

ASX RELEASE

For Immediate Release – 1 June 2011
Ref. #070/11

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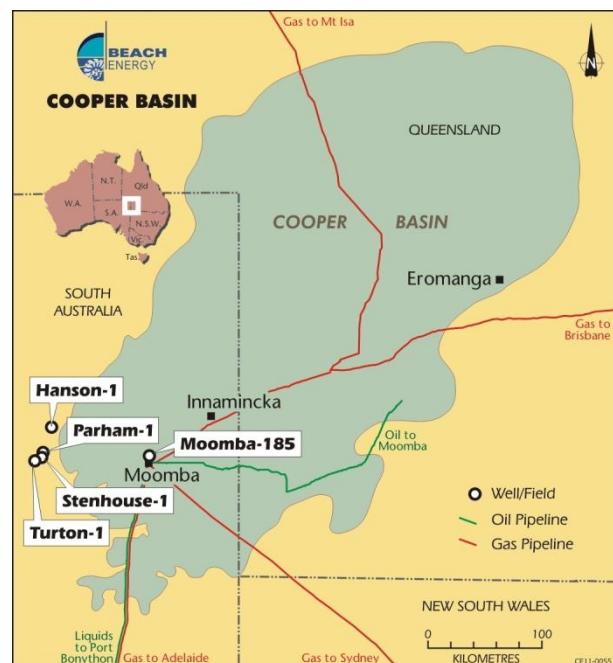
AUSTRALIA

Beach Operated Cooper-Eromanga Oil – Western Flank

During the reporting period three exploration wells have been drilled in the Western Flank region in two separate campaigns.

In the continuing PEL-92 campaign, Ensign Rig#30 firstly drilled Parham-1 to test a structure one kilometre SW from Butlers-1, with the well plugged and abandoned without oil shows.

Subsequently, Stenhouse-1 was drilled at a location 1.8 kilometres south of Parham. Although encouraging shows were intersected in the Namur target, evaluation of wireline data indicated no commercial oil at this location and this well also was plugged and abandoned.



The rig has subsequently spudded Turton-1 on 28 May and is currently drilling ahead at 867 metres in the Cretaceous section. Parham-1, Stenhouse-1 and Turton-1 are all located within PEL-92 (Beach 75%). A further four approved wells are yet to be drilled in the program.

Further north, Beach initiated a second operated campaign in PEL-91 (Beach 40%) using the Ensign Rig#18. The first well of this campaign drilled a new-field oil discovery at Hanson-1 where a 7 metre oil column was intersected at the top of the Namur Sandstone. Oil shows within the Birkhead Formation were tested by DST-1 (1641 – 1655.5 metres) which recovered 0.42 barrels of mud, possible formation water and trace oil. The Hanson location lies 3.4 kilometres south from the Chiton Oilfield. There are four more approved exploration wells in this PEL-91 campaign.

Beach Operated Cooper-Eromanga Basin Gas – PEL 106FI Block

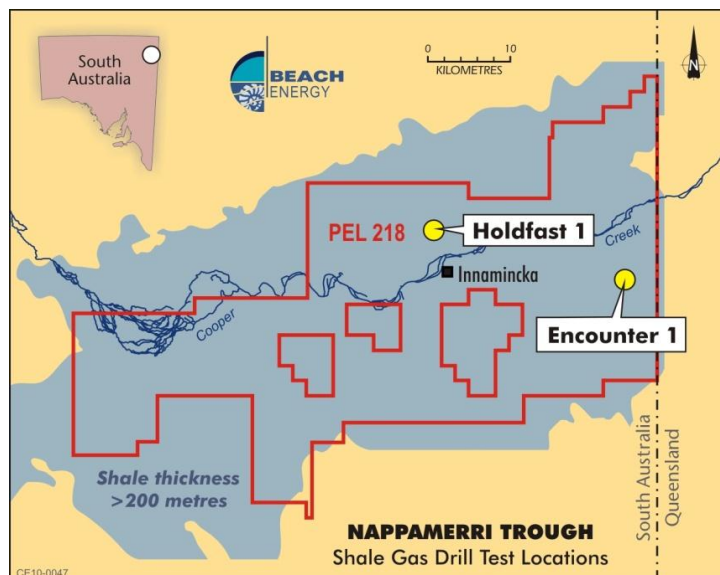
The Canunda-1 well is currently shut in for an extended pressure build-up, analysis of which will provide insight into reservoir size and extent. A total of 100 million standard cubic feet of raw gas (including 15 thousand standard barrels of condensate sales) has been produced during the test.

Santos Operated Cooper Basin Oil and Gas Development

The Moomba-185 gas development well (Beach 20.21%) has been cased and suspended as a future Toolachee Formation gas producer. This well was also deepened to obtain 30 feet (9.1 metres) of core from each of the Roseneath and Murteree Shales to further assess the shale-gas prospectivity of these intervals within the Moomba Field area. The Saxon-183 drilling rig has since moved to the Moomba-186 location (Beach 20.21%) and is preparing to spud. A second (new) Saxon rig is currently undergoing compliance testing and commissioning before spudding Nephrite South-6 well in early June.

Beach Operated Cooper Basin Shale Gas Exploration – PEL 218

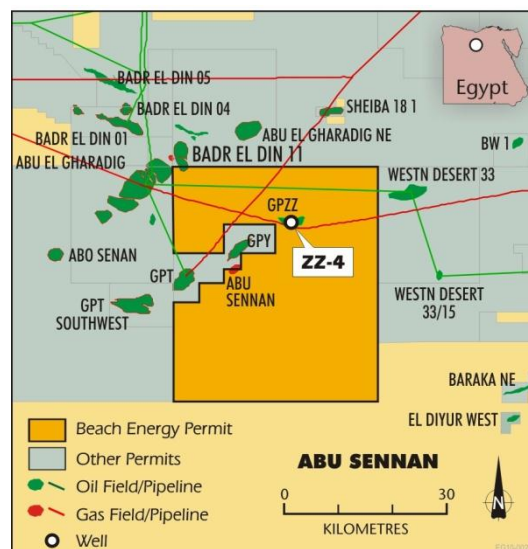
The Holdfast-1 completion has been installed (Beach 90%) in preparation for flow stimulation activities to be conducted in early/mid June. Completion equipment is currently being installed in Encounter-1 (Beach 90%). Up to eight zones in each well will be stimulated as part of the on-going assessment of volumetric and flow potential of gas from shales within the Nappamerri Trough. Geological and engineering studies continue on the core and logs which were recovered from Encounter-1 and Holdfast-1 in late 2010 and early 2011.



INTERNATIONAL

Kuwait Energy Operated Western Desert Oil Exploration – Abu Sennan Concession, Egypt

The ZZ-4 well (Beach 22%) reached a total depth of 4715 metres in Permian sediments on May 5. Wireline logging commenced thereafter, but was cut short due to problems with stuck logging tools. The current plan is to plug back the basal part of the well prior to conducting open hole evaluations of oil shows recorded higher in the well in Early Cretaceous sediments. ZZ-4 is an appraisal of the Late Cretaceous GPZZ Oil Field and was deepened to target hydrocarbon exploration potential in the older Jurassic sequence. ZZ-4 is the first in a multi-well drilling program designed to test several play concepts within the Abu Sennan concession.



Drilling Report – Period ending 1 June 2011

Well	Participants	Progress & Summary	Primary Targets
Turton-1 PEL 92 Oil Exploration C/E Basin, SA	BPT* 75.00% COE 25.00%	Report Time: 0600 (CST) 1/06/2011 Depth: 867m Operation: Drilling ahead in the Allaru Formation. Progress: 867m	Namur Sandstone
Hanson-1 PEL 91 Oil Exploration C/E Basin, SA	BPT* 40.00% DLS 60.00%	Report Day: 0600 hrs (CST) 1/06/2011 Depth: 1948m (TD) Operation: Wiper trip prior to casing well as future Namur oil producer. Progress: 1948m	Namur Sandstone Birkhead Formation
Stenhouse-1 PEL 92 Oil Exploration C/E Basin, SA	BPT* 75.00% COE 25.00%	Report Time: 0600 hrs (CST) 1/06/2011 Depth: 1835m (TD) Operation: Well is plugged and abandoned. Progress: 1835m	Namur Sandstone
Parham-1 PEL 92 Oil Exploration C/E Basin, SA	BPT* 75.00% COE 25.00%	Report Time: 0600 hrs (CST) 1/06/2011 Depth: 1826m (TD) Operation: Well is plugged and abandoned. Progress: 1246m	Namur Sandstone
Holdfast-1 PEL218 Gas Exploration C/E Basin, SA	BPT* 90.00% ADE 10.00%	Report Time: 0600 hrs (CST) 1/06/2011 Depth: 3487m (TD) Operation: Cased hole evaluation underway. Progress: 0m	R-E-M Interval
Moomba 185 PPL7 Gas Development C/E Basin, SA	BPT 20.21% STO* 66.60% ORG 13.19%	Report Time: 0600 hrs (CST) 1/06/2011 Depth: 2721m (TD) Operation: Well is cased and suspended as a future Toolachee Formation gas producer. Progress: 1696m	Toolachee Formation Daralingie Formation
ZZ-4 Abu Sennan Concession Oil Exploration Western Desert, Egypt	BPT 22.00% KEE* 50.00% DVPC 28.00%	Report Time: 0600 hrs (local) 31/05/2011 Depth: 4715m Operation: Cementing bottom hole prior to conducting evaluations of oil shows. Progress: 7m	Khatatba Formation Bahariya Formation

(*) Operator
BPT Beach Energy Ltd
ORG Origin Energy Resources

(s) Secondary Targets
ADE Adelaide Energy
STO Santos Limited

KEE Kuwait Energy
DVPC Dover Petroleum

COE Cooper Energy
DLS Drill Search Energy Limited

A handwritten signature in black ink, appearing to read "NG", followed by a long horizontal line extending to the right.

Neil Gibbins
Chief Operating Officer

For more information contact

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