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BAKKEN SHALE OIL - NORTH DAKOTA, USA

Beach to acquire additional acreage in the Bakken Shale of North Dakota, USA

Beach Energy Limited, through its wholly owned subsidiary Beach (USA) Inc. (Beach), has increased its exposure to the South Antelope oil prospect located in the Bakken Shale, North Dakota, USA.

Beach has entered into a further agreement with Sundance Energy Inc. a wholly owned subsidiary of Sundance Energy Australia Limited (Sundance) to acquire an approximate 15% net revenue interest in lease areas Section 26 and 35.

The Henderson 4-26/35H horizontal well, targeting the Three Forks formation in Sections 26 and 35, is scheduled to begin in early August 2010. The gross potential reserve for the well is approximately 600,000 barrels of oil.

Earlier this year, Beach acquired approximately 18.5% net revenue interest in the adjacent lease area, Section 25, from Sundance. The Henderson 4-25H horizontal well, targeting the Three Forks formation was drilled in June this year. Surface facilities are currently being installed prior to fracture stimulation towards the end of July.

These strategically focused investments are providing Beach first hand experience with the rapidly evolving technology associated with oil and gas production from shale formations.



Beach's Managing Director, Reg Nelson said "we are focussed on appraising our extensive unconventional petroleum portfolio in Australia and our alliance with Sundance provides first hand exposure to current shale oil exploration and development techniques."

Beach, already a major player in conventional oil and gas production in the Cooper Basin, is quickly becoming one of Australia's first shale explorers, moving to appraise the potentially large shale gas resources of the Cooper Basin, with a major focus on over-pressured, gassy shales in its dominant position in the Nappamerri Trough. Beach is also evaluating unconventional petroleum exploration targets in the Otway and Gippsland Basins, both in Victoria.

Description of Bakken Lease

The leases are in the South Antelope prospect in the Williston Basin Bakken Oil Play and target stratigraphic traps of oil encased in the Bakken Shale. Recent horizontal drilling and subsequent multi-stage fracturing in this area have resulted in initial production rates in excess of 1,500 barrels of oil per day. The South Antelope prospect is at a depth of 2,600m and the Henderson 4-26/35 horizontal section will be approximately 2.7 kilometres in length. Technologies applied on this program will be applicable to Beach's unconventional programs in the Cooper Basin.

Sundance Energy Australia Limited

Sundance is an Adelaide-based, independent energy exploration company, whose wholly owned US subsidiary, Sundance Energy, Inc., is located in Colorado, USA. The company is developing projects in the US and Australia. In the US, Sundance is primarily focused on large, repeatable resource plays where it develops and produces oil and natural gas reserves from unconventional formations.

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