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BEACH PETROLEUM REPORTS CONTINUED REVENUE GROWTH DURING THE QUARTER

Oil and gas producer, Beach Petroleum Limited, has achieved a 10% rise in revenue to $8.5 million for the opening three months of the 2003/2004 financial year. This compares with $7.7 million for the previous corresponding period, as the Company continues to benefit from its discovery and development initiatives in the Cooper/Eromanga Basins.

The revenue growth was achieved despite disruptions in production due to rain and a recompletion of the Sellicks-1 well to improve its performance. Sales for the quarter were nevertheless slightly higher than for the previous corresponding period.

“We expect to see the benefits of the Sellicks-1 recompletion during the December quarter, following installation of a jet pump in November,” Beach Petroleum’s Managing Director, Mr Reg Nelson, said today.

“This should bring Sellicks-1 production to initially around 1,000 barrels of oil per day (bopd).

“In addition, we also expect solid contributions from our highly successful Kenmore-28 well and the Christies-1 well, both of which are now in production,” he said.

Kenmore-28 was brought into production a few days after its discovery and completion in late October, flowing at around 1,000 bopd. Mr Nelson said that the discovery should recover between 0.3 to 0.6 million barrels of oil and provide a valuable contribution to the Company’s reserves.

“The use of 3D seismic on the Kenmore field has certainly delivered results,” he said.

“We have recently completed 3D seismic over the Christies discovery so that we can optimise its development next year and expect that its use elsewhere in the basin will expand drilling opportunities.”
In its report for the opening three months of the 2003/2004 financial year, Beach Petroleum announced:

- A 10% rise in revenue to $8.5 million compared to $7.7 million for the previous corresponding quarter
- Total sales for the period of 215,000 barrels of oil equivalent (previously 213,000 barrels).
- A realised average oil price of A$45 per barrel compared to A$43 in the previous corresponding quarter.
- A hedging program which will see at least half of the Company's oil production sold for A$45 per barrel in the current financial year.

During the latest September quarter, Beach Petroleum was also admitted for the first time to the S & P/ASX 300 Index.

Nr Nelson said the Company had received a very strong response from the institutional and retail market to its current $34 million capital raising.

In the past financial year to 30 June 2003, Beach Petroleum reported annual revenue of $36.2 million and a record net profit of $7.95 million compared to $2.86 million in the previous year, enabling the Company’s third dividend payment in 18 months.

The Company will hold its 2003 annual general meeting in Adelaide on Thursday, 20 November.

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