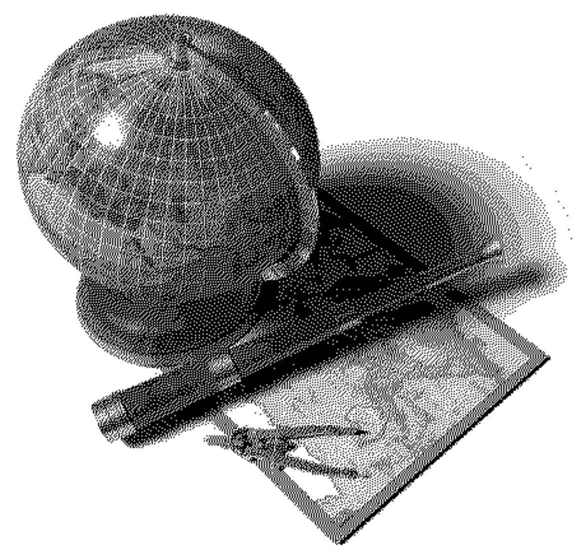
Beach Petroleum Limited

Investors Presentation

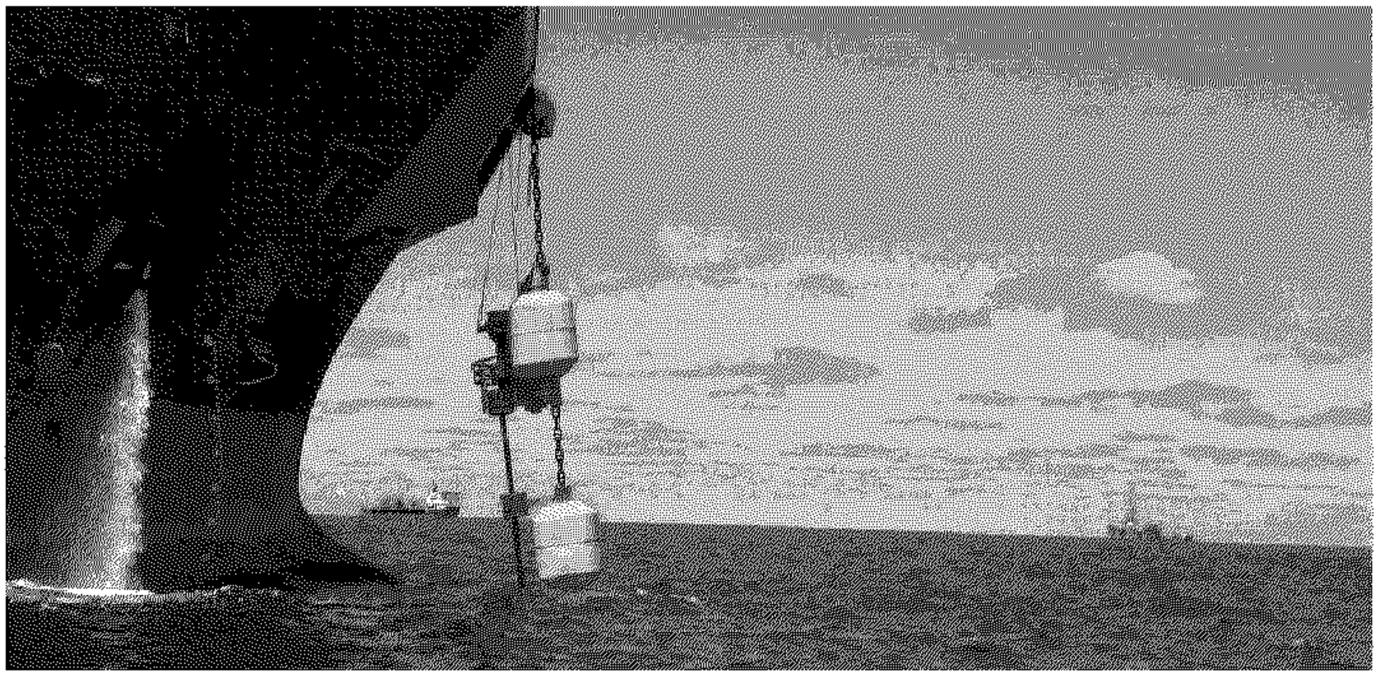
June 2006

Today's Topics

- Status of the Company
- Financial Year 06 to date
- Key Projects
- Outlook

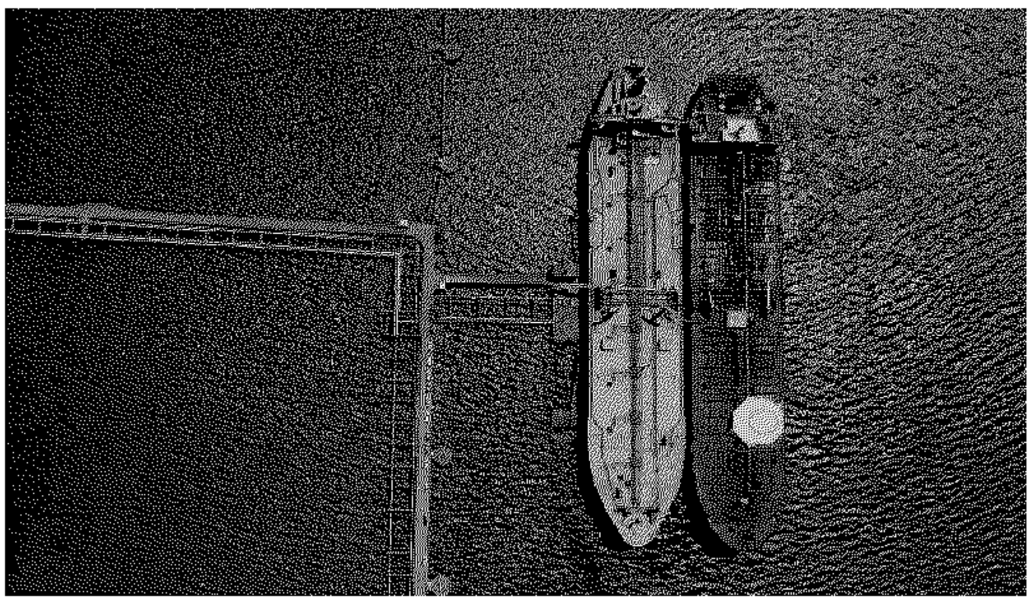


Status of the Company



Highlights

- **ASX 300 petroleum E&P company – ASX 200 in contention**
- **Forbes Asia "Best Under a Billion" Award – December 2005**
- **Strong financial position**



Strength and Balance

- **Strong, balanced & diversified portfolio:**
  - Geographical diversity:
    - Petroleum production from Qld, SA, Vic
    - Exploration across Australia and in NZ
  - Commodity diversity:
    - Strong oil production (set to quadruple in next two years)
    - Coal Seam Gas production from Tipton West in late 2006
    - Natural gas discoveries in SA and Qld

Corporate Structure

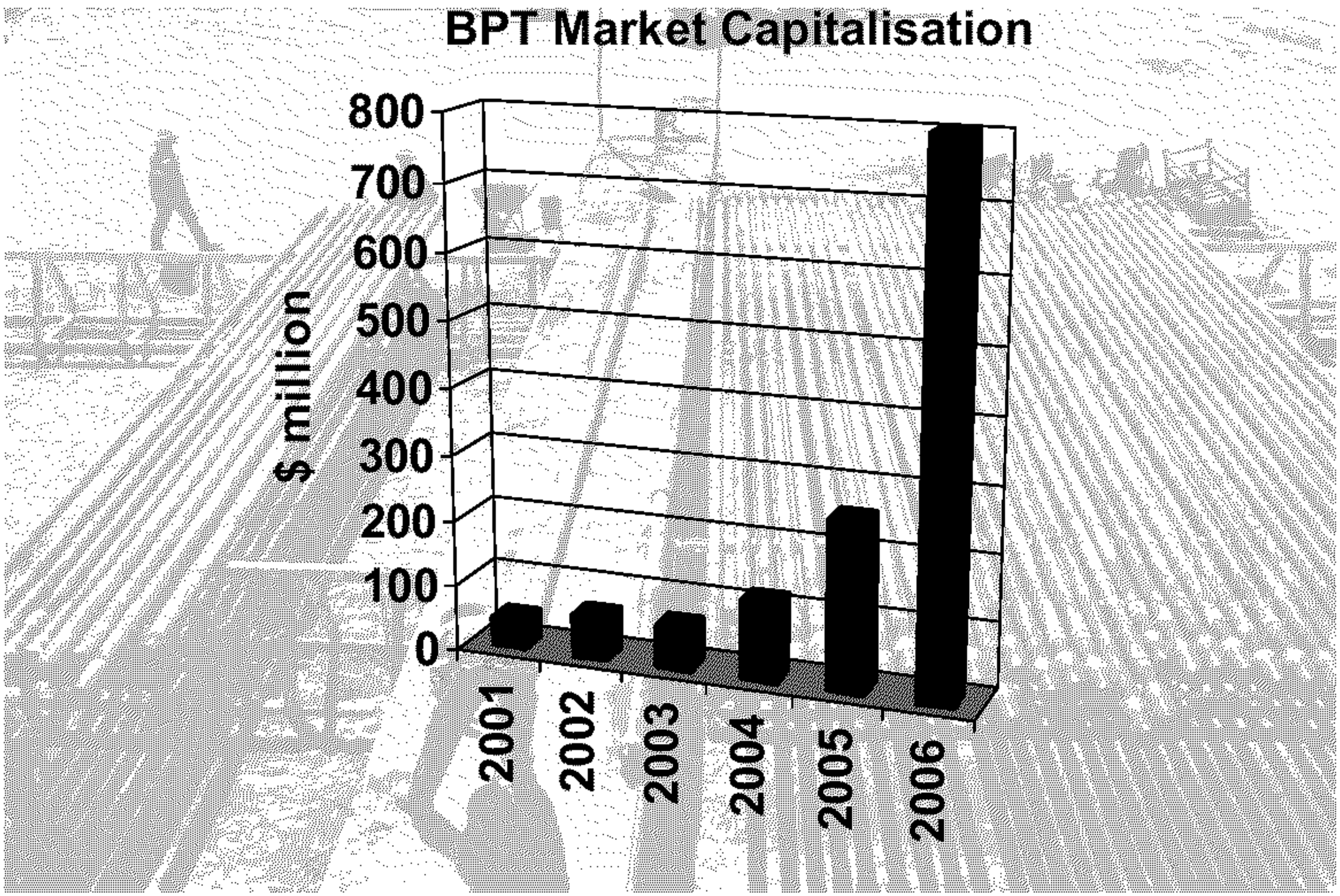
- **Issued capital (at 6 June 2006):**
  - 516.2 million ordinary shares (BPT)
  - 19.6 million options (A$0.60 exercise price, expiring on 30 June 2006) (BPTO)
  - 47.36 million options (A$1.00 exercise price, expiring on 30 September 2006) (BPTOB)

- **Fully diluted market capitalisation of approximately A$800 million (at A$1.42/share)**

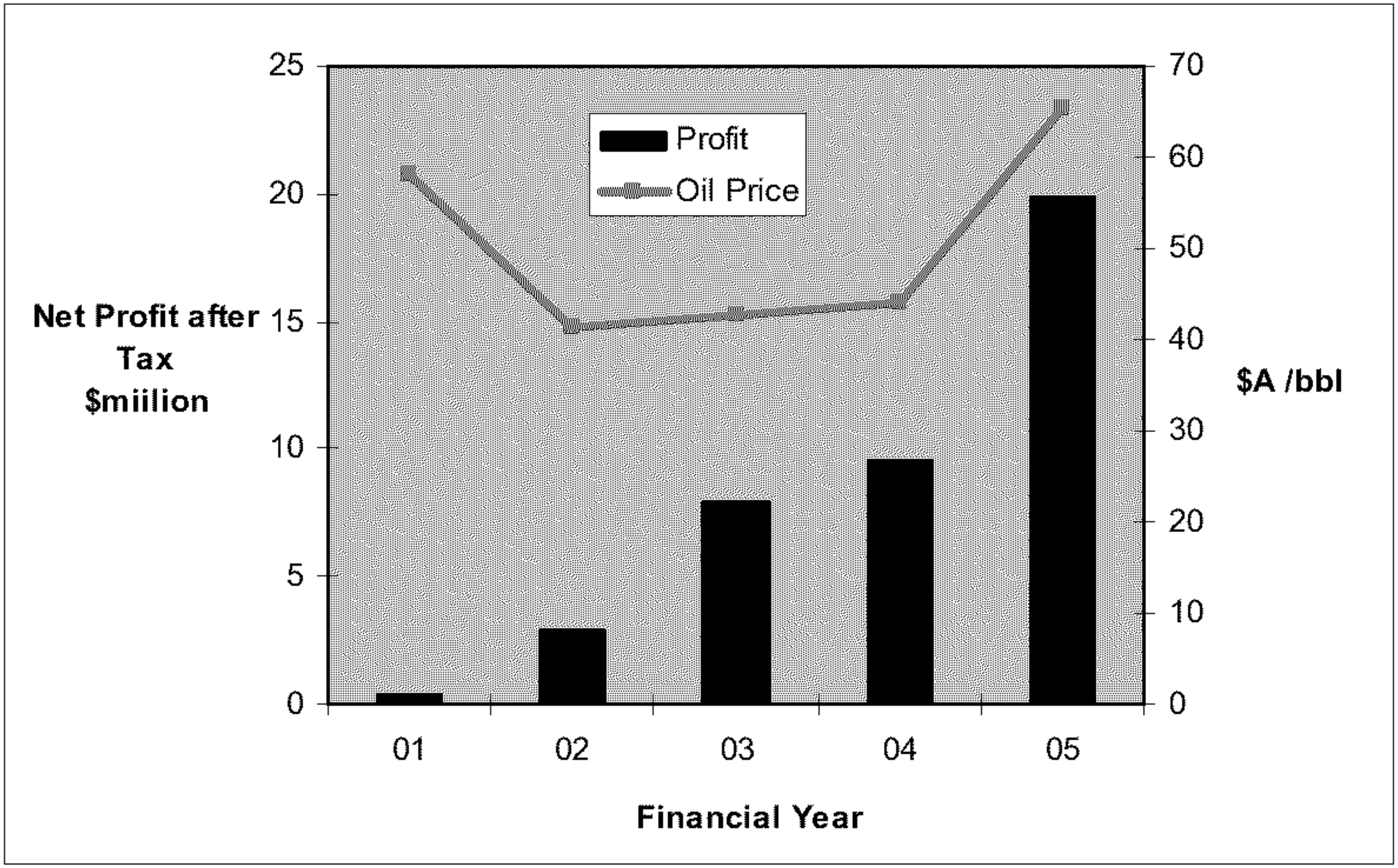
Board and Management

Strong and cohesive Board & Management team with broad financial expertise, public company administration, strong operational background in oil & gas industry, management of large projects and Corporations Law

Five Years of Strong Growth

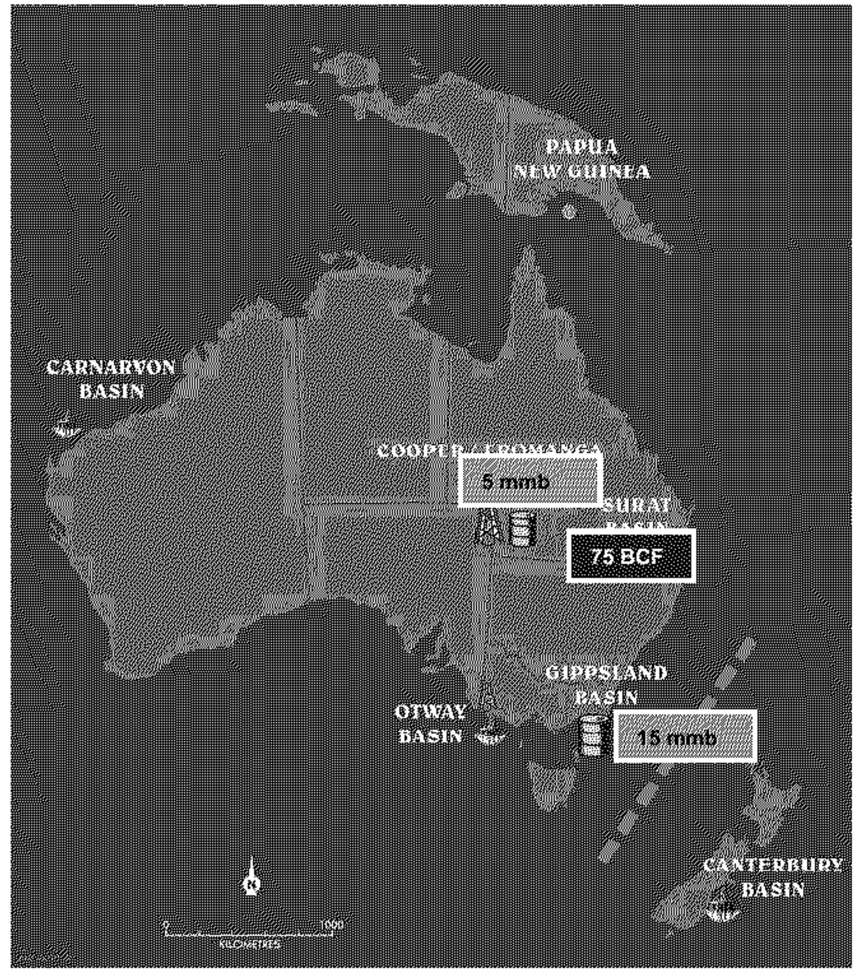


Profitability vs Oil Price



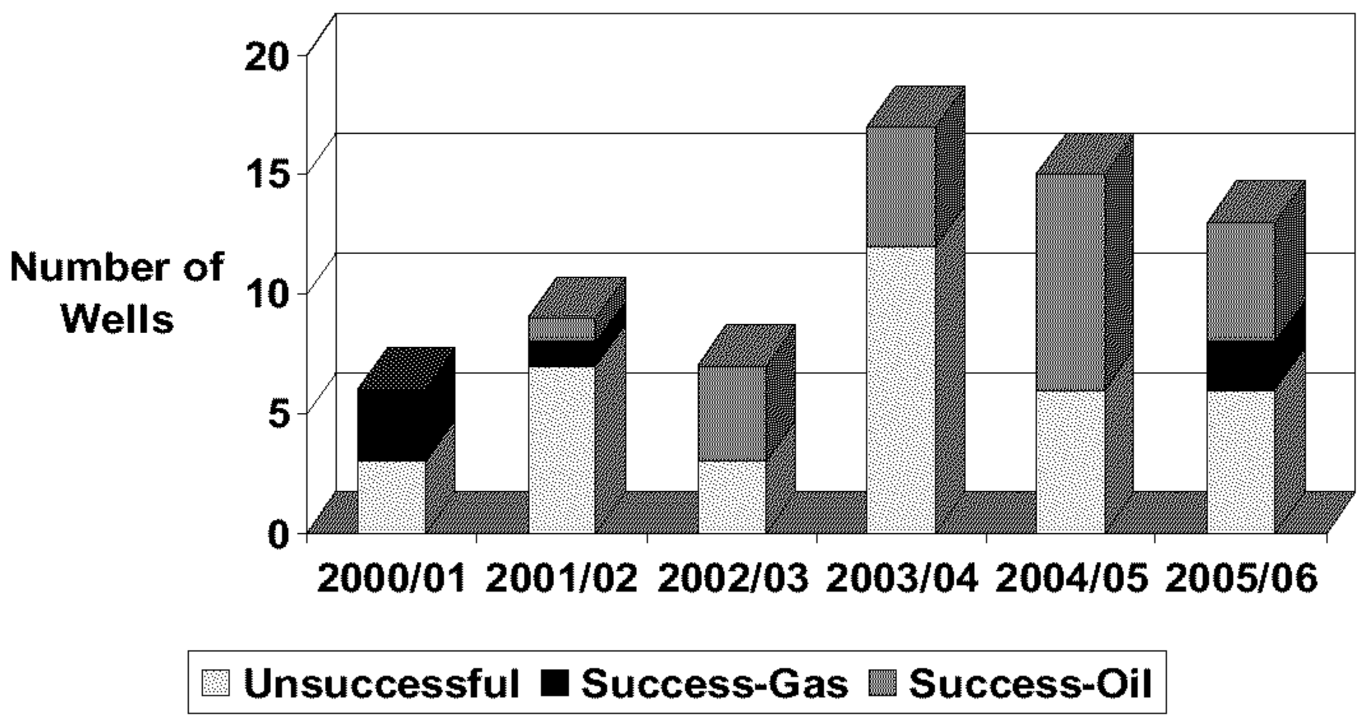
Diversified Portfolio

- Beach's activities have expanded across Australasia
- No longer just a Cooper Basin player
- Oil & gas reserves and production from three basins



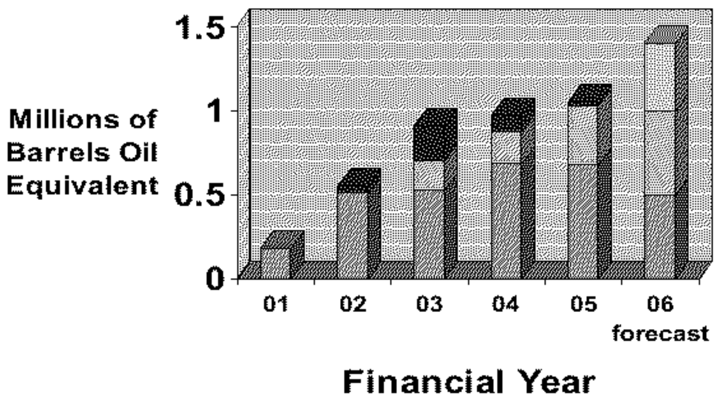
Successful Drilling Program

64 Wells
45% <u>commercial</u> success rate



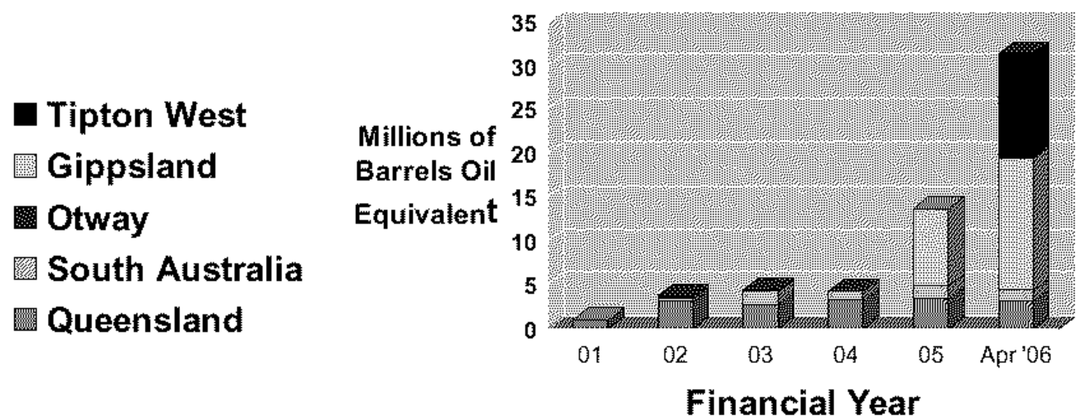
Reserves & Production Growth

Annual Production

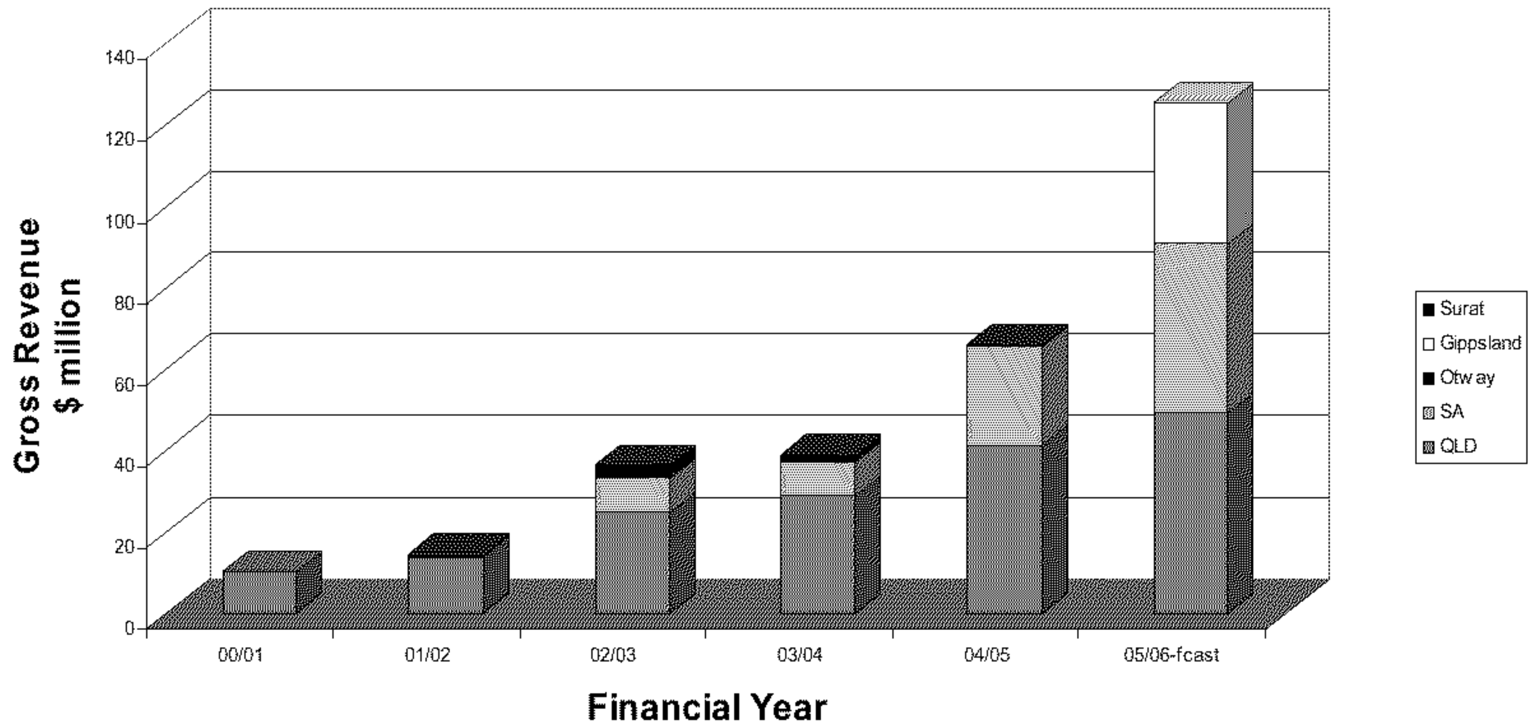


NB: Reserves increase despite successive increases in annual production

Proved plus Probable Reserves



Revenue Growth

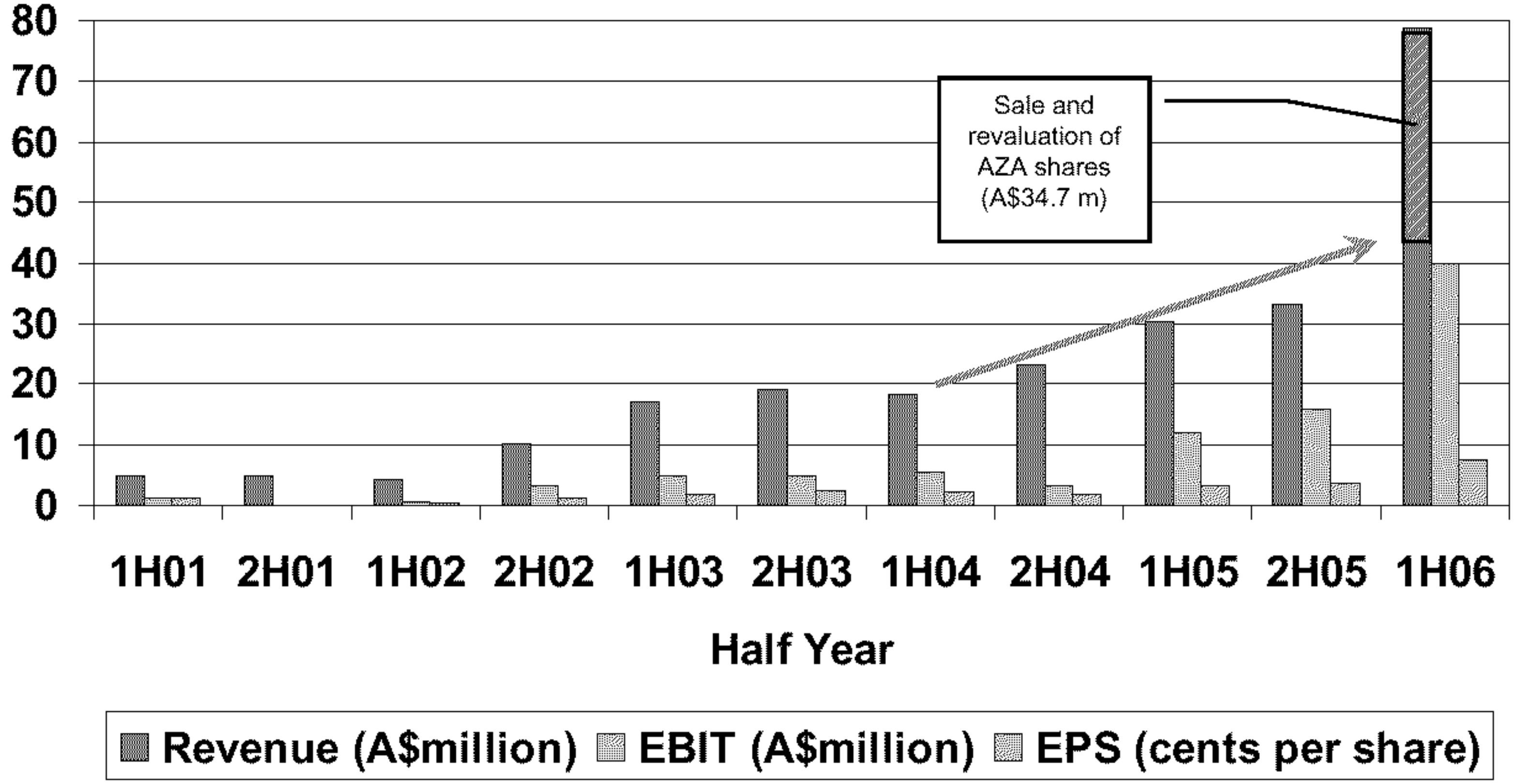


Low Cost Base Maintained

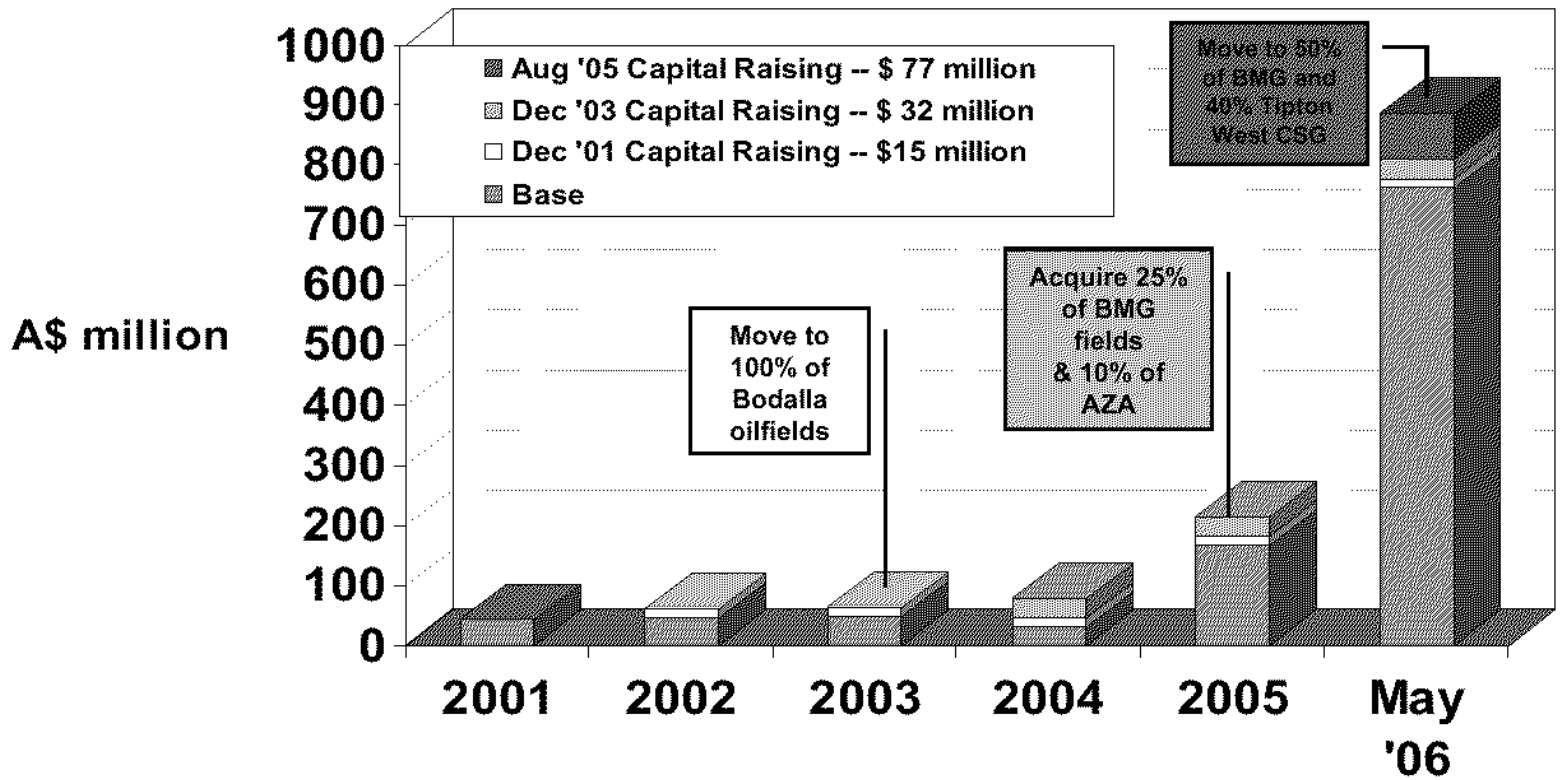
Netback Based on Oil Price of **A$85** per Barrel

Production Costs	**Onshore**	**Offshore** (2P Reserves)
OPEX (A$/bbl)	$5.00 / bbl	$10.00 / bbl
Transport (A$/bbl)	$10.00 / bbl	
Royalty (A$/bbl)	$7.00 / bbl	RRT ~$20.00/bbl
Total Costs (A$/bbl)	$22.00 / bbl	$30.00 / bbl
Netback (A$/bbl)	**A$63.00 / bbl**	**A$55.00 / bbl**

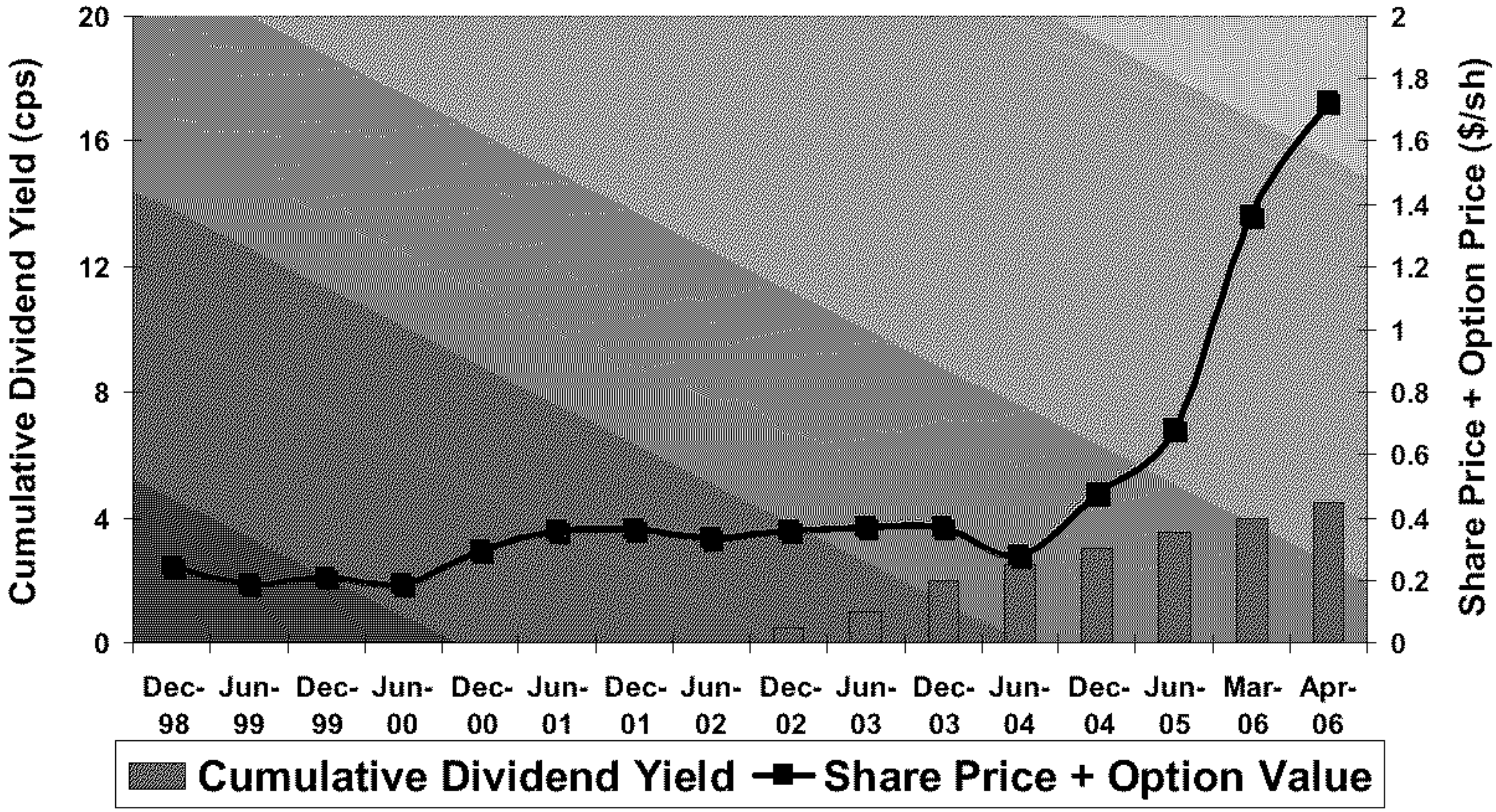
Five Year Financial Performance



Market Capitalisation



Yield + Capital Growth (26 Apr '06)

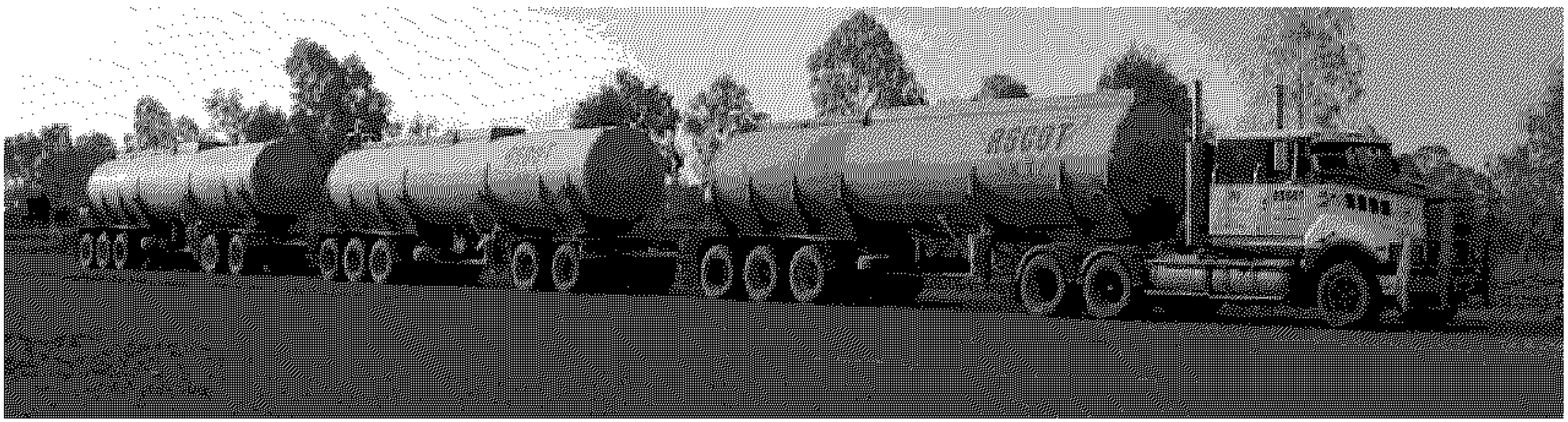


(1) Scales are different;

(2) Share price on 26 Apr 06 was $1.50; option price was $0.90

(3) Option value is calculated on market value divided by 4, as options were issued on a one-for-four basis

Financial Year 2005-06 YTD



Highlights First Half 2005/06

- Record oil production
- Oil sales @ A$84.45/bbl
- Increased reserves
- Sale of AZA shares net approx.$20 million
- NPAT for 1H of $31.3 million (compared with AIFRS adjusted NPAT of $20.3 million for full year 2004-05)

Comparison with Full FY 03/04 & 04/05

		HALF YEAR DEC '05	FULL YEAR June '05	FULL YEAR June '04
Total Revenue	*$'000*	78,818*	63,761	41,261
Profit before Tax	*$'000*	41,171	24,040	13,318
EBIT	*$'000*	39,936	22,295	12,174
NPAT	*$'000*	31,267	16,828	9,920
Basic EPS	*cps*	7.46	5.63	4.00
Dividend	*cps*	0.50	1.50	1.00
EBIT/Sales		50.7%	36.4%	29.5%
Cash Flows				
Net Cash from Ops	*$'000*	18,193	38,890	20,941
Investing Cash Flow	*$'000*	(55,581)	(50,294)	(23,650)
Exploration & Dev	*$'000*	(71,138)	(35,492)	(18,852)
Property & Plant	*$'000*	(12,443)	(4,949)	(3,127)
Operating	*$'000*	(21,160)	(22,025)	(18,388)
Cash on Hand	*$'000*	72,215	34,625	35,189
Balance Sheet				
Net Assets	*$'000*	227,379	120,092	93,318
Debt	*$'000*	1,066	1,120	1,184
Debt/(Debt+Equity)		0.5%	0.9%	1.3%

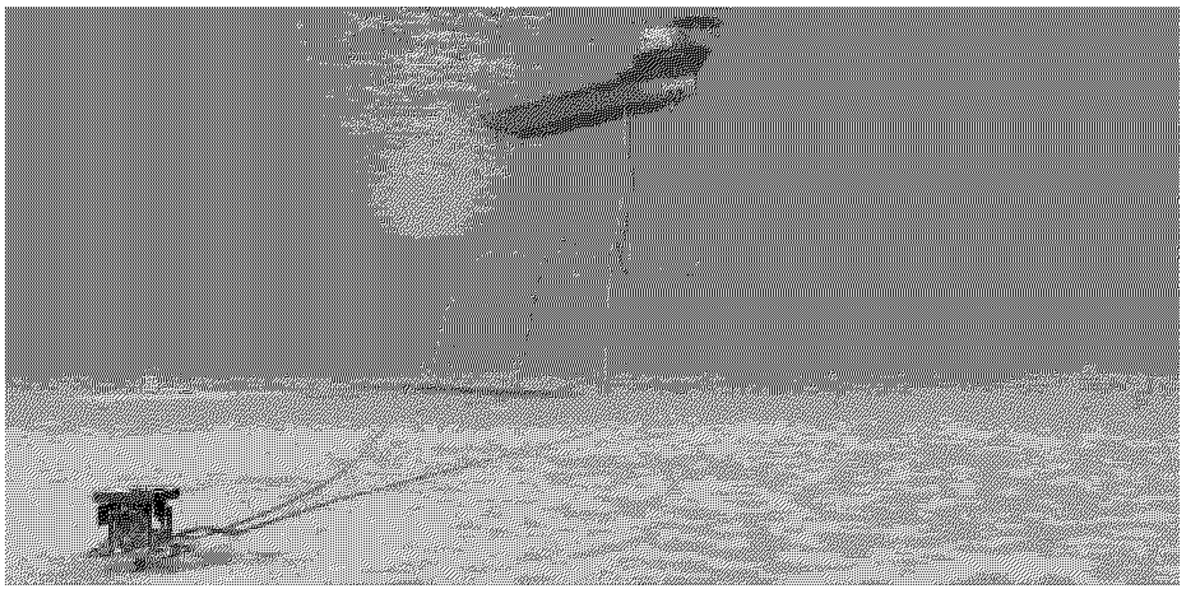
Second Half Highlights --YTD

- Bass Strait BMG Project (Vic):
  - 0.8 million barrels produced & sold from Basker-2
  - 4 further development wells drilled

- Cooper/Eromanga Basins (SA & Qld):
  - 8 wells drilled – 7 successful
  - Middleton & Udacha Gas Discoveries
  - Oil discoveries at Silver Sands, Harpoono & Sellicks
  - Beach takes 19.9% of Great Artesian

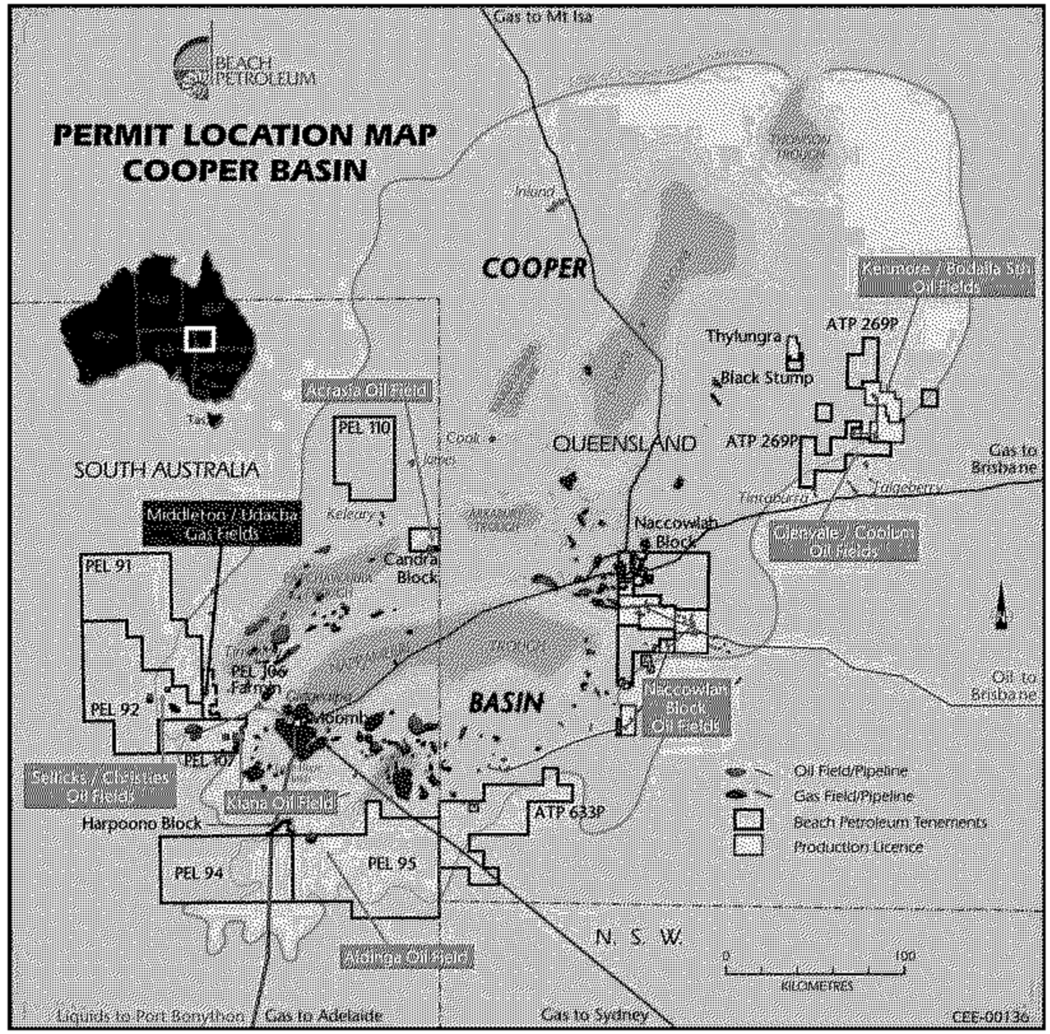
- Surat Basin (QLD)
  - Commencement of development of Tipton West Gas Field

Key Projects

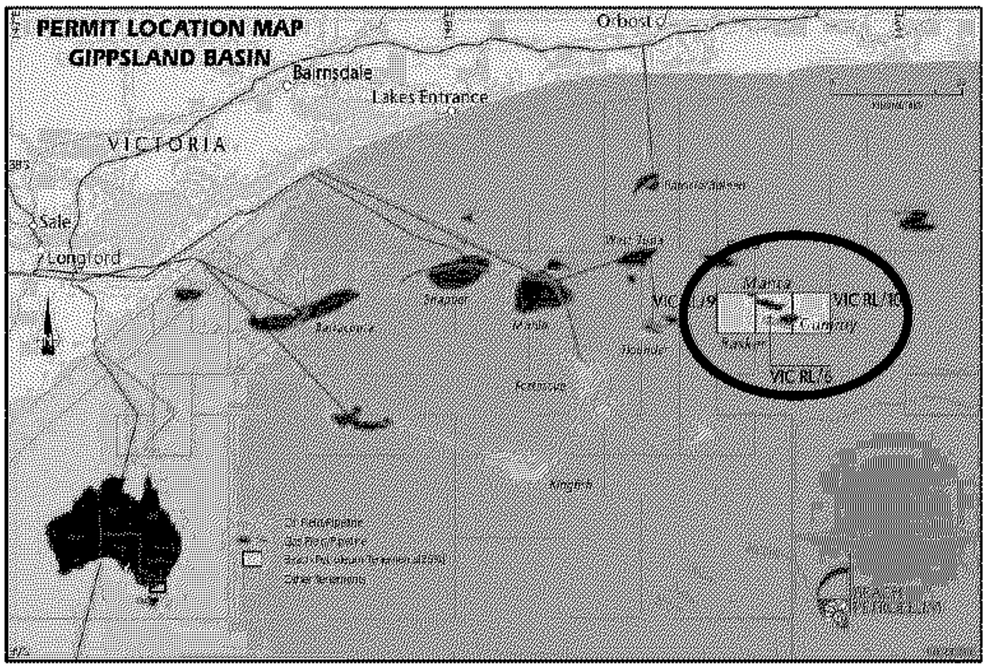


Cooper-Eromanga Basin

- Historically, Beach's core area
- Oil production of ~1 million barrels/year from more than 30 oilfields
- Oil focus, but emerging gas producer
- Very active exploration program (~20 wells/year)



Basker-Manta-Gummy Project



BMG Project (BPT 50%)

Oil Reserves .. 30.1 mmb (Proved and Probable)

2P Gas Contingent Gas Resource -- 94 BCF

Five wells drilled and completed as producers

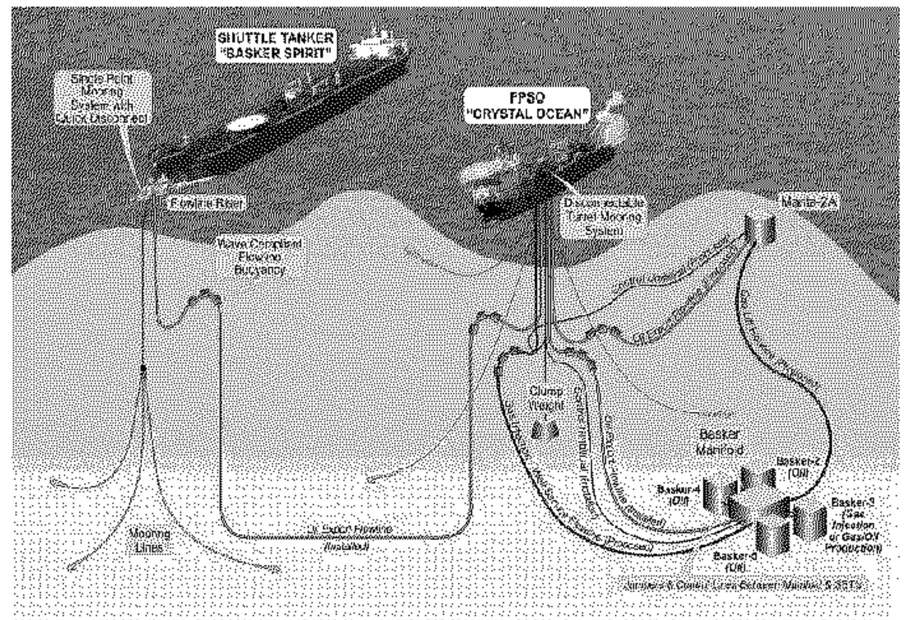
Maiden oil sales Jan 2006

Full Field Production due to commence in late 3rd Quarter 2006

Early gas development under consideration

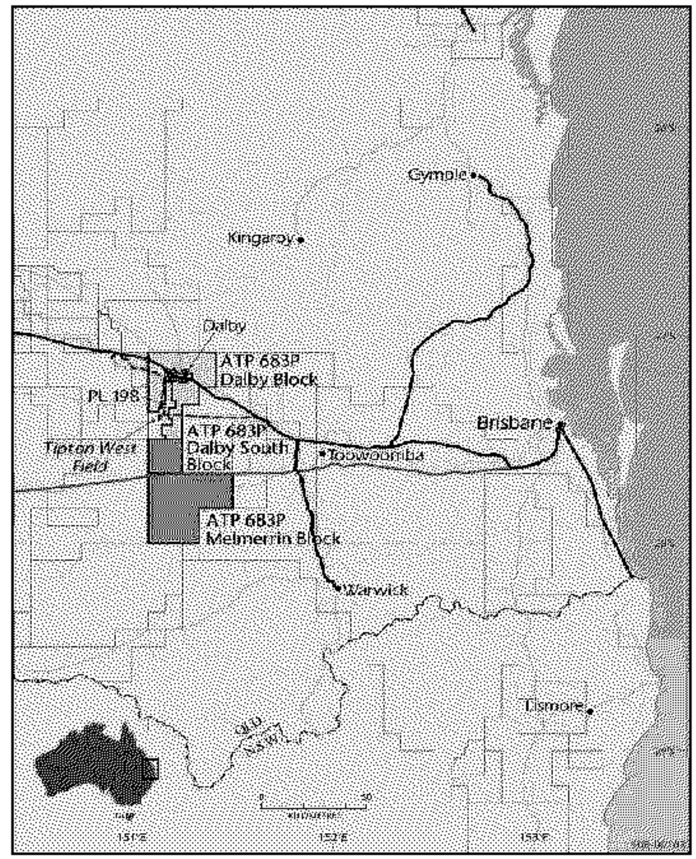
A Major Project Achievement

- Effective cost of acquisition ~A$2/BBL
- First oil in 11 months from concept
- First FPSO in Bass Strait
- Small footprint
- First dedicated shuttle tanker in Australia
- First side-to-side/ship-to-ship transfer in Australia

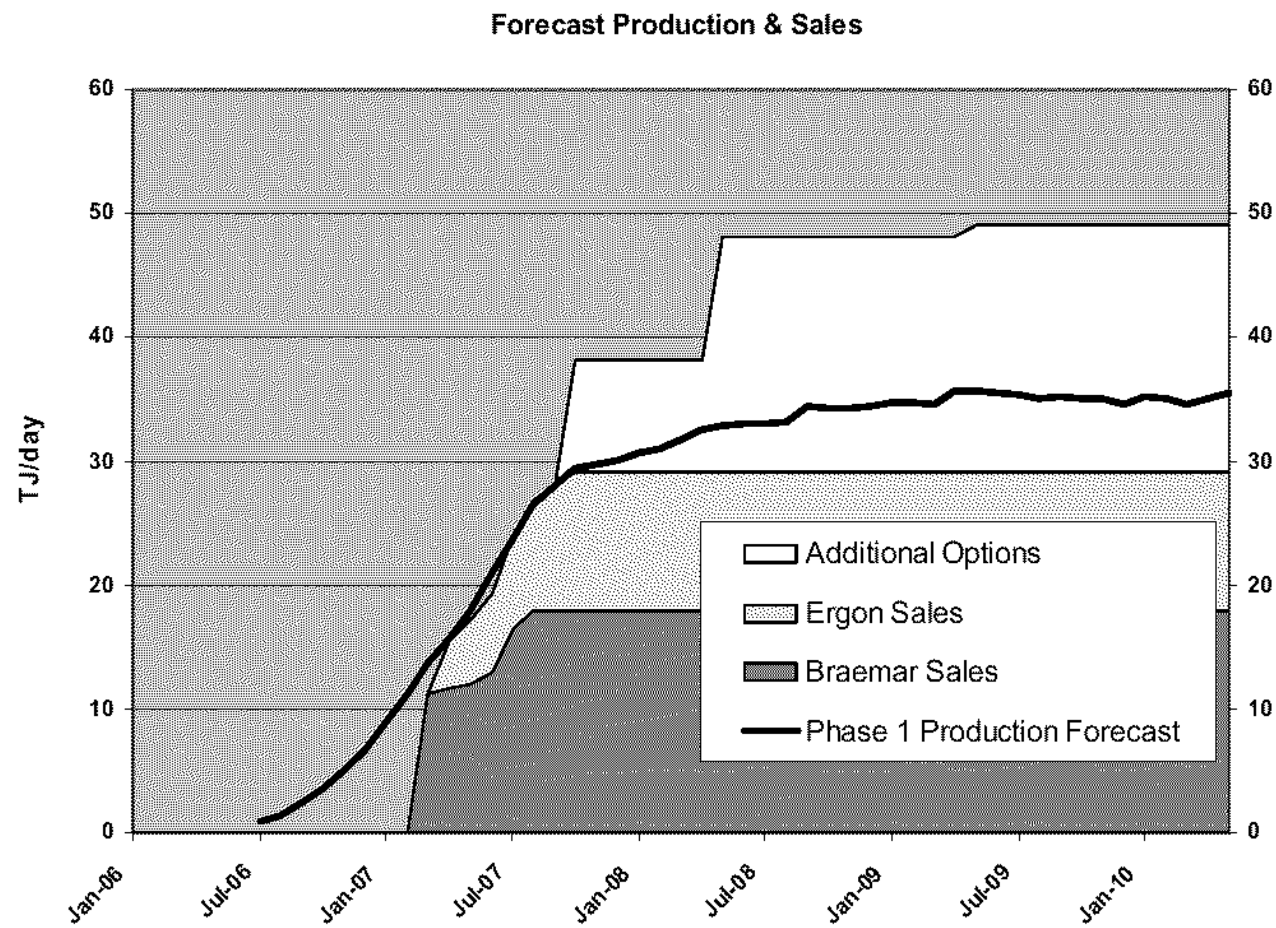


Tipton West: Coal Seam Gas
Beach 40%

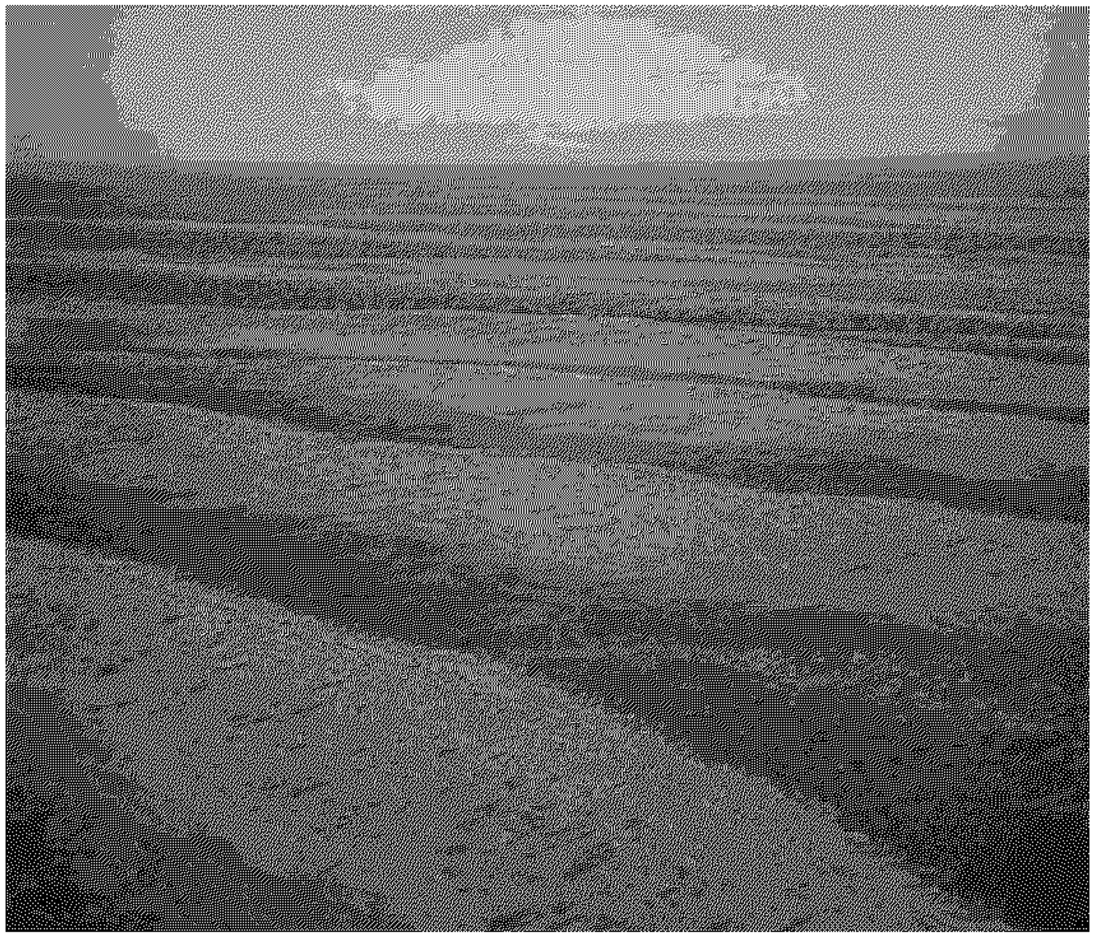
- Potentially one of Australia's largest onshore gas resources (2 TCF Possible)
- Close to markets & pipelines
- Initial gas sales agreement with Braemar Power Station Project for 13.3 PJ p.a.
- Beach funding Stage One development ($35 million – 90 wells plus infrastructure) to earn 40%
- Phase 1 has added 75 PJ 2P undeveloped gas reserves (12.9 mmboe) to Beach's reserves



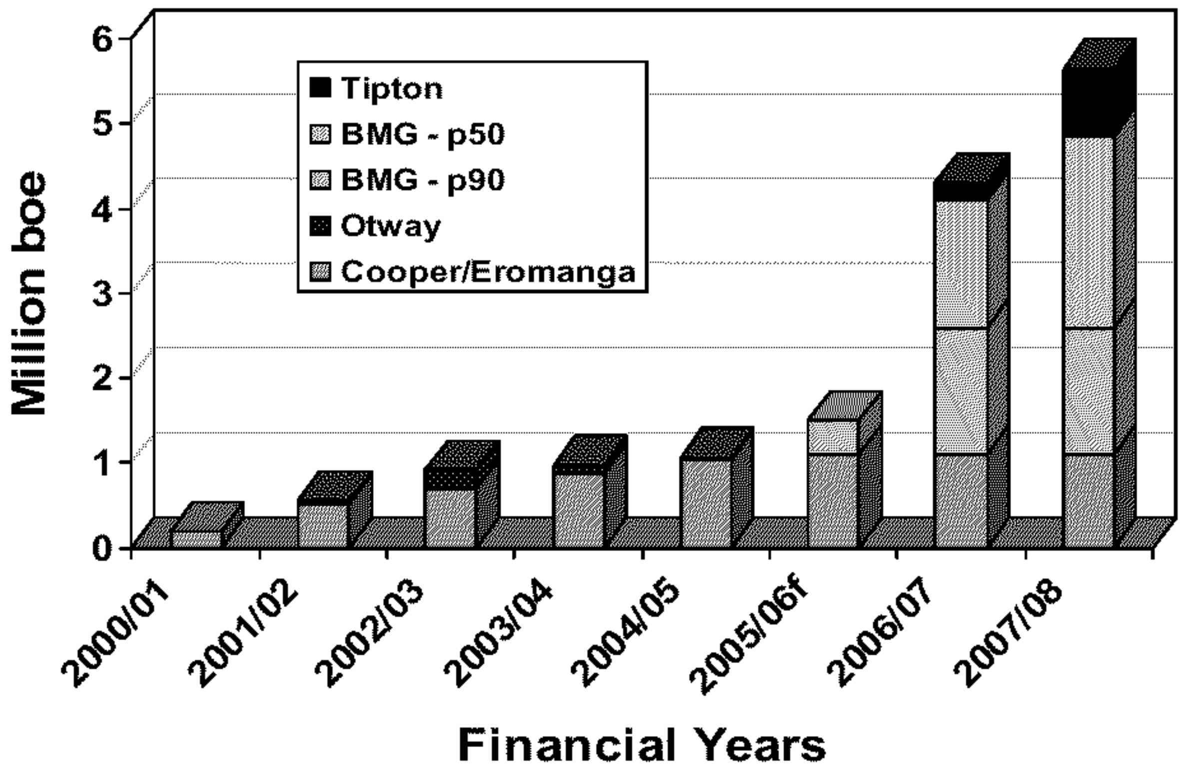
Tipton West
Production / Sales Forecast



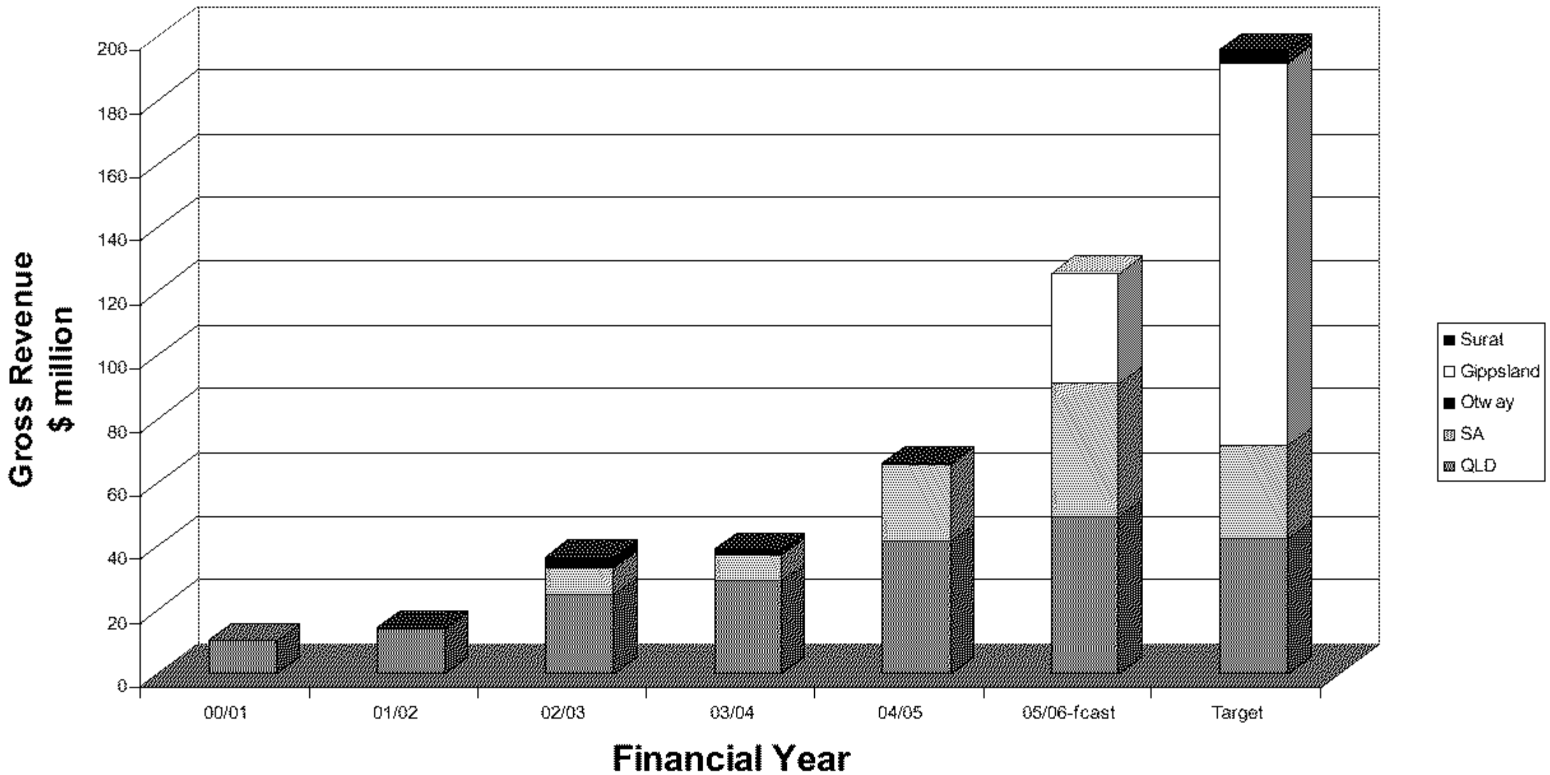
Outlook



Outlook: Production Growth

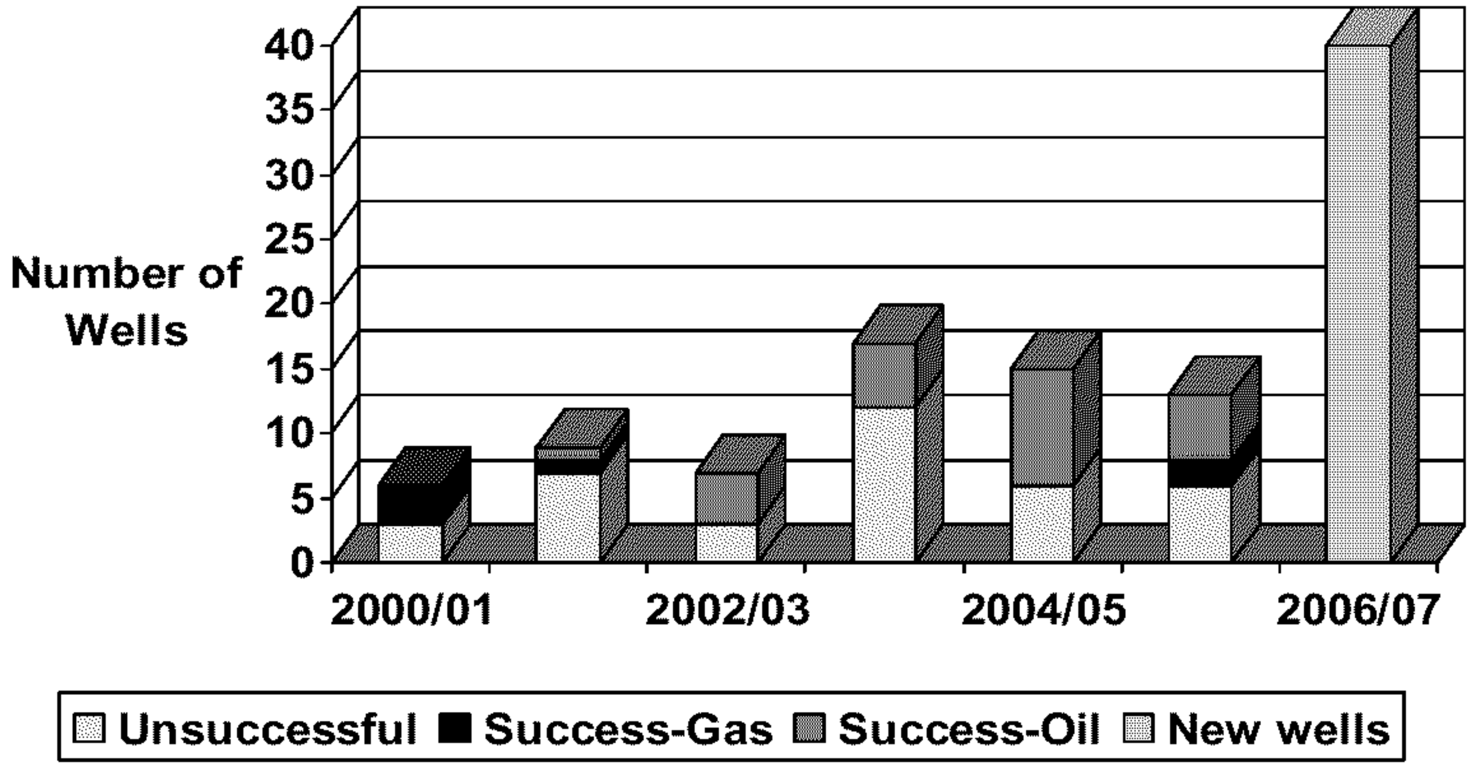


Outlook: Revenue Growth



Outlook: Extensive Drilling

40 Wells in 06/07

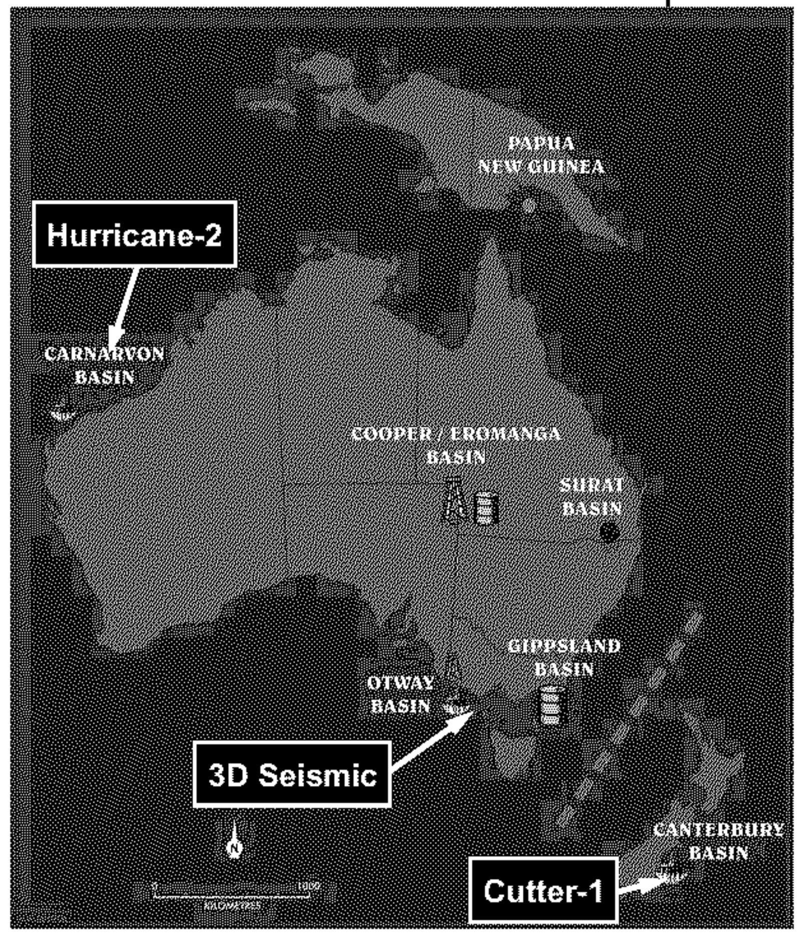


High Reward Exploration

- New Zealand (BPT 20%)
  Cutter-1, August
  Target 80 mmbbl oil potential

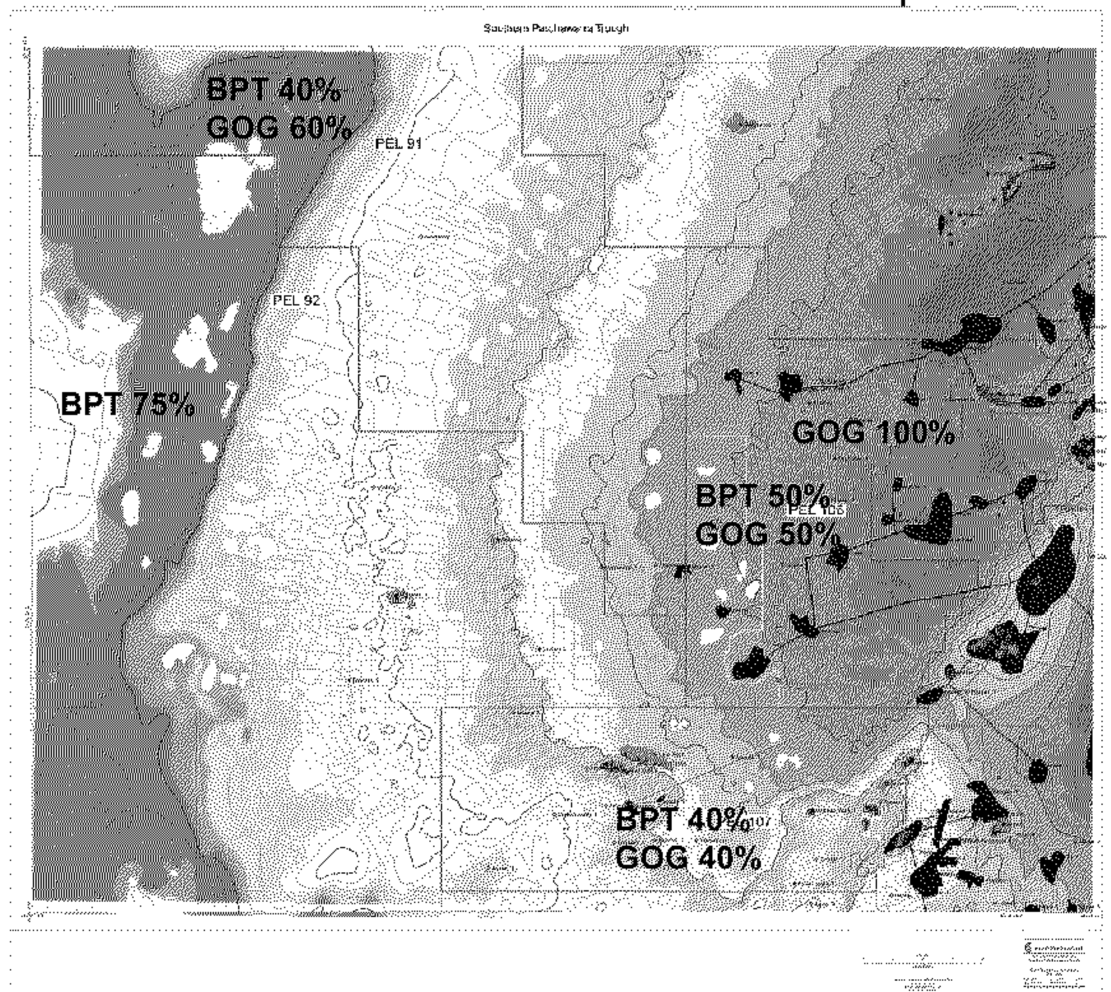
- Carnarvon (BPT 10%)
  Hurricane-2, November
  Target 40-50 mmbbl oil potential

- Offshore Otway Basin (BPT 50%)
  3D Seismic September
  Target >1 TCF gas potential
  Drill 2007



Strategic Investment in Great Artesian Oil and Gas

- Beach has acquired 19.9% of GOG
- Expands asset base both directly and indirectly on Cooper Western Flank
- Multitude of prospects and leads
- Strengthens position for independent oil & gas development & marketing in region



Strength for Growth

Strong oil reserves Base

- Increasing oil Production
- Increasing gas reserves potential
- Active diversified exploration program
- Proven performance
- Quality management

Disclaimer

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