



# Monthly Drilling Report

June 2017

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## AUSTRALIA – COOPER AND EROMANGA BASINS

### DEVELOPMENT

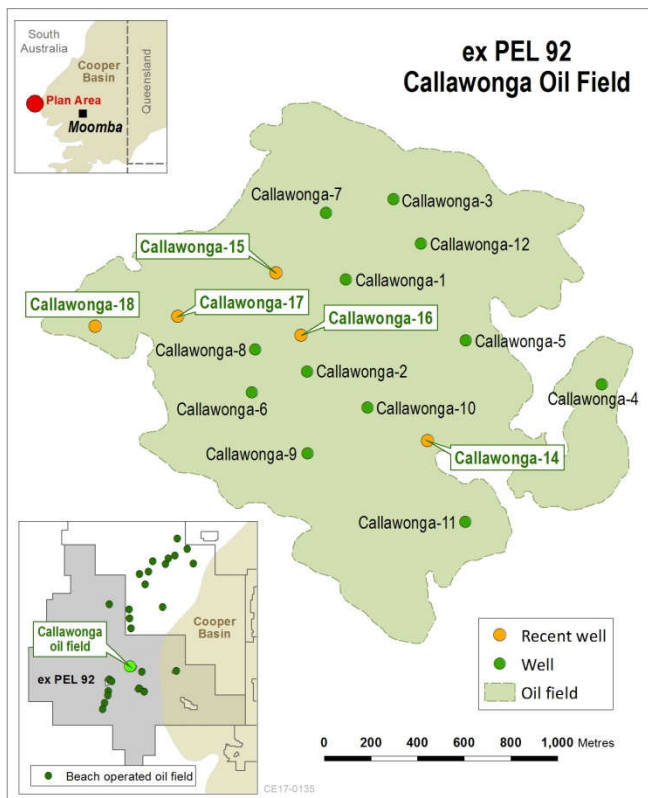
#### Western Flank Oil – ex PEL 92

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

A five-well oil development and appraisal campaign was successfully completed in the Callawonga Field. The campaign was designed to develop new oil reserves in the McKinlay Member and appraise the extent and productivity of this reservoir. The Namur Sandstone was targeted as a secondary objective. The final wells of the campaign, Callawonga-15, -16 and -17, were drilled in June 2017 and cased and suspended as future producers.

The campaign proved successful with all five wells expected online in Q2 FY18. Four wells intersected oil columns high to prognosis, indicating extensions of field limits with expected 2P reserve additions. Namur columns were also intersected at three wells which will allow earlier connection and acceleration of production. The campaign also provided evidence to support additional in-fill development drilling, with planning of a future five-well program currently underway. Campaign results are summarised below.

Campaign Results (metres)	High / (Low) to Prognosis	Net Oil Pay		Highlights
		McKinlay	Namur	
Callawonga-14	1.5	1.0	–	Eastern field extension; 5.1 day drill time (spud to rig release)
Callawonga-15	2.2	1.7	2.3	Secondary Namur column
Callawonga-16	(1.0)	2.0	1.8	Secondary Namur column
Callawonga-17	2.7	1.0	1.8	Secondary Namur column; highest oil intersection in field to date
Callawonga-18	1.8	2.1	–	Western field extension



As at 30 June 2017, Beach had a well stock of five drilled and uncompleted oil wells in ex PEL 92.

### South Australian Gas – Cooper Basin JV

*(Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)*

A two-well gas development campaign was completed in the Dullingari and Dullingari North fields, located approximately 65 kilometres east of the Moomba processing facility. The campaign utilised a workover rig and applied directional drilling techniques from existing wells. The primary objective was the Patchawarra Formation, with the Toolachee and Epsilon formations providing secondary targets. The second well of the campaign, Dullingari-42 DW1, was side-tracked from the non-producing Dullingari-42 well. Dullingari-42 DW1 intersected approximately 62 metres of net gas pay in the Patchawarra Formation. The well was cased and suspended as a future producer. Further review of results will be undertaken to determine if directional drilling from existing non-producing wells can be applied to other development opportunities across the Cooper Basin.

### EXPLORATION AND APPRAISAL

#### Western Flank Oil – ex PEL 91

*(Beach 100%)*

A two-well oil appraisal campaign commenced in the Chiton Field, located approximately two kilometres south of the Bauer Field. The campaign is designed to appraise the extent and productivity of the McKinlay Member to the south and east of currently producing wells, where there has been limited appraisal drilling to date. The first well of the campaign, Chiton-4, was plugged and abandoned due to lack of commercial pay.

As at 30 June 2017, Beach had a well stock of seven drilled and uncompleted oil wells in ex PEL 91.

**Western Flank Oil – PEL 182**

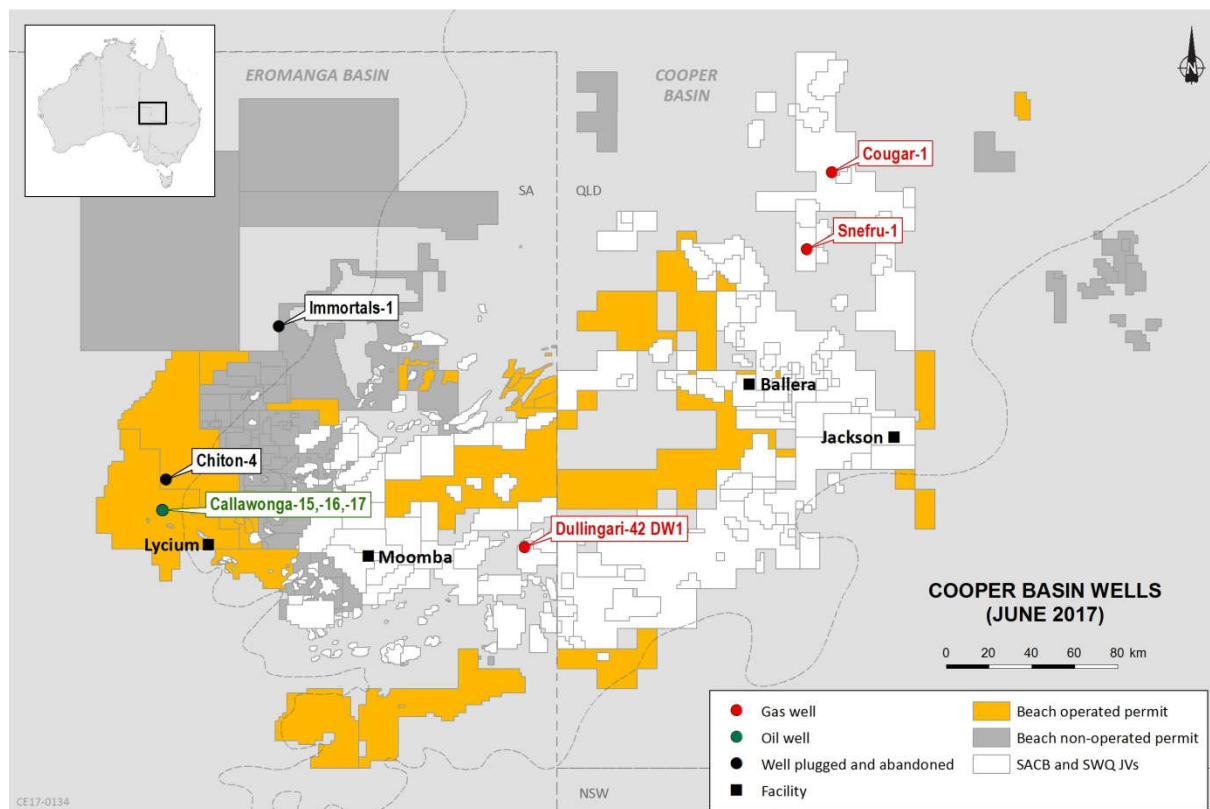
*(Beach 43%; Senex 57% and operator)*

A three-well oil exploration campaign was completed in PEL 182, located approximately 25 kilometres northeast of producing fields in ex PEL 104 / 111. The campaign tested the extent of hydrocarbon migration to the north of the Western Flank, with prospects targeting structural and stratigraphic plays in the Namur Sandstone (primary objective) and Birkhead and Murta formations (secondary objectives). The final well of the campaign, Immortals-1, was plugged and abandoned subsequent to month-end due to lack of commercial pay. The campaign improved definition of the Namur play fairway boundaries and provided encouragement for planned testing of the Birkhead Formation in FY18.

**Queensland Gas – Cooper Basin JV**

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

A six-well near-field gas exploration and appraisal campaign progressed in southwest Queensland. The fourth and fifth wells of the campaign, Cougar-1 and Snefru-1, are located within the Windorah Trough and follow successful exploration and infrastructure installations in the region in 2016. Both wells targeted the Toolachee Formation as a primary objective and the Patchawarra Formation and Nappamerri Group as secondary objectives. Cougar-1 was plugged and abandoned due to lack of commercial pay. Snefru-1 intersected approximately three metres of net gas pay in the Toolachee Formation and approximately three metres of net gas pay across the secondary targets. The well was cased and suspended as a future producer.



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

Well	Participants	Progress and Summary	Primary Targets
<b>Cooper Basin operated</b>			
<b>Callawonga-15</b> PPL 220 Oil development C/E Basin, SA	BPT* 75.00% COE 25.00%	Drilling this month: 1,178 metres Current depth: 1,440 metres (total depth) Status: Cased and suspended as a future McKinlay Member oil producer	McKinlay Member
<b>Callawonga-16</b> PPL 220 Oil development C/E Basin, SA	BPT* 75.00% COE 25.00%	Drilling this month: 1,486 metres Current depth: 1,486 metres (total depth) Status: Cased and suspended as a future McKinlay Member oil producer	McKinlay Member
<b>Callawonga-17</b> PPL 220 Oil development C/E Basin, SA	BPT* 75.00% COE 25.00%	Drilling this month: 1,452 metres Current depth: 1,452 metres (total depth) Status: Cased and suspended as a future McKinlay Member oil producer	McKinlay Member
<b>Chiton-4</b> PRL 153 Oil appraisal C/E Basin, SA	BPT* 100.00%	Drilling this month: 1,552 metres Current depth: 1,552 metres (total depth) Status: Plugged and abandoned	McKinlay Member
<b>Cooper Basin non-operated</b>			
<b>Dullingari-42 DW1</b> PPL 12 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 1,648 metres Current depth: 2,948 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation
<b>Immortals-1</b> PEL 182 Oil exploration C/E Basin, SA	BPT 43.00% SXY* 57.00%	Drilling this month: 2,205 metres Current depth: 2,205 metres (total depth) Status: Running wireline logs	Namur Sandstone
<b>Cougar-1</b> ATP 1189 Gas exploration C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Drilling this month: 412 metres Current depth: 3,168 metres (total depth) Status: Plugged and abandoned	Toolachee Formation
<b>Snefru-1</b> ATP 1189 Gas exploration C/E Basin, QLD	BPT 23.20% STO* 76.80%	Drilling this month: 2,993 metres Current depth: 2,993 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Toolachee Formation

(\* ) Operator

BPT Beach Energy Ltd

COE Cooper Energy Ltd

ORG Origin Energy Ltd

STO Santos Ltd

SXY Senex Energy Ltd



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