7 January 2005

Ref: #003/05

Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX
HURRICANE-1 SPUD

Beach Petroleum advises that Hurricane-1, an oil exploration well in the Carnarvon Basin, offshore Western Australia, is expected to spud today, January 7, 2005. This is the first of three offshore wells in which Beach will participate during the first half of 2005.

Hurricane-1 is located in permit WA-208-P, approximately 11km to the west of the Legendre Oil Field and 100 km northwest of Dampier. The well will test an interpreted stratigraphic trap that has a highside recoverable reserve potential of more than 50 million barrels of oil. Its planned total depth is 3,200 metres and the well is expected to take about 13 days to drill and evaluate.

Participants in the WA-208-P Joint Venture are:

Woodside Petroleum Ltd	34.03%
Santos Ltd	11.46%
Santos Offshore Pty Ltd	19.85% (Operator)
Eni Australia BV	18.66%
Beach Petroleum Ltd	10.00%
Mosaic Oil NL	6.00%

The Operator of the WA-208-P Joint Venture (Santos Ltd) will issue ongoing progress reports for Hurricane-1, on behalf of the Joint Venture participants, to the ASX on at least a weekly basis.

After drilling Hurricane-1, the ENSCO-56 rig will move some 260km southwest to drill Beach's next offshore well, Corowa East-1 (Beach 16.67%), spudding on or about 24 January. Elsewhere in Beach's tenements, drilling is expected to re-commence in southwest Queensland with the spudding of Kenmore-34 on January 13th, followed by the Coolum-1 exploration well in ATP 269P (Beach 46.95%).
Yours faithfully,

Hector Gordon

Hector Gordon
General Manager, Exploration & Production

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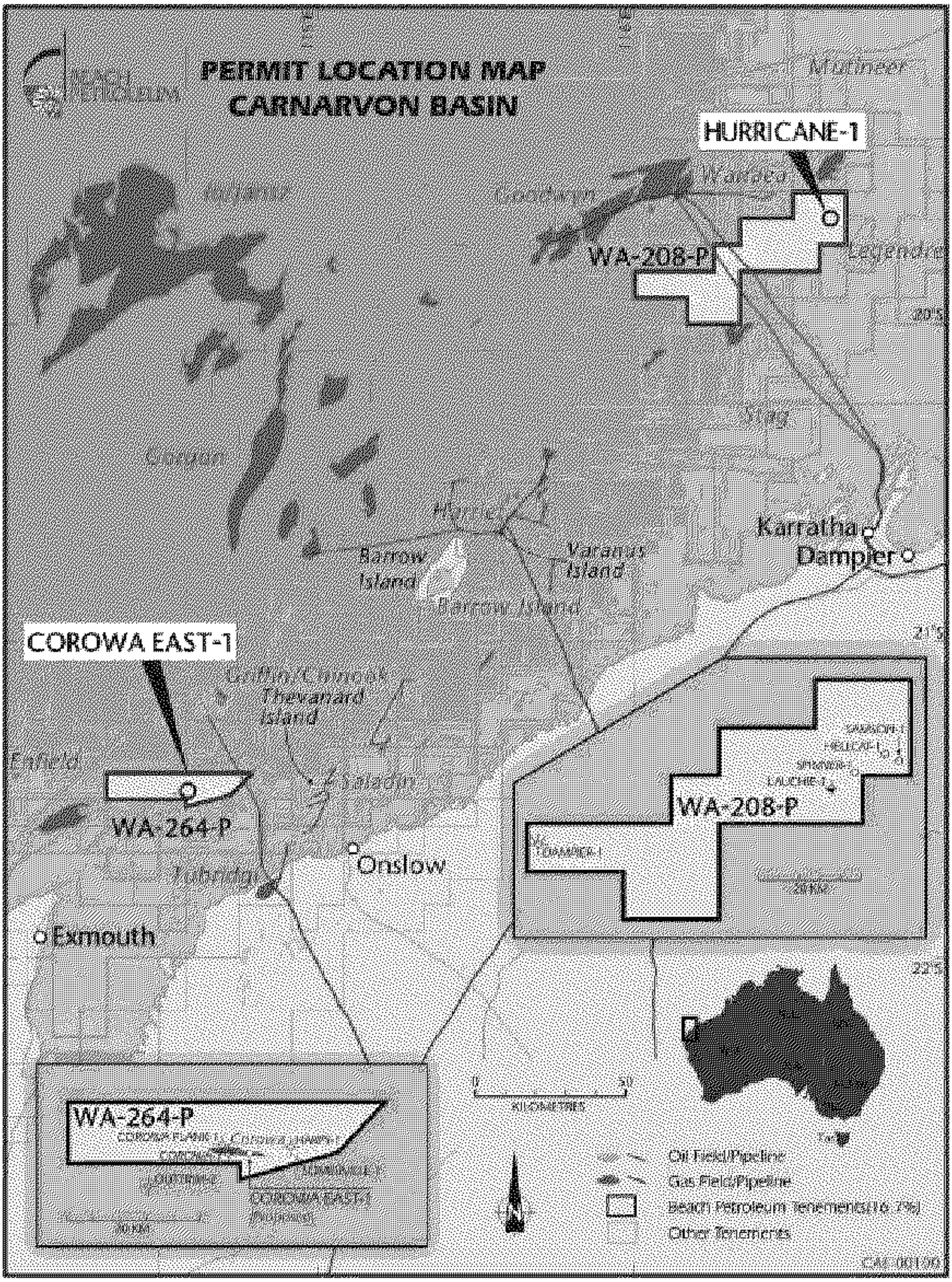

PERMIT LOCATION MAP
CARNARVON BASIN
BEACH PETROLEUM
HURRICANE-1
Mutineer
Wanaea
Goodwyn
WA-208-P
Legendre
Stag
Gorgon
Karratha
Dampier
Barrow Island
Varanus Island
COROWA EAST-1
Griffin/Chinook
Thevenard Island
Enfield
Saladin
WA-264-P
Onslow
Exmouth
WA-264-P
COROWA EAST-1 (Proposed)
KILOMETRES
Oil Field/Pipeline
Gas Field/Pipeline
Other Tenements