



Monthly Drilling Report

August 2013

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HIGHLIGHTS

- Oil and gas discovery in El Salmiya-2 ST1, Egypt
- Exploration drilling commences in Est Cobalcescu Concession, Romania

AUSTRALIA

Nappamerri Trough Natural Gas

The vertical exploration campaign continued in ATP 855 (Beach Energy Ltd (Beach) 46.9% and operator, Icon Energy Ltd 35.1%, Chevron Australia Exploration 1 Pty Ltd (Chevron) 18%), with Keppel-1 safely suspended after gas influx from the over-pressured Epsilon Formation. A plug has been set in the base of the intermediate casing and the rig was released to drill the Boston-3 horizontal well in PEL 218 (Beach 70% and operator, Chevron 30%). The ATP 855 Joint Venture will evaluate options to address the resource identified by the gas flows in Keppel-1.

Drilling in PEL 218 recommenced on 3 August with Rapid-1, a vertical exploration well, located in the western part of the permit. Rapid-1 is currently drilling ahead in 8 1/2" hole at depth of 2,654 metres.

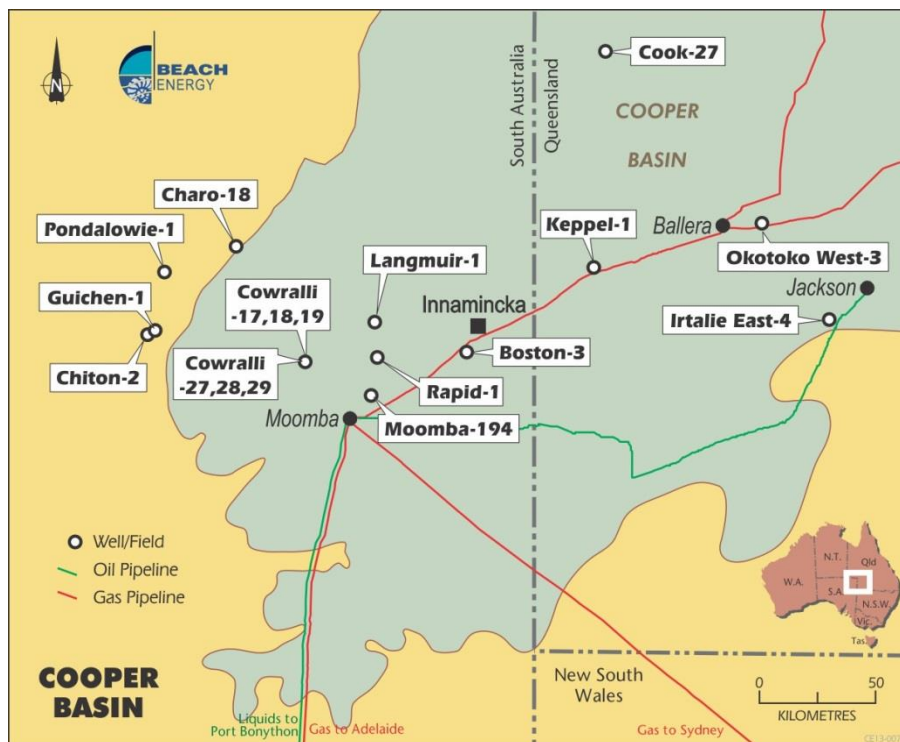
Cooper-Eromanga Oil – Western Flank

In PEL 91 (Beach 40% and operator, Drillsearch Energy Ltd 60%), Chiton-2 was drilled to total depth of 1,718 metres. The well was drilled to appraise the field structure, 270 meters north west of the location where Chiton-1 produces oil from the Namur sandstone reservoir. Chiton-2 intersected a 5.5 metre gross oil column and was cased and suspended as a future Namur oil producer.

Also in PEL 91, a three well campaign commenced to test the Birkhead Formation stratigraphic play based on interpretation of the Aquillus 3D seismic survey. The first well of this campaign, Guichen-1, was plugged and abandoned after intersecting a thick sequence of sandstone interbedded with siltstone within the target Birkhead Formation. No hydrocarbon shows were detected.

Following Guichen-1, the rig was moved to Pondalowie-1, which has been drilled to total depth of 2,007 metres. Pondalowie-1 intersected an 18 metre thick, excellent quality sand within the target Birkhead Formation. Wireline logs indicate the sand is water bearing. The well is currently being plugged and abandoned.

The final well of the campaign, Neaves-1, will spud following operations at Pondalowie-1.



Cooper Basin Oil and Gas Exploration and Development

In the gas development program in Queensland (Beach 23.2%, Santos Ltd (Santos) 60.3% and operator, Origin Energy Ltd (Origin) 16.5%) Okotoko West-3 ST1 is at 855 metres, with operations suspended pending resolution of mechanical issues with the rig.

In the South Australian Cooper Basin Joint Venture (SACB JV) gas development program (Beach 20.21%, Santos 66.6% and Operator, Origin 13.19%), Cowralli-17, -18, -27 and -28 were cased and suspended as gas wells. Cowralli-19 spudded on 1 September and is currently drilling ahead at 799 metres. Cowralli-29 spudded on 27 August and is currently drilling ahead at 2,832 metres.

In the SACB JV unconventional gas appraisal program, Langmuir-1 is currently drilling ahead at 3,238 metres. Moomba-194 spudded on 25 August and is currently drilling ahead at 2,249 metres.

In the Queensland Cooper Basin oil development program (Beach 20%, Santos 55% and operator, Origin 25%), Cook-27 was cased and suspended as a future Hutton oil producer.

Drilling in the Irtalie field (Beach 38.5%, Santos 55.5%, Bridgeport (Eromanga) Pty Ltd 2%, Australian Gasfields Limited 2%, Bounty Oil and Gas N.L. 2%) recommenced on 22 August with the drilling of Irtalie East-4. The well was cased and suspended as a future Basal Birkhead/Hutton oil producer.

In the SACB JV oil development program, drilling in the Charo field recommenced on 30 July with the Charo-18 oil appraisal well, which was targeting Basal Birkhead/Hutton sands. This well is a twin to Charo-7, a Mid-Birkhead oil producer. Due to wellbore conditions, openhole wireline logs were not able to be run. Charo-18 was cased and suspended based on a comparison between Charo-7 wireline logs and Charo-18 measurement while drilling (MWD) logs.

INTERNATIONAL

Abu Sennan Concession, Egypt (Beach 22%, Kuwait Energy Egypt Ltd 50% and operator, Dover Investments Ltd 28%)

A drill stem test (DST) of the Kharita Formation was successfully completed in the El Salmiya-2 ST1, with the operator reporting flows 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.

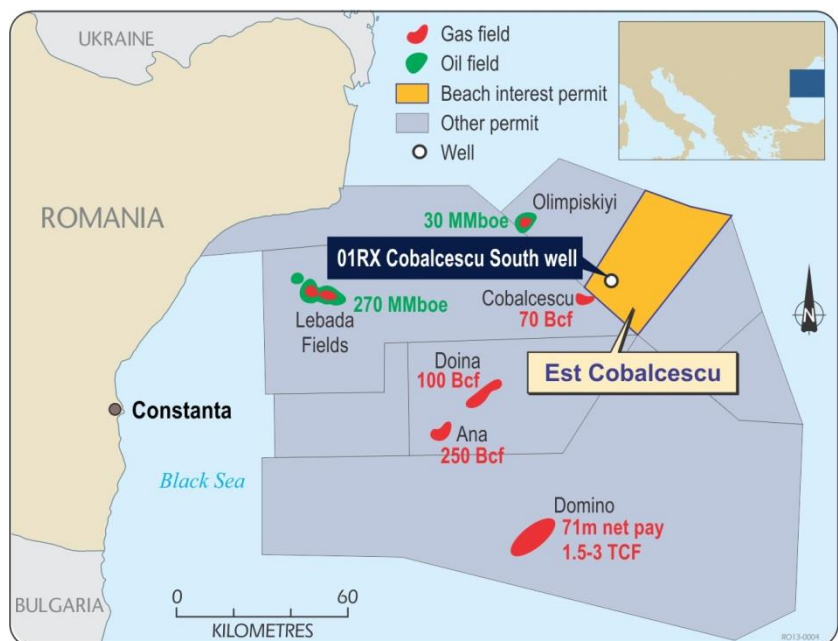
Elsewhere in the permit, ASB-1X is at 4,015 metres and setting the 9 5/8" casing. This well is testing a prospect that has Late Cretaceous and Jurassic exploration targets.

North Shadwan Concession, Egypt (Beach 20%, BP Exploration (Delta) Ltd 50% and operator, Tri-Ocean Energy Company 30%)

The NS 394-4 exploration well is currently being plugged and abandoned after failing to encounter hydrocarbons.

Est Cobalcescu Concession, Black Sea, Romania (Beach 30%, Melrose Resources Romania 40% and operator, Petromar Resources 30%)

The 01RX Cobalcescu South Exploration well in Block EX-28 Est Cobalcescu, offshore Romania, was spudded August 31. The well is being drilled by the GSP Prometeu jack up rig in 88 metres of water and will be drilled to approximately 3,100 metres. Drilling is expected to take 60 days. The well is testing the hydrocarbon potential of Pontian (upper Miocene) aged sands at various levels with an unrisksed mean prospective resource of over 400Bcf.



There have been numerous discoveries offshore Romania, including the recent Exxon Mobil and OMV Petrom Domino discovery in the adjacent block, with initial estimates being 1.5 to 3.0 Tcf.

Drilling Report - Period ending Wednesday 4th September 2013

Well	Participants	Progress & Summary	Primary Targets
Pondalowie-1	BPT* 40.00%	Report Time: 0600 (CST) 04/09/2013	Birkhead Formation
PEL 91	DLS 60.00%	Depth: 2007m (TD)	
Oil Exploration		Operation: Well is plugged and abandoned	
Cooper, SA		Progress: 2007m	
Guichen-1	BPT* 40.00%	Report Time: 0600 (CST) 04/09/2013	Birkhead Formation, Namur Sandstone
PEL 91	DLS 60.00%	Depth: 1998m (TD)	
Oil Exploration		Operation: Well is plugged and abandoned	
Cooper, SA		Progress: 1998m	
Chiton-2	BPT* 40.00%	Report Time: 0600 hrs (CST) 04/09/2013	Namur Sandstone, Birkhead Formation,
PEL 91	DLS 60.00%	Depth: 1718m (TD)	
Oil Appraisal		Operation: Well is cased and suspended as a future Namur Sandstone and McKinlay Member oil producer.	
C/E Basin, SA		Progress: 0m	
Boston-3	BPT* 70.00%	Report Time: 0600 hrs (CST) 04/09/2013	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
PEL 218	CVX 30.00%	Depth: Rigging up	
Nappamerri Trough		Operation: Rigging up	
Natural Gas		Progress: Rigging up	
Cooper, SA		Progress: Rigging up	
Rapid-1	BPT* 70.00%	Report Time: 0600 hrs (CST) 04/09/2013	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
PEL 218	CVX 30.00%	Depth: 2654m	
Nappamerri Trough		Operation: Drilling ahead.	
Natural Gas		Progress: 1555m	
Cooper, SA		Progress: 1555m	
Keppel-1	BPT* 46.90%	Report Time: 0600 hrs (EST) 04/09/2013	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
ATP 855	ICN 35.10%	Depth: 3898m	
Nappamerri Trough	CVX 18.00%	Operation: Well is suspended.	
Natural Gas		Progress: 0m	
Cooper, QLD		Progress: 0m	
Moomba-194	BPT 20.21%	Report Time: 0600 hrs (CST) 04/09/2013	Roseneath Shale, Epsilon Formation, Murteree Shale, Patchawarra Formation, Toolachee Formation.
PPL 113	STO* 66.60%	Depth: 2249m	
Gas Appraisal	ORG 13.19%	Operation: Drilling ahead.	
C/E Basin, SA		Progress: 2249m	
Cowralli-19	BPT 20.21%	Report Time: 0600 hrs (CST) 04/09/2013	Patchawarra Formation, Tirrawarra Formation.
PPL 91	STO* 60.60%	Depth: 799m	
Gas Development	ORG 13.19%	Operation: Drilling ahead.	
C/E Basin, SA		Progress: 799m	
Cowralli-29	BPT 20.21%	Report Time: 0600 hrs (CST) 04/09/2013	Patchawarra Formation, Tirrawarra Formation.
PPL 91	STO* 60.60%	Depth: 2832m	
Gas Development	ORG 13.19%	Operation: Drilling ahead.	
C/E Basin, SA		Progress: 2832m	
Okotoko West-3 ST1	BPT 23.20%	Report Time: 0600 hrs (EST) 04/09/2013	Patchawarra Formation, Tirrawarra Formation.
PL 106	STO* 60.30%	Depth: 855m	
Gas Development	ORG 16.50%	Operation: Drilling ahead.	
C/E Basin, QLD		Progress: 855m	
Cowralli-18	BPT 20.21%	Report Time: 0600 hrs (CST) 04/09/2013	Patchawarra Formation, Tirrawarra Formation.
PPL 91	STO* 60.60%	Depth: 3255m (TD)	
Gas Development	ORG 13.19%	Operation: Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA		Progress: 3255m	

Cowrali-28	BPT	20.21%	Report Time:	0600 hrs (CST) 04/09/2013	Patchawarra Formation,
PPL 91	STO*	60.60%	Depth:	3329m (TD)	Tirrawarra Formation.
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	3329m	
Cowrali-17	BPT	20.21%	Report Time:	0600 hrs (CST) 04/09/2013	Patchawarra Formation,
PPL 91	STO*	60.60%	Depth:	3362m (TD)	Tirrawarra Formation.
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	1448m	
Cowrali-27	BPT	20.21%	Report Time:	0600 hrs (CST) 04/09/2013	Patchawarra Formation,
PPL 91	STO*	60.60%	Depth:	3421m (TD)	Tirrawarra Formation.
Gas Development	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA			Progress:	0m	
Langmuir-1	BPT	20.21%	Report Time:	0600 hrs (CST) 04/09/2013	Roseneath Shale,
PPL 102	STO*	66.60%	Depth:	3238m	Epsilon Formation,
Gas Appraisal	ORG	13.19%	Operation:	Drilling ahead.	Murteree Shale,
C/E Basin, SA			Progress:	1528m	Patchawarra Formation,
					Toolachee Formation.
Irtalie East-4	BPT	38.50%	Report Time:	0600hrs (EST) 04/09/2013	Basal Birkhead Formation,
PL 36	STO*	55.50%	Depth:	1878m (TD)	Hutton Sandstone,
Oil Development	BE	2.00%	Operation:	Cased and suspended as a future Basal Birkhead and Hutton Sandstone oil producer.	Westbourne Formation.
C/E Basin, QLD	AGF	2.00%		1878m	
	BOG	2.00%			
Cook-27	BPT	20.00%	Report Time:	0600 hrs (EST) 04/09/2013	Hutton Sandstone,
PL 97	STO*	55.00%	Depth:	2125m (TD)	Birkhead Formation.
Oil Development	ORG	25.00%	Operation:	Well is cased and suspended as a future Hutton Sandstone oil producer.	
C/E Basin, QLD			Progress:	214m	
Charo-18	BPT	20.21%	Report Time:	0600 hrs (CST) 04/09/2013	Birkhead Formation,
PPL 177	STO*	66.60%	Depth:	2112m (TD)	Mid Birkhead Formation.
Oil Appraisal	ORG	13.19%	Operation:	Well is cased and suspended as a future Birkhead Formation oil producer.	
C/E Basin, SA			Progress:	299m	
01RX Cobalcescu	MRR*	40.00%	Report Time:	0600 hrs (local) 04/09/2013	Pontian
EX-28	BPT	30.00%	Depth:	196m	
Gas Exploration	PR	30.00%	Operations:	Drilling ahead.	
Romania			Progress:	196	
NS394-4	BPT	20.00%	Report Time:	0600 hrs (local) 03/09/2013	Nubia, Nukhul,
North Shadwan	BP*	50.00%	Depth:	4551m (TD)	Rudies
Oil Exploration	TO	30.00%	Operation:	Well is plugged and abandoned.	
Egypt			Progress:	695m	
El-Salmiya-2 ST1	BPT	22.00%	Report Time:	0600 hrs (local) 03/09/2013	Abu R'sh C, E, G
Abu Sennan	KEE*	50.00%	Depth:	4221m (TD)	Bahariya
Oil Development	DOV	28.00%	Operation:	Well is completed as a future oil producer.	
Egypt, Western Desert			Progress:	122m	
ASB-1X	BPT	22.00%	Report Time:	0600 hrs (local) 03/09/2013	Abu R'sh C, E, G
Abu Sennan	KEE*	50.00%	Depth:	4015m	Bahariya, Khatatba
Oil Exploration	DOV	28.00%	Operation:	Drilling ahead.	
Egypt, Western Desert			Progress:	261m	

(*) Operator

BPT Beach Energy Ltd
 ORG Origin Energy Resources
 KEC Kuwait Energy
 TO TriOcean
 BE Bridgeport (Eromanga)
 APL Australia Pacific LNG

TO Tri Ocean Energy
 STO Santos Limited
 BP British Petroleum Egypt
 CVX Chevron Australia
 PR Petromar Resources
 AGF Australian Gasfields

DLS Drill Search
 DOV Dover Investments
 ICN Icon Energy
 MMR Melrose Resources Romania
 BOG Bounty Oil & Gas N.L.

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Neil Gibbins
Chief Operating Officer

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