12 December 2025

Australian Securities and Investments Commission
Level 5, 100 Market Street
Sydney NSW 2000

Attention:
Claire LaBouchardiere, Senior Executive Leader, Sustainability, Financial Reporting and Audit
Marita Hogan, Senior Executive Leader, Investigations
Mel Smith, Senior Manager, ESG & Greenwashing Enforcement
Ben Phillips, Senior Specialist, Sustainable Finance, Companies and Small Business

Dear Ms LaBouchardiere, Ms Hogan, Ms Smith and Mr Phillips

Complaint about potential contraventions regarding financial statements of Beach Energy Limited and Amplitude Energy Limited and their Auditors (Ernst & Young)

1. We act for The Wilderness Society (**TWS**). TWS is an independent, not-for-profit organisation that seeks to protect, promote and restore wilderness and natural processes across Australia.

2. Our client requests that the Australian Securities and Investments Commission (**ASIC**) investigate whether **Beach** Energy Limited (ASX: BPT) and **Amplitude** Energy Limited (ASX: AEL) are in breach of sections 296 and 297 of the ***Corporations Act*** *2001* (Cth) in relation to the adequacy of restoration provisions for the 2025 financial year. Our client is concerned that both companies' financial statements materially understate their true decommissioning liabilities by adopting the assumption that offshore pipelines will be permitted to remain in-situ.

3. As set out below, our client's view is that this assumption is inconsistent with the legal and regulatory framework governing decommissioning in Australia, such that the accounts may fail to present a "true and fair view" of the companies' financial position and performance, may fail to reflect a best estimate of the expenditure required to settle the obligations, and

Equity Generation Lawyers
L1 81.5 George St
The Rocks NSW 2000

E: dhertzberg@equitygenerationlawyers.com
M: 0417 136 013
ABN: 52 632 725 403

may not comply with relevant accounting standards, including AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

4. Our client is further concerned that the audit opinions issued in these financial reports relied on assumptions that were not reasonable or were insufficiently supported by appropriate audit evidence, in a manner inconsistent with the requirements of professional scepticism and sufficient appropriate evidence required under the Australian Auditing Standards. Accordingly, our client requests that ASIC investigate whether the auditors for Beach and Amplitude, Ernst & Young, are in breach of the obligation under section 307 of the *Corporations Act* to form an opinion as to whether the financial statements are in accordance with the Act, and the obligation under section 307A to conduct audits in accordance with the auditing standards.

5. Our client also requests that ASIC investigate whether Amplitude has misled investors by stating that "pipelines that are constructed from steel and concrete have previously been accepted by the Australian regulator to be decommissioned in-situ", in breach of sections 12DA and/or 12DB of the *Australian Securities and Investments Commission Act 2001* (Cth), sections 1041H, 1041E and/or 1309 of the *Corporations Act*, or sections 18 and/or 29 of the Australian Consumer Law. Our client understands, based on engagement with NOPSEMA, that there are no instances where NOPSEMA has approved the in-situ abandonment of offshore oil and gas pipelines.

6. At their 2025 Annual General Meetings (**AGMs**), shareholders questioned the adequacy of both companies' restoration provisioning and their reliance on the in-situ abandonment of offshore pipelines. Our client shares those concerns, and considers the explanations provided at the AGMs did not satisfactorily address the accounting judgements applied and the basis for the assumptions.[1] Accordingly, our client considers that it would be appropriate for ASIC to take further action on these matters.

7. Our client notes that the concerns articulated in this letter fall within ASIC's *Compliance and Enforcement Priorities for 2026*, which include "financial reporting misconduct" and a continuing focus on "auditor misconduct".[2] Our client's concerns also fall within ASIC's financial reporting and audit focus areas for FY 2025-2026, which identify the estimation of

[1] A representative of our client attended the AGMs as a proxy for some of these shareholders.
[2] ASIC, *ASIC enforcement priorities* (2026), available here.

provisions as a key area of regulatory attention and state that preparers must exercise particular care and rigour when making significant accounting judgements.[3]

8. The balance of this letter sets out:

   (a) The significance and systemic nature of the issues raised in this letter;

   (b) Beach and Amplitude's approach to restoration provisioning in their 2025 Financial Statements;

   (c) Beach and Amplitude's comments on this topic at their 2025 AGMs;

   (d) The reasons for our client's concerns regarding the reasonableness of Beach and Amplitude's restoration provisions, and Amplitude's potentially misleading statement about Australian precedent for in-situ abandonment; and

   (e) The potential legal contraventions our client would like ASIC to investigate, and the steps our client requests ASIC to take.

Significance of adequate restoration provisions

9. In our client's view, the issues raised in this letter regarding Beach and Amplitude's restoration provisions for the 2025 financial year reflect a broader, systemic issue in the offshore oil and gas sector concerning the adequacy, transparency and prudence of restoration provisioning.

10. The significance and systemic nature of the subject matter of our client's concerns was recently highlighted by the Australian Government Department of Industry, Science and Resources (our emphasis in bold):[4]

> "There are many examples of titleholders underestimating the cost or complexity of their decommissioning obligations.
>
> […]
>
> In estimating decommissioning costs, some titleholders have assumed they will get permission to leave infrastructure in situ at the end of a project's life beyond what's specified in regulation.
>
> […]
>
> The base case for decommissioning is full removal of infrastructure unless the government formally approves an alternative end state. **Assumptions of in situ end states that are not consistent with the regulatory framework can result in under-provisioning for decommissioning.** This

---

[3] ASIC, *ASIC announces financial reporting and audit focus areas for FY 2025-26* (2025), available here.

[4] Australian Government Department of Industry, Sciences and Resources, *Offshore decommissioning and financial assurance reforms: consultation paper* (2025), available here, pp 9-10.

leaves titleholders financially unprepared if the government doesn't approve an alternate end state and requires full removal."

11. The scale of decommissioning liabilities is significant, and these liabilities will increasingly come to a head as offshore projects cease production. Australia's offshore oil and gas industry is maturing, with a significant volume of infrastructure approaching end of life. The Australian Government's 2025 decommissioning liability estimate calculates an industry-wide decommissioning cost of approximately $66.8 billion by 2063. Importantly, this figure assumes *full removal of all offshore infrastructure* in line with the base case scenario under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (**OPGGS Act**) as the baseline liability for industry.[5] Offshore pipeline removal alone is estimated to represent 40.9% of total costs.[6]

12. Given the scale of decommissioning liabilities, it is an issue of real significance to shareholders. That is particularly so given the risk that actual decommissioning costs are materially higher than the costs estimated by oil and gas companies. In the North Sea, for example, the actual cost of decommissioning several projects was on average 76% higher than the estimated cost, with significant variance in overspending ranging from 21% to as much as 189%.[7] In Australia, there has already been at least one significant example of a company being unable to meet its decommissioning liabilities.[8]

13. Despite the scale of decommissioning liabilities and the fact that these liabilities can be estimated in detail, a recent report by the Australasian Centre for Corporate Responsibility found that shareholders often do not have enough information about the extent to which oil and gas companies are exposed to decommissioning liabilities and their ability to safely remove infrastructure in a timely manner.[9] The International Accounting Standards Board, the regulatory body which oversees the IFRS Accounting Standards applied by Australian companies, has likewise recently confirmed the materiality of decommissioning provisions

[5] See Xodus, *Australian offshore oil and gas decommissioning liability estimate 2025*, available here, pp 5, 8, 23 and 32.

[6] See Xodus, *Australian offshore oil and gas decommissioning liability estimate 2025*, available here, pp 5, 32 and 34; similar estimates on decommissioning liabilities can also be found in prior assessments, including: CODA, *A baseline assessment of Australia's offshore oil and gas decommissioning liability*, available here, pp 6-7.

[7] See Y Tan et al, *Cost and environmental impact estimation methodology and potential impact factors in offshore oil and gas platform decommissioning: A review*, available here, cited in Xodus, *Australian offshore oil and gas decommissioning liability estimate 2025*, available here, p 47.

[8] Following the liquidation of Northern Oil and Gas Australia in 2019, the company failed to decommission the Northern Endeavour facility and the Australian Government was required to step in. The total cost of contracts awarded to deal with the facility is now at $851 million.

[9] See ACCR, *Offshore oil and gas asset decommissioning* (January 2023), available here. See also Institute for Energy, Economics and Financial Analysis, *Australia's decommissioning challenge raises financial risks for governments and shareholders* (December 2023), available here.

and published an "illustrative example" on this topic, underscoring the need for improved reporting in this area.[10]

14. Our client considers that it is a widespread practice in the offshore oil and gas industry to assume that offshore pipelines will be permitted to remain in-situ. For example, earlier this year the Australian Conservation Foundation wrote to ASIC about Santos Ltd's 2024 restoration provisioning, citing concerns with respect to the assumption that offshore pipelines would remain in-situ.[11] As noted above, this practice has also been highlighted by the Department of Industry, Science and Resources.[12]

15. The assumption that pipelines will remain in-situ is contrary to the current legal and regulatory framework in Australia requiring, by default, the full removal of all offshore property (outlined below at paragraph 37). It is an assumption that materially reduces estimations of restoration provisions on the balance sheet. This carries a clear risk of understating liabilities.

16. Further provisioning for offshore oil and gas decommissioning has in the past been a focus for ASIC. For example, in 2022, following ASIC intervention, Woodside Petroleum increased its restoration provision by approximately $239 million and enhanced disclosures regarding offshore infrastructure removal. The increased restoration provision was primarily due to the inclusion of costs for the removal of certain pipelines.[13]

17. In its associated public release, ASIC noted that "restoration obligations for companies in the offshore oil and gas sector can be significant" and encouraged directors or other industry participants to "reassess the reasonableness of their financial reporting obligations and the adequacy of disclosures."[14] Similar concerns arise in relation to Beach and Amplitude.

---

[10] In November 2025, the International Accounting Standards Board published *Disclosures about uncertainties in the financial statements*, which added Example 2A to Section D *Guidance on Implementing IAS 37 Provisions, Contingent Liabilities and Contingent Assets*: see here. The illustrative example says that issuers ought to disclose additional information related to decommissioning provisions, including assumptions and uncertainties such as timing.

[11] See Energy News Bulletin, *Santos reported to ASIC amid allegation of legal breach* (8 August 2025), available here. See also Santos, *2024 Annual Report*, available here, p 236: "The Group's estimated future removal and restoration costs may include certain major pipelines remaining in-situ, where the Group believes it will result in better environmental and safety outcomes than full removal …"

[12] For example, Woodside Energy's 2024 Annual Report states it has assumed the in-situ decommissioning of some property, but does not specify which property: "It is currently the Group's assumption that in some regulatory jurisdictions and environments, certain infrastructures are decommissioned in-situ …": Woodside, *2024 Annual Report*, available here, p 188.

[13] ASIC, *Woodside Petroleum increases restoration provision and enhances associated disclosure* (21 February 2022), available here.

[14] ASIC, *Woodside Petroleum increases restoration provision and enhances associated disclosure* (21 February 2022), available here.

18. For these reasons, inadequate restoration provisions have the potential to undermine the integrity and quality of financial reporting and auditing in Australia, causing significant risk to investors.

Restoration provisioning in Beach and Amplitude's 2025 Financial Statements

19. In its 2025 Financial Statements, Beach recorded $1,088.7 million in provisions for restoration obligations, with $877.7 million in non-current restoration provisioning.[15] Amplitude recorded $440.5 million in provisions for restoration obligations, with $418.3 in non-current restoration provisioning.[16]

20. The accompanying notes to each company's financial statements state that the restoration provisioning has been based on the assumption that offshore pipelines will be left in-situ.[17]

Amplitude

21. Amplitude states that offshore pipelines constructed of steel and concrete have been assumed to remain in-situ where it can demonstrate that this "will result in a net environmental benefit compared to full removal and where regulatory approval is anticipated to be obtained".[18]

22. Amplitude supports its assumption by reference to domestic practice, stating, "[o]ffshore pipelines that are constructed from steel and concrete have previously been accepted by the Australian regulator to be decommissioned in-situ where it has been demonstrated that this will result in a net environmental benefit, compared to full removal".[19] Amplitude does not disclose that the default statutory requirement is the full removal of all property, discussed below at paragraph 37.

23. Amplitude discloses that the requirement to remove all offshore pipelines would amount to an additional $35-85 million in provisioning.[20]

24. Amplitude acknowledges that the ultimate cost of decommissioning and restoration is uncertain and subject to various factors including "changes in regulations and their

---

[15] Beach, *2025 Annual Report,* available here, p 116. This is equivalent to approximately 36% of Beach's market cap.
[16] Amplitude, *2025 Annual Report*, available here, p 114. This is equivalent to over 50% of Amplitude's market cap.
[17] Beach, *2025 Annual Report,* p 116; Amplitude, *2025 Annual Report*, p 115.
[18] Amplitude, *2025 Annual Report*, p 115.
[19] Amplitude, *2025 Annual Report*, p 115.
[20] Amplitude, *2025 Annual Report*, p 116. This increased from $20-$50 million in 2024, see Cooper Energy (now Amplitude), *2024 Annual Report*, available here, p 121.

application, service costs, site conditions, timing of restoration and changes in removal technology".[21]

Beach

25. Beach acknowledges that the default statutory requirement is full removal of offshore pipelines, and that in-situ abandonment requires discretionary regulatory approval.[22] However, similar to Amplitude, Beach, notes its provisioning estimate is based on "plans" to leave all sub-sea pipelines in-situ, referring to "existing guidelines" said to "provide options other than complete removal if the titleholder can demonstrate that the alternative approach delivers equal or better environmental, safety and well integrity outcomes".[23]

26. Beach supports its in-situ assumption by reference to international practice, stating that "[e]lements composed of steel, or steel and concrete, with hydrocarbons removed such as sub-sea pipelines and other infrastructure have previously been accepted in other international offshore jurisdictions… to be decommissioned in situ …".[24]

27. According to Beach, "[s]hould the future outcome of negotiations with regulators change these plans [to leave all sub-sea pipelines in-situ] or impact our ability to realise the campaign cost savings, these decommissioning activities may need to be expanded or brought forward", potentially resulting in up to $348 million being added to the restoration provision.[25]

28. Beach also notes that its restoration provision is highly sensitive to changes in discount rates or cost estimates and includes positive cost saving assumptions. Beach discloses:

    (a) a 0.5% change in nominal discount rate or inflation rate would change the provision by approximately -$52/+$57 million respectively;[26]

    (b) a 10% increase in cost estimates increases the provision by $109 million;[27]

---

[21] Amplitude, *2025 Annual Report*, p 118.
[22] Beach, *2025 Annual Report,* p 116. This 'default' requirement is located in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) (**OPGGS Act**), s 572(3).
[23] Beach, *2025 Annual Report*, p 116. See also pp 115, 131.
[24] Beach, *2025 Annual Report*, p 115.
[25] Beach, *2025 Annual Report*, p 115. This increased from $294 million in 2024, see Beach, *2024 Annual Report*, available here, p 116.
[26] Beach, *2025 Annual Report,* p 115.
[27] Beach, *2025 Annual Report,* p 115.

(c) cost savings have also been embedded in the cost estimates assuming that restoration activities can be undertaken in an efficient manner, for example as part of a campaign;[28] and

(d) for producing assets that are impaired or have a recoverable amount close to their carrying value, any increase to the decommissioning provision may give rise to further impairment.[29]

Beach and Amplitude's 2025 Annual General Meetings

29. At Beach and Amplitude's 2025 AGMs, shareholders raised concerns regarding the assumptions underlying each company's restoration provisions. In particular, whether assumptions in relation to the in-situ abandonment of offshore pipelines were consistent with current statutory obligations and regulatory practice.

Amplitude

30. At the Amplitude AGM on 6 November 2025, a shareholder asked the auditor to provide reasoning for the statement that offshore pipelines have "previously been accepted by the Australian regulator to be decommissioned in-situ". The shareholder referred to the default legal obligation under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (**OPGGS Act**) to fully remove all offshore structures, and the absence of any instance where the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) has approved the in-situ abandonment of offshore pipelines.[30]

31. The lead auditor responded that (in summary):

(a) the restoration provision represents management's "best estimate" of the expenditure required to settle the present obligation;

(b) the criteria for allowing in-situ abandonment under the regulatory framework incorporates broader considerations than demonstrating environmental benefits, such as compliance with health and safety regulations;

(c) there is an absence of prior NOPSEMA approval for in-situ abandonment of large-diameter pipelines because there is little precedent of the regulator "opining one way or the other for removal of large-diameter pipelines";

---

[28] Beach, *2025 Annual Report,* p 116.
[29] Beach, *2025 Annual Report,* p 116.
[30] See Amplitude, *AGM 2025 Recording*, available here. Relevant shareholder questions begin at 30 minutes.

(d) Amplitude's assessment of the "most likely" decommissioning method is derived from a probabilistic assessment for each asset, taking into account regulatory requirements, industry practice and international precedents, including Europe and UK practice, identified in NOPSEMA guidance as relevant "good practice". That international practice has seen industry operators leaving large-diameter pipelines in-situ; and

(e) the regulatory outcome will not be known until a decommissioning plan is submitted to NOPSEMA in several years' time.

Beach

32. At the Beach AGM on 12 November 2025, a shareholder raised similar concerns regarding the consistency between Beach's assumption of in-situ abandonment of sub-sea pipelines, the statutory removal requirement and domestic regulatory practice.[31]

33. The Beach CFO acknowledged that the OPGGS Act requires companies to plan for full removal of all infrastructure. The CFO stated that Beach is compliant with this requirement and has estimates considering both the full removal of pipelines and pipelines remaining in-situ. The CFO further noted that existing guidelines permit alternatives to full removal if the company can demonstrate equal or better environmental, safety and well integrity outcomes, and that Beach has plans to demonstrate these outcomes in relation to its pipelines.

34. When asked directly whether NOPSEMA or any Australian state regulator had granted formal approval for in-situ abandonment of any of the company's sub-sea pipelines, the Board did not identify an example and broadly referred to "precedence" to provide comfort. It also suggested that full removal of sub-sea pipelines is not the "base case standard practice".

35. Beach's lead auditor relied on similar reasoning to Amplitude, namely that (in summary):

(a) there is little precedent in Australia of the decommissioning of large-diameter sub-sea pipelines, and consequently little evidence that these pipelines "will or will not be required to be removed";

(b) international precedent, which is contemplated in regulatory guidance, has seen operators in the Gulf of Mexico and North Sea leaving large-diameter pipelines in-

[31] See Beach, *AGM 2025 Recording*, available here. Relevant shareholder questions begin at 33 minutes.

situ; the actual outcome of decommissioning plans will only be known in the future; and

(c) decommissioning plans include consideration of many factors including the environmental, health, safety and ecological impacts of removing property versus leaving property in-situ.

Issues relating to the reasonableness of Beach and Amplitude's restoration provisions

36. For the reasons set out below, our client considers that Beach and Amplitude's assumption that offshore pipelines will be left in-situ is unreasonable.

37. First, our client considers that oil and gas companies are legally required to remove all offshore pipelines in accordance with the OPGGS Act. Section 572(3) of the OPGGS Act imposes an express obligation on Beach and Amplitude to remove all infrastructure, equipment and property that is neither used nor intended to be used in connection with operations. This is a stringent requirement and is considered the "base case" under all regulator and government policies relating to decommissioning.[32] As cited above at paragraph 10, the Australian Government's current Consultation Paper on Offshore Decommissioning and Financial Assurance reforms also reiterates this "base case".[33] This ensures Australia adheres to its international obligations to remove disused installations under the United Nations Convention on the Law of the Sea (**UNCLOS**) and the 1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972 (**London Protocol**).[34]

38. Second, Beach and Amplitude mischaracterise the relevant legal and regulatory framework. The OPGGS Act does not allow for deviation from the "base case" under section 572(3) if a titleholder can deliver "equal or better" environmental or safety outcomes, as asserted by Beach,[35] or net environmental benefit, as asserted by Amplitude.[36] Although some limited extrinsic materials refer to the possibility of deviation

---

[32] See NOPSEMA, *Maintenance and removal of property* (2025), available here; NOPSEMA, *Planning for proactive decommissioning* (2025), available here; NOPSEMA, *Decommissioning compliance strategy 2024-2029* (2023), available here; Australian Government Department of Industry, Science, Energy and Resources, *Guideline: offshore petroleum decommissioning* (2022), available here.

[33] Australian Government Department of Industry, Sciences and Resources, *Offshore decommissioning and financial assurance reforms: consultation paper* (2025), available here, pp 7-10.

[34] NOPSEMA, *Decommissioning compliance strategy 2024-2029*, available here, p 2. See in particular, *UNCLOS*, available here, Art 60; *London Protocol*, available here, Art 4(1). See also *IMO Resolution A.672(16)*, available here.

[35] See above at paragraph 25.

[36] See above at paragraph 21. Exceptions to the "base case" are set out under section 572(7) of the OPGGS Act. Section 572(3) has effect subject to any other provision of the Act, regulations, a direction given by NOPSEMA or the Commonwealth, or any other law.

from the "base case" if the company can demonstrate "equal or better" outcomes,[37] the language employed by Beach and Amplitude does not appear in any current NOPSEMA policies.[38] The question of whether property will be left in-situ does not reduce to a simple "equal or better" or "net benefit" analysis.

39. Third, even if the tests of "equal or better" or "net benefit" apply, our client considers that there is likely to be real doubt as to whether leaving offshore pipelines in-situ would result in a net environmental benefit compared to full removal, or deliver environmental outcomes equal to, or better than, full removal. Beach and Amplitude's characterisation of offshore pipelines as comprising steel and/or steel concrete[39] does not fully reflect that, as aging offshore pipelines corrode, heavy metals (including mercury), naturally occurring radioactive materials (**NORMs**) and other contaminants may be released into the marine environment. These environmental impacts have been documented and are areas of concern for NOPSEMA.[40] As such, our client is concerned that Beach and Amplitude's indications as to the relative environmental impacts of pipeline removal in contrast to pipeline abandonment are questionable and have not been adequately interrogated through the audit process.

40. Fourth, the assumptions adopted by Beach and Amplitude do not reflect current regulatory and industry practice. Our client is particularly concerned by Amplitude's statement that NOPSEMA has previously accepted the in-situ decommissioning of offshore pipelines.

---

[37] See Australian Government Department of Industry, Science, Energy and Resources, *Guideline: offshore petroleum decommissioning* (2022), available here, p 9, [4.16]: "Options other than removal of all property may be considered, where the alternative decommissioning approach delivers equal or better environmental outcomes compared to complete removal and meets all applicable requirements under the OPGGS Act and regulations, including well integrity and safety-related matters, and other applicable laws". See also NOPSEMA, *Decommissioning* (webpage last updated March 2023), available here.

[38] Current NOPSEMA policies state that alternative end state options may be accepted by NOPSEMA through permissioning documents in accordance with other provisions of the OPPGS Act and regulations, as provided for under section 572(7): see NOPSEMA, *Maintenance and removal of property* (2025), available here, pp 3, 6-7; NOPSEMA, *Planning for proactive decommissioning* (2025), available here, p 4; NOPSEMA, *Section 270 Consent to surrender title - NOPSEMA advice* (2025), available here, p 6.

[39] See Amplitude, *2025 Annual Report*, p 115: "Offshore pipelines that are constructed from steel and concrete have been previously accepted by the Australian regulator to be decommissioned in situ, where it has been demonstrated that this will result in a net environmental benefit …"; Beach, *2025 Annual Report*, p 115: "Elements composed of steel, or steel and concrete, with hydrocarbons removed such as sub-sea pipelines and other infrastructure have previously been accepted in other international offshore jurisdictions… to be decommissioned in situ …".

[40] See, for example, A MacIntosh et al, *Radiological risk assessment to marine biota from exposure to NORM from a decommissioned offshore oil and gas pipeline*, Journal of Environmental Radioactivity, 2022, available here. NOPSEMA's *Research Strategy 2024-2027* acknowledges key challenges associated with decommissioning, including contamination from heavy metals and NORMS, and risks to habitats and biota from leaving infrastructure in-situ. NOPSEMA proposes further research is required to understand in-situ impacts over decades and the potential release of contaminants and pollutants if property is decommissioned at sea: NOPSEMA, *Research Strategy 2024-2027*, available here, pp 15-16.

Our client understands, based on engagement with NOPSEMA, that there are no instances where NOPSEMA has approved the in-situ abandonment of offshore pipelines. On the other hand, our client has identified at least one example of NOPSEMA declining to accept a proposal for the in-situ abandonment of an offshore pipeline at the Griffin Development.[41] This is consistent with NOPSEMA and the Australian Government's clearly expressed expectation that removal is the "base case", and that companies' restoration provisions ought to reflect that position.[42]

41. At Amplitude's AGM, the lead auditor indicated that it also considered international precedent, as there is little evidence of NOPSEMA "opining one way or the other for removal [of offshore pipelines]". Our client is concerned by Beach and Amplitude's references to international precedent to support assumptions for the in-situ abandonment of offshore pipelines. Little guidance can be derived from international examples, which arise from significantly different legal regimes and contexts.[43] Rather, to the extent there is an absence of clear industry or regulatory practice domestically, Beach and Amplitude should ensure their restoration provisions reflect the legal framework in Australia.

42. For these reasons, our client considers that Beach and Amplitude's assumptions that NOPSEMA would approve plans to leave all of its offshore pipelines in-situ are unreasonable.

Potential legal contraventions

43. Section 297 of the *Corporations Act* requires that a company's financial statements and notes present a "true and fair view" of its financial position and performance. Under section 295(3)(c), a company is required to include "additional information" in the notes to give a

[41] The Griffin Gas Export Pipeline Decommissioning Environment Plan, submitted on 21 March 2022 and accepted on 30 November 2023, initially proposed to clean and abandon in-situ the Griffin gas export pipeline in Commonwealth waters: see BHP, *Griffin Gas Export Pipeline Decommissioning Environment Plan* (2022), available here, pp 1, 10. After NOPSEMA feedback, the final accepted version of the Environment Plan instead proposed to fully remove the pipeline in Commonwealth waters: BHP, *Griffin Gas Export Pipeline Decommissioning Environment Plan* (2023), available here, p 22.
[42] See paragraphs 10, 11, 37 above and the NOPSEMA and Australian Government materials cited therein.
[43] For example, Xodus, *Australian offshore oil and gas decommissioning liability estimate 2025*, available here, p 46 acknowledges "[t]he decommissioning industry in the Gulf of Mexico is more mature than Australia, however, there is an ability for in-situ disposal, including in dedicated areas for reefing. Australia's decommissioning regulation does not permit these activities without significant demonstration of suitability…". See also Australian Government Department of Industry, Science and Resources, *Offshore decommissioning and financial assurance reforms: consultation paper* (2025), available here, p 12: "Offshore decommissioning regimes globally are diverse, shaped by different legal systems, economic settings, geographic locations and environmental priorities."

true and fair view. The obligation applies in addition to the requirement under section 296 to comply with accounting standards.

44. A financial statement will not be "true" if it contains facts which are incorrect or where material facts are omitted, and will not be "fair" if the opinions it contains are not reasonable in the context they appear.[44] Generally, the phrase means that financial statements must be sufficiently complete and accurate to meet the reasonable expectations of users of those accounts, such as shareholders.[45]

45. For the reasons set out in this letter, our client is concerned that Beach and Amplitude's 2025 Financial Statements do not present a true and fair view of the companies' financial positions. While both Beach and Amplitude acknowledge the conditional nature of various decommissioning assumptions, our client is concerned that the assumptions themselves are not reasonable. Therefore, the associated provisioning does not provide a true and fair view even with the qualifying note.[46] In particular:

(a) the assumption that offshore pipelines will be left in-situ is inconsistent with the OPGGS Act and NOPSEMA's regulatory practice;

(b) NOPSEMA has not approved the in-situ abandonment of offshore pipelines; and

(c) the additional costs associated with full removal are material.[47]

46. The effect of adjusting the provisions to comply with current legal requirements would be substantial. For Beach, an increase of up to $348 million, being approximately one-third of its current restoration provision, may be required. Furthermore, as noted at paragraph 28 above, Beach's restoration provision is already highly sensitive to changes in discount rates and cost estimates and includes positive cost saving assumptions.

---

[44] *Grant-Taylor v Babcock Brown Ltd (in liq)* (2015) 322 ALR 723; [2015] FCA 149 at [136].

[45] *BPESAM IV M Ltd v DRA Global Ltd* [2020] FCA 738; (2020) 381 ALR 252 at [170], citing *Austin & Black's Annotations to the Corporations Act* (2010).

[46] See further Australian Accounting Services Board, *AASB 101: Presentation of Financial Statements*, available here, p 10, [18]: "An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material".

[47] As extracted above at paragraph 27, Beach states "[s]hould the future outcome of negotiations with regulators change these plans or impact our ability to realise the campaign cost savings, these decommissioning activities may need to be expanded or brought forward which may result in up to $348 million to be added to the value of the Group's restoration provision." For Amplitude, the estimated cost to remove all offshore pipelines is approximately $35-85 million in provisioning, see above at paragraph 23.

47. Our client also notes that such a figure may underestimate restoration cost blowouts in light of recent industry examples, most notably Woodside's costs estimate increase of US $400-500 million for the decommissioning of the Minerva, Stybarrow and Griffin fields.[48]

48. Furthermore, these issues raise concerns under AASB 137, which requires provisions to reflect a best estimate of expenditure supported by objective evidence. For instance, we note that paragraph 48 of AASB 137 requires that provisions only reflect future events supported by sufficient objective evidence.[49]

49. As outlined above, our client is concerned that Beach and Amplitude's assumption that all offshore pipelines will be left in-situ does not appear supported by "sufficient objective evidence" as required by AASB 137 and therefore may also be in breach of section 296 of the *Corporations Act*.

50. Section 307 of the *Corporations Act* requires auditors to form an opinion about whether financial statements are in compliance with the Act, including whether the statements represent a true and fair view of the company's financial position and performance. Under section 307A, auditors must conduct their audits in accordance with auditing standards.

51. Attention should be drawn to the key audit matter *accounting for restoration provisions* in Beach's 2025 financial report.[50] The key audit matter highlights that the assumption sub-sea pipelines will remain in-situ is both uncertain and contingent on future regulator approval. Our client is concerned there is no indication that the auditors had, or sought, sufficient objective evidence to support this significant assumption, which materially reduces the restoration provision. In particular, it is unclear from the audit procedures outlined whether the auditors sought evidence of NOPSEMA's position regarding the proposed in-situ abandonment of offshore pipelines or independently considered the default requirement of full removal reflected in the governing legislation.[51] Our client holds similar concerns in relation to Amplitude's auditor's assessment of restoration provisioning.[52] Given ASIC's 2026 priorities on auditor misconduct, financial reporting

---

[48] Woodside, *Second quarter report for period ended 30 June 2025*, available here, p 6. In its 2024 Annual Report, Amplitude noted that the completion of the Basker, Manta and Gummy wells decommissioning project was above the Group's initial budget and "impacted the Company's debt position": Amplitude, *2024 Annual Report*, p 3.
[49] Australian Accounting Services Board, *AASB 137: Provisions, Contingent Liabilities and Contingent Assets*, available here, p 12, [48].
[50] See Beach, *2025 Annual Report*, p 138.
[51] The audit procedure included "[e]valuating management's process for identifying legal and regulatory obligations for restoration and decommissioning and ensuring completeness of locations, infrastructure and facilities": Beach, *2025 Annual Report*, p 138.
[52] See Amplitude, *2025 Annual Report*, p 139.

misconduct, and the scrutiny required for significant accounting estimates, the adequacy of the audit work on this point warrants consideration.

52. Finally, as set out above at paragraph 22, Amplitude's 2025 Financial Statements assert that NOPSEMA has previously accepted the in-situ decommissioning of offshore pipelines. Our client is not aware of any instances where NOPSEMA has approved the in-situ abandonment of offshore pipelines. The company and its auditor were given an opportunity to clarify this statement at its AGM, and did not do so. Indeed, Amplitude's auditor appeared to acknowledge the absence of any domestic precedent.[53] In those circumstances, our client is concerned that Amplitude's conduct contravenes sections 12DA and/or 12DB of the *Australian Securities and Investments Commission Act 2001* (Cth), sections 1041H, 1041E and/or 1309 of the *Corporations Act*, or sections 18 and/or 29 of the Australian Consumer Law.

Request to investigate

53. For the reasons set out above, our client respectfully requests that ASIC investigate whether Beach and Amplitude's 2025 Financial Statements contravene sections 296 and 297 of the *Corporations Act*, whether auditors Ernst & Young have conducted their audit of the 2025 Financial Statements in accordance with sections 307, 307A of the *Corporations Act*, and whether Amplitude has contravened the provisions listed in paragraph 52 above.

54. Our client also requests that ASIC take such further action as it considers appropriate, including any action under ASIC's information gathering powers and any enforcement action against Beach, Amplitude and Ernst & Young.

55. In our client's view, the following questions warrant ASIC's further inquiry:

(a) Are either company aware of any Australian precedents for in-situ abandonment of offshore oil and gas pipelines?

(b) Has either company received any confirmation or preliminary indication from NOPSEMA that in-situ abandonment of the relevant offshore pipelines will be accepted?s

(c) On what other objective evidence do the companies rely in making the assumption that NOPSEMA will accept the in-situ abandonment of the relevant offshore pipelines?

---

[53] See paragraph 31 above.

(d) How did the auditors assess and test the companies' respective assumptions regarding in-situ abandonment?

56. We would be happy to discuss this matter further if that would be of assistance.

57. We otherwise look forward to your response to the matters raised above.

Yours sincerely

D. Hertzberg

I Blomfield

David Hertzberg
Principal Lawyer

Isobel Blomfield
Senior Associate