

### ASX RELEASE

For Immediate Release – 1 December 2010  
Ref. #116/10

Beach Energy Ltd  
ABN: 20 007 617 969  
ASX Code: BPT

25 Conyngham Street  
GLENDALE SA 5065

GPO Box 175  
ADELAIDE SA 5001

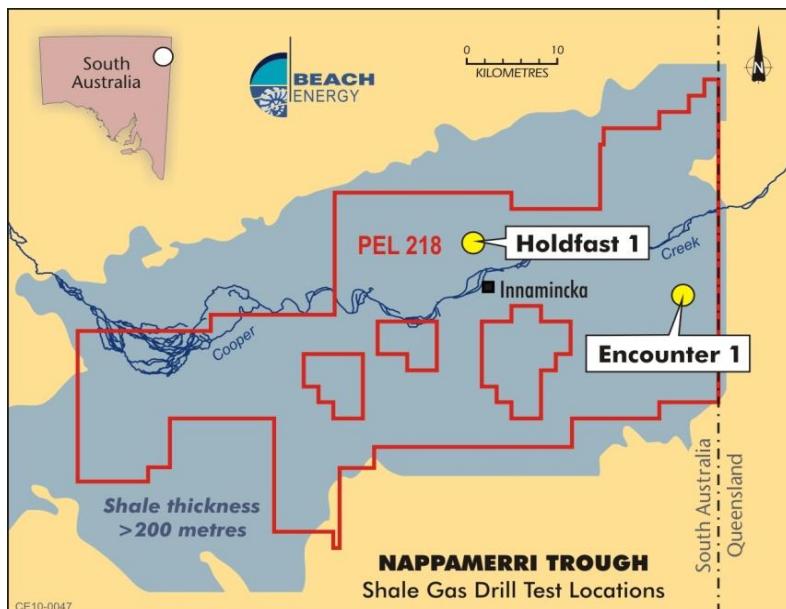
Tel: +61 8 8338 2833  
Fax: +61 8 8338 2336

Web:  
[www.beachenergy.com.au](http://www.beachenergy.com.au)  
Email:  
[info@beachenergy.com.au](mailto:info@beachenergy.com.au)

### AUSTRALIA

#### 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, has continued through the reporting period. Two of the three planned cores have been recovered for analysis of gas content and physical and mechanical properties, which will take several months to complete. A third core in the Murteree Shale in Encounter-1 will be collected following which the well will be drilled to the planned total depth in the Patchawarra Formation, and cased and suspended. The rig will then move to Holdfast-1, the second of Beach's shale gas evaluation wells.

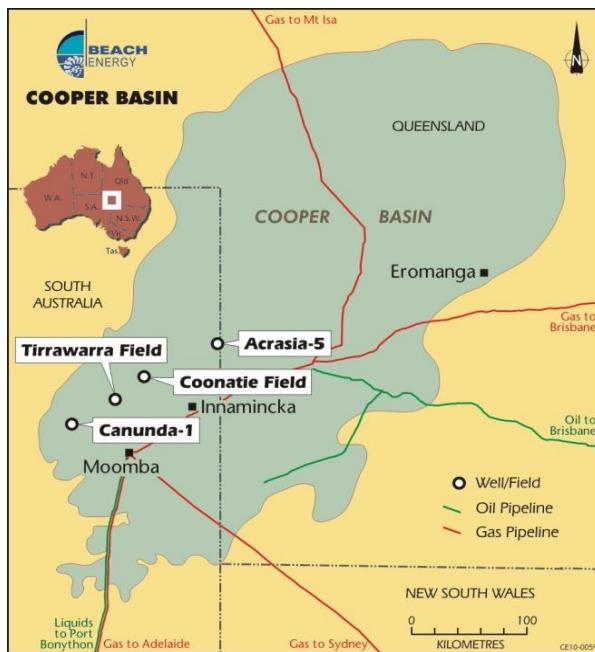


#### Beach Operated Cooper-Eromanga Basin Gas - PEL 106FI Block

Canunda-1 extended production testing will recommence after a workover to retrieve wireline and pressure gauges from the well and reconfigure production zones. It is anticipated that testing will recommence early in 2011. The evaluation is intended to define size and production characteristics of this high liquids gas field (Beach 50%).

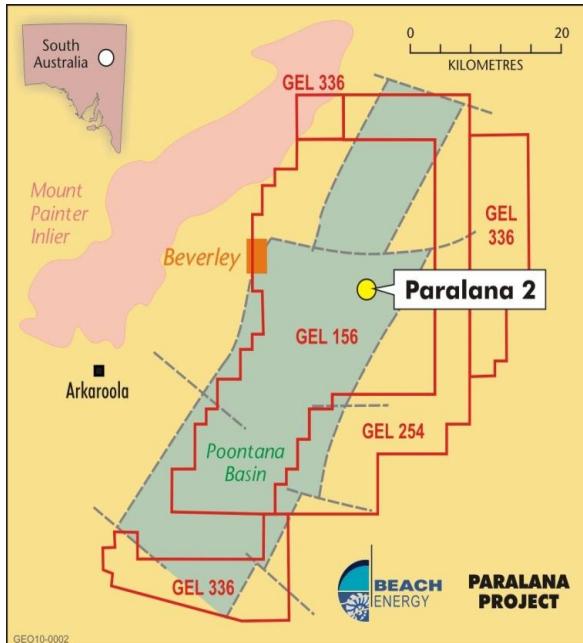
## Cooper Basin Gas Development - Santos Operated

Drilling of the Coonatie-14 (Beach 17.14%) gas development well has been completed during the reporting period with the well cased and suspended as a future Permian gas producer. Also completed during this period was the drilling of Tirrawarra-79 (Beach 20.21%), which was cased and suspended as a Patchawarra gas producer. Further rain across the basin has once again hampered rig moves, with a delay of seven days expected for Ensign Rig 30 to move from Coonatie-14 to the Coonatie-15 (Beach 17.14%) location. Ensign Rig 32 has been moved to the Tirrawarra-78 (Beach 20.21%) location and will spud after rig repairs.



## Cooper Basin Gas Development - Stuart Operated

The successful evaluation of the Acrasia-5 (Beach 25%) oil development well was reported in last month's report. The well is currently being completed and connected for production.



## Beach Operated Geothermal - Paralana Project, Arrowie Basin

### Project, Arrowie Basin

Workover activities (Beach 21%) planned for late November have been temporarily delayed due to rain. A planned coiled tubing operation to displace the existing brine solution in the casing with water followed by perforation and injection is now expected to occur in early December. The injection activity is the first step in the stimulation process for the well. The main fracture stimulation is anticipated to be undertaken in the first quarter next year.

## INTERNATIONAL

### 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) has been suspended awaiting fracture stimulation.



## DRILLING REPORT – PERIOD ENDING 1 DECEMBER 2010

Well	Participants	Weekly Progress & Summary			Primary Targets
<b>Encounter-1</b> PEL218 Gas Exploration C/E Basin, SA	BPT* ADE	90.00% 10.00%	Report Time: 0600 (CST) 1/12/2010 Depth: 3371m Operation: Drilling ahead. Progress: 775m		Patchawarra Fm
<b>Coonarie-14</b> PPL131 Gas Development C/E Basin, SA	BPT STO* ORG	17.14% 72.32% 10.54%	Report Time: 0600 hrs (CST) 1/12/2010 Depth: 3122m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 2954m		multi Permian targets
<b>Tirrawarra-79</b> PPL20 Gas Development C/E Basin, SA	BPT STO* ORG	20.21% 66.60% 13.19%	Report Time: 0600 hrs (CST) 1/12/2010 Depth: 3058m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 2294m		Patchawarra Fm

(\*) Operator  
BPT Beach Energy Ltd  
ORG Origin

(s) Secondary Targets  
STO Santos Limited  
ADE Adelaide Energy



Neil Gibbins  
Chief Operating Officer

**For more information contact**

**Corporate**

Reg Nelson / Neil Gibbins	Beach Energy Limited	08 8338 2833
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**Investor Relations**

Steve Masters / Chris Jamieson	Beach Energy Limited	08 8338 2833
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**Media**

Ian Howarth	Collins Street Media	03 9223 2465
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