



Beach Energy Limited

The 'emergence' of Cooper Basin shale gas

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Compliance statements



Disclaimer

- This presentation contains forward looking statements that are subject to risk factors associated with oil, gas, geothermal and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.
- All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. References to “Beach” may be references to Beach Energy Limited or its applicable subsidiaries.
- Unless otherwise noted, all references to reserves and resources figures are as at 30 June 2009 and represent Beach’s share.

Competent Persons Statement

- This presentation contains information on Beach’s Reserves and Resources which have been compiled by Mr Gordon Moseby, who is a full time employee of Beach, is qualified in accordance with ASX listing rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.

Overview of Beach Energy Limited

- **Strategy**
- **Base Business**
- **Growth Potential**

The emergence of Cooper Basin shale gas

- **What**
- **Where**
- **How**

Beach Energy Limited (ASX : BPT) – A compelling value proposition



Strong base business

- 2P reserves of 66 MMboe
- Sustainable long-term oil & gas production
- FY 2010 production guidance of 8.0 MMboe
- \$118 million cash & zero debt**

'Game changing' long-term growth potential

- Huge Cooper Basin shale gas resource potential
- High potential East African rift oil exploration acreage
- LNG supply potential from existing portfolio

The right people and relationships

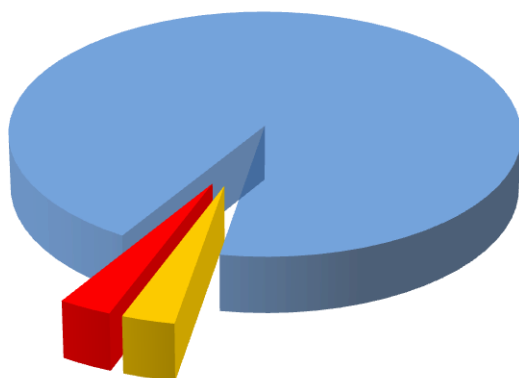
- Track record of value creation
- Highly competent team
- Quality joint venture and strategic relationships

** as at 30/12/2009

Reserves & resources snapshot - 30 June 2009

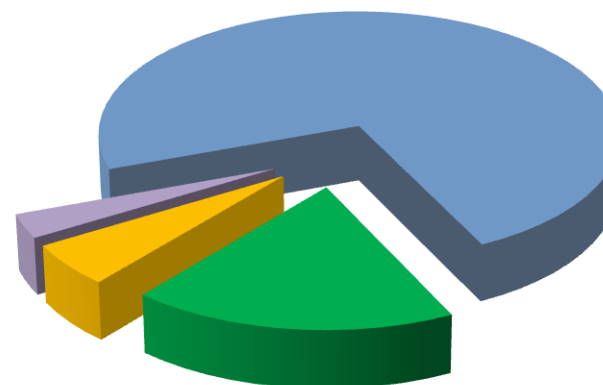


**2P Reserves:
66 MMboe**



■ Cooper / Eromanga ■ Gippsland ■ Egypt

**2P Reserves & Contingent
Resources: 359 MMboe**



■ Cooper / Eromanga ■ 2P ■ Gippsland ■ Other

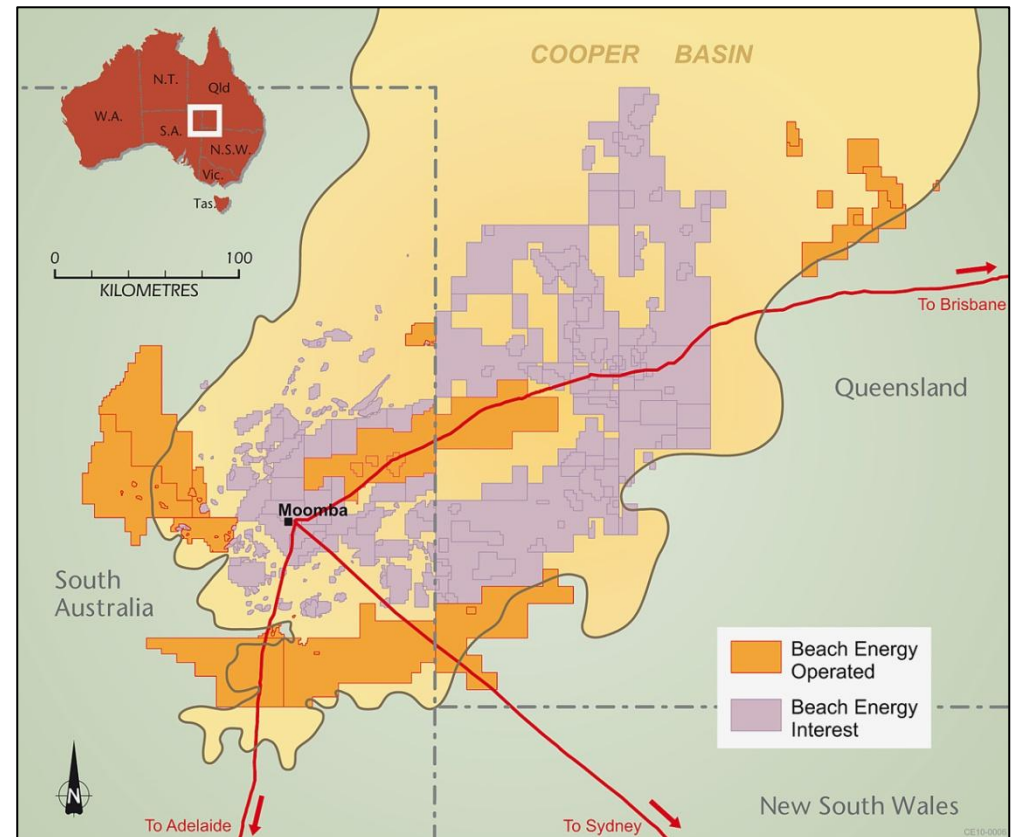
***A solid and enviable base from which to grow,
plus a substantial portfolio of emerging opportunities***

- **Consistent, targeted growth:**
 - Long-term cash flow, production and reserves
 - Value driven investments
- **Thinking ahead of the pack:**
 - Early entry, low risk, high return
 - Participation in emerging technologies and opportunities
- **Balanced portfolio:**
 - 60:30:10 risk profile
- **Conservative and flexible balance sheet**
- **Invest in affordable low pollutant energy**

The 'base business' – Cooper Basin production, development & exploration



- **Cooper Basin is a key supplier of onshore oil & gas to eastern Australian markets:**
 - Diversified asset, product and market mix
- **Beach participates in approx. 300 exploration and production licenses:**
 - Equity interests range from approx. 17% to 100%
- **Numerous exploration and development opportunities**



The 'base business' – Conventional Cooper Basin oil and gas



Cooper Basin Oil ***2P reserves 14.3 MMbbl***

- **Comprised of three key areas:**
 - Western flank (Beach operated)
 - Central Cooper Basin (Santos operated)
 - Eastern flank (Beach operated)
- **Successful development of the Beach operated western flank:**
 - Beach has discovered approx. 10 MMbbl over the past 8 years
- **Beach operated six well drilling campaign planned for 2010**

Cooper Basin Gas ***2P reserves 228 PJ & 7.4 MMboe***

- **Gas & ethane contracts with major retailers and end consumers**
- **Domestic and export LPG contracts**
- **Export naptha contracts**
- **Quality joint venture partners in Santos and Origin Energy**
- **Drilling program planned to convert 500 PJ (gross) of conventional gas resources into 2P reserves**

The 'base business' - Gulf of Suez: First oil within months



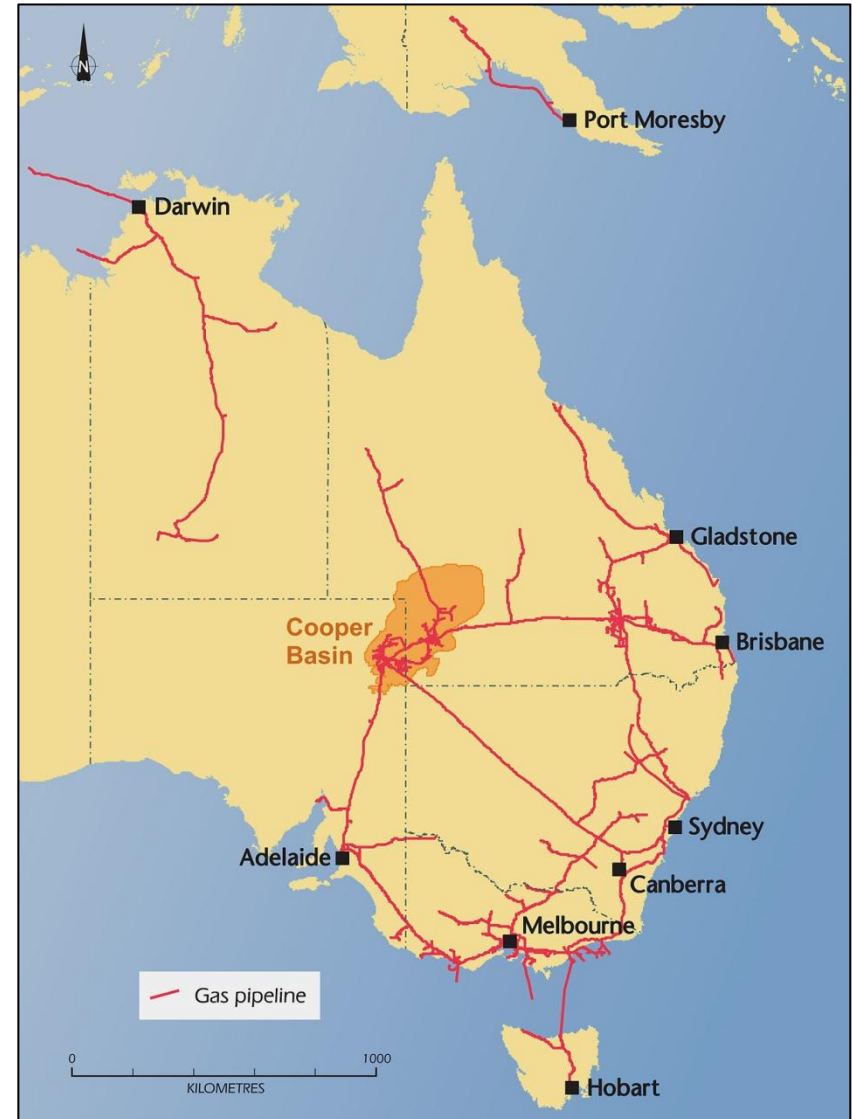
- Beach 20% interest
- High potential Gulf of Suez acreage
- Three existing oil discoveries:
 - NS 377 and 385 ('near shore fields')
 - NS 394 'Burtocal'
- First oil expected Q3 2010 from near shore fields
- Seeking new opportunities to expand growth



Expanding the base business – Positioning for long-term Australian gas supply



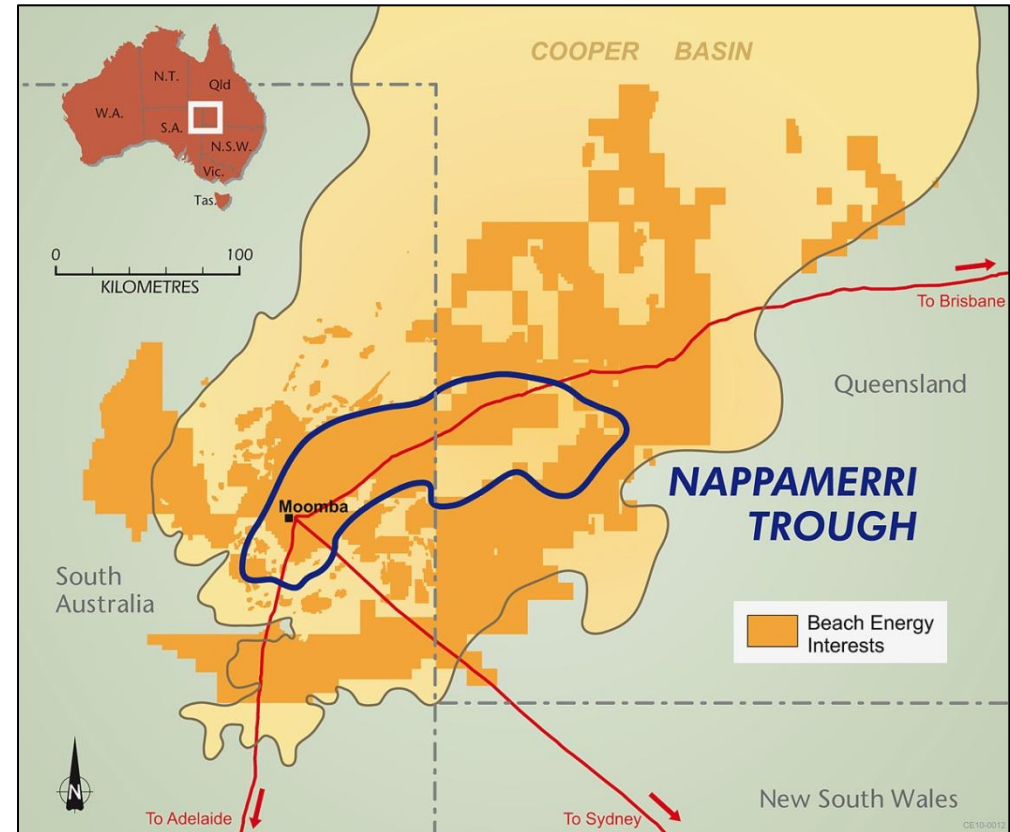
- **Beach is seeking to grow its base gas business in eastern Australian markets from the Cooper Basin**
- **Good long-term growth opportunities for eastern Australian gas resources:**
 - Strong projected domestic and export demand
 - Carbon policies
- **Cooper Basin shale gas is a ‘sleeper’ in the options for long-term domestic and export gas supply**



Cooper Basin - Significant shale gas potential



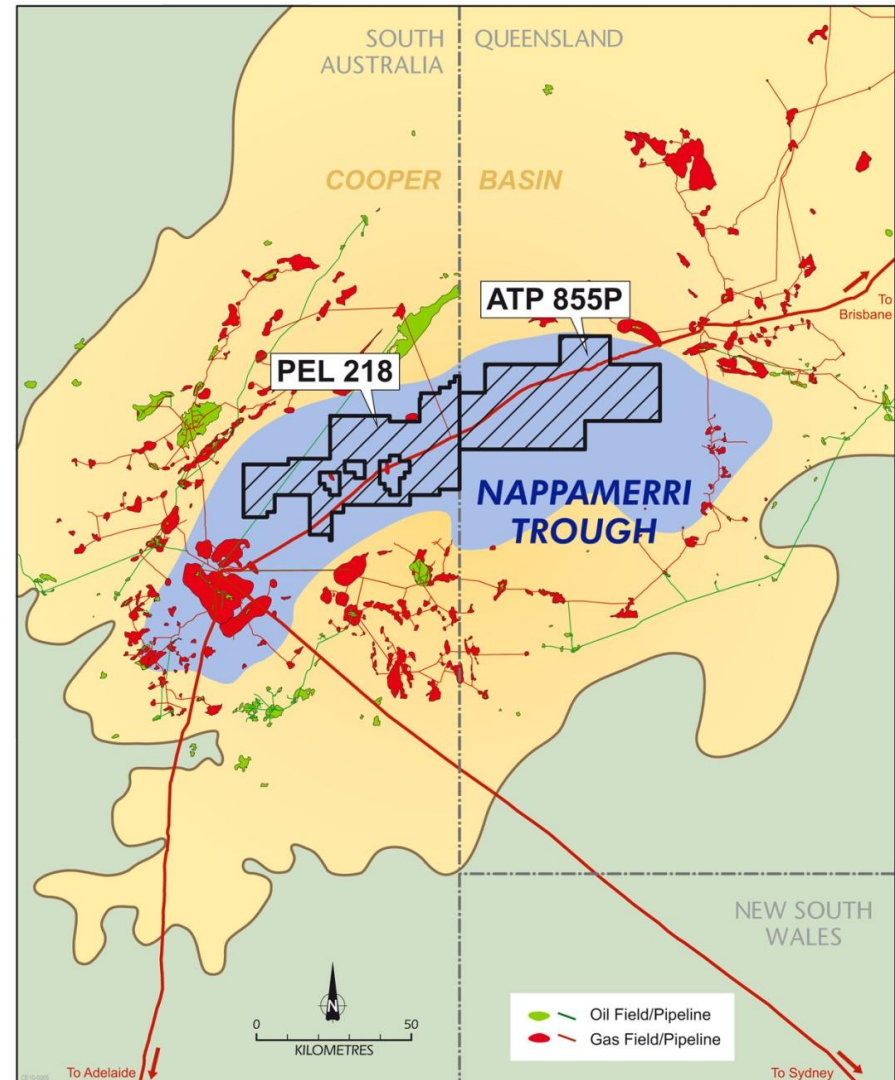
- Early identification of Cooper Basin shale gas potential
- Captured prospective acreage with high equity participation
- Huge resource potential:
 - Comparable to combined NSW and Queensland coal seam gas volume
- Access to multiple market opportunities via existing and future infrastructure
- Developing key relationships to deliver technologies and new markets



Nappamerri Trough – Potential gas in place greater than 200 Tcf



- Extensive and thick shale packages
- Similar properties to the best US shale plays
- Nappamerri Trough total area ~ 10,000 km² (~ 3,800 sq miles)
- Potential gas in place 20 – 100 Bcf/km² (50 – 250 Bcf/sq mile)
- Beach has high equity participation in *key permits*:
 - PEL 218 (1,600 km²: 90%)
 - ATP 855P (1,680 km²: 25 - 40%)



Why the Nappamerri Trough?



Geological properties

- Thick shale sequence → ***150m thick over 10,000 km²***
- Organically rich → ***5% Total Organic Carbon (TOC)***
- Gas prone → ***Proven***
- Thermally mature → ***Proven***
- Overpressure → ***Proven***
- Tight gas sands → ***Potential upside***

Mechanical properties

- Suitability for fracturing → ***Probable***
- Containment of fracture → ***Low risk***

Commercial aspects

- Infrastructure → ***Significant infrastructure already exists***
- Cost structure → ***To be determined***
- Market → ***Multiple options; dependent on cost structure***

Nappamerri Trough shales compare favorably with US shale gas plays



Parameter	Barnett (TX)	Fayetteville (AR)	Marcellus-Appalachian (NE USA)	Haynesville, LA	Cooper Basin Nappamerri Trough
Depth (ft)	5400 - 9600'	1200 - 7500'	1500 - 8000'	10000 - 13000'	9500 - 11500'
Thickness (ft)	250 - 500'	50 - 200'	75 - 300'	200 - 300'	400 - 500'
Petrology	Siliceous Mudstone	Siliceous Mudstone	Argillaceous Mudstone	Argillaceous/Calcareous Mudstone	Siliceous Mudstone
Age	Lower Carboniferous (Mississippian)	Lower Carboniferous (Mississippian)	Devonian	Jurassic	Permian
Porosity %	7	6.5	6	10	To be measured
TOC Av%	5	4	6	4	5
Ro%	1-1.3 (type II)	>1	>1	2.2 - 3 (type III)	1.6-3.1 (type II)
Temp degF	200			240 - 322	300 - 390
GIP (Av) Bcf/sq.mile	100	48	100	200	Prelim. 50 - 250 To be measured

Multiple long-term shale gas market options



- **Good prospects to increase Cooper Basin supply over time**
- **New domestic gas supply opportunities include:**
 - Power generation
 - Feedstock
 - Liquid fuels
- **LNG supply a long-term objective**
- **Holdfast-1 shale gas exploration well to be drilled Q3 2010**
- **Targeting first Beach-operated shale gas sales in FY 2015**

When will Cooper Basin shale gas value recognition occur?

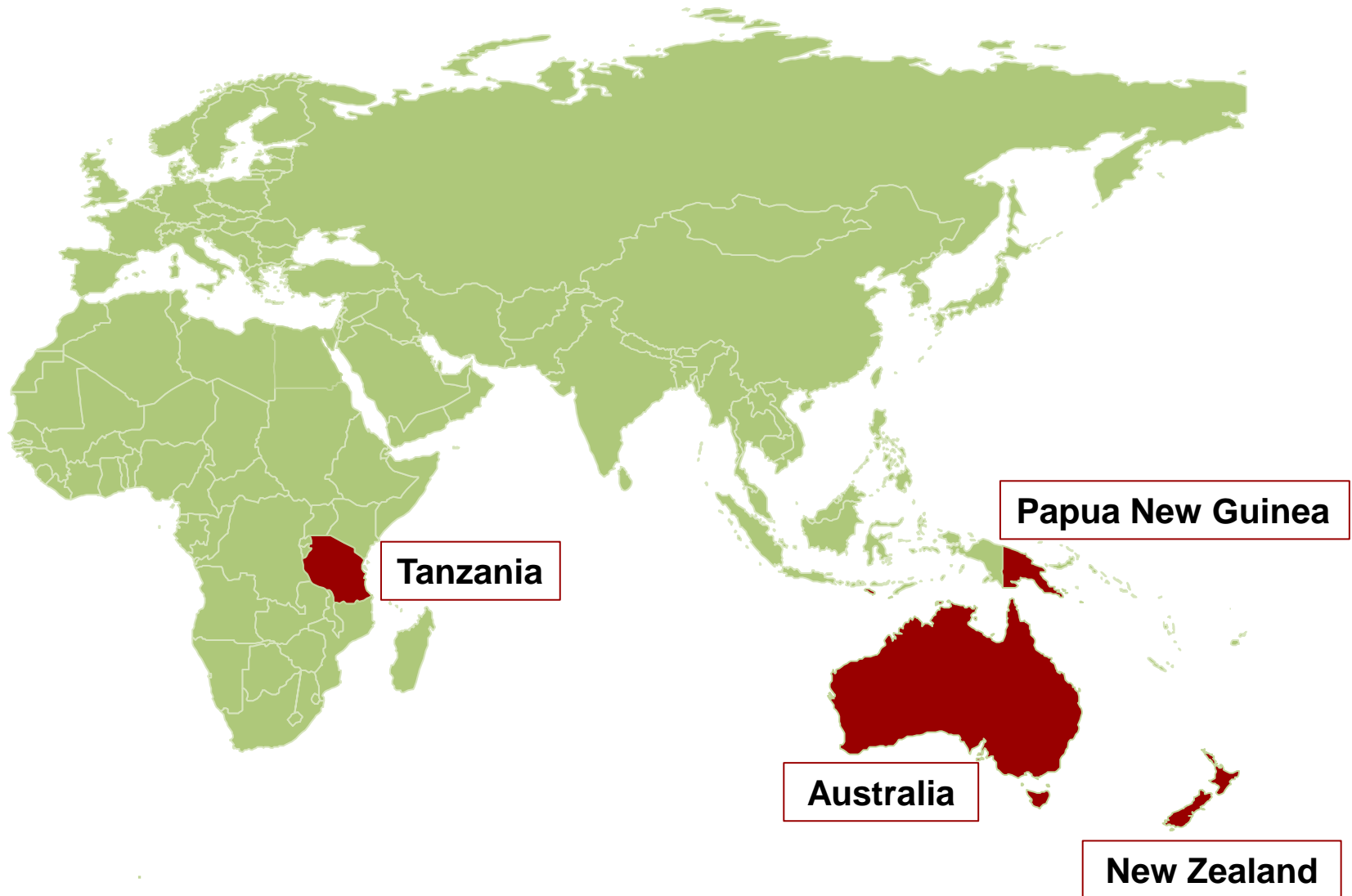


Some recent US shale gas transactions

Deal	Location	Date	Value
Mitsui - Anadarko	Marcellus	Feb 10	US\$1.4b
Total - Chesapeake	Barnett	Jan 10	US\$2.25b
ExxonMobil – XTO Energy	Included 1 million acres of various shale gas acreage	Dec 09	US\$41b
BG Group – EXCO Resources	Haynesville	Aug 09	US\$1.1b

- **Australian unconventional gas M&A activity has been mainly associated with Queensland coal seam methane (CSM):**
 - Approximately \$20 billion worth of recent CSM deals
 - Purchasers include BG Group, ConocoPhillips, Shell and PETRONAS
- **Australian unconventional gas M&A activity has lagged overseas ‘action’ whilst the industry was developing technology, resources and markets**

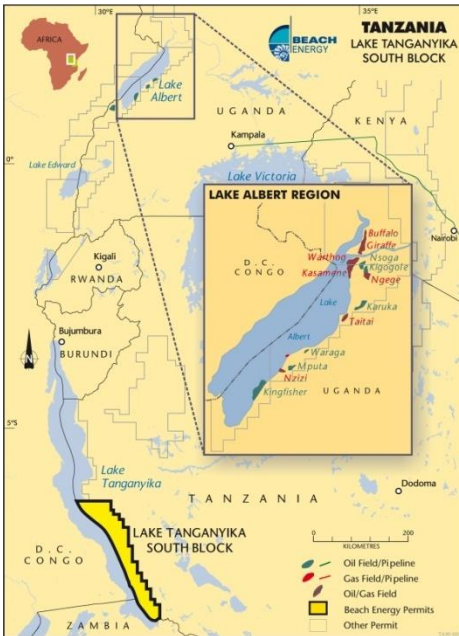
Some other long-term growth opportunities – 'Big oil' and 'big gas'



'Big oil' and 'big gas' growth opportunities



Tanzania



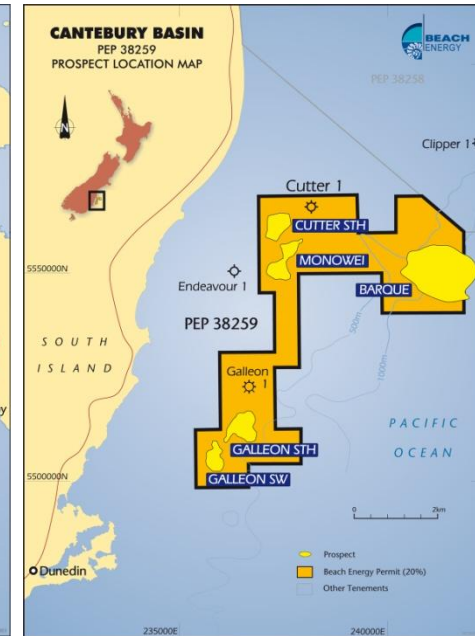
Browse Basin



Gulf of Papua



Canterbury Basin



- **Emerging oil province:**

- Beach 100%*
- Potential for 200 MMbbl+ discoveries
- Exploration planned to commence in 2010

- **LNG supply potential from existing portfolio:**

- **Burnside-1-ST1** (multi-Tcf discovery made in 2009, Beach 7.34%)
- **Pandora** (2P gas resource ~ 0.8 Tcf, Beach 6.36%)
- **Barque** gas prospect (multi-Tcf potential, Beach 20%)

- **Sustainable underlying base business:**
 - Long-life reserves
 - Long-term production and cash-flow
 - Asset, product and market diversity
- **Tangible growth potential targeting regionally specific opportunities:**
 - Cooper Basin shale gas
 - Egypt
 - Game-changing exploration and development potential
- **Robust balance sheet**
- **The right people and strong strategic relationships to deliver long-term growth**

