BEACH PETROLEUM LIMITED

FOR QUARTER ENDED SEPTEMBER 2003

HIGHLIGHTS

❖ 10% INCREASE ON SALES REVENUE FOR THE QUARTER TO $8.5 MILLION

❖ AVERAGE OIL PRICE OF AUD$45 PER BARREL FOR SALES DURING THE QUARTER

❖ CHRISTIES-1 DISCOVERY WELL COMPLETED FOR PRODUCTION

❖ 3D SEISMIC DELIVERS RESULTS FOR KENMORE FIELD WITH NEW ADDITIONS TO RESERVES FROM KENMORE-28

❖ FURTHER DIVIDEND ANNOUNCED
31 October 2003

Ref: #185/03

The Manager, Companies
Australian Stock Exchange Ltd
5th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sir

ANNOUNCEMENT TO THE ASX
QUARTERLY REPORT TO SEPTEMBER 2003

Beach Petroleum Limited ("Beach") is pleased to report on September Quarter 2003 activities as follows:

REVENUE AND FINANCIAL RESULTS

Sales for the quarter were maintained above the year's quarterly average, with successful forward hedging oil and currency contracts maintaining the Company's Oil Revenue at an average of AUD$45 per bbl.

1. Oil and Gas Sales

Beach's total sales in Australia for the quarter were 215,000 barrels of oil equivalent. (2002 Actual September quarter was 213,000 barrels of oil equivalent). This represents a slight increase in oil and gas sales barrels of oil equivalent as compared to the previous corresponding quarter.

2. Oil and Gas Sales Revenue

Beach's share of proceeds from the sale of oil and gas in Australia for the quarter was $8,498,000. (2002 Actual September quarter oil sales revenue was $7,720,000). This represents a 10% increase in oil and gas sales revenue as compared to the previous corresponding September period. The Company realised an average Oil Price for the Quarter of AUD$45.00 as compared to AUD$43.00 for the previous corresponding quarter.
3. **Company Oil Price and Currency Hedging**

The Company has entered into forward Oil Price and Currency Hedging for the 12 months to 30 June 2004 which will ensure the Company receives at least half of its oil sales revenue for the current financial year at AUD$45 per bbl.

4. **Successful Full Year Results released**

During the quarter, the Company released its end of financial year results for the year ended 30 June 2003, which highlighted the following results:

- Record net profit up 178% from $2.86 million to $7.95 million;
- Revenue up 136% from $15.3 million to $36.2 million;
- Operating Cash flow up 224% from $4 million to $17.1 million; and
- Pre-tax earnings up 166% from $4.2 million to $11.2 million

5. **Dividend Declared**

Based on these outstanding results, the Directors declared a ½ cent Special and a ½ cent Final Dividend payable to all shareholders registered at the close of business on 20 November 2003. This dividend will be paid to all shareholders no later than 9 December 2003.

6. **S & P/ASX 300 Index**

During the quarter, Beach was admitted to the S & P/ASX 300 Index, a further indication of its continuing emergence as an Australian explorer and producer of substance.

**PRODUCTION**

Production for the quarter totalled 203 thousand barrels of oil equivalent (kboe), an average production rate of 2,203 boe per day. This represents a 15% reduction in production below that achieved in the previous quarter, the primary causes of which were rain, which disrupted production from the Sellicks and Acrasia fields and the recompletion of Sellicks-1, which resulted in the well being offline for approximately 1 week.

An improvement in production performance is expected in the forthcoming quarter as a result of the commencement of production from Kenmore-28 and Christies-1 and improved performance from Sellicks-1.
DRILLING PROGRAM

### Drilling Program
July to September 2003

<table>
<thead>
<tr>
<th>Area</th>
<th>Tenement</th>
<th>Well</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>S A Cooper</td>
<td>PEL 91</td>
<td>Christies-1</td>
<td>Oil Discovery</td>
</tr>
<tr>
<td></td>
<td>PEL 107</td>
<td>Moana-1</td>
<td>P&amp;A</td>
</tr>
<tr>
<td></td>
<td>PEL 91</td>
<td>Carrickalinga-1</td>
<td>P&amp;A</td>
</tr>
<tr>
<td></td>
<td>PEL 92</td>
<td>Brighton-1</td>
<td>P&amp;A</td>
</tr>
<tr>
<td>Queensland Eromanga</td>
<td>PL 32</td>
<td>Kenmore-28</td>
<td>Oil Well</td>
</tr>
</tbody>
</table>

### Planned Drilling Program
October to December 2003

<table>
<thead>
<tr>
<th>Area</th>
<th>Tenement</th>
<th>Well</th>
<th>Beach Equity</th>
<th>Timing</th>
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</thead>
<tbody>
<tr>
<td>Qld Eromanga</td>
<td>PL 32</td>
<td>Kenmore North-2</td>
<td>100%</td>
<td>October</td>
</tr>
<tr>
<td></td>
<td>ATP 269P</td>
<td>Bargie-4</td>
<td>93.9%</td>
<td>October</td>
</tr>
<tr>
<td></td>
<td>PL 32</td>
<td>Kenmore-29</td>
<td>100%</td>
<td>November</td>
</tr>
<tr>
<td></td>
<td>PL 32</td>
<td>Kenmore-30</td>
<td>100%</td>
<td>December</td>
</tr>
<tr>
<td>S A Cooper</td>
<td>PEL 110</td>
<td>Semaphore-1</td>
<td>37.5%</td>
<td>October</td>
</tr>
<tr>
<td></td>
<td>PEL 94</td>
<td>Waitpinga-1</td>
<td>50%</td>
<td>November</td>
</tr>
<tr>
<td></td>
<td>PEL 95</td>
<td>Seacliff-1</td>
<td>50%</td>
<td>November</td>
</tr>
</tbody>
</table>

EXPLORATION and DEVELOPMENT

Key exploration and development activities during the quarter included:

- Production facilities were installed at the Christies-1 location in PEL 92 (Beach 75%). **Subsequent the end of the quarter**, the well commenced production on free-flow at a rate of 250 bopd. Optimisation of artificial lift is expected to take place during October, which is likely to increase production to above 400 bopd.

- Kenmore-28, an appraisal well in the Kenmore Field (Beach 100%), spudded on 25th September and encountered 8.5 metres of net oil pay in a 9 metre gross column at the top of the Hutton Sandstone. **Subsequent to the end of the quarter**, the well was connected to the field gathering system and commenced production at 1,003 bopd on 12th October, only 4 days after rig release.
The results of the well are consistent with the pre-drill prognosis, which was that the well would recover approximately 0.3 to 0.6 million barrels of oil. An assessment of actual reserves added by the well will be made after several months of production performance.

- Three exploration wells (Moana-1, Carrickalinga-1 and Brighton-1) were drilled in Beach's S.A Cooper Basin tenements. All three wells failed to encounter commercial hydrocarbons and were plugged and abandoned.

- Sellicks-1 (PEL 92, Beach 75%) was recompleted during the quarter to allow production from any of the three oil bearing zones in the Patchawarra Formation in the well. Artificial lift is programmed to be installed on the well in November, which is expected to result in an increase in oil production to above 1,000 bopd.

- Acquisition of 164km of 2D seismic was completed in PEL 110 (Beach 37.5%). Subsequent to the end of the quarter, acquisition of the Christies 3D seismic survey was completed, as were 2D surveys in PEL 107 (152km) and PEL 92 (36km).

**SUBSEQUENT EVENTS**

**Capital Raising**

Subsequent to the quarter, Beach announced details of a two-tiered capital raising that plans to raise up to $34 million for the continued growth of the Company's Australian oil and gas operations.

The Capital Raising will be undertaken via a combination of a fully underwritten Share Purchase Plan ("SPP") for shareholders of the Company to raise up to $17 million, in conjunction with a share placement to institutional investors for a further $17 million.

The approval for the issue of the additional shares will be put to shareholders for their approval at the forthcoming Annual General Meeting ("AGM"), which will be held in Adelaide at the Australian Mineral Foundation at 10.30am on Thursday 20 November 2003.

The funds will be used to accelerate the Company's exploration and production activities, to increase its spread of exploration projects through new farm-in opportunities and to provide working capital for new commercial acquisitions.

The Company's acquisition of the remaining interests in the Bodalla Block oilfields was achieved through funds raised in a similar manner in 2001. Since then, Beach has made significant additions to field reserves, reduced costs by 17% and acquired an important operational presence in the Cooper Basin.
Share Purchase Plan

Shareholders registered at the close of trading on 24 October 2003 and with a registered address in Australia or New Zealand, will have the opportunity to subscribe up to a maximum $5,000, subject to the terms and conditions of the SPP. The subscription price is $0.33 cents per fully paid ordinary share. Applications to participate in the SPP must be received prior to the close of the offer at 5.00pm on 18 November 2003.

Business Review Weekly ("BRW") Top 100 Fastest Growing Companies

Beach was included at No. 46 in BRW's Top 100 Fastest Growing Companies for outstanding performance in business.

Yours faithfully,

[Signature]

Reg Nelson
Managing Director, FAmBIM