



28 January 2020

Companies Announcement Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir/Madam

ASX Market Release – PEP 11 Drilling

BPH Energy Limited (ASX: BPH) (BPH) is pleased to announce that investee Advent Energy Ltd has submitted to the National Offshore Petroleum Titles Administrator (NOPTA) an application to enable the drilling of the Baleen drill target in the PEP11 permit offshore NSW.

Advent, through wholly owned subsidiary Asset Energy Pty Ltd, holds an 85% interest and is operator of the permit. Bounty Oil and Gas NL (ASX: BUY) holds the remaining 15%. The PEP11 Joint Venture has reviewed the work program and now proposes to proceed with the drilling of a well at Baleen subject to approvals from NOPTA and other regulatory authorities and financing and has now made application to NOPTA to change the current Permit conditions to proceed with the drilling.

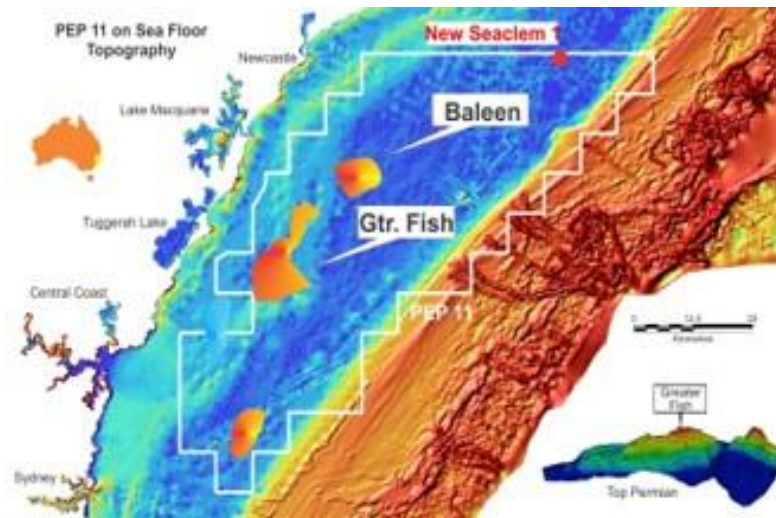
Bounty and Asset are now moving to a drill ready status for PEP11. The current permit expiry date is in March 2021. The application to NOPTA includes the extension of the permit title for up to two years to enable the drilling and includes an application for the removal of the requirement for a 500 sq. km 3D seismic program. The Joint Venture will further update the market on the timing of these approvals when detail is available.

The PEP11 project lies in the offshore Sydney Basin adjacent to the NSW coast, extending from Sydney to Newcastle and situated in Commonwealth waters. The PEP11 project comprises significant structural targets believed to hold multi TCF natural gas resources. PEP11 is supremely located to potentially supply gas into the east coast gas market.

Advent with JV partner Bounty Oil completed a 200-line km 2D seismic survey in PEP11 in the second Quarter of 2018 at Baleen as a precursor to drilling of this target approximately 30 km south east of Newcastle.

PEP 11 covers 4,576 sq. km of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project. PEP 11 remains one of the most significant untested gas plays in Australia. The PEP JV has demonstrated considerable gas generation and migration in the offshore Sydney Basin, with the previously observed mapped prospects and leads being highly prospective for gas.

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With major gas supply issues developing in eastern Australia Asset has identified a new target at Baleen with AVO analysis of seismic data. Offshore operations are not affected by the various onshore gas exploration roadblocks and planning is underway aimed at advancing Baleen to a drill test in 2020..

The gas supply crisis on the east coast of Australia has created a significant market opportunity to raise the funding to drill with the objective of developing the PEP11 project and we are now engaging with investors to fund this drilling.

The Australian Competition and Consumer Commission (ACCC) (ACCC Gas Enquiry 2017-2020 Interim Report April 2019) have confirmed that domestic wholesale gas prices have risen two to three times higher than historical prices (the 2020 average of expected LNG netback gas price is around \$9 per gigajoule.) This has put many trade-exposed Australian manufacturers under extreme pressure. There is also continuing uncertainty about the longer-term supply outlook. In its latest Gas Statement of Opportunities (GSOO), the Australian Energy market Operator (March 2019)(AEMO) has warned about potential supply shortages emerging on the east coast within five years, particularly in the southern states.

Advent Energy Interests

BPH Energy is the second largest shareholder in Advent Energy Ltd (Advent) with a direct interest of 22%. Advents interests comprise an 85 % JV interest in the PEP11 project (Offshore Sydney Basin) held through its 100% owned subsidiary , Asset Energy Pty Ltd ,and ,through its 100 % ownership of Onshore Energy , its Bonaparte Basin interests are 100 % of EP386 in Western Australia and 100% of RL1 in the Northern Territory (refer graphics below) .Advent is in a unique position to potentially satisfy growing energy demand from each of these interests.

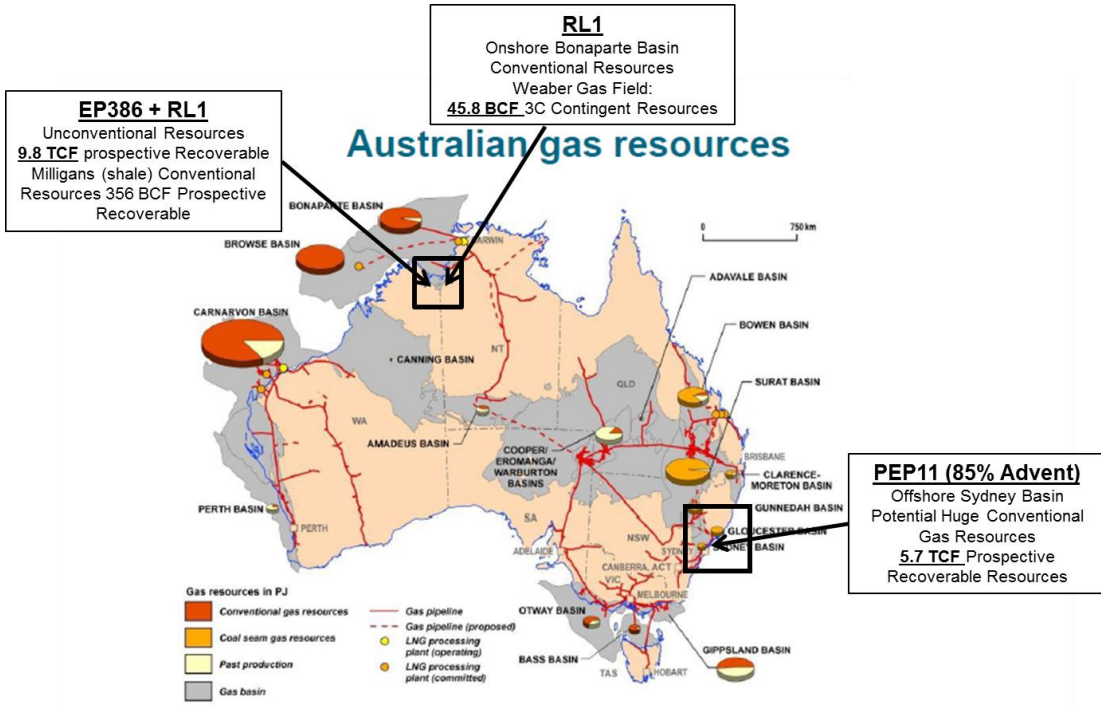
Yours sincerely,

Managing Director

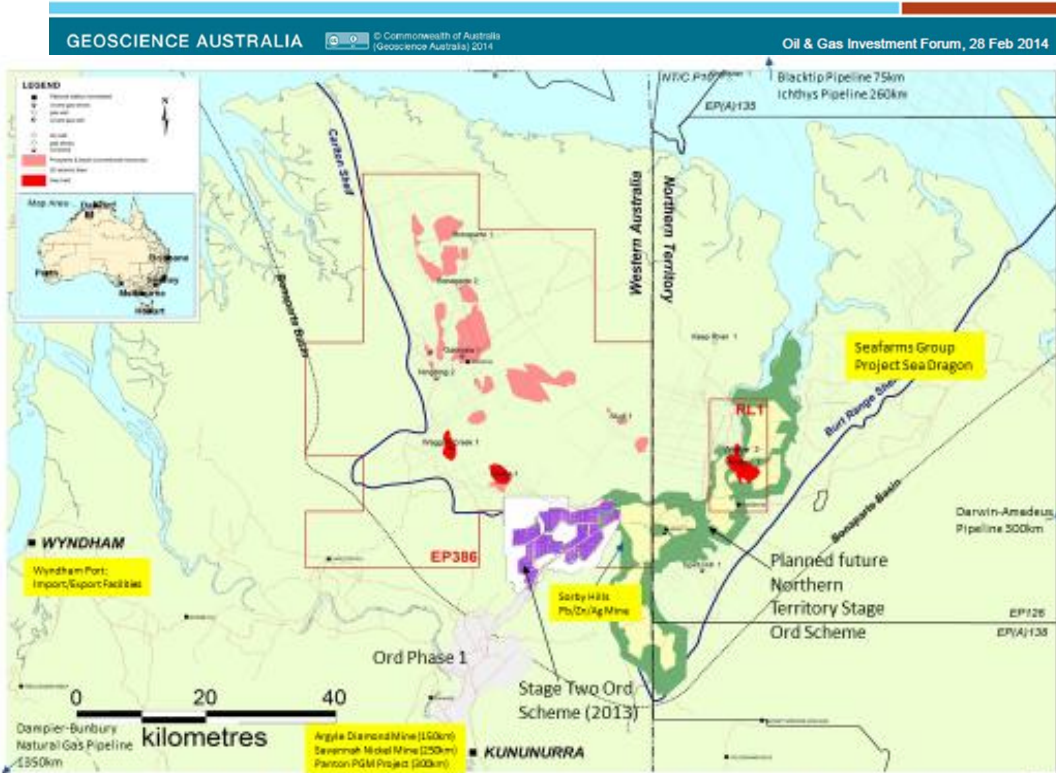
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Advent Energy Interests



(Source: Geoscience Australia & BREE, 2012)



EP386 & RL1 – Onshore Bonaparte Basin, Northern Australia