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ASX Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

OIL DISCOVERIES AT BAUER-1 AND RINCON-1 ON BEACH'S WESTERN FLANK

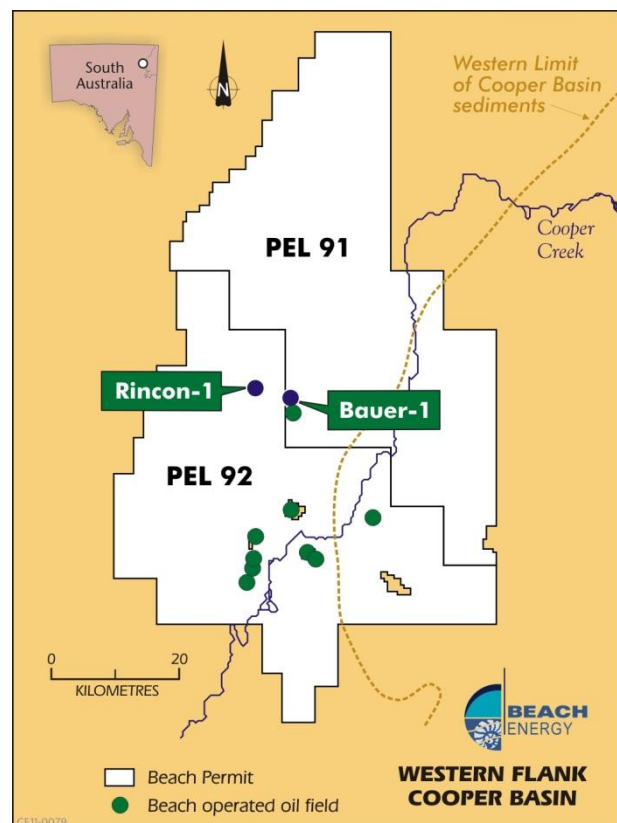
Beach advises two new field oil discoveries, with a fifteen metre oil column encountered at Bauer-1 in PEL 91 and a five metre oil column at Rincon-1 in PEL 92

Beach Energy Ltd (ASX: BPT, "Beach") is pleased to announce two new field oil discoveries at Bauer-1, the third successful well in a five well exploration drilling campaign in PEL 91, and at Rincon-1, the final exploration well of the initial eleven well program for PEL 92. The commencement of the FY12 Joint Venture approved nine well exploration and development program, set down for PEL 92, will now follow this program.

The Bauer-1 well (Beach (Operator) - 40%, Drillsearch Energy Ltd - 60%) encountered a gross oil column of fifteen metres, with thirteen metres of net pay, in the McKinlay/Namur Sandstone section of the well. Preliminary volumetric assessment indicates the potential of the discovery could be in the order of two million barrels of recoverable oil (gross).

Following the completion of the evaluation program, the Ensign#18 rig will be moved to the Searcy-1 exploration well which is located approximately eight and a half kilometres to the north-east of Bauer-1. Bauer-1 is expected to be on-line in the fourth quarter of 2011.

The Rincon-1 well (Beach (Operator) - 75%, Cooper Energy Ltd - 25%) encountered a gross oil column of five metres, with four and a half metres of net pay, in the McKinlay/Namur Sandstone section of the well. Beach's preliminary volumetric assessment suggests up to five hundred thousand barrels of recoverable oil (gross).



Following the completion of the evaluation program, the Ensign#30 rig will be moved to the Elliston-1 exploration well which is located approximately 25 kilometres to the south of Rincon-1. Options to bring Rincon-1 on-line are currently being assessed.

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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