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## **MEDIA RELEASE FOR IMMEDIATE RELEASE**

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# **Beach Petroleum raises A\$191 million with share placement**

## **Highlights**

- **A\$191 million raised via placement of new shares at A\$1.43 each to institutional and sophisticated retail investors**
- **Funds raised to finance the acquisition of three previously announced onshore and offshore Egyptian acquisitions in highly prospective Basins – potential to add 8 mmb of net 2P oil reserves in FY2009**
- **Go-ahead for share purchase plan (“SPP”) and bonus option issue for eligible shareholders**

Beach Petroleum has completed a placement of shares to institutional and sophisticated investors, raising A\$191 million for the Company’s ongoing expansion.

The institutional placement, which was well oversubscribed closed yesterday for domestic investors and this morning for international investors, resulting in a total of 133,637,474 shares being placed at A\$1.43 per share.

Trading in Beach shares on the ASX will resume today, Friday, June 6, 2008.

*Beach Petroleum Managing Director, Mr Reg Nelson said,*

*“The response to this capital raising was most enthusiastic and has further underlined the respect and support Beach is attracting in the market place for its strong and growing position in Australian petroleum production, and our expanding international operations.”*

*“The support also coincides with our increasing and valuable exposure to the rapidly expanding coal seam gas industry in central Queensland.*

*“Beach is now systematically growing its international portfolio, providing shareholders with the opportunity to participate in the strengthening global petroleum industry, while widening the Company’s balanced exposure to rising global oil and gas prices across a number of countries and petroleum provinces.*

*“For the present, Beach remains focused on its production target of 9 mmboe in FY 2009 and on delivering the upside potential in its core Cooper, Eromanga, Surat CSG and Basker/Manta/Gummy assets.*

*“The planned addition of the Egyptian acquisitions provides important new growth options for the Company over and above its existing exploration and development activities,” Mr Nelson said.*

## **Egyptian acquisitions**

It is proposed that the majority of the capital raised in the placement will be used to fund the acquisition of three previously announced onshore and offshore Egyptian acquisitions

Beach has entered into agreements (subject to various conditions including pre-emption) to acquire interests in the offshore North Shadwan and South East July concessions and onshore North Qarun concession, all in Egypt (as announced to ASX on 22 May and 30 May). These interests are non-operated and range between 20-25% of the relevant concession (“The Egyptian Acquisitions”).

The total costs (including estimated development expenses) of The Egyptian Acquisitions will be approximately A\$150 million. These acquisitions are in highly prospective Basins and have the potential to add 8 mmb of net 2P oil reserves in FY2009

The 20% interest in the North Shadwan concession is being acquired from TriOcean Energy and is subject to a pre-emptive right in favour of BP Exploration (Delta) Limited, a subsidiary of British Petroleum, (this pre-emptive right expires 28 June).

## **Other potential acquisitions**

In addition to the above, Beach is also at an advanced stage of evaluating further opportunities in the Middle East and North African region.

## **SPP and bonus options issue**

With the completion of the placement, Beach Petroleum also announced today that eligible Australian and New Zealand shareholders in the Company will now be able to subscribe for up to A\$5,000 worth of shares through a non-underwritten SPP at A\$1.43 a share, the same price as the institutional placement.

To participate in the SPP, shareholders must be registered as holders on Monday, 16 June 2008.

In addition, eligible shareholders who are registered holders at record date on Thursday 31 July 2008 will also be entitled to participate in a 1 for 10 listed bonus options issue, with an exercise price of A\$2.00 per share and expiry date of 30 June 2010.

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