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18 October 2013

Mr Kevin Welsh **Production Manager Beach Energy Limited** GPO Box 175 ADELAIDE SA 5001

ENERGY RESOURCES DIVISION

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Dear Kevin,

EXTENSION OF TIME FOR SUBMISSION OF FITNESS FOR PURPOSE (FFP) REPORT FOR THE KATNOOK FACILITY (PPL 62)

I refer to Beach's letter dated 2 August 2013 requesting a retrospective extension of time of the Fitness for Purpose (FFP) assessment period for the Katnook Gas Plant and associated facilities (PPL 62) from 30 September 2012 until 30 June 2014.

This extension has been requested as Beach Energy have no immediate plans to commence production out of the Katnook Gas Plant. Beach have performed integrity assessments and ensured that the Facilities are in an adequate state so as to be safely mothballed until production is to recommence.

In this regard, pursuant to Section 134 of the Petroleum and Geothermal Energy Act 2000, I hereby grant an extension of time for completion and submission of the FFP assessment period for the Katnook Gas Plant and associated facilities (PPL 62) from 30 September 2012 until 30 June 2014. It is a condition of this extension that the Fitness for Purpose assessment must be completed to DMITRE's satisfaction prior to the operation of the Katnook Facility, including associated Flowlines and Wells.

If you have any questions in relation to this matter please do not hesitate to contact myself on (08) 8463 3245 or Michael.Malavazos@sa.gov.au.

Yours sincerely

Michael Malavazos

Director – Engineering Operations Branch

Energy Resources Division

Department for Manufacturing, Innovation, Trade, Resources and Energy Sub Delegate of the Minister for Mineral Resources and Energy