



ASX Announcement

Waitsia Stage 2 update

Reference #016/24

Date 8 April 2024

Beach Energy Ltd (ASX: BPT, Beach) provides the following update in relation to Waitsia Stage 2.

Waitsia Stage 2 schedule and cost estimate

As communicated at Beach's FY24 half year results, the Waitsia Joint Venture¹ had identified quality issues during pre-commissioning of systems at the Waitsia Gas Plant. These issues, which included rebuilding compressors, and replacing valves and flanges, are now substantially complete.

Since then, further quality issues are emerging as pre-commissioning activities progress. The Waitsia Joint Venture is currently working through an updated schedule and cost estimate, however, prior to that being completed, the extent of additional quality issues is to a point where current guidance on schedule and cost needs to be updated.

Based on Beach's review of the contractor's draft schedule and cost estimate, the following updates to Waitsia Stage 2 guidance are provided.

- Waitsia Gas Plant first gas by early-CY2025 (previously mid-CY2024), with a planned three-month ramp-up of production thereafter.
- Total capital expenditure of \$600 – 650 million net to Beach (previously \$450 – 500 million).
- Unavoidable processing costs based on the above first gas target will also be incurred in FY25. Beach will continue to assess options to partially mitigate unutilised capacity under its arrangements.²

Managing Director and CEO Brett Woods said "It is extremely disappointing to be continually encountering quality and execution issues given the late stage of the project. Having to redirect existing onsite labour to remedial works is slowing the progress of pre-commissioning activities, resulting in further delay and cost increases.

"Beach is committed to driving the construction of Waitsia Gas Plant to its conclusion and will work closely with the operator and contractor to deliver this strategically important project", Mr Woods said.

Next Waitsia LNG cargo

Beach continues to utilise commercial arrangements to enable LNG cargo liftings prior to completion of the Waitsia Gas Plant. In addition to the LNG cargo lifted in December 2023, Beach expects to lift one more LNG cargo in FY24.

¹ Mitsui E&P Australia (Mitsui) 50% and operator; Beach 50%

² As announced on 14 August 2023, potential unavoidable costs for transportation, processing and sale of LNG associated with a delay to timing of first gas from Waitsia Stage 2 of up to \$65 million may be incurred in FY24.

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To facilitate these cargoes, the Waitsia Joint Venture continues to explore mutually beneficial time swap opportunities with Western Australia gas market participants who have excess gas prior to completion of the Waitsia Gas Plant, in exchange for returning these volumes when they need them most.

Authorisation

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