



Friday 1 June 2007
FOR IMMEDIATE RELEASE

RENEGOTIATION OF BEACH PETROLEUM'S FINANCE FACILITIES

Beach Petroleum Ltd (ASX: BPT) has renegotiated its finance facilities with the provision of a \$A300 million syndicated term debt facility by the Commonwealth Bank of Australia ("CBA") and Societe Generale Australia Branch ("SG") and an associated \$A25 million working capital facility by CBA.

The new facility replaces an earlier bridging finance facility established with CBA in relation to the acquisition of Delhi Petroleum in September last year and follows the redemption in recent months of the last of the FIELDS notes previously associated with Delhi Petroleum.

Beach Petroleum acquired Delhi Petroleum last year to gain an average 20.1 per cent working interest in the Cooper Basin petroleum unit operated by Santos Ltd.

The Delhi acquisition has provided a material boost to Beach Petroleum's oil and gas production volumes and the company's revenue.

In addition Beach's participation in the Cooper Oil Program, which is designed to maximize the production and returns from the region, has had a material impact on the company.

In the financial year to date Beach has participated in a total of 31 wells associated with the Cooper Oil Program with an overall success rate of 77 per cent.

Beach has been involved in 5 development wells, 16 appraisal wells and 10 exploration wells in the financial year to date.

In the March, 2007, quarter Beach Petroleum posted its best ever quarter of oil and gas production and sales revenue with output reaching 2.31 million barrels of oil equivalent (boe - oil and gas production combined) and revenue totaling \$A130.9 million.

The March quarter figures easily outstripped production of 2.28 million boe and revenue of \$A94.2 million in the December 2006 quarter.

In the nine months of the financial year to the end of March Beach Petroleum generated revenue of \$A345.3 million from total production of 7 million boe.

The acquisition of Delhi Petroleum gave Beach an average 20.1 per cent equity interest in more than 200 oil and gas fields in the Cooper Basin and overlying Eromanga Basin in South Australia and Queensland.

The acquisition increased Beach's reserves from approximately 36 mmboe at 30 June 2006 to approximately 100 mmboe at the time of the deal.

The Delhi acquisition helped lift Beach's petroleum sales for the first nine months of the year to March 30 were 7.97 million boe, up from just 1.07 million boe for the 9 months to March 2006.

Beach has been steadily building gas and gas/liquids assets in strategically located positions around the Australian eastern seaboard natural gas pipeline network.

The company believes that the oil, gas and gas/liquids held by Delhi Petroleum strongly complement Beach's existing assets and provide an increasingly important source of future revenue to Beach.

Beach Petroleum managing director, Reg Nelson, said, "The Cooper Oil Program, in particular, to date has met – or even exceeded our expectations. In conjunction with this, Beach is conducting extensive operations in its own right in the region, with notable successes such as the recent Bodalla South-17 well."

He said, "We anticipate that increased oil reserves and production will more than offset any decline in gas production from the Cooper, while Beach's strong position in coal seam gas assets in eastern Queensland will increasingly assume importance as a source of revenue from gas."

Beach has a 40% interest in the Tipton West coal seam gas project close to the Brisbane gas trunkline near Dalby, Queensland, where up to 2,300 PJ of a possible gas resource has been identified, with significant potential to increase this through exploration of adjacent tenements.

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