



23 March 2004

Ref: #022/04

The Manager, Companies
Australian Stock Exchange Ltd
Electronic Announcement System

Dear Sir

ANNOUNCEMENT TO ASX

***DRILLING REPORT: GALILEE-1
(PEL 90, COOPER/EROMANGA BASIN, SA)***

Beach Petroleum reports that Galilee-1, an exploration well in the Candra Block of PEL 90 in the South Australian Cooper Basin, spudded at 1430 hours on March 22. This well will test the hydrocarbon potential of the Hutton Sandstone, Poolowanna Formation and Tinchoo Formation in a structure located 9km WNW of the Acrasia Oil Field. The well has a planned total depth of 2737m and is expected to take approximately 23 days to drill and evaluate.

At 0600 hours on March 23rd, the status of the well was:

Depth: 274 metres
Operation: Drilling

Participants in Galilee-1 are:

Stuart Petroleum Limited (Operator)	75%
Beach Petroleum Ltd	25%

Yours faithfully,

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

Reg Nelson
Managing Director