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ASX RELEASE

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AUSTRALIA

Beach Operated Cooper Basin Unconventional Gas Program

Workover operations have successfully cleaned out the Encounter-1 wellbore in PEL 218 (Beach 100%). Tubing will now be installed ready for the fracture stimulation activities which are now expected to occur in early April once the fracture stimulation crew has completed a program with the Cooper Basin Joint Venture (Beach 20.21%).

The Moonta-1 well (PEL 218, Beach 100%) continued drilling during February, and is currently at a depth of 2,924 metres and waiting on weather. Once access is re-established and drilling resumes, it is expected that Moonta will take about 25 days to reach its planned total depth. This well is the first in a campaign of at least five wells designed to delineate the resource potential of the shale and basin centred gas exploration volumes within the Nappamerri Trough.

Beach Operated Cooper-Eromanga Oil and Gas

Ten of the eleven successful wells from the 2011 drilling campaign have now been completed for production, and are being progressively brought on-line as capacity allows.

Two exploration wells (Coolawang-1 and Coolangatta-2) were drilled in Beach-operated permits during the report period.

The Coolawang-1 exploration well (PEL 106B, Beach 50%) was the third of five planned exploration wells designed to test for stratigraphically trapped gas on the Patchawarra Trough margin, and to



gather additional data on the Patchawarra Formation deep coal gas play. The well cored a 29 metre interval of the Patchawarra Formation recovering approximately 8 metres of Patchawarra coal that will be evaluated as part of the Joint Venture's unconventional gas strategy in this area. A sandstone with gas shows was tested and flowed at a stabilised rate of 4.5 million cubic feet per day with no water and without decline. Coolawang-1 has been cased and suspended as a successful gas discovery, and two additional sandstones with gas shows will be evaluated in a production testing program. A further two wells are planned in this campaign. The rig will move to the Haslam-1 location as soon as weather conditions allow.

The Coolangatta-2 exploration well (ATP 633P, Beach 50%) was drilled to test the oil potential of the Coolangatta structure updip of Coolangatta-1 (drilled in 2008). A drill stem test of the Murta Formation was conducted to test oil shows, but recovered only formation water with traces of oil. Coolangatta-2 was subsequently plugged and abandoned.

The rig has since moved to and commenced drilling at the Marsden-1 location in PEL-95 (Beach 50%). The well had reached a depth of 1,908 metres in the Toolachee Formation before heavy rain in the Cooper Basin region forced road closures and a temporary shutdown of drilling operations. Access is expected to be restored within about two weeks following which drilling operations will resume.

Senex Operated Cooper-Eromanga Oil –Western Flank (Beach 40%)

Two wells, the Spifire-1 exploration well and the Growler-8 development/appraisal well, completed drilling within the PEL 104/PRL 15 permits (Beach 40%) during the month. Spitfire-1 successfully intersected the target Birkhead reservoir, but a series of four drill stem tests indicated that only the upper portion was oil and the lower, better quality sandstone held water. The well was consequently plugged and abandoned as a sub-commercial oil discovery.

Growler-8 also intersected the mid-Birkhead reservoir, of which the upper 9 metres is oil saturated (approximately 6 metres of pay) and the lower 10 metres is water-wet. This is the first intersection of the oil-water contact in the Growler Field and the most westerly development well, approximately 1,100 metres from Growler-1. Growler-8 has been cased and will be completed as a Birkhead oil producer. The rig has subsequently moved to drill an exploration well, Thunderchief-1, approximately 7 kilometres to the northeast of the Growler Field and is at a depth of 653 metres while waiting on weather and road access.

Santos Operated Cooper Basin Oil and Gas Development

Two gas development wells were drilled during the month; Tindilpie-14 in South Australia (Beach 20.21%) and Durham Downs North-3 in Queensland (Beach 23.20%), with both cased and suspended as future gas producers.

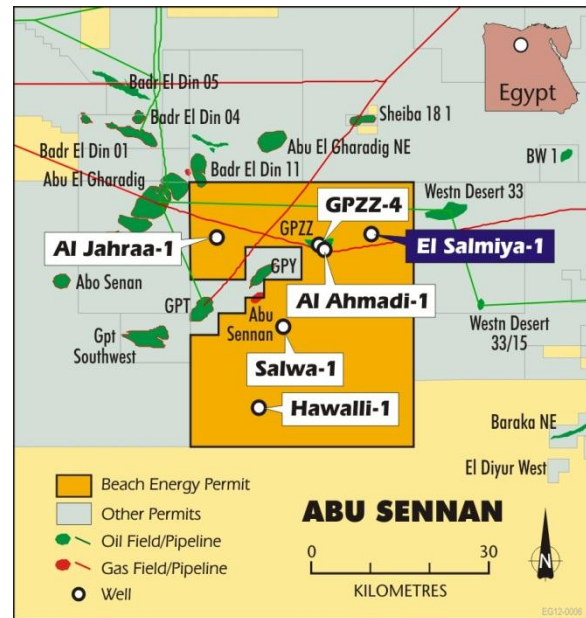
Two oil wells, Charo-8 and Charo-9, were drilled as the first of a planned nine-well program to develop the Charo Field (Beach 20.21%) in South Australia. Both wells successfully intersected the target mid-Birkhead reservoir; Charo-8 has been cased and suspended and Charo-9 is waiting on road access to finish off case and suspend operations.

INTERNATIONAL

Kuwait Energy Operated – Abu Sennan Concession, Egypt

El Salmiya-1 (Beach 22%), located approximately 10 kilometres east of the Al Ahmadi-1 and ZZ-4 discoveries, has flowed oil, condensate and gas at a combined rate of 5600 barrels of oil equivalent per day during a test program. The well is currently being completed to be ready for production to an Early Production Facility once the Development Lease is approved by EGPC. El Salmiya-1 is the fourth successive success in the Abu Sennan permit.

The final two wells in the current campaign, Salwa-1 and Hawalli-1, have reached total depth and are currently being evaluated. These wells are located approximately 15 and 25 kilometres, respectively, southwest of the Al Ahmadi-1 and ZZ-4 discoveries.



Drilling Report – Period ending 7 March 2012

Well	Participants	Progress & Summary	Primary Targets
Marsden-1 PEL 95 Coal Gas Exploration C/E Basin, SA	BPT* 50.00% STX 50.00%	Report Time: 0600 (EST) 07/03/2012 Depth: 1908m Operation: Waiting on weather Progress: 1908m	Patchawarra Formation, Toolachee Formation
Moonta-1 PEL 218 Shale Gas Exploration Cooper, SA	BPT* 100.00%	Report Time: 0600hrs (CDT) 07/03/2012 Depth: 2924m Summary: Waiting on weather Progress: 2924m	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation
Coolawang-1 PEL 106B Gas Exploration C/E Basin, SA	BPT* 50.00% DLS 50.00%	Report Time: 0600 (CDT) 07/03/2012 Depth: 2864m (TD) Operation: Well is cased and suspended as a future Patchawarra Formation gas producer. Progress: 2864m	Patchawarra Formation, Toolachee Formation
Coolangatta-2 ATP-633P Oil Exploration C/E Basin, QLD	BPT* 50.00% STO 50.00%	Report Time: 0600 (EST) 07/03/2012 Depth: 1371m (TD) Operation: Well is plugged and abandoned. Progress: 1371m	Murta Formation, McKinlay Member

Well	Participants	Progress & Summary	Primary Targets
Thunderchief-1 PEL 104 Oil Exploration C/E Basin, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 07/03/2012 Depth: 653m Operation: Waiting on weather. Progress: 653m	Mid-Birkhead Formation, Hutton Sandstone
Spitfire-1 PEL 104 Oil Exploration C/E Basin, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 07/03/2012 Depth: 1840m (TD) Operation: Well is plugged and abandoned. Progress: 0m	Mid-Birkhead Formation, Hutton Sandstone
Growler-8 PRL 15 Oil Development C/E Basin, SA	BPT 40.00% SXY* 60.00%	Report Time: 0600 hrs (CDT) 07/03/2012 Depth: 1843m (TD) Operation: Well is cased and suspended as a future Birkhead Formation oil producer. Progress: 1843m	Mid-Birkhead Formation, Hutton Sandstone
Charo-9 PPL 177 Oil Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 07/03/2012 Depth: 1896m (TD) Operation: Well awaiting access to case and suspend as a future Birkhead Formation oil producer. Progress: 1896m	Mid Birkhead Formation, Namur Sandstone
Charo-8 PPL 177 Oil Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 07/03/2012 Depth: 1882m (TD) Operation: Well is cased and suspended as a future Birkhead Formation oil producer. Progress: 1882m	Mid Birkhead Formation, Namur Sandstone
Tindilpie 14 PPL 95 (Pad drill) Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CDT) 07/03/2012 Depth: 3288m (TD) Operation: Well is cased and suspended as a future Patchawarra Formation gas producer. Progress: 3288m	Patchawarra Formation Tirrawarra Sandstone
Bullamakanka 1 ATP 259P Oil NFE C/E Basin, QLD	BPT 30.00% STO* 70.00%	Report Time: 0600 hrs (AEDT) 07/03/2012 Depth: 1936m Operation: Waiting on weather Progress: 1936m	Birkhead Formation, Hutton Sandstone, Tinchoo Formation
Durham Downs Nth-3 PL80 Gas Development C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Report Time: 0600 hrs (AEDT) 07/03/2012 Depth: 2671m (TD) Operation: Well is cased and suspended as a future Toolachee Formation and Patchawarra Formation gas producer. Progress: 2671m	Toolachee Formation
Salwa 1X Abu Sennan Concession Oil Exploration Western Desert, Egypt	BPT 22.00% KEE* 50.00% DOV 28.00%	Report Time: 0600 hrs (local) 06/03/2012 Depth: 3155m (TD) Operation: Has reached TD and is being evaluated. Progress: 713m	Abu Roash "G", Bahariya Formation
El Salmiya-1 ST-1 Abu Sennan Concession Oil Exploration Western Desert, Egypt	BPT 22.00% KEE* 50.00% DOV 28.00%	Report Time: 0600 hrs (local) 06/03/2012 Depth: 3799m (TD) Operation: Oil, gas and condensate discovery. Progress: 0m (Side track one kick off point 3584m)	Abu Roash "G", Bahariya Formation
Hawalli 1X Abu Sennan Concession Oil Exploration Western Desert, Egypt	BPT 22.00% KEE* 50.00% DOV 28.00%	Report Time: 0600 local 06/03/2012 Depth: 2113m (TD) Operation: Has reached TD and is being evaluated. Progress: 2113m	Abu Roash "G", Bahariya Formation

(*) Operator (s) Secondary Targets SYX Senex Energy
 BPT Beach Energy Ltd DLS Drillsearch Energy KEE Kuwait Energy
 ORG Origin Energy Resources STO Santos Limited DOV Dover Investments Ltd

A handwritten signature in black ink, appearing to read "Neil Gibbins", with a long horizontal line extending to the right.

Neil Gibbins
Chief Operating Officer

For more information contact

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