NEWS

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BEACH PETROLEUM GROWTH CONTINUES WITH

RECORD QUARTERLY AND FULL-YEAR RESULTS

Beach Petroleum Limited (ASX code: "BPT") today reported another substantial increase in full year oil and gas production, sales and revenue - further reflecting the Company's substantial growth over the past four years.

Total oil and gas revenue jumped 59.2% to $62.8 million (before adjusting for a forward hedging) premium of $1.5 million for the year ended 30 June 2005 compared with $38.5 million in the previous year.

Four years ago Beach's annual sales revenue was $9.2 million

Similarly, the Company's annual oil and gas production – which was just 182,000 barrels of oil equivalent (boe) in the 2000-2001 financial year – jumped above the 1 million boe mark for the first time in 2004-2005, rising from 972,000 boe to 1,049,000 boe in the past 12 months.

Total oil and gas sales for the year were up from 889,000 boe to 1,005,000 boe.

The latest results included 301,000 boe produced in the June quarter – the highest quarterly output in the Company's history and up 24% on the previous corresponding period.

The average oil price received during the quarter was $74 per barrel. The average price per barrel of oil equivalent (including gas sales as well as oil) received for Beach's 2004-2005 sales was A$61 per boe compared with A$43 per boe in 2003-2004 – up 40%.

Ten-fold reserves boost

The Company's petroleum reserves have now increased by more than tenfold in the past four year, including a 253% jump in the past financial year.

Total proved and probable petroleum reserves totalled 10.8 million boe at 30 June 2005 compared with 4.3 million boe a year earlier and only 1 million boe four years ago.

issued through
FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311
231 South Road, MILE END SA 5031
Ph: 08 8234 9555 Fax: 08 8234 9566
admin@fieldpr.com.au

The latest reserves growth coincided with news today that Beach was further increasing its reserves base by a further 3 million barrels of oil approximately, with the acquisition of an additional 12.5% interest in the Company's flagship joint venture project – the Basker, Manta and Gummy oil and gas development in the Gippsland Basin, offshore eastern Victoria.

In a separate announcement, Beach yesterday advised that it had decided to exercise its pre-emptive right to acquire an additional 12.5% interest from Anzon Australia Limited ("Anzon") in the BMG project.

The decision follows Beach Petroleum's acquisition late last year of a 25% interest in the project currently being developed under a Joint Operating Agreement (JOA) with Anzon.

The additional interest – taking Beach Petroleum's holding to 37.5% - became available earlier this week when Anzon announced it had agreed to sell a 12.5% equity stake in the VIC RL 6, VIC RL 9 and VIC RL 10 Retention Leases to an unidentified third party.

This triggered the pre-emptive rights held by Beach Petroleum under the existing JOA with Anzon, giving Beach Petroleum until 8 August 2005 to exercise its right.

As well as the 37.5% interest in the project, Beach still has an option to acquire a further 12.5% farm-in interest and the Company also owns a direct 9.7% shareholding in Anzon.

Beach also today outlined details of a $76.8 million capital raising to fund acquisition of the additional 12.5% interest, strengthen the Company's balance sheet and to take advantage of future corporate expansion opportunities.

The funds have been raised through the placement of 120 million full paid ordinary shares at $0.64 per share to institutional and sophisticated clients of Euroz Securities Limited.

The Managing Director, Mr Reg Nelson, said that earlier this year, the Company had made a conscious decision to provide existing shareholders with bonus options, exercisable at 60 cents, "to get the benefits of Beach's ongoing investments that offer the potential for increased value – such as the Basker-Manta-Gummy project".

<u>MEDIA CONTACTS:</u>

Reg Nelson	**Beach Petroleum Limited**	**08 8338 2833**
John Field	**Field Public Relations**	**08 8234 9555 / 0418 819 527**
Mark Lindh	**Investor Relations**	**0414 551 361**