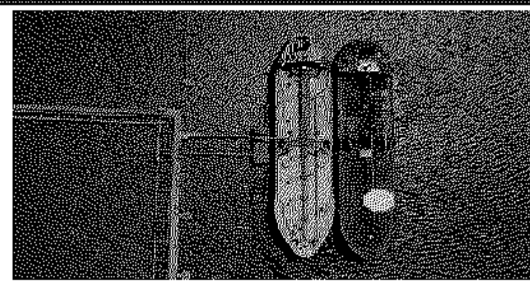
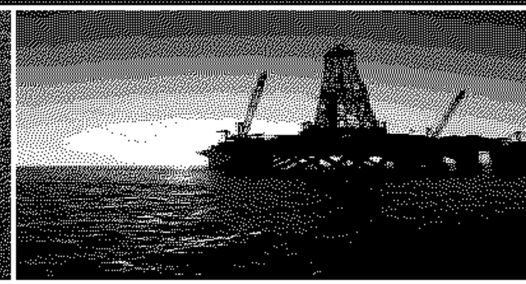
Beach Petroleum Limited



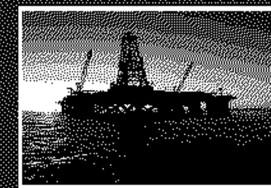


Investors Presentation

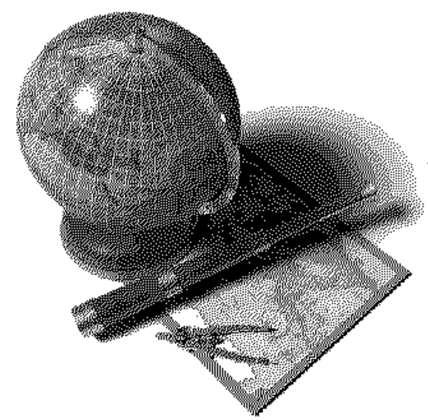
Reg Nelson – Managing Director
Hector Gordon – Chief Operating Officer

October 2006

Today's Topics

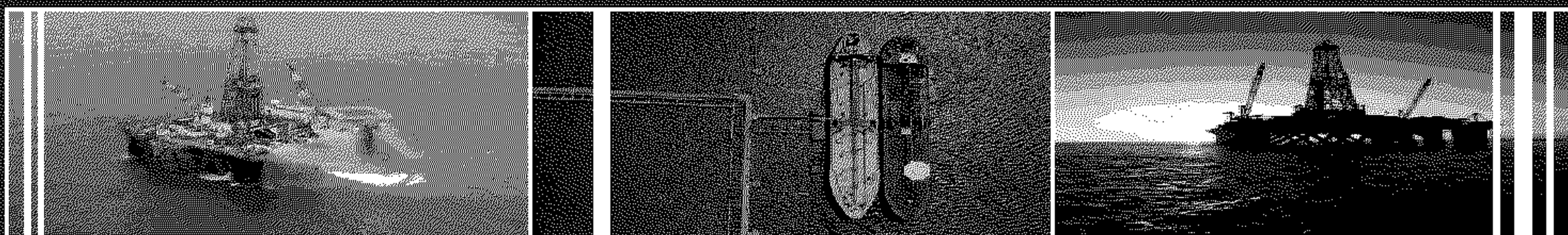


- Status of the Company
- Financial Year 06
- A successful and diversified growth strategy
  - Growth since 2000
  - Key projects
  - Delhi acquisition – a landmark transaction
- Outlook



Beach Petroleum Limited

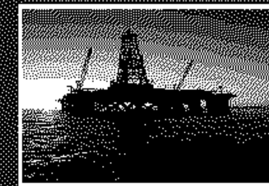
BEACH PETROLEUM



Status of the Company

October 2006

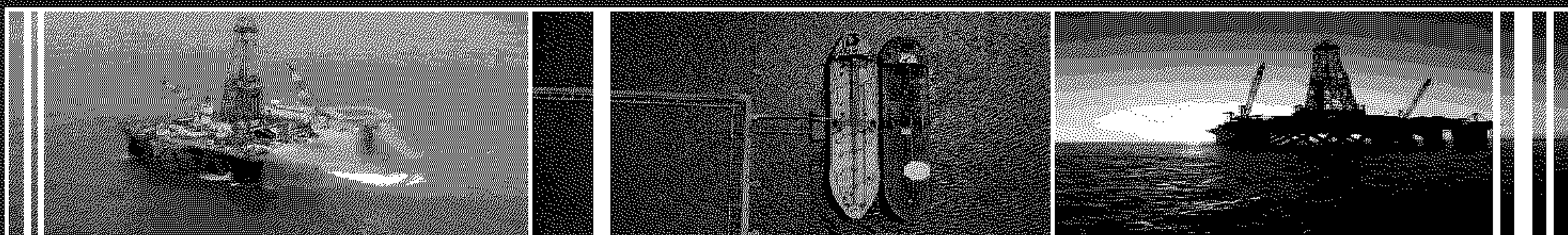
Corporate Structure



Date	Issued Shares	Market Capitalisation (@ $1.40/share)
9 October	663 million	$930 million
8 November (post rights issue)	840 million	$1,176 million

- **Admitted to ASX 200 in September 2006**

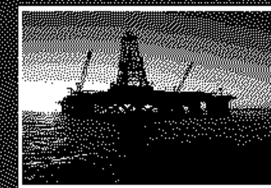
Beach Petroleum Limited



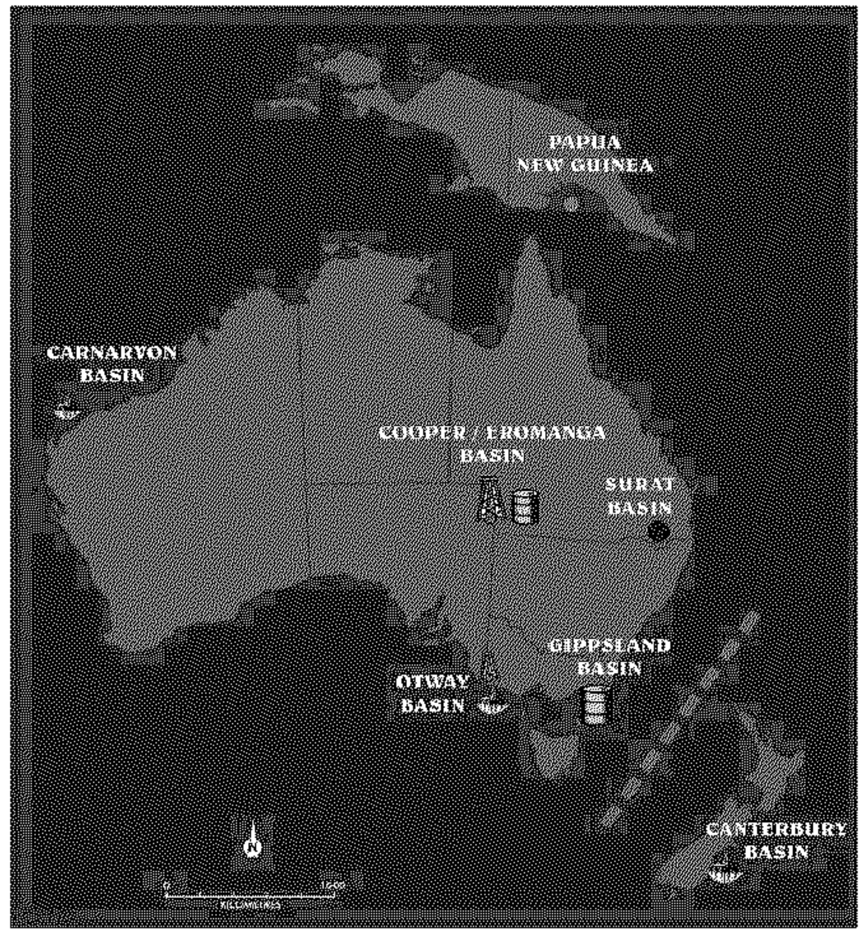
Financial Year 06

October 2006

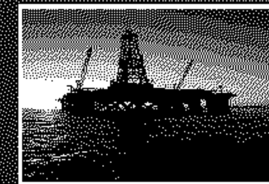
Beach at end of FY06

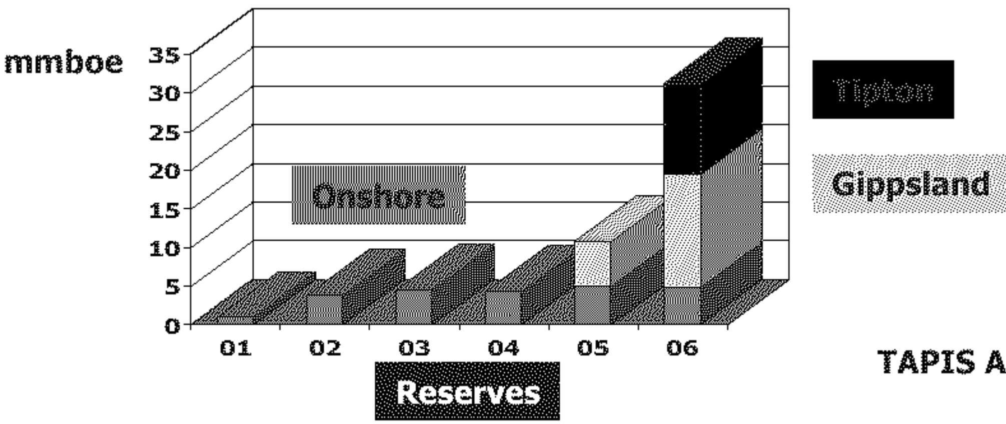


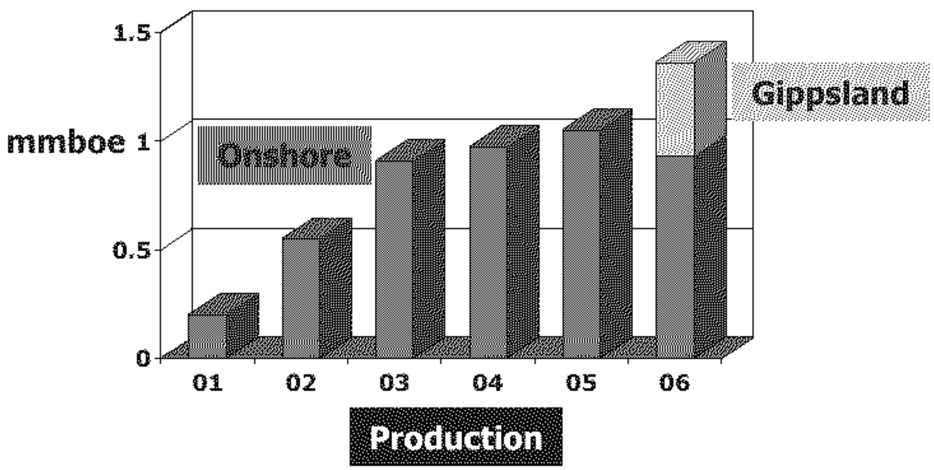
- **Reserves**
  - 24 mmb Oil
  - 72 BCF Gas
  - 36 mmboe
- **Production**
  - 1.4 mmb oil in FY 06
- **Revenue**
  - $158 million in FY 06
- **Profit**
  - $44 million in FY 06
- **Market Cap**
  - ~$900 million at 30 June '06

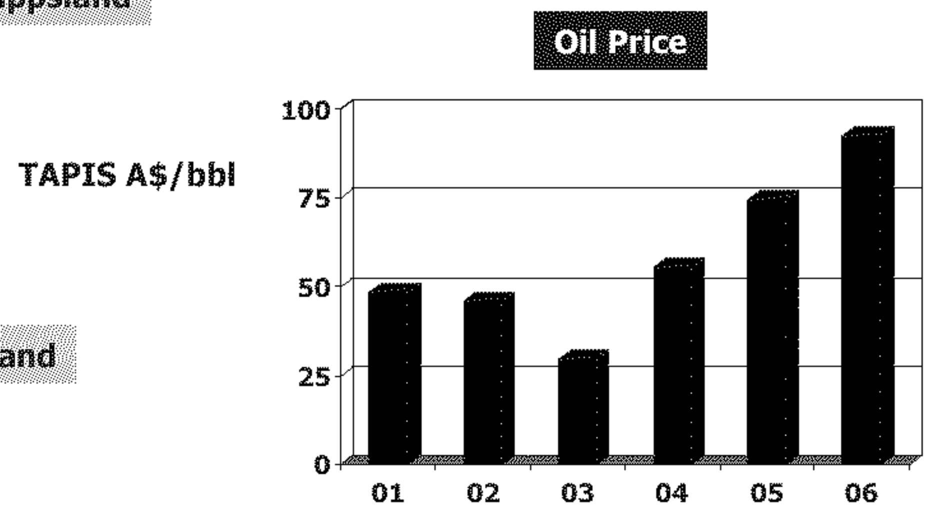


Reserves & Production Growth

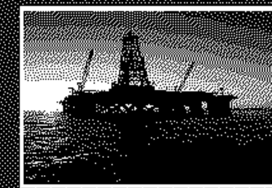


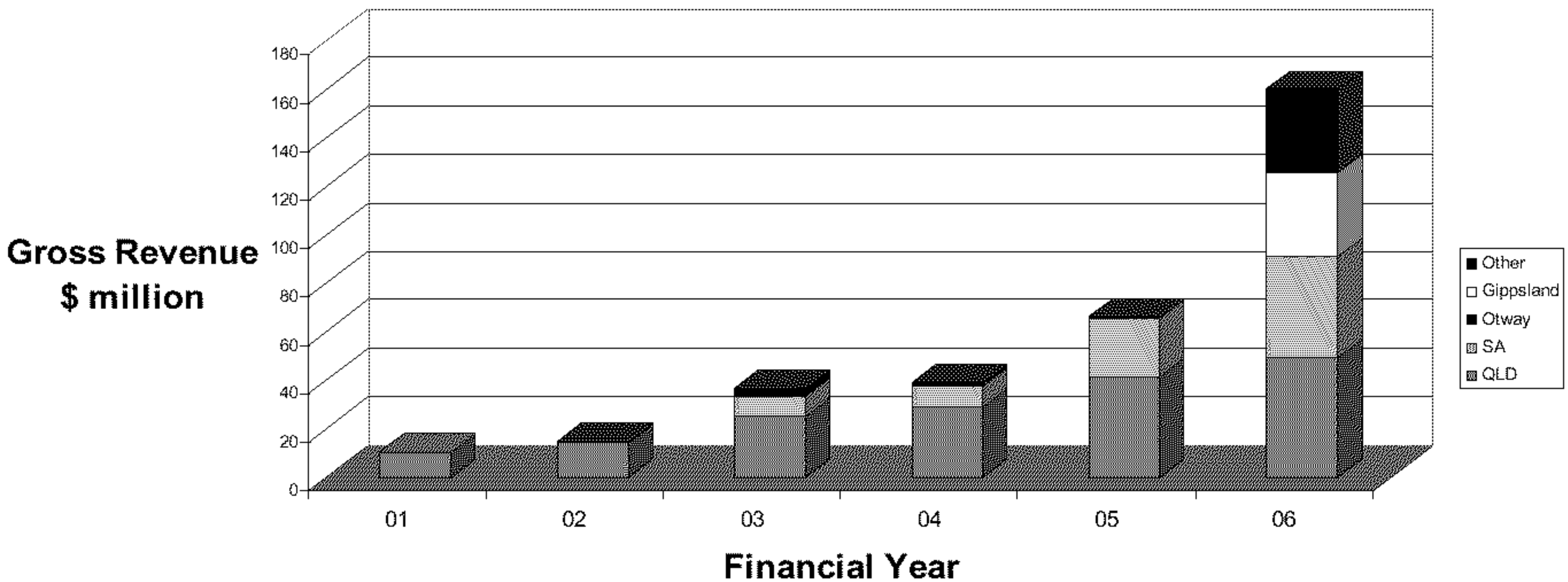




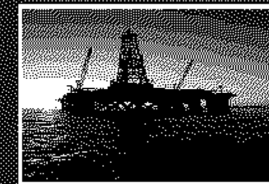


Revenue Growth





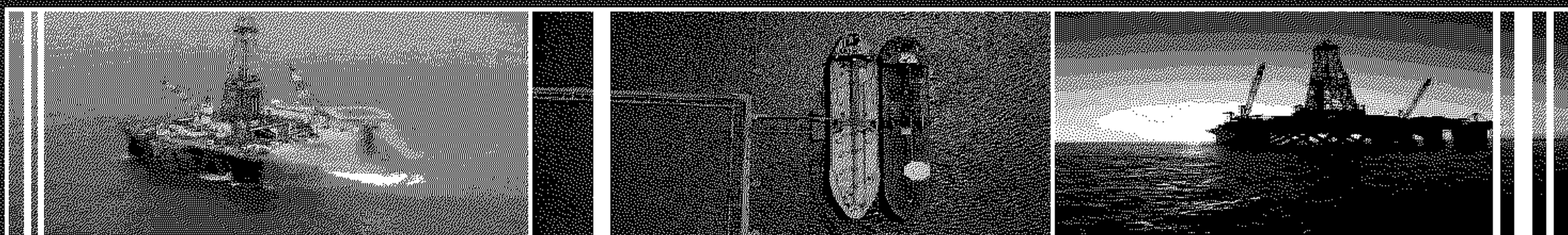
Low Cost Base Maintained



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

Production Costs	**Onshore**	**Offshore** (2P Reserves)
OPEX (A$/bbl)	$8 / bbl	$18 / bbl
Transport (A$/bbl)	$10 / bbl	
Royalty (A$/bbl)	$7 / bbl	RRT ~$22 /bbl
Total Costs (A$/bbl)	$25 / bbl	$40 / bbl
Netback (A$/bbl)	**A$60 / bbl**	**A$45 / bbl**

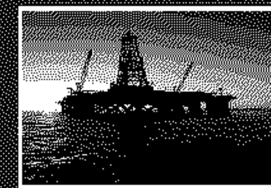
Beach Petroleum Limited

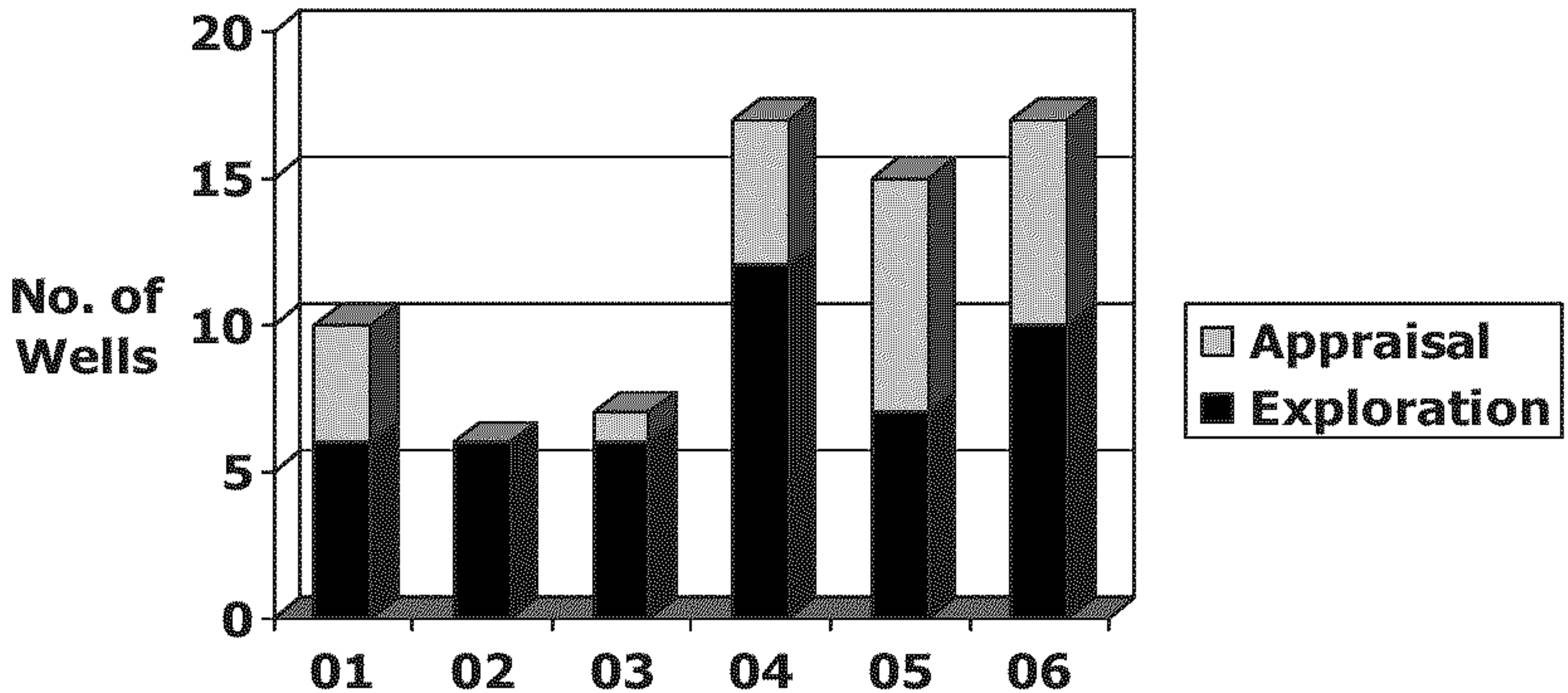


A Successful & Diversified Growth Strategy

October 2006

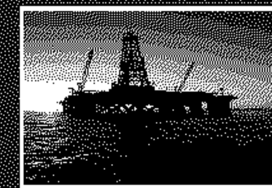
Growth through Exploration

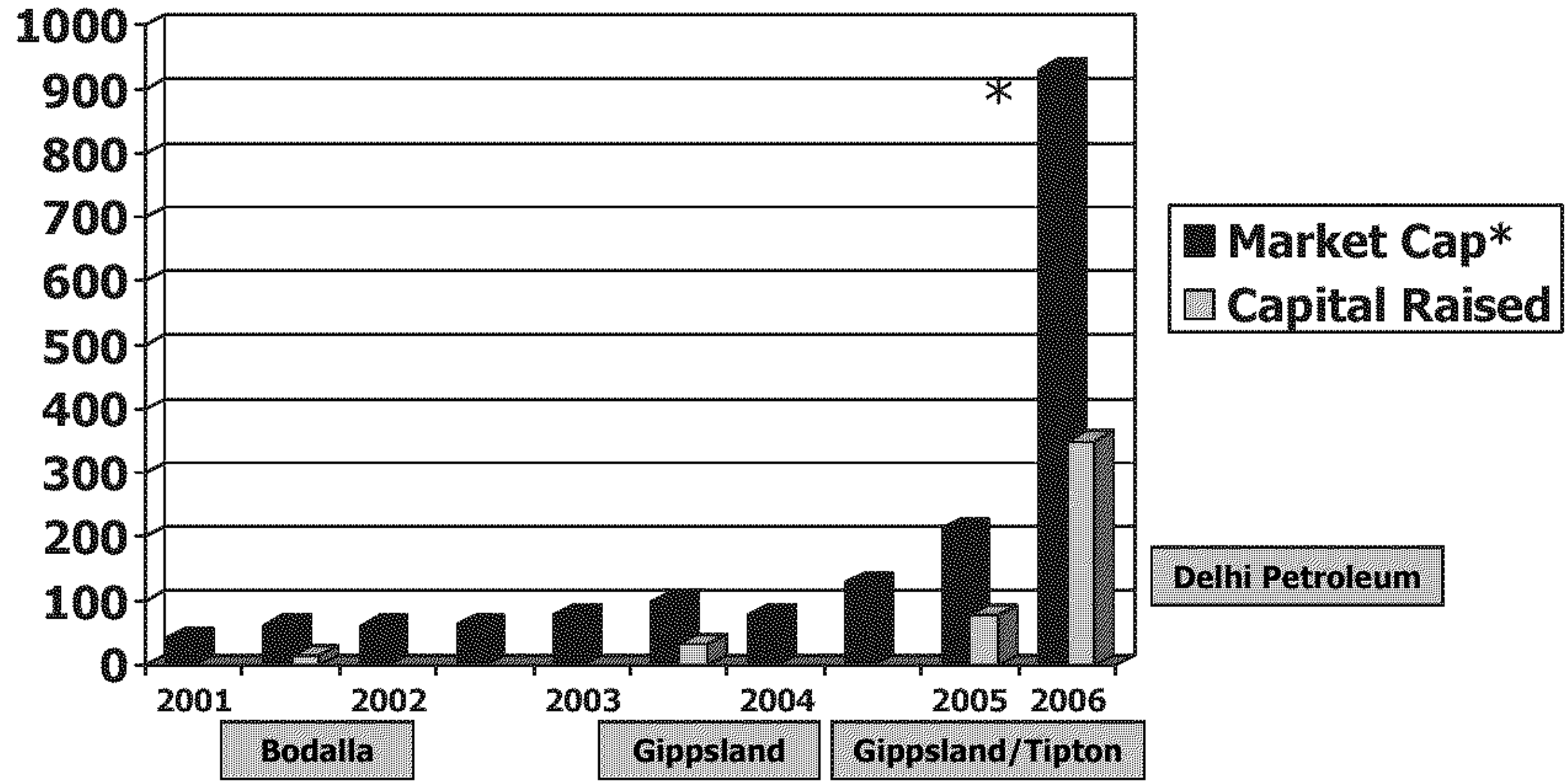




- 47 Exploration Wells – 32% success rate
- 25 Appraisal Wells
- Added 5 mmb @ ~$10/bbl

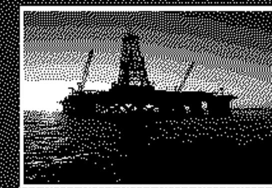
Growth through Acquisition

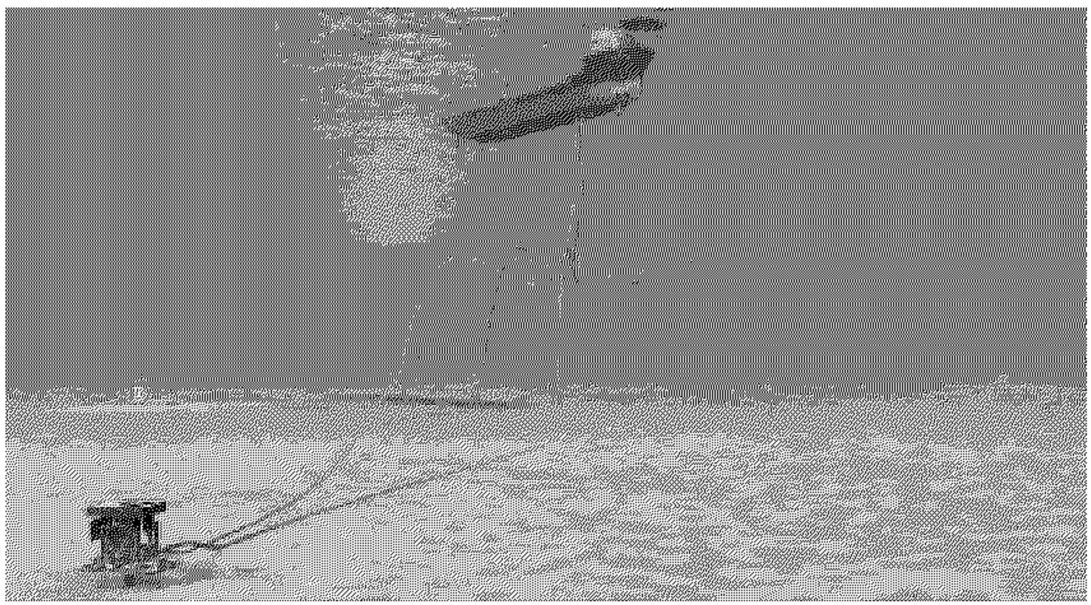




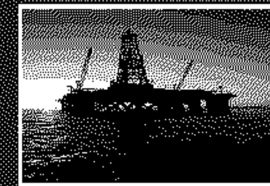
* At 9 October 2006

Key Projects

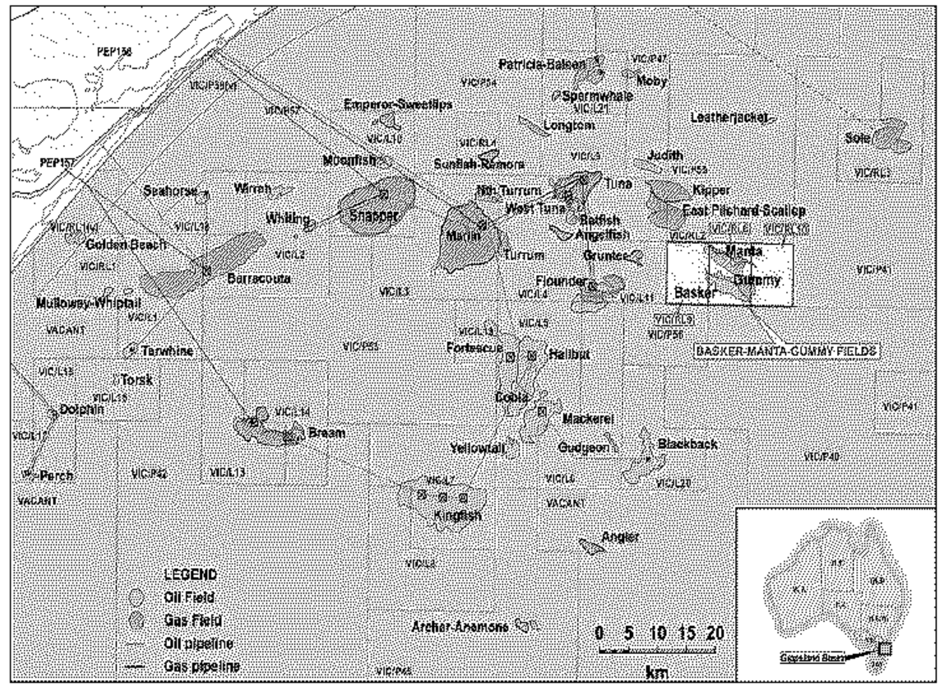




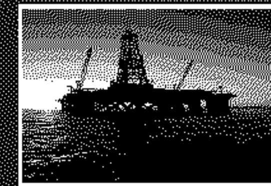
Basker-Manta-Gummy Beach 50%



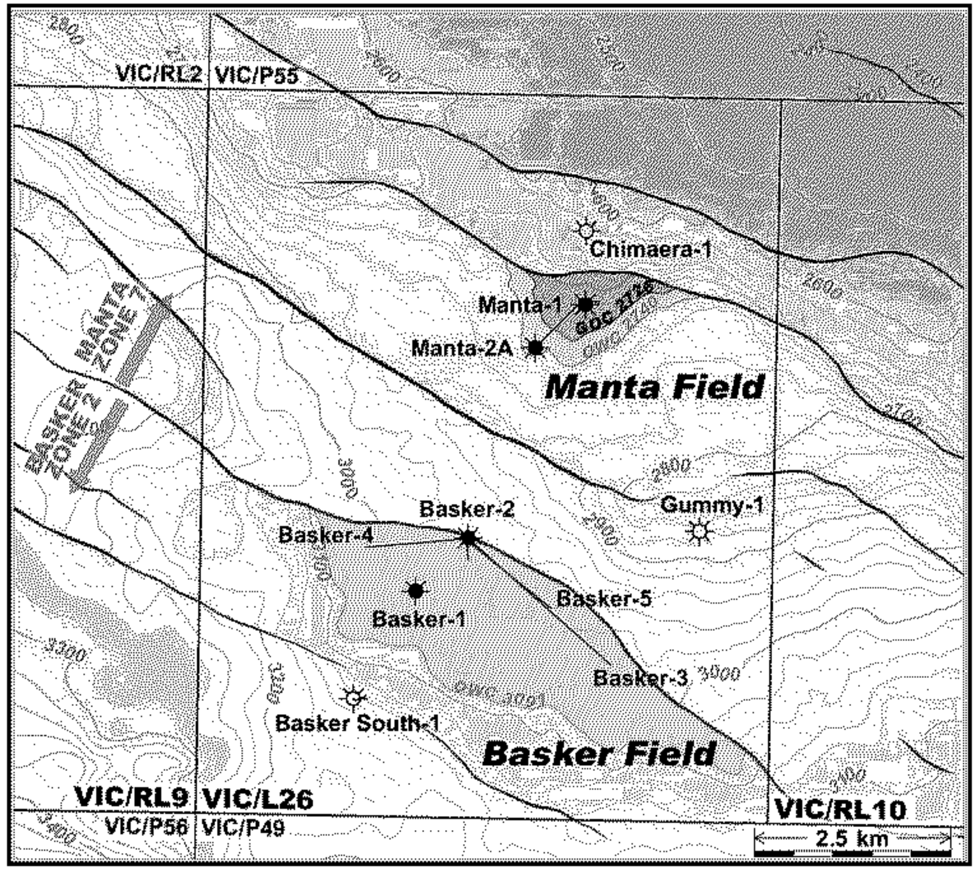
- Basker-Manta-Gummy Fields
  - 50% interest
  - 39.2 mmb 2P gross oil reserve
    (up by 168% from 23.3 mmb at project sanction)
  - Contingent resource of 379 PJ gas & 19 mmb condensate (72 mmboe)



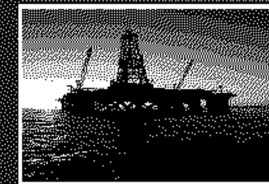
Basker-Manta-Gummy Beach 50%



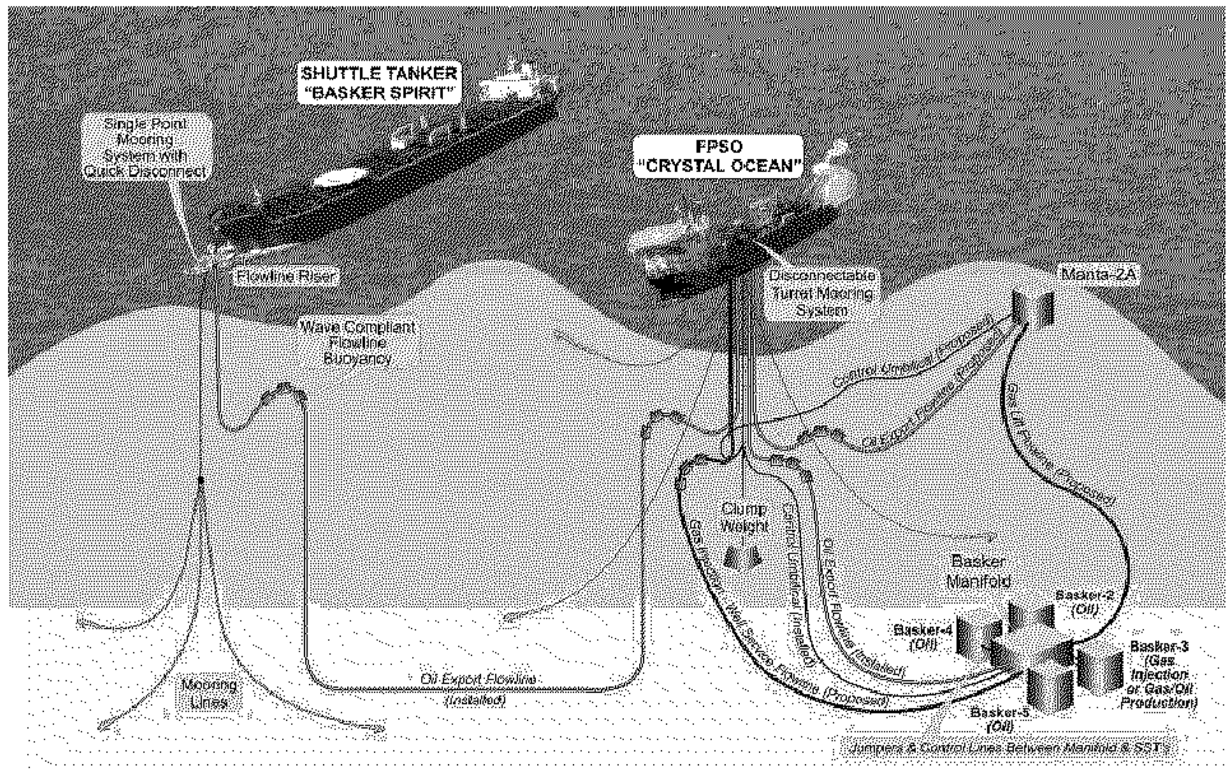
- Work to date
  - Basker-2 drilled July 2005
  - Extended test of Basker-2 produced 0.8 mmb Nov 05 – May 06
  - 4 further development wells drilled in 2006.
  - Oil Reserves increased by 32%
  - Oil & Gas Resource increased by 240%
  - Installation of gas compression on FPSO for full field development



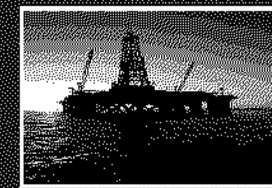
Basker-Manta-Gummy Beach 50%



- Current Status
  - Subsea connections in progress
  - Crystal Ocean to depart Singapore ~12 October.
  - Production to commence early Nov from 4 wells (gross ~25,000 bopd)
  - Net Beach Production for FY 07 ~2.5 mmb
  - Gas Project approval expected by Dec 2006.

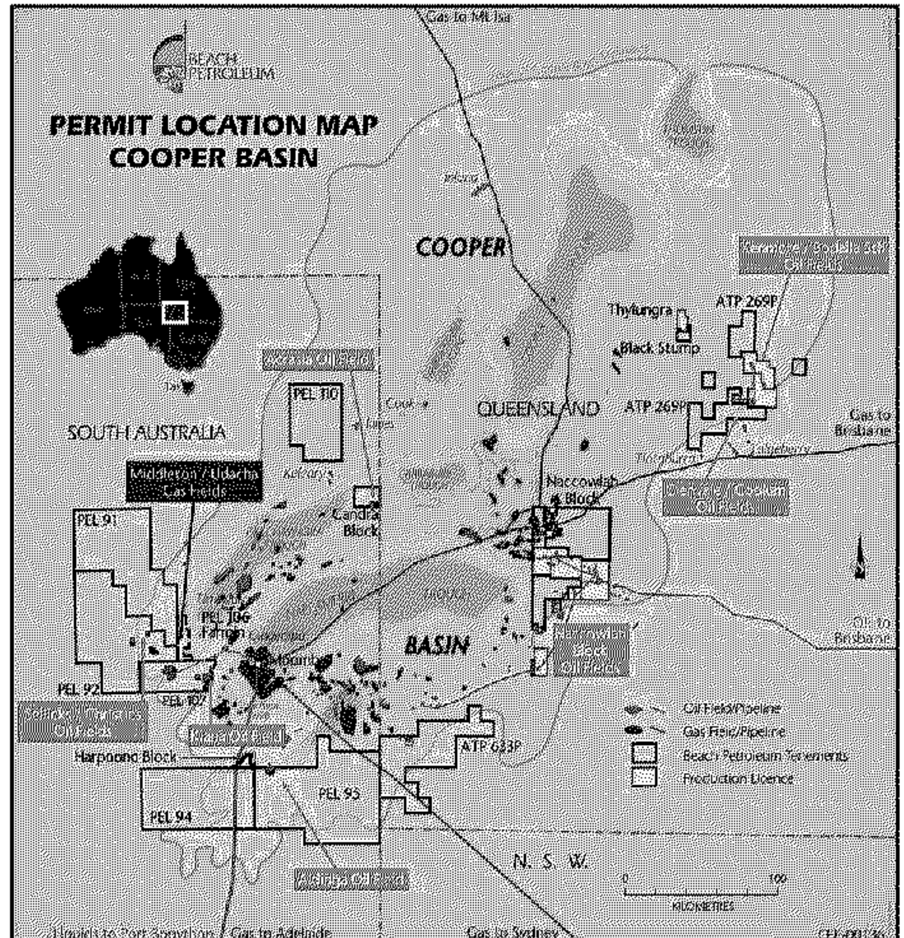


Cooper-Eromanga Basin

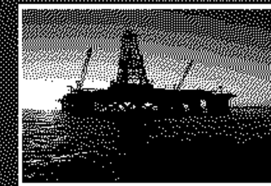


- **Cooper/Eromanga Basin (ex-Delhi)**
  - 16 wells in FY 06
  - 5 discoveries (3 oil / 2 gas)
  - > 40 wells planned in FY 07
  - Oil Discovery at Callawonga-1 in July '06 (net ~0.75 mmb)

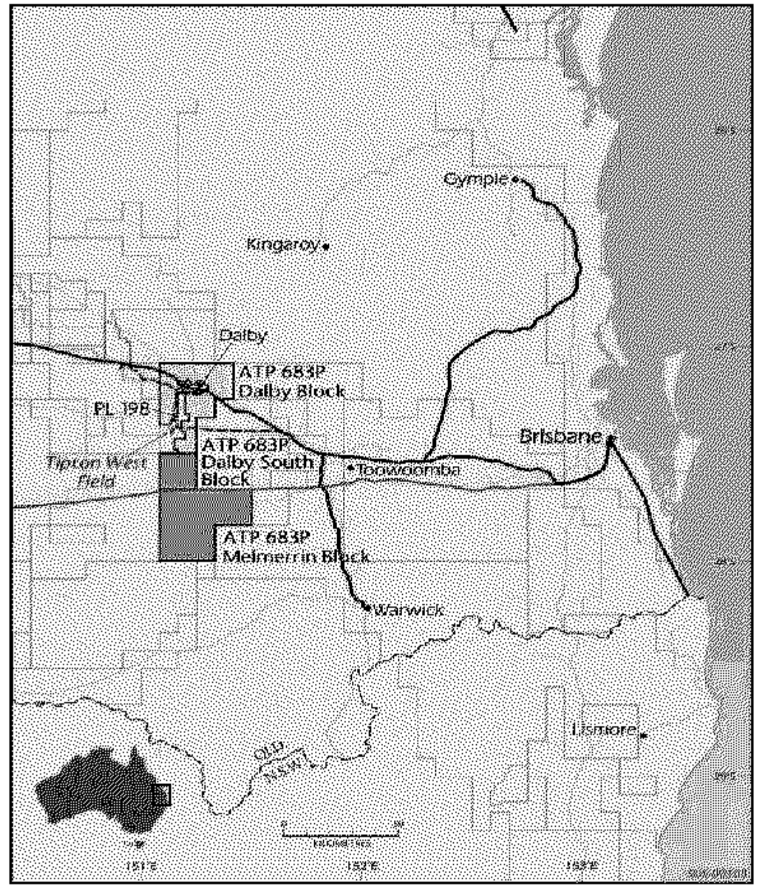
FY	Production (mmboe)	Reserves (mmboe)
04	0.9	4.1
05	1.0	5.1
06	0.9	4.9
07-forecast	0.9	>5.0



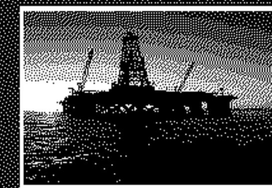
Tipton West Coal Seam Gas
Beach 40%



- Proved & Probable (2P) reserves: 174 PJ
- Proved, Probable & Possible (3P) Reserves: 2,300 PJ
- Close to markets & pipelines
- Acquisition cost $0.50/GJ (2P Developed Reserves)



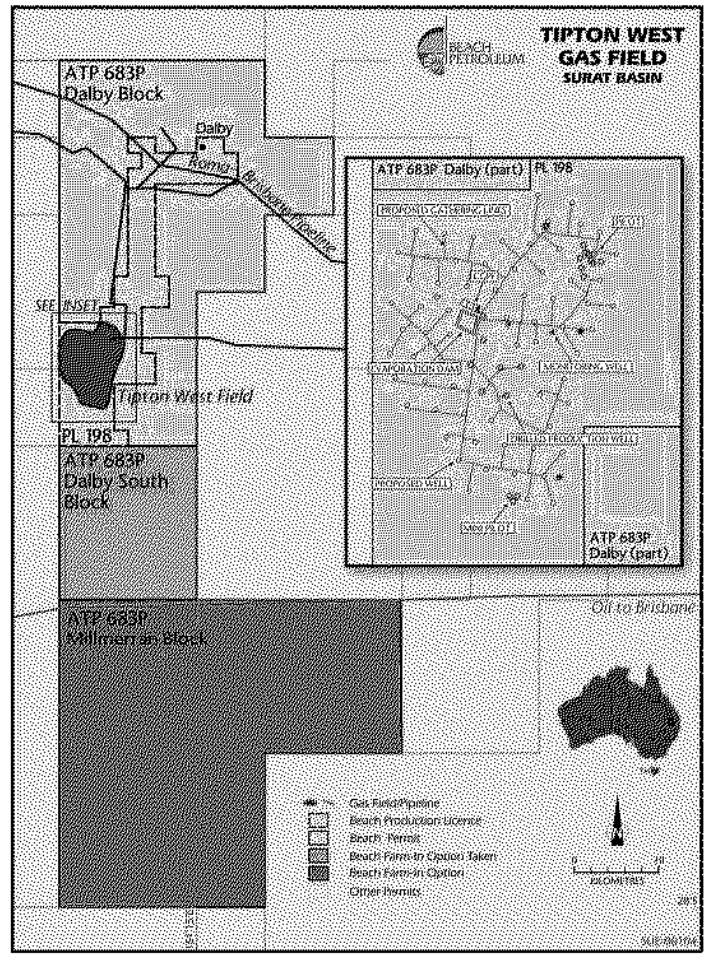
Tipton West Coal Seam Gas
Beach 40%



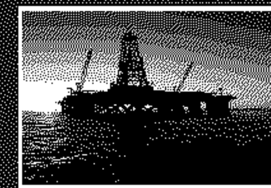
- Phase 1 Development – 75 wells
  - 50 wells drilled to date
  - 25 connected and dewatering
  - Small gas flows commenced
  - On track for first gas sales early 2007

- Initial gas sales agreement with Braemar Power Station Project for up to 10 PJ/year

- Good Exploration potential in adjacent blocks



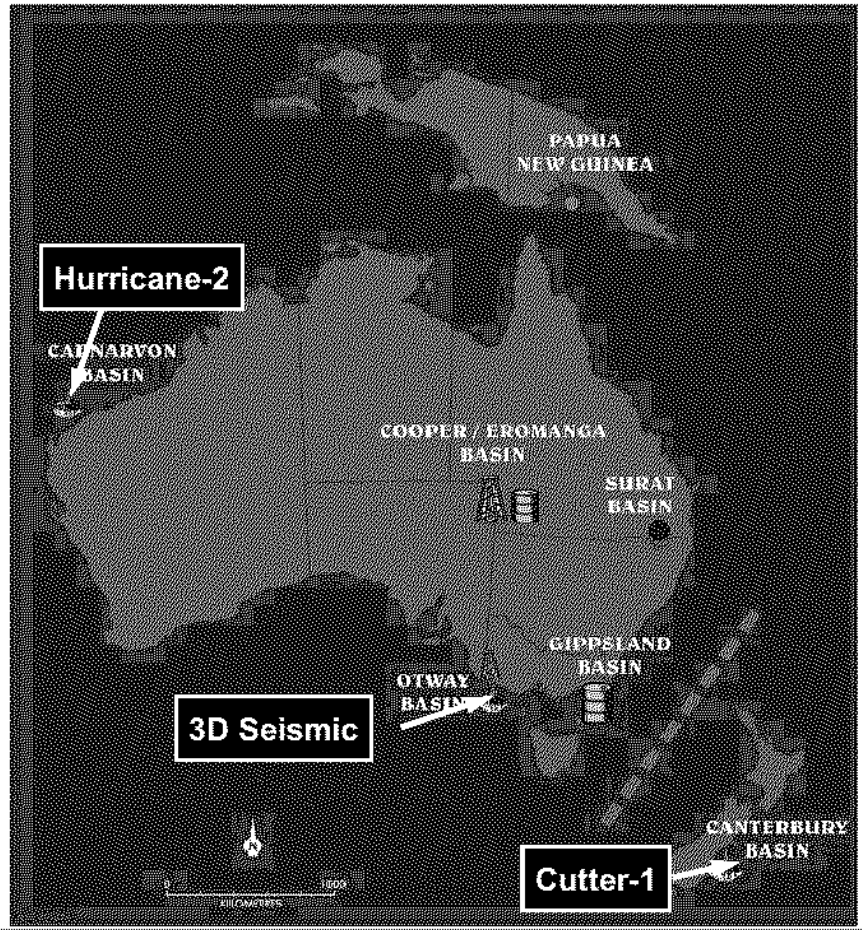
High Reward Exploration



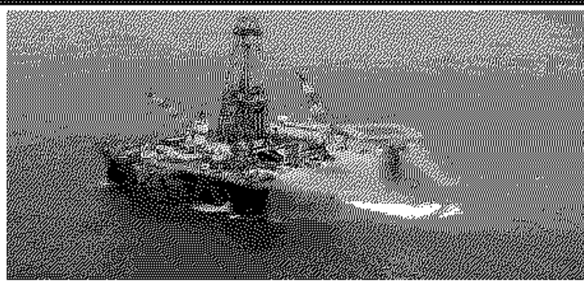
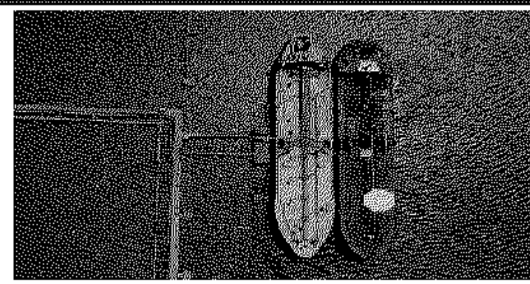
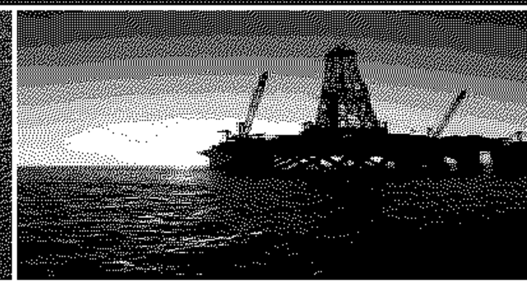
- **<u>New Zealand (BPT 20%)</u>**
  Cutter-1, spudded 10 October
  Target 80 mmbbl oil potential

- **<u>Carnarvon (BPT 10%)</u>**
  Hurricane-2, Q2 '07
  Target 40-50 mmbbl oil potential

- **<u>Offshore Otway Basin (BPT 50%)</u>**
  3D Seismic Q1 '07
  Target >1 TCF gas potential
  Drill FY 07



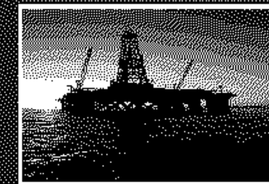
Beach Petroleum Limited

Delhi Petroleum Acquisition

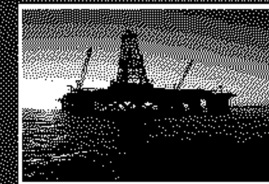
October 2006

Delhi Acquisition



- Beach has purchased the Delhi group of companies ("Delhi")
- Beach now owns approximately an average 21% of the Santos operated Cooper Basin Joint Ventures ("CBJV")
- CBJV assets include
  - ~300 mmboe reserves (net ~63 mmboe to Delhi)
  - Significant and strategic infrastructure assets
  - Significant Oil Potential ('Cooper Oil Program' - 50-75 mmb, gross)
- New CBJV ownership structure
  - Santos Limited ~66%
  - Beach Petroleum Limited ~21%
  - Origin Energy Limited ~13%

Delhi Acquisition



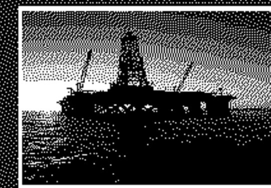
- Total Acquisition Cost $590 million
  - Assets $530 million
  - Group Structure (inc cash of approx. $45 million, inventory & tax losses) $60 million

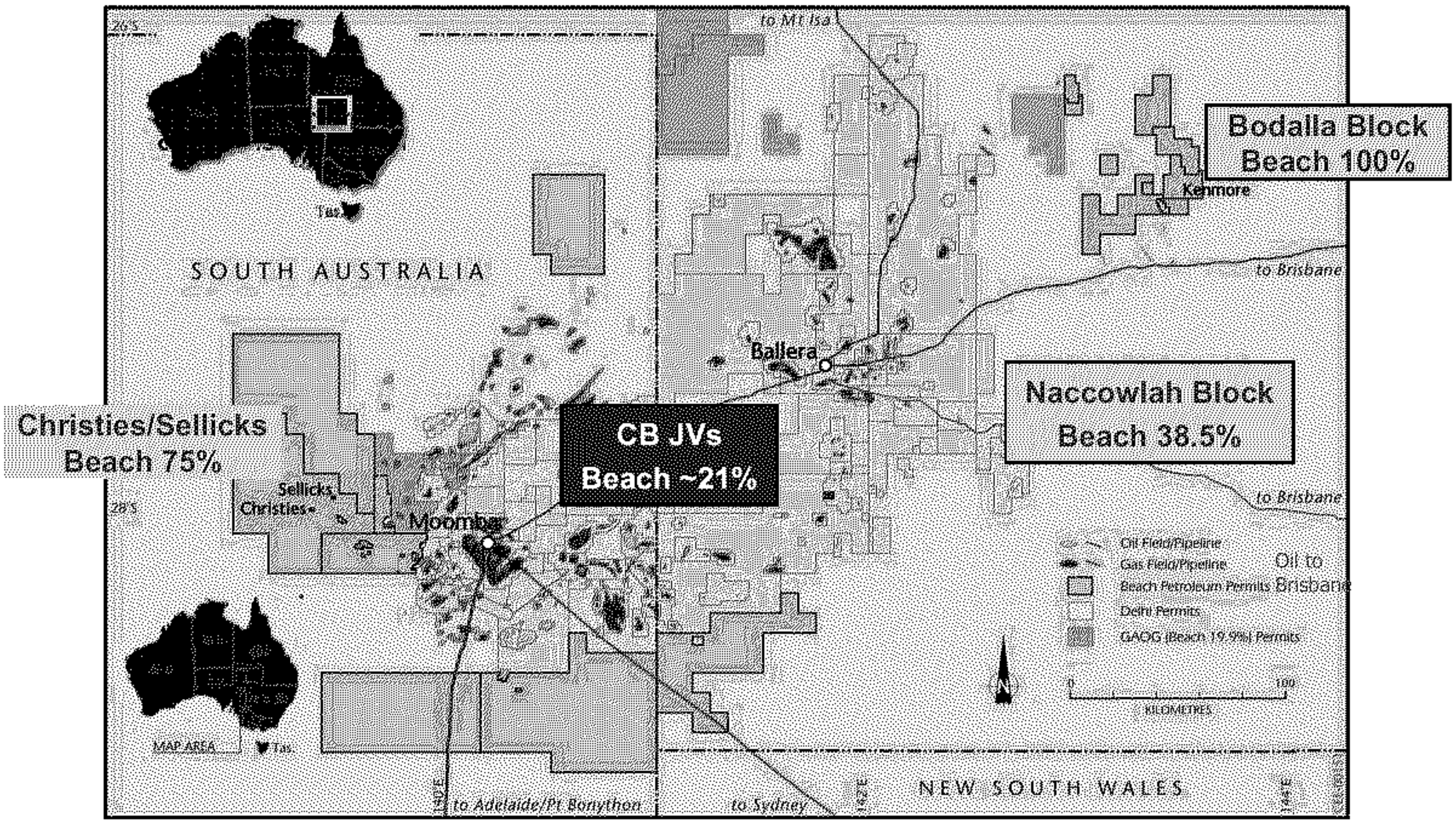
- 63 mmboe of Proved & Probable Reserves acquired for A$8.41/boe
  - Gas & Gas Liquids ~ A$1.60/GJ
  - Oil ~ A$10.00/bbl

- Beach considers the price reflects fair value for the existing reserves with high potential upside, particularly associated with the Cooper Oil Program.

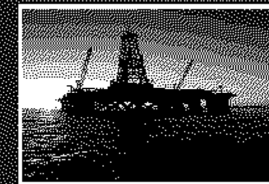
- Transaction was structured such that no counter bid from competing parties was possible.

Cooper Basin – Beach Assets (post Delhi acquisition)





Cooper Oil Program



- Development & Appraisal Program in existing oil fields
- Beach Equity ~25% (<u>but 38.5% of Naccowlah Block</u>)
- ~700 mmb OOIP in Cooper Basin
- Recovery from existing wells ~200 mmb (28%)
- Increase recovery factor by 5-10% >> additional 35-70 mmb
- Low risk/high success rate ... but lots of wells needed
  - If ~0.075 mmb/well, need 500-1,000 wells
- NPV to Beach ~A$15/bbl (at oil price $US60/bbl)

Cooper Oil Program

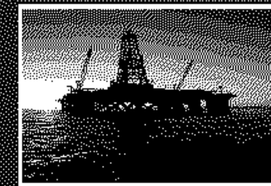
- Analogy – Kenmore Field (Beach 100%)
  - OOIP 35 mmb
  - Drilled 9 wells 2003-05, 7 successes
  - Increased recovery factor from 35% to 41% -- net 2.2 mmb

- Example of COP - Naccowlah Block (Beach 38.5%)
  - OOIP ~220 mmb
  - 5-10% increase in recovery will yield 11-22 mmb
  - 21 wells planned in FY 07

Delhi Acquisition - Summary

- Assets complementary and well known to Beach
- 176% increase in 2P reserves at fair value
- Transaction structure provided precluded counter bids from competing parties.
- High potential upside in Cooper Oil Program
- Gas swapping opportunities to add value to other Beach gas reserves (particularly Tipton West).

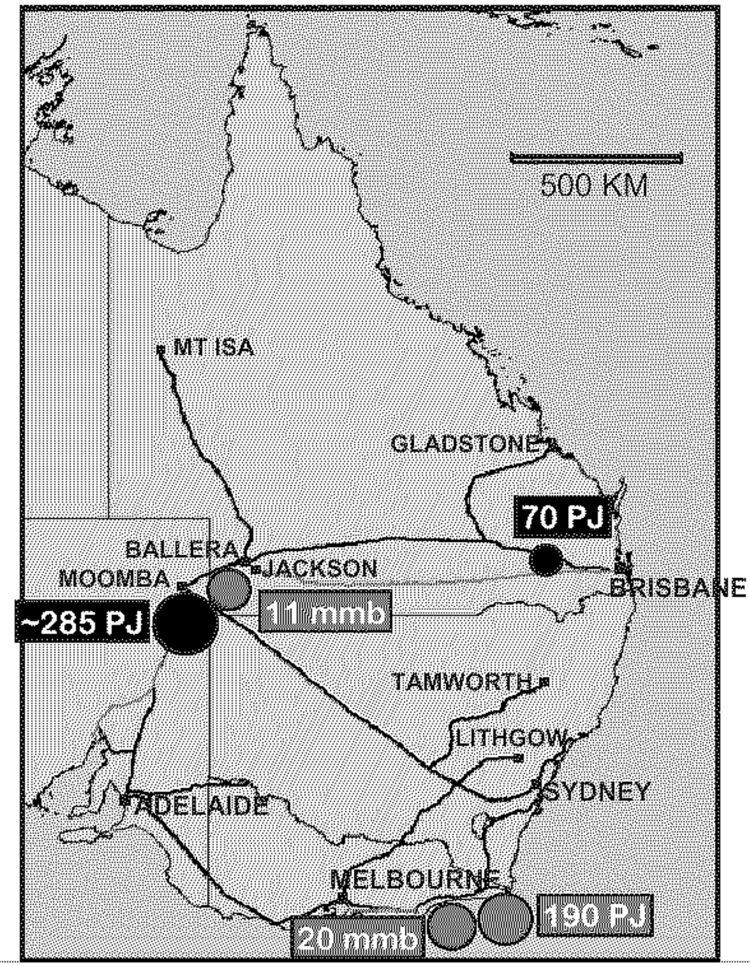
Beach Post-Acquisition



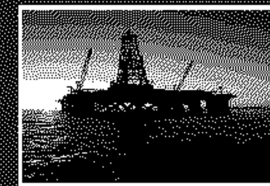
- Reserves
  - Cooper/Eromanga 68 mmboe
  - Gippsland 20 mmboe
  - Surat 12 mmboe

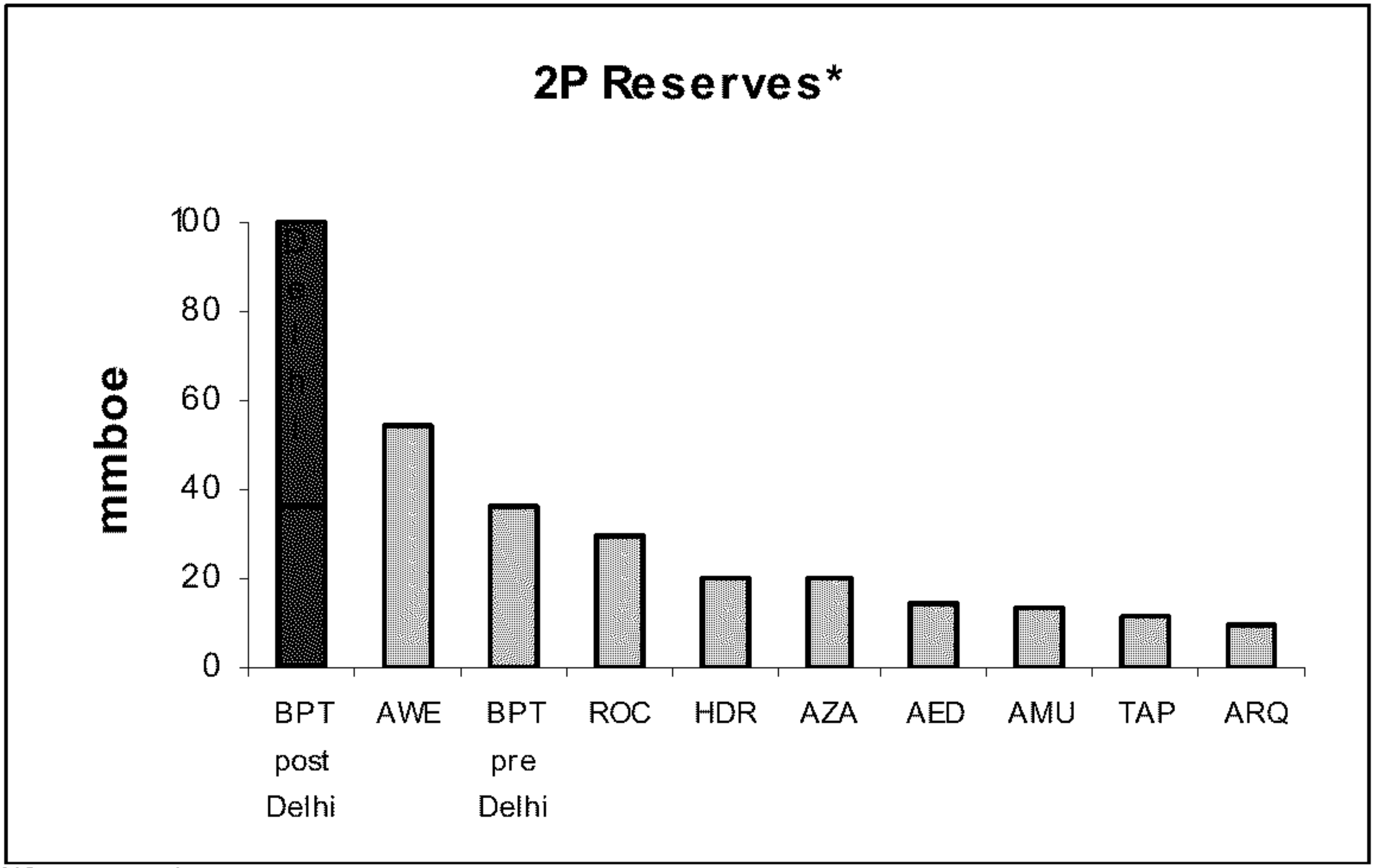
- Production
  - Above 10 mmboe in FY07
  - 30 % oil / 70% Gas & Gas Liquids

[1] As at July 1, 2006



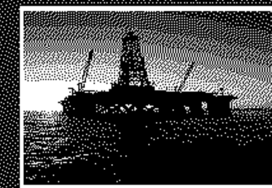
Peer Comparison

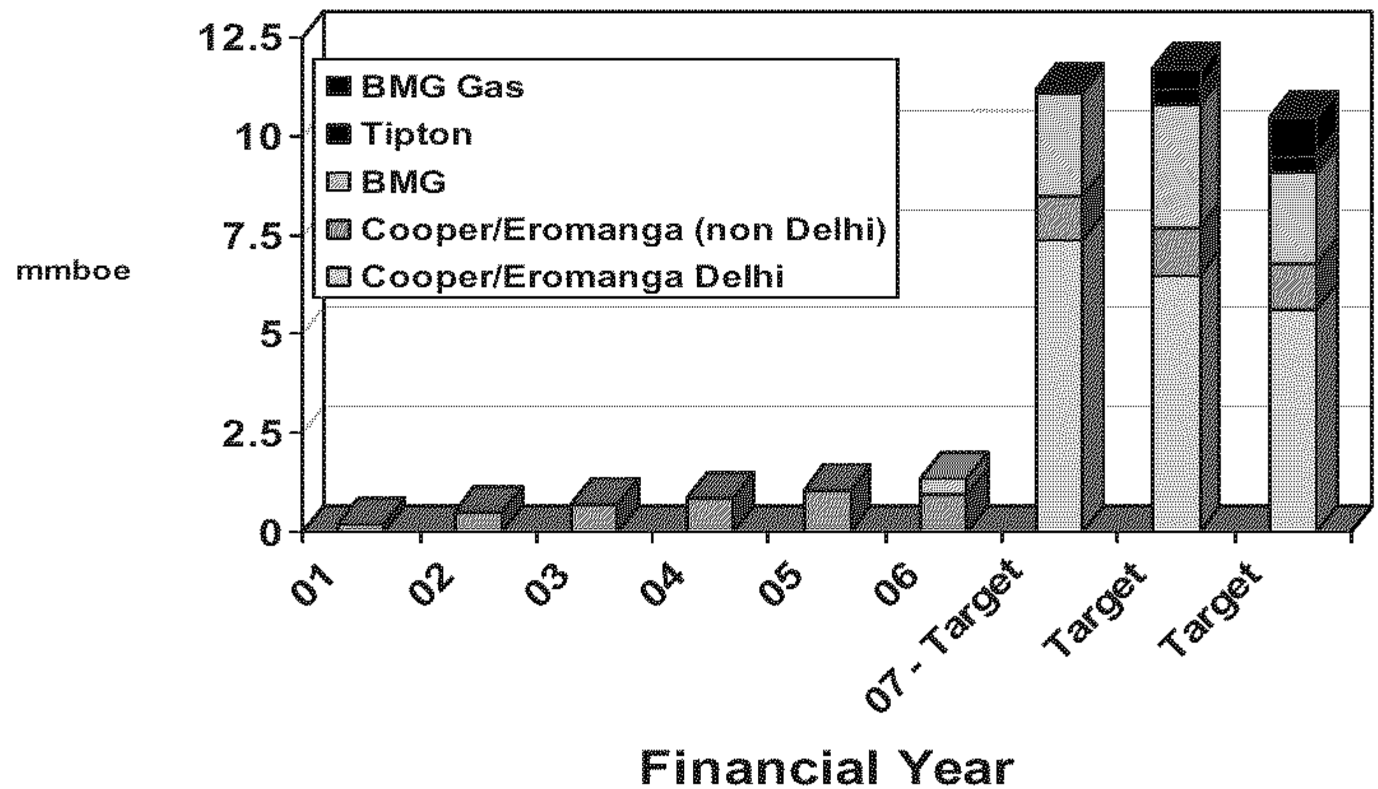




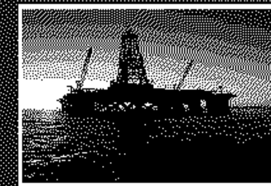
* Pre-contingent BMG gas conversion

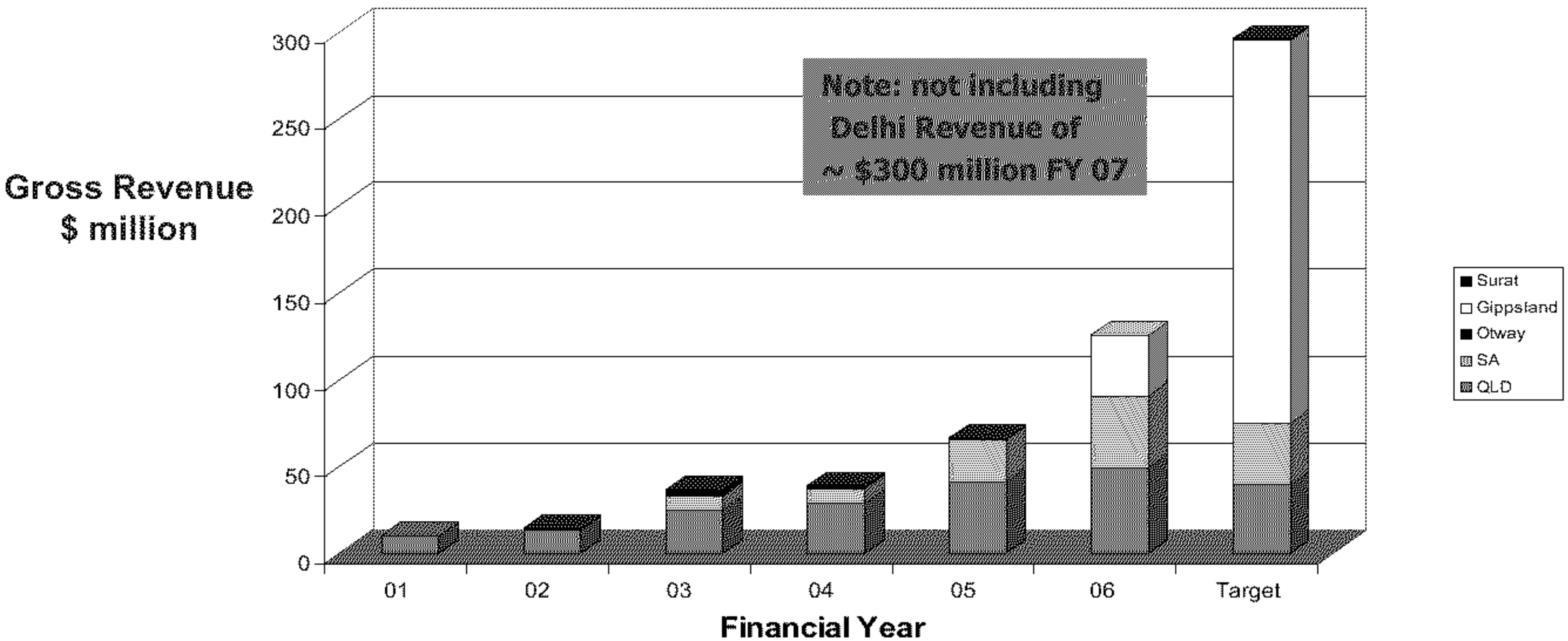
Outlook: Production Growth



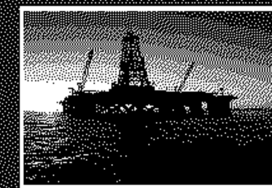


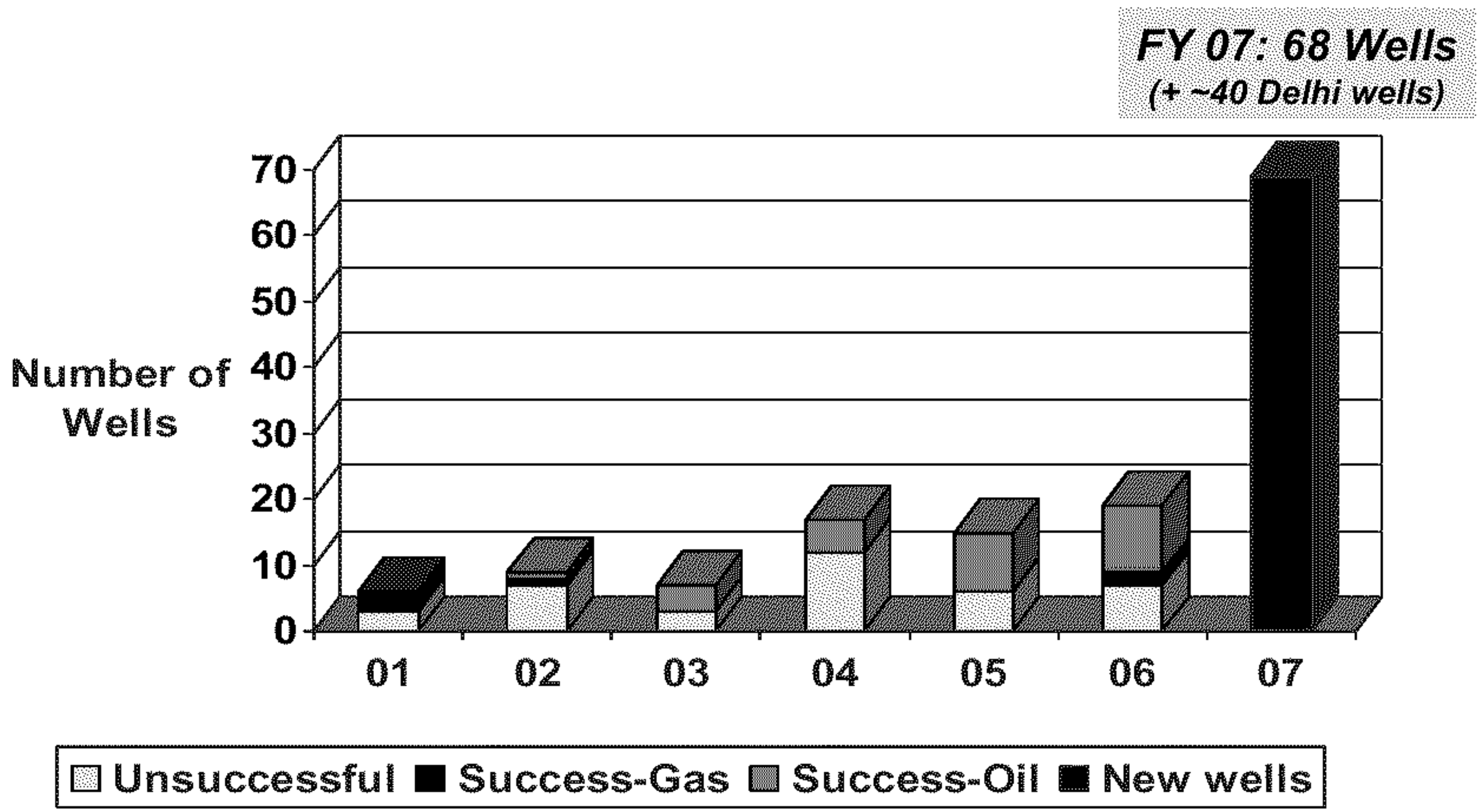
Outlook: Revenue Growth



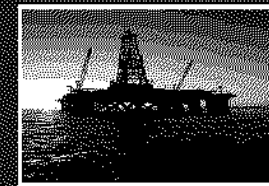


Outlook: Extensive Drilling





Outlook: FY 07 Exploration



AREA	ACTIVITY	Expected net Reserves	EXPENDITURE
Cooper/Eromanga - Exploration	39 wells	5 mmboe (risked)	$33 million
- Appraisal	25 Wells	1 mmboe (risked)	$19 million
Surat/Bowen	Champagne Creek-1	Potential 30 BCF	$4 million
Otway	Glenaire-1 & 3D seismic	Potential 30 BCF	$8 million
Carnarvon	Hurricane-2	Potential 5 mmb	$2 million
Canterbury	Cutter-1	Potential 15 mmb	$8 million
TOTAL	**68 Wells**		**$74 million**

Note:
- **plus Basker-6 (~$30 million)**
- **C/E includes 20 wells in Naccowlah Block**

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