



Monthly Drilling Report

October 2015

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AUSTRALIA – COOPER AND EROMANGA BASINS

DEVELOPMENT

South Australian Gas

(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

A six-well development campaign is underway in the Tirrawarra and Gooranie fields, located approximately 50 kilometres north of Moomba, targeting gas and gas liquids in the Patchawarra Formation and oil in the Tirrawarra Sandstone. The campaign is being undertaken as a result of past drilling, which highlighted significant remaining potential within both gas and oil reservoirs, and findings from the detailed Patchawarra Formation study undertaken in 2011. Included in the program is one deep coal fracture stimulation per well, with the aim to test incremental well productivity. Tirrawarra-87, the fifth well of the campaign, was cased and suspended following intersection of gas and oil pay in target zones which exceeded pre-drill estimates. Gooranie-7, the final well of the campaign, is drilling ahead.

A three-well development campaign commenced in the Moomba South Field, which aims to develop booked reserves in the Toolachee and Daralingie formations. Wells will be drilled using under-balanced drilling (UBD) techniques, a commonly used drilling method whereby wellbore pressure is maintained below formation pressure to preserve formation integrity. UBD enables acceleration of production from highly permeable, low pressure reservoirs, and was successfully undertaken in the Moomba South Field in 2007. All wells will be drilled in a batch to the top of the Toolachee Formation and cased. Drilling through the Toolachee and Daralingie formations in each well will then be undertaken. Moomba-210, the first well of the campaign, has been drilled to the Toolachee Formation and Moomba-211 is drilling ahead.

A six-well infill development campaign commenced in the Moomba North Field, which aims to develop booked reserves in the Toolachee, Daralingie and Patchawarra formations. A phased approach is being executed to develop booked reserves through 26 new wells in the area, which commenced in 2014 with the drilling of six development wells. Techniques from the 2014 campaign will be applied to the current campaign, including pad drilling, optimised well designs and improved well completions. Moomba-203, the first well of the campaign, was cased and suspended as a future Permian gas producer following intersection of gas pay in-line with pre-drill estimates. Moomba-204 is drilling ahead.

EXPLORATION AND APPRAISAL

ATP 924

(Beach farming-in 45% with Drillsearch)

The Maroochydhore-1 exploration well is located in south-west Queensland on the north-eastern flank of the Cooper Basin, approximately 250 kilometres north-east of Moomba. The well is situated on a large anticline and was drilled to test a northern four way closure, with the Hutton Sandstone the primary oil target and secondary targets in other Jurassic sandstones. Oil shows were seen during drilling, however wireline logs showed the Hutton Sandstone to be water saturated and the well was consequently plugged and abandoned. The well provided the joint venture with a significant amount of data which has improved its understanding of the north-eastern flank of the Cooper Basin.

Queensland Gas

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

The Windorah near-field exploration program is a five-well campaign testing 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, proximal to the Whanto Field. Cougar East-1, located in ATP 1189 approximately 110 kilometres north-northeast of the Ballera gas processing plant, is the third well of the campaign and targeted the Toolachee Formation. The well will be cased and suspended following intersection of gas pay which exceeded pre-drill estimates. This outcome represents the third new field discovery from the Windorah near-field exploration program, with a further two wells to be drilled.

The broader 2015 Windorah-Marama development project includes well head connections in the Whanto, Mt Howitt and Toby fields to the existing Coonaberry gathering system. This will allow existing stranded fields to be brought online and connections for current development and near-field exploration drilling outcomes. Pipelines associated with the 2015 Windorah-Marama development project were completed in Q1 FY16.

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

Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Operated			
Maroochydore-1 ATP 924 Oil exploration C/E Basin, Qld	BPT* 45.00% DLS 50.00% CER 5.00%	Drilling this month: 2,874 metres Current Depth: 2,874 metres (total depth) Status: Preparing to plug and abandon Note: BPT farming-in to permit BPT operating drilling; DLS operating permit	Hutton Sandstone
Cooper Basin Non-operated			
Tirrawarra-87 PPL 20 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,172 metres Current Depth: 3,099 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation Tirrawarra Sandstone
Gooranie-7 PPL 20 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 3,027 metres Current Depth: 3,027 metres Status: Drilling ahead	Patchawarra Formation Tirrawarra Sandstone
Moomba-210 PPL 8 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,370 metres Current Depth: 2,370 metres Status: Suspended	Toolachee Formation Daralingie Formation
Moomba-211 PPL 9 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 1,864 metres Current Depth: 1,864 metres Status: Drilling ahead	Toolachee Formation Daralingie Formation
Moomba-203 PPL 7 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 3,331 metres Current Depth: 3,331 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Toolachee Formation Daralingie Formation Patchawarra Formation
Moomba-204 PPL 7 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 970 metres Current Depth: 970 metres Status: Drilling ahead	Toolachee Formation Daralingie Formation Patchawarra Formation
Cougar East-1 ATP 1189 Gas exploration C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Drilling this month: 3,165 metres Current Depth: 3,165 metres (total depth) Status: Running final logs	Toolachee Formation

(*) Operator

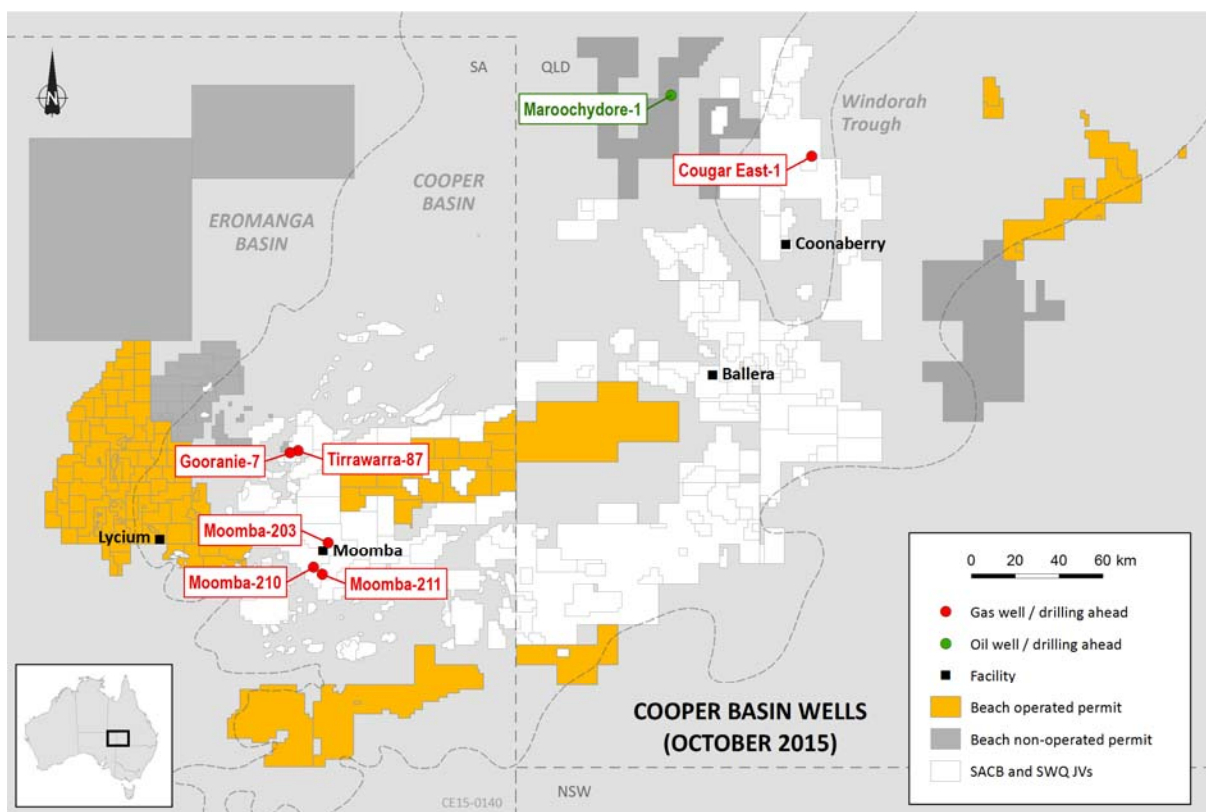
BPT Beach Energy Ltd

CER Circumpacific Energy Group

DLS Drillsearch Ltd

ORG Origin Energy Ltd

STO Santos Ltd



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