AUSTRALIAN SHAREHOLDERS' ASSOCIATION

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Declining reserves a key concern for shareholders

Company/ASX Code	**Beach Energy Limited/BPT**
AGM time and date	**November 11 2025**
Location	Adelaide Convention Centre
Registry	Computershare
Type of meeting	In person with Webinar (live webcast only, no questions)
Monitor	James Hahn assisted by Michael Davey
Pre-AGM Meeting	Yes, with Chairman Ryan Stokes and Lead Independent Director Dr Peter Moore

Monitor Shareholding: The individuals involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Adoption of the Remuneration Report	For
2a	Election of Shaun Gregory as a director	For
2b	Re-election of Sally-Anne Layman as a director	For
2c	Re-election of Ryan Stokes AO as a director	For
3	Approval of the issue of performance rights to MD & CEO Mr Bret Woods for the LTI	For
4	Approval of the issue of performance rights to MD & CEO Mr Bret Woods for the STI	For

2. Summary of Issues and Voting Intentions for AGM/EGM

Reserves for Beach Energy had materially deteriorated over a five-year period. How and when is the company going to replenish the reserves to above an 8.8-year level?

Given Mr Ryan Stokes' executive role at SGH Ltd and his other board positions, how does the Chair ensure he has sufficient time and capacity to fulfil his responsibilities to Beach Energy?

Can the company explain to the meeting the progress and future relevance to the Waitsia project?

3. Matters Considered

Accounts and reports

This year was a mixed year for the financial operations of Beach Energy. Total Share Holder Return was negative, but dividends were higher. The company still has reserves and operation problems that are not yet solved but progress is being made. The financial details, of interest to ASA, are in the chart below.

Beach has again downgraded 1P Reserves from 109 to 93 MMboe and 2P Reserves from 205 to 173 MMboe, reducing reserves life from 11.3 years to 8.8 years. This impairment contributed to a $43.8 loss for the Financial Year (FY) 2025. We believe that lower reserves are a major issue for the company, and therefore the shareholders. In discussions with the Chairman, it was acknowledged that a priority will be directed towards reserves replenishment. This may come about by organic means through additional exploration in the Otway Basin, the Bowen Basin, the Perth Basin and Western Flank. The company did not rule out future acquisitions if certain criteria were met. The ASA reminded the Chairman of the importance of a 'fair' capital raising for retail shareholders if a capital raising occurs.

The company reduced its workforce by 33% and appointed a new management team. Structural cost savings reduced field operating costs by 18% and sustaining capital costs by 20%. Free cash flow breakeven oil price is now below US$30/bbl. The company now is smaller and leaner, with reduced reserves life.

Beach has a 33% interest in the Moomba CCS project, which was successfully commissioned and has a potential to capture and store approximately 1.7 Mtpa of CO_2. The company will use this facility to reduce its carbon emissions. Asked if Beach Energy would participate in third party access to the facility, which is operated by Santos, the Chairman displayed disinterest.

Waitsia stage 2 has continued to be problematic. Scheduled delivery is now pushed back to Q1 2026, while Beach has seconded over 20 senior personnel to accelerate the commissioning of the project. The Perth Basin has 39% of the company's FY25 reserves so this is also a major issue.

Flooding affected operations in the Cooper Basin and Western Flank. This was another contribution to the negative NPAT. However, a 10 well appraisal development program was approved, subject to flood waters subsiding and roads opening. Western Flank is the oil component of the business and contributes 12% of FY25 production.

Otway Basin is now contributing 30% of FY25 production. Supply from the Enterprise and Thylacine West in the Otway Basin and the higher volumes in the Bass Basin saw Beach supply 19% of the East Coast gas market in FY25.

On a positive note, sales revenue increased by 13%, underlying EBITDA increased by 20%, underlying NPAT increased by 32% and at 9cps, dividends increased by 125%. Managing Director and CEO, Brett Woods, described the year as 'a year of transformation, resilience and transformation for Beach' and FY26 as being 'pivotal in Beach's evolution'.

Financial performance

(As at FYE)	**2025**	**2024**	**2023**	**2022**	**2021**
NPAT ($m)	-43.8	-475.3	400.8	500.8	316.5
UPAT ($m)	451	341	385	504	363
Share price ($)	1.32	1.49	1.345	1.725	1.24
Dividend (cents)	9.0	4.0	4.0	2.0	2.0
Simple TSR (%)	Negative 5.4	13.8	negative 36	39.1	negative 17.1
EPS (cents)	-1.92	-20.85	17.58	21.94	13.88
CEO total remuneration, actual ($m)	1,880,940	638,344*	1,333,821	1,318,694	1,202,864

Simple TSR is calculated by dividing the change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

Beach Energy has 7 board members, comprising of 4 independent members, a Managing Director and two nominees from Seven Group Holdings (SGH). Ryan Stokes has been Chair since 17 October 2024. The board members have the appropriate qualifications and will be required to have 100% of remuneration in shares within a five-year period. The company has comprehensive Corporate Governance statements and reports. ASA guidelines are for an Independent Chair; therefore, we would not consider this best practice.

The Company has a board skill matrix but not an individual matrix. We alerted the Chair to this. All statutory requirements are adhered to and overall satisfactory.

Key events

There were no significant key events in the financial year ending 30 June 2025.

Key board or senior management change

Dr Peter Moore has advised Beach his intention to retire at the conclusion of the 12 November 2025 AGM.

Mr Shaun Gregory has been appointed as an independent director on 1 September 2025.

Sustainability/ESG

Beach has a comprehensive Sustainability Report. The climate report is thorough and includes short-term, medium term and long-term time horizons. The CCS project is pivotal to the achievement of carbon reductions. The company has an objective to reduce carbon emission intensity by 35% by 2030. Executive remuneration is linked to CTAP targets.

Gender equality is well documented, as is Health and Safety, Community Investment and Indigenous Participation. The report includes data and has an EY Independent Limited Assurance Report attached.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

Because a capital raising is a possible outcome of a takeover to purchase addition reserves ASA raised the issue of a 'fair' capital raising for retail shareholders. The company does not have a hybrid meeting format, therefore falls short of ASA guidelines.

The board directors are a majority independent but due to SGH Ltd. owning 30.2% of the Beach's shares two directors are nominees. The Performance Linked Executive Remuneration is well presented and reasonable. This also applies to the ESG and Sustainability statements.

4. Rationale for Voting Intentions

Resolution 1 Remuneration Report (for)

Fixed remuneration was unchanged for all executives except the CFO, who received an increase. Directors' remuneration increased by 7% to bring them closer to market. The Chairman, Mr R. Stokes received a consultancy fee from Beach Energy pursuant to the agreement with SGH.

The total Short-Term Incentives (STI) Performance Rights awarded was 60.5% and none of the 2021 Long-Term Incentive (LTI) Performance Rights vested, due to underperformance.

Although not all directors hold one years' base salary in Beach shares, it is company policy for all directors to own one years' Beach shares after a five-year period.

The overall layout of the REM report is good and conforms with ASA recommendations. Actual and statutory payments are displayed, as is the CEO remuneration quantum and mix. The report has all relevant information in easy-to-read format and charts.

The STI performance conditions are clearly described and offer the CEO 100% company goals and other executives 75% company goal and 25% personal goals. For the STI, Beach removed the two-tier threshold and replaced it with a pre-growth free cash flow threshold test. If goals are achieved, half is paid in cash and half is awarded in shares, vested over 1 and 2 years. Also, performance hurdles are in place.

As mooted last year, the LTI Performance Hurdles have been upgraded. Four equal weighted 25% three-year tranches measured against different hurdles are in place.

Tranche 1 will be subject to Beach's Total Shareholder Return (TSR) relative to companies in the Resource Sector Subgroup. At <51st percentile – 0% vesting, 51st percentile 50% vesting and between 51st and 76th percentile a straight-line prorated number will vest to 100%.

Tranche 2 will be subject to Beach's Total Shareholder Return (TSR) relative to companies in the ASX 200 Index as of July 1, 2024. At <51st percentile – 0% vesting, 51st percentile 50% vesting and between 51st and 76th percentile a straight-line prorated number will vest to 100%.

Tranche 3 will be subject to Beach's performance on its free cash flow breakeven oil price (FCFBOP). The FCFBOP is the average oil price at which cash flows from operating activities equals cash flow from investing activities (before growth expenditure). At >US$30/bbl – 0% vesting, =US$30/bbl – 50% vesting and between US$30/bbl and US$25/bbl a straight-line pro-rated number will vest to 100%.

Tranche 4 will be subject to Beach's performance in relation to its return on capital employed (ROCE). ROCE is measured as underlying earnings before interest and tax divided by capital

employed (Defined as Net assets + Debt). At >10% - 0% vesting, = 10% - 50% vesting and between 10% and 15% a straight-line pro-rated number will vest to 100%.

We believe that the overall remuneration for Key Personnel is sound. Fixed remuneration is at market. Although LTI is large for the CEO, it is however, well documented and relevant. Even though ASA would prefer a four-to-five-year LTI, the hurdles are comprehensive and realistic. The company remuneration metrics are provided in chart form in Appendix 1 below.

Resolution 2a Election of Shaun Gregory as a director (for)

Mr Gregory is a strategic technology and energy executive with over three decades of experience in geophysics, digital transformation (including AI) and sustainable energy. These qualifications make Mr Gregory an ideal fit for Beach Energy. His skills are compatible with the business model that will be required in the energy business going forward. We approve of his nomination.

Resolution 2b Re-election of Sally-Anne Layman as a director (for)

Ms Layman has good qualifications in Engineering (B Eng (Mining)Hon) and Accounting (CPA, MA/CD). She has many decades experience in the extractive industry. Currently Ms Layman is Chair of Beach's Audit and Risk Committee and a member of the Remuneration and Nomination Committee. We approve of her re-appointment.

Resolution 2c Re-election of Ryan Stokes AO as a director (for)

Mr Stokes was first appointed to the Board in 2016, retired in November 2021 and was re-appointed in July 2023. He was appointed Chair on 17 October 2024 and serves on the Remuneration and Nomination Committee.

Mr Stokes is the Managing Director and Chief Executive Officer of SGH Ltd. which owns 30.2% of Beach Energy, therefore he is a nominee of SGH Ltd. Mr Stokes is Chair of WesTrac, Coates, Boral, and Beach (30%) and non-executive director of Seven West Media (40%). Other positions include CEO of Australia Capital Limited, which is a private company holding a major interest in SGH Ltd. He is also Chairman of the National Gallery of Australia. All the listed and private companies are subsidiaries or partially owned by SGH Ltd or associated with SGH Ltd.

In the pre-AGM meeting ASA expressed concern over the heavy workload of the Chairman. Although Mr Stokes acknowledged the workload, he explained the roles are interconnected and are all 'part of his day job', being managing SGH Ltd. and its subsidiaries and interests. We are uncomfortable with the workload but understand Mr Stokes is a nominee from a 30% shareholder and the corporate board positions are associated with one holding company. We were also informed that strict protocols are in place. The lead independent director, Dr Peter Moore, was present at the meeting and reinforced the idea of strong independent protocols. Therefore, we vote for Mr Stokes' re-election.

Resolution 3 – Approval of the issue of performance rights to the Managing Director and CEO, Brett Woods under the Beach 2024 Long Term Incentive Offer (for)

Mr Woods is eligible for performance rights under the LTI. Beach Energy is purchasing the shares at market value, on market and therefore does not need shareholder approval. This is good governance to present this resolution.

Resolution 4 – Approval of the issue of performance rights to the Managing Director and CEO, Brett Woods under the Beach 2024 Short Term Incentive Offer (for)

As in Resolution 4 Beach Energy is exhibiting good governance for presenting this resolution to shareholders.

Resolution 5 Renewal of Proportional Takeover Provisions in the Constitution (for)

This is considered a good governance issue and therefore we will support the resolution.

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Appendix 1
Remuneration framework detail

CEO rem. Framework for FYXX	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1,350	38%	1,350	30%
STI - Cash	663	19%	887	20%
STI - Equity	663	19%	887	20%
LTI	834	24%	1,331	30%
Total	3,510	100.0%	4,455	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.