

ASX RELEASE

For Immediate Release – 6 October 2010
 Ref. #099/10

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AUSTRALIA

Beach Operated Cooper-Eromanga Basin Gas - PEL 106FI Block

Testing operations at Canunda-1 are expected to recommence next week following fishing operations to remove wireline from the hole. The evaluation is intended to define size and production characteristics of this high liquids gas field (Beach 50%).

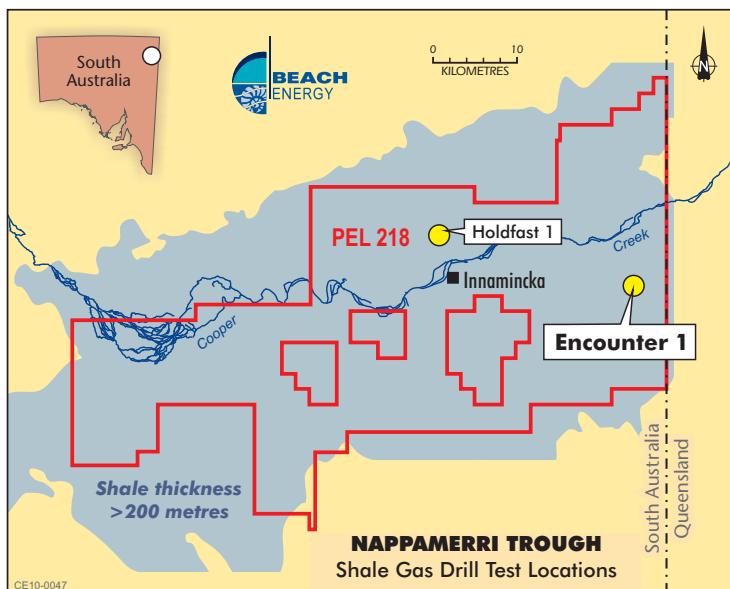
Cooper Basin Gas Development - Santos Operated

Operations in the Coonarie Gas Field have resumed with Coonarie-18 (Beach 17.14%) which is currently drilling surface hole. The Strzelecki Northeast-1 (Beach 20.2%) gas development well is expected to spud later this week as is the Irtalie East-1 Jurassic oil exploration well (Beach 38.5%) in the Queensland portion of the Basin.

Beach Operated Cooper Basin Shale Gas Exploration - PEL 218

Drilling operations for Encounter-1 (Beach 90%), the first of a two well, back-to-back exploration program targeting shale gas potential in the South Australian portion of the Nappamerri Trough, commenced on October 3. Across the Nappamerri Trough the objective Roseneath, Epsilon and Murteree formations have the potential to contain gas in place in excess of 200 TCF. The shales of the Nappamerri Trough are considered to share many of the attributes of the prolific shale gas producing provinces of the USA.

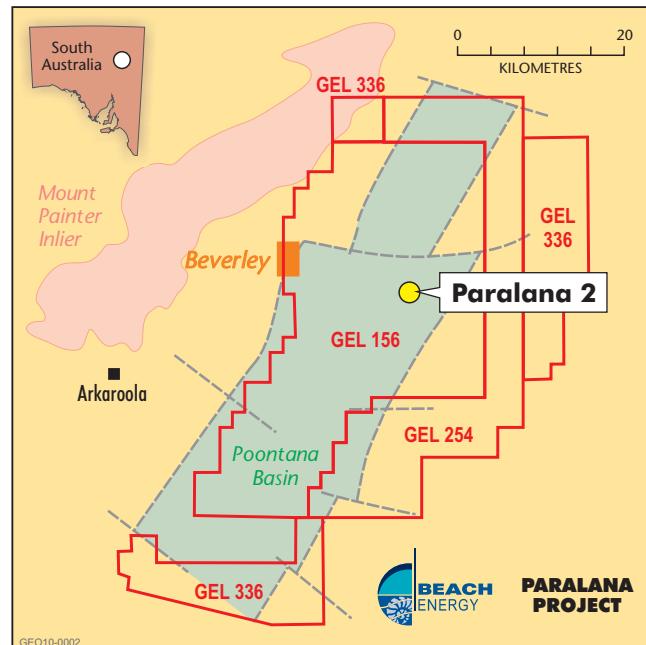




Encounter-1 is estimated to take around 50 days to drill and will be immediately followed by Holdfast-1. Extensive coring and logging programs are planned with the aim of better defining volumes of gas in place and assessing the physical and mechanical properties of the rock to plan for stimulation in early 2011. Fracture stimulation is one of the keys to unlocking gas from shales. The outcome of these wells will aid the future planning of a pilot production well expected to be drilled in 2011.

Beach Operated Geothermal - Paralana Project, Arrowie Basin

A wireline crew has been mobilised to Paralana-2 (Beach 21%) to investigate the blockage that prevented perforation of the target interval in late August. A short 3-day investigation is being undertaken to determine the nature of the obstruction at 3200m and clarify the forward plan for remedial action.



INTERNATIONAL

Unconventional

Non-operated Shale Oil Appraisal, South Antelope Prospect, Williston Basin - North Dakota, USA

The Henderson 4-26/35H shale oil appraisal well (Beach 14.7% net revenue interest) spudded on 3 September. The well is currently drilling ahead in the lateral section and is expected to reach total depth in about a week. The well, targeting 600,000 barrels of recoverable oil (90,000 net to Beach), has been designed with a 2.7km long horizontal section through the Three Forks Formation reservoir, and will be stimulated with a 24 stage fracture stimulation treatment.



Drilling Report – Period ending 6 October 2010

Well	Participants	Weekly Progress & Summary			Primary Targets
Encounter-1 PEL218 Gas Exploration C/E Basin, SA	BPT* ADE	90.00% 10.00%	Report Time: 0600 (CST) 06/10/2010 Depth: 952m Operation: Drilling surface hole. Progress: 952m		Patchawarra
Coonatie-18 PPL131 Gas Development C/E Basin, SA	BPT STO* ORG	17.14% 72.32% 10.54%	Report Time: 0600 hrs (CST) 06/10/2010 Depth: 793m Operation: Drilling ahead in 9 7/8" surface hole. Progress: 793m		multi Permian targets
Coonatie-20 PPL131 Gas Development C/E Basin, SA	BPT STO* ORG	17.14% 72.32% 10.54%	Report Time: 0600 hrs (CST) 06/10/2010 Depth: 3239m (TD) Operation: Well is cased and suspended as a future Permian gas producer. Progress: 460m		multi Permian targets
Hndrsn. 4-26/35H Sect. 25&36 McKenzie County, Nth Dakota Oil Appraisal Williston Basin	BPT SEA Helis* 7 others		Report Time: 0600 hrs (local) 05/10/2010 Depth: 4978m Operation: Drilling ahead in lateral sidetrack. Progress: 4978m		Three Forks Fm

(*) Operator
 BPT Beach Energy Ltd
 ORG Origin
 SEA Sundance

(s) Secondary Targets
 STO Santos Limited
 Helis Helis Oil & Gas Company L.L.C
 ADE Adelaide Energy



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