



# Monthly Drilling Report

August 2010

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## ASX RELEASE

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## AUSTRALIA

### Beach Operated Cooper-Eromanga Basin Gas - PEL 106FI Block

Testing operations at Canunda-1 remain suspended due to recent rainfalls affecting road access (Beach 50%, Drillsearch 50%).

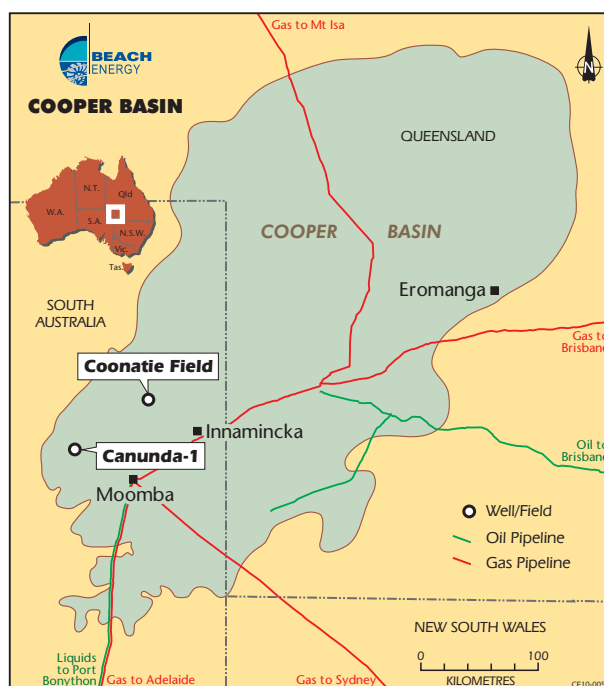
### Cooper Basin Gas Development - Santos Operated

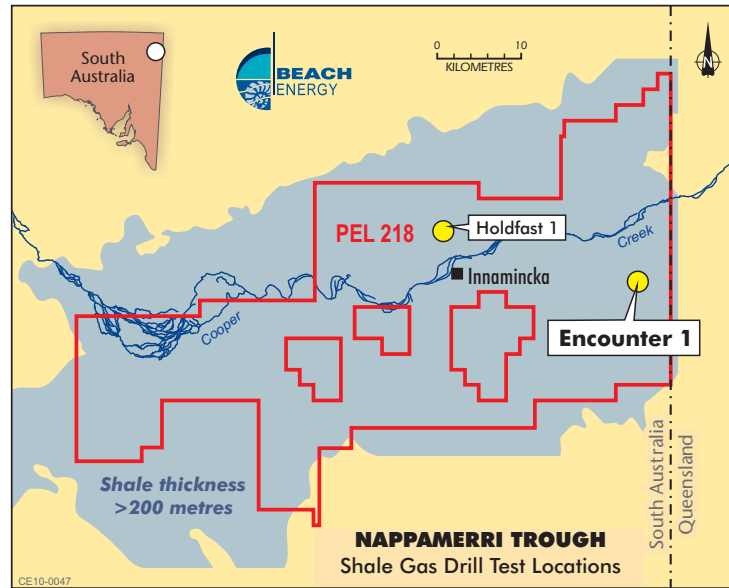
Drilling operations on the Coonatie field have been affected by more rain in the basin. Operations at Coonatie-20, currently at a depth of 2779 metres in the Nappamerri Group, are expected to resume later this week. Coonatie-19 has been cased and suspended and is being followed by Coonatie-18.

Two further wells are planned for the Coonatie Field as part of the seven well development drilling campaign for the field (Beach 17.14%).

### Beach Operated Cooper Basin Shale Gas Exploration - PEL 218

The commencement of drilling operations for Encounter-1 (Beach 90%), the first of a two well, back-to-back exploration program targeting shale gas potential in the South Australian portion of the Nappamerri Trough, is scheduled for mid September. Some 95 percent of the Ensign 16 rig has been moved onto the drillsite and is partially rigged-up. The objective shale formations of the Nappamerri Trough have potential gas-in-place in excess of 200 Tcf.

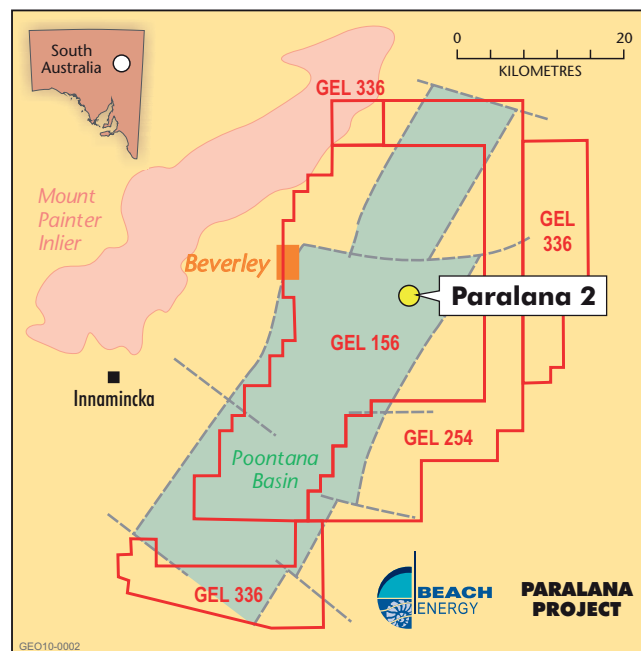




### Beach Operated Geothermal - Paralana Project, Arrowie Basin

Operations to perform an injectivity test on the Paralana-2 geothermal well commenced over the last week. The test is being undertaken to assist in assessing optimal parameters for a fracture stimulation of the well.

Progress has been delayed due to the perforating assembly being unable to pass an obstruction at approximately 3200m. The obstruction will be removed by use of a coiled tubing unit at the earliest opportunity. Following this operation, the program will recommence as initially planned. The short delay will have no impact on the planned fracture stimulation of the well, scheduled for the fourth quarter (Beach 21%).





**INTERNATIONAL**

**Unconventional**

**Non-operated Shale Oil Appraisal, South Antelope Prospect, Williston Basin - North Dakota, USA**

The Henderson 4-26/35H shale oil appraisal well (Beach 14.7% net revenue interest) is expected to spud before the end of this week. The well, targeting 600,000 barrels of recoverable oil (90,000 net to Beach), will include a 2.7km long horizontal section through the Three Forks Formation reservoir, and be stimulated with a 24 stage fracture stimulation treatment.



**Drilling Report – Period ending 1 September 2010**

Well	Participants	Weekly Progress & Summary	Primary Targets
<b>Encounter-1</b> PEL 218 Shale Gas Exploration C/E Basin, SA	BPT* 90.00% ADE 10.00%	Report Time: 0600 (CST) 01/09/2010 Depth: 0m Operation: Moving rig onto location and rigging up. Progress: 0m	Roseneath Shale Epsilon Formation Murteree Shale
<b>Coonatie-20</b> PPL 131 Gas Development C/E Basin, SA	BPT 17.14% STO* 72.32% ORG 10.54%	Report Time: 0600 hrs (CST) 01/09/2010 Depth: 2779m Operation: Preparing to recommence drilling operations. Progress: 830m	multiple Permian targets
<b>Henderson 4-26/35H</b> Sect. 25&36 McKenzie County, Nth Dakota Shale Oil Appraisal Williston Basin	BPT 14.70% SEA Helis* 7 others	Report Time: 0600 hrs (local) 31/08/2010 Depth: 0m Operation: Rigging up. Progress: 0m	Three Forks Formation

(\*) Operator  
 BPT Beach Energy Ltd  
 ORG Origin Energy Resources Ltd  
 SEA Sundance Energy Australia Ltd  
 (s) Secondary Targets  
 STO Santos Limited  
 Helis Helis Oil & Gas Company L.L.C  
 ADE Adelaide Energy Ltd

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