



8 December 2009

## *ANNOUNCEMENT*

### **BEACH AND ATCO TO ASSESS DEVELOPMENT OPPORTUNITIES**

#### **HIGHLIGHTS:**

- **Beach signs MOU with ATCO Power Australia Ltd., a subsidiary of a Canadian-based corporation active in Energy, Utilities, Structures & Logistics and Technologies**
- **Parties to evaluate gas gathering, processing, transportation requirements of Beach's Cooper Basin unconventional gas development program**
- **Parties to assess feasibility of gas-fired power generation from Beach's unconventional resources**

Beach Petroleum Limited ("Beach") (ASX:BPT) is pleased to announce that it has entered into a Memorandum of Understanding (MOU) with ATCO Power Australia, a subsidiary of a Canadian-based corporation active in Energy, Utilities, Structures & Logistics and Technologies ("ATCO") in relation to the commercialisation of its large Cooper Basin gas resources.

#### **Scope of MOU**

Under the MOU, Beach and ATCO will investigate opportunities for the collaborative development and commercialisation of Beach's unconventional Cooper Basin gas and petroleum liquids resources.

Activities will focus particularly on the gas gathering, processing, transportation and distribution requirements of the development program. The parties may also consider the feasibility of using the gas to fuel a gas-fired power plant.

#### **About Beach's unconventional Cooper resources**

In addition to its existing booked contingent gas resource comprised of approximately 500 petajoules (PJ) of conventional gas and nearly 1000 PJ of gas classified as "unconventional", Beach has identified the potential for very large unconventional gas and petroleum liquids resources within its operated interests in the Cooper Basin.

Unconventional gas is natural gas that is trapped or bound up in rock formations other than those conventionally recognised as reservoir rocks. It includes gas trapped in low porosity sandstones ("tight" gas), or in shales ("shale gas"), as well as gas trapped by influences of pressure at depth near the centre of gas-generating basins ("Deep Basin" gas). Coal seam gas ("CSG") is also classed as unconventional gas.

Unconventional gas development and production now accounts for the bulk of gas production in the United States, with shale gas assuming increased importance as a future source of U.S. domestic supply.

Recognising the potential impact that shale gas, in particular may play in Australia's energy supply, Beach has already announced a strategic alliance with Sundance Energy Australia Limited (which has extensive experience in the development of shale plays in the United States) to evaluate and bid for

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additional acreage in Australia, as well as to share information on trends and developments in new technologies.

Beach believes that a shift in the energy mix for power generation that will result from an emissions trading scheme, amongst other factors, will bring shale gas into focus in eastern Australia. Beach's long term objective is to build alliances to develop these very large gas resources, in the expectation of increasing and sustained demand, to get substantial long-term revenue.

Beach is also exploring partnerships with other downstream operators in parallel with the activities described above. Beach may also pursue activities related to the commercialisation of its gas resources that may overlap and have synergies with the activities described above.

### **About ATCO**

ATCO Power Australia Ltd. is a subsidiary of ATCO Power Ltd., part of the ATCO Group of Companies. ATCO Power is a world-class developer, construction manager, owner and operator of technologically advanced and environmentally progressive independent power generation plants. ATCO Power operates power plants in Canada, the United Kingdom and Australia with a combined capacity of approximately 4,800 MW.

ATCO's presence in Australia currently includes an interest in the Osborne Cogeneration Plant in South Australia, the Bulwer Island Cogeneration Plant in Queensland and the construction of a power station at Karratha in the Pilbara, Western Australia. ATCO's name is synonymous with the portable modular building unit which it designs, manufactures and distributes around the world, including from its Australian base in Brisbane.

With more than 7,700 employees and \$9.9 billion in assets, ATCO Group delivers service excellence and innovative business solutions worldwide with leading companies engaged in Utilities (pipelines, natural gas and electricity transmission and distribution), Energy (power generation and natural gas liquids extraction, gathering, processing & storage), Structures & Logistics (manufacturing, logistics and noise abatement) and Technologies (business systems solutions). More information can be found at [www.atco.com](http://www.atco.com).