



ASX Announcement

Beach and Diamond Sign New Rig Contract

Reference #023/20

Date

17 August 2020

Highlights

- New drilling Ocean Onyx rig contract signed with Diamond
- Drilling program expected to commence December 2020 – March 2021
- Contract provides for up to 9 wells (6 firm and 3 options)
- First well in drilling sequence expected to be Artisan 1
- Settlement Agreement signed to dismiss all current legal proceedings with Diamond

Beach Energy Limited (ASX: BPT, Beach) is pleased to announce the company (through its subsidiary Beach Energy (Operations) Limited) with support from its joint venture partner O.G. Energy has executed a new offshore drilling agreement ("Agreement") with Diamond Offshore General Company ("Diamond") for the use of the Ocean Onyx Semi-submersible rig to undertake Beach's Victorian Otway offshore drilling program.

The Agreement provides for the drilling of up to 9 wells (6 firm and 3 options), with drilling operations expected to commence between December 2020 and March 2021 (subject to extension, should certain conditions occur that impact on timing of commencement).

The first well in the drilling sequence is expected to be the Artisan 1 exploration well, followed by a series of development wells in the Geographe and Thylacine gas fields.

The Agreement, which is at a globally competitive rig rate for deep water semi-submersible rigs, includes provisions for COVID-19 related costs and delays.

Concurrent with the signing of the Agreement, Beach and Diamond have also signed a Settlement Agreement, which (following approval by the Bankruptcy Court) dismisses all current legal proceedings regarding the termination of the previous drilling agreement.

Beach Managing Director and CEO Matt Kay said "We are pleased to constructively engage with Diamond and sign a new drilling agreement, in what has been a difficult time for the industry. It means Beach can move forward with its plans to develop additional natural gas supplies for the east coast gas market."

"We look forward to working closely with Diamond over the coming weeks to prepare for the start-up of the offshore drilling campaign." Mr Kay said.

The Agreement remains subject to a number of conditions precedent, which are expected to be satisfied within the next few weeks.

Authorisation

This release has been authorised for release by Matt Kay, Managing Director and CEO of Beach Energy.

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