



Monthly Drilling Report

December 2014

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Highlights:

- Ten wells drilled at a success rate of 80%
- Bauer field pad well development program complete, with 2P reserve increases expected
- SACB JV close space infill drilling campaign in the Big Lake field near completion

DEVELOPMENT

Australia – Cooper and Eromanga Basins

Operated

PRLs 151 to 172 (formerly PEL 91)

(Beach 40%, Drillsearch 60%)

The last well of the six-well oil development campaign in the Bauer field was completed in December (Bauer-18). This campaign is part of a broader full field development plan aimed to support past record levels of production through the development of the highly productive Namur Sandstone reservoir. The results of the campaign exceeded Beach's expectations, with 2P reserve increases expected.

Bauer-18 intersected the target top Namur Sandstone 0.7 metres high to prognosis, with 6.6 metres of net oil pay. An additional 4.2 metre oil bearing gross interval of overlying McKinlay member was also intersected. The well was cased and suspended as a future Namur Sandstone oil producer.

The six recently drilled Bauer development wells are all expected to be online in Q3 FY15.

The Hanson-2 oil development well was spudded on 29 December and reached total depth subsequent to month-end. The well is currently being evaluated with initial indications of an eight metre gross oil column in the McKinlay Member and Namur Sandstone reservoirs.

Non-operated

South Australian Gas

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

During calendar years 2013 and 2014, the gas development program on the South Australian side of the Cooper Basin primarily focused on close space infill drilling at the Cowralli, Moomba North and Big Lake fields. This infill drilling campaign targeted conversion of undeveloped reserves to developed reserves, with the expectation of increased gas production from 2015.

During December, three wells were drilled in the Big Lake field. Big Lake-123, the last well in the three-well pad development program for the central part of the field, was cased and suspended as a future Permian gas producer. In total, the central field program was completed over the period November 2013 to December 2014 and comprised 32 wells drilled from six pads. The final pad of three wells has been deferred to assess learnings from the adjacent pads.

Big Lake-132 and -133 are the final two wells of the three-well development program for the south-west sector of the field. Big Lake-132 was cased and suspended as a future Permian gas producer. Big Lake-133 was drilling ahead at month-end and has subsequently been cased and suspended.

The Nephrite South and Kanowana fields are located to the north-west of Moomba and the Mudera field is located to the south-east of Moomba. Development drilling in these fields is consistent with the joint venture's current objective for more geographically widespread drilling relative to the close space infill drilling conducted near Moomba.

Nephrite South-10 was cased and suspended as a future Patchawarra Formation gas producer. The well was the first of a four-well pad program for the Nephrite South Field, located approximately 45 kilometres north-west of Moomba. Nephrite South-11, the second well of the four-well pad program, is currently being prepared for casing and suspending as a future Patchawarra Formation gas producer.

Kanowana-10 is the first of two standalone development wells on the Kanowana field, located approximately 40 kilometres north-west of Moomba. The well was cased and suspended following confirmation of gas pay of approximately 55 metres in the Patchawarra Formation and oil pay of approximately 28 metres in the Tirrawarra Sandstone.

Mudera-17 is the first well in a nine-well development program for the Coorikiana Sandstone on the Mudera, Marabooka and Strzelecki fields, located approximately 35 kilometres south-east of Moomba. The well confirmed gas pay of approximately 10 metres in the Coorikiana Sandstone and was cased and suspended.

SACB JV Deep Natural Gas

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

Gaschnitz-2 is the last of the three-well Gaschnitz field development drilling campaign for 2014 and is currently drilling ahead at a depth of 3,254 metres. Primary targets are the Toolachee, Epsilon and Patchawarra Formations and Tirrawarra Sandstone. Fracture stimulation of the three Gaschnitz wells across multiple lithologies is planned for this program. Details and timing of the fracture stimulation program are still to be agreed by the joint venture partners.

EXPLORATION and APPRAISAL

Australia – Cooper and Eromanga Basins

Operated

PRLs 129 to 130 (formerly PEL 106)

(Beach 50%, Drillsearch 50%)

The four-well exploration and appraisal campaign, which is proximal to the existing Canunda field and gas pipeline to Middleton, was completed in December. The program targeted gas and gas liquids in the Patchawarra Formation and Tirrawarra Sandstone.

Canunda-2, the first well in the program, was cased and suspended in October 2014. Maupertuis-1, the second well in the program, was also cased and suspended but with Beach electing not to participate. Antechamber-1 and Danville-1 were drilled in December, with the wells being plugged and abandoned after failing to intersect commercial hydrocarbons.

Non-operated

Queensland Oil

The Tennaperra-4 appraisal well (Beach 30%, Santos 70%) was drilled to appraise the northern area of the Tennaperra field and intersected 5.4 metres of net pay in the Birkhead Formation and 3.2 metres in the Namur Sandstone. The well was cased and suspended as a future oil producer.

Egypt

Abu Sennan Concession

(Beach 22%, Kuwait Energy 50% and operator, Dover 28%)

The ASH-1X ST1 oil exploration well is drilling ahead at a depth of 3,270 metres subsequent to month-end. The well is primarily targeting the Alam El Bueib and Khatatba Formations.

Testing was completed at the Al Jahraa-3 oil appraisal well, with the well cased and completed as an Abu Roash "C" member oil producer. A cased hole test at a depth of 2,953 metres to 2,961 metres was conducted over an 11 hour period. Over this period the well flowed at a maximum recorded rate of 1,385 barrels of oil per day on a 128/64" choke.

The Al Jahraa-4 oil appraisal well, located approximately 3,300 metres south-east from Al Jahraa-3, was spudded on 23 December and is currently drilling ahead. The well is targeting the Abu Roash "C", "D" and "E" members.

Monthly Drilling Report – Period ending 06:00, 1 January 2015

Well	Participants	Progress and summary	Primary targets
Cooper and Eromanga Basins operated			
Bauer-18	BPT* 40.00%	Drilling this month: 919 metres	McKinlay Member
PPL 253 (ex PEL 91)	DLS 60.00%	Current Depth: 1,565 metres (total depth)	Namur Sandstone
Oil development (Pad)		Status: Cased and suspended as a future McKinlay Member and	
Cooper, SA		Namur Sandstone oil producer	
Hanson-2	BPT* 40.00%	Drilling this month: 659 metres	McKinlay Member
PPL 255	DLS 60.00%	Current Depth: 659 metres	Namur Sandstone
Oil development		Status: Drilling ahead	
C/E Basin, SA			
Antechamber-1	BPT* 50.00%	Drilling this month: 2,812 metres	Patchawarra Formation
PRL 129 (ex PEL 106)	DSL 50.00%	Current Depth: 2,812 metres (total depth)	Tirrawarra Sandstone
Gas exploration		Status: Plugged and abandoned	
C/E Basin, SA			
Danville-1	BPT* 50.00%	Drilling this month: 2,825 metres	Patchawarra Formation
PRL 129 (ex PEL 106)	DSL 50.00%	Current Depth: 2,825 metres (total depth)	Tirrawarra Sandstone
Gas exploration		Status: Plugged and abandoned	
C/E Basin, SA			
Cooper and Eromanga Basins non-operated			
Big Lake-123	BPT 20.21%	Drilling this month: 987 metres	Patchawarra Formation
PPL 11	STO* 66.60%	Current Depth: 3,202 metres (total depth)	Tirrawarra Sandstone
Gas development	ORG 13.19%	Status: Cased and suspended as a future Permian gas producer	Merrimelia Formation
C/E Basin, SA			
Big Lake-132	BPT 20.21%	Drilling this month: 274 metres	Patchawarra Formation
PPL 11	STO* 66.60%	Current Depth: 3,186 metres (total depth)	Tirrawarra Sandstone
Gas development	ORG 13.19%	Status: Cased and suspended as a future Permian gas producer	Merrimelia Formation
C/E Basin, SA			
Big Lake-133	BPT 20.21%	Drilling this month: 2,787 metres	Patchawarra Formation
PPL 11	STO* 66.60%	Current Depth: 2,787 metres	Tirrawarra Sandstone
Gas development	ORG 13.19%	Status: Drilling ahead	
C/E Basin, SA			
Nephrite South-10	BPT 20.21%	Drilling this month: 894 metres	Patchawarra Formation
PPL 140	STO* 66.60%	Current Depth: 3,348 metres (total depth)	
Gas development	ORG 13.19%	Status: Cased and suspended as a future Permian gas producer	
C/E Basin, SA			
Nephrite South-11	BPT 20.21%	Drilling this month: 3,282 metres	Patchawarra Formation
PPL 140	STO* 66.60%	Current Depth: 3,282 metres (total depth)	
Gas development	ORG 13.19%	Status: Running pressure test	
C/E Basin, SA			
Kanowana-10	BPT 20.21%	Drilling this month: 2,821 metres	Patchawarra Formation
PPL 233	STO* 66.60%	Current Depth: 2,821 metres (total depth)	Tirrawarra Sandstone
Gas development	ORG 13.19%	Status: Cased and suspended as a future Permian gas producer	
C/E Basin, SA			
Mudera-17	BPT 20.21%	Drilling this month: 1,133 metres	Coorikiana Sandstone
PPL 22	STO* 66.60%	Current Depth: 1,133 metres (total depth)	
Gas development	ORG 13.19%	Status: Cased and suspended as a future Coorikiana Sandstone gas producer	
C/E Basin, SA			
Gaschnitz-2	BPT 20.21%	Drilling this month: 3,254 metres	Toolachee Formation
PPL 101	STO* 66.60%	Current Depth: 3,254 metres	Epsilon Formation
Gas development	ORG 13.19%	Status: Drilling ahead	Patchawarra Formation
C/E Basin, SA			Tirrawarra Formation
Tennaperra-4	BPT 30.00%	Drilling this month: 1,789 metres	Namur Sandstone
PL 168	STO* 70.00%	Current Depth: 1,789 metres (total depth)	Birkhead Formation
Oil Appraisal		Status: Cased and suspended as a future Birkhead Formation	
C/E Basin, QLD		oil producer	

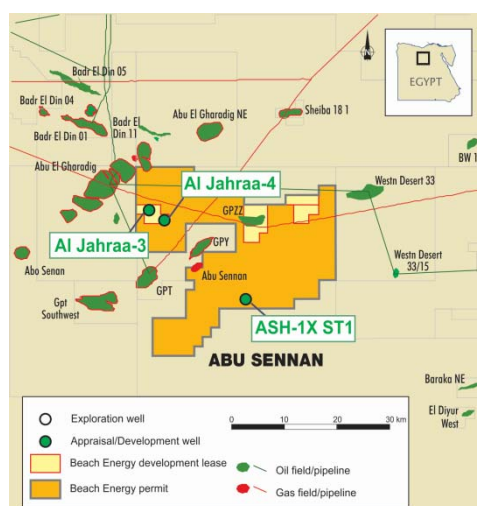
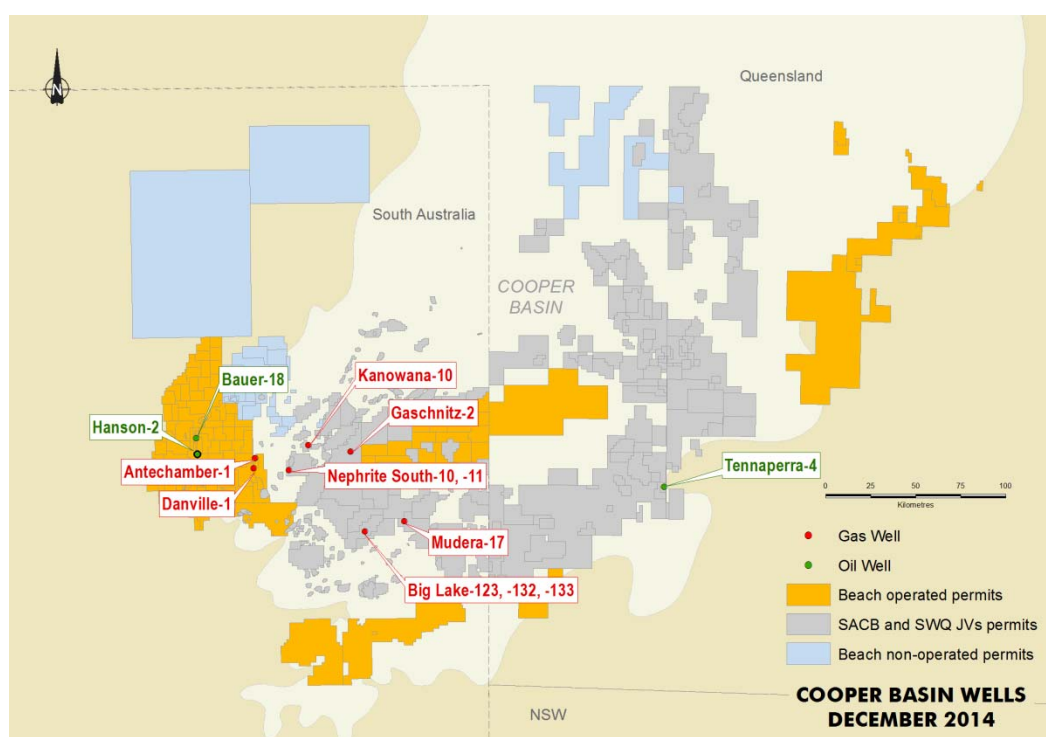
Well	Participants	Progress and summary	Primary targets
International			
ASH-1X ST1	BPT 22.00%	Drilling this month: 598 metres	Alam El Bueib/Khatatba Abu Roash C, E
Abu Sennan	KEE* 50.00%	Current Depth: 2,794 metres	
Oil exploration	DOV 28.00%	Status: Side track kicked off at 2,196 metres	
Egypt, Western Desert			
Al Jahraa-3	BPT 22.00%	Drilling this month: 0 metres	Abu Roash C, D, E
Abu Sennan	KEE* 50.00%	Current Depth: 3,321 metres (total depth)	
Oil Appraisal	DOV 28.00%	Status: Cased and suspended as a future Abu Roash oil producer	
Egypt, Western Desert			
Al Jahraa-4	BPT 22.00%	Drilling this month: 965 metres	Abu Roash C, D, E
Abu Sennan	KEE* 50.00%	Current Depth: 965 metres	
Oil Appraisal	DOV 28.00%	Status: Drilling ahead	
Egypt, Western Desert			

(*) Operator
KEE: Kuwait Energy Egypt Ltd

BPT: Beach Energy Ltd
ORG: Origin Energy Ltd

DLS: Drillsearch Energy Ltd
STO: Santos Ltd

DOV: Dover Investments Ltd
SXY: Senex Energy Ltd



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