



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Beach Energy

Business Description

Beach Energy Limited (BPT, formerly Beach Petroleum) is involved in oil and gas exploration, development and production, as well as investment in resource industry. BPT has interests in more than 300 exploration and production tenements both in Australia and internationally, with its primary production and exploration focus in the Cooper-Eromanga Basin in central Australia. As at June 2011, BPT had 2P reserves of 77 MMboe and 2C contingent resources of 660 MMboe. The FY11 production was 6.6 MMboe.

Strategy Analysis

The company strategy is focused on maintaining a balanced exposure to risk and reward across existing exploration and development projects. Further investment opportunities will be based on affordability and use of low pollutant energy. It is important to BPT that strategic planning allows for flexibility as well as growth. Beach Energy reported a net loss of \$96.79m for the year ended 30 June 2011. Revenues from ordinary activities were \$498.22m, up 2% from last year. Diluted EPS was (8.87) cents compared to 3.09 cents last year. Net operating cash flow was \$184.53m compared to \$128.47m last year. The final dividend declared was 1 cent, taking the full year dividend to 1.75 cents compared with 1.75 cents last year. Looking ahead, the Company reported that opportunities are supported by strong cash flow generating assets in the Cooper Basin, which should only increase as pipeline infrastructure improves oil and gas production and flood waters recede to provide access for new exploration campaigns.

27 January 2012

Recommendation

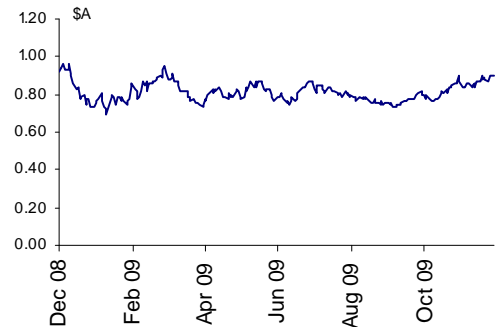
Recommendation: Outperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: BPT
Stock price: \$1.47
Market cap: \$1,635m

	Y/E 30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	90.2	117.2	147.0	99.0
Adjusted e	\$m	90.2	117.2	120.2	99.0
EPS adjusted	¢	8.2	10.6	10.8	8.9
EPS growth	%	116.6	29.5	2.2	-17.9
PE	x	18.0	13.9	13.6	16.6
PE relative	x	1.2	1.3	1.4	2.0
DPS	¢	1.8	1.8	1.8	1.8
Yield	%	1.2	1.2	1.2	1.2
Franking	%	50.0	50.0	50.0	50.0

Share Price



Source: ASX and Company accounts

Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Hydrocarbons	100.0	100.0	100.0	89.0%	27.0%
Total	100.0	100.0	100.0	7.0%	18.0%
Results by Geography				Dividend Reinvestment Plan	
Australia	99.5	17.0	35.9	Shareholder	Yes
International	0.5	0.7	81.5	Discounts	No
Total	100.0				

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