



Enterprise Well Project during drilling | Otway Basin | Victoria | 2020

Project update | March 2021

Project overview

The Enterprise Project is a program to develop additional offshore natural gas reservoirs in the Victorian Otway Basin. The potential reservoirs are located offshore, up to 3 nautical miles (5.55 km) from the coastline, while the well site will be located onshore near Port Campbell.

The Enterprise-1 exploration well was successfully completed in December 2020 and recent testing and assessment of the well has delivered a positive result which will help ensure the continued supply of raw gas to the Otway Gas Plant, for processing and supply to the Australian domestic natural gas market. Beach is now progressing with engineering and design activities for a new pipeline, which if constructed will flow the gas to the Otway Gas Plant near Port Campbell.





Map showing vicinity of onshore project area, adjacent offshore exploration permit VIC/P42(V).

Extended reach drilling

To access the offshore natural gas reservoir from the onshore well site, 'extended reach drilling' was used (see diagram). This proven technology is safe, efficient and has minimal environmental impact.

It involved drilling up to 2700m below the surface, while using directional drilling techniques to steer the well offshore, reaching a total drilling distance of approximately 3.5 km at the gas reservoir under the seabed.

The Enterprise Project utilised conventional natural gas drilling and did not involve hydraulic fracturing (or 'fracking').

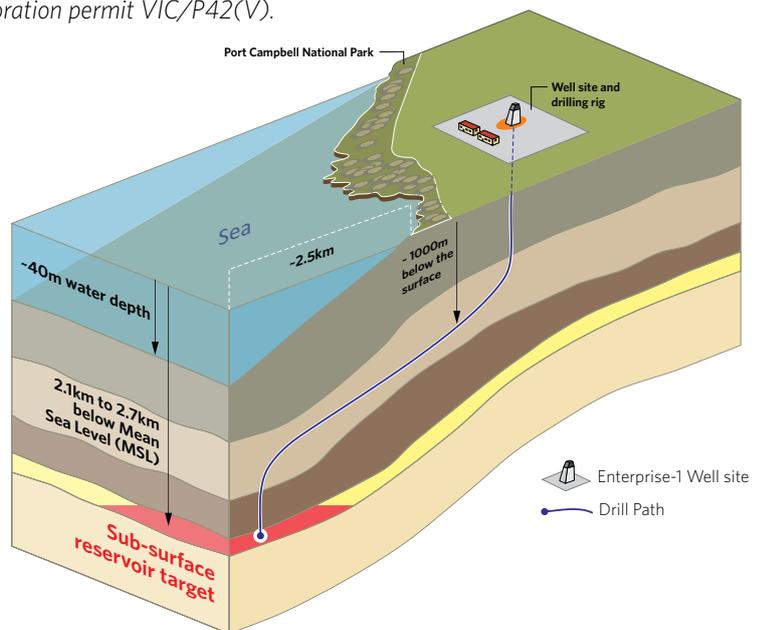


Diagram showing extended reach drilling method from onshore drill site to sub-surface gas reservoir.

Pipeline Information

With the success of the Enterprise well, Beach have begun the engineering and design of a pipeline, which if constructed would flow natural gas from the onshore Enterprise well site near Port Campbell, to join into existing easements housing Beach's PL250 Otway pipeline, and connecting to the existing gas processing facility, the Otway Gas Plant.

Beach have notified all landholders along the easement of the proposed pipeline and will continue to engage with them during this design phase of the project, and if a positive investment decision is made, through the construction phase which is scheduled for summer 2021/2022.

Future Exploration

Beach plans to investigate further exploration opportunities identified in the vicinity of the Enterprise gas field, with plans to utilise the existing Enterprise 1 drill pad.

Safety and the environment

For Beach Energy, the safety of our people and the local environment are the highest priorities for our operations and projects. Beach operates within a highly regulated industry and must meet stringent environmental and safety standards.

Staying COVID-19 Safe

As an essential service provider, Beach has been operating under strict COVID-19 management procedures since March 2020. Our procedures go above and beyond the minimum requirements and have ensured that our people and contractors can continue to operate within strict health and safety standards.

Traditional Custodians

Beach would like to respectfully acknowledge the Eastern Maar Peoples, the Traditional Custodians of the land on which the Enterprise Project will be located. Beach respects their historical and ongoing connection to country through cultural and spiritual sites, language and ceremony, and would like to pay our respect to their Elders past, present and emerging.

“Eastern Maar” is a name adopted by the people who identify as Maar, Eastern Gunditjmara, Tjap Wurrung, Peek Whurrung, Kirrae Whurrung, Kuurn Kopan Noot and/or Yarro waetch (Tooram Tribe) amongst others.

Community consultation

Beach is committed to working with the local community, ensuring people are informed of proposed operations and can ask questions or raise issues about its projects if required. Stakeholder consultation is an important part of preparing the Environment Management Plan as it helps identify local issues and concerns and ensures our planning manages potential impacts. Beach has been engaging with local landholders and community members and is always keen to hear from any community members who would like further information or have any questions about this project.

The Regulator was provided a report on all consultations with stakeholders in the course of developing the approved environment plans.

Supporting the community

Beach is committed to supporting the communities in which we operate and where our people live too. We focus on partnerships and programs that build sustainable and resilient communities.

In 2020 Beach is proudly supporting:

- Timboon Recreation Reserve - three year partnership for much needed refurbishments, starting with the complete renovation of the change rooms to bring them up to standard for womens' and mens' sports
- CFA Port Campbell - funding which enabled the purchase of a new light attack vehicle with support from the Victorian Emergency Services Equipment Fund
- Port Campbell Play Space - significant grant which enabled the complete redevelopment of the town's multi-use open space into a vibrant sea-side theme
- Port Campbell Surf Life Saving Club - three year corporate partnership to support purchase of a new surf boat, the Nippers program and training equipment
- Heytesbury and District LandCare Network - three year program to fund the Community Coastal Wattle Blitz program in the Bay of Islands Coastal Park

Contact us

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About Beach

Beach Energy is an ASX listed oil and gas, exploration and production company headquartered in Adelaide. It has operated and non-operated, onshore and offshore, oil and gas production from five production basins across Australia and New Zealand and is a key supplier to the Australian east coast gas market.

Beach Energy has set a target to reduce emissions from its operations by 25 per cent by 2025. To achieve this, Beach is considering a number of measures including more efficient use of flaring, using renewable energy technologies to pair with its operations, as well as carbon capture and storage.

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Questions and Answers

Why did you drill onshore to offshore?

Drilling from onshore to offshore had a number of advantages over offshore drilling. Most significantly, onshore drilling is less impacted by changing weather conditions and therefore presents less risks.

What's in the Environment Management Plan?

The Environment Management Plan includes an environmental impact assessment covering cultural heritage; flora and fauna; landscape; surface and ground-water; geotechnical; air quality; noise; community impacts and consultation. In preparation for the Environment Management Plan, a risk assessment was undertaken to ensure that measures are in place to minimise potential impacts to as low as reasonably practicable.

What happens when the gas has been depleted?

The Waarre geological formation in the Otway basin is made up of porous sand stone sediments which contain gas created from organic matter over millions of years. The gas is contained in the reservoir by a dense cap rock structure. When a well is created, the gas flows freely. When the gas is depleted, those structures remain in place. A useful analogy is seawater draining through the sands on a beach front. The beach stays in place when the water recedes.

How long will the project take?

Construction of a pipeline from the well site to the Otway Gas Plant is required and will take 6-15 months after all approvals are received. If further wells are to be drilled, they would be done over the following 3 to 5 years. Planned dates and activity durations can change due to: internal project approvals; regulatory approvals; weather conditions; contractor availability; and technical challenges that may arise through the project.

How will you rehabilitate the site?

Once all drilling has been completed, all gas from the reservoir has been depleted and the wells decommissioned, the site will be rehabilitated in line with the agreement with the landholder.

How will you consult with the community?

We meet face to face with landholders, nearby neighbours and representatives of the Eastern Maar People (the Traditional Custodians), to explain the project and work with them to identify the best way to manage any impacts. We also consult directly with regulators, relevant government departments and agencies, and local government.

For our local communities, we consult with community representatives, provide briefings at community group meetings, run community drop-in information sessions, email and post out information. All questions, feedback or concerns are considered and responded to.

Before, during and after key project phases, we provide updates, including advanced notice of heavy vehicle movements.

