



Monthly Drilling Report

November 2016

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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 five-well appraisal and development campaign was completed on the central flank of the Big Lake Field, which is located approximately 20 kilometres southeast of the Moomba processing facility. The campaign included one standalone appraisal well (Big Lake-134) and four development wells drilled from a single pad (Big Lake-135 to -138). The campaign aimed to expand the central development area and targeted the Patchawarra Formation, Tirrawarra Sandstone and Merrimelia Formation, with the Epsilon Formation providing a secondary target. Big Lake-138, the final well of the campaign, intersected 83 metres of net pay across a 463 metre gross section in the target zones, which was in-line with pre-drill estimates. All five wells of the campaign were cased and suspended as future producers.

A two-well program commenced in the Allunga Field, which is located approximately 30 kilometres southeast of the Moomba processing facility. The Allunga structure is a four-way dip closure with reservoir properties similar to those of the neighbouring Big Lake Field. The two wells are being drilled from a single pad and are targeting the Epsilon and Patchawarra formations. Successful outcomes will de-risk follow-up drilling, which may be undertaken as part of the broader field development plan. Allunga-2, the first well of the program, spudded on 22 November 2016 and was drilling ahead at 2,728 metres at month-end.

Queensland Gas

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

A two-well program was completed in the Galex Field, which is located approximately 10 kilometres southeast of the Ballera processing facility. The wells targeted undeveloped reserves in the Patchawarra Formation, with the Toolachee Formation providing a secondary target. Galex-4 intersected 45 metres of net pay across a 183 metre gross section. Results were in-line with pre-drill estimates and the well was cased and suspended as a future producer. Galex-5 intersected six metres of net pay across a 211 metre gross section. The well was cased and suspended as a future producer, with Beach interpreting pay results to be materially below pre-drill estimates.

EXPLORATION AND APPRAISAL

Western Flank Oil

(Ex PEL 91: Beach 100%)

The Osmanli-1 exploration well, located within the primary ex PEL 91 oil fairway approximately four kilometres west of the Stunsail Field, was drilled to test a four-way dip closed anticlinal structure. The well targeted the Namur Sandstone, with the mid-Namur Sandstone, Birkhead Formation and Poolowanna Formation providing secondary targets. Strong oil shows were intersected at two levels within the Birkhead Formation. A drill stem test was conducted over the lower interval of 1,689 – 1,697 metres for a six-hour flow period. The test recovered 52 degree API oil at a calculated rate of 50 barrels of oil per day, plus 50 barrels of water per day. A second drill stem test was conducted over the upper interval of 1,651 – 1,664 metres for a six-hour flow period. The test recovered 47 degree API oil at a calculated rate of 55 barrels of oil per day, plus 30 barrels of water per day. The well was subsequently cased and suspended as a future producer, with results indicating a potential western extension of the Birkhead Formation play area, and providing encouragement for the Kangaroo-1 follow-up exploration well (to be drilled in Q3 FY17).

Western Flank Oil

(Ex PEL 92: Beach 75% and operator, Cooper Energy 25%)

The Penneshaw-1 exploration well was drilled to test a four-way dip closed anticlinal structure located between the Christies Field and the Butlers-Parsons oil fairway. The well targeted the Namur Sandstone, with the mid-Namur Sandstone, Birkhead Formation and Hutton Formation providing secondary targets. Penneshaw-1 was plugged and abandoned due to lack of commercial pay.

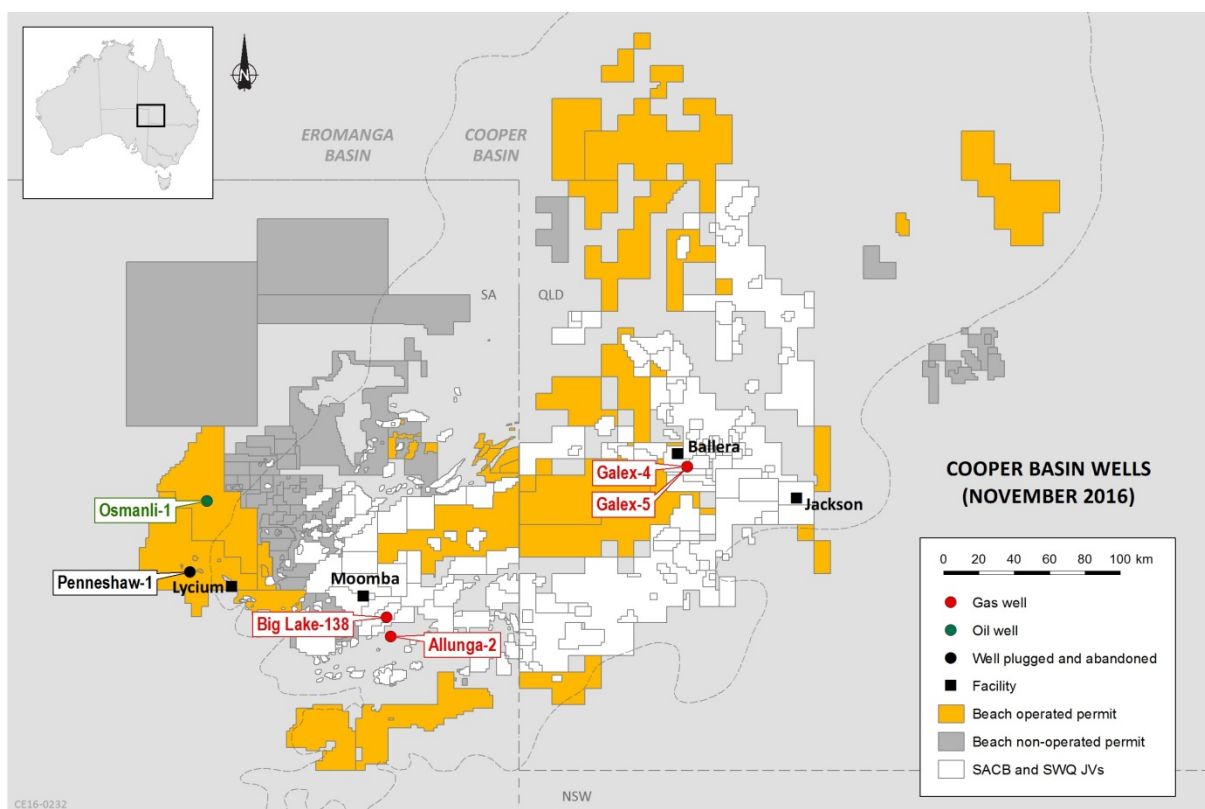
Monthly Drilling Report – Period ended 06:00, 1 December 2016

Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Non-operated			
Big Lake-138	BPT 20.21%	Drilling this month: 448 metres	Patchawarra Formation
PPL 11	STO* 66.60%	Current depth: 3,256 metres (total depth)	Tirrawarra Sandstone
Gas development	ORG 13.19%	Status: Cased and suspended as a future Permian gas producer	Merrimelia Formation
C/E Basin, SA			
Allunga-2	BPT 20.21%	Drilling this month: 2,728 metres	Epsilon Formation
PPL 189	STO* 66.60%	Current depth: 2,728 metres	Patchawarra Formation
Gas development	ORG 13.19%	Status: Drilling ahead	
C/E Basin, SA			
Galex-4	BPT 23.20%	Drilling this month: 2,398 metres	Patchawarra Formation
PL 61	STO* 60.06%	Current depth: 2,398 metres (total depth)	
Gas development	ORG 16.74%	Status: Cased and suspended as a future Permian gas producer	
C/E Basin, QLD			
Galex-5	BPT 23.20%	Drilling this month: 2,545 metres	Patchawarra Formation
PL 61	STO* 60.06%	Current depth: 2,545 metres (total depth)	
Gas development	ORG 16.74%	Status: Cased and suspended as a future Permian gas producer	
C/E Basin, QLD			



Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Operated			
Osmanli-1 PRL 155 (ex PEL91) Oil exploration C/E Basin, SA	BPT* 100.00%	Drilling this month: 1,999 metres Current depth: 1,999 metres (total depth) Status: Cased and suspended as a future Birkhead Formation oil producer	Namur Sandstone
Penneshaw-1 PRL 87 (ex PEL 92) Oil exploration C/E Basin, SA	BPT* 75.00% COE 25.00%	Drilling this month: 1,867 metres Current depth: 1,867 metres (total depth) Status: Plugged and abandoned	Namur Sandstone

(*) Operator
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 COE Cooper Energy Ltd
 STO Santos Ltd
 ORG Origin Energy Ltd



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