Beach's Brownlow-1 Has Production Potential

Beach Petroleum has cased and suspended the Brownlow-1 gas discovery on the PEL 106 in the South Australian sector of the Cooper Basin as a potential future producer. The discovery is a continuation of Beach's recent exploration success along the western flank of South Australia's Cooper basin.

The Brownlow-1 well lies 55 km northwest of Moomba and is 2 km north of Middleton-1 and 6.3 km northwest of the Raven gas field in which Beach holds an interest through its subsidiary, Delhi Petroleum. Beach operates the well with a 50% stake on behalf of Drillsearch Energy, which holds the remaining interest.

Drillsearch said the companies were confident the pay was of sufficient quality not to require further testing at present. The well would be completed and tested at a later date when a rig and other equipment was available.

Beach struck gas in the well in a 7 m thick sand in the Patchwarra formation between depths of 2583–2590 m. A drill stem test of a deeper 10 m interval which exhibited strong gas shows while drilling did not flow to the surface and was interpreted as being in tight sediments.

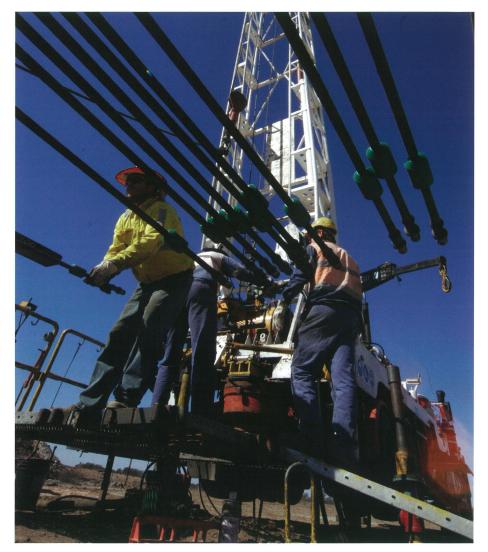
Both Middleton-1 and the Raven wells flowed wet gas at high rates with Middleton-1 flowing at 12.4 MMcfd accompanied by condensate flow of 115 bopd on an extended production test.

Significantly, the Brownlow-1 discovery holds the potential to be a large stratigraphic trap, with three way dip closure. The company said stratigraphic traps are, by nature, elusive and difficult to identify, but represent an important new breed of targets for oil and gas discoveries in the Cooper Basin. Brownlow is potentially a 'pinch-out' style of trap.

Beach's Managing Director, Reg Nelson said the company believes Brownlow-1 is an important discovery in the Cooper Basin where a stratigraphic trap, with no structural component, has been deliberately targeted.

"The use of 3D seismic has most certainly been important in pinning down the target", he said.

Wireline logging in the Brownlow-1 well revealed the presence of the gas sand with



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pressure data inferring a gas column up to 25 m high. Estimates of volumetric potential are consistent with those made pre-drill and are in the range of 7 to 14 Bcf.

"The success of Brownlow-1 gives greater confidence that fields of up to 100 Bcf potential may exist along the western flank in subtle traps of this nature", Nelson said.

Brownlow-1 is the first of two wells on the western flank of the Cooper Basin in the current drilling testing for gas (and in particular for stratigraphic gas plays). After this programme the rig will drill two development wells at the Callawonga oil field seeking to increase oil production. Any additional production would be easily transported to Moomba through the newly commissioned Callawonga field pipeline.

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The company is planning an extensive drilling programme in this region of the Cooper Basin in a bid to reinforce the existing discoveries. Beach holds the largest acreage position in this area, where exploration wells are relatively low cost while exposing the company to potentially significant oil and gas discoveries.