2002 BEACH PETROLEUM AGM

Ladies and gentlemen...

Good morning

A year ago we were producing approximately 500 boe per day and had combined oil and gas reserves of 1.1 mmboe.

Today Beach is producing approximately 2000 boe per day and has reserves of 3.8 mmboe.

We expect that at this time next year Beach's daily production will be approximately 3000 boe.

Six of the last eight wells drilled have resulted in discoveries.

Beach has returned to profitability and shortly will be distributing a dividend for the first time since the eighties.

Your Board believes that Beach has made a paradigm shift from survival to solid sustainable long term growth that is resulting in sustainable profitability and future dividend payments to shareholders.

In other words we should be

- Relieved at what we have come through.
- Pleased with what we have built.
- Looking towards our future with cautious optimism that will reflect the sustainable long term growth aspirations of your Board and management for the benefit of shareholders generally.

The Board, and senior managers who will implement these plans are with us today.

At the head table they are from your left to right: Reg Nelson, John Butler, Michael Frost, Kathryn Presser, Dom Francese.

Senior staff are seated in the front row and from your left right they are. Hector Gordon, Neil Gibbins, Gordon Moseby.

Some of our staff are also here but of course our production staff are working in the field. Those who are here will welcome the opportunity to chat with you at the conclusion of the annual meeting about how we are bringing about this vision of the future now.

Of deep importance to Beach are the benchmarks we've set in partnering aboriginal communities on tenement lands requiring native title negotiations, to reach mutually beneficial outcomes.

That such rich and rewarding outcomes were achieved, on both sides I point out, did not require some secret new corporate tactic.

Rather the solution lay in your management team's cognisance of the complexities involved, supported by some good, old-fashioned, honest communication, a willingness to listen, a desire to understand, learn and respect, and to then co-exist.

Therefore it is fitting to make a special welcome here this morning to Susan Dodd and Eddie Landers from The Ngayana Dieri Karna (Aboriginal Corporation) and Aaron Patterson and Sneider Brown from The Yandruwandha/Yawarrawarka (pronounced "Yarrawokka") and ask that you join with me in making them welcome with acclamation.

(applause)

Thank you.

Your Managing Director, Reg Nelson, will shortly walk you through the business end of our past 12 months and the 12 months ahead.

So what is our company, Beach Petroleum, now at this, our AGM for 2002?

As we close out the year, we have emerged as one of the very few listed, medium-sized Australian oil and gas explorers and producers.

Our exploration and production operations are significant, focused and successful.

On our share price last night, we're capitalised at around $56 million.

We have a growing profit profile.

We have very loyal shareholders.

We have a corporate culture that is professional, hard working, loyal, mixed with a great deal of commonsense and focuses on business fundamentals.

Such a corporate culture, while maybe not being rare is not so obvious in today's marketplace.

I commit to you today, it is our intention to maintain a shareholder focus in running the business, continue to be a dividend payer, (subject to the normal market intangibles of currency movements and oil price).

We have what our industry peers in Australia, recognise as the most experienced and sought after team ever assembled to develop the Cooper Basin.

Make no mistake, the Cooper is Beach's engine room for revenue, profits and significant exploration upside, in at least the medium term.

We have matured to become a modern-day, onshore Operator, no longer content just to be a joint venture partner.

In so doing, we have garnered a pool of technical expertise, as Operator, which we can now transport between one commercial discovery and another.

We own 100% - not a part share - 100% - of the producing Bodalla oil fields.

Think what this means - we are in total control of our destiny in those fields.

We have full charge over our costs, our profits, our sales, our exploration from an area contributing currently 65% of group revenue.

And the full economic and volumetric value of these fields is yet to be extracted which has been evidenced by our recent drilling.

We have led the charge by the independents this year, in maiden discoveries of new and commercially viable oil discoveries in the South Australian section of the Cooper.

Beach participated in the discovery in the Cooper of four new production wells..and two others with strong hydrocarbon shows.

Unlike larger companies, we can generate these economic discoveries because of our size, cost profile, expertise and personnel.

While our Cooper Basin successes have been an oft told story this year, let's remain excited about it - there is more, much much more to come.

We have the largest net exploration acreage position in this section of the Basin some 800,000 hectares.

We are an aggressive explorer across our Australian tenements, and Reg will shortly tell you more about our forward drilling plans.

Your company commenced during the year, our first gas sales from our Victorian discoveries near Port Campbell.

....and we are looking in that area to find more - on both sides of the border.

We've reduced the cost of our share register through a buy-back of unmarketable parcels and the share consolidation where seven old shares now equate to one new Beach share...

........plus the bonus option which is due to list next month, seven months earlier than originally anticipated....so that's good news as well.

Generally speaking, the consolidated shares have been trading at 7% above their pre-consolidation value....in a market yet to fully rate, to fully value this company.

We have healthy cash reserves in the bank...and are funding new exploration from our own production revenues.

That's a milestone in itself, marking the conversion of our long-term vision, our long-term business strategy, into sound, well managed, commercial operations.

So that's pretty much who Beach is now, and why we have reached our current level of success.

But now what?

Do we want to grow?

How big do we want to become?

How do we want to grow?

Do we want a focus on oil, or gas, or both ...and in what proportion?

Deliberations which future history hopefully will show, continued to allow Beach to become a significant player in Australia's resources sector for the benefit of shareholders.

If we are to grow, then how best to achieve it?

The location of petroleum provinces of Australia, and potential new ones, is generally well known.

3D seismic and new interpretative, drilling, extractive and processing technology, are maximising the opportunities for the industry to grow.

Share markets are well oiled in supporting the successful petroleum players.

World demand for energy is not likely to diminish...so we generally are guaranteed a market for the product that Beach produces.

So what then is the fundamental difference that truly adds "value" to a company...our company.

Ladies and gentlemen, the "value" in Beach, the measure of who we are, and our most desirable quality, are our people.... and in particular, your senior management, financial, exploration and production professionals.

It is this small, core group of dedicated staff who have done the hard yards in every true sense...and over many years...and at considerable intrusion on their own time and interests...

And more importantly, these are the very people we still charge with the obligation of staying with the company and continuing the dual responsibilities of growing it operationally and in regard to shareholder value.

Fellow shareholders...you are in good hands...let's not just keep it that way for our own benefit as shareholders, but in so doing, deliver to Australia...

a company with the clear and strong identity - ***Beach Petroleum***...

- a company that is held in high esteem by its peers..
- a company which measures itself not against others, but is ***itself used as the measuring stick***
- a company which adheres to what it does best
- and a company which infuses and practices every ***desirable quality*** to add ***value*** for each and every stakeholder...

Ladies and gentlemen...thank you for your attention. I now ask our Managing Director Reg Nelson to bring you up to date on our activities.