

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BEACH PETROLEUM LTD

ABN

20 007 617 969

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- 1 +Class of +securities issued or to be issued

FULLY PAID ORDINARY SHARES

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

APPROXIMATELY 190,000,000 FULLY PAID ORDINARY SHARES

- 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

FULLY PAID ORDINARY SHARES

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES				
5	Issue price or consideration	\$1.39				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The money raised by the issue will be used to repay part of the debt financing used by the company to acquire the Dehli Petroleum group				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	8 NOVEMBER 2006				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>UP TO 855,295,287</td><td>FULLY PAID ORDINARY SHARES</td></tr></table>	Number	+Class	UP TO 855,295,287	FULLY PAID ORDINARY SHARES
Number	+Class					
UP TO 855,295,287	FULLY PAID ORDINARY SHARES					
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>N/A</td><td></td></tr></table>	Number	+Class	N/A	
Number	+Class					
N/A						

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	RENOUNCEABLE
13	Ratio in which the *securities will be offered	2 SHARES FOR EVERY 7 HELD
14	*Class of *securities to which the offer relates	FULLY PAID ORDINARY SHARES
15	*Record date to determine entitlements	11 OCTOBER 2006
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	ROUNDED UP TO THE NEXT WHOLE NUMBER
18	Names of countries in which the entity has *security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	ALL COUNTRIES OTHER THAN AUSTRALIA, NEW ZEALAND AND HONG KONG
19	Closing date for receipt of acceptances or renunciations	31 OCTOBER 2006
20	Names of any underwriters	Euroz Securities Limited and Commonwealth Securities Limited
21	Amount of any underwriting fee or commission	1.4 % each of the underwritten amount plus a 0.7% management fee of the underwritten amount to Euroz Securities Limited
22	Names of any brokers to the issue	N/A

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	N/A
25	If the issue is contingent on *security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	17 OCTOBER 2006
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	5 OCTOBER 2006
29	Date rights trading will end (if applicable)	24 OCTOBER 2006
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	Complete the section on the back of the Entitlement Form entitled 'Instructions to Your Stockbroker' and lodge the form with the stockbroker. If it is a CHESS holding then contact a stockbroker and ask it to sell the rights by advising the entitlement number.
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Complete the Entitlement Form for those rights to be accepted. Also complete the section on the back of the form entitled 'Instructions to Your Stockbroker' for the balance to be sold on ASX. The completed form should be sent to the stockbroker with a bank draft or cheque for the amount of the new shares. If it is a CHESS holding then contact a stockbroker and ask it to sell the rights by advising the entitlement number.
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	Send a completed standard renunciation form (obtainable from a stockbroker or from the share registry) together with the entitlement form and the applicable transferee's cheque or bank draft for the acceptance of money to reach the share registry before 5pm Adelaide

time on 31 October 2006.

33 +Despatch date

15 NOVEMBER 2006

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

N/A

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

+ See chapter 19 for defined terms.

- 40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

- 42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

- 2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 4 OCTOBER 2006
(Director/Company secretary)

Print name: KATHRYN PRESSER
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+ See chapter 19 for defined terms.