



Monthly Drilling Report

May 2015

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Highlights:

- Commencement of the SWQ JV 2015 Windorah-Marama program
- Eight wells drilled with a success rate of 88%

DEVELOPMENT

AUSTRALIA – COOPER AND EROMANGA BASINS

South Australian Gas

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

An evaluation of the Swan Lake Field, located approximately 30 kilometres north of Moomba, was undertaken in 2014 to assess current well performances, booked development and appraisal locations, and updated static and volumetric analyses. As a result of this review, a five-well campaign targeting the Patchawarra Formation is underway, which includes three crestal development wells and two down-dip appraisal wells. Swan Lake-13 and -16, the first two development wells in the campaign, were cased and suspended as future producers, with results in-line with pre-drill gas pay estimates. These wells are expected to be tied-in to existing facilities in Q2 FY16.

Queensland Gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

The 2015 Windorah-Marama development and appraisal program commenced in May. The program comprises a five-well development campaign, including two wells in the Whanto Field, two wells in the Mt Howitt Field and one well in the Toby Field. A five-well near-field exploration campaign will also be undertaken to test simple four-way dip closures, as well as potential for stratigraphic trap and basin centred gas plays across a large geographical area of the Windorah Trough. The 2015 program also includes pipeline installation from these fields to the existing Coonaberry gathering system, allowing existing wells to be brought online and additional capacity for development and near-field exploration drilling outcomes.

Whanto-2, located approximately 110 kilometres north-northeast of the Ballera gas processing plant in PL 148, is the first well of the five-well development campaign. The well targeted the Toolachee and Patchawarra formations and will be cased and suspended following intersection of gas pay in line with pre-drill estimates. Toby-2, located approximately 100 kilometres northeast of the Ballera plant in PL 145, also targeted the Toolachee and Patchawarra formations and was cased and suspended following a high-side gas pay outcome. Mt Howitt-3, located approximately 110 kilometres northeast of the Ballera plant in PL 141, spudded on 30 May 2015 and is currently drilling ahead. The development wells are expected to be tied-in to the new facilities in Q2 FY16.

EXPLORATION AND APPRAISAL

AUSTRALIA – COOPER AND EROMANGA BASINS

Ex PEL 92

(Beach 75% and operator, Cooper Energy 25%)

Callawonga-11 is the second well of a two-well development and appraisal campaign in the Callawonga Field. The Callawonga Field, located in PPL 220, is an anticlinal structure on the Western Flank of the Patchawarra Trough, located approximately 85 kilometres west of Moomba. The two-well campaign was undertaken to appraise and accelerate oil production from the southern edge of the field. Callawonga-11 intersected a 2.5 metre net oil column in the target Namur Sandstone and a 1.7 metre gross reservoir interval in the overlying McKinlay Member. The well was subsequently cased and suspended as a future Namur oil producer. Both wells in the campaign are expected to be tied-in to existing facilities in Q1 FY16.

Sensation-1, located in PRL 98, was drilled to test the mapped crest of an anticlinal structure located approximately three kilometres north of the Callawonga Field. The Namur Sandstone was targeted, however no oil shows were recorded and the well was plugged and abandoned.

South Australian Gas

(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

The Swan Lake Field appraisal campaign comprises two down-dip wells, which follow drilling of Swan Lake-11 in 2014 and the previously mentioned studies. Swan Lake-11 intersected undepleted gas sands in the Patchawarra and Tirrawarra formations and proved the extension of the field into the adjacent fault block. Swan Lake-15 is the first appraisal well of the campaign and is currently drilling ahead. Beach has elected not to participate in the second appraisal well (Swan Lake-12).

Queensland Gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.5%, APL 0.24%)

A four-well development and appraisal campaign was completed in the Barrolka Field, located approximately 55 kilometres north of the Ballera plant. The primary objectives of the campaign were to convert undeveloped reserves on the main culmination to developed reserves, and to de-risk future development drilling. Barrolka-16, the final well of the campaign, was cased and suspended during May. The campaign proved successful with all wells cased and suspended, gas pay outcomes in-line with expectations and presence of gas sands identified, which may lead to further development drilling on the Barrolka North and Barrolka Northeast culminations. The development wells are expected online in Q1 FY16.

EGYPT

Abu Sennan Concession

(Beach 22%, Kuwait Energy 50% and operator, Dover 28%)

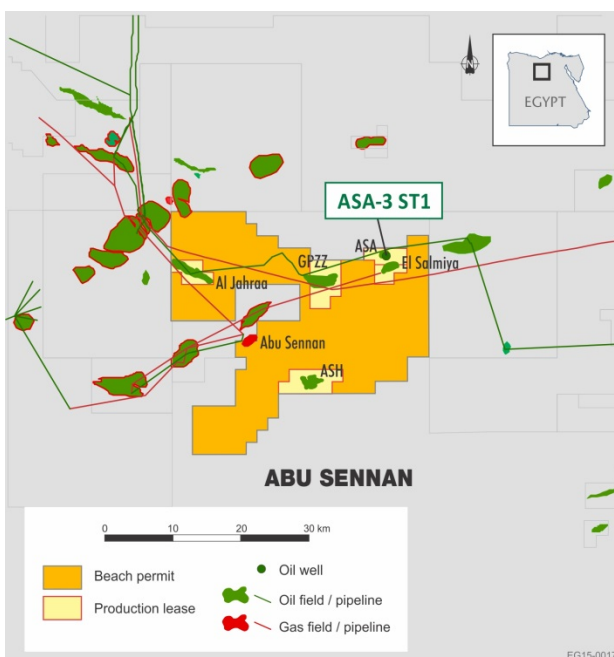
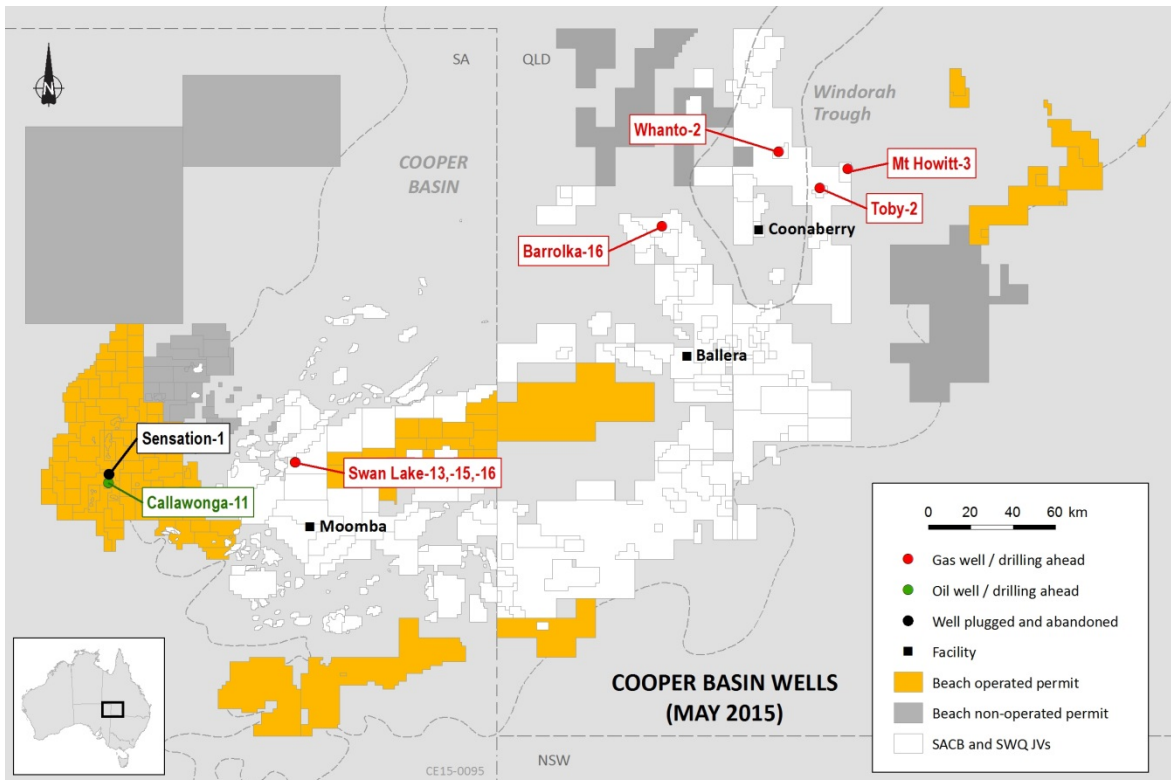
Logging of the ASA-3 ST1 oil appraisal well was undertaken in May and indicated six metres of net pay in the Abu Roash “E” Formation. This zone was subsequently completed and is currently producing at approximately 550 bopd. ASA-3 ST1 is located 0.5 kilometres southeast from ASA-1 ST3.

Monthly Drilling Report – Period ending 06:00, 1 June 2015

| Well | Participants | Progress and Summary | Primary Targets |
|--|--|--|-----------------------|
| Cooper Basin Operated | | | |
| Callawonga-11 PPL 220 (ex PEL92) Oil appraisal C/E Basin, SA | BPT* 75.00% COE 25.00% | Drilling this month: 1,733 metres Current depth: 1,733 metres (total depth) Status: Cased and suspended as a future Namur Sandstone and McKinlay Member oil producer | Namur Sandstone |
| Sensation-1 PRL 98 (ex PEL92) Oil exploration C/E Basin, SA | BPT* 75.00% COE 25.00% | Drilling this month: 1,937 metres Current depth: 1,937 metres (total depth) Status: Plugged and abandoned | Namur Sandstone |
| Cooper Basin Non-operated | | | |
| Swan Lake-13 PPL 101 Gas development C/E Basin, SA | BPT 20.21% STO* 66.60% ORG 13.19% | Drilling this month: 0 metres Current depth: 3,101 metres (total depth) Status: Cased and suspended as a future Permian gas producer | Patchawarra Formation |
| Swan Lake-15 PPL 101 Gas appraisal C/E Basin, SA | BPT 20.21% STO* 66.60% ORG 13.19% | Drilling this month: 2,166 metres Current depth: 2,166 metres Status: Drilling ahead | Patchawarra Formation |
| Swan Lake-16 PPL 101 Gas development C/E Basin, SA | BPT 20.21% STO* 66.60% ORG 13.19% | Drilling this month: 3,242 metres Current depth: 3,242 metres (total depth) Status: Cased and suspended as a future Permian gas producer | Patchawarra Formation |
| Barrolka-16 PL 151 Gas appraisal C/E Basin, QLD | BPT 23.20% STO* 60.06% ORG 16.50% APL 0.24% | Drilling this month: 63 metres Current depth: 2,765 metres (total depth) Status: Cased and suspended as a future Permian gas producer | Toolachee Formation |
| Mt Howitt-3 PL 141 Gas development C/E Basin, QLD | BPT 23.20% STO* 60.06% ORG 16.74% | Drilling this month: 199 metres Current depth: 199 metres Status: Drilling ahead | Doonmulla Sandstone |
| Toby-2 PL 145 Gas development C/E Basin, QLD | BPT 23.20% STO* 60.06% ORG 16.74% | Drilling this month: 2,333 metres Current depth: 2,333 metres (total depth) Status: Cased and suspended as a future Permian gas producer | Toolachee Formation |
| Whanto-2 PL 148 Gas development C/E Basin, QLD | BPT 23.20% STO* 60.06% ORG 16.74% | Drilling this month: 3,134 metres Current depth: 3,134 metres (total depth) Status: Running production casing | Toolachee Formation |

| Well | Participants | Progress and Summary | Primary Targets |
|-----------------------|--------------|--|-----------------|
| Egypt | | | |
| ASA-3 ST1 | BPT 22.00% | Drilling this month: 712 metres | Abu Roash C, E |
| Abu Sennan | KEE* 50.00% | Current depth: 3,290 metres (total depth) | |
| Oil appraisal | DOV 28.00% | Status: Completed as an Abu Roash "E" Formation producer | |
| Egypt, Western Desert | | | |

(*) Operator
 APL Australia Pacific LNG Pty Ltd
 BPT Beach Energy Ltd
 COE Cooper Energy Ltd
 DOV Dover Investments Ltd
 KEE Kuwait Energy Egypt Ltd
 ORG Origin Energy Ltd
 STO Santos Ltd



A handwritten signature in black ink, appearing to read "Neil Gibbins", followed by a long horizontal line extending to the right.

Neil Gibbins
Chief Operating Officer

For more information, contact the following on +61 8 8338 2833

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