BEACH PETROLEUM

27 July 2006

Ref: #192/06

Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX

FINANCING AGREEMENT

Beach Petroleum Limited ("Beach") is pleased to advise that it has secured a $100 million corporate financing facility from the Commonwealth Bank of Australia ("CBA"), on an unsecured basis between the Beach Group and the CBA.

The Beach Group currently has only a small debt position of $1million.

The facility executed today will provide Beach with:

- Borrowing capacity to finance new developments or other opportunities
- Provide working capital and interim funding of Beach's interest in the final start-up phase in the Basker and Manta Oil Development (the "BMG" project) scheduled to move to full production later in 2006, and
- To assist in possible accelerated development of BMG's associated gas/condensate resources.

The Basker and Manta fields, located 50 to 75 km off the Victorian coast in Bass Strait, together with the undeveloped Gummy gas field, comprise the BMG Project in which Beach has a 50% interest. The possibility of an oil reserves upgrade for BMG has been announced by the project operator, Anzon Australia Limited ("Anzon"). Anzon has also advised that the project's development drilling and the recently completed Extended Production Test, have identified sufficient additional gas resources that, together with the Gummy and deeper Manta Golden Beach gas resource, warrant development of a BMG sales gas project. As noted by Anzon, detailed feasibility studies of the sales gas project are now well advanced.

A sales gas development project at BMG will form an important contribution to Beach's expanding oil and gas production profile, in addition to its recently announced $100 million plus, 69 well, expanded exploration and appraisal program for 2006-2007, to be fully funded with cashflow from operations.

Yours faithfully,

Reg Nelson
Managing Director, FAusIMM

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