BEACH PETROLEUM LIMITED ("BEACH")
ABN 20 007 617 979

SHARE PURCHASE PLAN ("SPP")

TERMS & CONDITIONS

1. You are eligible to participate in the SPP if you are a registered holder of ordinary shares in Beach on 24 October 2003 ("**Record Date**") with a registered address in either Australia or New Zealand ("**Eligible Shareholder**"). This Offer is not made to any person whose address (as recorded in the Beach register of members) is not in a place in which it is lawful and/or practical for Beach to offer and issue shares to that person, in the reasonable opinion of the Board.

2. Eligible Shareholders may participate in the SPP from 24 October 2003 ("**Opening Date**"). Applications will not be accepted after 5:00pm (in Adelaide) on 18 November 2003 ("**Closing Date**").

3. The Shares will be issued on the same terms as the other ordinary shares in Beach quoted on the Australian Stock Exchange ("**ASX**"), except that they are not eligible for the 2003 final and the 2003 special dividend payable to all shareholders registered as at 20 November 2003. Beach will apply for the Shares allotted under the Plan to be quoted on ASX

4. The Offer to each Eligible Shareholder is on the same terms and conditions. The Offer is non renouncable, i.e., you cannot transfer your right to buy New Shares.

5. The issue price for each New Share is 33 cents ("**Issue Price**"). The Issue Price is a 15% discount from the volume-weighted market price of Beach's fully paid ordinary shares on ASX during the five trading days ending on 15 October 2003.

6. The New Shares will be allotted on 28 November 2003 or as soon as possible after that date ("**Issue Date**").

7. The market price of Beach's shares may rise or fall between the Opening Date and the Issue Date. This means that the price you pay per New Share may be greater than or less than the price of Beach's shares at the time the New Shares are issued to you under the SPP. Before deciding whether to take up any New Shares, you should refer to the current market price of Beach's shares, which can be obtained from the financial pages of a daily newspaper, your stockbroker, or ASX and you should seek your own personal financial and/or taxation advice.

8. Eligible Shareholders may only apply for between 1,516 New Shares ($500.28) and 15,151 New Shares ($4,999.83). Each Eligible Shareholder may only take up shares to the value of $5,000. Beach reserves the right to reject any application for shares to the extent it believes this term has not been complied with.

9. ASX Listing Rule 7.1 imposes a restriction on the number of shares, which may be issued in any 12-month period without shareholder approval. At its 2003 Annual General Meeting, Beach has requested that shareholders approve, for the purposes of ASX Listing Rule 7.1, the issue of New Shares under the SPP. If such shareholder approval is not obtained and New Shares are applied for under the SPP in excess of the limit in ASX Listing Rule 7.1, applications will be reduced on a pro-rata basis. Any overpayments will be refunded in accordance with clause 12.

10. To the extent that the acceptances received exceed $17 million, Beach will allot all applicants a minimum of 1,516 New Shares and any excess amount of New Shares applied for will be reduced on a pro-rata basis. Any overpayments due to a scale back of applications will be refunded in accordance with clause 12.

11. Euroz Securities Limited and Paterson Ord Minnett Ltd as joint underwriters to the SPP will together receive a commission of 5% of the amount raised under the SPP. The Offer is underwritten to $15 million.

12. The Board reserves the right to: terminate the SPP at any time; vary the Plan, including the Issue Price, Opening Date, Closing Date or Issue Date; reject any application for Shares in any (but not limited to) circumstances where an Application Form is not completed correctly, or in the Board's opinion, an applicant is not an Eligible Shareholder; allocate fewer shares than an Eligible Shareholder applies for; and in its absolute discretion determine the procedure for administration of the Plan. Beach may settle any difficulty in relation to the Plan in any manner it thinks fit, whether generally or in relation to any Eligible Shareholder, application or New Share. Beach's decision will be conclusive and binding.

13. Application money will be deposited into a trust account and if all or part of a particular application is refused for any reason, the application money for any refused application or part of an application will be refunded without interest.

BEACH PETROLEUM LIMITED

ABN 20 007 617 979

SHARE PURCHASE PLAN APPLICATION FORM

UNDERWRITTEN BY EUROZ SECURITIES LIMITED / PATERSON ORD MINNETT LIMITED TO $15MILLION

Record Date:	24 October 2003
Closing Date:	18 November 2003
Issue Price:	33 cents per share

I/We, the abovementioned, being registered as ordinary shareholder(s) in Beach Petroleum Limited as at the Record Date for this offer do hereby apply for the number of new shares as indicated below at an issue price of 33 cents per share issued in accordance with the Terms and Conditions of the Beach Petroleum Limited Share Purchase Plan.

- **The maximum number of new shares you can apply for is 15,151, which will cost you $4,999.83.**
- **The minimum number of new shares you can apply for is 1,516, which will cost you $500.28.**
- **You can purchase any number of shares between the maximum and minimum.**

Please tick the appropriate box

MINIMUM		MAXIMUM		OTHER – *please complete*
1,516 Shares $500.28	*OR*	15,151 Shares $4,999.83	*OR*	Number of New Shares .... at 33 cents per share = $..................
☐		☐		☐

INSERT DETAILS OF YOUR CHEQUE OR BANK CHEQUE – PLEASE COMPLETE IN BLOCK LETTERS

Name of Drawer	Cheque No.	BSB	Amount

If you want to participate in this Offer, please carefully read the Terms and Conditions of the Offer, and:

1. complete all the required details on the Application Form, noting that all amounts are expressed in Australian dollars;
2. write the cheque for the exact amount of the Shares you want to acquire. Please make the cheque payable to "Beach Petroleum Limited";
3. return the Application Form, together with the cheque, to Computershare Investor Services Pty Limited in the enclosed reply paid envelope; and
4. ensure that your Application Form and cheque reach Computershare Investor Services Pty Ltd by the Closing Date of the Offer being no later than 5.00pm (Adelaide time) on 18 November 2003. No late applications will be accepted.

By completing and returning this Application Form I/we:

1. acknowledge that I/we have read, understood, accepted and agree to be bound the SPP Terms and Conditions and the Beach Constitution;
2. agree to accept any lesser number of Shares than the number applied for; and
3. certify that the aggregate of the application price for:
   a. the Shares the subject of this Application; and
   b. any other shares in the class applied for by me/us under the Plan or any similar arrangement in the 12 months prior to this application; does not exceed $5,000.

By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of Beach Petroleum Limited.

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