



ASX Release

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ASX Ltd/SGX Singapore Exchange Ltd
 Companies Announcement Office
 Electronic Lodgement System

Dear Sir,

1P, 2P AND 3P RESERVES AND 2C CONTINGENT RESOURCES AS AT 30 JUNE 2014

Beach Energy Limited (ASX: BPT, “Beach”) advises the following in relation to its reserves and resources as at 30 June 2014:

| Reserves | 1P | 2P | 3P |
|---|-------------|-------------|--------------|
| Oil (million barrels “MMbbl”) | 7.3 | 19.3 | 39.8 |
| Gas and gas liquids (million barrels of oil equivalent “MMboe”) | 26.1 | 66.3 | 141.9 |
| Total (MMboe) | 33.4 | 85.6 | 181.7 |

| Contingent resources | 2C |
|--|--------------|
| Oil (MMbbl) | 12.3 |
| Conventional gas and gas liquids (MMboe) | 91.8 |
| Unconventional gas and gas liquids (MMboe) | 362.4 |
| Total (MMboe) | 466.5 |

The various categories in the tables above are 1P (Proved), 2P (Proved and Probable), 3P (Proved, Probable and Possible) reserves and 2C contingent resources.

The breakdown of reserves between ‘developed’ and ‘undeveloped’ is detailed in the table below.

| Reserves | Developed | | | Undeveloped | | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | 1P | 2P | 3P | 1P | 2P | 3P |
| Oil (MMbbl) | 5.8 | 14.4 | 27.3 | 1.5 | 4.9 | 12.4 |
| Gas and gas liquids (MMboe) | 7.6 | 28.1 | 53.8 | 18.5 | 38.2 | 88.1 |
| Total (MMboe) | 13.4 | 42.5 | 81.1 | 20.0 | 43.1 | 100.5 |

The breakdown of 2P reserves by permit, or where more practical, division is detailed in the table below.

| 2P Reserves by category | | | | |
|------------------------------|-------------|---------------------|--------------|------------------------|
| | Oil (MMbbl) | Gas liquids (MMboe) | Gas (PJ) | Oil equivalent (MMboe) |
| PEL 91 | 5.4 | - | - | 5.4 |
| PEL92 | 2.9 | - | - | 2.9 |
| PEL 111 | 0.2 | - | - | 0.2 |
| PEL 104 | 1.0 | - | - | 1.0 |
| BPT Qld | 0.4 | - | - | 0.4 |
| PEL 106 | - | 0.5 | 8.5 | 2.0 |
| Delhi | 7.6 | 10.1 | 315.3 | 71.9 |
| Total Cooper/Eromanga | 17.6 | 10.6 | 323.8 | 83.9 |
| Egypt | 1.7 | - | - | 1.7 |
| Total | 19.3 | 10.6 | 323.8 | 85.6 |

Stunsail and Pennington oil reserves

The Stunsail field reserves remain unchanged from the ASX release dated 2 June 2014. They are as follows:

| | |
|-----------|-----------|
| 1P | 1.0 MMbbl |
| 2P | 1.6 MMbbl |
| 3P | 2.5 MMbbl |

The Pennington field reserves remained unchanged from the ASX release dated 2 June 2014. They are as follows:

| | |
|-----------|-----------|
| 1P | 1.5 MMbbl |
| 2P | 2.7 MMbbl |
| 3P | 5.3 MMbbl |

Egyptian oil reserves

A reserve review was conducted by RISC for the Abu Sennan Concession in the Western Desert (Beach 22%, Kuwait Energy Egypt Ltd 50% and operator, Dover Investments Ltd 28%) as at 30 June 2014.

A 2P oil reserve of 1.2 MMbbl net entitlement (gross reserve 13.4 MMbbl) was booked for Abu Sennan, with all the increase from 44 kbbl attributed to the El Salmiya field. The 1P and 3P reserve net entitlement is 0.5 and 2.0 MMbbl respectively. Recent drilling in this field has proven hydrocarbon presence in the Kharita Sandstone, after intersecting a 49 metre oil column. Drilling results in the over laying Abu Roash "C" Member has confirmed that the El Salmiya field is larger than initially indicated, resulting in an increase to reserves.

The reserves estimation has taken into account volumetric estimates from the 3D survey acquired in 2008, with all drilling data, including pressure, electric logging, and analytical data included with PVT analysis. Production data has been a key component of the estimation and was used in conjunction with the geological modelling to provide the final FY14 reserves estimate.

The El Salmiya field produced oil during FY14, with oil trucked directly to the GPT field approximately 20 kilometres to the west. This is the point of sale to the Egyptian General Petroleum Company ("EGPC"). The oil is then transported by pipeline to the El Hamra terminal on the Mediterranean coast.

The Abu Roash "C" and the Kharita Sandstone discoveries both have associated gas that is currently being flared at modest rates, adhering to current government regulations. A gas pipeline is currently under construction to allow for gas sales to market. After completion of this pipeline, anticipated to take twelve months, gas reserves can be estimated and booked.

NTNG Contingent Resources

Beach has undertaken stimulation and flow testing operations in the South Australian section of the Nappamerri Trough Natural Gas ("NTNG") project throughout the year. The area, previously covered by Petroleum Exploration Licence 218, has now been replaced with Petroleum Retention Licences 33 through 49. The retention licences enable the joint venture to continue studies and work to evaluate the resource potential of the area and undertake activities that may lead to commercialisation of the resource. The changes to Beach operated acreage 2C contingent resource volumes relate to PRLs 33 through 49.

The independent resource estimating firm, DeGolyer and MacNaughton based in Dallas, Texas, evaluated the well results from the recent activities in Dashwood-1, Marble-1, Nepean-1 and Streaky-1 as well as historical activities in Holdfast-1 and Encounter-1 and geological information from wells drilled but as yet untested. Beach has drilled 12 wells in the South Australian section of the play and a further 6 wells in the Queensland section. Core and log data from the wells demonstrate the presence of a significant quantity of potentially moveable hydrocarbons. Recovery of natural gas has been demonstrated across the Nappamerri Trough during short term and extended production tests conducted in Permian-age lacustrine and fluvial sediments of the Toolachee Formation, Daralingie Formation, Roseneath Shale, Epsilon Formation, Murteree Shale, and Patchawarra Formation. As a result of the work undertaken, DeGolyer and MacNaughton estimated as at 30 June 2014 an increase of 305 Bcf (55 MMboe) net to Beach in 2C contingent resources for the NTNG project.

Resources were estimated in accordance with Petroleum Resources Management System (PRMS) guidelines (March 2007). Gas in place was estimated using the volumetric method and applying statistical distribution to parameters. The geological units were statistically summed within each joint venture area and then arithmetically summed to estimate the combined Beach position. The key contingencies include addressing completion and stimulation efficiency to improve well results and establish longer term deliverability, reducing well costs with scale of activity, gas sales agreements and connection to adjacent facilities. The joint venture are planning additional short term stimulation and flow testing of existing wellbores (up to seven wells in the Nappamerri Trough), near term drilling to further define the resource potential (up to 6 wells) and longer term deliverability appraisal wells to progress commerciality.

The size of the area for the contingent resource estimate was based on PRMS guidance associated with well spacing units away from each discovery well. For input into the statistical assessment the low estimate (1C) area was based on two to three spacing units from the discovery well, the best

estimate (2C) a further two to three spacing units and the high estimate (3C) a further two to three beyond this. Well spacing units vary between 80 and 160 acres dependent on the well type applied to address the resource. As the contingent resource relates to stacked formations, the areal extent for each varies dependent on whether the interval was tested at a location and the assumed well spacing unit applied to the resource. As a result the 2C resources were estimated over an area between 6,000 and 50,000 acres in South Australia and 6500 acres and 13,000 acres in Queensland. Beach's operated Nappamerri Trough Natural Gas project consists of approximately 400,000 acres within PRLs 33-49 and 400,000 acres in ATP 855 in Queensland.

Yours sincerely,

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

Reg Nelson
Managing Director, FAusIMM

For more information contact

Corporate

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Investor Relations

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Qualified Petroleum Reserves and Resource Evaluator Requirements

The reserves and resources information in this ASX release is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Tony Lake (Reservoir Engineering Manager). Mr Lake is an employee of Beach Energy Limited and has a BE (Mech) degree from the University of Adelaide and is a member of the Society of Petroleum Engineers (SPE). The reserves and resources information in this ASX release was issued with the prior written consent of Mr Lake in the form and context in which it appears.