



ASX Release

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ASX Ltd/SGX Singapore Exchange Ltd
Companies Announcement Office
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Dear Sir,

MARTLET FIELD 2P RESERVES ESTIMATION

Estimated 2P gross oil reserves for the Martlet field of 589 kbbl; first Namur Sandstone oil reserves in PEL 104/111

Beach Energy Ltd (ASX: BPT, "Beach") advised on 12 September 2014 that the Martlet-1 exploration well in PEL 104/111 (Beach 40%, Senex Energy Ltd 60% and operator) intersected six metres of net oil pay in the Namur Sandstone. Based on these results, Martlet-1 was cased and suspended as a future Namur Sandstone oil producer. The Martlet discovery represents the first Namur oil discovery in the PEL 104/111 joint venture area and provides an additional primary target to the proven Birkhead oil play. Planning is currently underway to identify additional appraisal wells within the area.

Martlet-1 was perforated in the Namur Sandstone at a depth of 1,454.0 to 1,455.5 metres and tested by a short-term cased hole test for 132 minutes. The well flowed at a rate equivalent to 5,149 barrels of fluid per day and 2,596 barrels of oil per day through a 1" choke.

Beach has subsequently undertaken preliminary mapping of Martlet-1, resulting in 2P gross reserves of 589 thousand barrels of oil ("kbbl").

Conceptual development plan

Namur Sandstone analysis

Commercial productivity of the Namur Sandstone reservoir is proven in fields within the adjoining PEL 91 permit area. The Martlet field is analogous to commercially producing fields within PEL 91, including Stunsail, Pennington and Bauer. As such, Beach has a high degree of confidence in the commercial productivity of the Namur Sandstone reservoir at Martlet. Beach carried out economic evaluation of the project using costs based on these analogous projects and recently revised internal company oil price assumptions to assess commercial viability. Development of the Martlet field includes a new production facility proximal to Martlet-1, with oil to be trucked to the Growler facility for transportation to the Lycium Hub. Development of the Martlet facilities, including water disposal, has cost approximately \$4.1 million and is now complete.

Using the proposed development model, Beach estimates preliminary gross developed reserves from the Namur Sandstone reservoir as follows:

Reserves (kbbl)	Martlet
1P	214
2P	589
3P	1,634

These figures are as at December 2014 and based on SPE-PRMS definitions and guidelines. Beach has a 40% share of the above estimates. The Martlet field and production from it was not included in Beach's FY15 production guidance.

Preliminary petroleum reserves were estimated for the target reservoir formation using probabilistic methods. The areal configuration of the Martlet Namur Sandstone structure is based on interpretation and mapping of the Mollichuta and Lignum 3D seismic volumes, with oil column heights defined from wireline log analysis. The range of input petrophysical parameters was derived following comparison of Martlet-1 well data to analogous reservoir data at commercial fields within PEL 91. Based on this analysis, it was determined that the reservoir is discovered and commercially producible.

Yours sincerely,



Reg Nelson

Managing Director, FAusIMM

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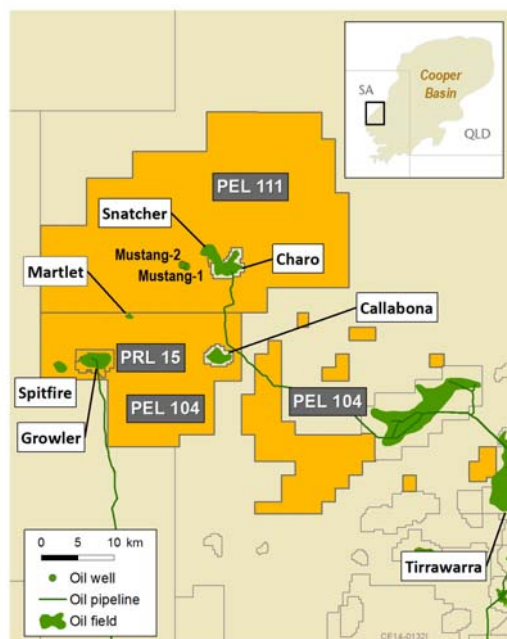
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Qualified Petroleum Reserves and Resource Evaluator Requirements

The reserves and resources information in this ASX release is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Reservoir Engineering Manager). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The reserves and resources information in this ASX release was issued with the prior written consent of Mr Lake in the form and context in which it appears.