



Monthly Drilling Report

January 2014

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AUSTRALIA

Nappamerri Trough Natural Gas

The drilling campaign in the Nappamerri Trough in ATP 855 (Beach Energy Ltd (Beach) 46.9% and operator, Icon Energy Ltd 35.1%, Chevron Exploration Australia 1 Pty Ltd 18%) continued in January 2014. Redland-1, a vertical exploration well, reached a total depth of 3,804 metres on 23 January 2014 and was cased and suspended in preparation for future evaluation, including hydraulic fracture stimulation of the target Toolachee and Daralingie Formations in Q3 2014. The Ensign 965 rig is currently moving to the Etty-1 location in ATP 855 which is 8.6 kilometres east of Halifax-1.

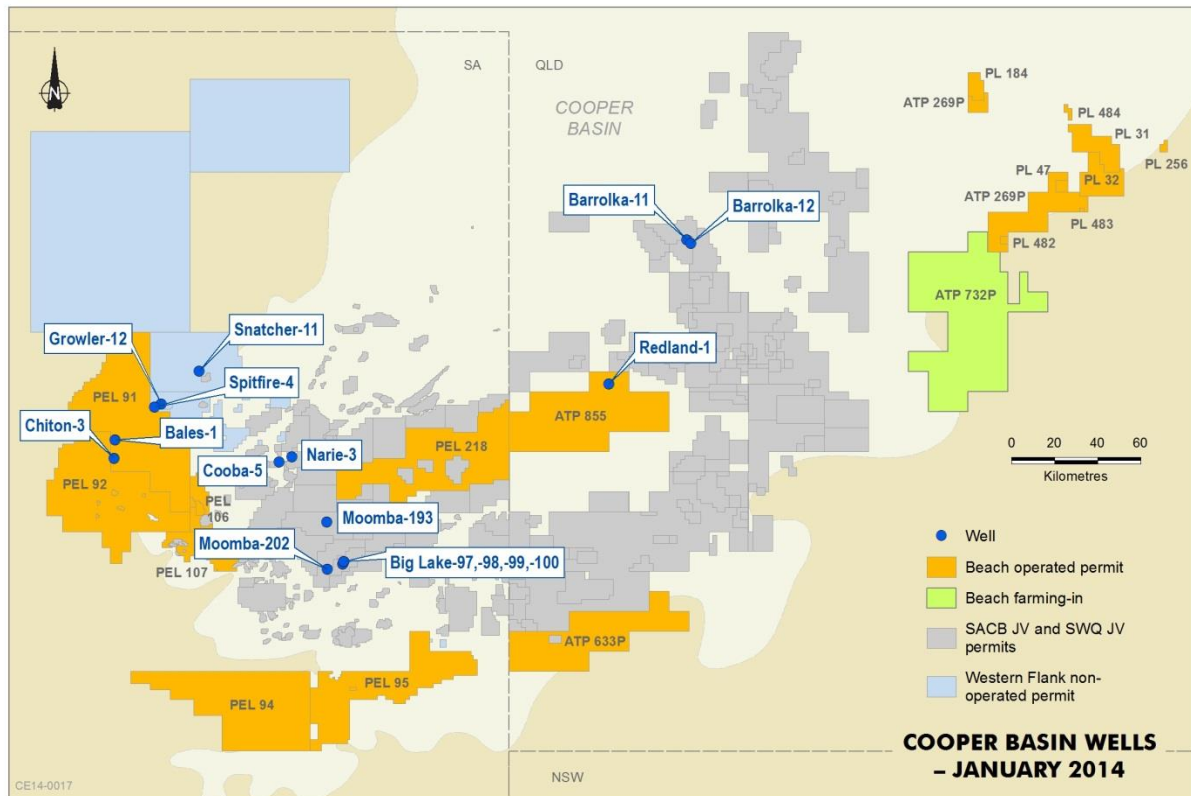
Cooper-Eromanga Oil – South Australia

A drilling campaign of at least four wells continued in the Growler area (Beach 40% and Senex Energy Ltd (Senex) 60% and operator). Growler-12, an appraisal well to the north of the Growler oil field, was cased and suspended by the operator, Senex. Beach did not interpret any reservoir in this well and elected not to participate.

The Spitfire-4 development well was drilled in the Spitfire oil field (Beach 40% and Senex 60% and operator) and was cased and suspended as a future oil producer after encountering 12 metres of net pay in the Birkhead Formation. The next well in the program is the Snatcher-11 oil appraisal well (Beach 40% and Senex 60% and operator), which spudded on 31 January and is currently drilling ahead in the Westbourne Formation.

In PEL 91 (Beach 40% and operator, Drillsearch Energy Ltd 60%), Chiton-3 was drilled to appraise the northern extent of the Chiton oil field, 600 metres to the north of Chiton-2. The well intersected a 6.5 metre gross oil column with 3.5 metres of net oil pay within the highly productive Namur reservoir. Chiton-3 was cased and suspended as a future McKinlay/Namur oil producer. The success of this appraisal well will enhance field reserves and allow for infill development drilling.

Also in PEL 91, Bales-1 well was drilled as an exploration well targeting the McKinaly/Namur reservoir Sandstone formations. The well was plugged and abandoned after intersecting good quality reservoir with no oil column. Oil shows were detected in the secondary target Birkhead Formation, however, reservoir development at this level was absent.



Cooper Basin Oil and Gas - Exploration and Development

In the gas development program in Queensland (Beach 23.2%, Santos Ltd (Santos) 60.06% and operator, Origin Energy Ltd (Origin) 16.5%, Australian Pacific LNG 0.24%), a three well drilling program in the Barrolka field re-commenced following the drilling in November and December 2013 of surface holes (approximately 880 metres depth) in Barrolka-11, 12 and 13. In January, a higher capacity rig was engaged to commence drilling the production hole in these wells. Barrolka-12 was cased and suspended as a Toolachee and Patchawarra Formation gas producer, while Barrolka-11 is drilling ahead in the Nappamerri Group. The final well in the programme, Barrolka-13, will also be re-entered from the surface hole.

In the South Australian Cooper Basin Joint Venture (SACB JV) (Beach 20.21%, Santos 66.6% and operator, Origin 13.19%) gas development program, the Moomba-202 vertical well, located on the south of the Moomba field, was cased and suspended as a Toolachee, Daralingie, Epsilon and Patchwarra Formation gas producer.

The five well Big Lake pad drilling program continued with the drilling of Big Lake-97 and Big Lake-98. Both wells were cased and suspended as future Toolachee, Daralingie, Epsilon, Patchawarra and

Tirrawarra Formation gas producers. The fifth and final well on the Big Lake Pad, Big Lake-99, is currently drilling ahead at 890 metres.

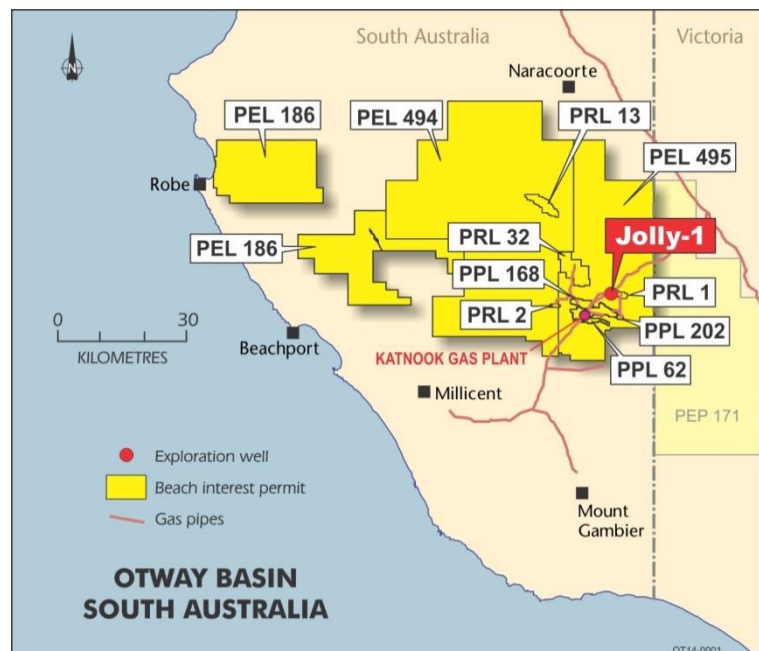
Big Lake-100, on the northern sector of the field, is drilling ahead at approximately 1,500 metres in the Early Cretaceous. The primary gas objectives in this vertical well are the Toolachee, Daralingie, Epsilon, Patchawarra and Tirrawarra Formations, with the well located in the area of the field where the Tirrawarra Sandstone has good reservoir quality.

The Cooba-5 well was cased and suspended as a Toolachee, Epsilon, Patchawarra and Tirrawarra gas producer. The Narie-3 gas development well commenced drilling on 3 February with the primary gas objectives being the Patchawarra Formation and Tirrawarra Sandstone.

In the SACB JV unconventional gas exploration program, the Moomba-193 ST1 well is currently drilling ahead in the Epsilon Formation. The well was drilled to 2,920 metres and encountered mechanical problems near the top of the Murteree Shale, necessitating a side-track. The side-track commenced at 2,612 metres, with the plan to drill a 900 metre horizontal section in the Murteree Shale. This lateral will be fracture stimulated with micro-seismic monitoring undertaken from the vertical Moomba-192 well. The Moomba-192 vertical well and the Moomba-193 horizontal well are part of the Aurora Project focusing on the Roseneath Shale, Epsilon Formation, Murteree Shale and Patchawarra Formation

Otway Basin – South Australia

The Jolly-1 vertical well in PEL 495 (Beach 70% and operator, Cooper Energy Ltd 30%*) is the first well of a two well exploration program in the South Australian part of the Otway Basin. The well commenced drilling on 11 January 2014, with the program addressing the potential of shale and tight sandstone in the Lower Sawpit Shale and the Casterton Formation, which have potential for liquids rich gas in the Penola Trough. Jolly-1 drilled to 2,406 metres, at which point mechanical problems were



encountered in the Upper Sawpit Shale necessitating a side-track. The side track well, Jolly-1 ST1, commenced on the 30 January, with the well drilling ahead in the Upper Sawpit Shale.

** Subject to South Australian Government approval*

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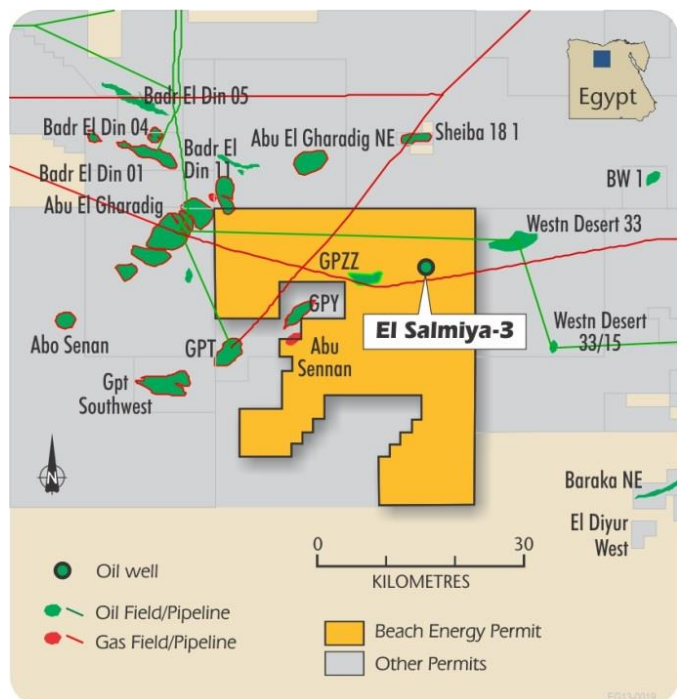
Abu Sennan Concession, Egypt (Beach 22%, Kuwait Energy Egypt Ltd 50% and operator, Dover Investments Ltd 28%)

The El Salmiya-3 well has been completed as a Cretaceous Abu Roash “C” Formation producer. The well was designed to appraise the oil discovery from July last year in the lower Cretaceous Kharita Formation, however, encountered hole problems when drilling the 8 1/2” hole.

The well encountered approximately eight metres of net oil pay in the Abu Roash “C”, of which a six metre interval was perforated. During the flow test the reservoir achieved a rate of 4,800 barrels per day of 39 degree API crude (plus 6 MMscfd, and no water) through a 64/64” choke. The reservoir is currently undergoing a ‘flow after flow’ testing program to determine the optimum choke size to produce the well.

This result underlines the stacked potential of the El Salmiya Field, which is now producing from the Abu Roash “C”, the Abu Roash “E” and the Kharita Formation.

The drilling rig is currently rigging up to spud El Salmiya-4, which will further appraise the extent of the Abu Roash reservoirs, as well as the Bahariya and Kharita Formation discoveries.



Drilling Report - Period ending Wednesday 5th February 2014

Well	Participants	Progress & Summary	Primary Targets
Bales-1 PEL 91 Oil Exploration Cooper, SA	BPT* 40.00% DLS 60.00%	Report Time: 0600 hrs (CDT) 05/02/2014 Depth: 1953m (TD) Operation: Well is Plugged and abandoned. Progress: 1953m	Namur Sandstone, McKinlay Member, Birkhead Formation, Hutton Sandstone, Poolowanna Formation.
Chiton-3 PEL 91 Oil Appraisal Cooper, SA	BPT* 40.00% DLS 60.00%	Report Time: 0600 hrs (CDT) 05/02/2014 Depth: 1788m (TD) Operation: Well is cased and suspended as a future Namur Sandstone oil producer. Progress: 1788m	Namur Sandstone, McKinlay Member, Birkhead Formation
Jolly-1 ST1 PEL 495 Unconventional Gas Otway, SA	BPT* 70.00% COE 30.00%	Report Time: 0600 hrs (CDT) 05/02/2014 Depth: 2313m Operation: Drilling ahead. Progress: 2313m	Sawpit Shale, Casterton Formation
Snatcher-11 PPL 240 Oil Appraisal Cooper, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 05/04/2014 Depth: 1640m Operation: Drilling ahead. Progress: 1640m	Birkhead Formation
Growler-12 PRL 15 Oil Appraisal Cooper, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 05/04/2014 Depth: 1877m (TD) Operation: Beach has elected not to participate in the casing of the well. Progress: 1877m	Birkhead Formation
Spitfire-4 PEL 104 Oil Appraisal Cooper, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 05/04/2014 Depth: 1808m (TD) Operation: Well is cased and suspended as a future Birkhead Formation oil producer. Progress: 1808m	Birkhead Formation
Redland-1 ATP 855 Nappamerri Trough Natural Gas-Exploration Cooper, QLD	BPT* 46.90% CVX 18.00% ICN 35.10%	Report Time: 0600 hrs (CST) 05/02/2014 Depth: 3804m (TD) Operation: Well is cased and suspended for further evaluation. Progress: 921m	Toolachee Formation. Daralingie Formation
Barrolka-11 PL 112 Gas Development C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.50% APL 0.24%	Report Time: 0600hrs (CDT) 05/02/2014 Depth: 2254m Operation: Drilling ahead. 1396m	Toolachee Formation Patchawarra Formation.
Barrolka-12 PL 112 Gas Development C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.50% APL 0.24%	Report Time: 0600hrs (CDT) 05/02/2014 Depth: 2720m (TD) Operation: Well is cased and suspended as a future Permian gas producer. 1866m	Toolachee Formation Patchawarra Formation.
Narie-3 PPL 17 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CDT) 05/02/2014 Depth: 619m Operation: Pressure testing BOP and surface equipment. Progress: 619m	Patchawarra Formation, Tirrawarra Sandstone, Toolachee Formation.
Big Lake-100 PPL 11 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 05/02/2014 Depth: 1446m Operation: Drilling ahead. Progress: 1446m	Patchawarra Formation, Tirrawarra Formation.

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Well	Participants		Progress & Summary		Primary Targets
Big Lake-99	BPT	20.21%	Report Time:	0600 hrs (CST) 05/02/2014	Patchawarra Formation, Tirrawarra Formation.
PPL 11	STO*	66.60%	Depth:	890m	
Gas Development	ORG	13.19%	Operation:	Drilling ahead.	
C/E Basin, SA			Progress:	890m	
Big Lake-98	BPT	20.21%	Report Time:	0600 hrs (CST) 05/02/2014	Patchawarra Formation, Tirrawarra Formation.
PPL 11	STO*	66.60%	Depth:	3129m (TD)	
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	3129m	
Big Lake-97	BPT	20.21%	Report Time:	0600 hrs (CST) 05/02/2014	Patchawarra Formation, Tirrawarra Formation.
PPL 11	STO*	66.60%	Depth:	3053m (TD)	
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	511m	
Moomba-193 ST1	BPT	20.21%	Report Time:	0600 hrs (CST) 05/02/2014	Roseneath Shale, Epsilon Formation, Patchawarra Formation, Toolachee Formation.
PPL 7	STO*	66.60%	Depth:	2897m	
Gas Exploration	ORG	13.19%	Operation:	Drilling ahead.	
C/E Basin, SA			Progress:	523m	
Moomba-202	BPT	20.21%	Report Time:	0600 hrs (CST) 05/02/2014	Roseneath Shale, Epsilon Formation, Patchawarra Formation, Toolachee Formation.
PPL 11	STO*	66.60%	Depth:	3071m (TD)	
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	2005m	
Cooba-5	BPT	20.21%	Report Time:	06:00 hrs (CDT) 05/02/2014	Patchawarra Formation, Tirrawarra Sandstone.
PPL 68	STO*	66.60%	Depth:	3139m (TD)	
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	2437m	
El Salmiya-3	BPT	22.00%	Report Time:	0600 hrs (local) 04/02/2014	Abu Roash C, E, Bahariya, Khatatba
Abu Sennan	KEE*	50.00%	Depth:	3714m (TD)	
Oil Exploration	DOV	28.00%	Operation:	Well is cased and suspended as a future Abu Roash "C" Formation oil producer.	
Egypt, Western Desert			Progress:	0m	

(*) Operator
 BPT Beach Energy Ltd
 APL Australia Pacific LNG
 COE Cooper Energy Ltd
 CVX Chevron Australia

DLS Drillsearch Ltd
 DOV Dover Investments Ltd
 GGO Gidgealpa Oil Pty Ltd
 ICN Icon Energy Ltd
 KEE Kuwait Energy Egypt Ltd

ORG Origin Energy Resources Ltd
 STO Santos Limited
 SXY Senex Energy Ltd



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