

ASX Release

Beach Energy Ltd ABN: 20 007 617 969 ASX Code: BPT

25 Conyngham Street GLENSIDE SA 5065

GPO Box 175 ADELAIDE SA 5001

Tel: +61 8 8338 2833 Fax: +61 8 8338 2336

Web:

www.beachenergy.com.au

Email:

info@beachenergy.com.au

For immediate release – 5 December 2017 *Ref. #089/17*

ASX Ltd Companies Announcement Office Electronic Lodgement System

CONTINUED GROWTH FROM OPERATED COOPER BASIN GAS ACREAGE

- New GSAs executed with Adelaide Brighton and Alinta Energy for delivery of sales gas in 2018
- Three gas discoveries from first four wells of operated FY18 gas campaign
- Middleton phase 1 expansion underway to increase daily capacity from 25 MMscf to 40 MMscf

Beach Energy Limited (ASX: BPT, "Beach") provides the following update regarding recent developments within its 100% owned Western Flank Cooper Basin gas acreage.

New GSAs with Adelaide Brighton and Alinta Energy

Beach has executed new gas sales agreements ("GSAs") with Adelaide Brighton Cement Ltd ("Adelaide Brighton"), a wholly owned subsidiary of Adelaide Brighton Limited (ASX: ABC), and Alinta Energy Retail Sales Pty Ltd ("Alinta Energy") for the supply ex-Moomba of processed sales gas from Beach's 100% owned Western Flank acreage.

Under the terms of the GSAs, Beach will supply these customers up to a total of 4 PJ of sales gas at pricing reflective of current market conditions over an initial 12 month period commencing 1 January 2018. Volumes will be serviced from current daily raw gas production capacity of 25 MMscf. Gas sales pricing is attractive relative to Beach's current weighted average realised gas price. Associated LPG and condensate production from Beach's Western Flank acreage will continue to be sold to the Cooper Basin JV.

Middleton phase 1 capacity expansion

Beach's FY18 operated Western Flank gas drilling campaign has provided early success, with three discoveries from the program's first four wells. These include Lowry-1 and Crawford-1, as reported in Q1 FY18, and the Naiko-1 discovery drilled in November 2017.

This continuing exploration success in the Western Flank, combined with continued strong demand for Cooper Basin gas, has validated Beach's decision to pursue phase 1 expansion of the Middleton facility. Daily raw gas capacity will be increased from 25 MMscf to 40 MMscf through twinning of the gas export line from Middleton to Moonanga. This represents a cost effective capital project, at an estimated total cost of approximately \$5 million. Completion by the end of FY18 is targeted and incremental gas will then be available for sale into the contract or spot markets.



Beach's CEO, Matt Kay, said "We are pleased to announce new gas sales agreements with high quality customers in Adelaide Brighton and Alinta Energy. Our arrangements provide increased gas supply for domestic users while allowing Beach to contract supply arrangements reflective of current market conditions."

"Beach is continuing to drive value from its operated Western Flank gas acreage. In addition to the new gas sales agreements, continued Western Flank gas drilling success has allowed us to embark on a 60% increase in gas processing capacity. These pleasing outcomes mark an exciting start to our FY18 operated gas campaign."

Yours sincerely,

18

Matt Kay
Chief Executive Officer

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

Corporate

Matt Kay Chief Executive Officer

Investor Relations

Derek Piper Investor Relations Manager

Mark Hollis Investor Relations Advisor



Operated Western Flank gas acreage

