



Monthly Drilling Report

December 2015

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AUSTRALIA – COOPER AND EROMANGA BASINS

DEVELOPMENT

South Australian Gas

(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

A three-well development drilling campaign was completed in the Moomba South Field, which aimed to develop booked gas reserves in the Toolachee and Daralingie formations. Wells were drilled using under-balanced drilling (UBD) techniques, a commonly used method whereby wellbore pressure is maintained below formation pressure to preserve formation integrity. This approach is suitable for high permeability, low pressure reservoirs, and was successfully undertaken in the Moomba South Field in 2007. All wells in the current campaign were initially drilled in a batch to the top of the Toolachee Formation and cased, with drilling under-balanced through the Toolachee and Daralingie formations then undertaken. The UBD technique proved successful with all wells in the campaign completed (Moomba-209, -210 and -211).

A six-well infill development drilling campaign is underway in the Moomba North Field, which aims to develop booked reserves in the Toolachee, Daralingie and Patchawarra formations. A phased approach is being undertaken to drill 26 new wells in the area, six of which were drilled in 2014. Techniques from the 2014 campaign will be applied to the current campaign, including pad drilling, optimised well designs and improved well completions. Moomba-206, the fourth well of the campaign, intersected gas pay slightly below pre-drill estimates and was cased and suspended as a future producer. Moomba-207 is drilling ahead.

EXPLORATION AND APPRAISAL

Ex PEL 91

(Beach 40% and operator, Drillsearch 60%)

Bauer-24 is the southern-most well in the Bauer Field, located approximately 80 kilometres west of Moomba and approximately one kilometre north of the Chiton Field. The well was drilled to appraise



a structural high between the Bauer and Chiton fields as a possible extension of the Bauer Field. Primary targets were the McKinlay Member and Namur Sandstone reservoirs, with the Birkhead Formation providing a secondary target. The well was cased and suspended as a future producer following intersection of a three metre net oil column in the Namur Sandstone and a 3.5 metre gross oil bearing interval in the overlaying McKinlay Member.

The Bauer-25 appraisal well is located on the northern flank of the Bauer Field and is the northernmost well in the field. The northern flank is a low relief area extending to the Bauer North-1 discovery well, approximately 1.3 kilometres northeast of Bauer-25. The well will test a northern extension of the Bauer Field and is targeting the McKinlay Member and Namur Sandstone reservoirs, with the Birkhead Formation providing a secondary target. Success at Bauer-25 may provide encouragement for further appraisal drilling in the area. Bauer-25 spudded on 28 December 2015 and is awaiting clearance of wet weather before drilling ahead.

South Australian Gas

(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

Correa-3 is the second of a two-well pad appraisal campaign in the Correa Field, located in PPL 80 approximately 50 kilometres north of Moomba. The well appraised the northeast area of the field and follows drilling of Correa-2 in January 2015 and the Gaschnitz 3D survey shot in 2013. Correa-3 targeted the Tirrawarra Sandstone, with the Patchawarra Formation providing a secondary target. The well was cased and suspended as a future producer, with results exceeding pre-drill estimates.

Queensland Gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

The Windorah near-field exploration program is a five-well campaign testing simple four-way dip closures, as well as potential for stratigraphic trap and basin centred gas plays across a large geographical area of the Windorah Trough, proximal to the Whanto Field. Whanto West-1, located in ATP 1189 approximately 110 kilometres northeast of the Ballera gas processing plant, is the fifth and final well of the campaign and targeted the Toolachee Formation. The well confirmed the presence of a basin-centred gas play and was cased and suspended as a future producer. This outcome represents the fifth new field discovery from the five-well exploration program, and provided encouraging results for further appraisal and development drilling in the Windorah Trough.

EGYPT

EXPLORATION

Abu Sennan Concession

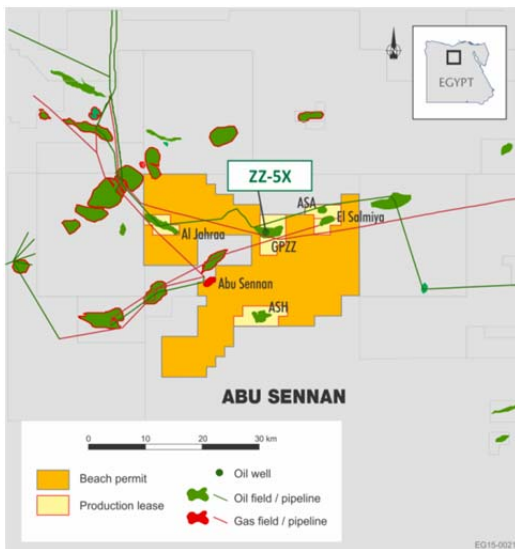
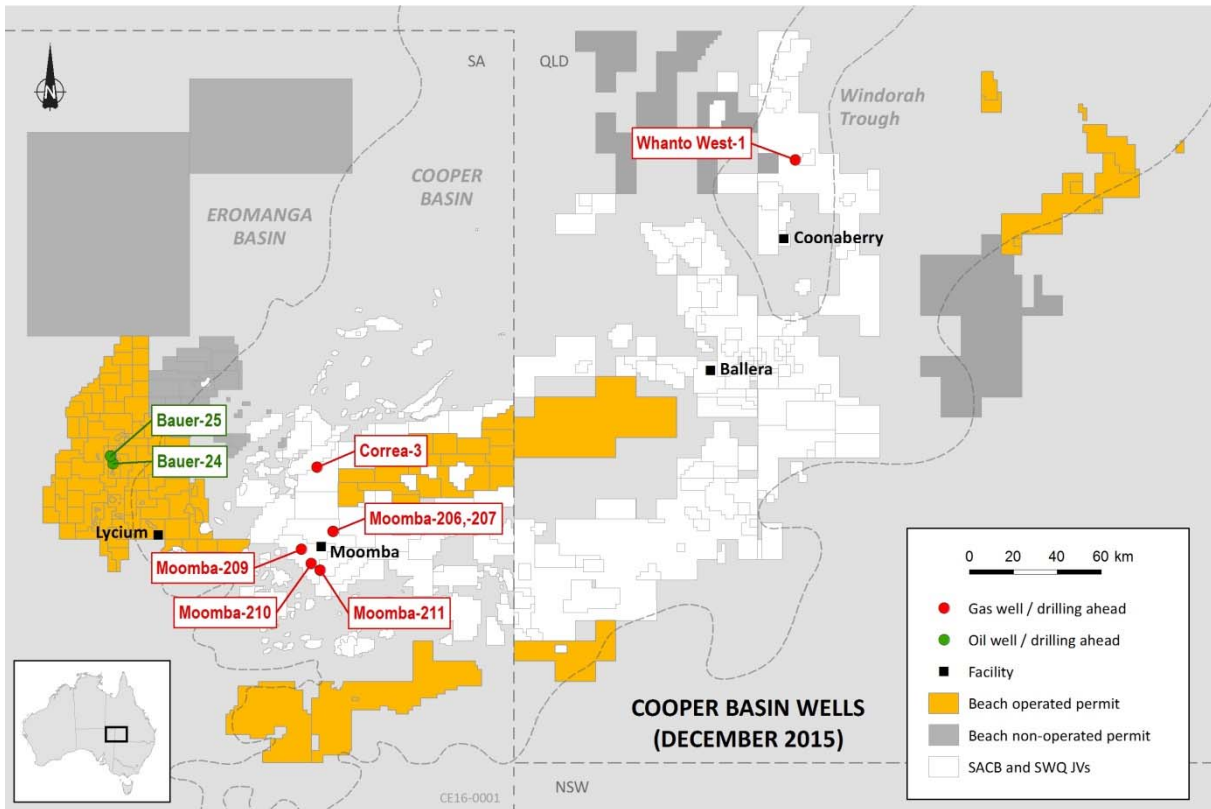
(Beach 22%, Kuwait Energy 50% and operator, Dover 28%)

The ZZ-5X oil exploration well, located approximately nine kilometres to the west of the El Salmiya Field, discovered hydrocarbons in the primary Abu Roash Formation. Testing over three intervals, totalling 14 metres in the Abu Roash Formation, was conducted and trace hydrocarbons were recovered. The well was subsequently temporarily suspended to study the possible simulation options.

Monthly Drilling Report – Period ending 06:00, 1 January 2016

Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Operated			
Bauer-24 PPL 253 (ex PEL 91) Oil appraisal C/E Basin, SA	BPT* 40.00% DLS 60.00%	Drilling this month: 1,750 metres Current depth: 1,750 metres (total depth) Status: Cased and suspended as a future Namur Sandstone oil producer	McKinlay Member Namur Sandstone
Bauer-25 PPL 253 (ex PEL 91) Oil appraisal C/E Basin, SA	BPT* 40.00% DLS 60.00%	Drilling this month: 662 metres Current depth: 662 metres Status: Awaiting clearance of wet weather	McKinlay Member Namur Sandstone
Cooper Basin Non-operated			
Moomba-206 PPL 7 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 3,187 metres Current depth: 3,187 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Toolachee Formation Daralingie Formation Patchawarra Formation
Moomba-207 PPL 7 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,399 metres Current depth: 2,399 metres Status: Drilling ahead	Toolachee Formation Daralingie Formation Patchawarra Formation
Moomba-209 PPL 8 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 63 metres Current depth: 2,416 metres (total depth) Status: Completed as a Permian gas producer	Toolachee Formation Daralingie Formation
Moomba-210 PPL 8 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 74 metres Current depth: 2,444 metres (total depth) Status: Completed as a Permian gas producer	Toolachee Formation Daralingie Formation
Moomba-211 PPL 9 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 87 metres Current depth: 2,455 metres (total depth) Status: Completing as a Permian gas producer	Toolachee Formation Daralingie Formation
Correa-3 PPL 80 Gas appraisal C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,969 metres Current depth: 2,969 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Tirrawarra Sandstone
Whanto West-1 ATP 1189 Gas exploration C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Drilling this month: 2,179 metres Current depth: 3,326 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Toolachee Formation
Egypt			
ZZ-5X Abu Sennan Oil exploration Egypt, Western Desert	BPT 22.00% KEE* 50.00% DOV 28.00%	Drilling this month: 807 metres Current depth: 2,792 metres (total depth) Status: Cased and suspended as a future Abu Roash C & E oil producer	Abu Roash C, E

(*) Operator BPT Beach Energy Ltd DLS Drillsearch Energy Ltd DOV Dover Investments Ltd
 KEE Kuwait Energy ORG Origin Energy Ltd STO Santos Ltd



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