



## ASX Release

Beach Energy Ltd  
ABN: 20 007 617 969  
ASX Code: BPT

25 Conyngham Street  
GLENSIDE SA 5065

GPO Box 175  
ADELAIDE SA 5001

Tel: +61 8 8338 2833  
Fax: +61 8 8338 2336

Web:  
[www.beachenergy.com.au](http://www.beachenergy.com.au)  
Email:  
[info@beachenergy.com.au](mailto:info@beachenergy.com.au)

## MEDIA RELEASE

For Immediate Release – 10 August 2011

Ref. #091/11

### **2 TCF contingent gas resource booked from Beach Energy's first two shale wells in the Cooper Basin**

Beach Energy has booked a large unconventional onshore gas resource from its two vertical shale gas wells in the Cooper Basin. These wells were not designed for production purposes but as data gathering wells only, making this resource booking an excellent outcome given the work undertaken to date.

A contingent resource of 2 trillion cubic feet (TCF) of gas has been booked for the two wells, a volume that will have a material impact on Beach's resource update, which will be released later this month. Substantial upside potential still exists to expand this resource estimate through further evaluation and flow testing during follow up exploration and appraisal activity.

Mr Nelson said, *"The booking of a contingent resource of this size is a clear indication of the potential within our unconventional gas acreage in the central Cooper Basin."*

To put the quantum of this 2 TCF resource booking for PEL 218 into perspective:

- It is approximately one third of the total historical gas production from the Cooper Basin (estimated at 6 TCF);
- It is in excess of 330 million barrels of oil equivalent; and
- It is approximately 5 times Beach's 30 June 2010 reserves figure.

The Holdfast-1 and Encounter-1 shale wells have been assigned an initial gas resource estimate of 1TCF each, based on a restricted area of 100km<sup>2</sup> around each well.

Beach Managing Director, Reg Nelson, believes the deeper, unconventional formations of the central Cooper Basin area, including shales and other unconventional gas bearing formations, could hold vastly more gas than has already been discovered or produced historically from the area.

Mr Nelson added, *"The Cooper Basin shales and other formations tested to date are very thick, gas saturated and have the potential to flow at rates we believe will meet future commercial thresholds."*

*"The resource booking assigned relates to an area of 100 km<sup>2</sup> around each well within the PEL 218 permit, which covers an area of approximately 1600 km<sup>2</sup>. Our test work to date indicates that the unconventional target zones, including the various shale layers, stretch underneath the entire permit, so there is potentially significant upside to these initial gas resource bookings. Importantly, Beach has 90% equity in the Permian section of PEL 218,"*

Beach now plans to drill two pilot production horizontal wells in 2012, to test the flow rates of the target zones.

During initial flow testing, the Holdfast-1 well had gas flow rates of up to 2 million standard cubic feet per day. It is expected that a horizontal production well will deliver a much higher flow rate as it gives a much greater exposure to the target zone.

The resource calculation is based on observed flows, following successful fracture stimulation and continued flow testing at Holdfast-1, and takes into account the main shale and other formation target zones (i.e. the Roseneath Shale, Epsilon Formation and Murteree Shale and the top section of the Patchawarra Formation).

The resource calculation does not include significant upside potential of the, as yet, untested and deeper Patchawarra Formation and the shallower Toolachee and Daralingie Formations.

## **Background**

Beach is pioneering the exploration and potential development of shale gas in Australia and is the first company to undertake a systematic and targeted shale gas program in the Cooper Basin. Beach is a top 200 ASX listed oil and gas exploration and production company based in Adelaide, South Australia. It has interests in more than 300 exploration and production tenements both in Australia and internationally, with its primary production and exploration focus in the Cooper-Eromanga Basin in central Australia.

The Cooper Basin is the most prolific onshore petroleum province in Australia, having produced approximately 6 Tcf of gas to date, and is ideally situated as it has the necessary infrastructure for the delivery of oil and gas to the Eastern Australian markets. Within the Cooper Basin, Beach currently holds interests of approximately 20% of the SACB JV (Santos operated), this includes infrastructure such as the Moomba production facility, approximately 23% of the SWQ JV (Santos operated) as well as various oil interests of between 40-75% on the Western Flank of the Cooper Basin.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Reg Nelson", on a light-colored background.

Reg Nelson  
Managing Director, FAusIMM

*This ASX release contains information on Beach's Reserves which have been compiled by Mr Gordon Moseby, who is a full time employee of Beach, is qualified in accordance with ASX listing rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.*



For more information contact:

**Corporate**

Reg Nelson	Beach Energy Ltd	08 8338 2833
Neil Gibbins	Beach Energy Ltd	08 8338 2833

**Investor Relations**

Chris Jamieson	Beach Energy Ltd	08 8338 2833
----------------	------------------	--------------

**Media relations**

Ian Howarth	Collins Street Media	0407 822 319
-------------	----------------------	--------------