



## ASX Release

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ASX Ltd / SGX Singapore Exchange Ltd  
Companies Announcement Office  
Electronic Lodgement System

Dear Sir,

### NAPPAMERRI TROUGH NATURAL GAS PROJECT UPDATE

- **Joint venture equity interests to return to Beach following Chevron's exit from NTNG**
- **Scaled back program design underway; partnering opportunities to be pursued**
- **Material increase in 2C contingent resources**

Beach Energy Limited (ASX: BPT, "Beach") has been advised by Chevron Exploration Australia 1 Pty Ltd ("Chevron") that it will not participate in Stage 2 of the Nappamerri Trough Natural Gas ("NTNG") project. Formal notification from Chevron is expected to follow shortly. Chevron informed Beach that extensive technical evaluation has confirmed a large gas resource and potential for further appraisal. However, at this time the opportunity does not align strategically with Chevron's global exploration and development portfolio. Chevron's spending on exploration is being high-graded and significantly reduced in response to market conditions.

As a result of this decision, all Chevron equity interests in the joint ventures will return to Beach for nil consideration, and no return of Stage 1 capital expenditure is payable by Beach to Chevron. Resulting Stage 2 ownerships will be:

- **PRLs 33 to 49 (South Australia):** Beach 100% (+30%); and
- **ATP 855 (Queensland):** Beach 64.9% (+18%) and Icon Energy Ltd ("Icon") 35.1%

Due to return of Chevron's equity interests, Beach's 2C contingent resources will increase, as summarised below.

NTNG 2C Contingent Resources <sup>1</sup> (Bcf)	PRLs 33 to 49	ATP 855	Total
Current	1,247	712	1,959
<b>Revised</b>	<b>1,781</b>	<b>985</b>	<b>2,766</b>
Increase	534	273	807

<sup>1</sup> Contingent resources as at 31 December 2014, as submitted to the Australian Securities Exchange on 27 March 2015 (reference #020/15)

Beach and its joint venture partner, Icon, are currently reviewing Stage 1 data and outcomes to determine scope and objectives appropriate for future activities. It is expected that further studies will be conducted over the remainder of FY15 and into FY16, with minimal spend anticipated over this period. In line with its original strategy, Beach will pursue partnering opportunities for the NTNG project.

NTNG is a vast resource with potential to supply gas to Australian and export markets for decades to come. Beach acknowledges Government support received to date, including the granting of retention licences in South Australia (PRLs 33 to 49), with both permit areas are in good standing.

Beach Managing Director, Rob Cole, said “We are grateful to Chevron for their significant contribution to the NTNG project. Beach considers that the Stage 1 program, designed as an exploration phase, achieved its primary technical objectives. We now better understand the geology through the delineation of target zones and identification of additional targets beyond the early REM shale play. We have also proved the ability to fracture stimulate, successfully flowed gas to surface and tested deliverability. We look forward to progressing the NTNG project at a pace consistent with prevailing market conditions.”

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rob Cole".

**Rob Cole**  
Managing Director

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

**Corporate**

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**Investor Relations**

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**Competent Person Statement**

The contingent resources referred to in this release are taken from independent reports by DeGolyer and MacNaughton, an independent petroleum reserve and resource evaluation company, and have been reviewed by Mr Tony Lake (Reservoir Engineering Manager). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The resources information in this announcement has been issued with the prior written consent of Mr Lake in the form and context in which it appears.