



7 October 2003

Dear Shareholder

I am pleased to announce that in relation to the dividends declared on 5 September 2003, Beach Petroleum Limited ("Beach"), is offering Shareholders a choice between:

- Receiving dividends by cheque / direct credit;
- Re-investing dividends in Beach shares at a discount, by participating in the Dividend Reinvestment Plan ("DRP"); or
- A combination of the above.

Full details of the plan are set out in the Beach DRP booklet, which has previously been sent to all shareholders.

Your choice will be determined by your individual circumstances. However, I encourage you to consider participating in the DRP to some extent. If you are in any doubt, I recommend that you should seek your own professional advice.

Shares issued under the Plan for both the 2003 Special and Final dividend will be allotted at a discount of 5% from the Market Value and no brokerage is payable by you.

Shareholders who have made no election will continue to receive dividends by cheque / direct credit. Upon the declaration of each future dividend, your Directors will decide whether this choice can still be offered to Shareholders and the discount at which shares will be issued. You can change your choice from time to time in accordance with the rules of the Plan.

A summary of your present election is as follows:

	FULL PARTICIPATION	PARTIAL PARTICIPATION	NON PARTICIPATION	TOTAL SHAREHOLDING
DRP				

If you do not wish to change this election, you need do nothing.

If you wish to vary your participation in the Plan, please complete the attached Notice of Variation and return it to our Share Registrar so that it is received before 20 November 2003, being the Record Date for the dividends.

If you have not previously provided us with your Tax File Number a form is enclosed for you to complete. Please return this to the Share Registrar so that it is received before 20 November 2003, to avoid having withholding tax deducted from your dividend payment.

In the next couple of weeks, Beach will be sending you out a copy of our 2003 Annual Report, which will also be available on the web site. Could you please consider whether you need a copy of the Annual Report in the future or whether you would like to view the report via the web site? Should you decide not to receive the Annual Report in future please complete the enclosed form. You will still be sent all other documents provided to shareholders and you may rejoin the Annual Report mailing list at any time.

For your convenience, we have also enclosed a business reply paid envelope.

If you require any further assistance with regards to any of these forms, please contact Computershare Investor Services Pty Limited, our Share Registrar on 1300 556 161 or by facsimile on (08) 8236 2305.

Yours sincerely

Kathryn Presser
Company Secretary

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