



# Monthly Drilling Report

September 2010

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## ASX RELEASE

For Immediate Release – 6 October 2010  
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## AUSTRALIA

### Beach Operated Cooper-Eromanga Basin Gas - PEL 106FI Block

Testing operations at Canunda-1 are expected to recommence next week following fishing operations to remove wireline from the hole. The evaluation is intended to define size and production characteristics of this high liquids gas field (Beach 50%).

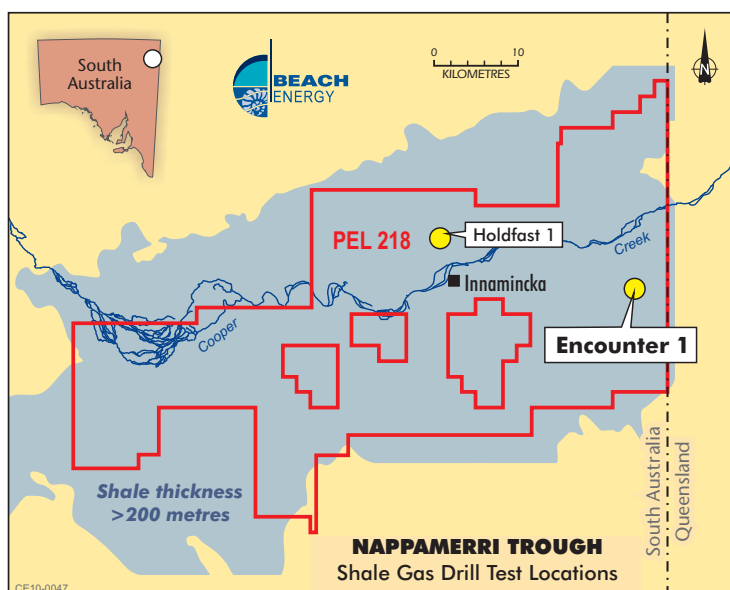
### Cooper Basin Gas Development - Santos Operated

Operations in the Coonatie Gas Field have resumed with Coonatie-18 (Beach 17.14%) which is currently drilling surface hole. The Strzelecki Northeast-1 (Beach 20.2%) gas development well is expected to spud later this week as is the Irtalie East-1 Jurassic oil exploration well (Beach 38.5%) in the Queensland portion of the Basin.

### Beach Operated Cooper Basin Shale Gas Exploration - PEL 218

Drilling operations for Encounter-1 (Beach 90%), the first of a two well, back-to-back exploration program targeting shale gas potential in the South Australian portion of the Nappamerri Trough, commenced on October 3. Across the Nappamerri Trough the objective Roseneath, Epsilon and Murteree formations have the potential to contain gas in place in excess of 200 TCF. The shales of the Nappamerri Trough are considered to share many of the attributes of the prolific shale gas producing provinces of the USA.

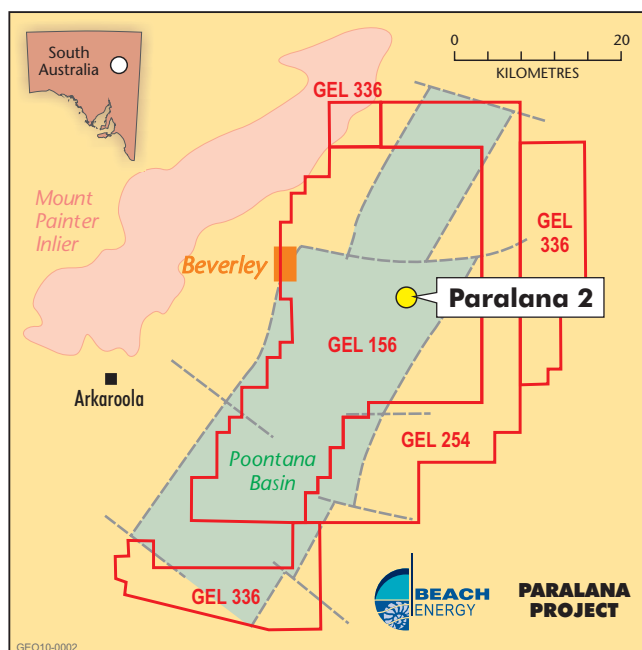




Encounter-1 is estimated to take around 50 days to drill and will be immediately followed by Holdfast-1. Extensive coring and logging programs are planned with the aim of better defining volumes of gas in place and assessing the physical and mechanical properties of the rock to plan for stimulation in early 2011. Fracture stimulation is one of the keys to unlocking gas from shales. The outcome of these wells will aid the future planning of a pilot production well expected to be drilled in 2011.

### Beach Operated Geothermal - Paralana Project, Arrowie Basin

A wireline crew has been mobilised to Paralana-2 (Beach 21%) to investigate the blockage that prevented perforation of the target interval in late August. A short 3-day investigation is being undertaken to determine the nature of the obstruction at 3200m and clarify the forward plan for remedial action.



## INTERNATIONAL

### Unconventional

Non-operated Shale Oil Appraisal, South Antelope Prospect, Williston Basin - North Dakota, USA

The Henderson 4-26/35H shale oil appraisal well (Beach 14.7% net revenue interest) spudded on 3 September. The well is currently drilling ahead in the lateral section and is expected to reach total depth in about a week. The well, targeting 600,000 barrels of recoverable oil (90,000 net to Beach), has been designed with a 2.7km long horizontal section through the Three Forks Formation reservoir, and will be stimulated with a 24 stage fracture stimulation treatment.

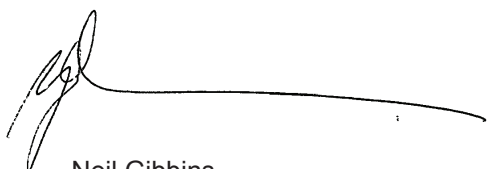


## Drilling Report – Period ending 6 October 2010

Well	Participants	Weekly Progress & Summary		Primary Targets
<b>Encounter-1</b>	BPT* 90.00%	Report Time:	0600 (CST) 06/10/2010	Patchawarra
PEL218	ADE 10.00%	Depth:	952m	
Gas Exploration		Operation:	Drilling surface hole.	
C/E Basin, SA		Progress:	952m	
<b>Coonatie-18</b>	BPT 17.14%	Report Time:	0600 hrs (CST) 06/10/2010	multi Permian targets
PPL131	STO* 72.32%	Depth:	793m	
Gas Development	ORG 10.54%	Operation:	Drilling ahead in 9 7/8" surface hole.	
C/E Basin, SA		Progress:	793m	
<b>Coonatie-20</b>	BPT 17.14%	Report Time:	0600 hrs (CST) 06/10/2010	multi Permian targets
PPL131	STO* 72.32%	Depth:	3239m (TD)	
Gas Development	ORG 10.54%	Operation:	Well is cased and suspended as a future Permian gas producer.	
C/E Basin, SA		Progress:	460m	
<b>Hndsrn. 4-26/35H</b>	BPT	Report Time:	0600 hrs (local) 05/10/2010	Three Forks Fm
Sect. 25&36 McKenzie County, Nth Dakota	SEA	Depth:	4978m	
Oil Appraisal	Helis*	Operation:	Drilling ahead in lateral sidetrack.	
Williston Basin	7 others	Progress:	4978m	

(\*) Operator  
BPT Beach Energy Ltd  
ORG Origin  
SEA Sundance

(s) Secondary Targets  
STO Santos Limited  
Helis Helis Oil & Gas Company L.L.C  
ADE Adelaide Energy



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