



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 – 25 November 2014
Ref. #084/14

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

Dear Sir,

COOPER BASIN NTNG EXPLORATION UPDATE

The Nappamerri Trough Natural Gas ("NTNG") program on track to meet reported milestones. We are encouraged by recent results, including the fracture stimulation of Etty-1 over four zones with a choked back flow rate of 0.87 MMscfd, primarily from a single stage in the Daralingie Formation. Fracture stimulation of the final four wells of the Stage 1 exploration program in Queensland now complete

Beach Energy Ltd (ASX: BPT, "Beach") provides an update on the NTNG program in ATP 855 and PRLs 33-49 (ex-PEL 218). A total of 18 wells have been drilled as part of the Stage 1 exploration phase, of which 14 have been fracture stimulated and 11 flow tested to date. A targeted campaign of fracture stimulation was undertaken to increase the understanding and knowledge of the geology and optimal approach for gas extraction. As such, flow rates to date should be assessed in this context and are not representative of whole-of-well rates expected from an entire commercially producing well. We are encouraged by test results for the Stage 1 exploration phase and the program remains on track to achieve reported milestones.

ATP 855

(Beach 46.9% and operator, Icon Energy Ltd 35.1% and Chevron Exploration 1 Pty Ltd ("Chevron") 18%)

The current fracture stimulation program is expected to be completed in the coming weeks with the Condor Energy Services spread currently working at Geoffrey-1, the final Stage 1 well in Queensland. Hervey-1 and Etty-1 were completed and are currently being flow tested, with the snubbing unit installing production tubing in readiness for flow testing at Redland-1.

Hervey-1 was the first well to be stimulated with the new Condor fracture stimulation spread. A total of five stages were placed, with one in the Patchawarra Formation, one in the Daralingie Formation and three in the Toolachee Formation. The well was opened to flow on 22 October 2014 and produced at approximately 0.4 MMscfd at a wellhead pressure of 50 psi, with fracture stimulation fluids still being recovered. Flow was initially restricted to a 22/64" choke and is currently choked to 40/64" and flowing at 0.2 MMscfd. Hervey-1 was drilled to test the limits of the shallower zones in the Nappamerri Trough as part of the basin centred gas play. Results from Hervey-1 to date support the working hypothesis that these shallower zones are not as over-pressured in this south easterly part of ATP 855. The gas component parts for Hervey-1 were estimated at approximately 69% methane and 31% CO₂.

Etty-1, located approximately 10 kilometres to the east of the successful Halifax-1 well, was stimulated over four intervals, one in the Daralingie Formation and three in the Toolachee Formation. The well was opened to flow on 28 October 2014 and has cleaned up from an initial rate of 0.4 MMscfd to more than 0.87 MMscfd at the current wellhead pressure of 570 psi. The well is beginning to stabilize and continues to recover injected stimulation fluids, with minimal decrease in pressure. Gas analysis from Etty-1 indicates approximately 68% methane and 32% CO₂.

The flow rate at Etty-1 is currently restricted through a 22/64" choke. This choke setting is part of the reservoir management approach adopted for the majority of wells in the program to date. It appears the flow from Etty-1 is being generated primarily from the Daralingie Formation, which is encouraging for this zone as a potential priority target for further appraisal. We are encouraged that the pressure levels in Etty-1 remain high, with the well likely to be flow tested for a further 12-16 weeks before being shut-in for a pressure test.

At Redland-1, located in the northern part of the permit, fracture stimulation activities were recently undertaken with three stages successfully completed in the Toolachee Formation. The snubbing unit is now on location and preparing to complete the well.

The fracture stimulation of Geoffrey-1 has completed with four zones placed in the Patchawarra Formation and a further zone in the Epsilon Formation. Upon completion of work at Redland-1, the snubbing unit will move to Geoffrey-1 to complete the well prior to commencing flow testing.

PRLs 33-49

(Beach 70% and operator, Chevron 30%)

The joint venture has approved the fracture stimulation of the Boston-2 well (PRL 37) over eight stages. This will take place after the completion of stimulation activities at Geoffrey-1.

Beach Managing Director, Reg Nelson, said, "We are extremely encouraged by the results from the single fracture stimulation stage in the Daralingie Formation at Etty-1, particularly when compared with rates from wells such as Hervey-1, which we believe to be outside the preferred over-pressured zone in the Nappamerri Trough. To have flowed a single zone at in excess of 870,000 standard cubic feet per day on a restricted basis is very exciting for the program.

Looking forward, we believe that the possibility of a horizontal well being drilled into this Daralingie Formation sand and fracture stimulated extensively through a multi-stage approach is very real. This work would only be undertaken with joint venture approval and would form potential Stage 2 discussions.

We have said on a number of occasions that we are chasing sweet spots in relation to the Nappamerri Trough and its massive gas potential, and these Daralingie Formation results are a perfect example of what we are talking about."

Yours sincerely,



Reg Nelson
Managing Director, FAusIMM

For more information contact:

Corporate

Reg Nelson

Beach Energy Ltd

08 8338 2833

Investor Relations

Chris Jamieson / Derek Piper

Beach Energy Ltd

08 8338 2833

