



9 July 2015

Ref: BPT/317/15

By Email

Mr Keir Delaney

The Secretary, Environmental and Planning Committee

Legislative Council Parliament House

Spring Street

Melbourne, Vic 3002

epc@parliament.vic.gov.au

Dear Mr Delaney,

Please find enclosed material which forms Beach Energy Ltd's (**Beach**) submission into the Environment and Planning Standing Committee Inquiry into Unconventional Gas (**the Inquiry**).

Beach holds interests in permits in the Otway Basin across both South Australia and Victoria and has a long history of exploration in the region (refer to Attachment 1). Beach is in the early stages of a new exploration program in the Otway Basin in South Australia, having drilled two exploration wells in 2014. In Victoria, due to the current moratorium on unconventional drilling, Beach has been limited in its ability to carry out exploration and has only undertaken two seismic surveys since 2012. Despite this, the Victorian State Government granted special approval for Origin Energy to drill onshore to access an offshore target. Beach and Origin Energy signed a Shared Access Agreement in May 2012 to allow this to occur on a Beach permit. The well, Speculant-1, was drilled on PEP 168 in late 2014.

Of the terms of reference set by the Inquiry, the following pertain to Beach, and are addressed in the attachments to this letter.

1. *The potential benefits of onshore unconventional gas as an energy source.*
2. *The potential risks, including risks to the environment, land productivity, agricultural industries and public health, and whether such risks can be managed.*

In any Australian jurisdiction, it is a legislative requirement to submit risk identification and mitigation plans for consideration by the regulator (State Government), prior to any activities being undertaken. In South Australia these risk identification and mitigation plans are contained within a 'Statement of Environment Objectives' (**SEO**) or an 'Environmental Impact Report' (**EIR**). The names of similar plans, and legislation they relate to, varies in other jurisdictions.

As activity in the Otway Basin in Victoria is still in the exploration stage, risk identification and mitigation plans that relate to fracture stimulation have not been prepared. This is also the case for South Australia. As a result, the information provided in the submission is largely based on the extensive operations undertaken by Beach Energy in the Cooper Basin, in both South Australia and Queensland. I refer you to Attachment 2, Beach's submission to the South Australian Parliamentary Inquiry that is currently underway. The risk management principles outlined in the South Australian submission are also applicable for Victoria.

To address *the potential benefits of onshore unconventional gas as an energy source* please refer to Section D of the submission which outlines the potential east coast gas shortage situation, and the potential economic gains for a State should gas development proceed.

Sections A and B of the submission provide a comprehensive overview of the risk management requirements and mitigation strategies that are routinely carried out for all aspects of activities including exploration drilling and gas production.

Beach gives permission for this submission to be made public, and we would welcome an opportunity to present to the Committee if required.

Yours sincerely,

A black rectangular redaction box covering the signature of Rob Cole.

Rob Cole

Managing Director

Beach Energy