt of \$150 million and undrawn debt of \$150 million. The FY16 capital expenditure program is expected to be fully funded in order to achieve a similarly strong liquidity profile at the end of FY16.

Yours sincerely,



**Rob Cole**  
Managing Director

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