



ASX Release

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

Dear Sir,

OIL DISCOVERY AT EL SALMIYA-2 IN ABU SENNAN, EGYPT

Oil and associated gas discovered in a new zone at El Salmiya-2 in the Abu Sennan concession in the Western Desert, Egypt. An initial oil flow rate of 3,530 barrels per day was generated from a drill stem test in the Kharita Formation

Beach Energy Ltd (ASX: BPT, "Beach"), together with its main partner, the Egyptian General Petroleum Corporation (EGPC), advises that the operator of its Abu Sennan concession in the Western Desert in Egypt, Kuwait Energy Egypt, completed a drill stem test (DST) of the Kharita Formation in the El Salmiya-2 well, which flowed oil at a rate of 3,530 barrels per day and 4.7 MMscfd of gas.

The oil column within the Kharita Formation is 68 metres, measured depth (MD), equating to 49 metres true vertical depth (TVD). The sandstone appears to be of excellent quality with 56 metres of net pay (MD), delivering a net to gross of around 80% within the oil column.

Oil from the DST has an API of 42 degrees, making it light crude, and is the first time oil has been encountered in the Kharita Formation within the concession. Production has previously been obtained from the shallower Bahariya and Abu Roash Formations. The DST performed on the Kharita Formation was undertaken through a 64/64" choke, with the well flowing naturally for six hours. The perforation interval was 4,105 to 4,120 metres, MD, equating to an 11 metre interval, TVD.

The operator has estimated gross 2P reserves of 18.5 MMbbl of oil and 142 Bcf of gas in the Kharita Formation only. An extended production test has commenced and will provide further data enabling confirmation of the operator's initial reserve assessment. Beach believes there is potential for further upside within the Kharita Formation and the additional identified pay zones.

As previously released, four zones of hydrocarbon shows were identified in the well as follows:

- Abu Roash "C" Member between 3,420 and 3,432 metres (MD);
- Abu Roash "E" Member between 3,583 and 3,609 metres (MD);
- Bahariya Formation between 4,021 to 4,022 metres(MD); and
- Kharita Formation between 4,068 and 4,143 metres (MD).

The Joint Venture equity interests in Abu Sennan are:

Beach (via wholly owned subsidiary Beach Petroleum (Egypt) Pty Ltd) - 22%

Kuwait Energy Egypt Ltd - 50% and operator

Dover Investments Ltd - 28%

Yours sincerely,



Reg Nelson
Managing Director, FAusIMM

For more information contact

Corporate

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Investor Relations

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The diagram below depicts the El Salmiya-2 well location

