



ASX Release

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ASX Ltd
Companies Announcement Office
Electronic Lodgement System

BEACH ACQUIRES FURTHER OTWAY AND BASS INTERESTS

- **Beach to acquire Toyota Tsusho's 5% interest in the Otway Gas Project and 11.25% interest in the BassGas Project**
- **Transaction delivers strategic benefits from resultant 100% ownership of the Otway Gas Project and greater influence in the BassGas Project**

Beach Energy Limited (ASX: BPT, "Beach") advises that it has entered into binding agreements with Toyota Tsusho Corporation and related parties ("Toyota Tsusho") to acquire its interests in the Otway Gas Project ("OGP") and BassGas Project (collectively the "Transaction"). OGP includes production from the Thylacine and Geographe offshore gas fields, the Thylacine well head platform and the onshore Otway gas plant. The BassGas Project includes the Yolla offshore gas field, the BassGas pipeline and onshore Lang Lang gas plant, and various exploration permits and retention licenses. Refer to Appendix A for location maps.

Beach will acquire Toyota Tsusho's 5% stake in OGP and 11.25% stake in BassGas Project for cash consideration, to be funded from Beach's existing cash reserves. The purchase price remains confidential, however is consistent with pricing parameters of recent comparable transactions within the sector. The Transaction is subject to standard conditions precedent including relevant third party consents. Completion is expected in early 2018 with an effective date of 1 January 2017 for the OGP interest and 1 July 2017 for the BassGas interests.

Assuming successful completion of the acquisition of Lattice Energy (refer Beach announcements of 28 September 2017 and 19 December 2017) and the concurrent acquisition of Benaris's 27.77% interest in OGP (refer Origin Energy Limited's (ASX: ORG, "Origin") announcement of 11 September 2017), Beach will hold a 100% interest in OGP, a 53.75% interest in BassGas producing assets, and a 50.25% in BassGas exploration permits.

Full control of OGP will allow Beach to optimise future work programs efficiently as it progresses with the next phase of activities in the region. The OGP gas fields are currently supplying approximately 100 TJ/d into the Victorian gas market as well as 2,500 boe/d of LPG and condensates. The OGP infrastructure is strategically important and currently also processes gas from the 100% Lattice Energy owned Halladale and Speculant gas fields. Spare gas processing capacity is also available for potential future expansions due to Beach or third party exploration or development activities.

BassGas currently delivers approximately 60 TJ/d into the Victorian gas market.

Beach's CEO, Matt Kay, said "The acquisition of Toyota Tsusho's interests in the Otway and BassGas projects is of strategic benefit to Beach. Full ownership of the Otway Gas Project delivers additional flexibility and control over future work programs. It also allows the potential introduction of new joint venture partners and ensures efficient management of joint venture and other commercial arrangements. The acquisition demonstrates Beach's intent to pursue value accretive bolt-on acquisitions consistent with our growth strategy whilst we complete the acquisition and integration of Lattice."

Yours sincerely,

A handwritten signature in black ink, appearing to be "Matt Kay", written over a horizontal line.

Matt Kay
Chief Executive Officer

For more information please contact the following on +61 8 8338 2833

Corporate

Matt Kay	Chief Executive Officer
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Investor Relations

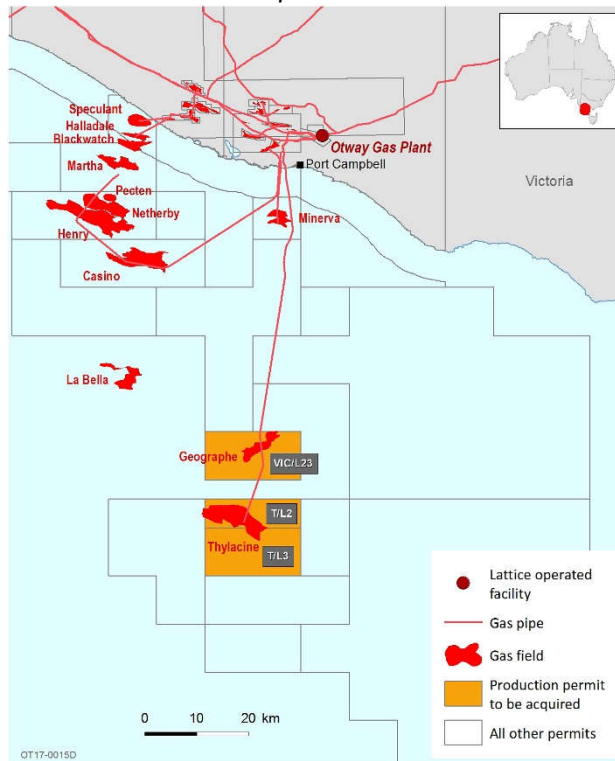
Derek Piper	Investor Relations Manager
Mark Hollis	Investor Relations Advisor

Media

Rob Malinauskas	Group Manager - Corporate Affairs
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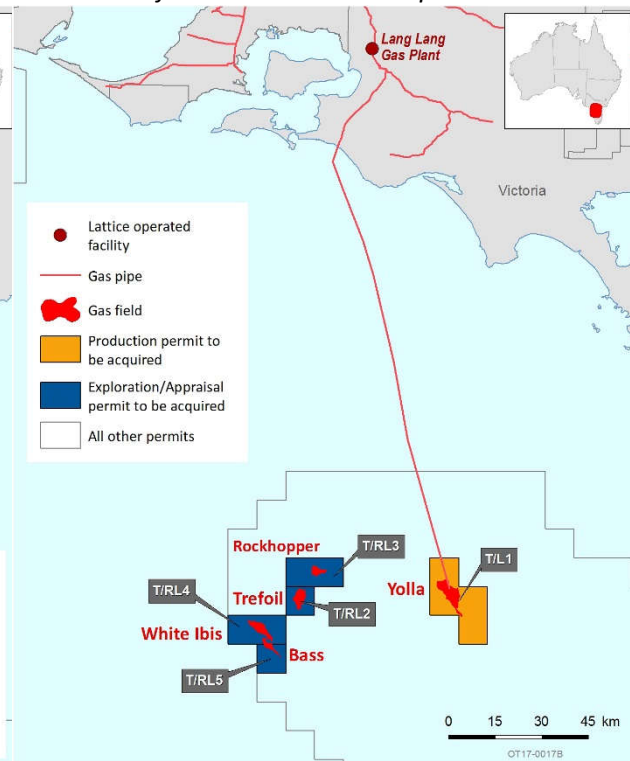
Appendix A

OGP interests to be acquired



Beach 100% and operator¹

BassGas Project interests to be acquired



Producing assets¹: Beach 53.75% and operator, AWE Limited 35%, Prize Petroleum International 11.25%;
Exploration permits¹: Beach 50.25% and operator, AWE Limited 40%, Prize Petroleum International 9.75%

¹ Assumes completion of the Transaction, completion of the acquisition of Lattice (refer Beach announcements of 28 September 2017 and 19 December 2017) and completion of the concurrent acquisition of Benaris's 27.77% interest in OGP (refer Origin announcement of 11 September 2017).