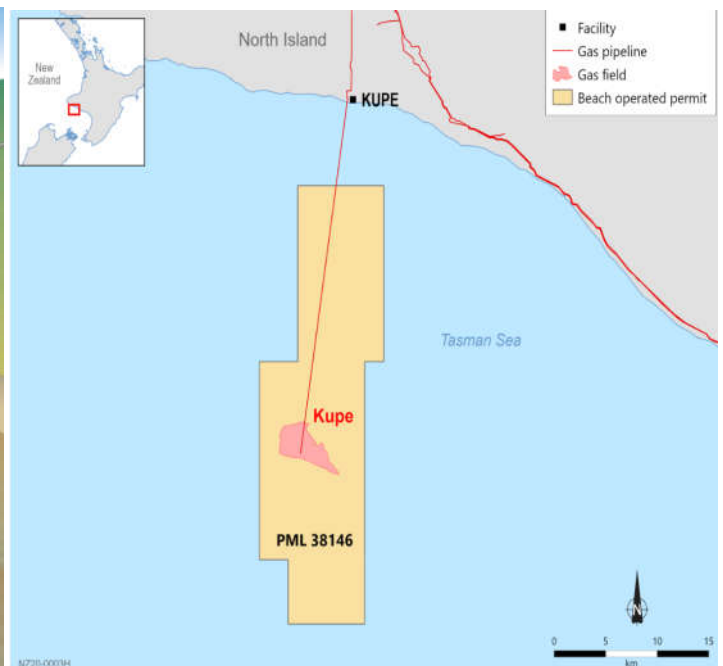
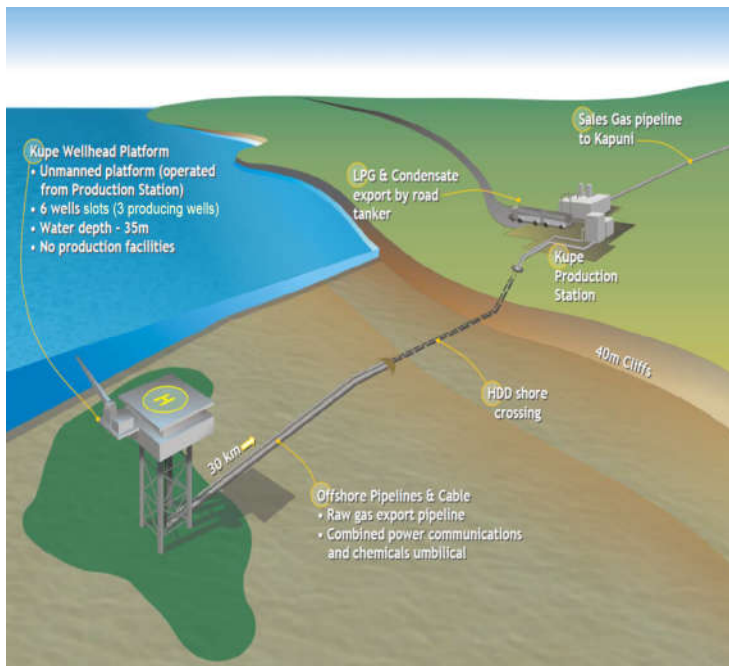


Kupe Phase 2

Development Drilling Programme



Information Sheet | September 2021

Project

Beach Energy Resources NZ (Kupe) Ltd (Beach) is planning the further development of the Kupe offshore natural gas reserves within the existing Petroleum Mining Licence (PML 38146). Phase 2 development of the Kupe Field has always been in the field life plan.

Location

The proposed development and appraisal wells are within the offshore Taranaki Basin, located approximately 30 km from the nearest land. PML 38146 is located within New Zealand's Exclusive Economic Zone (EEZ) and the Coastal Marine Area (CMA). The drilling would occur within the waters of the EEZ at depth of approximately 35 m and entirely within the existing PML 38146.

Timing

The project is currently in the early planning and consultation phase and at this stage we expect to commence activities in late 2022 to early 2023.

Timings would be subject to rig availability, weather conditions, as well as internal and regulatory approvals.

How

Beach is planning an offshore development well which will be drilled from the Kupe Platform to the eastern compartment of the Kupe Field. An appraisal well is also being investigated, situated approximately 6 km to the southeast of the platform (also within PML 38146). Consent will be sought for two development wells from the platform and a single appraisal well. A jack-up drill rig will be used which will cantilever over the Kupe Platform for drilling activities. The activities associated with the project require various marine consents and regulatory approvals from the Environmental Protection Authority (EPA). All activities would be carried out in strict accordance with the conditions of the marine consents and environmental, safety, and operational plans. Water based drilling fluids or 'muds' would be used to lubricate and stabilise the wellbores in each section, and to remove material or 'cuttings' produced during drilling.

Questions and Answers

Why is Beach planning to drill in this location?

The New Zealand Government granted PML 38146 in February 1992 and licenses the permit holder to develop the Kupe Field, within this area of the South Taranaki Bight. PML 38146 was acquired by Beach in 2018 from Lattice Energy, a subsidiary of Origin Energy. The Kupe Field is a critical part of New Zealand's energy infrastructure and provides around 15% of the country's natural gas and half of the country's LPG demand.

Who are the Joint Venture Partners in Kupe?

Beach has a 50 per cent share and is the Operator of the Kupe asset in partnership with joint venture partners Genesis Energy 46% and NZOG 4%.

What consultation would occur on the project?

Beach will be consulting closely with the Government, community, and, importantly, iwi and hapū to keep all parties informed and to provide them with an opportunity to have meaningful input into our plans. Beach's emphasis is to operate as a trusted, respected, and accepted member of the communities in which we work. We do this by demonstrating to local communities the Beach values, our commitment to safe operations, and respect for each other, the communities, and environment.

Our engagement is proactive, transparent, acknowledging issues, sharing information, and actively listening to our community. Our relationships with local iwi and hapū are highly valued by the company. Beach will consult broadly with Taranaki communities, providing relevant information and draft documents for review.

How would you ensure that you drill safely?

Safety takes precedence in everything we do. Our values define us, guide our actions and our decisions. The Beach Drilling and Completions group has extensive experience in similar offshore projects and operates to the requirements of the Beach Well Engineering and Construction Management System. This system adheres to stringent technical standards and aligns with Internationally recognised standards.

The goal is to safely deliver wells that have long term integrity that protect not only business needs but those of the community and the environment. Beach will engage competent experienced trained contractors, who will keep our operations safe. In addition, there are strict safety and environmental requirements that must be adhered to whilst drilling. These are monitored and regulated by the EPA, Maritime New Zealand, and WorkSafe.

What are the benefits to the community of this project?

If a substantial find is made that is economically viable to develop, it would be a key component to aid New Zealand's transition to a sustainable future. New Zealand's Interim Climate Change Commission has stated that natural gas is a crucial element of New Zealand's transition to a sustainable future. Natural gas is an important partner for renewable energy to ensure stability of affordable fuel supply to homes and industry whilst our economy transitions to a greater percentage from renewables.

Isn't offshore exploration drilling banned in NZ?

In 2018 the Government announced that no new offshore oil and gas exploration permits would be granted. However, existing permits are not affected by the change in policy.

Isn't natural gas contributing to climate change?

Natural gas is an important partner for renewable energy to ensure stability of the electricity grid. It is also playing a significant role overseas in reducing emissions as countries transition away from coal, as thermal gas generation has around half the carbon dioxide emission intensity. Our Climate Change policy commitment ensures that our practices and procedures align and integrate climate risks into project decision making.

Will an exclusion zone exist?

A 500m exclusion zone already exists around the Kupe Platform and, if the appraisal well was to proceed, one would also be established while drilling operations were being undertaken at this location.

There is a submarine cable and pipeline protection zone area for the Kupe subsea gas pipeline already in place. The protection zone forms a corridor 800m wide, being bounded by straight lines that pass through the following points, returning to the position of commencement. It is an offence to enter this designated zone other than the purpose of transiting through the area.

Way Point	Latitude	Longitude
1	39°35.566'S	174°10.103'E
2	39°38.569'S	174°08.878'E
3	39°50.011'S	174°06.901'E
4	39°51.313'S	174°06.870'E
5	39°51.316'S	174°07.431'E
6	39°50.071'S	174°07.457'E
7	39°38.350'S	174°09.506'E
8	39°35.701'S	174°10.634'E

Are any seismic surveys required?

Beach will not be conducting any 2D or 3D seismic surveys; however, is carrying out an environmental baseline survey in the South Taranaki Bight in the vicinity of the Kupe Field. The survey will involve the collection of benthic imagery and sediment samples of the seafloor and benthic habitats. Onboard assessment of the benthic imagery will enable scientists to observe sensitive environments (if present) to better understand their extent and relocate sampling accordingly if required. The potential impacts associated with the survey will be highly localised and short-term in nature. (Note: a down-borehole seismic survey may be undertaken, and a Marine Mammal Impact Assessment would be prepared for this).

About Beach Energy

Beach operates the Kupe Production Station in Manaia, Taranaki, a critical part of the New Zealand's energy infrastructure. Gas produced from the Kupe Field meets 10-15% of New Zealand's annual natural gas demand and 50% of its LPG demand.

Founded in 1961, Beach is headquartered in Adelaide Australia. With a proud track record for safety and environmental performance, Beach operates onshore and offshore oil and natural gas facilities across New Zealand and Australia.

We welcome your questions and feedback

E: community@beachenergy.com.au

beachenergy.com.au

