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ASX Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

FIRST EGYPTIAN OIL PRODUCTION FROM BEACH'S NORTH SHADWAN CONCESSION

Oil production has commenced from the NS377 field in Beach's North Shadwan concession, with oil flowing via a tie-in to Petrobel's nearby Ras Ghara oil facility and then by pipeline to the main Petreco Oil Centre at Abu Rudeis

Beach Energy Limited (ASX: BPT, "Beach") is pleased to announce first oil production from its North Shadwan concession. The oil from the NS377 oilfield will be treated at the Ras Ghara plant before being piped to the main Petreco Oil Centre and marine terminal, 120 kilometres to the north. Initial production via the pipeline will be restricted to approximately 1,000 barrels of oil per day (bopd), with further production from the NS377 field to be handled via a trucking operation, which is expected to commence in Q2 2012.

In the nearby NS385 oilfield, planning is underway for the drilling of the first development well, which is expected to spud prior to the end of Q2 2012. By Q1 2013, it is anticipated that production from NS385 will be added to NS377 production, resulting in North Shadwan producing up to 5,000 bopd (gross).



The North Shadwan joint venture partners have also applied for a development lease over the NS394 oil discovery, with the development expected to commence in 2013. Production from NS394 is anticipated to commence in 2014 at an expected flow rate of up to 7,000 bopd (gross).

The Joint Venture equity interests in North Shadwan are:

Beach (via wholly owned subsidiary Beach Petroleum (Egypt) Pty Ltd) – 20%

BP Exploration (Delta) Limited - 50% and operator

TriOcean Energy Company - 30%

Yours sincerely,

A handwritten signature in black ink, appearing to be "Reg Nelson", on a light yellow rectangular background.

Reg Nelson

Managing Director, FAusIMM

For more information contact

Corporate

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