



ASX Announcement

Beharra Springs Deep update

Reference #044/19

Date

16 December 2019

Highlights

- Beharra Springs Deep-1 flow test confirms the presence of high quality Kingia Sandstone reservoir.
- Flow rates of up to 46 MMscfd were observed on test, constrained by tubing size.
- Well expected to be tied into existing Beharra Springs gas facility by the end of 2020.
- The Trieste 3D seismic survey has commenced.
- Results from Beharra Springs Deep-1 and Trieste survey to be incorporated into a potential FY21 exploration and appraisal drilling campaign.

Beach Energy Limited (ASX: BPT, Beach) is pleased to advise that it has completed flow testing at the Beharra Springs Deep-1 gas discovery in licence L11 in the Perth Basin. A series of flow tests were performed at various choke settings to enable characterisation of the well deliverability parameters.

Flow testing was performed over a 37 metre perforated interval in the Kingia Sandstone, from 3,940 to 3,977 metres Measured Depth. A tubing constrained rate of 46 MMscfd was sustained over a 225 minute interval through a 76/64" choke at 1,855 psig well flowing tubing head pressure (FTHP).

The main flow period was conducted at a rate of 35 MMscfd through a 44/64" choke, with 3,466 psig FTHP. Flow rates and pressures were stable throughout the extended flow period of 96 hours with no evidence of depletion from the test.

Gas sample analysis indicates the well has a similar gas composition to the Redback wells (approximately 7% CO₂), which are currently producing to the Beharra Springs gas facility. In total, less than 0.2 Bscf of gas was produced during the test. The gas is dry and produced less than 1 bbl/MMscf of associated condensate with no formation water detected.

The flow testing demonstrates similar well productivity characteristics to the Waitsia-3 and Waitsia-4 wells.

Forward program

The well is currently shut-in, with downhole gauges recording the sub-surface pressure to obtain further data. Testing equipment is currently being demobilised from the site and the downhole gauges will be recovered in the coming weeks. The well will remain shut-in until it is tied into the adjacent Beharra Springs gas facility, which is expected to occur by the end of calendar 2020.

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Data obtained from well testing will be integrated with other subsurface data to enable estimation of the size of the gas resource and planning for potential follow-up appraisal drilling in FY21. The joint venture will also consider exploration drilling to delineate the gas potential in the Kingia and High Cliff Sandstones in several prospects and leads in the Perth Basin.

In EP320 the Trieste 3D seismic survey has commenced, covering a 200 km² area to the south east of Beharra Springs. Seismic acquisition is expected to be completed in the March quarter 2020 and will cover several large prospects and leads to high grade future drilling targets.

Background

On 28 October 2019 Beach announced the Beharra Springs Deep-1 exploration well had intersected a 65 metre gross interval in the Kingia Sandstone, with estimated net gas pay of 36 metres. The well was cased and 3 1/2" tubing installed.

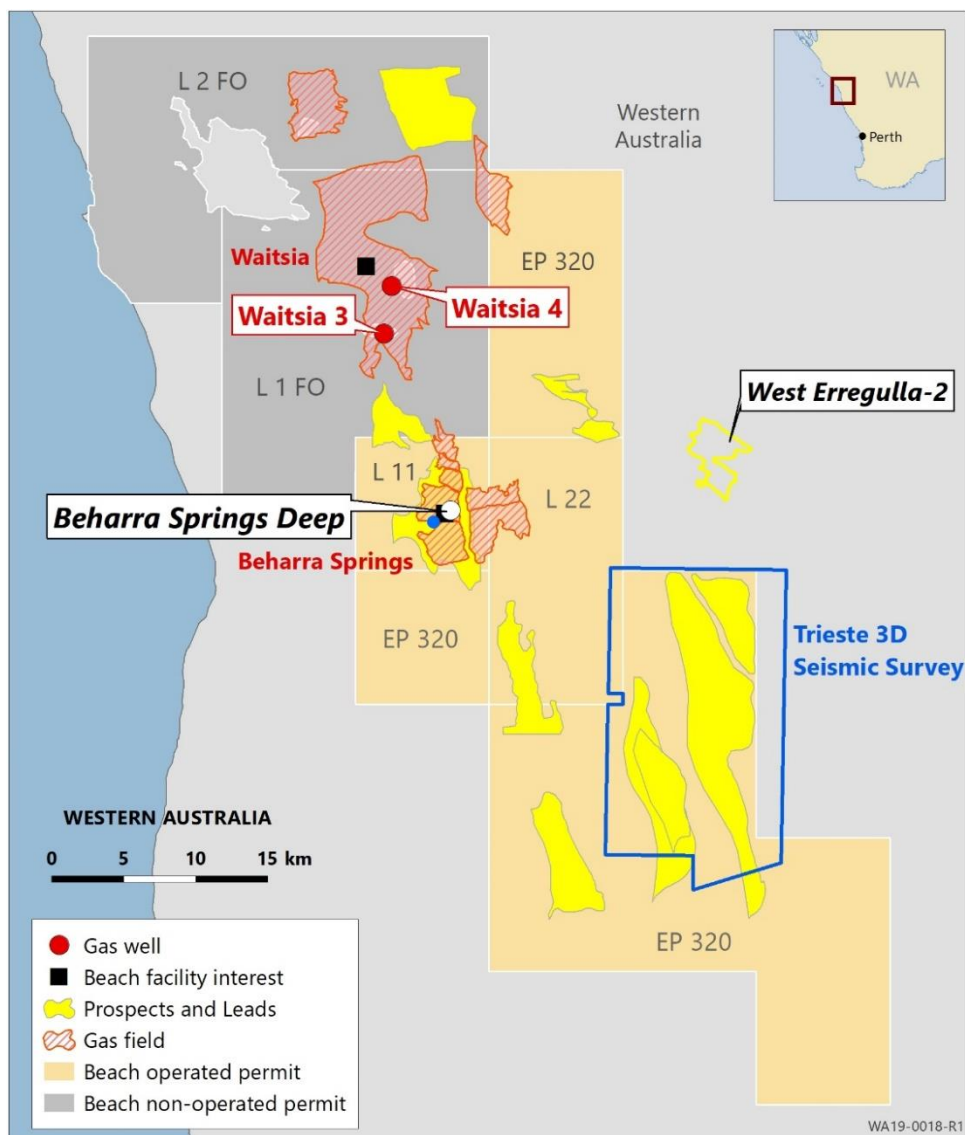
Beharra Springs Deep-1 is located 16 kilometres south of the Waitsia-4 well, 15 kilometres south west of the West Erregulla-2 well and 350 metres from the 25 TJ/day Beharra Springs gas facility.

Beach holds a 50% interest in licence L11, L22 and EP320 and is operator. Mitsui E&P Australia Pty Ltd (MEPAU) also holds 50% following the completion of the sale of a 17% interest by Beach to MEPAU on 29 November 2019 (refer announcement #018/19 released 3 July 2019).

Release authorised by:

Matt Kay, Managing Director and CEO

Appendix: Beach's Perth Basin interests



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This ASX Release contains forward looking statements that are subject to risk factors associated with oil, gas and related businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.