



ASX Announcement

Beach and bp sign Waitsia LNG HOA

Reference #044/21

Date

27 September 2021

Beach Energy (Perth Basin) Pty Limited, a subsidiary of Beach Energy Limited (ASX: BPT) ("Beach"), today announced it has entered into a Heads of Agreement ("HOA") with BP Singapore Pte. Limited, a subsidiary of BP plc ("bp") regarding the supply of Beach's share of liquefied natural gas ("LNG") from Waitsia Gas Project Stage 2.

The HOA contains all material terms and conditions for bp purchasing all 3.75 million tonnes of Beach's expected LNG volumes from the Waitsia Gas Project Stage 2, with supply forecast to commence in H2 2023.

The annual contract volumes and supply terms are aligned to the provisions in the executed North West Shelf ("NWS") Gas Processing and Lifting Agreements. The terms include built-in flexibility around the commencement of firm supply to ensure alignment with the completion of construction and commissioning activities.

Supply will be delivered on a Free on Board ("FOB") basis from the NWS facilities in Karratha, Western Australia., which leverages bp's leading LNG trading and shipping capability.

bp is an existing participant in the NWS Joint Venture and has a long history of lifting LNG from the NWS facilities.

The agreed LNG price is linked to both Brent and Japan Korea Marker ("JKM") price indices (with full upside exposure to each) and includes a downside price protection mechanism. This hybrid pricing structure is expected to provide Beach with favourable price movements during North Asia winter periods.

Beach and bp are targeting execution of a fully termed LNG Supply and Purchase Agreement in H2 FY22.

Authorisation

This release has been authorised for release by the Beach Energy Board.

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Disclaimer

This release contains forward looking statements that are subject to risk factors associated with oil, gas and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: COVID-19 risks, price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

References to "Beach" may be references to Beach Energy Limited or its applicable subsidiaries.

References to planned activities in FY22 and beyond FY22 may be subject to finalisation of work programs, government approvals, joint venture approvals and board approvals.