



Monthly Drilling Report

February 2016

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ASX Ltd
Companies Announcement Office
Electronic Lodgement System

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

AUSTRALIA – COOPER AND EROMANGA BASINS

DEVELOPMENT

Ex PEL 91

(Beach 100%)¹

Hanson-3 is a standalone development well which aims to develop oil bearing reservoirs within the McKinlay Member and Namur Sandstone. The secondary objective of the well is to test potential for reservoir development within the Birkhead Formation. Hanson-3 is located in the central part of the Hanson Field and is currently drilling ahead.

EXPLORATION AND APPRAISAL

Ex PEL 106

(Beach 100%)¹

A two-well exploration program was completed on the western edge of the Patchawarra Trough, which aimed to add reserves in this liquids rich gas play area. Prospects were defined on the Irus 3D seismic survey, acquired in 2012 and reprocessed in 2013. The second well of the campaign, Depps-1, is located approximately two kilometres northeast of the producing Middleton-1 well and targeted the Patchawarra Formation, with the Tirrawarra Sandstone providing a secondary target. Petrophysical evaluation of Depps-1 indicated there was no commercial gas pay and consequently the well was plugged and abandoned.

South Australian Gas

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

Moomba-212 was drilled as a standalone appraisal well on the southeast flank of the Moomba South Field. The well targeted the Epsilon and Patchawarra formations and aimed to convert 2C resources to 2P reserves, as well as refresh the seriatim of development opportunities within this under-appraised area. Moomba-212 intersected gas pay in the target zones in-line with pre-drill estimates and was cased and suspended as a future producer. The outcome is expected to lead to further development drilling in the area.

¹ Ownership interest reflects the merger of Beach Energy Limited ("Beach") and Drillsearch Energy Ltd ("Drillsearch"), which became effective on 1 March 2016

Ex PEL 101

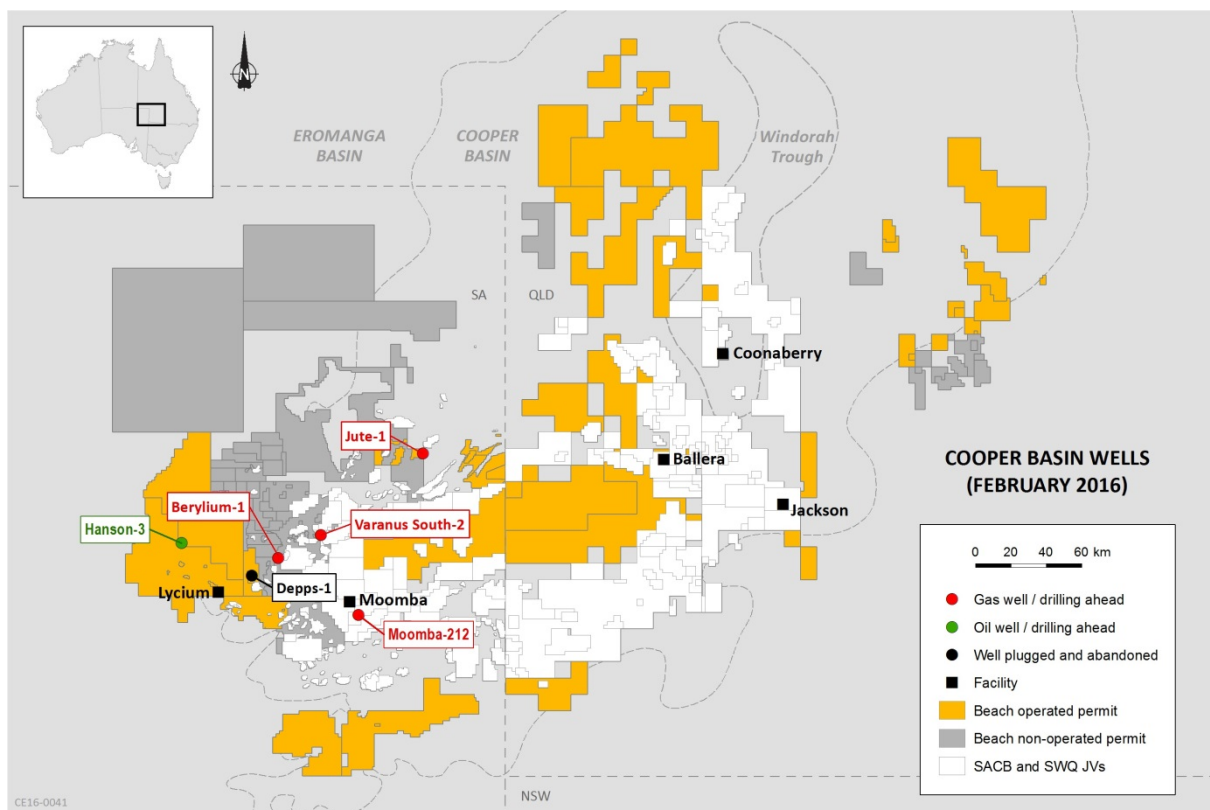
(Beach 80% and operator, Mid Continent 20%)²

A two-well gas exploration campaign was completed by Drillsearch. Jute-1, the second well of the campaign, was cased and suspended for further testing and stimulation. The well targeted the Patchawarra Formation, with the Toolachee and Epsilon formations and Tirrawarra Sandstone providing secondary targets. Drillsearch’s preliminary interpretation of wireline logs indicated approximately 19 metres of net conventional pay, including 14 metres in the target Patchawarra Formation, two metres in the Toolachee Formation, one metre in the Epsilon Formation, and two metres in the Tirrawarra Sandstone. In addition to conventional pay, several zones indicated potential for unconventional pay within tight sands and thick coals. Results from Jute-1 and the first discovery from the campaign, Willow-1, will be reviewed to confirm stimulation and testing objectives.

Ex PEL 513

(Beach 40%, Santos 60% and operator)²

The Varanus South-2 gas appraisal well was drilled approximately 1.2 kilometres southeast of the Varanus South-1 discovery well. Drillsearch’s preliminary interpretation of results indicated net pay in the target Patchawarra Formation of approximately five metres across several zones. The well was cased and suspended for further evaluation. The Beryllium-1 exploration well was spudded late in February and is currently drilling ahead.



² Ownership interests reflect the merger of Beach and Drillsearch, which became effective on 1 March 2016; wells drilled by Drillsearch prior to completion of merger



Monthly Drilling Report – Period ended 06:00, 1 March 2016

Well	Participants	Progress and Summary	Primary Targets
Cooper Basin operated			
Hanson-3 PPL 255 (ex PEL 91) Oil development C/E Basin, SA	BPT 100.00%	Drilling this month: 900 metres Current depth: 900 metres Status: Drilling ahead	McKinlay Member Namur Sandstone
Depps-1 PPL 239 (ex PEL 106) Gas exploration C/E Basin, SA	BPT 100.00%	Drilling this month: 2,858 metres Current depth: 2,858 metres (total depth) Status: Plugged and abandoned	Patchawarra Formation
Jute-1 PRL 174 (ex PEL 101) Gas exploration Cooper Basin, SA	BPT 80.00% MC 20.00%	Drilling this month: 3,687 metres Current depth: 3,687 metres (total depth) Status: Cased and suspended for testing and stimulation	Patchawarra Formation
Cooper Basin non-operated			
Moomba-212 PPL 9 Gas appraisal C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 3,071 metres Current depth: 3,071 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Epsilon Formation Patchawarra Formation
Varanus South-2 PRL 201 (ex PEL 513) Gas appraisal Cooper Basin, SA	BPT 40.00% STO* 60.00%	Drilling this month: 3,165 metres Current depth: 3,165 metres (total depth) Status: Cased and suspended for further evaluation	Patchawarra Formation
Beryllium-1 PRL 200 (ex PEL 513) Gas exploration Cooper Basin, SA	BPT 40.00% STO* 60.00%	Drilling this month: 837 metres Current depth: 837 metres Status: Drilling ahead	Patchawarra Formation

(*) Operator
 BPT Beach Energy STO Santos Ltd MC Mid Continent Equipment (Australia) Pty Ltd

Mike Dodd
 Acting Chief Operating Officer

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

Corporate

Mike Dodd Acting Chief Operating Officer

Investor Relations:

Derek Piper Investor Relations Manager