



Annual Report

on

PRODUCTION OPERATIONS

in

PPL 204 (Sellicks)

PPL 205 (Christies / Silver Sands)

PPL 210 (Aldinga)

PPL 212 (Kiana)

PPL 220 (Callawonga)

PPL 224 (Parsons)

FOR THE PERIOD

1 January 2009 to 31 December 2009

Cooper / Eromanga Basin
- South Australia -

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1 Introduction

As at December 31, 2009, Beach Energy Limited operated six Petroleum Production Licences in the South Australian sector of the Cooper Eromanga Basin.

PPL 204 was granted to Beach Petroleum and its partner, Cooper Energy, on September 11, 2003, to authorise ongoing oil production from the **Sellicks** field. Production from the field commenced in November 2003.

PPL 205 was granted to Beach Petroleum and its partner, Cooper Energy on October 11th, 2004, to authorise ongoing oil production from the **Christies** field. The area of PPL 205 was amended in August, 2007 (see below) to include production from the Silver Sands-1 well, which had been producing oil as an Extended Production Test since August 2006.

PPL 210 was granted to Beach Petroleum and its partner, Magellan Petroleum on December 23, 2004, to authorise ongoing oil production from the **Aldinga** field.

PPL 212 was granted to Beach Petroleum and its partners, Magellan Petroleum and Great Artesian Oil and Gas, on January 23, 2006 to authorise ongoing oil production from the **Kiana** field.

PPL 220 was granted to Beach Petroleum and its partner, Cooper Energy, on 14 September, 2007, to authorise ongoing oil production from the **Callawonga** field.

In 2006, PIRSA granted approval for Extended Production Testing at two potential gas fields in PEL 106: **Udacha and Middleton**. The EPTs did not confirm current economic viability of the fields as gas producers, and there has been no further production testing activity at either field. Petroleum Retention Licence **PRL 25** was granted for the Middleton Field on 2 January 2009. Application has been made for a Petroleum Retention Licence (**PRLA 26**) over Udacha Field.

Oil production commenced at the Parsons field in June 2008 as Extended Production Testing of the **Parsons-1** discovery well, drilled in November 2007, and the **Parsons 2** appraisal well that was drilled in March 2008. **PPL 224** was granted to Beach Petroleum and its Joint Venture partner Cooper Energy, 4 months later on 9 October 2008.

This Annual Report details the work conducted at the fields mentioned above for the twelve months from 1 January 2009 through 31 December 2009, in accordance with Regulation 33 of the Petroleum and Geothermal Energy Act 2000.

1.1 Associated Activities Licences (previously Associated Facilities Licences)

AAL 18 was granted as AFL 18 on 13 April 2005 as a secondary licence to PPL 205 (Christies field). The area covered by the AAL is approximately 2.1 sq kilometres. The AAL was awarded for the expansion and operation of a dewatering facility at Christies.

AAL 82 was granted as AFL 82 on 30 January 2007 as a secondary licence to PPL 205 (Christies field). The area covered by the AAL is approximately 1.97 sq kilometres. The AAL was granted as a storage area for materials and equipment on vacant land.

AAL 98 was granted as AFL 98 on 14th November 2007 as a secondary licence to PPL 220 (Callawonga field). The area covered by the AAL is a corridor, 50 metres wide straddling the route of the flowline connecting the Callawonga oil field to the Tantanna unloading facility via the Christies oil field. The AAL will provide ongoing access for maintenance of the buried flowline for the life of the fields. The flowline was commissioned on 8 August 2008.

AAL 128 was applied for as a secondary licence to PPL 205 (Christies field) and granted as AFL 128 on 5 February 2008. The AAL was required for construction and operation of the end of line and fiscal metering facilities associated with the Callawonga to Tantanna flowline and the Tantanna unloading terminal. The area covered by AAL 128 is 0.49 hectares.

AAL 146 was granted as AFL 146 on 9 October 2008 as a secondary licence to PPL 224 (Parsons). The area covered by the AAL is approximately 0.62 sq kilometres. The AAL was granted to allow the joint venture to carry out the construction and operation of a flowline between PPL 224 (Parsons field) and PPL 220 (Callawonga field).

2 Licence Summary

Production Licences **204** (Sellicks), **205** (Christies and Silver Sands), **220** (Callawonga) and **224** (Parsons) are located within PEL 92, and each has the following interests:

Beach Energy Ltd (Operator)	75%
Cooper Energy NL	25%

Production Licence **212** (Kiana) is located within PEL 107, and has the following interests:

Beach Energy Ltd (Operator)	40%
Magellan Petroleum	30%
Great Artesian Oil and Gas	30%

Production Licence **210** (Aldinga) is located within PEL 95, and has the following interests:

Beach Energy Ltd (Operator)	50%
Magellan Petroleum	50%

To end December, 2009 there had been no farmin agreements or changes of Operator since these Production Licences were awarded. There have also been no suspensions applying to any of these Licences since they were awarded.

3 Regulated Activities

3.1 Drilling and Related Activities

PPL 204 (Sellicks field)

No drilling activities were undertaken at the Sellicks field during 2009.

PPL 205 (Christies field)

No drilling activities were undertaken at the Christies field during 2009.

PPL 210 (Aldinga field)

No drilling activities were undertaken at the Aldinga field during 2009.

PPL 212 (Kiana field)

No drilling activities were undertaken at the Kiana field during 2009.

PPL 220 (Callawonga field)

Callawonga-6 was drilled during the period 27 December 2008 to 3 January 2009. Details of the well were provided in the 2008 Annual Report for Beach operated PPLs.

PPL 224 (Parsons field)

No drilling activities have been undertaken at the Parsons field since PPL 224 was awarded. The Parsons-2 oil field appraisal well, the most recent well on the field, was drilled in March 2008, prior to the PPL being awarded.

3.2 Seismic Data Acquisition

Acquisition of the 230 km Heliacus 2D seismic survey and line clearance for the 210 sq km Calpurnus 3D seismic survey commenced during December 2009. Both are exploration surveys on PELs 91 and 92 that do not extend into PPL areas.

3.3 Seismic Data Processing / Reprocessing

No seismic processing or reprocessing relevant to the PPL areas was undertaken during 2009.

3.4 Geochemical, Gravity, Magnetic and other surveys

There were no other geological, geophysical or geochemical surveys conducted in the areas of the Beach Petroleum operated Cooper Basin Production Licences during 2009.

3.5 Production and Processing

The production activities undertaken in each field during the reporting period are summarised in **Table 1** below. No processing activities outside of basic water separation were undertaken by Beach.

Table 1 Production Activities Summary; Beach Petroleum Operated Production Licences

PPL 204	SELLICKS FIELD
<i>Maintenance Activities :</i> On-going maintenance of roads and scheduled maintenance of facilities. Production tank internal inspections were conducted.	
<i>Emergency Response Exercises :</i> Emergency Response Exercises carried out in March and November 2009. Further Emergency Response Exercises have been scheduled for Beach operated Cooper Fields in 2010 as part of our OHS objectives. A full audit of all South Australian Production operations compliance with Beach management system was conducted in June 2009 by independent consultancy ISRM. A 'Fit for Purpose' report was completed and issued to PIRSA. Beach Energy Ltd company wide procedures updated through the year. Radio network upgrade was completed to improve coverage for operator safety.	
<i>Associated Activities :</i> <ul style="list-style-type: none">• No activity undertaken.	

PPL 205	CHRISTIES FIELD
Maintenance Activities : On-going maintenance of roads and scheduled maintenance of facilities. Production tank internal inspections were conducted.	
Emergency Response Exercises : As per Sellicks above	
Associated Activities : <ul style="list-style-type: none"> • Workovers were conducted on Christies-1 and Silver Sands-1 to repair failed downhole pumps. 	

PPL 210	ALDINGA FIELD
Maintenance Activities : On-going repair of road.	
Emergency Response Exercises : As per Sellicks above.	
Associated Activities : <ul style="list-style-type: none"> • Workover conducted on Aldinga-1 to repair a failed downhole rod string. 	

PPL 212	KIANA FIELD
Maintenance Activities : On-going maintenance of jet pumping surface equipment.	
Emergency Response Exercises : As per Sellicks above.	
Associated Activities : <ul style="list-style-type: none"> • No activity undertaken. 	

PPL 220	CALLAWONGA FIELD
Maintenance Activities : On-going maintenance of road and scheduled maintenance of facilities.	
Emergency Response Exercises : As per Sellicks above.	
Associated Activities : <ul style="list-style-type: none"> • Production facilities were further expanded with additional tanks to cater for Parsons product. • Callawonga-5 was connected to the common jet pump header system and Callawonga-6 was recompleted to an electric submersible pumping system from free flow. • An additional interceptor pond was also completed to cater for additional production fluids. 	

PPL 224	PARSONS FIELD
Maintenance Activities : On-going maintenance of road and scheduled maintenance of facilities.	
Emergency Response Exercises : As per Sellicks above.	
Associated Activities : <ul style="list-style-type: none"> • No activity undertaken. 	

3.6 Pipeline / Flowline Construction and Operation

Beach operates four buried flowlines, two of which were commissioned in 2009.

The 3.8 km Perlubie to Parsons flowline was commissioned in May 2009. The 5" GRE buried flowline, has a 12,000 bbl capacity. The construction of the flowline reduced dependence on road quality and truck availability and provides significantly reduced transportation costs.

Construction of the 7.6 km flowline from the Butlers-1 to Parsons Oil Facility began on 5 November 2009. The flowline was commissioned on the 14 December 2009.

The installation of these flowlines initiated the need for further infrastructure at Parsons Oil Facility comprising pig retrieval and safety shutdown for the flowline.

As with the previous buried GRE pipelines installed by Beach the same construction technique was applied, using a grader and bulldozer to clear and stockpile vegetation, topsoil and excavated soil along the right-of-way. Most of the pipe is installed using 'over-the-trench' assembly machines with sidebooms or excavators being used to lower pipe into those sections of the trench which require deeper excavation.

Flowline integrity is verified using hydrostatic testing in accordance with AS 2885.5-2007.

Warning signs are installed along the easement as per AS2885.1-2007.

Newly constructed above ground flowlines:

The Callawonga-5 and Callawonga-6 flowlines were installed in March 2009. The approximate lengths are 1.5 km and 1.1 km respectively.

Sections of above ground production flowlines around the Callawonga Facility, totalling 100 metres in length, were realigned to a safer distance from the road edge in March 2009.

An above ground flowline connecting Perlubie South and Parsons was installed in November 2009.

The routes of all the flowlines are selected to minimise disturbance to local vegetation during construction and to facilitate ongoing monitoring and inspections. The routes are adjacent to access roads, but set away from the edge of the road to minimise the risk of vehicle impact.

Environmental assessments are carried out as part of the approval process prior to the construction of flowlines. On-ground environmental assessments are conducted by appropriately experienced personnel, which take into account the impacts to native vegetation and habitat.

Post-construction assessment shows that, where possible, areas with low vegetation density have been utilised for flowline corridors. Recent rains have resulted in the emergence of seedlings along sections of the corridor and surface drainage profiles have generally been restored to be consistent with adjoining land.

3.7 Preliminary Survey Activities

There were no preliminary survey activities conducted during 2009.

4. **Compliance Issues**

4.1 Licence and Regulatory Compliance

Pursuant to Regulations 33(2) (b) & (c), an annual report must include:

“a report for the year on compliance with the Act, these regulations, the licence and any relevant statement of environmental objectives;” and

“a statement concerning any action to rectify non compliance with obligations imposed by the Act, these regulations or the licence, and to minimize the likelihood of recurrence of any such non-compliance.”

There were instances during the reporting period in which Beach failed to comply with either the requirements of the Petroleum and Geothermal Energy Act 2000 and its Regulations, or the objectives of their Statement of Environmental Objectives, under which it conducts its Cooper Basin oil production operations.

Detailed information on the individual instances of non-compliance are provided below in designated sections.

4.2 Petroleum and Geothermal Energy Act and Regulatory Non-Compliance

The instances during the reporting period in which Beach failed to comply either with the Petroleum and Geothermal Energy Act 2000, or its Regulations, are listed in **Table 2** below:

Table 2 List of Petroleum and Geothermal Energy Act and Regulatory Non-compliances for the Current Reporting Year (2009).

No.	Date	Activity	Details of Non-Compliance	Rectification of Non-Compliance
<i>Non-compliance with the Act</i>				
The six licences operated by Beach Energy remained compliant with respect to the <u>Petroleum and Geothermal Energy Act 2000.</u>				
<i>Non-compliance with the Regulations</i>				
Ex.1	27/10/09	<i>Submission of Down Hole Diagrams were late.</i>	Christies 2 Down Hole Diagram dated 12/06/09 was submitted late.	<i>This was an oversight which was not picked up until submission of the following Quarterly Cased Hole reports.</i>
Ex. 2	29/01/2009	<i>Submission of Down Hole Diagrams were late.</i>	Callawonga 2 _DHD_081121 Christies_3 _DHD_081102 Christies_4 _14102008_DHD Parsons_1 _ESP_DHD_081127 Silver Sands _2008_11_06_DH	<i>There was a misunderstanding that Down Hole Diagrams should be submitted with Quarterly Cased Hole Reports when in fact they are required to be submitted within two months of installation or alteration.</i>
Ex. 3	30/04/2009	<i>Submission of Down Hole Diagrams were late.</i>	Callawonga_5- Single DHD Callawonga_6 Single JP DHD	<i>There was a misunderstanding that Down Hole Diagrams should be submitted with Quarterly Cased Hole Reports when in fact they are required to be submitted within two months of installation or alteration.</i>
Ex.4	28/07/2009	<i>Submission of Down Hole Diagrams were late.</i>	Kiana_1_2009-04-06_DHD	<i>There was a misunderstanding that Down Hole Diagrams should be submitted with Quarterly Cased Hole Reports when in fact they are required to be submitted within two months of installation or alteration..</i>

4.3 Compliance with Statement of Environmental Objectives (SEO)

4.3.1 Drilling

No drilling activities took place within the Beach operated Production Licences in South Australia during 2009. Callawonga-7 was spudded in December 2008, with rig release on 3 January 2009. Details of Beach Energy's performance in achieving the SEO objectives for this well (and for Callawonga-6) and the strategies that were employed to achieve compliance in meeting these objectives are detailed in the 2008 Annual Report for Beach operated PPLs.

4.3.2 Seismic

No seismic activities took place within the Beach operated Production Licences in South Australia during 2009. Seismic data acquired by Beach in the South Australian sector of the Cooper-Eromanga Basin was acquired for exploration and not field development purpose.

4.3.3 Production

The granting of the PPLs over the Sellicks, Christies, Aldinga, Kiana, Callawonga and Parsons fields was conditional on Beach committing to achieving the objectives defined in Beach's "Statement of Environmental Objectives – Cooper Basin Petroleum Production Operations (November 2003)".

There were several instances during the reporting period in which Beach failed to comply with the requirements of its Statement of Environmental Objectives. Predominantly these instances related to spills of oil outside areas that have been specifically designed to contain them. Spills occurring outside bunded areas constitute a breach of Objective 6 of Beach's SEO, which is to "Avoid water or land contamination". Some of these instances although not technically 'Serious Incidents' were treated as such by Beach as they had the potential to cause significant environmental damage. Investigations into the root causes were carried out and although the type of incidents differed, the root causes were often found to be a result of a fault in 'Work Practice' or 'Design', Beach have consequently implemented new systems and procedures which have addressed these issues.

Table 3 summarises the strategies and initiatives that were employed to rectify the non-compliances relating to Production Operations in Beach operated Production Licences in the Cooper Basin.

4.3.3.1 Flowlines

The granting of approvals for the construction of the flowlines from Perlubie, Perlubie South and Butlers to Parsons were conditional on Beach committing to achieve the objectives defined in Beach's

"Statement of Environmental Objectives – Cooper Basin Petroleum Production Operations (November 2003)".

Beach Energy operates and maintains flowlines in accordance with AS2885.1-2007. The flowlines comprise individual lines conveying wellstream fluids from well to production facilities, gathering lines collecting wellstreams from more than one well to a facility, and trunklines transporting crude between facilities. Flowline materials are screwed and coupled steel drill tubulars installed above ground on supports or buried screwed and coupled glass reinforced epoxy (GRE).

All flowlines are regularly inspected and tracked using the Operator's spreadsheet which records dates and relevant findings of patrols, pigging operations and other observations. The spreadsheet is maintained by Operators at site with synchronised updates onto the Beach server at head office. 'Flowline Corrective Actions' are added to the Action Item Register, a single high level tracking register for all corrective actions.

Frequency of maintenance activities include:

- daily observations during operator well rounds
- fortnightly patrol of well and gathering flowlines and end of line equipment
- routine inspection of pig traps prior to pigging operations
- monthly patrol of buried flowline easements
- annual review of operating flows and pressures

Surveillance activities focus on:

- evidence of leaks
- pipe supports
- sand drift/erosion
- thermal movement
- corrosion protection coating
- insulation joints
- UV protection
- signs and markers

There were no instances during the reporting period in which Beach failed to comply with the requirements of its Statement of Environmental Objectives with regard to flowlines within the PPL areas.

Table 3: Compliance with the "Cooper Basin Production and Processing Operations Statement of Environmental Objectives October 2003"

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
1. To avoid unnecessary disturbance to 3rd party infrastructure, landholders or land use	Where disturbance is unavoidable or accidental, infrastructure or land use is restored to as is reasonably appropriate to the original undisturbed condition or as agreed with the landholder	<i>Compliant</i>	Rehabilitation of all production sites will be undertaken in consultation with the landowner when production ceases.
	No unresolved reasonable landholder / 3 rd party complaints Landholder activities not restricted or disturbed as a result of activities unless by prior arrangement.	<i>Compliant</i>	All facilities are at least 10 kms from the nearest dwelling, which is inhabited only periodically. Regular liaison with landowner provides advance warning of any significant developments or activities.
2. To maintain soil stability / integrity	The extent of soil erosion is consistent or less than surrounding land.	<i>Compliant</i>	No significant erosion has been reported either at the facilities or along the access roads.
	Vegetation cover is consistent with surrounding land No evidence of significant subsoil on surface (colour)	<i>Compliant</i>	Topsoil was stockpiled when the sites were originally cleared for the drilling operations. Rehabilitation of the Sellicks Christies, Kiana, Aldinga, Callawonga and Parsons production sites will be undertaken when production ceases. Reinstatement of the Perlubie, Perlubie South and Butlers to Parsons flowline corridors have been completed.

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
<p>Objective 2 <i>(Continued)</i></p>	<p>No production activities undertaken on salt lakes, steep tableland land systems or wetlands land systems (as defined in the EIR)</p> <p>Abandoned areas (e.g. borrow pits) are remediated and rehabilitated to be reasonably consistent with the surrounding area</p> <p>0, +1 or +2 GAS criteria for borrow pit construction and rehabilitation are attained (Appendix B)</p>	<p><i>Compliant</i></p>	<p>None of the fields are located on or within salt lakes, steep tableland areas or wetlands.</p> <p>Production sites and access tracks are located both in dunefield environments and floodplain environments and production activities are carefully controlled to minimise impact on these areas.</p> <p>All vehicle movements are restricted to the designated access roads and the production facility areas.</p> <p>Clay surfaces on the access roads minimise disturbance to the soil beneath.</p> <p>Rehabilitation of the production sites and access tracks will be undertaken in consultation with the landowner when production ceases.</p> <p>Borrow pits will be remediated and rehabilitated to be reasonably consistent with the surrounding topography.</p> <p>Landholder has requested that no rehabilitation be undertaken on any clay-top roads constructed by Beach. Roads will be fully rehabilitated as and when required.</p>

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
3. To minimise disturbance to native vegetation	<p>Species abundance and distribution on the reinstated areas was consistent with the surrounding area</p> <p>Note: assessment of the consistency with surrounding areas will take into account that regrowth is a time and rainfall dependent process</p> <p>0, +1 or +2 GAS criteria for borrow pit construction and rehabilitation are attained (Appendix B).</p>	<i>Compliant</i>	<p>Rehabilitation of production sites will be undertaken in consultation with the landowner when production ceases.</p> <p>On-ground assessments were conducted along pipeline corridors by experienced personnel before operations were undertaken,</p> <p>Recent rains have resulted in emergence of seedlings along sections of the flowline corridors, consistent with surrounding area.</p>
	<p>Vegetation clearing is limited to previously disturbed areas or areas assessed to be of lowest sensitivity</p> <p>No rare, vulnerable or endangered flora removed without appropriate permits</p> <p>No production activities undertaken on salt lakes, steep tableland land systems or wetlands land systems (as defined in the EIR)</p> <p>0, +1 or +2 GAS criteria for borrow pit construction and rehabilitation are attained (Appendix B).</p>	<i>Compliant</i>	<p>Minor vegetation clearing was undertaken during the reporting period for the flowlines connecting Bulters, Perlubie and Perlubie South to Parsons.</p> <p>Where possible, areas with low vegetation density were utilised when siting flowlines. Some flow line routes were reconsidered to avoid/minimise the removal of established trees.</p> <p>Along the flowline corridors, all efforts were made to preserve established / significant trees.</p>
	<p>Vegetation clearing is limited to previously disturbed areas or areas assessed to be of lowest sensitivity</p> <p>No rare, vulnerable or endangered fauna removed without appropriate permits</p> <p>0, +1 or +2 GAS criteria for borrow pit construction and rehabilitation are attained (Appendix B)</p>	<i>Compliant</i>	<p>No record of rare, vulnerable or endangered fauna near any of the production areas or flowline corridors.</p> <p>Fauna escape ramps and branches were provided during the construction of flowline trenches</p>
	<p>Works in aquatic habitats (e.g. flowing watercourses) have been approved by PIRSA</p>	<i>Compliant</i>	<p>Most facilities are several kilometres from the nearest significant watercourse (Cooper Creek) which flows only during large flood events (1 in 5 years). Floodwaters may, however, impact on the Sellicks field and marginally on Christies field..</p>

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)			
Objective	Assessment Criteria	Compliant / Non-compliant	Comments
4. To prevent the introduction or spread of weeds, pathogens and pest fauna	<p>The presence of weeds and pathogens is consistent with or better than adjacent land</p> <p>No new outbreak or spread of weeds reported</p>	<i>Compliant</i>	<p>No new outbreak or spread of weeds reported.</p> <p>Operations personnel regularly undertake inspections of operational areas including flowline corridors. There have been no reports of weed outbreaks</p>
5. To minimise the impact of the production operations on water resources	<p>For excavations, surface drainage profiles area restored to as is reasonably consistent with surrounding area</p> <p>For existing easements, drainage is maintained similar to pre-existing conditions.</p>	<i>Compliant</i>	<p>There are no major water courses in the close vicinity of the production facilities, nor crossing the access roads, other than at Sellicks and to a lesser degree at Christies. Callawonga is located near to drainage areas of Cooper Creek when in flood, but its facilities are located on high ground.</p> <p>An inspection of the flowline corridors has revealed that surface drainage profiles had been restored to be consistent with adjoining land.</p>
	<p>Volume of water produced is recorded.</p> <p>No uncontrolled flow to the surface (i.e. no free flowing bores)</p> <p>Note: the "Cooper Basin Drilling and well Operations" SEO provides detail on aquifer issues.</p>	<i>Compliant</i>	<p>The volume of water extracted in the production operations is monitored and recorded.</p>

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
<p>6. To avoid land or water contamination</p>	<p>No evidence of any spills or leaks to areas not designated to contain spills</p> <p>In the event of a spill, the spill was:</p> <ul style="list-style-type: none"> ▪ Contained ▪ Reported ▪ Cleaned-up ▪ Cause investigated and corrective and/or preventative action implemented <p>Compliance with the Environment Protection Act, Australian Standard 1940 and the Australian Dangerous Goods Code.</p>	<p>Non-compliant</p> <p>in relation to a number of spills outside of the bunded areas at the operating facilities.</p> <p>(refer to list of Incidents in Table 5)</p>	<p>Details of each incident, and the subsequent measures taken to rectify the impact of the incident, and reduce the likelihood of a similar repeat incident , are provided in Table 5.</p> <p>The cause of each incident ,and the appropriate measures to minimise further similar incidents, are discussed during the Weekly Production Meetings between field operators and office based staff engineers .</p> <p>Several incidents were a result of a failure in 'work practice'; this has resulted in the implementation of an new management system which lists and dates all routine maintenance/operations tasks to be done. This ensures consistency through staff 'hand overs' in the field.</p> <p>Other incidents have resulted in design modifications being undertaken to reduce the possibility of spills through equipment failure.</p>
	<p>Contamination restricted to known areas and remediation strategies investigated and implemented where practical. Level of hydrocarbon contamination continually decreasing, ultimately to meet Environment Protection Authority (EPA) guidelines¹</p>	<p><i>Compliant</i></p>	<p>Contaminated soil is remediated in situ or stock piled to be treated in the recently approved but not yet constructed Soil Remediation Area at the Christies Facility.</p> <p>The Soil Remediation Area is expected to be Operational early 2010.</p>

¹ Soil Health Index (SHI) study is currently being undertaken by Santos, in consultation with PIRSA and EPA. The results of this study will provide a proforma for establishing site-specific bench marks for soil remediation.

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
<p>Objective 6 (Continued):</p>	<p>No evidence of rubbish or litter on easements or at facilities.</p> <p>No evidence that waste material is not contained and disposed of in accordance with Beach approved procedures.</p> <p>Evidence of waste tracking certificates for prescribed wastes.</p> <p>Evidence of compliance with any waste disposal licence conditions (e.g. EPA permits)</p>	<p>Compliant</p>	<p>A recycle system has now been implemented at Sellicks.</p> <p>All waste material has been and continues to be disposed of in accordance with Beach approved procedures.</p>
	<p>No evidence of impacts to soil, water and vegetation as a result of water disposal (i.e. soil erosion, dead vegetation, water discoloration)</p>	<p><i>Compliant</i></p>	
	<p>No evidence of non-compliance with local or state government regulations</p>	<p><i>Compliant</i></p>	<p>Grey water disposed of in accordance with State Government regulations.</p>
	<p>Water monitoring results indicated levels of Total Petroleum Hydrocarbons (TPH) below 30mg/L in bunded holding ponds and 10mg/L in bunded and / or freeform evaporation ponds</p> <p>No evidence of overflow of product from interceptor pit.</p>	<p>Non-compliant (refer to list of Incidents in Table 5)</p>	<p>Produced water from the fields is separated from the oil – firstly in separator tanks, and then further separated in a skimmer pond, before final disposal into evaporation ponds.</p> <p>Hydrocarbon levels in the disposed water at each facility are routinely monitored and when found to be above acceptable limits investigations are carried out to determine and rectify the cause.</p> <p>Ponds with TPH levels above acceptable limits are monitored monthly whilst the cause is being determined and rectified</p>

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
<p>Objective 6 (Continued)</p>	<p>No evidence of hydrocarbon contamination immediately adjacent to bunded ponds</p> <p>Periodic reports as required detail quantity, level of contamination and proposed ongoing operation of the Land Treatment Unit.</p>	<p><i>Compliant</i></p>	<p>Integrity of the evaporation ponds at facilities is checked regularly by the Operators based at the Sellicks field. The new ponds at the Parsons facility were noted to be seeping; - the seepage water has been monitored and determined to be clean. A decision has been made to decommission and relocate the ponds. Earth works for the relocation of the ponds has been approved and scheduled to begin early 2010.</p> <p>A Soil Rehabilitation Area has been approved to be constructed at the Christies Facility. In the event that soil becomes contaminated, it is either treated in situ or stock piled in a lined/bunded area to await treatment at the SRA.</p> <p>The SRA is scheduled to be constructed early 2010.</p>
<p>7. To minimise the risk to public health and safety</p>	<p>No injuries or incidents involving the public</p> <p>Demonstrated compliance with relevant standards</p> <p>Emergency procedures implemented and personnel trained</p>	<p><i>Compliant</i></p>	<p>No incidents of risk to public health and safety during the reporting period.</p> <p>The haul roads from the Christies, Sellicks, Kiana, Aldinga, Callawonga and Parsons facilities are not available for use by the public.</p>
	<p>No uncontrolled operations related fires</p> <p>Emergency procedures implemented and personnel trained</p>	<p><i>Compliant</i></p>	<p>No fires occurred at any facility during the reporting period.</p> <p>Landowner (and Government) have given approval that, in the event of a fire at either facility, if the first attack on the fire fails, it can be left to burn itself out.</p>
	<p>No unauthorised activity</p>	<p><i>Compliant</i></p>	<p>There were no incidents of unauthorised entry to any of the Sellicks, Christies, Kiana, Aldinga, Callawonga or Parsons facilities.</p>

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)

Objective	Assessment Criteria	Compliant / Non-compliant	Comments
<p>8. To minimise impact of emergency situations</p>	<p>Emergency response procedures are effectively implemented in the event of an emergency</p> <p>Emergency response exercises are aligned with credible threats and consequences identified in the risk assessment</p> <p>Refer to previous criteria (Objective 1, 2, 3 & 6)</p>	<p><i>Compliant</i></p>	<p>No emergency situations arose at any of the Sellicks, Christies, Aldinga, Kiana, Callawonga or Parsons facilities during the reporting period.</p> <p>Beach Petroleum HSE system includes periodic simulation of Emergency situations at production facilities.</p>
<p>9. To minimise noise due to operations</p>	<p>Operational activities have taken reasonable practical measures to comply with noise regulations, under the Environment Protection Act 1993</p> <p>No unresolved reasonable complaints.</p>	<p><i>Compliant</i></p>	<p>Sellicks Christies, Kiana, Aldinga, Callawonga and Parsons facilities are all at least 10 kilometres from the nearest dwelling.</p>
<p>10. To minimise atmospheric emissions</p>	<p>Reasonable practical measures implemented in design and operation to minimise emissions</p>	<p><i>Compliant</i></p>	<p>Sources of atmospheric emissions at Sellicks, Christies, Kiana, Aldinga, Callawonga and Parsons are limited to the diesel engines driving the beam pumps or jet pumps on the well heads.</p>
	<p>Reasonable practical measures implemented in design and operation to minimise emissions</p> <p>Annual Report includes atmospheric emissions data</p>		<p>Atmospheric emissions are being reported on a financial year basis as part of Beach's obligations under the National Greenhouse and Energy Reporting ACT (NGER)</p>

TABLE 3 : Compliance with the "Cooper Basin Production and Processing Operations SEO - October 2003" (continued)			
Objective	Assessment Criteria	Compliant / Non-compliant	Comments
Objective 10 (continued)	No reasonable complaints received No dust related injuries recorded	<i>Compliant</i>	Sellicks Christies, Aldinga, Kiana, Callawonga and Parsons facilities are all at least 10 kms from the nearest dwelling. Flowlines connect Beach operated fields on the western flank of the Cooper Basin with Moomba via Santos' Tantanna facility. Oil is also being trucked to Santos' Tantanna unloading terminal. The clay top haul roads are continually watered and maintained to minimise dust.
11. To adequately protect cultural heritage sites and values during operations and maintenance	Proposed construction areas and access tracks surveyed by relevant cultural heritage group Any new sites identified are recorded and reported to appropriate authority No impact to identified sites	Compliant	The Dieri Aboriginal Corporation (DAC) Claimant Group conducted cultural heritage surveys for the existing facilities and for production related infrastructure associated with new oil field discoveries: Butlers, Perlubie, Perlubie South and Chiton.

4.3.4 Management System Audits

Pursuant to Regulation 33(2) (d) under the Act, an annual report must include:

“a summary of any management system audits undertaken during the relevant licence year including information on any failure or deficiency identified by the audit and any corrective actions that has, or will be taken”.

An audit of the Beach South Australian Operations, and attended by PIRSA, was conducted from the 15 – 19 June 2009 at the request of Beach Energy. The audit was conducted in order to assess the level of compliance, with the Management System, by Beach South Australian Operations.

The secondary purpose of the audit was to meet Beach's obligation as part of the Fit For Purpose review submitted to PIRSA. The audit was conducted in accordance with the requirements detailed in the Beach MS, Management Audits Procedure HSE PRO 10 Rev 1.

The audit is to be followed up in early 2010 by a full systems audit..

4.3.5 Report and Data Submissions

Pursuant to Regulation 33(2) (e) under the Act, an annual report must include: “a list of all reports and data relevant to the operation of the Act generated by the licensee during the licence year”.

The reports and data relevant to Beach’s Cooper Basin Production Licences that were generated during calendar year 2008 and submitted to PIRSA are listed below in **Table 4**:

Table 4 : List of Reports and Data Submissions During 2009

<i>Description of Report / Data</i>	<i>Date Due</i>	<i>Date Submitted</i>	<i>Compliant / Non-Compliant</i>
Annual Production Report for 2008	28-02-09	26-02-09	Compliant
December (2008) Monthly Production Report	31-02-09	21/01/09	Compliant
January Monthly Production Report	31-03-09	17-02-09	Compliant
February Monthly Production Report	30-04-09	17-03-09	Compliant
March Monthly Production Report	31-05-09	17-04-09	Compliant
April Monthly Production Report	30-06-09	18-05-09	Compliant
May Monthly Production Report	31-07-09	16-06-09	Compliant
June Monthly Production Report	31-08-09	15-07-09	Compliant
July Monthly Production Report	30-09-09	18-08-09	Compliant
August Monthly Production Report	31-10-09	16-09-09	Compliant
September Monthly Production Report	30-11-09	16-10-09	Compliant
October Monthly Production Report	31-12-09	16-11-09	Compliant
November Monthly Production Report	31-01-09	16-12-09	Compliant
December Monthly Production Report	31-02-09	15-01-09	Compliant
Quarterly Compliance Report Q4/08	31-01-09	02/02/09	Non-compliant
Quarterly Compliance Report Q1/09	31-04-09	30-04-09	Compliant

Description of Report / Data	Date Due	Date Submitted	Compliant / Non-compliant
Quarterly Compliance Report Q2/09	31-07-09	27-07-09	Compliant
Quarterly Compliance Report Q3/09	31-10-09	19-10-09	Compliant
Quarterly Cased Hole Report Q4/08	31-01-09	29-01-09	Compliant
Quarterly Cased Hole Report Q1/09	31-04-09	30-04-09	Compliant
Quarterly Cased Hole Report Q2/09	31-07-09	28-07-09	Compliant
Quarterly Cased Hole Report Q3/09	31-10-09	27-10-09	Compliant
Callawonga-5 Well Logs (HALS-BHC-PEX-GR-SP)	21-01-08	13-01-09	Compliant
Callawong-6 Well Logs (HALS-BHC-PEX-GR-SP)	01-02-09	13-01-09	Compliant
Callawonga 2_DHD_081121	21/01/09	29/01/09	Non-compliant
Christies 3_DHD_081102	02/01/09	29/01/09	Non-compliant
Christies 4_14102008_DHD	14/12/08	29/01/09	Non-compliant
Parsons-1_ESP_DHD_081127	12/01/09	29/01/09	Non-compliant
Silver Sands_2008_11_06_DHD	06/01/09	29/01/09	Non-compliant
Completion Programs Callawonga 5&6	CAL_5 22/06/09 CAL_6 03/07/09	23/02/09	Compliant
CAL_08_12_Detailed Investigation	06/03/09	23/02/09	Compliant
Re-submission Final Fitness for Purpose Report		19/02/09	Compliant
Re-submission Final SEO		26/11/09	Compliant

Description of Report / Data	Date Due	Date Submitted	Compliant / Non-compliant
Callawonga-5- Single DHD	27/04/09	30/04/09	Non-compliant
Callawonga-6 Single JP DHD	24/04/09	1/05/09	Non-compliant
Callawonga-5 Well Completion Report	22/06/09	22/06/09	Compliant
Callawonga-6 Well Completion Report	03/07/09	02/07/09	Compliant
Callawonga-6_2009-06-27_ESP_DHD	27/08/09	28/07/09	Compliant
Christies-2_2009-05-28_DHD	28/07/09	28/07/09	Compliant
Kiana-1_2009-04-06_DHD	06/06/09	28/07/09	Non-compliant
Christies-2 DHD Current 090612	12/08/09	27/10/09	Non-compliant
Parsons-1 ESP DHD 090928	28/11/09	27/10/09	Compliant
Aldinga-1 DHD 090917	17/11/09	27/10/09	Compliant

4.3.6 Reportable Incidents

Pursuant to Regulation 33(2) (f), an annual report must include:

“in relation to any incidents reported to the Minister under the Act and these Regulations during the relevant licence year –

- (i) an overall assessment and analysis of the incidents, including the identification and analysis of any trends that have emerged; and**
- (ii) an overall assessment of the effectiveness of any action taken to rectify non-compliance with obligations imposed by the Act, these regulations or the licence, or to minimise the risk of recurrence of any such non-compliance”.**

The reportable incidents arising from the operations within the Cooper Basin Production Licences operated by Beach Energy during 2009 are listed in **Table 5:**

Table 5: List of Reportable Incidents During 2009: Beach Operated Petroleum Production Licences

Field Area / Activity	Date of Incident 2008	Type of Loss - Quantity / Area Affected	Incident Description	Root Cause	Steps Taken for Clean-up and Rehabilitation	Steps Taken for Prevention of Recurrence	Date Reported / Reported to Whom
Christies PFW Ponds	18-Feb-09	HP1=134,810 HP2=65,136 LD=11,385	TPH levels still elevated in PFW Ponds	Monitoring and Maintenance	Ongoing clean up of reeds, ponds are being skimmed regularly,	On going reed removal program. Water to be tested four weekly until acceptable levels of TPH are achieved. Only HP 1 now slightly elevated others within acceptable limits.	1Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 30-04-09
Callawonga Facility	20-Mar-09	5 Litres Oil & Water	HSE Alert 0352 Mechanic emptying pump out trailer into sump when hose came off	Work Practice	Clean up in situ	Instructed mechanic to empty pump out trailer into intercept pond in future.	1Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 30-04-09
Callawonga Facility	22-Mar-09	10 litres	CAL 09-04 Load Out pump was hooked between crude tanker & HPS fuel tank. Operator turned valves on & fuel flowed back from fuel tank into tanker resulting in spill	Work Practice	Crude oil was cleaned up & area treated.	Revise POP 16 fuel transfer.	1Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 30-04-09

Field Area / Activity	Date of Incident 2008	Type of Loss - Quantity / Area Affected	Incident Description	Root Cause	Steps Taken for Clean-up and Rehabilitation	Steps Taken for Prevention of Recurrence	Date Reported / Reported to Whom
Callawonga West Evap pond	15-Feb-09	1 litre	CAL 09-03 Operators noticed oily area close to in let pipe - Thought to be caused by surface oil drifting due to wind and build up collecting around outlet pipe of holding pond, causing elevated levels of TPH to travel through to freeform west evap area which did not correlate with levels of TPH in the Holding ponds (which were within acceptable limits).	Design	Small sludgy muddy area treated with urea.	Further testing indicates TPH levels now well within acceptable limits - review possible modifications to holding pond to prevent collection of surface oil around outlet pipe when wind blows in that direction.	1Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 30-04-09
Parsons Holding Ponds	5-Jan-09	5mx2m	PAR 08-06 It has been noticed that Pond #2 (holding pond) at Parsons has begun to seep out of the bottom of the sand dune that the pond is on. Seepage mostly contained to Freeform Evaporation area however approximately 5mx2m patch just outside that area.	Design	Testing indicates seepage water is incredibly clean - TPH levels untraceable. Bentonite has been applied to attempt to seal leak, this was unsuccessful, pond is currently out of use with water being pumped out to assess problem	Pond being bypassed.	1Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 30-04-09
Callawonga - Tantanna Flowline	Mar-09	7000+ ltrs	During routine pigging operation the sump at Tantanna pig receiver was overflowed and a large quantity of oil spilled out on to the lease area	Work Practice & Design	Surface oil recovered, contaminated soil removed for remediation, remaining contamination remediated insitu.	Summary of Serious Incident Investigation - to be submitted separately.	1Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 30-04-09

Field Area / Activity	Date of Incident 2008	Type of Loss - Quantity / Area Affected	Incident Description	Root Cause	Steps Taken for Clean-up and Rehabilitation	Steps Taken for Prevention of Recurrence	Date Reported / Reported to Whom
Christies	14-June-09	100sq.mts	CHR 09-03 The production tank high level switch tripped which then activated all tank farm XSV' resulting in thermal PRV relieving into separators & overflowing the single production tank. This caused the 240 PSI well head pressure to overcome the surface pumps VCU PSV set at 150 PSI resulting in sump at Christie #2 overflowing.	Design	Oily sludge removed and stockpiled for treatment in SRA, remaining affected area was treated in-situ	A detailed incident investigation will produce recommendations/ actions to avoid recurrence	2Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 27-07-09
Callawonga	22-June-09	1000bbl	CAL09-04 Bund breach between interceptor ponds . New liner had been installed in interceptor pond # 2 and 400 mm pipe installed between ponds 1& 2. Once pond reached operating height the bank failed by the undermining pipe and equalized into pond # 2,with water going under liner.	Design	Field shut in - rebuild bund walls.	Ensure pipe has a compacted base installed under it when installed. Sock has been fabricated to fit the 400 mm pipe	2Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 27-07-09
Parsons	19-May-09	15 Bbl 100 m2	PAR 09-02 A build up of pressure in the line caused the pressure relief valve to release at 150 psi into the sump through a half inch line, this would have flowed into the sump from 17:45 to the following morning at 06:30	Design	Recovered oil from surface, contaminated soil stockpiled for treatment in SRA, remaining affected area treated in-situ	A detailed incident investigation will produce recommendations/ actions to avoid recurrence	2Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 27-07-09

Field Area / Activity	Date of Incident 2008	Type of Loss - Quantity / Area Affected	Incident Description	Root Cause	Steps Taken for Clean-up and Rehabilitation	Steps Taken for Prevention of Recurrence	Date Reported / Reported to Whom
Christies	12-Aug-09	60m ²	Holding pond 1 has large volumes of oily sludge on surface carried over from Interceptor pond.	Work Practice, Monitoring and Maintenance.	Ponds skimmed and tested - TPH now within acceptable limits.	Operators schedule updated to include frequent cleaning of tanks to prevent build up of sludge.	3Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 19-10-09
Parsons Facility	22-Sept-09	1 BBL of 2%KCl Brine	During the mixing up of kill fluid for workover on Parsons #1, 160 bbls of 2% KCL 9.0 ppg filtered brine Kill fluid that was mixed in mud tank was being transferred to KJM frac tank via rear tank stand pipe. The Front of KJM frac tank suction valve was not 100% closed and 1 bbl of brine was lost to ground.	Work Practice	Rig pump stopped, Suction valve inspected and looked to be closed but valve was approx 1/16 in open position and caused slow leak while frac tank being filled. Valve closed entirely and leak stopped. 160.bbls was volume in mud tank originally and frac tank dipped with 159 bbls when job completed for a total of 1 bbls spilled on ground		3Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 19-10-09

Field Area / Activity	Date of Incident 2008	Type of Loss - Quantity / Area Affected	Incident Description	Root Cause	Steps Taken for Clean-up and Rehabilitation	Steps Taken for Prevention of Recurrence	Date Reported / Reported to Whom
Sellicks	28/10/2009	20cm ²	Stains on the ground around empty drum storage/drainage area (outside the bund)	Work Practice	Stain treated in situ	Discuss current work practice with supervisor - operators to ensure empty barrels drained and stored correctly	4Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 29-01-09
	28-Oct-09		Stains outside of the bunded Chemical storage area	Design	Stains treated in situ	Action a larger, more fit for purpose designated bund area to be developed	4Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 29-01-09
Aldinga	2-Oct-09	4000lts	ALD09-01 engine fuel filter split and drained crude fuel from fuel tank onto ground around Pump Engine.	Maintenance	Stain treated insitu	Filter replaced	4Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 29-01-09
Kiana	29-Oct-09	1m ²	Oil stains and run off around the engine block.	Design	Stain treated in situ	Increase bund area around engine.	4Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 29-01-09
	Oct-09		Cows have accessed the holding ponds as the facility fence was down.	Maintenance	Water tests show that holding pond water had acceptable level of TPH.	Fence repaired	4Q08 Quarterly Compliance Report via e-mail to Mike Malavazos PIRSA 29-01-09

4.3.7 Threat Prevention

Pursuant to Regulation 33(2) (g) under the Act, an annual report must include: “a report on any reasonably foreseeable threats (other than threats previously reported on) that reasonably presents, or may present, a hazard to facilities or activities under the licence, and a report on any corrective action that has, or will be taken”.

A major (“once in 10 years”) flood in the Cooper Creek is the only foreseeable threat to production operations at the Sellicks, Christies, Aldinga, Callawonga, Parsons or Kiana fields, (in particular the Sellicks field that lies proximal to distributaries of Coopers Creek).

The progress of any flooding events in the Queensland headwaters of the Cooper Creek are closely monitored by satellite surveillance to predict the time of their arrival in the Sellicks / Christies area several weeks later.

Such an extensive ‘advance warning’ period provides the opportunity for an orderly shutdown and abandonment of the facilities if required, incorporating appropriate measures to minimize damage.

4.3.8 Future Work Program

Pursuant to Regulation 33(2) (h) under the Act, an annual report must include: “unless the relevant licence year is the last year in which the licence is to remain in force – a statement outlining operations proposed for the ensuing year”.

Table 6 Anticipated Work Programs for Petroleum Production Licences Operated by Beach Energy

PPL	FIELD	<i>ANTICIPATED WORK PROGRAM for 2010</i>
PPL 204	Sellicks	Normal operations.
PPL 205	Christies	Normal operations.
PPL 210	Aldinga	Normal operations.
PPL 212	Kiana	Normal operations.
PPL 220	Callawonga	Drill and connect a new well. There may be an artificial lift upgrade project if deemed economic.
PPL 224	Parsons	Expand dewatering facilities to cater for artificial lift installations at Butlers and Perlubie South.

5. Expenditure Statement

Pursuant to Regulation 33(3) under the Act, an annual report must contain:

“An annual report must be accompanied by a statement of expenditure on regulated activities conducted under the licence for the relevant licence year, showing expenditure under each of the following headings:

- a) drilling activities;**
- b) seismic activities;**
- c) technical evaluation and analysis;**
- d) other surveys;**
- e) facility construction and modification;**
- f) operating and administration expenses (not already covered under another heading)”.**

*Please refer to **Appendix 1** for the expenditure statement for the current reporting period.*

6. Additional Information for Production Licence Reports

Pursuant to Regulations 33(2) (i) and (j) under the Act, an annual report must contain:

“In the case of a production licence – an estimate of the volume likely to be produced, wasted, stored or sold under the licence during the ensuing year, or such longer period as the Minister may require”; and

“In the case of a production licence – an assessment of the development activities proposed to be undertaken under the licence, including the number of completions that are expected to occur, during the ensuing year, or such longer period as the Minister may require”.

Table 7 Field Production and Proposed Field Development Activities Beach Energy Operated Production Licences

PPL 204	SELLICKS
<i>Production for 2009 :</i>	<i>Oil : 21,320 bbls</i>
	<i>Water : 514,389 bbls</i>
<i>Production <u>forecast</u> for 2010 :</i>	<i>Oil: 19,000 bbls</i>
	<i>Water: 500,000 bbls</i>
<i>Development activities proposed to be undertaken :</i>	
Normal Operations - No further wells are currently planned for this field.	

PPL 205	CHRISTIES / SILVER SANDS
<i>Production for 2009 :</i>	<i>Oil : 193,256 bbls</i>
	<i>Water: 2,529,932 bbls</i>
<i>Production <u>forecast</u> for 2010 :</i>	<i>Oil : 77,000 bbls</i>
	<i>Water : 2,750,000 bbls</i>
<i>Development activities proposed to be undertaken :</i>	
Normal Operations - No further wells are currently planned for this field.	

PPL 210	ALDINGA
<i>Production for 2009 :</i>	<i>Oil : 1,182 bbls</i>
	<i>Water : 51 bbls</i>
<i>Production <u>forecast</u> for 2010 :</i>	<i>Oil : 3,500 bbls</i>
	<i>Water : 400 bbls</i>
<i>Development activities proposed to be undertaken :</i>	
Normal Operations - No further wells are currently planned for this field.	

PPL 212	KIANA
<i>Production for 2009 :</i>	<i>Oil : 5,417 bbls</i>
	<i>Water : 121,846 bbls</i>
<i>Production <u>forecast</u> for 2010 :</i>	<i>Oil : 3,500 bbls</i>
	<i>Water : 100,000 bbls</i>
<i>Development activities proposed to be undertaken :</i>	
Normal Operations - No further wells are currently planned for this field.	

PPL 220	CALLAWONGA
<i>Production for 2009 :</i>	<i>Oil : 988,543 bbls</i>
	<i>Water : 8,009,736 bbls</i>
<i>Production <u>forecast</u> for 2010 :</i>	<i>Oil : 625,000 bbls</i>
	<i>Water : 10,000,000 bbls</i>
<i>Development activities proposed to be undertaken :</i>	
Evaluate potential and if required drill and connect a new well. There may be an artificial lift upgrade project if deemed economic.	

PPL 224	PARSONS
<i>Production for 2009 :</i>	<i>Oil : 593,951 bbls</i>
	<i>Water : 3,369,040 bbls</i>
<i>Production <u>forecast</u> for 2010 :</i>	<i>Oil : 350,000 bbls</i>
	<i>Water : 4,000,000 bbls</i>
<p><i>Development activities proposed to be undertaken :</i></p> <p>No further wells are currently planned for this field.</p> <p>Expand dewatering facilities to cater for artificial lift installations at Butlers and Perlubie South.</p>	

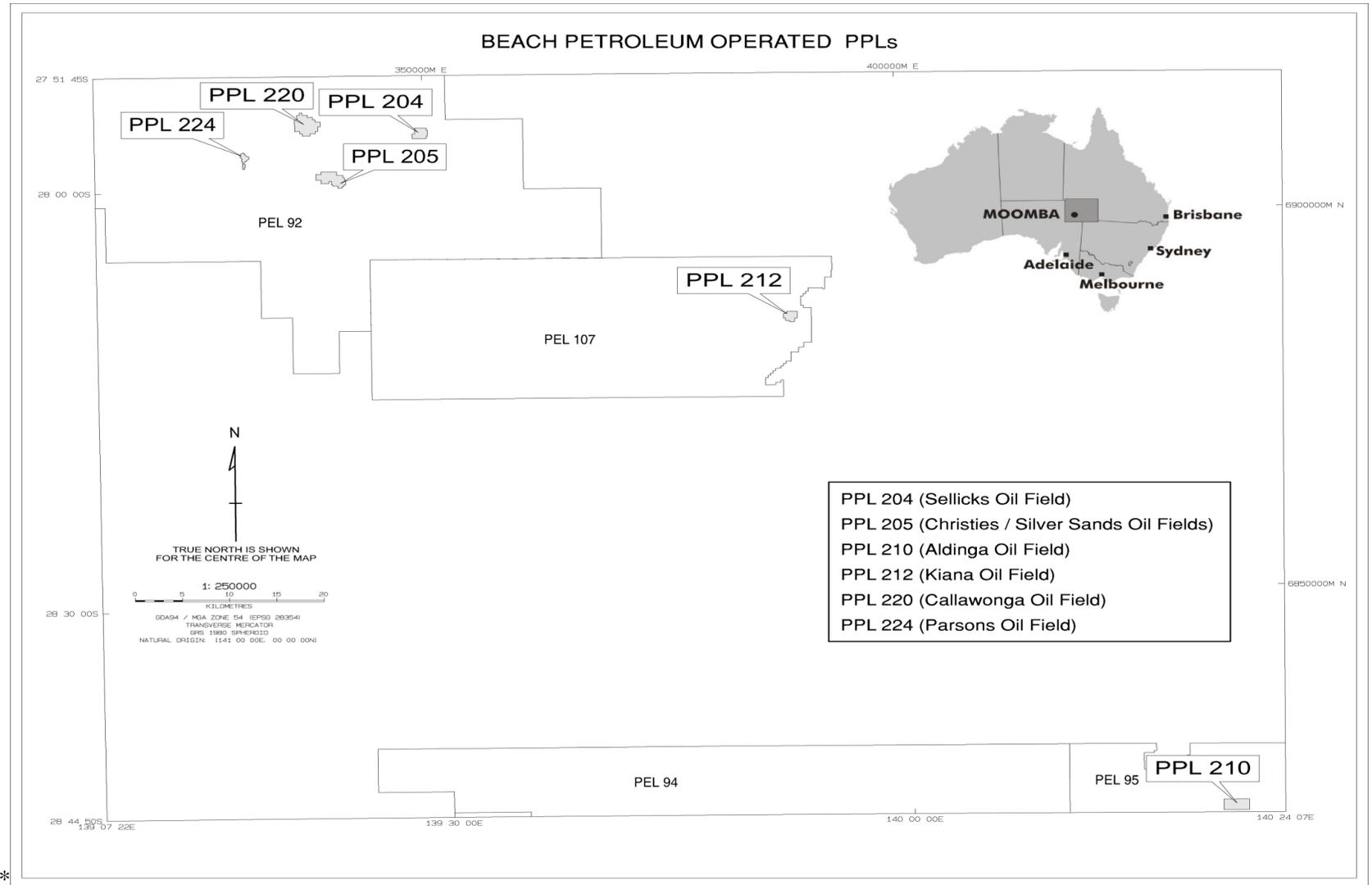


Figure 1: Beach Energy Operated Petroleum Production Licences in the Cooper - Eromanga Basin, South Australia