



ASX Release

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

Dear Sir,

COOPER BASIN UNCONVENTIONAL EXPLORATION UPDATE

Beach Energy Ltd (ASX: BPT, "Beach") advises the following details in relation to its unconventional exploration program, both in PEL 218 (Beach 100%, pending Chevron farm-in) and ATP 855 (Beach 60%, pending Chevron farm-in, Icon Energy Ltd 40% (ASX: ICN, "Icon")).

PEL 218

Boston-2

The Boston-2 vertical well is being drilled 320 metres south east of the Boston-1 well. Boston-2 will be used for microseismic purposes to further the understanding of the fracture placement and fracture orientation in Boston-1, which will form an important part of the implications on the longer term development spacing. All of this information will assist in a potential development plan, that would take place after a proposed pilot production phase (expected timing of pilot production is toward the end of 2014).

Boston-2 is currently drilling ahead at ~1,500 metres with a total depth expected of 3,750 metres.

Dashwood-1

The Dashwood-1 vertical well, located 11 kilometres to the south east of Nepean-1, is drilling ahead at ~3,100 metres off-structure, and will continue to address both the shale and basin centred gas plays in the Nappamerri Trough. The well will be fracture stimulated shortly after reaching total depth, which is expected to be around 3,900 metres.

Streaky-1

The Streaky-1 vertical well was drilled to 3,821 metres and fracture stimulated in nine stages, one in the Murtree Shale and eight in the Patchawarra Formation.

As previously announced, Streaky-1 has equipment down the well-bore that needs to be extracted. Retrieval of the equipment has been awaiting the Halliburton coiled tubing unit, which is expected on-site toward the end of the month. Upon recovery of the equipment, Streaky-1 will be flow tested in the same manner as other wells in the program.

Moonta-1

The Moonta-1 vertical well has been on flow test for four months and continues to flow gas at a rate of 0.7 MMscfd. It was stimulated over 10 stages, nine in the Patchawarra Formation and one in the Murtree Shale, with the plan to fracture stimulate the shallower REM and Toolachee sections at a future date.

ATP 855

Halifax-1

The Halifax-1 well is the deepest of all the vertical wells drilled in the program to date at 4,266 metres. It was the first well to be fracture stimulated through the whole of the gas saturated Permian target zone, which in Halifax-1 is in excess of 1,000 metres.

Fracture stimulation was completed in January with initial flowback from the well in early February. As has been reported previously, elements of the flowback equipment are rated to 121 degrees celcius, therefore the initial flowback from these deep vertical wells must be choked back to stay within recommended operating conditions. Understanding longer term stabilised rates is an important part of the objectives of this program, with best operating practice to choke back wells in the initial stages to improve long-term productivity.

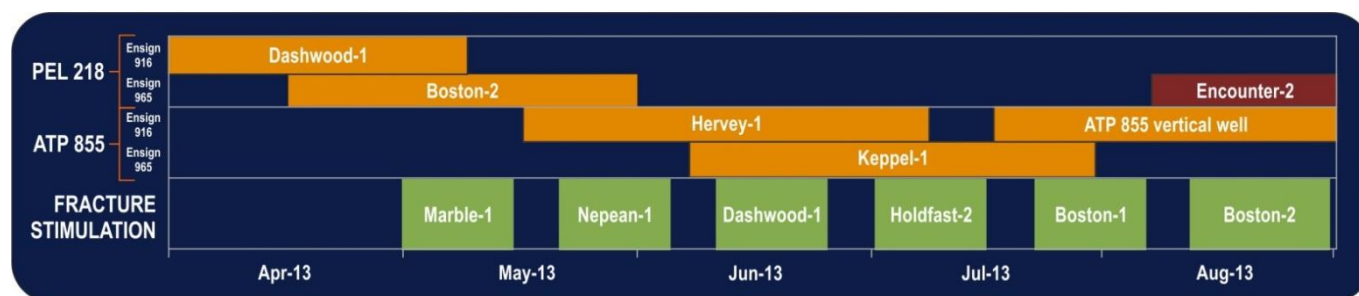
The Halifax-1 well had a peak gas flow rate of 4.2 MMscfd, however, due to a faulty temperature gauge, this rate resulted in the maximum recommended temperature for the wellhead being exceeded. The faulty temperature gauge was discovered prior to shut-in of the well due to rain, at which point the well was flowing at 3.5 MMscfd. After the well was re-opened, it flowed briefly at 4.5 MMscfd, with the well immediately choked back to 2.0 MMscfd to maintain temperatures within desired operating conditions, at which level it remained for the majority of March.

Beach believes these flow rates are unlikely to have been affected by the shut-in, with the well currently being monitored through production logging and longer term flow rates, in line with previous exploration wells in the program. Halifax-1 is currently flowing at an unconstrained rate of 1.7 MMscfd.

Fracture stimulation program

Beach will commence its second batch fracture stimulation program in May 2013. The program has been slightly delayed to ensure that all logistical arrangements have been made in preparation for stimulation activity. The revised timing has also allowed our technical staff to further analyse the results from the previous stimulation program, to ensure the next stimulation phase incorporates this analysis.

The first wells to be fracture stimulated in the upcoming program will be Marble-1, Nepean-1, Dashwood-1, Holdfast-2, Boston-1 and Boston-2.



Yours sincerely,



Reg Nelson

Managing Director, FAusIMM

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