



28 September 2017

The Manager  
ASX Market Announcements  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**Notice under section 708AA(2)(f) of the Corporations Act**

- 1 This notice is given by Beach Energy Limited (ABN 20 007 617 969) (ASX: BPT) (**Beach**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (**Corporations Act**).
- 2 Beach today announced an accelerated non-renounceable pro rata entitlement offer of approximately 401.5 million fully paid ordinary shares in Beach (**Entitlement Offer**). Eligible shareholders (**Eligible Shareholders**) will be entitled to subscribe for 3 ordinary Beach shares (**New Shares**) for every 14 Beach shares held by them as at 7.00pm (Sydney time) on the record date for the Entitlement Offer, being Monday, 2 October 2017. Each New Share will be issued at an issue price of \$0.75 to raise approximately \$301 million in aggregate.
- 3 Beach advises that:
  - (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
  - (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
  - (c) as at the date of this notice, Beach has complied with:
    - (i) the provisions of Chapter 2M of the Corporations Act as they apply to Beach; and
    - (ii) section 674 of the Corporations Act;
  - (d) as at the date of this notice, there is no 'excluded information' of the type referred to in section 708AA(8) or section 708AA(9) of the Corporations Act that is required to be set out in this notice; and
  - (e) the potential effect that the Entitlement Offer will have on control of Beach and the consequences of that effect will depend upon a number of factors, including shareholder and investor demand under the Entitlement Offer and the underwriting and sub-underwriting arrangements in relation to the Entitlement Offer, as set out in paragraphs 4 to 7 below. Having regard to those arrangements, the Entitlement Offer is not expected to have any material effect or consequence on the control of Beach.

- 4 Given the structure of the Entitlement Offer, the potential effect that the issue of the New Shares will have on the control of Beach is as follows:
- (a) if all of Beach's existing shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) take up their entitlements to New Shares under the Entitlement Offer, there will be no material effect on the control of Beach as Eligible Shareholders would continue to hold the same percentage interest in Beach. Shareholders who are ineligible to participate in the Entitlement Offer in accordance with ASX Listing Rule 7.7.1 will have their percentage holding in Beach's shares diluted as a consequence of the issue of New Shares; and
  - (b) to the extent that any Eligible Shareholder fails to take up their entitlement under the Entitlement Offer, that Eligible Shareholder's percentage holding in Beach's shares would be diluted by the issue of the New Shares relative to those who did take up their full entitlement and to the major shareholder referred to below who has committed to sub-underwrite a portion of the Entitlement Offer (together with any other sub-underwriters and the underwriters to the Entitlement Offer).
- 5 The Entitlement Offer (other than the Major Shareholder Commitment, which is defined below) is underwritten by Credit Suisse (Australia) Limited (ABN 94 007 016 300) (**Credit Suisse**), Goldman Sachs Australia Pty Ltd (ACN 006 797 897) (**Goldman Sachs**) and UBS AG, Australia Branch (ABN 47 088 129 613) (UBS and together with Credit Suisse and Goldman Sachs, the **Underwriters**). The Underwriters are entitled to appoint sub-underwriters to the Entitlement Offer.
- 6 Seven Group Holdings Limited and its associates (**Seven**) had voting power in Beach of approximately 22.73% prior to announcement of the Entitlement Offer. Seven has committed to:
- (a) take up its full entitlement under the Entitlement Offer totalling approximately 91,254,641 New Shares (**Major Shareholder Commitment**); and
  - (b) sub-underwrite<sup>1</sup> shortfall arising under the Entitlement Offer up to the number of New Shares in which Seven is permitted to acquire a relevant interest under item 9 of section 611 of the Corporations Act (which is a total of 68,260,311 New Shares) (**Seven Sub-Underwriting Cap**) on the following basis:
    - (i) in respect of the institutional component of the Entitlement Offer (**Institutional Offer**), Seven must subscribe for the percentage of any institutional shortfall that is equivalent to its current voting power in Beach (that is, 22.73% of any institutional shortfall); and
    - (ii) in respect of the retail component of the Entitlement Offer (**Retail Offer**), Seven must subscribe (before any other sub-underwriter appointed by the underwriters to the Entitlement Offer) for any retail shortfall up to the Seven Sub-Underwriting Cap (to the extent that Seven's sub-underwriting obligations in respect of the Institutional Offer have not already caused Seven to reach the Seven Sub-Underwriting Cap).

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<sup>1</sup> Seven will receive an arm's length sub-underwriting fee for sub-underwriting the Entitlement Offer.

7 The consequences of the potential effect of the Entitlement Offer on the control of Beach is as follows:

- (a) the expected impact of the Entitlement Offer on Seven’s voting power in Beach is as follows (the take-up figures under the Institutional Offer are exclusive of Seven’s pro rata entitlements, which are assumed to be subscribed by Seven in full in accordance with its Major Shareholder Commitment):

	<i>Institutional Offer (0% take-up)</i>	<i>Institutional Offer (25% take-up)</i>	<i>Institutional Offer (50% take-up)</i>	<i>Institutional Offer (75% take-up)</i>	<i>Institutional Offer (100% take-up)</i>
<i>Retail Offer (0% take-up)</i>	25.73%	25.73%	25.73%	25.73%	25.73%
<i>Retail Offer (25% take-up)</i>	25.73%	25.73%	25.73%	25.73%	25.73%
<i>Retail Offer (50% take-up)</i>	25.73%	25.73%	25.73%	25.73%	25.73%
<i>Retail Offer (75% take-up)</i>	25.05%	24.86%	24.66%	24.47%	24.27%
<i>Retail Offer (100% take-up)</i>	23.51%	23.31%	23.12%	22.92%	22.73%

Accordingly, following completion of the Entitlement Offer, Seven’s voting power in Beach will be no less than its current voting power of 22.73%, and will not exceed 25.73%;

- (b) having regard to the above, Seven will remain a major shareholder following completion of the Entitlement Offer and may increase its relevant interest as a consequence of the Entitlement Offer as set out above, but will not itself be a controller of Beach, and no other person is expected to acquire voting power in Beach of 20% or more as a consequence of the Entitlement Offer;
- (c) although the issue of New Shares which are not taken up by Eligible Shareholders under the Entitlement Offer (with the exception of the Major Shareholder Commitment), and which are underwritten by the Underwriters, may increase the voting power in Beach of the Underwriters (or eligible institutional investors who may be allocated New Shares via the bookbuild process to be conducted by the Underwriters or any additional sub-underwriters appointed by the Underwriters), it is not expected to have any material effect on the control of Beach.



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Yours sincerely

A handwritten signature in black ink, appearing to read "Cathy Oster", is written over a faint, illegible background.

Cathy Oster  
**General Counsel and Company Secretary**