



13 October 2003

Ref: #148/03

Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX

***DRILLING REPORT: KENMORE NORTH-2, PL 32
(EROMANGA BASIN, QLD)***

Beach Petroleum advises that Kenmore North-2 spudded at 1300 hours (EST) on 11 October 2003. At 0600 hours this morning its status was:

Depth: 208 metres
Operation: Installing BOP's after running and cementing surface casing.

Kenmore-North-2, an exploration well is located approximately 19 km from the township of Eromanga in southwest Queensland (see map attached). Its location, based on the interpretation of the recent 3D seismic survey, is designed to test the crest of the Kenmore North structure, which is about 2 km to the north of the main Kenmore Field. Kenmore North-1 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 the Kenmore North structure are assessed to be 0.7 million barrels of oil with a highside of 1.3 million barrels identified

Yours faithfully,

A handwritten signature in dark ink, appearing to read "Reg Nelson", written over a horizontal line.

Reg Nelson
Managing Director, FAusIMM

