

## Beach Surges To First Half Revenue Record

**B**each Petroleum Ltd has surged to a record revenue of \$165 million for the six months ended 31 December, 2006, almost triple the sales revenue of \$45.7 million for the previous corresponding half year, as a result of the acquisition of the Delhi Petroleum assets in the first half of the financial year.

Managing Director, Reg Nelson, said the rise in revenue, combined with the start of oil production from the Basker and Manta oil fields in Bass Strait and the completion of were key achievements for Beach Petroleum.

He said high initial success rates from drilling operations in Beach Petroleum's tenements as part of the Cooper Oil Project have also been highly encouraging. During the December quarter Beach Petroleum's market capitalisation reached over \$1 billion. The company also participated in 25 wells during the December quarter with a 68% success overall rate, including a 100% success rate in the 11 wells drilled as part of the Cooper Oil Project.

Nelson said production for the quarter was 2,278 kboe, down 6% on the September 2006 quarter due to an 8% decline in Cooper Basin gas production volumes but partially offset by an 8% increase in Cooper/Eromanga oil production and the start of oil production from the Basker Manta project.

"Beach's share of proceeds from petroleum sales for the December 2006 quarter was \$80.7 million, down 10% from the previous quarter due to the decline in gas sales, partially offset by the realised oil price after hedging for the quarter", Nelson said. "Sales revenue for the first six months of the year reached record levels of \$170.2 million.

During the quarter Beach participated in 11 wells associated with the Cooper Oil Project, operated by Santos, with a 100% success rate. The programme resulted in one new oil field discovery in the Pasticcio-1 (Beach 20.21%) well, five successful oil appraisal wells in the Yanda and Wackett fields (Beach 20%) and five successful oil development wells which were drilled in the Yanda Field.

"The December quarter marked a significant point in the development of the company through the start of oil production in Bass Strait, the successful integration of the Delhi Petroleum assets and the consequent growth in the company's market capitalisation", Nelson said. "The high success rates from drilling so far in the Cooper Oil Project support our view that the Cooper Basin asset still retains significant upside potential for Beach Petroleum."

"The completion of development drilling and the start of dewatering operations at the Tipton west coal seam gas project and Beach Petroleum's new geothermal energy

joint venture with Petratherm have opened significant new opportunities for growth in the company." ■

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