



ASX Release

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For Immediate Release – 12 December 2014
Ref. #094/14

ASX Ltd/SGX Singapore Exchange Ltd
Companies Announcement Office
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Dear Sir,

COOPER BASIN NTNG EXPLORATION UPDATE

- **Etty-1 flow rate remaining stable; second round production testing confirms 93% of flow from a single stimulation stage in the Daralingie Formation**
- **Geoffrey-1 and Redland-1 cleaning up, with Geoffrey-1 at 0.7 MMscfd and increasing**
- **Fracture stimulation of Boston-2 expected early January 2015**

Beach Energy Ltd (ASX: BPT, "Beach") provides an update on the Nappamerri Trough Natural Gas program ("NTNG") in ATP 855 and PRLs 33-49 (ex-PEL 218). Fracture stimulation of Geoffrey-1 and Redland-1 in November 2014 completed the Stage 1 work program in Queensland. Upon the completion of fracture stimulation at Boston-2 (PRL 37), expected in early January 2015, the broader NTNG Stage 1 work program will be finished.

ATP 855

(Beach 46.9% and operator, Icon Energy Ltd 35.1% and Chevron Exploration 1 Pty Ltd ("Chevron") 18%)

The Etty-1 vertical well, located approximately 10 kilometres to the east of the successful Halifax-1 well, was fracture stimulated over four stages, one in the Daralingie Formation and three in the Toolachee Formation. The well remains choked back at 24/64" and continues to deliver a strong flow rate of 0.83 MMscfd at a tubing pressure of 495 psi. A second round of wireline logging was undertaken recently, confirming that at least 93% of gas flow is emanating from the Daralingie Formation. This reinforces Beach's initial view that the Daralingie Formation will now be a priority target for further appraisal testing as part of Stage 2, pending joint venture approval.

The Geoffrey-1 vertical well, located on the eastern perimeter of the permit, was fracture stimulated over five stages, four in the Patchawarra Formation and one stage in the Epsilon Formation. The well commenced cleaning up on 7 December 2014, with early results indicating a flow rate of 0.7 MMscfd and increasing. The tubing pressure of 4,420 psi is expected to result in a materially higher stabilised rate over the coming week.

The Redland-1 vertical well, located in the northern part of the permit, was fracture stimulated over three stages in the Toolachee Formation. The well commenced cleaning up on 11 December 2014, with initial flow test results expected during the week beginning 15 December 2014.

PRLs 33-49*(Beach 70% and operator, Chevron 30%)*

The joint venture has approved the fracture stimulation of the Boston-2 well (PRL 37) over eight stages. Boston-2, located 320 metres south east of Boston-1, was drilled in Q4 FY13. The fracture stimulation spread is now on-site, with the first stage expected to be placed in early January 2015.

Beach Managing Director, Reg Nelson, said, "To have concluded the fracture stimulation program in Queensland with the ETTY-1 result from the Daralingie Formation, as well as the very encouraging early signs from Geoffrey-1, is tremendously exciting. The tubing pressure of in excess of 4,000 psi at Geoffrey-1 indicates that the stabilised rate should be materially higher than its current level of 0.7 MMscfd. This will certainly be a well to watch."

Yours sincerely,

**Reg Nelson**

Managing Director, FAusIMM

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