



ASX release

7 March 2018

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Monthly drilling report – February 2018

Highlights

- Successful drilling of first horizontal Birkhead development well on the Western Flank at the Stunsail Field
- Successful operated oil appraisal campaign in the Kalladeina Field
- 89% success rate from nine wells drilled

Development – Cooper and Eromanga Basins

Western Flank Oil – ex PEL 91

(Beach 100%)

Beach's operated drilling program returned to the Stunsail Field, located approximately 16 kilometres northeast of the Bauer Field, to undertake the second phase of the full field development project. The second phase is to comprise two horizontal wells, one targeting the Birkhead Formation and one targeting the McKinlay Member with final well plans incorporating data obtained from the two vertical wells of the first phase of the development project completed in January.

Stunsail-6, the first well of the second phase targeted horizontal development of the Birkhead Formation. This well is the first horizontal well within the Birkhead Formation on the Western Flank, and is designed to develop the Birkhead reservoir and evaluate the effectiveness of the development technique within the reservoir. The well drilled a 585 metre lateral section where it encountered 203 metres of net oil pay and is to be completed as a future Birkhead producer. It is anticipated that the well will be brought online in Q4 FY18.

Western Flank Oil – ex PEL 104 / 111

(Beach 40%, Senex 60% and operator)

A single, horizontal oil development well is being drilled in the Growler Field in ex PEL 104/111, approximately 85 kilometres northwest of the Moomba plant. Growler-15 is targeting the Birkhead Formation with the objective to develop additional reserves and accelerate production from the mid-Birkhead reservoir encountered by the previous Growler wells. At month end the well was drilling ahead.

Queensland Oil – Cooper Basin JV
(Beach 45%, Santos 55% and operator)

The four-well oil campaign in the Cocinero Field in southwest Queensland continued. The campaign consists of three development wells and one appraisal well. Two development wells, Cocinero-7 and -8 targeted the Birkhead Formation as a primary objective and Murta Formation as a secondary objective. The wells intersected net oil pay of seven and 12 metres respectively in the primary objective and were cased and suspended as future Birkhead producers. Development well, Cocinero-5, targeted the Murta Formation as a primary objective and Birkhead Formation as a secondary objective. It did not intersect pay and was plugged and abandoned.

South Australian Gas – Cooper Basin JV
(Fixed Factor Area JV: Beach 33.4%, Santos 66.6% and operator)

A five-well gas and oil development campaign continued in the Tirrawarra-Gooranie Field (four in Gooranie and one in Tirrawarra) approximately 50 kilometres north northwest of the Moomba facility. The development campaign builds on prior campaigns, the most recent undertaken in 2016. The primary objective is twofold, targeting gas and associated condensate in the Patchawarra Formation and oil production from the Basal Patchawarra / Tirrawarra Sandstone.

The third and fourth wells, Gooranie-9 and Gooranie-10, intersected 38 metres and 39 metres, respectively, of net gas pay in the Patchawarra Formation and 15 metres of net oil pay and no pay, respectively, in the Basal Patchawarra / Tirrawarra Sandstone and were cased and suspended as future producers.

Exploration and Appraisal – Cooper and Eromanga Basins

Western Flank Oil – ex PEL 91
(Beach 100%)

Beach completed a two-well oil appraisal campaign of the Kalladeina Field, located approximately 10 to 15 kilometres north northeast of the Bauer Field. The aim of the campaign was to extend the proven limits of the field to allow future in-fill development. The Kalladeina Field has recently been re-mapped utilising the Solidus 3D seismic survey incorporating outputs from the velocity modelling project. This project identified a potential extension of the Kalladeina Field to the north of existing well control.

The second appraisal well, Kalladeina North-1, was drilled approximately 2 kilometres north of the recent Kalladeina-3 appraisal well and targeted the McKinlay Member as a primary objective with the Namur Sandstone as a secondary objective. The well intersected a six metre oil column within the McKinlay Member, within which 2.5 metres of net pay was interpreted. The well was cased and suspended as a future McKinlay oil producer. This well may also provide a depth control point for future McKinlay Member horizontal development drilling in the Kalladeina Field.

Queensland Oil – Cooper Basin JV
(Beach 45%, Santos 55% and operator)

The appraisal well of the previously mentioned four-well oil campaign in the Cocinero Field in southwest Queensland, Cocinero-6, appraised a southeast extension of the Murta Formation. The well encountered 1.4 metres of net pay and was cased and suspended as a future Murta Formation oil producer.

South Australian Gas – Cooper Basin JV

(Fixed Factor Area JV: Beach 33.4%, Santos 66.6% and operator)

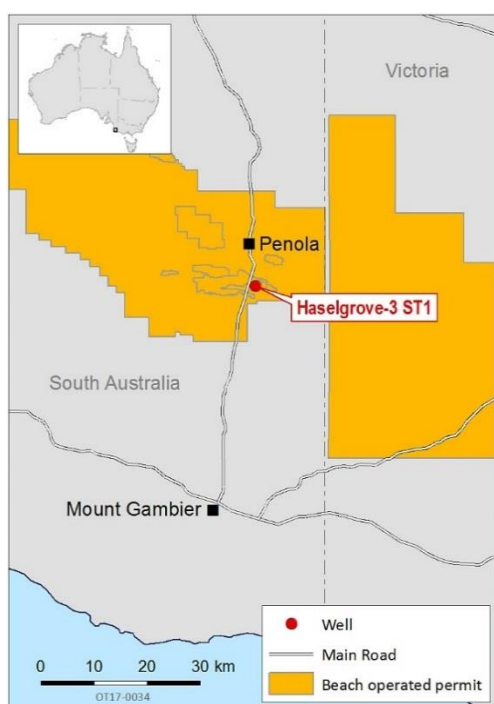
A single gas appraisal well was drilled in the Napowie Field, approximately 80 kilometres northeast of the Moomba processing facility. Napowie-3 was designed to appraise the gas bearing sands of the Toolachee Formation as a primary target and the Patchawarra Formation as a secondary target. The well intersected net gas pay of 8.5 metres in the primary target and 16 metres in the secondary target. The well was cased and suspended with completion and connection contingent on production testing results.

Exploration and Appraisal – Otway Basin

South Australian Gas – PPL 62

(Beach 100%)

Haselgrove-3 ST1 was drilled in the onshore Otway Basin as a deviated well to a total measured depth of 4,331 metres and targeted the Sawpit Sandstone and shallower Pretty Hill Sandstone. On 11 January 2018, Beach announced Haselgrove-3 ST1 as a new gas field discovery. An initial production test (IPT) is underway to confirm well deliverability and gas composition of the Sawpit Sandstone, and assist with field development planning. The IPT involves two stages, the flow test stage which occurred from 10 to 17 February and the pressure-build stage where the well is shut-in in order to obtain pressure build data. At month end, the well was in the pressure-build stage.



Monthly Drilling Report – Period ended 06:00, 1 March 2018

Well	Participants		Progress and summary		Primary targets
Cooper Basin operated					
Kalladeina North-1	BPT*	100.00%	Drilling this month:	1,785 metres	McKinlay Member
PRL 155			Current depth:	1,785 metres (total depth)	
Oil appraisal			Status:	Cased and suspended as a future McKinlay Member	
C/E Basin, SA				oil producer	
Stunsail-6	BPT*	100.00%	Drilling this month:	2,387 metres	Birkhead Formation
PPL 260			Current depth:	2,387 metres	
Oil development			Status:	Drilling ahead	
C/E Basin, SA					
Cooper Basin non-operated					
Napowie-3	BPT	33.40%	Drilling this month:	3,194 metres	Toolachee Formation
PPL 151	STO*	66.60%	Current depth:	3,194 metres (total depth)	
Gas appraisal			Status:	Cased and suspended	
C/E Basin, SA					
Gooranie-9	BPT	33.40%	Drilling this month:	3,288 metres	Patchawarra Formation
PPL 20	STO*	66.60%	Current depth:	3,288 metres (total depth)	Tirrawarra Sandstone
Gas development			Status:	Cased and suspended as a future Permian	
C/E Basin, SA				gas producer	
Gooranie-10	BPT	33.40%	Drilling this month:	3,139 metres	Patchawarra Formation
PPL 20	STO*	66.60%	Current depth:	3,139 metres (total depth)	Tirrawarra Sandstone
Gas development			Status:	Running wireline logs	
C/E Basin, SA					
Cocinero-5	BPT	45.00%	Drilling this month:	2,072.5 metres	Murta Formation
PL 509	STO*	55.00%	Current depth:	2,072.5 metres (total depth)	
Oil development			Status:	Plugged and abandoned	
C/E Basin, QLD					
Cocinero-6	BPT	45.00%	Drilling this month:	360 metres	Murta Formation
PL 509	STO*	55.00%	Current depth:	360 metres	
Oil appraisal			Status:	Drilling ahead	
C/E Basin, QLD					
Cocinero-7	BPT	45.00%	Drilling this month:	2,068 metres	Birkhead Formation
PL 509	STO*	55.00%	Current depth:	2,068 metres (total depth)	
Oil development			Status:	Cased and suspended as a future Birkhead Formation	
C/E Basin, QLD				oil producer	
Cocinero-8	BPT	45.00%	Drilling this month:	1,502 metres	Birkhead Formation
PL 509	STO*	55.00%	Current depth:	2,065 metres (total depth)	
Oil development			Status:	Cased and suspended as a future Birkhead Formation	
C/E Basin, QLD				oil producer	
Growler-15	BPT	40.00%	Drilling this month:	2,056 metres	Birkhead Formation
PPL 242	*SXY	60.00%	Current depth:	2,056 metres	
Oil development			Status:	Drilling ahead	
C/E Basin, SA					

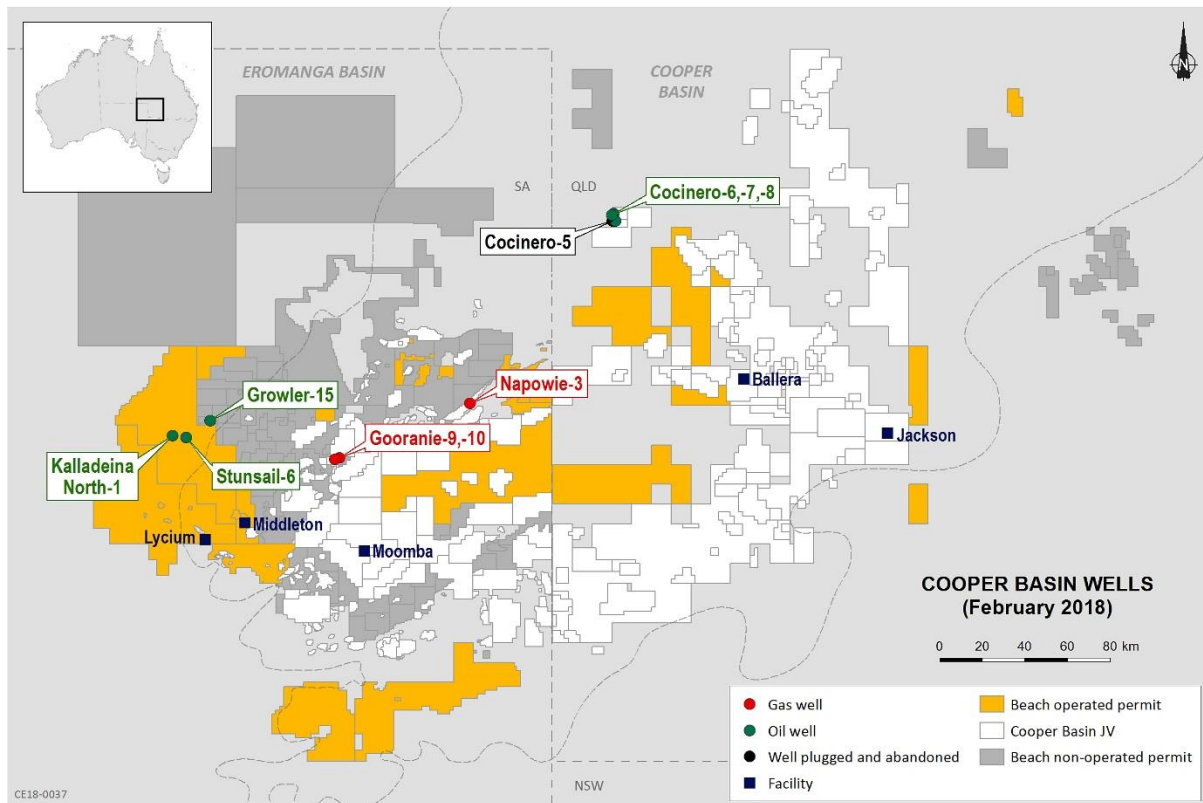
(*) Operator

BPT Beach Energy L

STO Santos Ltd

SXY Senex Energy Ltd

Cooper and Eromanga Basins



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