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ASX RELEASE

For Immediate Release – 7 July 2010
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Beach Energy Limited Change to Frequency of Drilling Reporting to ASX

As indicated in its ASX Release of 23 June, Beach is now reporting on its routine drilling activities on a monthly rather than a weekly basis. Reporting will be made on the first Wednesday of each month. To meet its Listing Rule obligations, Beach will continue to make immediate disclosure to ASX of material issues, as required.

AUSTRALIA

Beach Operated Cooper-Eromanga Basin Oil

The upper of three Patchawarra Formation sands at **Canunda-1** in PEL 106B (Beach 50%, Drillsearch 50%) was flow tested at an initial rate of 10.5 MMscf/d, with a condensate to gas ratio (CGR) of 180 bbls/MMscf. With unexpectedly high CGR for the area, the flow has been restricted to 1-3 MMscf/d due to liquids storage and trucking constraints. Some 2500 barrels of condensate have been produced since testing of the upper zone commenced on 27 June. Testing is ongoing.

Cooper/Eromanga Oil Development - Santos Operated

The **Inca-1** oil exploration well (Beach 30%) has been cased and suspended as a future Namur Sandstone and Birkhead Formation oil producer.

The **Watson West-1** oil exploration well (Beach 38%) spudded on 5 July and is currently drilling ahead at a depth of 237 metres.

Cooper Basin Gas Development - Santos Operated

Coonatie-16 has been cased and suspended as a future multi-zone gas well. **Coonatie-19** is drilling ahead in the Westbourne formation at a depth of 2111 metres. **Coonatie-20** spudded on 6 June and is currently drilling ahead at a depth of 186 metres (Beach 17.14%).



INTERNATIONAL

Unconventional

Non-operated Oil Appraisal, South Antelope Prospect, Williston Basin - USA.

The **Henderson 4-25H** oil appraisal well reached a final total depth of 4865m MD (3320m TVD) and the rig was released on 27 June. Well-site shows throughout the reservoir target Three Forks Formation are encouraging and a multistage fracture stimulation will be undertaken as was planned predrill. (Beach [USA] Inc 23.15% contributing interest, 18.52% net revenue interest).



Upcoming Wells for July

Cooper/Eromanga Oil Development - Santos Operated

- Coonatie 18 gas development well (Beach 17.14%).



Neil Gibbins
Chief Operating Officer

Drilling Report – Period ending 7th July 2010

Well	Participants	Weekly Progress & Summary	Primary Targets
Inca-1 ATP259P Oil Exploration C/E Basin, QLD	BPT 30.00% STO* 70.00%	Report Time: 0600 hrs (CST) 07/07/2010 Depth: 1886.0m (TD) Operation: Well is cased and suspended as a future Jurassic oil producer. Progress: 120.0m	Mid-Namur Birkhead Fm / Hutton Sst
Watson West-1 PL 35 Oil Exploration C/E Basin, QLD	BPT 38.00% STO* 56.00% and others	Report Time: 0600 hrs (AEST) 07/07/2010 Depth: 237m Operation: Drilling ahead in surface hole. Progress: 237m	Birkhead Fm / Hutton Sst
Coonatie-16 PPL131 Gas Development C/E Basin, SA	BPT 17.14% STO* 72.32% ORG 10.54%	Report Time: 0600 hrs (CST) 07/07/2010 Depth: 3141.0m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 617.0m	multi Permian targets
Coonatie-19 PPL131 Gas Development C/E Basin, SA	BPT 17.14% STO* 72.32% ORG 10.54%	Report Time: 0600 hrs (CST) 07/07/2010 Depth: 2111m Operation: Drilling ahead in Westbourne Formation. Progress: 2111m	multi Permian targets
Coonatie-20 PPL131 Gas Development C/E Basin, SA	BPT 17.14% STO* 72.32% ORG 10.54%	Report Time: 0600 hrs (CST) 07/07/2010 Depth: 186m Operation: Drilling ahead in surface hole. Progress: 186m	multi Permian targets
Henderson 4-25H Section 25 McKenzie County, Nth Dakota Oil Appraisal	BPT** 23.15% SEA 24.02% Helis* plus 7 others 52.83%	Report Time: 0600 hrs (local) 06/07/2010 Depth: 4865.0mMD (TD) Operation: Rig released. Three Forks Formation to be fracture stimulated end July. Progress: 524.0m	Three Forks Formation Bakken Formation

(*) Operator

BPT Beach Energy Ltd

BPT** Beach Energy U.S.A Inc.

SEA Sundance Energy Australia Ltd

(s) Secondary Targets

STO Santos Limited

Helis Helis Oil & Gas Company L.LC

ORG Origin Energy Resources Ltd