



Monthly Drilling Report

October 2016

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AUSTRALIA – COOPER AND EROMANGA BASINS

DEVELOPMENT

South Australian Gas

(Fixed Factor Area Joint Venture: Beach 20.21%, Santos 66.6% and operator, Origin 13.19%)

A five-well appraisal and development campaign progressed on the central flank of the Big Lake Field, which is located approximately 20 kilometres southeast of the Moomba processing facility. The campaign comprises one standalone appraisal well (Big Lake-134) and four development wells drilled from a single pad (Big Lake-135 to -138). The campaign aims to expand the central development area and is targeting the Patchawarra Formation, Tirrawarra Sandstone and Merrimelia Formation, with the Epsilon Formation providing a secondary target. Big Lake-137 intersected 80 metres of net gas pay across an approximate 600 metre gross section in the target zones, which was marginally below pre-drill estimates. The well was subsequently cased and suspended as a future Permian gas producer. Big Lake-138, the final well of the campaign, is currently drilling ahead.

EXPLORATION AND APPRAISAL

Western Flank Oil

(Ex PEL 91: Beach 100%)

Kangaroo-1 was the first Western Flank exploration well of Beach's FY17 operated program and targeted stratigraphically trapped oil within the Birkhead Formation. The well is located approximately four kilometres northwest of the Spitfire Field, which produces oil from the same reservoir interval. Kangaroo-1 was confirmed as an exploration success following intersection of a 20 metre gross oil column in the Birkhead Formation. A drill stem test over the interval 1,694.5 metres to 1,712.0 metres recovered 41.6 barrels of approximately 52 degree API oil from the drill string following a three hour flow period, with no indications of formation water. The flow rate was calculated to be 320 bopd and the well was cased and suspended as a future producer. The results from Kangaroo-1 have the potential to expand the prospectivity across Beach's operated Western Flank permits through de-risking of Birkhead Formation oil prospects and leads. Based on a preliminary review of results, in Q3 FY17 Beach intends to bring Kangaroo-1 into production and drill two further wells.

The September-1 oil exploration well is located approximately seven kilometres east of the Stunsail Field. The well targeted oil within a structural closure at the Namur Sandstone level and tested the McKinlay Member, Birkhead Formation and Poolowanna Formation as secondary targets. September-1 intersected an eight metre gross interval with oil shows within the Poolowanna Formation. A drill stem test was undertaken over the interval 1,927.8 metres to 1,936.0 metres and recovered 15.2 barrels of approximately 42 degree API oil from the drill string over a 1.5 hour flow period. There were no indications of formation water from the test. The flow rate was calculated to be 210 bopd and the well was cased and suspended as a future producer. This discovery validates the Poolowanna Formation as an additional reservoir target within the ex PEL 91 permit area. Review of results is currently underway and further production testing is planned to assess the resource size. Further mapping of the Poolowanna oil play will be undertaken through FY17, with potential appraisal and near field exploration activities in FY18.

Queensland Gas

(Beach 23.2%, Santos 60.06% and operator, Origin 16.74%)

The Dunadoo East-1 near field exploration well is located within the Coolah Complex, approximately 40 kilometres north of the Ballera processing facility. The well was drilled to test a potential continuation of regional sand trends following recent successful drilling in the Dunadoo, Coolah and Durham Downs fields. Dunadoo East-1 was plugged and abandoned due to lack of commercial pay.

Monthly Drilling Report – Period ended 06:00, 1 November 2016

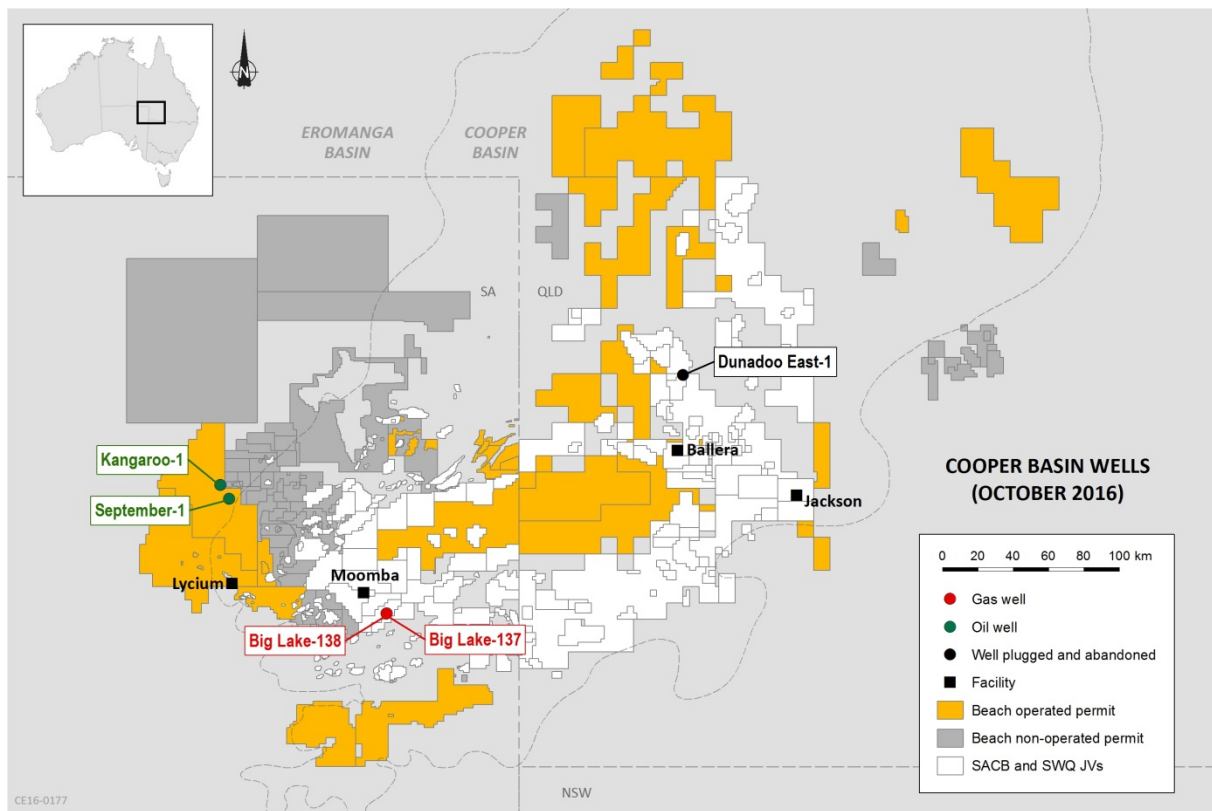
Well	Participants	Progress and Summary	Primary Targets
Cooper Basin Operated			
Kangaroo-1 PRL 156 (ex PEL 91) Oil exploration C/E Basin, SA	BPT* 100.00%	Drilling this month: 1,274 metres Current depth: 2,040 metres (total depth) Status: Cased and suspended as a future Birkhead Formation oil producer	Birkhead Formation
September-1 PRL 168 (ex PEL 91) Oil exploration C/E Basin, SA	BPT* 100.00%	Drilling this month: 2,105 metres Current depth: 2,105 metres (total depth) Status: Cased and suspended as a future Poolowanna Formation oil producer	Namur Sandstone
Cooper Basin Non-operated			
Big Lake-137 PPL 11 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,405 metres Current depth: 3,176 metres (total depth) Status: Cased and suspended as a future Permian gas producer	Patchawarra Formation Tirrawarra Sandstone Merrimelia Formation
Big Lake-138 PPL 11 Gas development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Drilling this month: 2,023 metres Current depth: 2,808 metres Status: Drilling ahead	Patchawarra Formation Tirrawarra Sandstone Merrimelia Formation
Dunadoo East-1 PL 156 Gas exploration C/E Basin, QLD	BPT 23.20% STO* 60.06% ORG 16.74%	Drilling this month: 2,682 metres Current depth: 2,682 metres (total depth) Status: Plugged and abandoned	Toolachee Formation

(*) Operator

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ORG Origin Energy Ltd

STO Santos Ltd



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