



21 December 2022

Sean Maloney  
Senior Adviser, Listings Compliance  
ASX Limited  
10<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

**By email:** [listingscomplianceperth@asx.com.au](mailto:listingscomplianceperth@asx.com.au)

Dear Sean

**BPH ENERGY LIMITED: ASX AWARE QUERY RESPONSE**

BPH Energy Limited (ASX:BPH) (**Company** or **BPH**) refers to ASX's General - Aware query letter dated 19 December 2022 (**Aware Query Letter**) and provides the following responses.

The terms used in the below responses have the same meaning given to them in the Aware Query Letter unless otherwise defined.

**1. Has BPH released an announcement on ASX disclosing the PEP-11 Information? If so, please provide details.**

The information referred to in the Aware Query Letter as 'PEP-11 Information' insofar as it relates to prospective resources is not new information and has been released on previous occasions as follows:

- (a) Progress Report released on 22 December 2010 with MEC Resources Limited (ASX:MMR) on BPH ASX Platform which releases an independent expert report prepared by Mr Tim Berge of Pangean Resources LLC concluding that PEP11 has all the working components of a gas-charged hydrocarbon system, and is a potential giant gas province with a mean estimate of the portfolio aggregate prospective resource calculated to be 15.9Tcf recoverable.
- (b) Company Presentation released on 26 August 2021 disclosing that *analogues to major discoveries -the offshore Sydney Basin contains all the elements seen in other producing world class petroleum basins, including Prospective Resources of 5.7 Tcf (P50) in structural targets.*
- (c) Advent Energy Limited (**Advent**) Annual Report to Shareholders released on BPH's ASX platform on 5 September 2022 disclosing that
  - (i) *PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs; and*

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- (ii) *The total P50 Prospective Resource calculated for the PEP11 prospect inventory is 5.9 Tcf with a net 5 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.*
- (d) BPH Annual Report to Shareholders released 9 September 2022 disclosing that:
- (i) *PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs; and*
- (ii) *The total P50 Prospective Resource calculated for the PEP11 prospect inventory is 5.9 Tcf with a net 5 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.*
- (b) Company Presentation released on 6 October 2022 disclosing again that *analogues to major discoveries -the offshore Sydney Basin contains all the elements seen in other producing world class petroleum basins, including Prospective Resources of 5.7 Tcf (P50) in structural targets.*

Prospective resource figures have been reported in BPH Annual Reports and BPH Company presentations each year since 2010. The PEP11 Information is also disclosed on Advent's website.

In respect of the prospective supply of gas, this is a cost estimate for which detailed modelling was undertaken by independent third parties, and more detail is set out in the response to question 4.

**2. Please explain whether BPH was involved in providing information to hotcopper.com.au that resulted in the publication of the Advertisement?**

The Australian Financial Review article on PEP11 dated 8 December 2022 and titled *Fight goes on for gas project Morrison killed'* was provided to Hotcopper by BPH.

**3. If BPH was involved in providing information to hotcopper.com.au, when was the information provided to hotcopper.com.au? Please provide the date and time BPH provided the information.**

The Australian Financial Review article was provided to Hotcopper on 8 December 2022 at 3:09pm by email.

**4. Who prepared and/or provided any content given to hotcopper.com.au which was contained in the Advertisement, including the PEP-11 Information?**

As set out above, the Australian Financial Review article on PEP11 was provided by BPH to Hotcopper. On 22 August 2022, Advent made a submission to the Australian Federal Government in relation to securing Australia's domestic gas supply, in response to the Federal Government consultation on strengthening the Australian Domestic Gas Security Mechanism and the release of a discussion paper *Securing Australia's domestic gas supply Options to improve the Australian Domestic Gas Security Mechanism* on the reform options and in response to the ACCC Gas Inquiry Report for 2017 – 2025 (**ACCC Inquiry**). The PEP-11 Information is contained in this submission by Advent and is publicly available information which can be accessed on the Federal Government's website: <https://consult.industry.gov.au/securing-australias-domestic-gas-supply/submission/list>.

Further, the Resource Statement has been previously disclosed in various announcements released by BPH.

The Cost Estimate is based on the ACCC Inquiry. In 2018, the ACCC engaged Core Energy (**Core**) to develop detailed estimates of the gas production costs facing producers in the east coast gas market. For individual supply regions across the east coast, Core estimated both full lifecycle costs of production and forward costs of production for 2P reserves as at 31 December 2017. The analysis provided by Core compares price offers for 2022 and 2021 supply with estimates of forward production costs, since over the short-term producers are likely to continue producing gas as long as they expect to recover their operating costs.

Core's report on gas production costs estimated the costs of production for a range of areas. For example, the Middle Surat and Roma Shelf supply region in Queensland has material uncontracted 2P reserves (9,260 PJ) that Core expected to commence production by 2020 and estimated to have the highest forward cost of \$5.55/GJ. Further, the AEMO released its Production Costs by Basin in 2022 which estimate the production costs to be \$5.85 2P Reserves and \$8.45 for 2C Resource for the Bass Basin, which is comparable to the location of PEP11.

**5. What arrangements does BPH have in place to ensure BPH complies with the Listing Rules, particularly Listing Rule 15.7?**

The Company's board comprises experienced professionals who are collectively aware of the continuous disclosure requirements arising from legislation and the Listing Rules, including the requirements of Listing Rule 15.7. The Company seeks to adhere to these requirements at all times and has a board approved Continuous Disclosure Policy and Corporate Governance Principles in place which can be found on the BPH website: <https://www.bphenergy.com.au/corporate/governance/> (refer to Schedule 7).

**6. Noting the statement that, "PEP-11 is reported to contain prospective resources up to 5.5 trillion cubic feet of gas, potentially similar in size to the Bass Strait, and enough to supply the East Coast with approx. 20 years of gas" ('Resource Statement'), constitutes the public reporting of a prospective resources for the purposes of Listing Rules 5.25, 5.28, 5.35 and 5.36. In the absence of BPH releasing an announcement in compliance with Listing Rules 5.25, 5.28, 5.35 and 5.36 please confirm that BPH has released an announcement which:**

- (a) retracts any reference to the Resource Statement as being contrary to the Listing Rules;**
- (b) states that BPH does not have any reasonable basis for disclosing that Resource Statement; and**
- (c) includes a statement to the effect that investors should not rely on the Resource Statement for their investment decision.**

BPH has not released an announcement retracting the Resource Statement, and it believes it does have a reasonable basis for disclosing the Resource Statement.

**7. Noting the statement that, "BPH believe the project could have been supplying gas to the national market by 2024 at a cost of ~\$8/Gj" ('Cost Estimate'), constitutes forecast financial information derived from an estimate of prospective resources for the purposes of Listing Rule 5.28.6, please confirm that BPH has released an announcement which:**

- (a) retracts any reference to the Cost Estimate as being contrary to the Listing Rules;**
- (b) states that BPH does not have any reasonable basis for stating that Cost Estimate; and**

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- (c) includes a statement to the effect that investors should not rely on the Cost Estimate for their investment decision.**

BPH has not released an announcement retracting the Cost Estimate and believes it has a reasonable basis for the estimates provided.

**8. Does Advent Energy Ltd currently hold a valid exploration permit over the PEP-11 Project?**

As has been previously disclosed by BPH, in June 2022, Asset Energy Pty Ltd, a 100% owned subsidiary of Advent (BPH has a 36.1% interest in Advent), applied to the Federal Court of Australia as the operator for and on behalf of the PEP-11 Joint Venture Partners (Bounty Oil and Gas (ASX:BUY) and Advent) pursuant to section 5 of the *Administrative Decisions (Judicial Review) Act 1977 (Cth)* and section 39B of the *Judiciary Act 1903 (Cth)* to review the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority, constituted under section 56 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)* (**Act**), to refuse to vary and suspend the conditions of the PEP-11 permit, pursuant to section 264(2) of the Act, and to refuse to extend the term of the PEP-11 Permit, pursuant to section 265 of the Act.

Pursuant to the Act, the PEP-11 permit will continue to remain in place and in good standing until the relevant decisions are made by the Court.

This has been disclosed by BPH in its Annual Report to Shareholders released 9 September 2022 and Advent's Annual Report to Shareholders released onto BPH's ASX platform on 5 September 2022.

**9. If the answer to question 8 is "No" please explain the basis for BPH disclosing the Resource Statement at the PEP11 project?**

Not applicable.

**10. Please confirm that BPH is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

We confirm that the company is in compliance with the listing rules and, in particular, listing rule 3.1.

**11. Please confirm that BPH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BPH with delegated authority from the board to respond to ASX on disclosure matters.**

We confirm that the Company's response to the questions has been authorised in accordance with its published continuous disclosure policy by the Board.

Authorised for release by

David Breeze  
Managing Director

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19 December 2022

Mr David Breeze  
Company Secretary  
BPH Energy Limited

By email: david@grandbridge.com.au

Dear Mr Breeze

**BPH Energy Limited ('BPH'): ASX Aware Letter**

ASX Limited ('ASX') refers to the following.

- A. A paid advertisement ASX understands was made available on [hotcopper.com.au](http://hotcopper.com.au) and distributed via email by [Hotcopper.com.au](http://Hotcopper.com.au) on or around 12 December 2022 entitled, "*BPH Energy (ASX:BPH) plans to solve Australia's east coast gas crisis*", ('Advertisement'). ASX understands the Advertisement disclosed the following, among other things:

*"BPH Energy investee Advent Energy's PEP-11 project could help solve the East Coast gas crisis within 2 years if the company successfully overturns the permit decision....."*

*BPH believe the project could have been supplying gas to the national market by 2024 at a cost of ~\$8/Gj, a significant discount to the ~\$28/Gj that gas is currently trading at....."*

*PEP-11 is reported to contain prospective resources up to 5.5 trillion cubic feet of gas, potentially similar in size to the Bass Strait, and enough to supply the East Coast with approx. 20 years of gas."*

(the 'PEP-11 Information').

- B. Section 1041F of the *Corporations Act 2001* (Cth) ('Act') which, among other things, prohibits a person from inducing another person to deal in financial products "by making or publishing a statement, promise or forecast if the person knows, or is reckless as to whether, the statement is misleading, false or deceptive".
- C. Section 1041H of the Act which, among other things, prohibits a person from engaging in "conduct, in relation to a financial product or a financial service, that is misleading or deceptive or is likely to mislead or deceive."
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"*
- and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure:

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;
- The information concerns an incomplete proposal or negotiation;
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- The information is generated for the internal management purposes of the entity; or
- The information is a trade secret; and

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- G. Listing Rule 5.25 which sets out certain disclosure requirements for entities reporting petroleum resources.
- H. Listing Rule 5.28 which contains the requirements for publishing estimates of prospective resources and in particular, Listing Rule 5.28.6 which states:
- “An entity must not report forecast financial information derived from an estimate of prospective resources.”
- I. Listing Rule 15.7 which states:
- “An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released information to the market.”
- J. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks BPH to respond separately to each of the following questions and requests for information.

1. Has BPH released an announcement on ASX disclosing the PEP-11 Information? If so, please provide details.
2. Please explain whether BPH was involved in providing information to [hotcopper.com.au](http://hotcopper.com.au) that resulted in the publication of the Advertisement?
3. If BPH was involved in providing information to [hotcopper.com.au](http://hotcopper.com.au), when was the information provided to [hotcopper.com.au](http://hotcopper.com.au)? Please provide the date and time BPH provided the information.
4. Who prepared and/or provided any content given to [hotcopper.com.au](http://hotcopper.com.au) which was contained in the Advertisement, including the PEP-11 Information?
5. What arrangements does BPH have in place to ensure BPH complies with the Listing Rules, particularly Listing Rule 15.7?
6. Noting the statement that, “PEP-11 is reported to contain prospective resources up to 5.5 trillion cubic feet of gas, potentially similar in size to the Bass Strait, and enough to supply the East Coast with approx. 20 years of gas”

(‘Resource Statement’), constitutes the public reporting of a prospective resources for the purposes of Listing Rules 5.25, 5.28, 5.35 and 5.36. In the absence of BPH releasing an announcement in compliance with Listing Rules 5.25, 5.28, 5.35 and 5.36 please confirm that BPH has released an announcement which:

- a. retracts any reference to the Resource Statement as being contrary to the Listing Rules;
  - b. states that BPH does not have any reasonable basis for disclosing that Resource Statement; and
  - c. includes a statement to the effect that investors should not rely on the Resource Statement for their investment decision.
7. Noting the statement that, “BPH believe the project could have been supplying gas to the national market by 2024 at a cost of ~\$8/Gj” (‘Cost Estimate’), constitutes forecast financial information derived from an estimate of prospective resources for the purposes of Listing Rule 5.28.6, please confirm that BPH has released an announcement which:
- a. retracts any reference to the Cost Estimate as being contrary to the Listing Rules;
  - b. states that BPH does not have any reasonable basis for stating that Cost Estimate; and
  - c. includes a statement to the effect that investors should not rely on the Cost Estimate for their investment decision.
8. Does Advent Energy Ltd currently hold a valid exploration permit over the PEP-11 Project?
9. If the answer to question 8 is “No” please explain the basis for BPH disclosing the Resource Statement at the PEP-11 project?
10. Please confirm that BPH is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
11. Please confirm that BPH’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BPH with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by no later than 10.00 AM AEDT on Wednesday, 21 December 2022.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [listingscomplianceperth@asx.com.au](mailto:listingscomplianceperth@asx.com.au). It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to BPH’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that BPH’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BPH’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in this letter and may require BPH to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

- 
- the event you expect to happen that will end the trading halt;
  - that you are not aware of any reason why the trading halt should not be granted; and
  - any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

**Suspension**

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in BPH's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Sean Maloney**  
Senior Adviser, Listings Compliance (Perth)