



Monthly Drilling Report

March 2015

For Immediate Release – 1 April 2015
Ref. #023/15

ASX Ltd / SGX Singapore Exchange Ltd
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Highlights:

- Birkhead oil discovery at Stanleys-1 in PRL 171 (within the former PEL 91)
- Completion of second Bauer Field pad drilling campaign
- 13 wells drilled with a success rate of 92%

DEVELOPMENT

Australia – Cooper and Eromanga Basins
Operated

PRLs 151 to 172 (formerly PEL 91)

(Beach 40%, Drillsearch 60%)

The second four-well pad drilling campaign was completed in the Bauer Field, targeting the highly productive Namur Sandstone reservoir and overlaying McKinlay Member. The Bauer-20 to -23 pad wells were drilled approximately 10 metres apart at surface, with directional drilling commencing from depths of approximately 700 metres to reach target zones. Proximity of wells alleviated the need for rig demobilisation, allowing all wells to be drilled, cased and suspended in a total of 36 days.

Results from the program were in line with Beach's pre-drill expectations, with Bauer-23 producing an upside result after intersecting a 6.8 metre Namur Sandstone oil column. Combined with results from the first pad drilling campaign (Bauer-16 to -19), the FY15 Bauer Field development campaign is expected to add 2P reserves and support current production levels. Beach's preliminary assessment of well results is summarised below.

Well	High / (Low) to Prognosis (metres)	Namur Sandstone Oil Pay (net; metres)	McKinlay Member Interval (gross; metres)
Bauer-20	(2.0)	2.8	4.2
Bauer-21	0.3	5.5	4.2
Bauer-22	0.9	5.3	4.6
Bauer-23	3.1	6.8	4.0

Non-operated

South Australian Gas

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

A nine-well development drilling campaign targeting the Coorikiana Sandstone in the Mudera, Marabooka and Strzelecki fields was completed, with drilling of Strzelecki-30 and -31 and Marabooka-16 undertaken during March. The fields are located approximately 35 kilometres south-east of Moomba and have been producing gas since the early 1980s. Originally Toolachee Formation producers, recent field development resulted in the Coorikiana Sandstone becoming the main producing zone in the Mudera and Marabooka fields, with 3D seismic survey identifying the potential for Coorikiana Sandstone production in the Strzelecki Field. All nine wells in the program were cased and suspended, with gas pays encountered in line with expectations. Initial production rates from three connected wells are above pre-drill estimates.

A two-well pad program targeting gas and gas liquids in the Patchawarra Formation and Tirrawarra Sandstone is being undertaken in the Narie Field. The field is located in the south western area of the Patchawarra Trough, approximately 40 kilometres north of Moomba. The Merrimelia 3D seismic survey enhanced understanding of the field and resulted in drilling and testing of Narie-3 in early 2014. Encouraging flow rates and test results indicated good reservoir qualities and low levels of depletion, suggesting potential for further field development. Narie-5 and -4 were drilled during March, with Narie-5 cased and suspended as a future producer. Narie-4 reached total depth and awaits resolution of a down-hole mechanical issue prior to casing and suspending.

A three-well pad development campaign is underway in the Coonatie Field (Beach 17.14%, Santos 72.32% and operator, Origin 10.54%), located 80 kilometres north-east of Moomba. The field is historically a gas and gas liquids producer from the Toolachee and Epsilon formations, however, recent reservoir studies and simulations identified potential for development of the Patchawarra Formation and Tirrawarra Sandstone. Coonatie-21 and -22, the first two wells of the campaign, were drilled during March. Coonatie-21 was cased and suspended as a future producer after encountering high-side outcomes in the target formations. Coonatie-22 reached total depth on 29 March 2015 and will be cased and suspended. Potential for further down-dip locations will be assessed upon completion of the campaign.

Queensland Gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

A four-well development and appraisal campaign is underway in the Barrolka Field, located approximately 55 kilometres north of the Ballera plant. The primary objective of the campaign is to convert undeveloped reserves on the main culmination to developed reserves. Barrolka-15 and -17 are the second and third wells, respectively, of the campaign. Barrolka-15 was cased and suspended as a future producer and Barrolka-17, which spudded on 22 March 2015, is currently drilling ahead. Results to date have been in line with expectations and provided indications of potential for further field development.

EXPLORATION and APPRAISAL

Australia – Cooper and Eromanga Basins

Operated

PRLs 151 to 172 (formerly PEL 91)

(Beach 40%, Drillsearch 60%)

The Stanleys-1 oil exploration well in PRL 171 is located approximately 3.9 kilometres north-east of the Balgowan-1 oil discovery and 3.5 kilometres south-west of the Spitfire Field. The well targeted the Namur Sandstone, with the McKinlay Member, mid-Namur Sandstone and Birkhead Formation as secondary targets. Stanleys-1 reached total depth on 5 March 2015 with strong oil shows encountered through the Birkhead Formation. Wireline logs indicated a seven metre gross reservoir interval corresponding to the strong oil shows. A drill stem test over an interval from 1,713 metres to 1,724 metres (measured depth) recovered 23 barrels of oil over 117 minutes at a calculated rate of 280 barrels of oil per day. The well was cased and suspended as a future oil producer.

The Longbottoms-1 oil exploration well in PRL 171 is centrally located between the Stunsail and Kalladeina oil fields, and approximately two kilometres east of the CKS facility. The well encountered approximately one metre of net pay in the Namur sandstone, however, was plugged and abandoned due to the result being sub-commercial.

PRLs 85 to 104 (formerly PEL 92)

(Beach 75%, Cooper Energy 25%)

The Perlubie-3 oil appraisal well, located in PPL 247, is targeting the Naumr Sandstone and appraising the northern area of the currently producing Perlubie Field. The well spudded on 30 March 2015 and is currently drilling ahead.

Non-operated

Egypt

Abu Sennan Concession

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

The ASH-1X ST1 oil exploration well reached total depth of 4,777 metres during the reporting period, with current focus on preparing tests in zones of interest.

The ASA-3 oil appraisal well spudded on 14 March 2015 and is currently drilling ahead at a depth of 2,578 metres. ASA-3 is located 0.5 kilometres south-east from the ASA-1 ST3 exploration well and is targeting the Abu Roash “C” and “E” formations.

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

Well	Participants	Progress and Summary		Primary Targets
Cooper Basin operated				
Bauer-20	BPT* 40.00%	Drilling this month:	841 metres	McKinlay Member Namur Sandstone
PPL 253 (ex PEL 91)	DLS 60.00%	Current Depth:	1,533 metres (total depth)	
Oil development (Pad)		Status:	Cased and suspended as a future McKinlay	
C/E Basin, SA			Member and Namur Sandstone oil producer	
Bauer-21	BPT* 40.00%	Drilling this month:	769 metres	McKinlay Member Namur Sandstone
PPL 253 (ex PEL 91)	DLS 60.00%	Current Depth:	1,461 metres (total depth)	
Oil development (Pad)		Status:	Cased and suspended as a future McKinlay	
C/E Basin, SA			Member and Namur Sandstone oil producer	
Bauer-22	BPT* 40.00%	Drilling this month:	1,012 metres	McKinlay Member Namur Sandstone
PPL 253 (ex PEL 91)	DLS 60.00%	Current Depth:	1,575 metres (total depth)	
Oil development (Pad)		Status:	Cased and suspended as a future McKinlay	
C/E Basin, SA			Member and Namur Sandstone oil producer	
Bauer-23	BPT* 40.00%	Drilling this month:	1,567 metres	McKinlay Member Namur Sandstone
PPL 253 (ex PEL 91)	DLS 60.00%	Current Depth:	1,567 metres (total depth)	
Oil development (Pad)		Status:	Cased and suspended as a future McKinlay	
C/E Basin, SA			Member and Namur Sandstone oil producer	
Stanleys-1	BPT* 40.00%	Drilling this month:	1,411 metres	Namur Sandstone
PRL 171 (ex PEL 91)	DLS 60.00%	Current Depth:	2,064 metres (total depth)	
Oil exploration		Status:	Cased and suspended as a future Namur	
C/E Basin, SA			Sandstone oil producer	
Longbottoms-1	BPT* 40.00%	Drilling this month:	2,009 metres	Namur Sandstone
PRL 171 (ex PEL 91)	DLS 60.00%	Current Depth:	2,009 metres (total depth)	
Oil exploration		Status:	Plugged and abandoned	
C/E Basin, SA				
Perlubie-3	BPT* 75.00%	Drilling this month:	588 metres	Namur Sandstone
PPL 247 (ex PEL 92)	COE 25.00%	Current Depth:	588 metres	
Oil appraisal		Status:	Drilling ahead	
C/E Basin, SA				
Cooper Basin non-operated				
Strzelecki-30	BPT 20.21%	Drilling this month:	1,046 metres	Coorikiana Sandstone
PPL 22	STO* 66.60%	Current Depth:	1,046 metres (total depth)	
Gas development	ORG 13.19%	Status:	Cased and suspended as a future Early Cretaceous	
C/E Basin, SA			gas producer	
Strzelecki-31	BPT 20.21%	Drilling this month:	1,054 metres	Coorikiana Sandstone
PPL 22	STO* 66.60%	Current Depth:	1,054 metres (total depth)	
Gas development	ORG 13.19%	Status:	Cased and suspended as a future Early Cretaceous	
C/E Basin, SA			gas producer	
Marabooka-16	BPT 20.21%	Drilling this month:	1,077 metres	Coorikiana Sandstone
PPL 22	STO* 66.60%	Current Depth:	1,077 metres (total depth)	
Gas development	ORG 13.19%	Status:	Cased and suspended as a future Early Cretaceous	
C/F Basin, SA			gas producer	

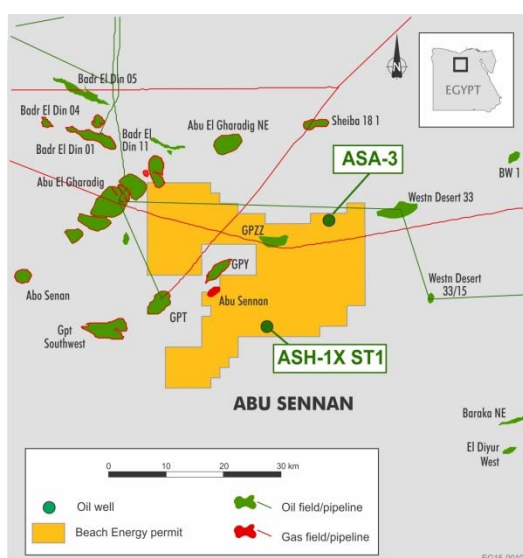
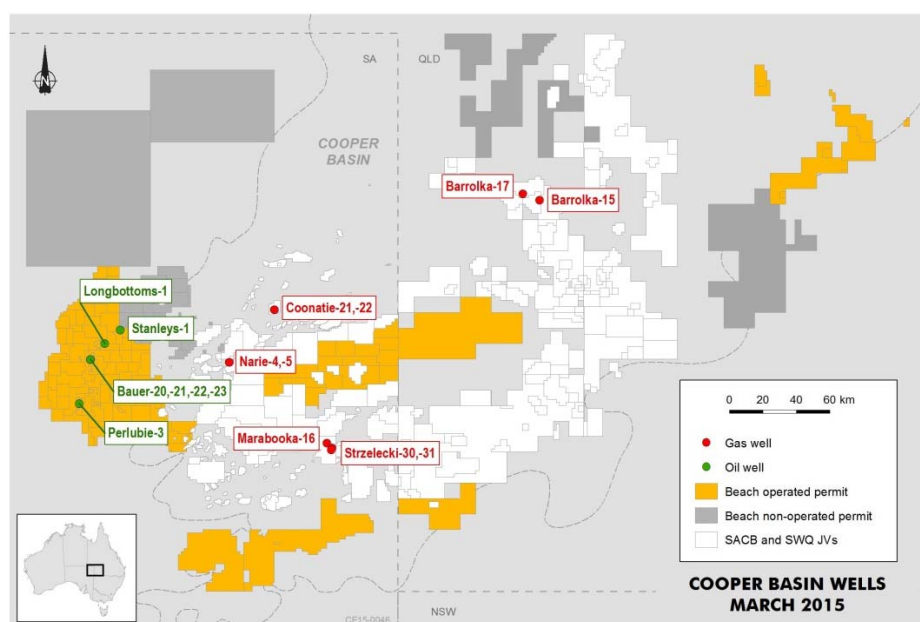
Well	Participants	Progress and Summary		Primary Targets
Cooper Basin non-operated				
Narie-4	BPT 20.21%	Drilling this month:	2,808 metres	Patchawarra Formation
PPL 17	STO* 66.60%	Current Depth:	2,808 metres (total depth)	Tirrawarra Sandstone
Gas development C/E Basin, SA	ORG 13.19%	Status:	Pressure testing BOP	
Narie-5	BPT 20.21%	Drilling this month:	2,182 metres	Patchawarra Formation
PPL 17	STO* 66.60%	Current Depth:	2,801 metres (total depth)	Tirrawarra Sandstone
Gas development C/E Basin, SA	ORG 13.19%	Status:	Cased and suspended as a future Permian gas producer	
Coonatie-21	BPT 17.14%	Drilling this month:	409 metres	Patchawarra Formation
PPL 131	STO* 72.32%	Current Depth:	3,149 metres (total depth)	Tirrawarra Sandstone
Gas development C/E Basin, SA	ORG 10.54%	Status:	Cased and suspended as a future Permian gas producer	
Coonatie-22	BPT 17.14%	Drilling this month:	3,184 metres	Patchawarra Formation
PPL 131	STO* 72.32%	Current Depth:	3,184 metres (total depth)	Tirrawarra Sandstone
Gas development C/E Basin, SA	ORG 10.54%	Status:	Preparing to cement production casing	
Barrolka-15	BPT 23.20%	Drilling this month:	2,739 metres	Toolachee Formation
PL 112	STO* 60.06%	Current Depth:	2,739 metres (total depth)	
Gas development C/E Basin, QLD	ORG 16.50% APL 0.24%	Status:	Cased and suspended as a future Permian gas producer	
Barrolka-17	BPT 23.20%	Drilling this month:	2,547 metres	Toolachee Formation
PL 151	STO* 60.06%	Current Depth:	2,547 metres	
Gas development C/E Basin, QLD	ORG 16.50% APL 0.24%	Status:	Drilling ahead	
International				
ASH-1X ST1	BPT 22.00%	Drilling this month:	732 metres	Alam El Bueib / Khatatba,
Abu Sennan	KEE* 50.00%	Current Depth:	4,777 metres (total depth)	Abu Roash C, E
Oil exploration Egypt, Western Desert	DOV 28.00%	Status:	Flow testing	
ASA-3	BPT 22.00%	Drilling this month:	2,578 metres	Abu Roash C, E
Abu Sennan	KEE* 50.00%	Current Depth:	2,578 metres	
Oil exploration Egypt, Western Desert	DOV 28.00%	Status:	Drilling ahead	

(*) Operator
 BPT Beach Energy Ltd
 DOV Dover Investments Ltd

APL Australia Pacific LNG Ltd
 COE Cooper Energy

DLS Drillsearch Energy Ltd
 KEE Kuwait Energy Egypt Ltd

ORG Origin Energy Ltd
 STO Santos Ltd




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