



ASX Announcement

Otway drilling campaign complete

Reference #016/22

Date

12 July 2022

Beach Energy Limited (ASX: BPT, Beach) is pleased to announce the successful completion of its offshore Otway Basin¹ drilling campaign. The Otway program is a critical investment in new gas supply for the east coast market, providing much needed gas to homes and businesses.

Drilling commenced in February 2021 and concluded with the final well of the campaign, Thylacine North 2, completed in July 2022. The seven-well campaign was the largest in the basin's history and delivered one new gas discovery at the Artisan field and six successful development wells in the Geographe and Thylacine fields. Results were at or above pre-drill expectations and are summarised below.

Commenting on the drilling campaign, Chief Executive Officer Morné Engelbrecht said "Completion of Beach's first offshore development drilling campaign is a significant achievement. It has materially de-risked the Otway program and proven Beach's offshore operating capabilities.

"I thank all our stakeholders for their commitment over many years – our dedicated team at Beach, the communities in which we operate, regulators, our drilling partner Diamond Offshore Drilling and our joint venture partner O.G. Energy. The collective effort has seen Beach deliver new gas at a time when it is desperately needed.

"The Otway program is delivering the foundation for a step-change in Beach's production and free cash flow from FY24. It is the culmination of foresight, years of planning and significant capital investment to develop new gas supply for the east coast market, where the increase in demand for gas has been long-anticipated", Mr Engelbrecht said.

Completion of the drilling campaign is a key building block and milestone in delivering Beach's production target of 28 MMboe in FY24. Commissioning of the Geographe development wells in Q3 FY22 contributed to an increase in Otway Gas Plant average daily production from 52 TJ/day in Q3 FY21 to 140 TJ/day in Q4 FY22.

Connection of the four Thylacine development wells by mid-2023 is expected to enable the Otway Gas Plant to produce at full nameplate capacity of 205 TJ/day, with this gas to be sold into existing contracts. This increase in production is coming at a time when new gas supply for the east coast market is desperately needed.

Pipeline connections and tie-in of the Thylacine wells are expected to commence in Q2 FY23 post the winter period. All wells are expected online by mid-2023.

¹ Offshore Otway Basin acreage: Beach 60% and operator, O.G. Energy 40%

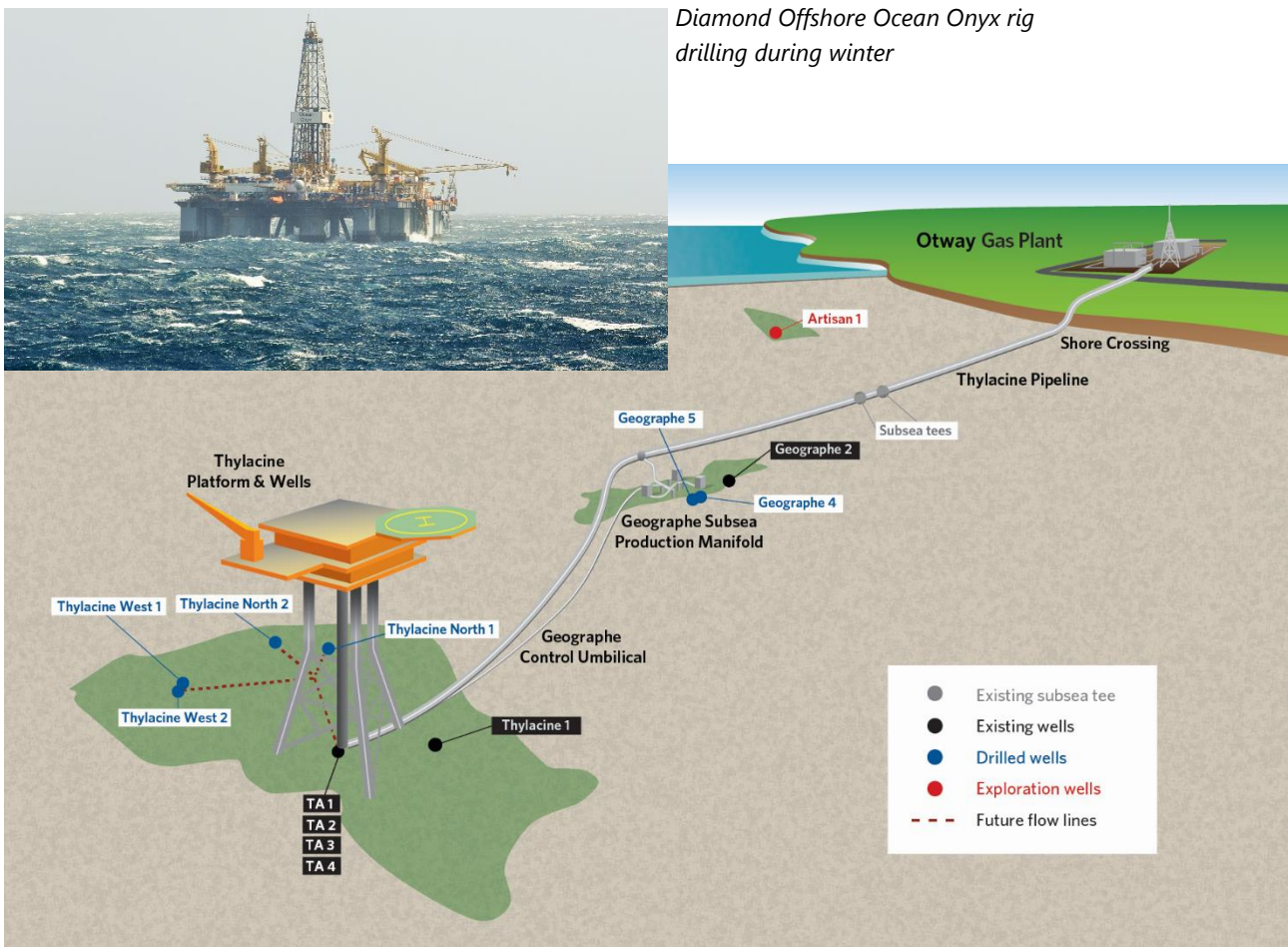
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Key highlights from the drilling campaign include:

- Beach’s first extended offshore drilling campaign, delivered safely, on schedule and on budget;
- Beach was the only Australian offshore operator to drill continuously through the COVID-19 pandemic;
- Over 820,000 operational hours to deliver the campaign, with the campaign receiving the 2021 IADC Safety Award recognising outstanding safety performance;
- Longest horizontal well drilled in the Otway Basin (Thylacine North 2 lateral section of 3.5 km);
- Longest horizontal campaign in the Otway Basin (three horizontal wells with total lateral section of 8.1 km); and
- First gas from the two Geographe development wells delivered in less than nine months from spud.



Offshore Otway Basin drilling campaign and infrastructure

Well results

Well	Spud	Rig release	Net Gas Pay (metres)	Gross Reservoir Interval (metres)	Completed Reservoir units	Maximum Flow rate ¹ (mmscf/d)	Flowing Tubing Pressure (psia)	Online
Artisan 1	Feb-21	Mar-21	67	91	2 ²	Not Tested	-	Pre-FEED
Geographe 4	Mar-21	Jun-21	79	297	2	62	1,220	Yes
Geographe 5 ³ (Hz)	Mar-21	Oct-21	1,660	2,132	1	62	1,500	Yes
Thylacine North 1	Nov-21	Jan-22	106	326	4	61	1,700	Mid-2023
Thylacine West 1	Jan-22	Feb-22	168	259	3	62	2,340	Mid-2023
Thylacine West 2 ⁴ (Hz)	Jan-22	Apr-22	1,692	2,440	2	62	1,960	Mid-2023
Thylacine North 2 (Hz)	Apr-22	Jul-22	1,955	3,503	1 ²	61	2,080	Mid-2023

1. Constrained by facilities on rig

2. Planned completion

3. Top hole drilled prior to commencing Geographe 4

4. Top hole drilled prior to commencing Thylacine West 1

Authorisation

This release has been authorised for release by the Beach Board of Directors.