BEACH PETROLEUM

15 December 2005

Ref: #279/05

Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX
BEACH PETROLEUM ACQUIRES FURTHER EQUITY IN BASKER-MANTA-GUMMY

Beach Petroleum is pleased to advise that it has exercised its option to acquire from Anzon Limited a further 12.5% interest in the Basker-Manta-Gummy ("BMG") oil and gas project in the Gippsland Basin, offshore Victoria. This transaction will increase Beach's equity in the BMG Project to 50%.

The terms of the acquisition, which have been accepted by Anzon, are:

Effective Date:	1 January 2006
Completion Date:	13 January 2006
Consideration:	A$50 million - A$20 million on Completion - A$30 million on 28 February 2006.
Other:	Royalty of US$2.50/bbbl to be paid on 12.5% share of gross production above 30.1 million barrels

Beach will also be responsible for future capital and operating costs associated with the 12.5% interest from the effective date.

The acquisition, to be funded by Beach utilising a combination of existing cash resources and debt, will add 3.8 million barrels of Proved and Probable Reserves to Beach's reserves.

Basker-2 was drilled in July 2006 and commenced an Extended Production Test in late October. The well is currently producing at a rate of approximately 10,000 bopd.

Drilling associated with the full development of the Basker and Manta Fields is expected to commence in mid January, leading to the commencement of full field production in the 3rd quarter of 2006.

Yours faithfully,

Reg Nelson
Managing Director, FAusIMM

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