



## ASX Release

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**For Immediate Release – 27 March 2012**

Ref. #027/12

ASX Ltd  
Companies Announcement Office  
Electronic Lodgement System

Dear Sir,

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### **BEACH ANNOUNCES A\$345 MILLION CAPITAL RAISING**

Beach Energy Limited (ASX: BPT, "Beach") announces it is undertaking a A\$345 million capital raising consisting of:

- a fully underwritten 1 for 8 pro-rata accelerated non-renounceable entitlement offer, at A\$1.40 per Beach share, to raise approximately A\$195 million ("Entitlement Offer"); and
- an offer to raise approximately A\$150 million in senior, unsecured Convertible Notes ("Notes") due 2017 ("Convertible Notes Offer")

#### **Use of proceeds**

The net proceeds from the Entitlement Offer and Convertible Notes Offer will be used, together with existing operating cash flow and other capital resources, to fund Beach's future capital expenditure initiatives over the next 2-3 years and for general working capital purposes. The key elements of Beach's capital expenditure program include:

- Cooper Basin conventional – ongoing exploration, appraisal and development of Beach's key cash producing assets
- Cooper Basin unconventional – continued appraisal of a gas resource in the Nappamerri Trough
- Egypt – ongoing appraisal and development of oil discoveries and further exploration
- Tanzania – exploration for oil reservoirs along the proven East African Rift



These activities will supplement and, over time, enhance Beach's base business which currently generates strong earnings and cash flow. As a result of the Entitlement Offer and Convertible Notes Offer, Beach's accelerated growth program over the medium term will be fully funded.

The benefits that are expected to flow from these activities are described in Beach's investor presentation lodged with the Australian Securities Exchange ("ASX") today.

Beach's Managing Director, Mr Reg Nelson, said "Beach is entering a new and exciting development and exploration phase, which we believe has the potential to transform not only Beach, but also the Cooper Basin and the east coast gas market for years to come. We believe that in order to underpin this next phase of the Company's growth, an appropriate level of capital is required to ensure we are self funded for the foreseeable future."

### **Details of the Entitlement Offer**

The Entitlement Offer will be made on the basis of 1 new Beach ordinary share for every 8 existing Beach ordinary shares held at 7:00 pm, Adelaide time, on 30 March 2012 ("Record Date").

The Entitlement Offer will raise approximately A\$195 million at an issue price of A\$1.40 per share ("Offer Price"). The Entitlement Offer will consist of an institutional component ("Institutional Entitlement Offer") to raise approximately A\$115 million and a retail component ("Retail Entitlement Offer") to raise approximately A\$80 million.

The Entitlement Offer Price represents a:

- 11.1% discount to Beach's closing price on the ASX on 26 March 2012; and
- 10% discount to Beach's theoretical ex-rights price ("TERP").

A bookbuild for any shortfall from the Institutional Entitlement Offer will be held, through which entitlements not taken up by Eligible Institutional Shareholders and those entitlements that would otherwise have been offered to Ineligible Institutional Shareholders will be sold to other institutional investors at the Offer Price.

New shares issued in the Entitlement Offer will rank equally with existing Beach ordinary shares. Investors should refer to Beach's investor presentation, lodged with the ASX today, which includes a description of the key risks.

Miro Advisors and Piper Alderman are Beach's financial and legal advisers respectively.

### **Details of Convertible Notes Offer**

The Convertible Notes are being offered to institutional investors, primarily in the Asian and European markets. The offering will occur outside the United States in accordance with Regulation S under the US Securities Act of 1933. Beach's directors believe accessing the convertible bond markets at this time helps to diversify the Company's sources of capital and achieve an optimal funding mix. Beach anticipates announcing the results of the convertible note offering prior to market open on 29 March 2012.

Miro Advisors and Piper Alderman are Beach's financial and legal advisers respectively.

## Summary of key dates

The following outlines an indicative timetable for the Entitlement Offer and the Convertible Notes Offer:

<b>Event</b>	<b>Date</b>
Transaction Announced	27 March 2012
Institutional Entitlement Offer opens	
Convertible Note Bookbuild Offer opens	
Institutional Entitlement Offer closes	28 March 2012
Convertible Note Bookbuild Offer closes	
Results of Entitlement Offer and Convertible Note Offer Announced	29 March 2012
Trading in Beach shares resumes on the ASX	
Record Date for the Entitlement Offer	30 March 2012
Final Convertible Note Offering Circular lodged	3 April 2012
Convertible Note settlement and listing on the SGX	
Institutional Entitlement Offer settlement	4 April 2012
Retail Entitlement Offer opens	4 April 2012
Retail Entitlement Offer booklet dispatch	Completed by 4 April 2012
Institutional Entitlement Offer allotment and trading	5 April 2012
Retail Entitlement Offer closes	20 April 2012
Retail Entitlement Offer settlement	2 May 2012
Shares issued under the Retail Entitlement Offer commence trading	4 May 2012

Notes:

1. All dates are indicative only. Beach reserves the right to change these dates without prior notice
2. All times are Adelaide, Australia times

## Shareholder Enquiries

Retail shareholders who have questions relating to the Entitlement Offer should call the Beach Offer Information line on 1300 607 506 (within Australia), +61 3 9415 4659 (outside Australia) from 8.00am to 4.30pm (Adelaide time) Monday to Friday during the retail offer period.

Yours sincerely,



**Reg Nelson**  
Managing Director, FAusIMM

## For more information contact

### Corporate

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### Investor Relations

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act of 1933 (the "Securities Act")) ("U.S. Persons"). No action has been or will be taken to register, qualify or otherwise permit a public offering of the new shares to be offered and sold in the Entitlement Offer in any jurisdiction outside Australia or New Zealand. In particular, the new shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, in the Entitlement Offer, the entitlements may not be taken up by, and the new shares may not be offered or sold to, persons in the United States or persons who are, or are acting for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Convertible Notes to be offered and sold in the Convertible Notes Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may only be offered and sold outside the United States in accordance with Regulation S under the Securities Act.

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Beach and certain plans and objectives of the management of Beach. All forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Beach, which may cause the actual results or performance of Beach to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements speak only as of the date of this announcement. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, the cyclical nature of the oil and gas industry, exploration and development risk, production risks, ability to access and develop



infrastructure, material changes to reserves and resources, oil and gas price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, Beach's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect Beach's business, including environmental laws, and operational risk. There can be no assurance that actual outcomes will not differ materially from these statements.

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