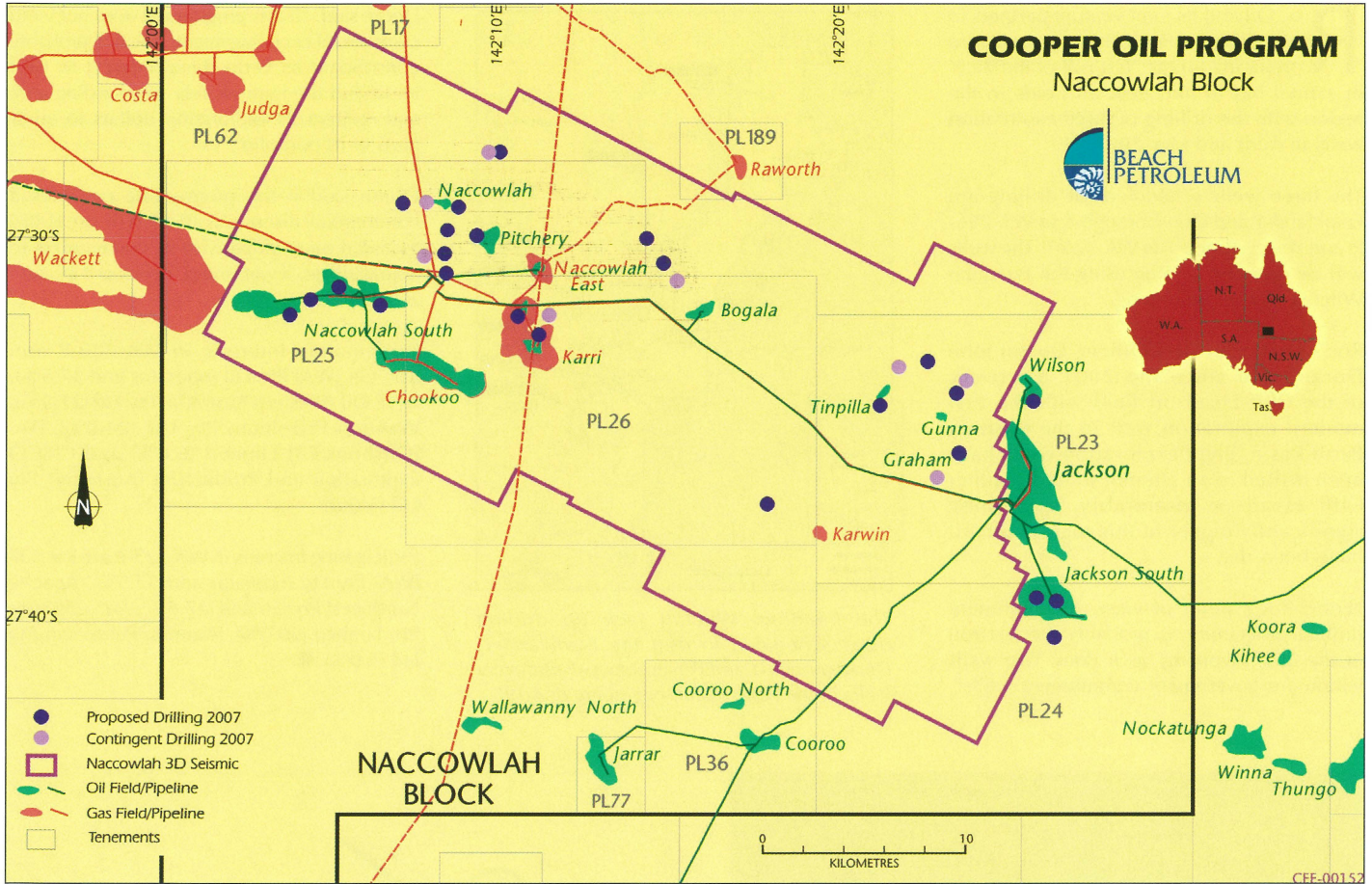


# Beach In New Campaign To Increase Southwest Queensland Oil Output



At least 24 appraisal and exploration wells will be drilled in the Naccowlah Block during the current quarter as part of the Cooper Oil Programme.

Economic oil reserves in under-explored areas of far southwest Queensland are to be targeted in a significant new drilling campaign by Beach Petroleum Limited.

Beach's heightened interest in the province is part of its new involvement in the Cooper Oil Programme (COP), led by operator Santos, and coincides with a more aggressive exploration drive to build a stronger oil and gas business on the immediate Queensland side of the border with South Australia.

Beach Petroleum's Managing Director, Mr Reg Nelson, said under the new campaign, at least 24 appraisal and exploration wells will be drilled in the Naccowlah Block during the current quarter as part of the COP. He said Beach will also independently undertake new exploration drilling in ATP633P, south of the Naccowlah Block and appraisal drilling near its Bodalla Block oil fields to the east of Naccowlah.

The Naccowlah Programme itself will cost Beach \$21 million and potentially add a further 1,000 bopd to Beach's net production. "Beach Petroleum's current proved and probable reserves are greater than 100 MMboe", Nelson said. "The company is confident that its activities in the Cooper Basin offer a relatively

low risk opportunity to replenish and build these reserves while increasing production capacity substantially."

Nelson said the schedule is one of the most intensive to be applied to the area and is the first under the COP to specifically target the highly prospective Naccowlah tenements. Commenced in 2005, the COP is assigning modern technology and a 1,000 well program to tap economic oil pockets trapped within the Cooper-Eromanga, Australia's largest onshore oil and gas province.

These pockets have historically been ignored in the pursuit of the larger now commercialised fields but early work in the COP initiative has met with measurable success.

"We strongly endorse the thrust of the Cooper Oil Program", Nelson said. "It is one of the principal reasons for Beach's successful bid to acquire Delhi Petroleum last year, because it is replicating, on a much larger scale, what we have achieved in the last five years in our Bodalla Block oil fields."

Nelson also emphasised the strong potential of the southwest corner of Queensland. "This is an area well known to Beach through our 100%-owned Kenmore Bodalla fields, our long-held stake of 6.5% in Naccowlah, now increased substantially to 38.5% through Delhi and our successful eight year effort to negotiate native title to secure ATP 633P further to the south." ■

**“The Cooper Oil Programme is assigning modern technology and a 1,000 well program to tap economic oil pockets trapped within the Cooper-Eromanga, Australia's largest onshore oil and gas province.”**