
NEWS

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KENMORE DRILLING PROGRAM INCREASES BEACH'S

RESERVES AND PRODUCTION OUTPUT

Major Points:

- Appraisal drilling program in the Kenmore Field likely to add one million barrels of oil to recoverable reserves
 - Kenmore-30 has flowed oil at 1,077 barrels per day and will be brought into production this week
 - A program of at least 15 wells planned for 2004
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Beach Petroleum Limited says that it is likely to add about one million barrels of oil to the Company's recoverable reserves from its appraisal drilling program in the Kenmore Field in southwest Queensland.

Beach said today that Kenmore-30 has flowed oil at a rate of 1,077 barrels per day and will be brought on line later this week.

The Kenmore-30 production will be in addition to the now producing Kenmore-28 and Kenmore-29 wells, drilled as part of Beach Petroleum's extensive 12-well drilling program in 2003 in the Cooper/Eromanga Basin.

The last of the wildcat wells in the program, Seacliff-1, spudded on Friday in PEL 95, south of Moomba in the South Australian section of the Cooper Basin.

"The Kenmore-30 result is particularly pleasing as the well is the most southern Kenmore well and it is, structurally, one of the very highest wells in the field," Beach Petroleum's Managing Director, Mr Reg Nelson, said today.

"At this early stage, that suggests the field extends further south than previously recognised," Mr Nelson said.

"The Kenmore program has certainly been successful, with the cumulative total from the three new producers coming up to pre-drill expectations, with the expectation of adding around one million barrels to reserves.

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"It will be some months, however, before we can more accurately gauge the reserves contribution as we need to assess the production performance of the new wells."

The drilling program also discovered the Christies oil field in PEL 92, west of Moomba.

Minimum of 15 wells planned for 2004

Beach plans to recommence drilling in the Cooper/Eromanga in March 2004.

A program of at least 15 wells is planned for 2004 and will include appraisal drilling on the Bodalla South and Christies Fields, based upon recent 3D seismic surveys.

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