



ASX Release

Beach Energy Ltd
ABN: 20 007 617 969
ASX Code: BPT

25 Conyngham Street
GLENESIDE SA 5065

GPO Box 175
ADELAIDE SA 5001

Tel: +61 8 8338 2833
Fax: +61 8 8338 2336

Web:
www.beachenergy.com.au
Email:
info@beachenergy.com.au

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BEACH CONFIRMS SECOND RIG FOR WESTERN FLANK DRILLING IN EARLY 2011

Beach advises the following in relation to its operations in PEL's 91 and 92 on the Western Flank of the Cooper Basin:

- Two drilling rigs to commence an expanded 16 well drill program in first quarter 2011.
- Construction of upgraded roads and a new bridge over Cooper Creek, to give access to the Western flank oil province, have now been completed.

Cooper Basin Western Flank

Beach Energy Ltd (ASX: BPT, "Beach") has now contracted the Ensign#30 drilling rig, in addition to the previously contracted Ensign#18 drilling rig, to undertake a sixteen well program commencing in February 2011. The program will commence with four wells to further appraise and develop the prolific, high rate Namur Sandstone reservoirs at the PEL-92 (Beach 75%) Parsons and Butlers Oilfields. Initial rates recorded for successful wells in these fields are in excess of 1000 barrels of oil per day prior to instillation of pump equipment. A further five exploration wells in PEL-91 (Beach 40%) and seven exploration wells in PEL-92 (Beach 75%) will complete the program. Exploration prospects to be addressed by the program range in size from approximately 0.5 to 5.5million barrels of recoverable oil. Joint Venture approval to proceed with the full program has been received.

If successful, together with facilities upgrades, these projects are expected to provide a material reserves upgrade and subsequent significant increase in production during FY11.

Bridge and upgraded road access to Western Flank

Beach has now completed construction of upgraded roads and a bridge to provide vehicle access to field and exploration operations on the Western Flank while the Cooper Creek is flowing. The 30 metre bridge spans the main Cooper channel and in conjunction with upgraded and re-routed roads, will provide access for the two drilling rigs and ongoing associated service supplies. The completion of this construction work, combined with the new airstrip adjacent to our western flank facilities, will allow Beach to continue operational and exploration activities during anticipated ongoing flooding of the region.

In co-operation with and as an acknowledgement of our good working relationship with the Dieri People on cultural heritage clearance activities, Beach has named the bridge "Kudnarri Bridge". Kudnarri is the Dieri word for Cooper Creek.



Kudnarri Bridge

PEL-92: Beach (75%, operator), Cooper Energy (25%).

PEL-91: Beach (40%, operator), Drillsearch (60%).

For more information contact

Corporate

Reg Nelson

Beach Energy Ltd

08 8338 2833

Neil Gibbins

Beach Energy Ltd

08 8338 2833

Investor Relations

Chris Jamieson

Beach Energy Ltd

08 8338 2833