



TENNYSON Morning news – Beacon Energy– Sand jetting operations commenced

Tennyson Securities, Energy Research

29 January 2024

Beacon Energy (BCE LN) has announced that it has commenced sand jetting operations at its Schwarzbach-2 well in the Rhone Basin, onshore Germany. The well was drilled last year with results far exceeding expectations, however mechanical issues during the drilling process led to formation damage of the reservoir, which has restricted flow to date to a paltry 40 bopd (of the technical unrestricted potential of the well which exceeds 900 bopd). In a bid to bypass the damaged zone, which is estimated to measure under 3 metres around the wellbore, Beacon is undertaking sand jetting, which involves a high pressure mix of sand and water eroding pathways through the damaged zone and allowing better communication between the reservoir and wellbore. The process is expected to take around 10-14 days to complete, which includes time to recover a downhole pressure monitor, which should have recorded important information about the extent of formation damage, and the re-installation of the rod-pump at the top of the hole. Once back onstream we expect production to be boosted from the current 40 bopd, however the extent to which it increases is difficult to predict (i.e. production could remain under 100 bopd, or increase to the rod pump capacity of 250 bopd, with the potential to exceed this once replaced with the electrical submersible pump as all drilling mud is recovered). The operations are expected to cost under €500k, which can be funded with existing resources.

Energy research	Tim Hurst-Brown	+44 (0) 20 7186 9038	tim.hurst-brown@tennysonsecurities.co.uk
	James Midgley	+44 (0) 20 7186 9037	james.midgley@tennysonsecurities.co.uk
Specialist sales	Pav Sanghera	+44 (0) 20 7186 9036	pav.sanghera@tennysonsecurities.co.uk
	Jason Woollard	+44 (0) 20 7186 9035	jason.woollard@tennysonsecurities.co.uk

This email is solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities, or related financial instruments. It does not constitute a personal recommendation as defined by the Financial Conduct Authority, nor does it take account of the particular investment objectives, financial situations or needs of individual investors.