



ASX Release

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ASX Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

NON-CASH ASSET IMPAIRMENTS

Non-cash asset impairment charges for H2 FY15 of \$449 million (after tax) expected, primarily relating to Cooper Basin and Egyptian interests

Beach Energy Ltd (ASX: BPT, "Beach") advises of additional asset impairment charges expected to be recognised in its FY15 full year accounts, due for release on Monday, 24 August 2015. Asset carrying values have been assessed as part of Beach's full year review process.

Asset impairment charges in H2 FY15 have been determined on an area of interest basis and primarily relate to:

- Delhi interests following revisions to reserves and the impact of the operator's development plan;
- The Nappamerri Trough Natural Gas project ("NTNG") following completion of the Stage 1 exploration program and exit of joint venture partner, Chevron Exploration Australia 1 Pty Ltd; and
- Egyptian assets to reflect net proceeds expected to be received upon completion of the sale of these interests as announced on 10 August 2015.

Acting Chief Executive Officer, Neil Gibbins, said "It is important to bear in mind that the full year impairments have no cash impact and do not affect Beach's underlying business. The reduction in asset values partly reflects the sustained low oil price environment. Also, the recently announced sale of the Egyptian assets is consistent with our strategy to focus closer to home, where we believe our core competencies can be better utilised to grow shareholder value. Despite sustained low oil prices, the benefits of this approach are already being seen, with our enviable financial position and continuing strong operational performance."

Summarised below are the estimated impairment charges for FY15, which are subject to finalisation of the FY15 full year accounts.

| Non-cash Impairment Charges (\$ million) | Before Tax | | | After Tax | | |
|---|------------|------------|------------|------------|------------|------------|
| | H1 FY15 | H2 FY15 | FY15 | H1 FY15 | H2 FY15 | FY15 |
| Cooper Basin interests | 193 | 152 | 345 | 135 | 106 | 241 |
| NTNG | - | 238 | 238 | - | 167 | 167 |
| Egyptian interests | - | 174 | 174 | - | 174 | 174 |
| Romanian interests | 30 | 2 | 32 | 30 | 2 | 32 |
| Total | 223 | 566 | 789 | 165 | 449 | 614 |

Note 1: Brent oil price assumptions have been determined by reference to consensus estimates and include US\$62.50/bbl in FY16, US\$75/bbl in FY17, US\$85/bbl in FY18 and US\$90/bbl beyond FY18; A\$/US\$ exchange rate of 0.80 assumed constant in all years

Yours sincerely,



Neil Gibbins
Acting Chief Executive Officer

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