



Monthly Drilling Report

February 2017

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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 three-well gas development campaign was completed in the Kanowana Field, which is located approximately 40 kilometres northwest of the Moomba processing facility. The Kanowana structure is a four-way dip closure which has been developed primarily on the western side of the field. Recent 3D seismic data interpretation indicated the structure may extend further east than original 2D data suggested, thereby offering development potential. The wells were drilled via a single pad and targeted gas and gas liquids in the Patchawarra Formation and oil in the Tirrawarra Sandstone. The final well of the campaign, Kanowana-14, was cased and suspended as a future gas and oil producer. Beach's assessment of results indicates the well intersected approximately 22 metres of net gas pay across a 384 metre gross section, and approximately 24 metres of net oil pay across a 27 metre gross section. These results were in-line with pre-drill estimates. The campaign was successful with all wells cased and suspended as future producers and expected online in Q4 FY17.

A two-well in-fill gas development campaign commenced in the Toolachee Field, which is located approximately 70 kilometres southeast of the Moomba processing facility. The wells are being drilled to accelerate production of existing reserves and are targeting sands within the Patchawarra Formation. The first well of the campaign, Toolachee-53, spudded on 27 February 2017 and is drilling ahead.

EXPLORATION AND APPRAISAL

Western Flank Oil – PEL 182

(Beach 43%, Senex Energy 57% and operator)

A three-well oil exploration campaign commenced in the under-explored and very prospective PEL 182 permit area, approximately 25 kilometres northeast of producing fields in ex PEL 104 / 111. Prospects were identified from the 2014 Jasmine 3D seismic survey and are testing the extent of

hydrocarbon migration to the north of the Western Flank. The wells are targeting structural and stratigraphic plays within the Namur Sandstone (primary objective) and Birkhead and Murta formations (secondary objectives).

Sparta-1, the first well of the campaign, intersected oil shows in the Birkhead Formation, however was plugged and abandoned due to insufficient commercial pay. Hoplite-1, the second well of the campaign, reached total depth of 2,200 metres on 26 February 2017. Logging and interpretation of results is currently underway, with preliminary indication of a 17 metre gross section in the Birkhead Formation. A drill stem test is planned for this interval to test flow potential and commerciality. No oil shows were detected in the Namur Sandstone. The Hoplite-1 result is encouraging for current and future Birkhead play fairway activity, as the well is located approximately 50 kilometres northeast of the recent Kangaroo-1 discovery in ex PEL 91, thus indicating a potential fairway extension. The final well of the campaign will be confirmed once results from the first two wells have been reviewed.

Western Flank Gas – ex PEL 106; ex PEL 91

(Beach 100%)

A four-well Permian exploration and appraisal campaign progressed in Beach's 100% owned ex PEL 106 and 91 permit areas, with exploration success at Crockery-1. Crockery-1 tested stratigraphic traps on the western flank of the Patchawarra Trough and targeted liquids-rich gas in the Patchawarra Formation. Crockery-1 encountered 7.2 metres of net pay across a 19 metre gross section and confirmed a southern extension of the Southwest Patchawarra gas fairway. Despite a failed drill stem test due to tool blockage, testing provided confidence in expected initial flow rates of 3-8 MMscfd. The well will be tied into the Middleton processing facility and is expected online in Q1 FY18.

The third well of the program, Dandy-1 in ex PEL 106, targeted stratigraphic traps to the south of the Crockery-1 discovery. Gas shows in good reservoir quality sands were intersected, however the well was plugged and abandoned due to lack of commercial pay. The final campaign well, Mokami-1 in ex PEL 91, spudded on 26 February 2017 and is drilling ahead. The well is testing a western extension of the Southwest Patchawarra gas fairway and is targeting liquids-rich sand packages within the Patchawarra Formation.

South Australian Gas – SACB JV

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

The Caraka-2 gas appraisal well was drilled on the northern sub-culmination of the Caraka Field, which is located approximately 60 kilometres southeast of the Moomba processing facility and close to the Toolachee and Strzelecki fields. The well was drilled following a 2016 reservoir study of the Caraka Field and re-interpretation of various 3D and 2D seismic surveys from across the region. The study identified potential for additional reserves to be accessed within the primary target Patchawarra Formation and secondary target Epsilon Formation. Caraka-2 was cased and suspended as a future producer. Beach's assessment of results indicates the well intersected approximately 15 metres of net pay across a 406 metre gross section in the Patchawarra Formation, and four metres of net pay across a 173 metre gross section in the Epsilon Formation. These results are marginally below pre-drill estimates. Caraka-2 is expected online in Q4 FY17.

Queensland Gas – SWQ JV

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

Ranger-1 is the first well of a six-well near-field gas exploration campaign in southwest Queensland. Wells are located close to existing pipeline infrastructure, thus allowing timely connection of new discoveries. Ranger-1 targeted gas in the Patchawarra Formation and was cased and suspended as a future producer. Beach’s assessment of results indicates the well intersected approximately 11 metres of net pay across a 157 metre gross section. These results are marginally below pre-drill estimates.

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

Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Operated			
Crockery-1 PRL 130 Gas exploration C/E Basin, SA	BPT* 100.00%	Drilling this month: 0 metres Current depth: 2,774 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation
Dandy-1 PRL 130 Gas exploration C/E Basin, SA	BPT* 100.00%	Drilling this month: 2,748 metres Current depth: 2,748 metres (total depth) Status: Plugged and abandoned	Patchawarra Formation
Mokami-1 PRL 151 Gas exploration C/E Basin, SA	BPT* 100.00%	Drilling this month: 910 metres Current depth: 910 metres Status: Drilling ahead	Patchawarra Formation
Cooper Basin Non-operated			
Kanowana-14 PPL 233 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 3,292 metres Current depth: 3,292 metres (total depth) Status: Cased and suspended as a future Permian oil and gas producer	Patchawarra Formation Tirrawarra Sandstone
Toolachee-53 PPL 14 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 773 metres Current depth: 773 metres Status: Drilling ahead	Patchawarra Formation
Sparta-1 PEL 182 Oil exploration C/E Basin, SA	BPT 43.00% SXY* 57.00%	Drilling this month: 2,227 metres Current depth: 2,227 metres (total depth) Status: Plugged and abandoned	Namur Sandstone
Hoplite-1 PEL 182 Oil exploration C/E Basin, SA	BPT 43.00% SXY* 57.00%	Drilling this month: 2,200 metres Current depth: 2,200 metres (total depth) Status: Running drill stem test	Namur Sandstone
Caraka-2 PPL 24 Gas appraisal C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,469 metres Current depth: 2,469 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation
Ranger-1 PL 186 Gas exploration C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Drilling this month: 2,463 metres Current depth: 2,463 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation

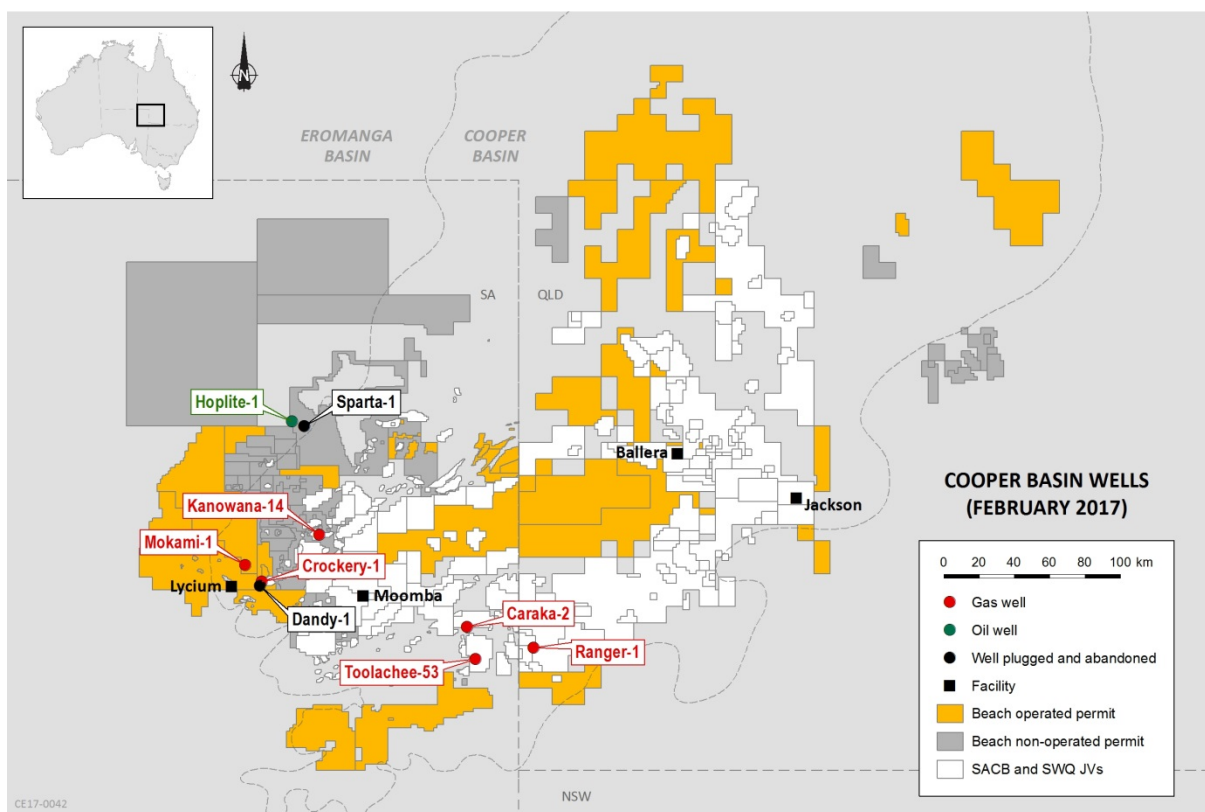
(*) Operator

BPT Beach Energy Ltd

ORG Origin Energy Ltd

STO Santos Ltd

SXY Senex Energy Ltd



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