25 September 2003

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Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX

DRILLING REPORT: KENMORE-28, PL 32 (EROMANGA BASIN, QLD)

Beach Petroleum reports that Kenmore-28, an appraisal well in Kenmore oil field in the Eromanga Basin, southwest Queensland, spudded at 1300 hours CST, today, September 25. This well is the first well in a 3 well drilling program being undertaken by Beach in the Kenmore and Bargie oil fields.

The program comprises:

Well	Tenement	Beach %	Potential Recoverable Reserves (million barrels)	
			Mean	Highside
Kenmore-28	PL 32	100	0.3	0.6
Kenmore North-2	PL 32	100	0.7	1.3
Bargie-4	ATP 269P	93.9	0.3	0.7

Kenmore-28 will be the southernmost well in the Kenmore Field and test a structural culmination which has been identified by 3D seismic acquired by Beach in late 2002. If successful, the well is expected to yield incremental reserves of up to 0.6 million barrels. Kenmore-28 has a planned total depth of 1,555 metres, which is expected to be reached in the middle of next week.

Kenmore North-2, also based on the results of 3D seismic, will be an exploration well designed to test the crest of the Kenmore North structure, which is located about 2 km to the north of the Kenmore Field. Kenmore North-2 was drilled in 1987 at a location now interpreted to be near the edge of the structure and encountered a 5 metre oil column at the top of the Hutton Sandstone. Kenmore North-2 will be located 400 metres to the north and is expected to intersect the top Hutton about 15 metres updip of Kenmore North-1. Potential mean recoverable reserves in Kenmore North structure are assessed to be 0.7 million barrels of oil with a highside of 1.3 million barrels identified.

Level 1, 25 Conyngham Street, Glenside South Australia 5065
GPO Box 175 Adelaide 5001
Telephone (618) 8338 2833
Facsimile (618) 8338 2336
Beach Petroleum Ltd
ABN 20 007 617 969
www.beachpetroleum.com.au

Bargie-4 will be an appraisal well within the Bargie Field, designed to test the crest of the structure at Basal Jurassic level. If successful, the well is expected to yield incremental reserves of up to 0.7 million barrels. Beach has acquired an additional 18% interest in ATP 269P from Australian Gasfields Limited, taking its interest in the tenement and Bargie-4 to 93.9%.

The 3 well program is expected to take approximately 6 weeks to complete, finishing in early November.

Yours faithfully,

Reg Nelson
Managing Director, FAusIMM