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ASX Ltd  
 Companies Announcement Office  
 Electronic Lodgement System

Dear Sir,

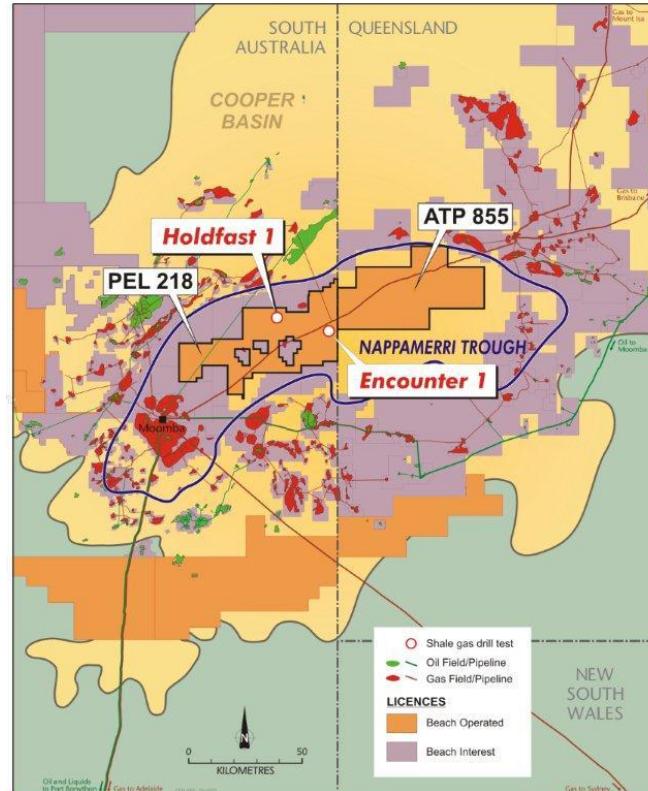
**BEACH MAKES STRATEGIC INVESTMENT IN ADELAIDE ENERGY TO STRENGTHEN PARTNERSHIP IN THE NAPPAMERRI TROUGH**

Beach Energy Ltd (ASX: BPT, “Beach”) announces a strategic alliance with Adelaide Energy Ltd (ASX: ADE, “Adelaide Energy”) through a potential investment of \$12.1 million via a placement of both shares and options in the company.

Beach and Adelaide Energy are currently in joint venture in the Nappamerri Trough acreage of PEL 218 (Beach 90%, Adelaide Energy 10%) and ATP 855P (Beach 40%, Adelaide Energy 20%, Icon Energy Ltd 40%). As a result of the success to date in the Nappamerri Trough, this alliance between Beach and Adelaide Energy will ensure further expansion of activities for both parties to develop the significant gas resource identified to date.

The main details of the partnership are as follows:

- Beach will subscribe for 14 million shares in Adelaide Energy at a price of 16.5 cents;
- Adelaide Energy has invited Beach to nominate a new director to its board, which Beach is currently considering;
- At a forthcoming Adelaide Energy General Meeting, due to be held within the next 50 days, shareholder approval will be sought for:
  - the issue to Beach of a further 59.5 million shares in Adelaide Energy; and
  - Adelaide Energy granting Beach 75 million unlisted options, at an exercise price of 40 cents, exercisable by 30 June 2016;



- Adelaide Energy's Directors intend to vote in support of the transaction at the Adelaide Energy General Meeting; and
- Upon approval from Adelaide Energy shareholders, Beach will own 19.95% of Adelaide Energy's issued share capital.

Beach Managing Director, Mr Reg Nelson said, *"This alliance between Beach and Adelaide Energy makes a lot of strategic sense for both companies and continues Beach's strategy of putting a foothold on what is turning out to be Australia's pre-eminent shale gas province, the Cooper Basin."*

Yours sincerely,



**Reg Nelson**

Managing Director, FAusIMM

#### For more information contact

##### Corporate

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##### Investor Relations

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