BEACH PETROLEUM

23 December 2005

Ref: #287/05

Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX

BEACH PETROLEUM COMMITS TO TIPTON WEST FARMIN

Beach Petroleum Limited advises that it has approved the Development Plan for the Tipton West Coal Seam Gas Project (Surat Basin, Queensland) as proposed by the Operator, Arrow Energy NL.

This approval represents Beach's final commitment to the farmin to Tipton West, announced in September 2005. Under the terms of this agreement Beach will fund the first A$35 million of upstream development costs to earn a 40% interest in PL 198 and the Dalby Block of ATP 683P.

The Tipton West Project involves one of Australia's largest onshore gas resources, with Proved, Probable and Possible reserves of more than 2 trillion cubic feet of gas identified. Proved and Probable recoverable reserves are currently assessed to be 124 billion cubic feet (BCF).

The commitment to the Tipton West Project will add 50 BCF (8.6 mmboe) of Proved and Probable reserves to Beach's reserve base. This, in combination with the recent acquisition of an additional 12.5% interest in the Gippsland Basin BMG Project, will increase Beach's reserves, as at 1 January 2006 approximately 19 mmb of oil and 50 BCF of gas (total 28 mmboe).

The farmin will be funded by Beach utilising a combination of existing cash resources, cashflow and debt.

Yours faithfully,

Hector Gordon

Hector Gordon
Chief Operating Officer/Executive Director

Level 1, 25 Conyngham Street, Glenside South Australia 5065
GPO Box 175 Adelaide 5001
Telephone (618) 8338 2833
Facsimile (618) 8338 2336
Beach Petroleum Ltd
ABN 20 007 617 969
www.beachpetroleum.com.au