



13 September 2006

Ref: #220/06

The Manager, Companies
Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX

**BEACH PETROLEUM LIMITED
\$112.7 MILLION CAPITAL RAISING**

The Directors of Beach Petroleum Limited (Beach Petroleum) are pleased to announce that it has successfully placed approximately 81 million fully paid ordinary shares at \$1.39 per share to raise \$112.7 million. The placement has been made to institutional and sophisticated clients of Euroz Securities Limited.

Funds raised will be used to reduce the debt facility used to acquire the Delhi Petroleum assets and to fund the redemption of FIELDS notes. Beach Petroleum has also announced a further equity raising by a fully underwritten two for seven renounceable rights issue at \$1.39 per share to raise a further \$247 million.

Yours faithfully,

A stylized, handwritten signature in black ink, appearing to read "Reg Nelson", enclosed within a rectangular dotted-line box.

Reg Nelson
Managing Director, FAusIMM