

ASX release

4 April 2018

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Monthly drilling report – March 2018

Highlights

- Drilling component of the Stunsail full field development project successfully completed with second horizontal oil development well
- Horizontal oil development well, Growler-15, successfully drilled and brought online
- Second phase of FY18 operated gas exploration campaign commenced

Development – Cooper and Eromanga Basins

Western Flank Oil – ex PEL 91

(Beach 100%)

Beach successfully completed the drilling component of the full field development project in the Stunsail Field, approximately 16 kilometres northeast of the Bauer Field. The four-well campaign finished with a second horizontal well, Stunsail-7, which had the objective of developing the McKinlay Member primary target. The well drilled a 528 metre lateral section where it encountered 509 metres of net oil pay and was completed as a future McKinlay Member 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)

Horizontal oil development well, Growler-15, was drilled in the Growler Field approximately 85 kilometres northwest of the Moomba plant. Growler-15 targeted the Birkhead Formation with the objective to develop additional reserves and accelerate production from the mid-Birkhead reservoir encountered by the previous Growler wells. The well drilled a 1,037 metre lateral section where it encountered 578 metres of net oil pay and was completed as a future Birkhead Formation producer. Growler-15 was brought online during the month.

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 was completed in the Tirrawarra-Gooranie Field approximately 50 kilometres north northwest of the Moomba plant. The primary objective was twofold, targeting gas and associated condensate in the Patchawarra Formation and oil production from the Basal Patchawarra / Tirrawarra Sandstone. The final well of the campaign, Tirrawarra-89, intersected 43 metres of net gas pay in the Patchawarra Formation and was cased and suspended as a future producer.

A single development well was drilled in the Varanus Field, approximately 45 kilometres north northwest of the Moomba plant. Varanus-4 targeted gas and associated condensate in the Patchawarra Formation. The well has been cased and suspended awaiting further evaluation of the Patchawarra Formation.

A single horizontal development well was drilled in the Balcaminga Field, approximately 60 kilometres north northeast of the Moomba plant. Balcaminga-3 targeted the Tirrawarra Sandstone. A horizontal well was elected as the preferred development strategy given the single primary target and the thickness of that target increasing the probability of success. The well drilled an approximately 800 metre lateral section and was cased and suspended for future completion, fracture stimulation and flow testing. Well results will be used to evaluate the effectiveness of the development technique within the target reservoir for future development drilling.

Exploration and Appraisal – Cooper and Eromanga Basins

Western Flank Gas – PEL 630

(Beach 50% and operator, Bridgeport 50%)

Beach commenced the second phase of its FY18 operated gas exploration campaign. The campaign is focused on the Southwest Patchawarra (SWP) and Permian Edge (PE) play fairways. Both fairways contain combination structural and stratigraphically trapped conventional gas targets in the Patchawarra Formation.

The first well of the campaign, Lady Bay-1, is approximately 70 kilometres northwest of the Moomba plant in the East Block of PEL 630. The well is designed to test the extension of the Patchawarra stratigraphic play in the northern portion of the Patchawarra Trough, in the underexplored PE play fairway. The Patchawarra Formation is the primary target and the Tirrawarra Formation is the secondary target. At month-end the well was drilling ahead.

Western Flank Oil – ex PEL 104 / 111

(Beach 40%, Senex 60% and operator)

A two-well oil campaign commenced in the Marauder Field, located approximately 90 kilometres northwest of the Moomba plant, to test for a southern extension of the field and to further develop the Marauder accumulation discovered in July 2017.

Marauder-2, was drilled to test a southern extension of the field, targeting the Birkhead Formation as a primary objective. The well intersected water bearing Birkhead reservoir and was subsequently plugged. The Marauder-2 wellbore has been utilised to drill the Marauder-2 DW1 sidetrack well targeting a development location 330 metres northwest of the producing Marauder-1. At month end Marauder-2 DW1 was drilling ahead.

Queensland Gas – Cooper Basin JV

(Beach 39.94%, Santos 60.06% and operator)

Near field exploration well, Bantam-1 was drilled approximately 40 kilometres northeast of the Ballera gas facility in southwest Queensland. The well tested the gas and condensate potential of the Toolachee Formation which is a proven producer in the nearby Tartulla Field. The well intersected 5.5 metres of net pay in the primary zone and was cased and suspended as a future producer.

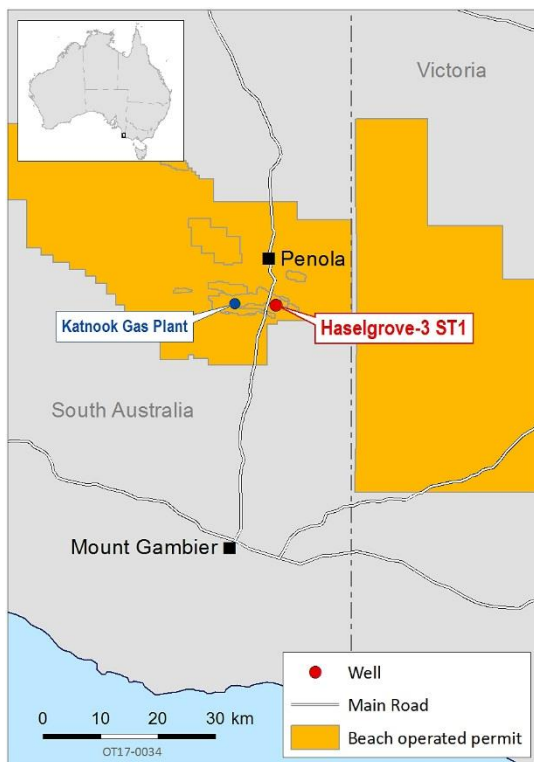
Gas appraisal well, Wackett-17 is located approximately 20 kilometres southeast of the Ballera gas facility in southwest Queensland. The appraisal opportunity was identified during a full-field seismic review undertaken in 2017. Wackett-17, targeted the gas sands of the Birkhead Formation as a primary objective, with the Murta Formation a secondary oil objective. Wackett-17 was cased and suspended for future production with three metres of net gas pay intersected in the Birkhead Formation.

Exploration and Appraisal – Otway Basin

South Australian Gas – PPL 62

(Beach 100%)

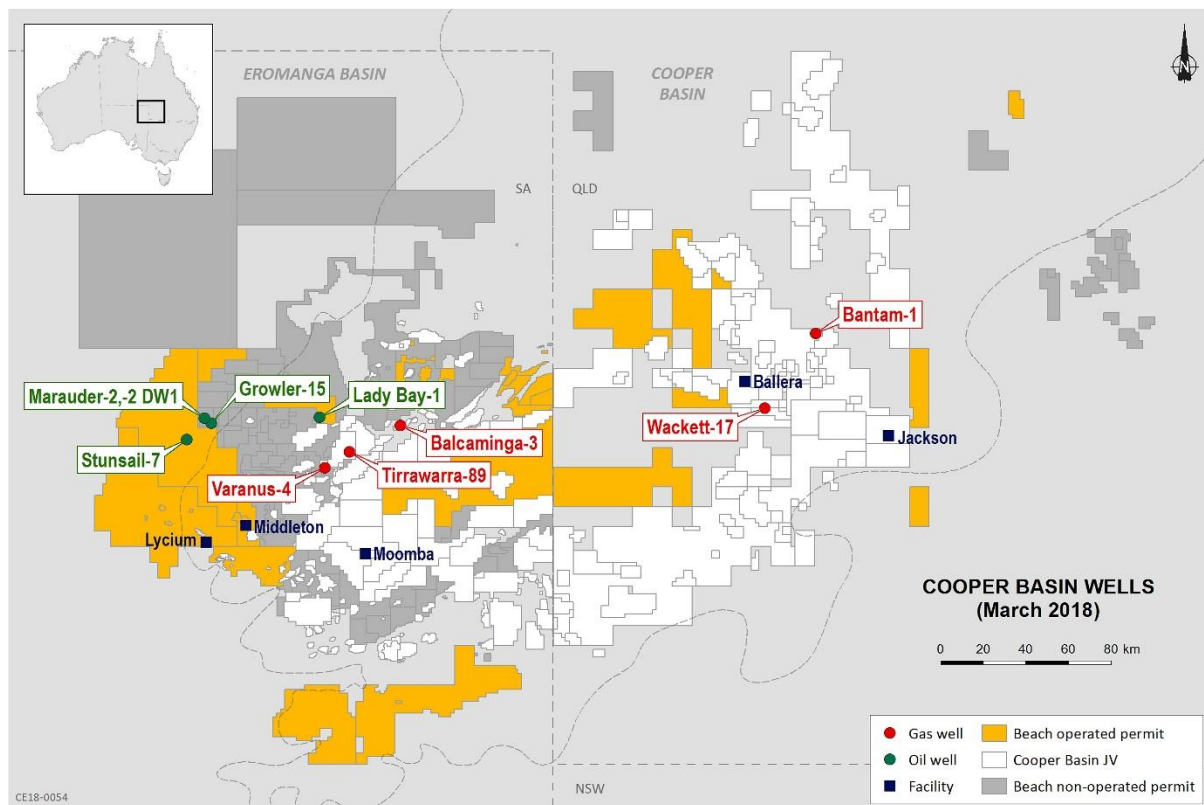
Haselgrove-3 ST1 was drilled in the onshore Otway Basin as a deviated well to a total measured depth of 4,331 metres and targeted the Sawpit Sandstone and shallower Pretty Hill Sandstone. On 11 January 2018, Beach announced Haselgrove-3 ST1 as a new gas field discovery. An initial production test (IPT) was conducted from 10 February to 14 March. The IPT involved two stages, the flow test stage which occurred from 10 to 17 February and the pressure-build stage where the well was shut-in and pressure data observed until 14 March. The IPT confirmed excellent gas deliverability and low inert content (~5%) of the Sawpit Sandstone. Flow rates and pressure data indicate further appraisal is required to assess total volume of the Sawpit Sandstone structure. Development concepts to connect Haselgrove-3 ST1 are being assessed to determine commercial options. On 28 March, it was announced that Beach was awarded a \$6 million grant under the Australian Government's Gas Acceleration Program (GAP) to partially fund a proposed new Katnook Gas Processing Facility, which would be required to bring gas from Haselgrove-3 ST1 to market.



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

Well	Participants			Progress and summary		Primary targets
Cooper Basin operated						
Stunsail-7	BPT*	100.00%	Drilling this month:	2,430 metres		McKinlay Formation
PPL 260			Current depth:	2,430 metres (total depth)		
Oil development			Status:	Cased and suspended as a future Birkhead Formation		
C/E Basin, SA				oil producer		
Lady Bay-1	BPT*	50.00%	Drilling this month:	155 metres		Patchawarra Formation
PEL 630	BE	50.00%	Current depth:	155 metres		
Gas exploration			Status:	Drilling ahead		
C/E Basin, SA						
Cooper Basin non-operated						
Wackett-17	BPT	39.94%	Drilling this month:	1,288 metres		Birkhead Formation
PL 146	STO*	60.06%	Current depth:	1,288 metres		
Gas appraisal			Status:	Drilling ahead		
C/E Basin, QLD						
Bantam-1	BPT	39.94%	Drilling this month:	2,450 metres		Toolachee Formation
ATP1189	STO*	60.06%	Current depth:	2,450 metres (total depth)		
Gas exploration			Status:	Cased and suspended as a future Permian gas producer		
C/E Basin, QLD						
Balcaminga-3	BPT	33.40%	Drilling this month:	4,178 metres		Tirrawarra Sandstone
PPL 146/147	STO*	66.60%	Current depth:	4,178 metres (total depth)		
Gas development			Status:	Cased and suspended as a future Permian gas producer		
C/E Basin, SA						
Tirrawarra-89	BPT	33.40%	Drilling this month:	3,068 metres		Patchawarra Formation
PPL 20	STO*	66.60%	Current depth:	3,068 metres		Tirrawarra Sandstone
Gas development			Status:	Cased and suspended as a future Permian gas producer		
C/E Basin, SA						
Varanus-4	BPT	33.40%	Drilling this month:	3,191 metres		Patchawarra Formation
PPL 55	STO*	66.60%	Current depth:	3,191 metres (total depth)		
Gas development			Status:	Cased and suspended for further evaluation		
C/E Basin, SA						
Growler-15	BPT	40.00%	Drilling this month:	1,034 metres		Birkhead Formation
PPL 242	SXY*	60.00%	Current depth:	3,090 metres		
Oil development			Status:	Cased and suspended as a future Birkhead Formation oil		
C/E Basin, SA				producer		
Marauder-2	BPT	40.00%	Drilling this month:	1,956 metres		Birkhead Formation
PRL 136	SXY*	60.00%	Current depth:	1,956 metres (total depth)		
Oil development			Status:	Well to be sidetracked at 813 metres		
C/E Basin, SA						
Marauder-2 DW1	BPT	40.00%	Drilling this month:	913 metres		Birkhead Formation
PRL 136	SXY*	60.00%	Current depth:	913 metres		
Oil development			Status:	Drilling ahead		
C/E Basin, SA						
(*) Operator						
BPT Beach Energy Ltd		BE Bridgeport Energy Ltd		STO Santos Ltd	SXY Senex Energy Ltd	

Cooper and Eromanga Basins



Jeff Schrull

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Group Executive Exploration and Appraisal

For further information contact the following on +61 8 8338 2833:

Corporate	Jeff Schrull, Group Executive Exploration and Appraisal Geoff Barker, Group Executive Development
Investor Relations	Mark Hollis, Investor Relations Advisor
Media	Rob Malinauskas, Group Manager - Corporate Affairs