

Beach Energy Ltd
ABN: 20 007 617 969
ASX Code: BPT

25 Conyngham Street
GLENSIDE SA 5065

GPO Box 175
ADELAIDE SA 5001

Tel: +61 8 8338 2833
Fax: +61 8 8338 2336

Web:
www.beachenergy.com.au
Email:
info@beachenergy.com.au

For Immediate Release – 20 September 2012
Ref. #090/12

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

Dear Sir,

PEL 92 UPDATE

- **Excellent start to 10 well drilling campaign, with development wells at Butlers-5 and -6 intersecting an 8 metre and 5 metre oil column, respectively**
- **Seven well exploration program to commence imminently with the spudding of Windmill-1**
- **Existing pipeline infrastructure on track for tie-in to the Lycium to Moomba trunkline prior to calendar year end, which is expected to increase production to over 4,500 bopd (net)**

Beach Energy Limited (ASX:BPT, "Beach") has commenced its PEL 92 (Beach 75% and operator, Cooper Energy Limited 25%) joint venture approved ten well drilling program, which will consist of three development wells and seven exploration wells.

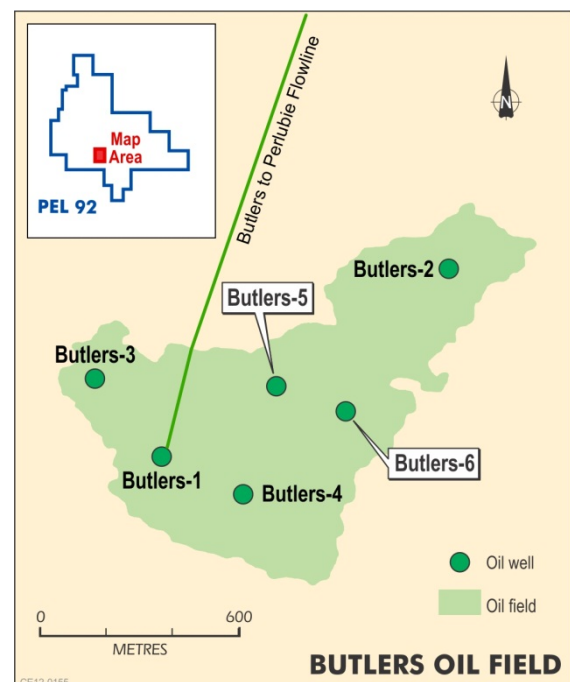
Development drilling

The first two development wells Butlers-5 and -6 have now been drilled. The Butlers-5 oil development well was cased and suspended as a future Namur Sandstone oil producer after coming in high to prognosis, with an eight metre oil column. Butlers-5 is now the highest well in the Butlers oil field. It is expected that the well will produce at an initial gross rate above 1,000 bopd once completed in Q1 2013.

The Butlers-6 oil development well, which was spudded on 13 September 2012, was also cased and suspended after intersecting a five metre Namur Sandstone oil column. This well, along with Butlers-5, will increase the size of the Butlers oil field, which is currently estimated at approximately 1.0 million barrels of recoverable oil (net).

Exploration program

Historically in PEL 92, oil has primarily been encountered in the Namur Sandstone. However, multiple plays exist in PEL 92, with the scope of the exploration program being broadened to target



plays such as the proven but underexplored Permian plays and Birkhead channel play. It is the joint venture's intention to continue with a very active exploration program for FY13 and beyond.

The Porcatius 2D survey was recently acquired with final processed data expected in Q1 2013. The survey covered 105 line kilometres in the southern part of the permit, with a number of leads expected to be delineated prior to identifying drilling targets late in FY13.

Beach is also in the process of completing the Irus 582 square kilometre multi-permit 3D seismic survey, 295 square kilometres of which will cover the eastern section of PEL 92. This survey is aimed at delineating the exploration prospectivity for Permian gas and oil targets adjacent to the PEL 106B gas fields and the Sellicks oil field.

The Ensign 930 rig will next drill the Windmill-1 and Tinah-1 exploration wells, with Windmill-1 to be drilled near the Callawonga oil field. Windmill-1 has an unrisksed mean of 260,000 barrels of recoverable oil. The Tinah-1 well will be drilled adjacent to the permit boundary of PEL 91 and on trend with the Bauer, Chiton and Hanson discoveries. It will address an unrisksed mean of 400,000 barrels of recoverable oil. The joint venture has agreed an exploration program for FY13 of up to seven exploration wells including Windmill-1 and Tinah-1.

Production

The FY13 exploration campaign will aim to replace the expected increased production from the permit. PEL 92 is currently producing over 3,500 bopd (net), which is limited by trucking availability. The existing pipeline infrastructure in PEL 92 is expected to be connected to the recently laid Lycium to Moomba pipeline (Beach 60% and operator) prior the end of 2012. Once connected, it is expected that production from PEL 92 will be greater than 4,500 bopd (net).

Yours sincerely,



Reg Nelson
Managing Director, FAusIMM

For more information contact

Corporate

Reg Nelson

Beach Energy Ltd

08 8338 2833

Investor Relations

Chris Jamieson

Beach Energy Ltd

08 8338 2833

