



## ASX Release

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Dear Sir,

### **COOPER BASIN NTNG EXPLORATION UPDATE**

Beach Energy Ltd (ASX: BPT, "Beach") provides an update on the Nappamerri Trough Natural Gas program ("NTNG") in ATP 855 and PRLs 33-49 (ex-PEL 218).

#### **ATP 855**

*(Beach 46.9% and operator, Icon Energy Ltd 35.1% and Chevron Exploration 1 Pty Ltd ("Chevron") 18%)*

The joint venture completed fracture stimulation of the final three wells of a four-well program in November 2014. The ETTY-1 vertical well was stimulated over four intervals, one in the Daralingie Formation and three in the Toolachee Formation. The well cleaned up to a peak flow rate of 0.9 MMscfd and was shut-in on 15 January 2015 having achieved flow test objectives. Immediately prior to shut-in, ETTY-1 was flowing at 0.7 MMscfd through a 24/64" choke with wellhead pressure of 405 psi. Gas analysis indicated approximately 70% methane and 30% CO<sub>2</sub>. As reported previously, test results confirmed that at least 93% of gas flow was emanating from the single interval stimulation in the Daralingie Formation. This new play has earmarked ETTY-1 as a priority target for further appraisal testing in Stage-2 (subject to joint venture approval).

The Geoffrey-1 vertical well was stimulated over five intervals, four in the Patchawarra Formation and one in the Epsilon Formation. The well cleaned up to a peak flow rate of 1.1 MMscfd while heavily choked back at 12/64" with wellhead pressure of 3,058 psi. On 10 January 2015, Geoffrey-1 was shut-in due to weather related access restrictions. Prior to shut-in, the well was flowing gas at 0.9 MMscfd with wellhead pressure of 1,134 psi. Gas analysis indicated approximately 75% methane and 25% CO<sub>2</sub>. Geoffrey-1 was re-opened on 16 January 2015 and extended flow testing has recommenced. It is the intention of the joint venture to open the choke to test the well under higher flow rate scenarios.

The Redland-1 vertical well was stimulated over three intervals in the Toolachee Formation. Mechanical issues prevented the joint venture from ascertaining whether the target zone was effectively delivering gas to surface and consequently the well was shut-in.

**PRLs 33-49**

*(Beach 70% and operator, Chevron 30%)*

The joint venture has approved the fracture stimulation of the Boston-2 vertical well over eight stages. Boston-2, located in PRL 37, was drilled in Q4 FY13. The fracture stimulation spread will arrive on-site imminently once weather related access restrictions clear, with the program expected to commence next week. Once flow rates from the Boston-2 well bore are determined, the Stage 1 NTNG work program for PRLs 33-49 and ATP 855 will be complete.

Beach Managing Director, Reg Nelson, said that the NTNG exploration program is near completion. "To date the comprehensive NTNG exploration program has comprised 18 wells, of which 15 were fracture stimulated, across the 800,000 acre permit," Mr Nelson said.

"With 1.6 Tcf of net 2C resource booked to date, Beach is extremely pleased that the Stage 1 work program has achieved all technical objectives. We now better understand the geology having delineated target zones and identified additional targets beyond the early REM shale play. We have also proved the ability to fracture stimulate, successfully flowed gas to surface and tested deliverability.

"Work is now underway to collate and analyse the substantial volume of data obtained to define the Stage 2 work program, including targets and stimulation design. Beach is extremely encouraged by the opportunities defined by the Stage 1 program, in particular future testing of sands within the Daralingie Formation."

Yours sincerely,

**Reg Nelson**

Managing Director, FAusIMM

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**Competent Persons Statement**

The reserves and resources information in this presentation 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 announcement has been issued with the prior written consent of Mr Lake in the form and context in which it appears.

