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HIGHLIGHTS OF THE MONTH

- **Multi-well frac program begins at Moonta-1**
- **Three Nappamerri Trough unconventional gas wells drilling concurrently**
- **Windmill oil discovery**
- **Bauer North oil discovery**
- **Mesaha-1X spuds in southern Egypt**

AUSTRALIA

Operated Cooper Basin Unconventional Gas Program

The ten-stage stimulation of Moonta-1 in PEL-218 (Beach 100%) is underway, with five of the stages completed at the time of reporting. Nine of the planned stages target the basin-centred gas play within the Patchawarra Formation and the upper most stage will address the Murteree Shale. The stimulation program in Moonta-1 will be followed by a similar program in Streaky-1 in the second half of November. Flow testing



of Moonta-1 is expected to commence in mid-November and continue for several weeks. The remaining Permian targets are planned to be assessed in subsequent stimulation and flow testing activities in the new year.

Two vertical exploration wells are currently drilling within PEL-218 (Beach 100%). Marble-1, the fifth vertical exploration well in PEL 218 (Beach 100%), is preparing to drill ahead, have set intermediate casing in the lower Nappamerri Formation. This well is expected to reach total depth in early December. A second well, Boston-1, spudded in early November, will further evaluate the shale and basin-centred gas potential in the REM and Patchawarra Formation in the southern portion of the permit. A third well, Gaschnitz-1 was spudded by the Cooper Basin JV (see below).

In ATP 855P (Beach 60%), drilling of the Halifax-1 vertical exploration well was completed to a total depth of 4,267 metres. Halifax-1 is located approximately 12 kilometres northeast of Encounter-1 in the Queensland portion of the Nappamerri Trough. Subject to approvals Beach is planning to stimulate Halifax-1 once activities have been completed at Moonta-1 and Streaky-1 (both PEL-218).

Operated Cooper-Eromanga Oil – Western Flank

Two oil exploration wells were drilled in PEL-92 (Beach 75%) during the month. Windmill-1 discovered a six metre oil column within excellent quality Namur Sandstone. In addition, a drill stem test within the Birkhead Formation recovered oil and water. The Windmill-1 well is located approximately 3.5 kilometres south-east of the Callawonga oil production facility, to which it is expected to be tied.

The second well of the month was Tinah-1, which was drilled about 8 kilometres north of Callawonga. Tinah-1 was plugged and abandoned after failing to encounter oil.

The oil drilling program has since moved northward to PEL-91 (Beach 40%) to drill two wells designed to firm up reserve estimates for the northern portion of the Bauer oil field. The first of these, Bauer North-1, is located approximately 3.4 kilometres north of Bauer-1 and about 2.2 kilometres north of the nearest well, Bauer-8. The well intersected a 7 metre oil column with approximately 3 metres of net oil pay at the top of the Namur Sandstone and is being cased as a future oil producer. An update of the Bauer reserves will be provided following the next well, Bauer-9.

Senex Operated Cooper-Eromanga Oil – Western Flank

Drilling has continued on the Snatcher oil field in PEL-111 (Beach 40%). The Snatcher-8 deviated development well intersected the Mid-Birkhead reservoir 240 metres west of Snatcher-1 and 230 metres south of Snatcher-7 to optimise drainage of the reservoir in the southern portion of the field. This well intersected an 18 metre oil column (14 metres of interpreted oil pay) and has been cased and suspended for future production.

A second well, Snatcher-9, is currently drilling ahead at 1504 metres as a deviated appraisal well to further test the northern limit of the Snatcher field approximately 400 metres northwest of Snatcher-10.

Santos Operated Cooper Basin Oil and Gas Development

Gas development drilling continued with two wells having been cased and suspended during the month. Waukatanna-5 (Beach 20.21%) was cased and suspended for future production after intersecting gas in several sands within the Patchawarra Formation 30 kilometres SSW from the Moomba Gas Plant. Approximately 85 kilometres north from Moomba, a second rig drilled and cased Moolion-6, after intersecting gas as expected, and is currently drilling Moolion-5. The Moolion Field (Beach 17.14%) is being developed for gas in the Toolachee, Epsilon and Patchawarra Formations.

Unconventional gas exploration drilling has commenced with the spudding of the Gaschnitz-1 well in PPL-101 (Beach 20.21%) approximately 30 kilometres north of the Moomba gas plant.

In Queensland, oil drilling has continued; firstly at Irtalie East-3 (Beach 38.5%) and then at Zeus-4 (Beach 30%), both of which were cased and suspended as future Birkhead/Hutton oil producers. A further oil development well, Zeus-5, is currently drilling ahead.

INTERNATIONAL

Kuwait Energy Operated – Abu Sennan Concession, Egypt

The ASA-1X ST2 exploration well, the first of a three-well campaign, is located 1.9 kilometres north of the El Salmiya-1 well which discovered oil and gas in several zones within the Abu Roash Formation in late 2011 / early 2012. The ASA-1X ST2 well has reached 3576 metres in the Kharita Formation, and wireline logs are currently being run to evaluate the well.

BP/GUPCO Operated – North Shadwan Concession, Egypt

The NS385-1 development well is designed as a long-reach onshore-to-offshore well, aimed at developing oil within the NS385 oilfield. The well is drilling ahead at 3583 metres measured depth (1502 metres true vertical depth) in the Zeit Formation.



Melrose Resources Operated – Mesaha Concession, Egypt

The Mesaha-1 exploration well spudded on 29 October 2012. This is the first well to be drilled in the Mesaha Graben, and is designed to test the stratigraphic section on the flank of a large structure identified from recent 2D seismic data. The Mesaha Graben is approximately two thirds the size of the Gulf of Suez and is entirely contained within the Concession, first granted in 2007.

Drilling Report – Period ending 7 November 2012

Well	Participants	Progress & Summary	Primary Targets
Bauer North-1 PEL 91 Oil Exploration C/E Basin, SA	BPT* 40.00% DLS 60.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 1929m (TD) Operation: Well is cased and suspended as a future Namur Sandstone oil producer. Progress: 1929m	Namur Sandstone, Birkhead Formation.
Tinah-1 PEL 92 Oil Exploration C/E Basin, SA	BPT* 75.00% COE 25.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 1964m (TD) Operation: Well is plugged and abandoned wireline logs showed no indications of hydrocarbons. Progress: 1964m	Namur Sandstone.
Windmill-1 PEL 92 Oil Exploration C/E Basin, SA	BPT* 75.00% COE 25.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 2100m (TD) Operation: Well is cased and suspended as a future Namur Sandstone and Birkhead Formation oil producer. Progress: 1427m	Namur Sandstone. Birkhead Formation.
Boston-1 PEL 218 Shale Gas Exploration Cooper, SA	BPT 100.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 891m Operation: Surface casing run and cemented. Preparing BOPs. Progress: 891m	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
Marble-1 PEL 218 Shale Gas Exploration Cooper, SA	BPT 100.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 2640m Operation: Drilling ahead Progress: 2380m	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
Halifax-1 ATP-855P Shale Gas Exploration Cooper, SA	BPT* 60.00% ICN 40.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 4267m (TD) Operation: Well is Cased and suspended for further evaluation. Progress 261m	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
Snatcher-9 PEL 111 Oil Appraisal C/E Basin, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 1504m Operation: Drilling ahead in deviated hole Progress: 1504m	Mid-Birkhead Formation.
Snatcher-8 PEL 111 Oil Development C/E Basin, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 1879m (TD) Operation: Well is cased and suspended as a future Birkhead Formation oil producer. Progress: 1105m	Mid-Birkhead Formation.
Moolion-5 PPL 167 Gas Development C/E Basin, SA	BPT 17.14% STO* 73.32% ORG 10.54%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 1719m Operation: Drilling ahead Progress: 1719m	Toolachee Formation, Epsilon Formation, Patchawarra Formation.
Moolion-6 PPL 167 Gas Development C/E Basin, SA	BPT 17.14% STO* 73.32% ORG 10.54%	Report Time: 0600 hrs (CDT) 07/11/2012 Depth: 3091m (TD) Operation: Well is cased and suspended as a future Patchawarra, Toolachee and Tirrawarra Formations gas producer. Also a Birkhead Formation oil producer. Progress: 3091m	Toolachee Formation, Epsilon Formation, Patchawarra Formation.

Waukatanna-5	BPT	20.21%	Report Time:	0600 hrs (CDT) 07/11/2012	Patchawarra Formation, Tirrawarra Formation, Toolachee Formation Daralingie Formation Epsilon Formation,
PPL 235	STO*	66.60%	Depth:	2710m (TD)	
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Toolachee, Epsilon and Patchawarra Formations gas producer	
C/E Basin, SA			Progress:	2710m	
Irtalie East-3	BPT	38.50%	Report Time:	0600 hrs (CDT) 07/11/2012	Birkhead Formation, Hutton Sandstone.
PL 36 (Cooroo Block)	STO*	55.50%	Depth:	1880m (TD)	
Oil Appraisal	DLS	2.00%	Operation:	Well is cased and suspended as future Birkhead Formation and Hutton Sandstone oil producer.	
C/E Basin, QLD	IOR	2.00%	Progress:	1880m	
Zeus-5	BPT	30.00%	Report Time:	0600 hrs (CDT) 07/11/2012	Birkhead Formation, Hutton Sandstone.
PL 301	STO*	70.00%	Depth:	579m	
Oil Appraisal			Operation:	Drilling ahead	
C/E Basin, QLD			Progress:	579m	
Zeus-4	BPT	30.00%	Report Time:	0600 hrs (CDT) 07/11/2012	Birkhead Formation, Hutton Sandstone.
PL 301	STO*	70.00%	Depth:	1784m (TD)	
Oil Appraisal			Operation:	Well is cased and suspended as a future Birkhead Formation oil producer.	
C/E Basin, QLD			Progress:	1784m	
Gaschnitz-1	BPT	20.21%	Report Time:	0600 hrs (CDT) 07/11/2012	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
PPL 101	STO*	66.60%	Depth:	180m	
Shale Gas Exploration	ORG	13.19%	Operation:	Drilling surface hole	
C/E Basin, SA			Progress:	180m	
ASA-1 ST2	BPT	22.00%	Report Time:	0600 hrs (local) 06/11/2012	Abu R'sh C, E, G Bahariya.
Abu Sennan	KEE*	50.00%	Depth:	3576m (TD)	
Oil Exploration	DOV	28.00%	Operation:	Conducting wireline evaluations	
Egypt			Progress:	795m	
NS 385-1 ST1	BPT	20.00%	Report Time:	0600 hrs (local) 06/11/2012	Rudeis Sandstone.
North Shadwan	BP*	50.00%	Depth:	3583m	
Oil Development	TOE	30.00%	Operation:	Drilling ahead	
Egypt			Progress:	2492m	
Mesaha-1X	BPT	15.00%	Report Time:	0600 hrs (local) 06/11/2012	Devonian Sands, Silurian Sands.
Mesaha Concession	MRS*	40.00%	Depth:	27m	
Oil Exploration	KEE	15.00%	Operation:	Drilling out of surface casing	
Upper Egypt	HLPD	30.00%	Progress:	27m	

(*) Operator

BPT Beach Energy Ltd
 ORG Origin Energy Resources
 ENI Eni Australia
 KEE Kuwait Energy
 TOE Tri Ocean Energy
 MRS Melrose Resources

SXY Senex Energy
 STO Santos Limited
 AEL Apache Energy
 EWC Energy World Corp
 BP British Petroleum Egypt
 HLPD Hellenic Petroleum

COE Cooper Energy
 DLS Drill Search
 DOV Dover Investments
 IOR Inland Oil
 ICN Icon Energy



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