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Beach maintains financial strength and delivers operational performance

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Beach continued to maintain financial strength at the end of the second quarter of FY16, in addition to delivering strong operational performance, despite continued challenges across the industry of a low oil price environment.

Sales volumes of 2.5 MMboe were down 3% on the last quarter. This was largely attributed to seasonally lower gas demand and third party sales.

Total sales revenue was \$126 million, down 13% on the last quarter, as a result of the sustained lower oil prices.

Capital expenditure during the quarter was \$78 million. Beach continues to monitor its capital expenditure program and last week announced a reduction of its second half of FY16 program of up to \$40 million.

Guidance has also been revised to \$180 - \$210 million (previously \$240 - \$270 million).

Acting Chief Executive, Neil Gibbins said Beach's financial position at the end of the quarter demonstrates that the Company is continuing to deliver its on strategy of maintaining financial strength.

"Beach closed the quarter with cash reserves of \$164 million, which has been held relatively constant over the last six months," Mr Gibbins said.

"At all times, not just in a lower oil price environment, it is important that we continue to ensure that the Company remains in a strong financial position.

"To that end we have strengthened our balance sheet further with a new \$530 million debt facility, up \$210 million from our previous facility.

"Operationally we continued to deliver strong quarterly production of 2.3 MMboe with better than expected performance from the Bauer Field, contribution from new facilities at Stunsail and Pennington, and strong performance from both operated and non-operated gas fields," Mr Gibbins said.

Last week Beach announced a revision of its FY16 production guidance to 8.0 – 8.6 MMboe (from 7.8 – 8.6 MMboe). The narrowed range reflects outperformance in the first half of FY16, with production of approximately 4.5 MMboe (net to Beach).