

**MEDIA RELEASE**  
**21 January 2010**

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December Quarter 2009  
**Beach Energy's gas strategy comes into view**  
**Quarterly sales revenue up 7%, production 1.9 MMboe**

**HIGHLIGHTS:**

- Production of 1.9 MMboe. Average oil price up 15% to A\$92. Sales revenue up 7% to \$134 million.
- Strong end of quarter financial position with \$118 million cash and no debt.
- Change of Company name to Beach Energy to reflect its focus on affordable low pollutant energy .
- Successful oil development well drilled in Gulf of Suez, first production expected Q2 2010
- ATCO Power and Rentech Inc alliances to commercialise Cooper Basin gas resources.
- Farmin to ATP 855P to strengthen Beach's shale gas portfolio in Cooper Basin.
- Planning for first shale gas well in Nappamerri Trough underway.

Beach Energy's international oil diversification and first-mover initiatives with its Cooper Basin shale gas strategy came strongly into view in the December quarter.

Beach today reported its December 2009 quarter production results which show a 6 per cent dip in production to 1.9 million barrels of oil equivalent (boe) but a 7 per cent increase in sales revenue due to higher oil prices.

The Company's cash balance stands at \$118 million and it is well positioned to fund its 2010 exploration and development program.

Commencement of oil development drilling in the North Shadwan concession in Egypt sets the scene for first production in the June quarter - at an initial rate of 1,500 barrels of oil per day - with drilling of a second development well currently underway.

Beach Energy chief executive Hector Gordon said the Company remained in a sound financial position and the past quarter had seen broader market recognition of Beach's moves to unlock value from the rapidly developing gas strategy.

"We identified some time ago the opportunity for shale gas in the Cooper Basin and the alliances we have formed and positions taken are now coming firmly into view," he said.

"In recent years the focus has been on coal seam gas, and I have little doubt the importance and value of shale gas will become more apparent in Australia in 2010 like it has in North America."

During the quarter Beach announced a series of gas initiatives.

The first with ATCO Power Australia, a subsidiary of a Canadian-based corporation active in energy, utilities, structures, logistics and technologies, under which the parties will assess the feasibility of gas-fired power generation utilising Beach's Cooper Basin gas resources.

The second with US-based Rentech Inc to potentially use its proprietary synthetic fuels technology to commercialise Beach's gas resources.

The Company also entered into a memorandum of understanding with Sundance Energy Limited to jointly identify, evaluate and potentially acquire unconventional oil and gas assets in Australasia.

Beach also agreed the terms of a farm-in agreement with Icon Energy to acquire up to 40% of Queensland Cooper Basin exploration permit, ATP 855P in the Nappamerri Trough region of the Cooper Basin that is primarily prospective for unconventional gas.

### **Name Change**

On 10 December 2009, the Company changed its name to Beach Energy Limited to better reflect its fundamental strategy of investing in affordable low pollutant energy and the diversification of the Company's activities to incorporate a broader portfolio of energy technologies and projects.

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