



ASX Release

Beach Energy Ltd
ABN: 20 007 617 969
ASX Code: BPT

25 Conyngham Street
GLENSIDE SA 5065

GPO Box 175
ADELAIDE SA 5001

Tel: +61 8 8338 2833
Fax: +61 8 8338 2336

Web:
www.beachenergy.com.au
Email:
info@beachenergy.com.au

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ASX Ltd/SGX Singapore Exchange Ltd
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Dear Sir

BAUER-19 TO POTENTIALLY ADD RESERVES; STUNSAIL-1 FLOW TEST RESULTS

- **Bauer-19 development well, along with the recently drilled Bauer-15 well, has potentially increased reserves for the Bauer field, intersecting 8.7 metres of net oil pay in the target Namur Sandstone, 4.7 metres high to prognosis**
- **Stunsail-1 well flow tested at greater than 6,500 bopd from the Top Namur / McKinlay and 1,150 bopd from the Mid Namur reservoir**

Beach Energy Ltd (ASX: BPT, "Beach") advises that the Bauer-19 deviated development well in PPL 253 within PEL 91 (Beach 40% and operator, Drillsearch Energy Ltd 60%) has been cased and suspended as a future McKinlay and Namur oil producer, after intersecting 8.7 metres of net oil pay within the Namur Sandstone, as well as a 4.0 metre gross interval of oil bearing McKinlay Member.

Bauer-19 was the third well in a six well development campaign at Bauer. The well intersected the top of the Namur reservoir 4.7 metres high to prognosis. The 8.7 metre Namur oil column is better than the pre-drill prediction of 4.0 metres, and this result may increase the estimated ultimate recovery of oil from the Bauer field.

Bauer-19 is the first well to reach total depth as part of a four well pad development. The Ensign 965 rig delivered a Cooper Basin record, taking only 14 hours from completing the top hole in Bauer-18 to the spud of Bauer-19. The pad drilling technique is being undertaken to reduce footprint, time and resultant costs.

Beach anticipates that production levels within PEL 91 will remain strong as a result of: the aforementioned development program; new facilities such as CKS (Congony-Kalladeina-Sceale) coming on-line; the facility expansion at Bauer moving from 50,000 barrels per day ("bpd") fluid handling to 75,000 bpd; and further exploration and appraisal wells planned for H2 FY15.

A flow test was completed at Stunsail-1 prior to the well being brought on-line. The well flowed from the top Namur / McKinlay at a rate of 6,768 barrels of oil per day ("bopd") and from the Mid Namur at 1,152 bopd for a combined total of 7,920 bopd. The wellhead pressure was 253 psi through a fully open 64/64" choke setting.

Reg Nelson, Beach Managing Director, said "The Bauer oil field is becoming reminiscent of fields such as Kenmore and Bodalla. I liken it to the 'magic pudding' effect, in that the field just continues to surprise and deliver upside results. To have development wells delivering these results over and above what is built into our guidance is great news. Supporting existing production on the Western Flank is not just about exploration and appraisal, but just as importantly about strategically located development wells."

The Ensign 965 rig is drilling ahead at Bauer-16 and, after reaching total depth, will finish drilling the final two wells from the Bauer pad.

Yours sincerely,



Reg Nelson
Managing Director, FAusIMM

For more information contact:

Corporate

Reg Nelson	Beach Energy Ltd	08 8338 2833
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Investor Relations

Chris Jamieson / Derek Piper	Beach Energy Ltd	08 8338 2833
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