



Tuesday 10 March 2009

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The Manager, Companies
ASX Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

COOPER BASIN CONTINGENT RESOURCE UPDATE

Beach Petroleum Limited is pleased to provide the following clarification of the recently announced estimates of Contingent Resources within the Cooper Basin.

Following a significant amount of technical work within recent years, the South Australian Cooper Basin Joint Venture (SACBJV) has compiled estimates of Cooper Basin contingent gas resources within two key categories.

The first category, Contingent Conventional Resources, relates to hydrocarbons contained within existing conventional Cooper Basin gas reservoirs that are potentially recoverable if a number of contingent events are achieved. These resources relate to a review of four of the largest fields and are primarily associated with increasing recovery within existing hydrocarbon fields through the improved application of existing development technology. Quantification of the improved recovery potential outside the four major fields has not yet been undertaken.

The Contingent Conventional Resources are currently being actively targeted by the SACBJV with an extensive campaign to improve the application of existing technology and development methods and thus convert a significant portion of these resources to reserves. This involves drilling a three well Big Lake pilot (underway), with two other pilots approved and soon to commence in the Tindilpie and Cwralli fields.

The second category, Contingent Unconventional Resources, relates to gas contained within shales and coals within the Roseneath, Epsilon, Murteree and Patchawarra Formations of the Moomba and Big Lake Fields. These resources are being targeted with ongoing technical work including the assessment of new development technology.

The table below summarises the resources, in millions of barrels of oil equivalent (mmboe), which have been assessed by the SACBJV Operator and supported through an independent review.

	Beach Net Resources (mmboe)		
	1C	2C	3C
Contingent Conventional	42	83	141
Contingent Unconventional	90	179	351
Total Contingent	132	262	492

1C / 2C / 3C = Low / Best / High Contingent Resource Estimate

The pilots in the Big Lake and Greater Tindilpie area (including Cowralli) are expected to facilitate the conversion of a significant portion of the Contingent Conventional resources to reserves. In terms of magnitude, a full conversion of the 2C resources to reserves, would more than double Beach's current Cooper Basin reserves (63 mmboe as 1st July 2008).

It is anticipated that any new reserves, and other future resource conversions, will underpin additional gas sales agreements and increase the life and profitability of the Cooper Basin assets.

Yours sincerely,



Reg Nelson
Managing Director, FAusIMM