



ASX Release

Beach Energy Ltd
ABN: 20 007 617 969
ASX Code: BPT

25 Conyngham Street
GLENSIDE SA 5065

GPO Box 175
ADELAIDE SA 5001

Tel: +61 8 8338 2833
Fax: +61 8 8338 2336

Web:
www.beachenergy.com.au
Email:
info@beachenergy.com.au

For Immediate Release – 20 June 2014

Ref. #042/14

ASX Ltd/SGX Singapore Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir

COOPER BASIN NTNG EXPLORATION UPDATE

Beach Energy Ltd (ASX: BPT, "Beach") advises the following in relation to the exploration program in the Nappamerri Trough Natural Gas ("NTNG") project in ATP 855 (Beach 46.9% and operator, Chevron Exploration Australia 1 Pty Ltd ("Chevron") 18% and Icon Energy Ltd 35.1%) and PRLs 33-49 (Beach 70% and operator, Chevron 30%).

ATP 855

The Queensland Government recently passed legislation that extends the period of the work program for all ATP's under the Petroleum and Gas (Production and Safety) Act (2004) by two years, which includes ATP 855. The Government has embarked on a tenure reform initiative, which provides the Joint Venture the opportunity to consult with the Queensland Government over this period to secure more flexible tenure arrangements over the ATP 855 permit for the longer term.

In relation to the ATP 855 permit, Beach recently engaged independent petroleum consultants DeGolyer & MacNaughton ("D&M") to provide a report on the Prospective Resources contained within the area. D&M estimated the gross unconventional prospective raw natural gas resource for ATP 855 (as at 15 June 2014) as follows:

Low estimate (P90)	Best Estimate (P50)	High Estimate (P10)
21.48 Tcf	28.49 Tcf	37.74 Tcf

The following should be noted in relation to the above:

- Beach equity share is 46.9%.
- The estimate was prepared by D&M in accordance with the 2007 Petroleum Resources Management System ("PRMS").
- Recovery efficiency was applied in estimating the volumes above, however, the probability of geological success was not.
- Application of any geological and economic chance factor does not equate unconventional prospective resources to contingent resources or reserves.
- Probabilistic estimates have been made for each target formation and these have been statistically aggregated.

- There is no certainty that any portion of the unconventional prospective resource estimates will be discovered. Should they be discovered, the commercial viability in relation to gas production is not guaranteed.

The Joint Venture is in the process of planning the fracture stimulation program of four wells with Condor Energy Services Ltd in ATP 855. It is anticipated that this program will commence in Q1 FY15, once new equipment from the USA has arrived. The program is planned to include the fracture stimulation of the Geoffrey-1, Redland-1, Hervey-1 and ETTY-1 vertical wells. The first well to be fracture stimulated will be Geoffrey-1, which will be assessing a single zone of interest in the base of the well and the flow potential of this specific target. As such the results are expected to indicate only a fraction of the well's potential.

PRLs 33-49

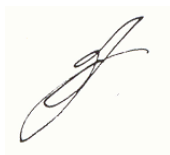
The Joint Venture has been granted Petroleum Retention Licences ("PRLs") 33 to 49 over the old PEL 218 permit, securing tenure over this strategically positioned resource, initially for up to 15 years. The granting of the PRLs by the South Australian Government recognises the proving up of the continuous nature of the basin centred and shale gas plays, as well as the demonstration of the ability to flow gas from multiple sections of the Permian target zone. Should the project proceed to development, tenure would be further extended by conversion of the PRLs to Production Licences.

Within the Dashwood-1 vertical well, the four stage fracture stimulation of the lower Patchawarra Formation has been isolated, with preparatory work now underway for follow up fracture stimulation of shallower zones in the well. The shallower zones will be the Toolachee and Daralingie Formations, which have not been targeted to any great extent in the program to date.

Two wells are currently flowing back gas. The Nepean-1 vertical well was drilled through the Permian section to the base of the Patchawarra Formation to a total depth of 3,527 metres. The well was fracture stimulated over twelve stages and has a downhole obstruction, while also being choked back through a 22/64" choke. The peak flow rate was 1.3 MMscfd and is currently 0.7 MMscfd. The Marble-1 vertical well was also drilled through the Permian section to the base of the Patchawarra Formation to a total depth of 3,962 metres. The well was fracture stimulated over twelve stages, and has a downhole obstruction that was not able to be fished out. It is currently flowing at a peak rate of 0.3 MMscfd through a 32/64" choke. The horizontal wells Boston-3 and Holdfast-2 are currently shut-in for pressure build-up.

All statements made on work program scope, timing and objectives above are subject to permitting and Joint Venture approval.

Yours sincerely



Reg Nelson
Managing Director, FAusIMM

For more information contact:

Corporate

Reg Nelson

Beach Energy Ltd

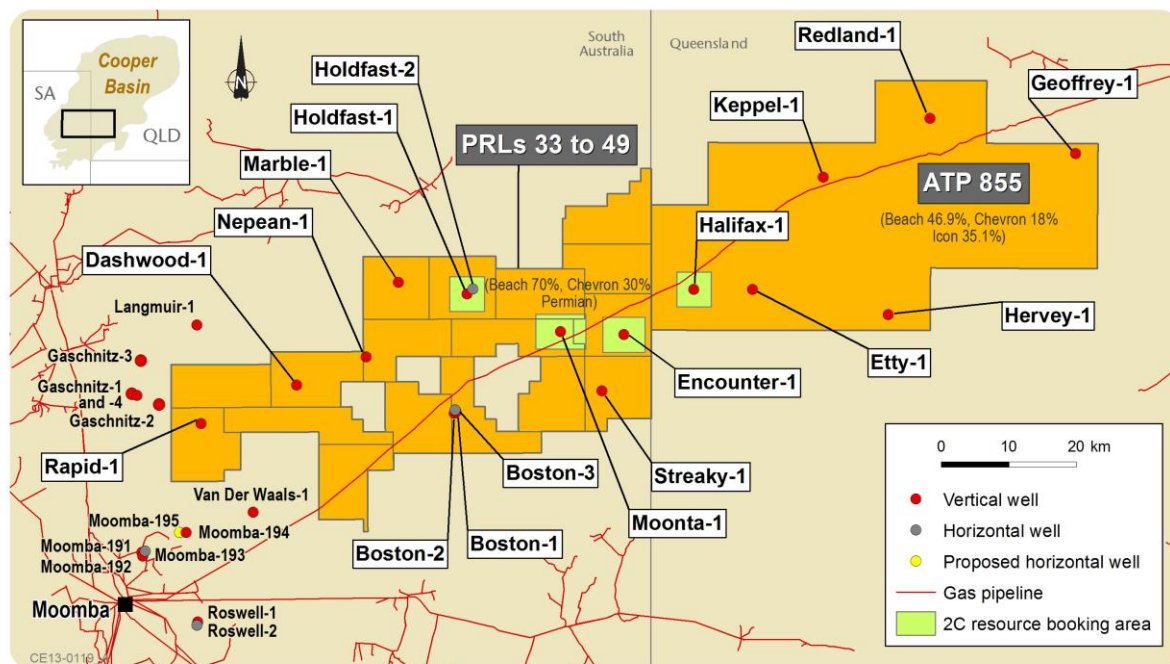
08 8338 2833

Investor Relations

Chris Jamieson

Beach Energy Ltd

08 8338 2



Competent Persons Statement

The unconventional prospective resource information in this ASX release was reviewed by Mr Tony Lake (Reservoir Engineering Manager). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The unconventional prospective resource information in this ASX release was issued with the prior written consent of Mr Lake in the form and context in which it appears.

Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.