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The Manager, Companies
ASX Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

Beach Petroleum Limited ("Beach") signs Memorandum of Understanding with Rentech, Inc, a synthetic fuels technology company,

HIGHLIGHTS:

- **Beach signs MOU with Rentech Inc, a US-based synthetic fuels technology company**
 - **Parties to explore feasibility of producing synthetic fuels, fertilisers and other commodities from Beach's Cooper Basin gas resources**
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Beach Petroleum Limited ("Beach") (ASX: BPT) is pleased to announce that it has entered into a non-binding Memorandum of Understanding (MOU) with Rentech, Inc. ("Rentech") (NYSE AMEX: RTK) a U.S.-based synthetic fuels and technology company. as a further step in relation to the commercialisation of Beach's large Cooper Basin gas resources.

Scope of the Rentech MOU

Under the MOU, Beach and Rentech will investigate opportunities for the collaborative development and commercialisation of Beach's unconventional Cooper Basin gas and petroleum liquids resources.

Beach and Rentech intend to work together to ascertain whether it may be feasible to use the Rentech Process (relating to the conversion of synthesis gas for synthetic fuels and chemicals production) – see further below) to commercialise Beach's unconventional gas acreage.

This evaluation and development program may include the following activities:

- the establishment of a facility that

- could produce commodities specifically through the Rentech Process such as transport fuels (including jet fuels) and speciality chemicals; and
 - could separately produce fertiliser and other commodities;
- the identification of the size, scope, location, costs and feasibility of such a facility and its operations, products and market opportunities;
- the quantification of the gas reserves and production rate (including costs) required to provide fuel feedstock in sufficient quantities to meet the requirements of the facility.

About Rentech, Inc.

Rentech, Inc. (www.rentechinc.com), incorporated in 1981, provides clean energy solutions. The Company's Rentech-SilvaGas biomass gasification process can convert multiple biomass feedstocks into synthesis gas (syngas) for production of renewable fuels and power. Combining the gasification process with Rentech's unique application of syngas conditioning and clean-up technology and the patented Rentech Process based on Fischer-Tropsch chemistry, Rentech offers an integrated solution for production of synthetic fuels from biomass. The Rentech Process can also convert syngas from fossil resources into ultra-clean synthetic jet and diesel fuels, specialty waxes and chemicals. Final product upgrading is provided under an alliance with UOP, a Honeywell company. Rentech develops projects and licenses these technologies for application in synthetic fuels and power facilities worldwide. Rentech Energy Midwest Corporation, the Company's wholly-owned subsidiary, manufactures and sells nitrogen fertilizer products including ammonia, urea ammonia nitrate, urea granule, and urea solution in the corn-belt region of the central United States.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Reg Nelson', on a light-colored rectangular background.

Reg Nelson
Managing Director, FAusIMM