



**PEL 135
Otway Basin
South Australia**

**Annual Report
Permit Year 1**

8th November 2001 to 7th May 2003
(including 6 month suspension)

Contents

- 1 Introduction**
- 2 Permit Summary**
- 3 Exploration Activity**
- 4 Administration**
- 5 Expenditure statement**

3 Exploration Activity

3.1 Geological and Geophysical Studies.

Technical studies during this first permit term were directed toward gaining a fundamental understanding of the geology of the Permit area with emphasis on structural history, burial history, migration pathways, and fault seal analysis.

Detailed mapping was done over the areas that were high-graded by the regional mapping and geological studies. In all cases there remained more than one substantial risk on the identified prospects, mostly related to structural complexity associated with faulting.

As fault seal was identified as a major risk in the basin, Beach sought (and was granted) a Licence suspension to allow time for a comprehensive Stress Study of PELs 135 & 136 to be conducted by Predrill Stresses International. Using indicators identified on the seismic data Predrill Stresses International classified the Licenses into areas more and less likely to be subject to fault seal breaching. The areas with lower risk were then reinvestigated, but no drillable prospects were identified.

4 Administration

4.1 Regulatory Compliance

Beach Petroleum Ltd, as Operator of PEL 135, has to the best of knowledge, complied with all the relevant conditions under the Petroleum Act 2000 and the Petroleum Regulations 2000.

4.2 Data submissions.

A list of the items submitted during the report period is contained in Table 1 below.

Table 1
PEL 135
Annual Report
Licence Year 1
8th November 2001 to 7th May 2003

List of documents submitted

<u>Title</u>
pt+ Stress Study Onshore Otway Basin South Australia

4.3 Planned Exploration Program for Year 2

On the basis of the Year 1 program Beach has determined that PEL 135 does not fits its current exploration criteria. Consequently Beach is surrendering the Licence at the end of Year 1.

5 Expenditure statement

A licence expenditure summary for the period 8th November 2001 to 7th May 2003 is presented as Table 2.

Table 2

**PEL 135
Annual Report
Licence Year 1
8th November 2001 to 7th May 2003**

Statement of Expenditure

Confidential