



ASX Announcement

Perth Basin update

Reference #018/19

Date

3 July 2019

Beach Energy Limited (ASX: BPT, Beach) is pleased to provide the following update regarding the Perth Basin.

Perth Basin alignment of participating interests with Mitsui E&P Australia

Beach advises that it has executed agreements with AWE (Beharra Springs) Pty Ltd, a related body corporate of Mitsui E&P Australia (MEPAU), to move to 50:50 ownership of production licences L11 and L22 (Beharra Springs), exploration permit EP 320 and pipeline licence PL 18 in the Perth Basin. The previous ownership structure for these permits was Beach 67% and MEPAU 33%. Beach will retain operatorship of the permits. The transaction has an effective date of 1 January 2019 and is expected to be completed during Q1 FY20, subject to satisfaction of various conditions including regulatory approval.

Following completion of the transaction, MEPAU and Beach will each hold a 50% interest across all joint Perth Basin interests, increasing alignment between the two companies. MEPAU remains operator of licences L1 and L2, containing the Waitsia gas field.

Commenting on the transaction, Beach Managing Director Matt Kay said "Perth Basin is a key growth asset in the Beach portfolio. This potential is a view shared with Mitsui E&P Australia with whom we have enjoyed a close and aligned relationship since MEPAU acquired AWE in early 2018, and look forward to this continuing over many years. Moving to 50:50 ownership is a natural progression in this relationship, which will help ensure both parties remain fully aligned on future activities."

The table below summarises the Perth Basin interests following the completion of this transaction.

Asset	Ownership post transaction	Comment
Waitsia (L1/L2)	MEPAU 50% and operator, Beach 50%	No change
Beharra Springs (L11 and L22)	Beach 50% and operator, MEPAU 50%	MEPAU acquires 17% interest from Beach
EP 320	Beach 50% and operator, MEPAU 50%	MEPAU acquires 17% interest from Beach
PL 18 (pipeline)	Beach 50% and operator, MEPAU 50%	MEPAU acquires 17% interest from Beach

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Gas Sales Agreement with Alinta Energy

Beach together with MEPAU has signed a gas sales agreement with Alinta Energy for the supply of up to 20 TJ/day of gas from the Waitsia Field. The contract will commence 1 July 2020 with a duration of 4.5 years.

Commenting on the gas sales agreement, Alinta Energy Managing Director Jeff Dimery said “Alinta Energy is pleased to have entered a long-term supply agreement with Beach and MEPAU and we look forward to an ongoing relationship. This agreement contributes to our supply portfolio; helping us deliver for our customers in Western Australia”

Waitsia Gas Project Stage 1 and 2 development progress

The Waitsia joint venture (Beach 50% and MEPAU 50%) has approved the expansion of the Xyris gas processing facility from the existing 10 TJ/day capacity (defined as Waitsia Gas Project Stage 1) to 20 TJ/day output (defined as Waitsia Gas Project Stage 1 expansion).

Beach and MEPAU are progressing plans for further expansion of Waitsia production capacity (Waitsia Gas Project Stage 2). Beach advises that FEED for Waitsia Gas Project Stage 2 is complete and EPC tenders are in progress. Development options include the construction of a new 100 to 250 TJ/day gas processing facility and the drilling and connection of additional wells to deliver conditioned gas into the DBNGP.

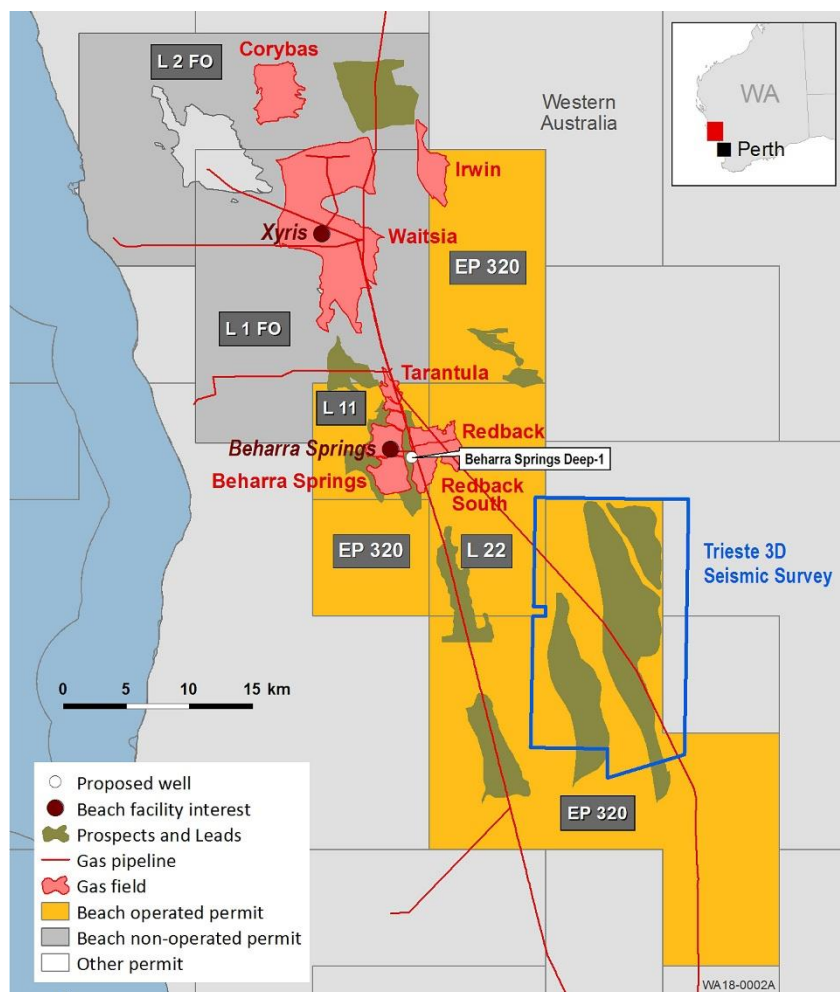
Stage 1 expansion activities will incorporate a large diameter pipeline connecting the Xyris facility to the Dampier to Bunbury Natural Gas Pipeline (DBNGP) with capacity for Waitsia Gas Project Stage 2 production volumes.

Perth Basin exploration update

The Beharra Spring Deep-1 exploration well in licence L11 is expected to spud in Q1 FY20 using the Easternwell 106 rig. The well is targeting the Kingia and Highcliff Sandstone formations, which are the primary reservoirs in the nearby Waitsia gas field.

In EP 320, Beach and MEPAU expect to undertake the Trieste 3D seismic survey in mid-FY20. The survey will cover a number of prospects and leads in the Kingia and Highcliff formations.

Appendix: Beach's Perth Basin interests



Disclaimer

This ASX Release contains forward looking statements that are subject to risk factors associated with oil, gas 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.