



# Monthly Drilling Report

October 2017

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## HIGHLIGHTS

- **New gas discovery at Lowry-1 validates phase 1 expansion of the Middleton facility from 25 MMscfd to 40 MMscfd.**
- **Gas drilling success at Crawford-1 confirms extension of the Brownlow Field; reserve additions expected.**
- **Third Cooper Basin JV drilling rig commences with success at the Namur-5 gas appraisal well.**

## DEVELOPMENT – COOPER AND EROMANGA BASINS

### South Australian Oil – Cooper Basin JV

*(Fixed Factor Area JV: Beach 20.21%, Santos 66.60% and operator, Origin 13.19%)*

An appraisal and development campaign was successfully completed in the Merrimelia Field, located approximately 35 kilometres north of the Moomba processing facility. Merrimelia-66, the second development well of the campaign, is a lateral well on the southeast flank of the field which targeted the Murta Formation. The well was cased and suspended as a future producer following intersection of oil shows throughout the Murta reservoir.

### Queensland Gas – Cooper Basin JV

*(Southwest Queensland JV: Beach 23.20%, Santos 60.06% and operator, Origin 16.74%)*

A four-well gas appraisal and development campaign was completed on the Costa / Judga Complex, located approximately 20 kilometres east of the Ballera processing facility. Costa-2, the first development well of the campaign, targeted the Toolachee and Patchawarra formations as primary objectives and the Epsilon Formation as a secondary objective. The well intersected five metres of net gas pay in a 109 metre gross section in the Toolachee Formation and was cased and suspended as a future producer. Despite a commercial result, Costa-2 was considered to be a low-side outcome and the two remaining wells in the campaign will not be drilled.

## EXPLORATION AND APPRAISAL – COOPER AND EROMANGA BASINS

### **Western Flank Gas – PRL 26 (Udacha Block); ex PEL 106**

***(Beach 100%)***

Beach continued its FY18 operated gas exploration and appraisal campaign, which is focused on the Southwest Patchawarra (SWP) and Permian Edge (PE) play fairways. The second exploration well of the campaign, Lowry-1, is located in the SWP play fairway approximately four kilometres northwest of the Middleton gas facility. The well targeted stratigraphically trapped liquids-rich gas in the sands of the Patchawarra Formation. Lowry-1 intersected 3.3 metres of net pay and was cased and suspended as a future producer. A two hour drill stem test was conducted over the interval 2,586 – 2,593 metres. The well flowed at 9.4 MMscfd on a 48/64” choke at 955 psi flowing pressure. Approximately 34 bbl of condensate was recovered at a rate of approximately 400 bopd. Analysis of test results confirms Lowry-1 as a new discovery which is not connected to nearby producing fields. The discovery has provided further validation for the approved expansion of the Middleton gas facility from 25 MMscfd to 40 MMscfd.

The third exploration well of the campaign, Crawford-1, is located approximately two kilometres northwest of the Middleton gas facility and proximal to the Brownlow, Middleton and Udacha fields. Crawford-1 tested stratigraphic traps within the gas and condensate system of the SWP play fairway and targeted Mid-Patchawarra Formation intervals. Crawford-1 intersected 4.1 metres of net gas pay in the target interval and was cased and suspended as a future producer. Reservoir pressure information indicated good permeability and connection to the Brownlow Field, which is expected to enable incremental reserves to be booked and produced.

### **South Australian Gas – Cooper Basin JV**

***(Fixed Factor Area JV: Beach 20.21%, Santos 66.60% and operator, Origin 13.19%)***

The first well of a two-well gas appraisal campaign using the newly contracted Ensign 950 shallow rig was successfully drilled. Namur-5 appraised the Coorikiana Sandstone in the Namur Field, approximately 20 kilometres southeast of the Moomba processing facility. The Coorikiana Sandstone was unproven in the Namur Field, however was supported by gas shows and reservoir intersections comparable to those observed in nearby fields. Namur-5 encountered 6.5 metres of net gas pay in a 26 metre gross section in the Coorikiana Sandstone and has been cased and suspended as a future producer.

A five-well gas drilling campaign using the Ensign 970 rig commenced in the Namur Field. The campaign comprises two appraisal and three development wells targeting the Patchawarra Formation as the primary objective. The first appraisal well of the campaign, Namur-7, spudded on 31 October 2017 and at month-end was drilling ahead at 713 metres.

The Caraka-3 gas appraisal well was drilled on the southern sub-culmination of the Caraka Field. The field is located approximately 60 kilometres southeast of the Moomba processing facility and proximal to the Toolachee and Strzelecki fields. Caraka-3 targeted the Patchawarra Formation as a primary objective and intersected three metres of net pay. The well has been cased and suspended with completion and connection contingent on production testing results.

Gooranie-1 DW1 is a deep coal directional gas appraisal well spudded from the non-producing Gooranie-1 wellbore. Gooranie-1 DW1 sought to appraise deep coal prospects in the Patchawarra Formation in the Tirrawarra-Gooranie fields. The well was unable to evaluate the primary objective and was plugged and abandoned.

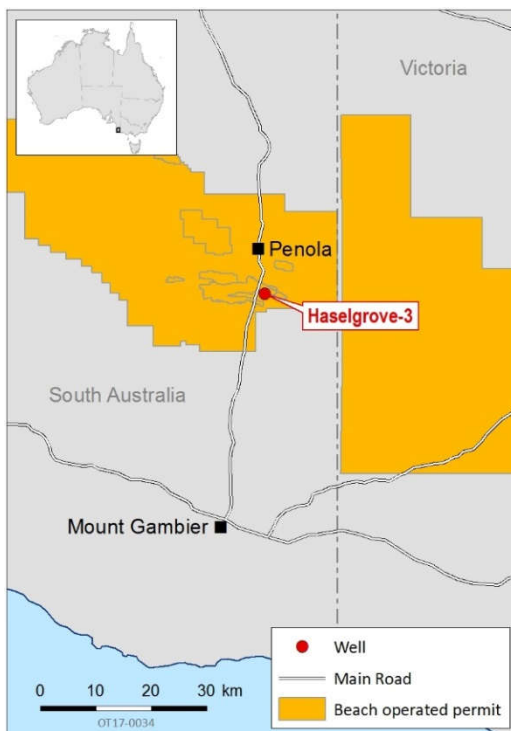
**EXPLORATION AND APPRAISAL – OTWAY BASIN**

**South Australian Gas – PPL 62**

*(Beach 100%)*

Beach continued drilling Haselgrove-3 in the onshore Otway Basin. The well is targeting conventional gas and gas liquids prospects in the Pretty Hill and Sawpit sandstones, with encouraging gas shows seen in the Pretty Hill Sandstone.

At month-end, Haselgrove-3 was sidetracking to the primary target after the bottom-hole assembly became stuck. The well bore was plugged back and sidetracking operations have subsequently commenced.



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

Well	Participants	Progress and Summary	Primary Targets
<b>Cooper Basin Operated</b>			
<b>Lowry-1</b>	BPT* 100.00%	Drilling this month: 1,728 metres	Patchawarra Formation
PRL 26 Gas exploration C/E Basin, SA		Current depth: 2,657 metres (total depth) Status: Cased and suspended as a future Permian gas producer	
<b>Crawford-1</b>	BPT* 100.00%	Drilling this month: 2,772 metres	Patchawarra Formation
PRL 130 Gas exploration C/E Basin, SA		Current depth: 2,772 metres (total depth) Status: Cased and suspended as a future Permian gas producer	
<b>Otway Basin Operated</b>			
<b>Haselgrove-3 ST1</b>	BPT* 100.00%	Drilling this month: 2,613 metres	Sawpit Sandstone Lower Pretty Hill Sandstone
PPL 62 Gas exploration Otway Basin, SA		Current depth: 3,411 metres Status: Drilling ahead with sidetrack	
<b>Cooper Basin Non-operated</b>			
<b>Merrimelia-66</b>	BPT 20.21%	Drilling this month: 2,729 metres	Murta Formation
PPL 17 Oil development C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 2,797 metres (total depth) Status: Cased and suspended as a future Murta Formation oil producer	
<b>Costa-2</b>	BPT 23.20%	Drilling this month: 2,718 metres	Patchawarra Formation Toolachee Formation
PL 79 Gas development C/E Basin, QLD	STO* 60.06% ORG 16.74%	Current depth: 2,718 metres (total depth) Status: Cased and suspended as a future Permian gas producer	
<b>Namur-5</b>	BPT 20.21%	Drilling this month: 1,305 metres	Coorikiana Sandstone
PPL 16 Gas appraisal C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 1,305 metres (total depth) Status: Cased and suspended as a future Coorikiana Sandstone gas producer	
<b>Namur-7</b>	BPT 20.21%	Drilling this month: 713 metres	Patchawarra Formation
PPL 16 Gas appraisal C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 713 metres Status: Drilling ahead	
<b>Caraka-3</b>	BPT 20.21%	Drilling this month: 2,489 metres	Patchawarra Formation
PPL 24 Gas appraisal C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 2,489 metres (total depth) Status: Cased and suspended	
<b>Gooranie-1 DW1</b>	BPT 20.21%	Drilling this month: 681 metres	Patchawarra Formation
PPL 20 Gas appraisal C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 3,084 metres (total depth) Status: Plugged and abandoned	

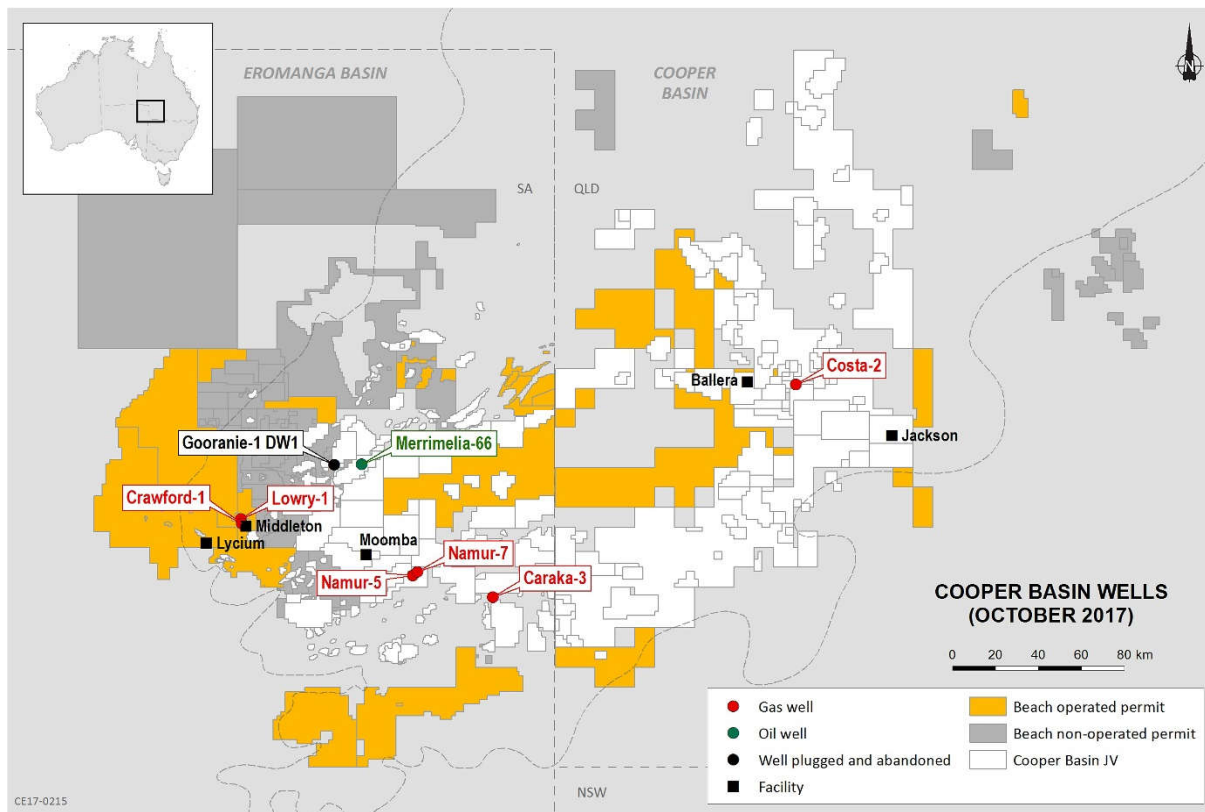
(\* ) Operator

BPT Beach Energy Ltd

ORG Origin Energy Ltd

STO Santos Ltd

**Cooper and Eromanga Basins**




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