



ASX release

7 February 2018

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Monthly drilling report – January 2018

Highlights

- Full field oil development campaign commenced at the Stunsail Field in ex PEL 91
- Potentially significant gas field discovery at Haselgrove-3 ST1 in the onshore Otway Basin
- 100% drilling success rate within the Cooper Basin JV

Development – Cooper and Eromanga Basins

Western Flank Oil – ex PEL 91

(Beach 100%)

Beach's operated drilling program moved northwards to the Stunsail Field in ex PEL 91 where a full field development project commenced. The development project will comprise four wells from two, two-well campaigns.

The first two-well campaign was completed and consisted of pad-drilled vertical wells, Stunsail-4 and Stunsail-5, targeting the upper Namur and mid-Namur sandstones. The wells both intersected 2.5 metres of net oil pay in the upper Namur and 4.7 metres in the McKinlay Member. Stunsail-4 also intersected 0.7 metres of net pay in the mid-Namur. Both wells were cased and suspended as future Namur Sandstone producers.

Stunsail-4 and -5 also provided important appraisal information for the second phase of the campaign, two horizontal wells scheduled for later in H2 FY18. The wells provided depth control points to ensure optimal lateral sections are drilled through the Birkhead and McKinlay Member formations, which will be targeted by the respective horizontal wells.

Queensland Oil – Aquitaine B JV

(Beach 45%, Santos 55% and operator)¹

A four-well oil campaign commenced in the Cocinero Field in southwest Queensland. The campaign will consist of three development wells and one appraisal well. The first development well, Cocinero-8, is targeting the Birkhead Formation as a primary objective and Murta Formation as a secondary objective. At month end the well was drilling ahead.

¹ Ownership interests post financial close of the acquisition of Lattice Energy Limited on 31 January 2018

South Australian Gas – Cooper Basin JV

(Fixed Factor Area JV: Beach 33.4%, Santos 66.6% and operator)¹

A five-well gas and oil development campaign commenced in the Tirrawarra-Gooranie Field (four in Gooranie and one in Tirrawarra) approximately 50 kilometres north northwest of the Moomba facility. The development campaign builds on prior campaigns, the most recent undertaken in 2016. The primary objective is twofold, targeting gas and associated condensate in the Patchawarra Formation and oil production from the Basal Patchawarra / Tirrawarra Sandstone.

The first two wells, Gooranie-8 and Gooranie-11, intersected 34 metres and 18.5 metres, respectively, of net gas pay in the Patchawarra Formation and 31 metres and 12 metres, respectively, of net oil pay in the Basal Patchawarra / Tirrawarra Sandstone and were cased and suspended as future producers.

Exploration and Appraisal – Cooper and Eromanga Basins

Western Flank Oil – ex PEL 91

(Beach 100%)

Beach commenced a two-well oil appraisal campaign of the Kalladeina Field, located approximately 10 to 15 kilometres north northeast of the Bauer Field. The aim of the campaign is to extend the proven limits of the field to allow future in-fill development.

The Kalladeina Field has recently been re-mapped utilising the Solidus 3D seismic survey incorporating outputs from the velocity modelling project. This project identified a potential extension of the Kalladeina Field to the north of existing well control.

Kalladeina-3 was drilled approximately one kilometre to the North of the Kalladeina-2 McKinlay oil producer, and intersected 2.5 metres of net pay in the McKinlay Member. The well was cased and suspended as a future McKinlay oil producer. This well may also provide a depth control point for future McKinlay Member horizontal development drilling in the Kalladeina Field.

Queensland Oil – ATP 299P Tintaburra JV

(Beach 40%, Santos 60% and operator)

The four-well oil appraisal campaign designed to appraise the Kooroopa, Mulberry and Takyah fields in southwest Queensland, approximately 100 kilometres northeast of the Jackson facility, was completed.

The third well of the campaign, Takyah-6, targeted the Murta and Birkhead formations as primary objectives. The well intersected 4.4 metres of net oil pay in the Murta Formation and was cased and suspended as a future producer.

The final well of the campaign, Kooroopa-4, targeted the Wyandra Sandstone and Birkhead Formation as primary objectives. The well intersected 4.4 metres of net oil pay in the Wyandra Sandstone and was cased and suspended as a future producer.

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South Australian Gas – PEL 570 JV (Beach 25%, Santos 75% and operator)

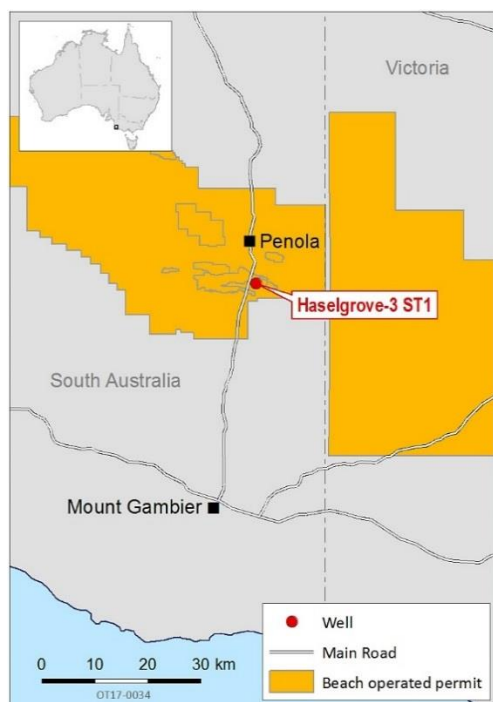
Casimir-1, a deep coal gas exploration well, was drilled in PEL 570 approximately 75 kilometres north northeast of the Moomba facility. Beach was carried 100% by operator, Santos as part of work commitments specified in the farm-in agreement. Casimir-1 targeted multiple deep coal seams in the Toolachee and Epsilon formations as a primary objective and coal seams in the Patchawarra Formation as a secondary objective. The well intersected 11 fracable Permian coals with net thickness of 55 metres and was cased and suspended for future completion, fracture stimulation and flow testing.

Exploration and Appraisal – Otway Basin

South Australian Gas – PPL 62 (Beach 100%)

Haselgrove-3 ST1 was drilled in the onshore Otway Basin, approximately eight kilometres south of Penola. Haselgrove-3 ST1 was drilled as a deviated well to a total measured depth of 4,331 metres and targeted the Sawpit Sandstone and shallower Pretty Hill Sandstone. On 11 January 2018, Beach announced Haselgrove-3 ST1 as a new gas field discovery. The well intersected an estimated gross gas column of 104 metres total vertical thickness (TVT) in the Sawpit Sandstone, with estimated net pay of 25.6 metres TVT. An estimated gross gas column of 11.6 metres TVT was also intersected in the shallower Pretty Hill Sandstone, with estimated net pay of 8.5 metres TVT.

Initial testing of the Sawpit Sandstone was undertaken to enable preliminary assessment of well deliverability and gas composition. A cased hole test was undertaken over the 4,023 – 4,185 metre interval and flowed gas at a rate of 25 MMscfd sustained over a 100 minute period through a 36/64" choke and at 2,700 psig well head pressure. Flow rates were constrained to 25 MMscfd due to the size of completion tubing (2 7/8"). Early indications suggest the Sawpit Sandstone could flow at rates greater than 25 MMscfd. Preliminary gas sample analysis indicates low inert content, which should minimise gas processing requirements. An initial production test in February is planned to confirm well deliverability and gas composition, and assist with field development planning.



Monthly Drilling Report – Period ended 06:00, 1 February 2018¹

Well	Participants	Progress and summary		Primary targets
Cooper Basin operated				
Kalladeina-3 PPL 254 Oil appraisal C/E Basin, SA	BPT* 100.00%	Drilling this month: Current depth: Status:	1,774 metres 1,774 metres (total depth) Cased and suspended as a future McKinlay Member oil producer	McKinlay Member
Stunsail-4 PPL 260 Oil development C/E Basin, SA	BPT* 100.00%	Drilling this month: Current depth: Status:	2,000 metres 2,000 metres (total depth) Cased and suspended as a future Namur Formation oil producer	Namur Formation
Stunsail-5 PPL 260 Oil development C/E Basin, SA	BPT* 100.00%	Drilling this month: Current depth: Status:	1,876 metres 1,876 metres (total depth) Cased and suspended as a future Namur Formation oil producer	Namur Formation
Otway Basin operated				
Haselgrove-3 ST1 PPL 62 Gas exploration Otway Basin, SA	BPT* 100.00%	Drilling this month: Current depth: Status:	0 metres 4,331 metres (total depth) Cased and Completed as a future Sawpit Sandstone producer	Sawpit Sandstone Lower Pretty Hill Sandstone
Cooper Basin non-operated				
Casimir-1 PEL 570 Gas exploration C/E Basin, SA	BPT 25.00% STO* 75.00%	Drilling this month: Current depth: Status:	3,526 metres 3,526 metres (total depth) Cased and suspended for future coal evaluation	Toolachee Formation Coals Epsilon Formation Coals
Gooranie-8 PPL 20 Gas development C/E Basin, SA	BPT 33.40% STO* 66.60%	Drilling this month: Current depth: Status:	2,769 metres 2,769 metres Drilling ahead	Patchawarra Formation Tirrawarra Sandstone
Gooranie-11 PPL 20 Gas development C/E Basin, SA	BPT 33.40% STO* 66.60%	Drilling this month: Current depth: Status:	3,118 metres 3,118 metres (total depth) Cased and suspended as a future Permian oil/gas producer	Patchawarra Formation Tirrawarra Sandstone
Cocinero-8 PL 509 Oil development C/E Basin, QLD	BPT 45.00% STO* 55.00%	Drilling this month: Current depth: Status:	563 metres 563 metres Pressure testing surface casing	Birkhead Formation
Kooroopa-4 PL 170 Oil appraisal C/E Basin, QLD	BPT 40.00% STO* 60.00%	Drilling this month: Current depth: Status:	1,118 metres 1,118 metres (total depth) Cased and suspended as a future Wyandra Sandstone oil producer	Wyandra Sandstone Birkhead Formation
Takyah-6 PL 170 Oil appraisal C/E Basin, QLD	BPT 40.00% STO* 60.00%	Drilling this month: Current depth: Status:	1,282 metres 1,282 metres (total depth) Cased and suspended as a future Murta Formation oil producer	Murta Formation Birkhead Formation

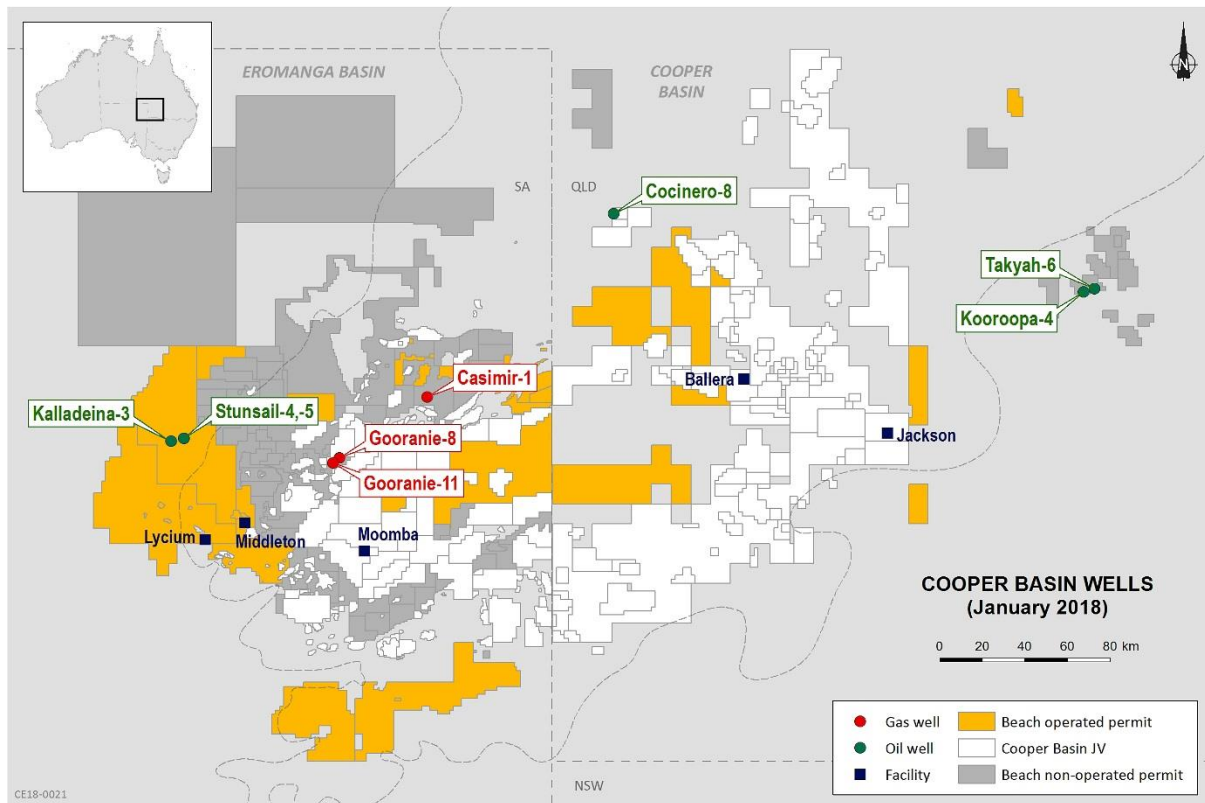
(*) Operator

BPT Beach Energy Ltd

STO Santos Ltd

¹ Ownership interests post financial close of the acquisition of Lattice Energy Limited on 31 January 2018

Cooper and Eromanga Basins



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