



Monthly Drilling Report

May 2014

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AUSTRALIA

Cooper/Eromanga Basins – South Australia

Operated

In PEL 91 (Beach Energy Ltd (“Beach”) 40%, Drillsearch Energy Ltd 60%), the Pennington North-1 exploration well, located approximately 600 metres north of Pennington-1, tested a sub-culmination of the greater Pennington structure. The primary target Namur reservoir was intersected five metres low to prognosis, with both the McKinlay and Namur reservoir targets water bearing. Strong oil shows were observed through the Birkhead formation (secondary target), which was tested by open hole drill stem test (“DST”). The DST recovered 22 barrels of oil and approximately 10 barrels of water, mud and filtrate over a four hour flow period. The estimated rate from the DST was 125 barrels of oil per day. Pennington North-1 was cased and suspended as a future Birkhead oil producer.

Non-operated

Mustang-2 was the final well of a two well program to appraise the extent of the Mustang field within PPL 243 (Beach 40%, Senex Energy Ltd (“Senex”) 60%). Mustang-2 was cased and suspended as a future oil producer after intersecting 6.4 metres of net oil pay. The well encountered a 12 metre section of good reservoir quality sand which was targeted using mapped seismic attributes.

The Tornado-1 exploration well is approximately 3.6 kilometres south east of the Mustang oil field, primarily targeting Mid-Birkhead oil. The well is drilling ahead at 2,147 metres toward a targeted structural closure coinciding with mapped seismic attributes similar to the Mustang oil field.

In the South Australian Cooper Basin Joint Venture (“SACB JV”) (Beach 20.21%, Santos Ltd (“Santos”) 66.6% and operator, Origin Energy Ltd (“Origin”) 13.19%), Big Lake-105, the last well of a four well pad development program, consisting of Big Lake-102 to -105, reached a total depth of 3,121 metres and was cased and suspended as a Patchawarra and Tirrawarra gas well.

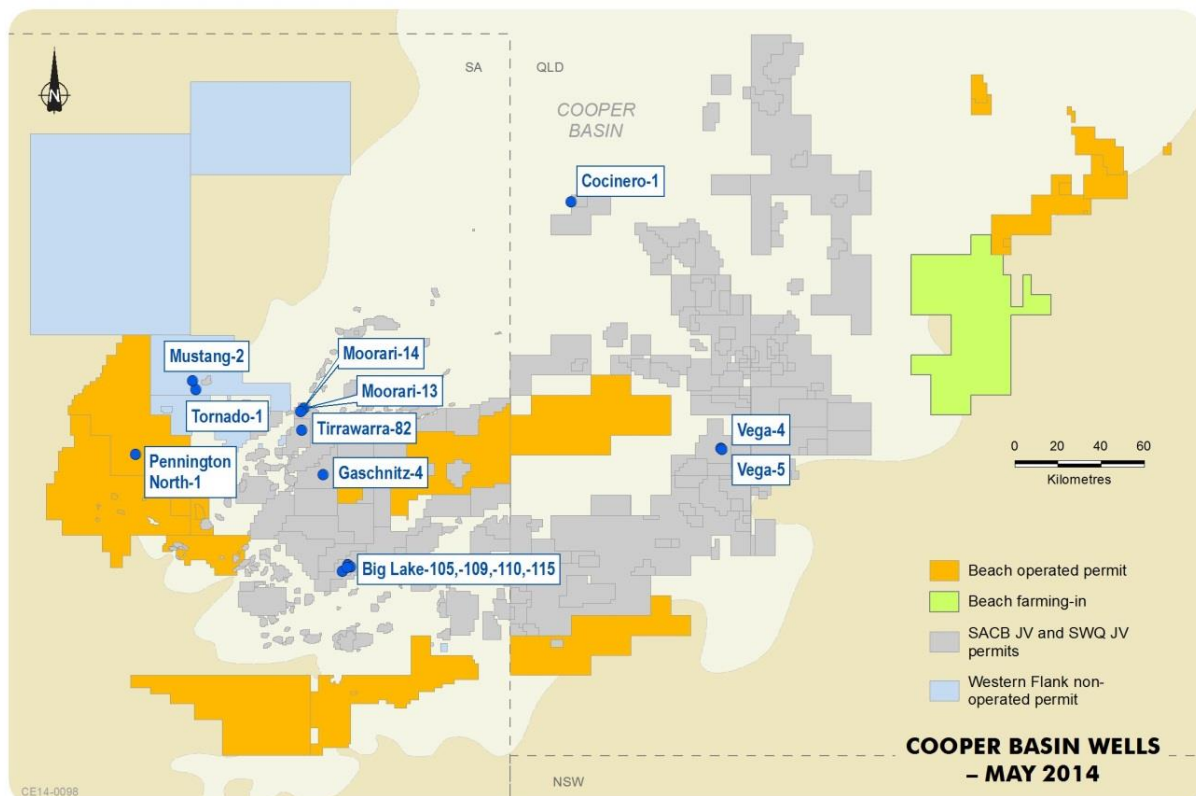
The Big Lake-109 well was the final well of a four well pad development program that consisted of the Big Lake-106 to -109 wells. The well reached a total depth of 3,194 metres and was cased and suspended as a Patchawarra and Tirrawarra gas well.

Big Lake-110 was the first well of a five well pad development program consisting of Big Lake -110 to -114. The well reached a total depth of 3,272 metres and was cased and suspended as a Patchawarra and Tirrawarra gas well.

Big Lake-115 was the first well of another five well pad development program consisting of Big Lake-115 to -119. The well reached a total depth of 3,221 metres and was cased and suspended as a Patchawarra and Tirrawarra gas well.

Tirrawarra-82, the first well in a two well pad gas development in the Tirrawarra North field targeting the Patchawarra and Tirrawarra Formations, is drilling ahead at 533 metres.

Non-pad gas development drilling in the SACB JV continued with Moorari-13, which reached a total depth of 2,994 metres and was cased and suspended as a Toolachee, Epsilon, Patchawarra and Tirrawarra gas well. Moorari-14 reached a total depth of 2,984 metres and was cased and suspended as a Toolachee, Patchawarra and Tirrawarra gas well.



In the SACB JV unconventional gas program, further drilling to appraise the Basin Centred Gas accumulation focused on reservoir characterisation and stimulation optimisation. The Gaschnitz-4 vertical well, located approximately one kilometre north west of Gaschnitz-1ST1, is currently drilling ahead at 1,291 metres. The primary objective of this well is to assess the Toolachee Formation, with

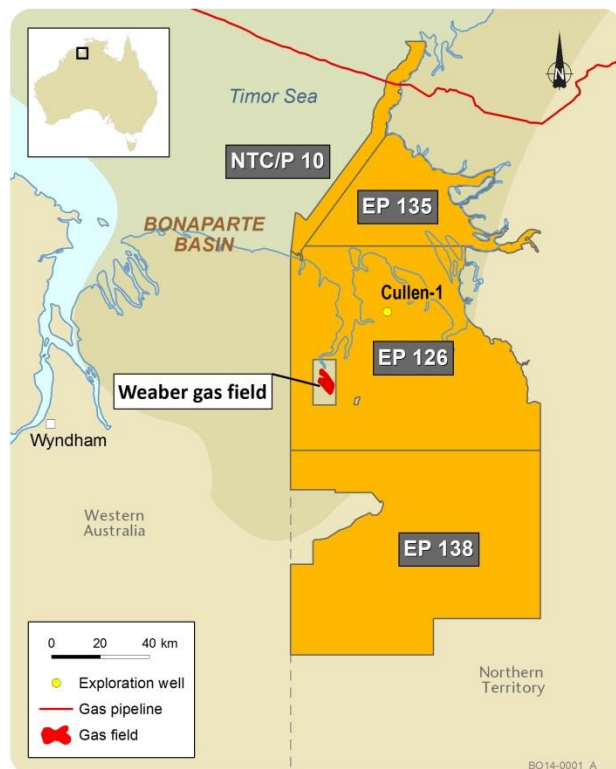
the well expected to tag the top of the Daralingie Formation at its total depth. It is anticipated that the well will be fracture stimulated through the Toolachee Formation, with the number of stimulation stages yet to be confirmed by the joint venture. The next vertical well, Gaschnitz-3, will be drilled approximately six kilometres north of Gaschnitz-1ST1 and is expected to penetrate the full Permian section through the Tirrawarra Formation. The objective of this well will be to further evaluate all unconventional lithotypes including tight sand, shale and deep coal targets.

In the Southwest Queensland Joint Venture (Beach 23.2%, Santos 60.06% and operator, Origin 16.5% and Australia Pacific LNG Ltd 0.24%), a two well gas development campaign commenced with the Vega-4 well, which was cased and suspended as a Toolachee, Daralingie, Epsilon and Patchawarra gas producer. The second well, Vega-5, is currently drilling ahead at 2,778 metres.

The Cocinero-1 oil exploration well in Southwest Queensland oil (Beach 20%, Santos 55% and operator, Origin 25%) targeted sands within the Murta Formation and the Birkhead Formation/Hutton Sandstone. The well reached a total depth of 2,061 metres and was cased and suspended as both a Murta and Hutton oil well.

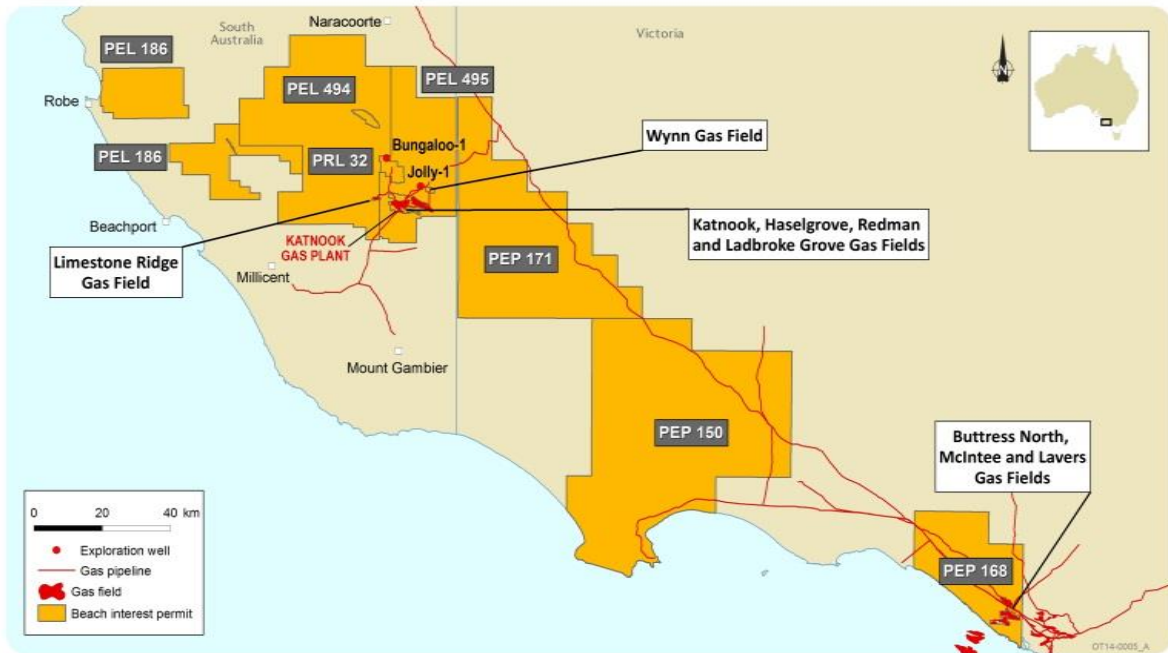
Bonaparte Basin – North Territory

The Cullen-1 exploration well in EP 126 (Beach 75% and operator, Territory Oil & Gas Pty Ltd 25%) commenced drilling on 23 May 2014. The well is currently drilling ahead at 1,240 metres in the Early Carboniferous Weaber Group through a 12 ¼” hole. The well is investigating the conventional and unconventional hydrocarbon potential of the largely unexplored Keep Inlet sub-basin of the onshore Bonaparte Basin. The target zones include the shale and tight sandstone of the Early Carboniferous Milligans Formation and Late Devonian Langfield Group.



Otway Basin – South Australia

The Bungaloo-1 exploration well in PEL 494 (Beach 70% and operator, Cooper Energy Ltd 30%) is the final well of a two well exploration program in the South Australian part of the Otway Basin. The well commenced drilling on 19 April 2014, with the program addressing the potential of shale and tight sandstone in the Lower Sawpit Shale and the Casterton Formation. These zones potentially contain liquids rich gas within the Penola Trough. Bungaloo-1 reached a total depth of 3,713 metres and is conducting wireline logging operations. Four cores were cut over the Lower Sawpit Shale and Casterton Formation for evaluation purposes.



INTERNATIONAL

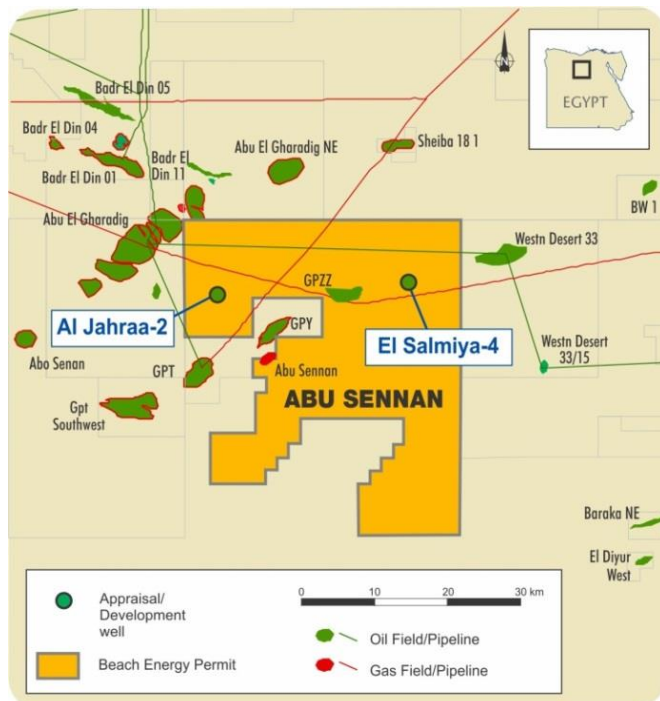
Abu Sennan Concession, Egypt (Beach 22%, Kuwait Energy Egypt Ltd 50% and operator, Dover Investments Ltd 28%)

El Salmiya-4 ST2 is currently conducting a wiper trip having drilled an 8.5” hole to 3,687 metres in the Abu Roash “E” member. El Salmiya-4 is designed to further appraise the extent of the Abu Roash reservoirs and the Kharita Formation discovery, which is currently on extended production test.

The Al Jahraa-2 ST1 appraisal well is currently preparing to run 9 5/8” casing having drilled to 3,214 metres. The well is designed to:

- Appraise the Abu Roash “E” discovery made by the Al Jahraa-1 well;
- Explore for the Abu Roash “C”, which was faulted out at the Al Jahraa-1 well location; and
- Explore for the Bahariya Formation.

These target zones are up dip of oil shows in the Al Jahraa-1 well.





Drilling Report - Period ending Wednesday 4 June 2014

Well	Participants	Progress & Summary	Primary Targets
Pennington North-1 PEL 91 Oil Exploration Cooper, SA	BPT* 40.00% DLS 60.00%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 1808m (TD) Operation: Well is cased and suspended as a future Birkhead Formation oil producer. Progress: 1808m	Namur Sandstone, McKinlay Member, Birkhead Formation.
Cullen-1 EP 126 Unconventional and Conventional Gas Bonaparte, NT	BPT* 75.00% TOAG 25.00%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 1240m Operation: Drilling ahead. Progress: 1240m	Bonaparte Formation, Milligans Formation.
Bungaloo-1 PEL 494 Exploration Unconventional Gas Otway, SA	BPT* 70.00% COE 30.00%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 3713m (TD) Operation: Running wireline logs. Progress: 1304m	Casterton Formation. Lower Sawpit Shale, Basement.
Tornado-1 PPL 243 Oil Exploration Cooper, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 2147m Operation: Drilling ahead. Progress: 2147m	Birkhead Formation.
Mustang-2 PPL 243 Oil Appraisal Cooper, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 1915m (TD) Operation: Well is cased and suspended as a future Birkhead Formation oil producer. Progress: 605m	Birkhead Formation.
Tirrawarra-82 PPL 20 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 533m Operation: Drilling ahead. Progress: 533m	Patchawarra Formation, Tirrawarra Formation.
Gashnitz-4 PPL 101 Unconventional Gas Appraisal C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 1291m Operation: Drilling ahead. Progress: 1291m	Toolachee Formation, Daralingie Formation.
Big Lake-115 PPL 11 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 3221m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 2845m	Patchawarra Formation, Tirrawarra Formation.
Big Lake-110 PPL 11 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 3272m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 3272m	Patchawarra Formation, Tirrawarra Formation.
Big Lake-109 PPL 11 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 3194m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 2818m	Patchawarra Formation, Tirrawarra Formation.
Big Lake-105 PPL 11 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 04/06/2014 Depth: 3121m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 36m	Patchawarra Formation, Tirrawarra Formation, Merrimelia Formation.

