



## Media Release

# Government's unreasonable price provision

Date Monday 12 December 2022

The Chief Executive Officer of Beach Energy, Morné Engelbrecht, says that the so-called "reasonable price provision" touted by the Commonwealth Government will cause irreparable damage to the investment environment desperately needed for gas exploration and development, and in turn energy security and future prices in Australia.

"This unprecedented move goes well beyond the temporary price-cap, which itself will damage the investment environment in Australia, leading to more gas shortages and higher power prices in the long term.

"How can the Government expect to impose a regulated price on gas exploration and development where significant upfront capital investment, exploration success risk and the multi-decade nature of projects are par for the course?

"If the energy market is subjected to permanent pricing intervention, the government must be upfront about whether other industries will have their "reasonable price" determined by the government as well.

"Should the government set a reasonable price for large household expense items such as groceries and motor vehicles?

"The answer to this question is of course 'no', and the same must be said for temporary or permanent meddling in the energy market, which is under threat of being completely dismantled.

"Instead, the answer to this crisis is right under everyone's noses; work with us to increase gas supply which will bring downward pressure to energy prices."

### **About Beach Energy**

Beach Energy is one of Australia's leading producers of domestic gas, supplying approximately 12 per cent of the East Coast market, growing to ~16% in 2023.

Beach has production hubs in five producing basins across Australia and New Zealand; Cooper, Perth, Otway, Bass & Taranaki basins.

Beach Energy is currently:

- Connecting four gas wells from its recent offshore Otway campaign, which aims to bring the Otway Gas Plant to capacity. The first wells of this campaign ([Geographe 4 and 5 were connected to the plant in January](#), providing an increase in plant production).
- Connecting the nearshore Enterprise gas well to the Otway Gas Plant. The well was drilled in 2020 and provided a [2P net reserves booking](#) of 21 MMboe (34 MMboe gross).

- Planning to drill the [Yolla West gas well](#) in the Bass Basin. Negotiations are in progress for securing a rig for Yolla West. Drilling over the 2023/24 summer is targeted. If successful Yolla West has the potential to return the Lang Lang Gas Plant to capacity production rates of 67 TJ/day and would extend Yolla's field life.
- Investing heavily in the Cooper Basin to maintain gas production rates.
- Maturing gas exploration prospects in the Otway Basin for potential drilling in 2024/25.

**For further information contact the following on +61 8 8338 2833**

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Chris Burford, Corporate Affairs Manager

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