NEWS

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RECORD BEACH PETROLEUM RESULTS SET THE PACE FOR NEW COOPER BASIN BREED

The new brigade of independent explorers in Australia's largest onshore petroleum province – the Cooper/Eromanga Basin – is being set a cracking pace by Beach Petroleum Limited (ASX code: "BPT").

Beach Petroleum today announced record total revenue of $38.5 million for the year ended 30 June, 2004 – up 8.4% on the previous year's $35.5 million and the fifth successive increase in the Company's annual oil and gas sales revenue since $4.3 million in 1998-1999.

The result included record June 2004 quarter revenue of $11.6 million from Beach Petroleum's share of proceeds from Australian oil and gas sales compared with $8.5 million in the previous corresponding quarter.

Despite unusually wet weather in some areas of operation, Beach Petroleum's total production for the 2003-2004 financial year rose 7% from 906,000 barrels of oil equivalent (boe) to 973,000 boe – also a record for the Company.

Total sales of 249,440 boe for the latest June quarter was also a record and took total annual sales to 888,902 boe (previous year 895,890 boe).

Outlook

Beach Petroleum has hedged up to half of its forecast oil production in 2004-2005 at a new rate of A$54.95 per barrel.

"This new hedged rate is approximately 20% higher than Beach's average price per barrel of oil equivalent for the 2003-2004 financial year of A$46.50," Beach Petroleum's Managing Director, Mr Reg Nelson, said today.

"The hedge position provides Beach for the current year with a more than reasonable revenue floor and a significant buffer against oil price uncertainty," Mr Nelson said.

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The Company – the largest and most aggressive of the new independent explorers in the Cooper-Eromanga – will later this year participate in Corowa East-1, its first offshore Australian well in two and a half years.

Beach will earn a 16.7% interest in Corowa East-1 in WA-264-P in the offshore Carnarvon Basin of Western Australia in conjunction with 50% stakeholder and Operator, Santos Limited, and Kufpec Australia Pty Limited with a 33.3% interest.

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