



Beach Petroleum Limited

ABN 20 007 617 969

All correspondence to:

Computershare Investor Services Pty Limited
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18 September 2006

Dear Option Holder

On 23 August 2006 a letter and option exercise form for the options which expire on 29 September 2006 was sent to your registered address. As at the date of this notice you are still the registered holder of the options and we have not yet received your returned option exercise form and cheque.

On 6 September 2006 we announced that a two for seven renounceable rights issue at \$1.39 per share would be held.

On 13 September 2006 we further announced an unfranked dividend of 1 cent per share will be made to all shareholders on the register as at close of business 11 October 2006.

To be eligible to participate in the rights issue and to receive the dividend you will need to return your option exercise form along with a cheque to our share registry at the address shown below. Option exercise forms must be received by the share registry by close of business on 29 September 2006. Any options not exercised by that date will lapse.

Should you wish to exercise your Options, cheques in Australian currency equivalent to the amount due on exercise, should be made payable to Beach Petroleum Limited and crossed "Not Negotiable".

Cheques and a completed and signed Application for Shares Upon Exercise of Options form should be lodged with Beach Petroleum Limited share registry, Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street Adelaide SA 5000 (GPO Box 1903, Adelaide SA 5001), by no later than close of business on 29 September 2006.

If you have any queries or require a new option exercise form please contact the share registry on **1300 309 427**.

Yours Faithfully

Kathryn Presser
Company Secretary

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