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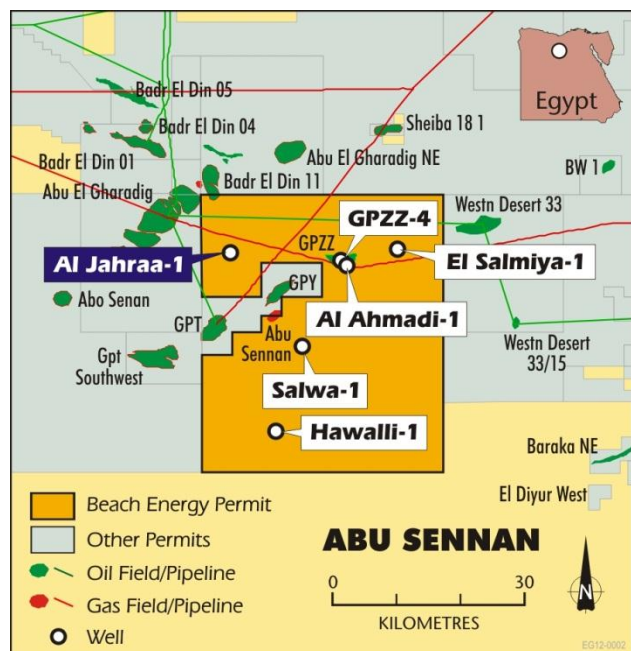
Dear Sir,

THIRD EGYPTIAN EXPLORATION DISCOVERY IN BEACH'S ABU SENNAN CONCESSION

Beach advises that a third exploration discovery in the Abu Sennan concession in Egypt, has flowed oil at 835 barrels per day

Beach Energy Limited (ASX: BPT, "Beach") is pleased to announce its third discovery at the Al Jahraa-1 exploration well in the Egyptian Abu Sennan concession. The Al Jahraa-1 well, located about 15 kilometres west of the Al Ahmadi-1 and ZZ-4 discoveries, was the third well drilled as part of a six well exploration program.

Al Jahraa-1 reached total depth in the Kharita Formation at 3,700 metres, with initial testing flowing oil at a rate of 835 bpd from the Abu Roash "E" target zone. As this is an oil discovery with commercial flow rates, the operator, Kuwait Energy PLC, anticipates commercial production of the Al Jahraa-1 discovery as soon as all appropriate approvals are received from the regulatory authorities.



As previously announced, the El Salmiya-1 well, located approximately 10 kilometres east of the Al Ahmadi-1 and ZZ-4 discoveries, is currently running a testing program, with very encouraging initial results.

The final two wells of the six well program, Salwa-1 and Hawalli-1, have recently spudded. These wells are further south in the concession and are expected to reach total depth over the coming weeks.

The Joint Venture equity interests in Abu Sennan are:

Beach (via wholly owned subsidiary Beach Petroleum (Egypt) Limited) - 22%

Kuwait Energy PLC - 50% and Operator

Dover Investments Limited - 28%

Yours sincerely,



Reg Nelson

Managing Director, FAusIMM

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