



ASX Release

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ASX Ltd/SGX Singapore Exchange Ltd
Companies Announcement Office
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Dear Sir,

MOONTA-1 DELIVERS HIGHEST GAS FLOW RATE TO DATE FROM BEACH'S UNCONVENTIONAL PROGRAM

Beach advises that the Moonta-1 unconventional vertical well flowed gas at a maximum controlled rate of 2.6 MMscfd and is currently flowing at 1.6 MMscfd. Other activities within the Beach operated unconventional exploration program in the Nappamerri Trough include:

- Holdfast-2 drilling ahead at 3,163 metres
- Nepean-1 spudded
- Halifax-1 14 stage fracture stimulation completed

Beach Energy Ltd (ASX: BPT, "Beach") advises the following in relation to its Cooper Basin Nappamerri Trough unconventional gas exploration program.

Moonta-1 vertical well

Moonta-1 has achieved the highest flow rate of the three PEL 218 Permian unconventional gas exploration wells flow tested to date. The initial two shale gas wells, Encounter-1 and Holdfast-1, both had peak gas flow rates of approximately 2.1 MMscfd and were stimulated in the REM section, with a single stage in the uppermost Patchawarra Formation.

The Moonta-1 exploration well was designed to prove up the basin centred gas (BCG) play and was stimulated in nine stages through the Patchawarra Formation, and a single stage in the Murteree Shale. With gas now flowing from Moonta-1, it is clear that the BCG play does exist and Beach will continue to refine its understanding of the play with the upcoming program.

Moonta-1 reached a maximum controlled flow rate of 2.6 MMscfd, and is currently flowing at 1.6 MMscfd through a 1.5" choke. Production logging of the well was carried out with initial indications being that the rate reported for Moonta-1 is from a sub-set of stimulated intervals. Moonta-1 was the first well to stimulate the full Patchawarra section, and it is anticipated that as techniques are refined in successive wells of the program, improvements over the rates achieved to date will be realised.

Holdfast-2 horizontal well

The drilling of the vertical section of the Holdfast-2 well has now completed, with the well now deviating toward the Murteree Shale target zone. The well is located approximately one kilometre

north-east of Holdfast-1 and is drilling ahead at 3,163 metres. The well is on track to reach total depth prior to the end of February 2013 and will be fracture stimulated, in up to 15 stages in April 2013, as part of the second batch stimulation program.

Streaky-1 vertical well

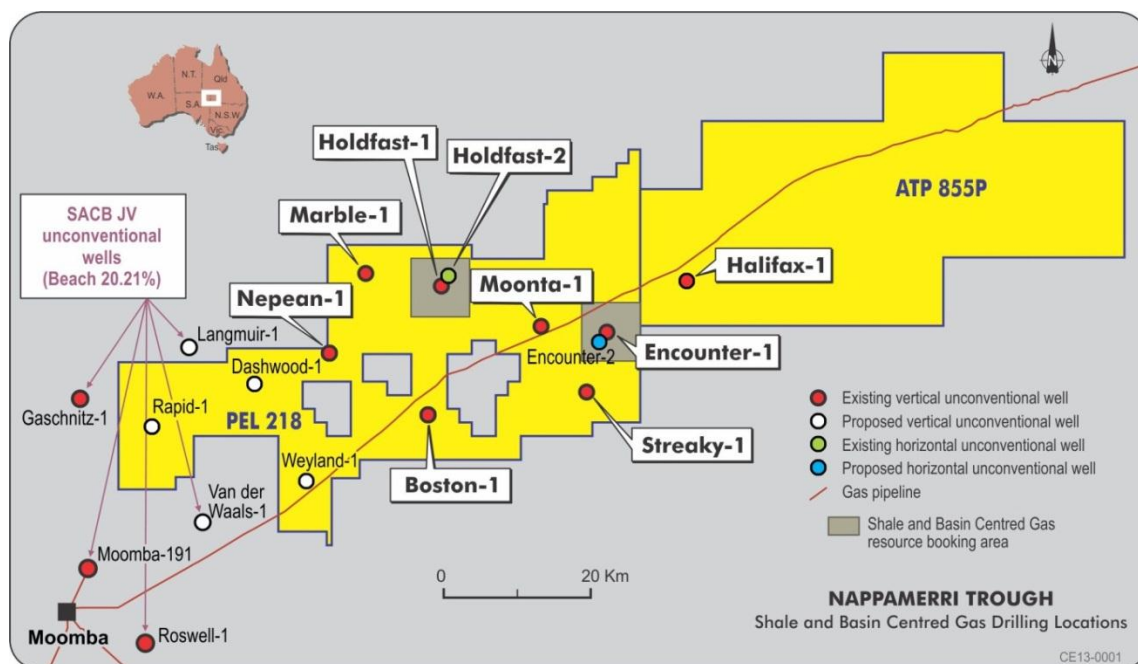
A nine stage fracture stimulation program was completed, with eight stages in the deeper Patchawarra Formation and one stage in the shallower Murteree Shale. Workover rig operations will commence at Streaky-1 after work installing production tubing is completed at Halifax-1.

Nepean-1 vertical well

The seventh unconventional vertical exploration well in PEL 218 was spudded on 10 January 2013. The well is drilling ahead at 1,185 metres and is expected to be completed prior to the end of February 2013.

Halifax-1 vertical well (Beach 60% and operator, Icon 40%)

The 14 stage fracture stimulation of Halifax-1 was recently completed through the Permian target zone, with flow testing expected to commence in late January.



Yours sincerely,



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