



Monthly Drilling Report

December 2016

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AUSTRALIA – COOPER AND EROMANGA BASINS

DEVELOPMENT

South Australian Gas – SACB JV

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

A two-well gas development program was completed 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. Allunga-2 and Allunga-3 were drilled from a single pad and targeted the Epsilon and Patchawarra formations. Both wells were cased and suspended as future producers, with Allunga-2 intersecting 48 metres of net pay across a 622 metre gross section, and Allunga-3 intersecting 62 metres of net pay across a 285 metre gross section. Results were in line with pre-drill estimates and support potential follow-on drilling as part of a broader field development plan.

Queensland Gas – SWQ JV

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

Windigo-3 was drilled as a deviated gas development well in the Windigo Field, which is located in the central region of the Cooper Basin's south west Queensland area. The well was identified following a regional review of the Windigo and Roti fields, and targeted sands within the Patchawarra Formation as a primary objective and sands within the Epsilon Formation as a secondary objective. Windigo-3 was cased and suspended as a future producer following intersection of 50 metres of net pay across a 243 metre gross section, with results in-line with pre-drill estimates.

EXPLORATION AND APPRAISAL

Western Flank Oil – ex PEL 92

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

The Butlers-9 oil appraisal well was drilled to test a possible northwest extension of the Butlers Field. The well is located approximately 15 kilometres southwest of the Callowanga Field and targeted the Namur Sandstone, with the mid-Namur Sandstone, Birkhead Formation and Poolowanna Formation providing secondary targets. Butlers-9 was plugged and abandoned due to lack of commercial pay.



Western Flank Gas – ex PEL 106

(Beach 100%)

Canunda-3 is the first well of a three-well gas exploration and appraisal campaign within Beach's 100% owned ex PEL 106 permit area. The Canunda Field is located on the western edge of the Patchawarra Trough, approximately 45 kilometres northwest of the Moomba processing facility. Canunda-3 targeted liquids-rich gas within a stratigraphic trap in the Patchawarra Formation and reached total depth of 2,811 metres on 31 December 2016. Subsequent to month-end, wireline evaluation of the primary Patchawarra target indicated 1.6 metres of net pay. A drill stem test of the primary target produced liquids-rich gas at a rate of 1.9 MMscf/d on a 16/64" choke and 1,302 psig flowing pressure. In addition, wireline evaluation of the secondary Patchawarra target indicated 1.2 metres of net pay. A drill stem test of the secondary target produced liquids-rich gas at a rate of 1.3 MMscf/d on a 16/64" choke and 730 psig flowing pressure. Canunda-3 was cased and suspended as a future producer, with further testing required. Analysis of test results is expected to confirm that the primary and secondary targets of Canunda-3 represent new discoveries which are not connected to existing reservoirs within the Canunda Field.

South Australian Gas – SACB JV

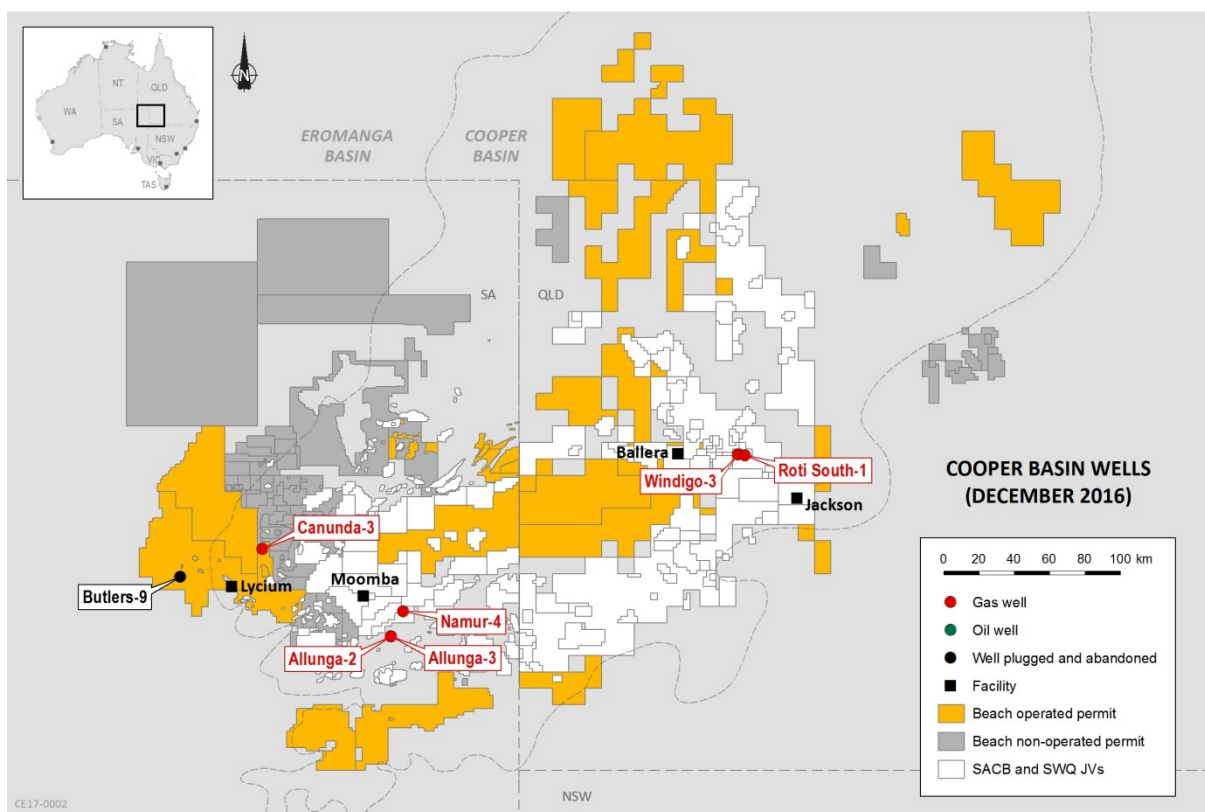
(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

Namur-4 was drilled as a standalone gas appraisal well in the Namur Field, which is located approximately 25 kilometres southeast of the Moomba processing facility. The field was the first Namur Sandstone gas producing discovery in the Eromanga Basin. Following a recent reservoir study, Namur-4 was drilled to assess remaining recovery within the Namur Sandstone, and also to evaluate reservoir potential of the Patchawarra Formation. The well intersected approximately 28 metres of net pay across a 221 metre gross section in the Namur Sandstone, and approximately 45 metres of net pay across a 227 metre gross section in the Patchawarra Formation. Subsequent to month-end, Namur-4 was cased and suspended as a future Patchawarra Formation producer. Analysis of results from the Namur Sandstone is currently underway to gauge potential for production from this reservoir, and will also be used to assess a near-field exploration opportunity north of the Namur Field.

Queensland Gas – SWQ JV

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

Roti South-1 was drilled as a standalone gas appraisal well to the south of the Roti and Roti West fields. The well is located southeast of the Windigo Field in the central region of the Cooper Basin's south west Queensland area, and was identified following a review of the Roti and Windigo fields. Roti South-1 targeted sands within the lower Patchawarra Formation, with upper Patchawarra sands and the Epsilon Formation providing secondary targets. The well was cased and suspended as a future producer following intersection of approximately 36 metres of net pay across a 193 metre gross section within the target zone. Results were in-line with pre-drill estimates and provide encouragement for follow-on development drilling on the Roti South structure.



Monthly Drilling Report – Period ended 06:00, 1 January 2017

Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Operated			
Butlers-9 PPL 245 Oil appraisal C/E Basin, SA	BPT* 75.00% COE 25.00%	Drilling this month: 1,810 metres Current depth: 1,810 metres (total depth) Status: Plugged and abandoned	Namur Sandstone
Canunda-3 PPL 257 Gas appraisal C/E Basin, SA	BPT* 100.00%	Drilling this month: 2,811 metres Current depth: 2,811 metres (total depth) Status: Running wireline logs	Patchawarra Formation
Cooper Basin Non-operated			
Allunga-2 PPL 189 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 667 metres Current depth: 3,395 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Epsilon Formation Patchawarra Formation
Allunga-3 PPL 189 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 3,382 metres Current depth: 3,382 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Epsilon Formation Patchawarra Formation
Windigo-3 PL 175 Gas development C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Drilling this month: 2,581 metres Current depth: 2,581 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation



Namur-4	BPT 20.21%	Drilling this month: 2,277 metres	Patchawarra Formation
PPL 16	STO* 66.60%	Current depth: 2,277 metres	
Gas appraisal	ORG 13.19%	Status: Drilling ahead	
C/E Basin, SA			
Roti South-1	BPT 23.20%	Drilling this month: 2,557 metres	Patchawarra Formation
PL 181	STO* 60.06%	Current depth: 2,557 metres (total depth)	
Gas appraisal	ORG 16.74%	Status: Cased and suspended as a future Permian gas producer	
C/E Basin, QLD			

(*) Operator

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COE Cooper Energy Ltd

ORG Origin Energy Ltd

STO Santos Ltd

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