

ASX RELEASE

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AUSTRALIA

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

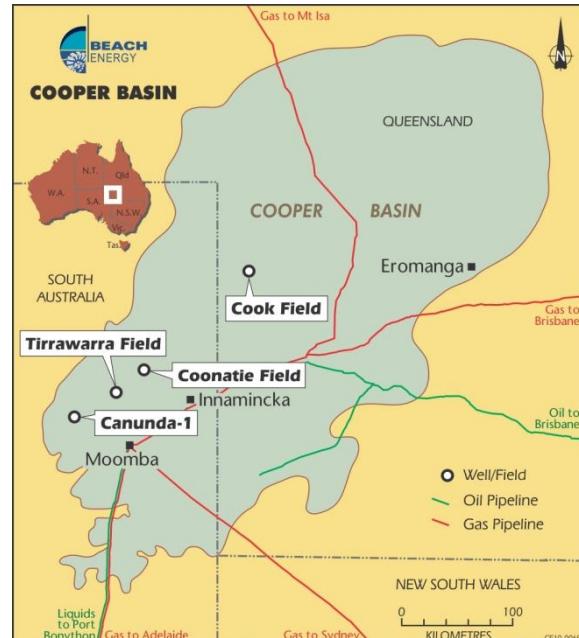
Canunda-1 extended production testing will recommence after a workover to retrieve wireline and pressure gauges from the well and reconfigure production zones. It is anticipated that testing will recommence around Feb 1. The evaluation is intended to define size and production characteristics of this high liquids gas field (Beach 50%).

Cooper Basin Oil and Gas Development - Santos Operated

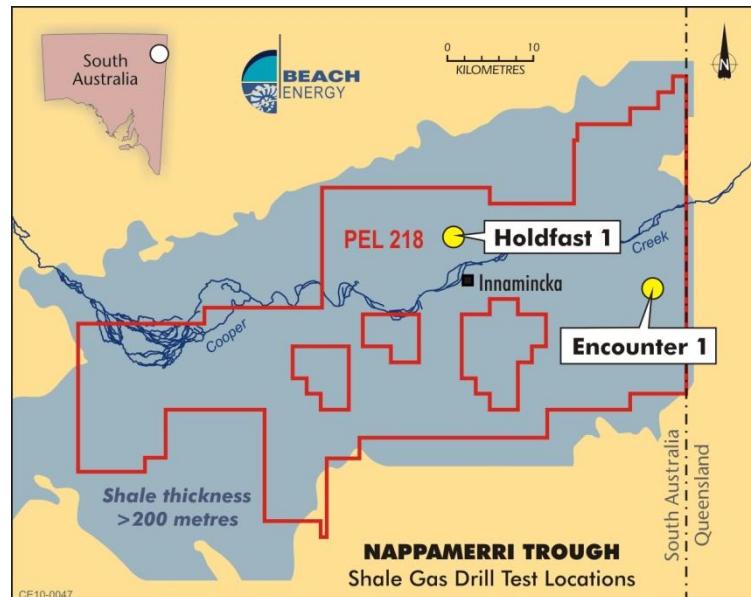
Tirrawarra-78 (Beach 20.20%) gas development well has been cased and suspended as a future gas and oil producer. The rig will now move to Tirrawarra-80. Drilling at the Coonatie-15 gas development well (Beach 17.14%) has commenced and is currently drilling ahead in the Adori Sandstone. Development drilling on the Cook Field (Beach 20%) has commenced with the Cook-15 and Cook-19 wells being cased and suspended as oil producers. Cook-18 is currently drilling ahead.

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, were completed during the reporting period. A total of five cores were taken in Encounter-1 and these are currently being analysed for gas content, physical and mechanical properties. Encounter-1

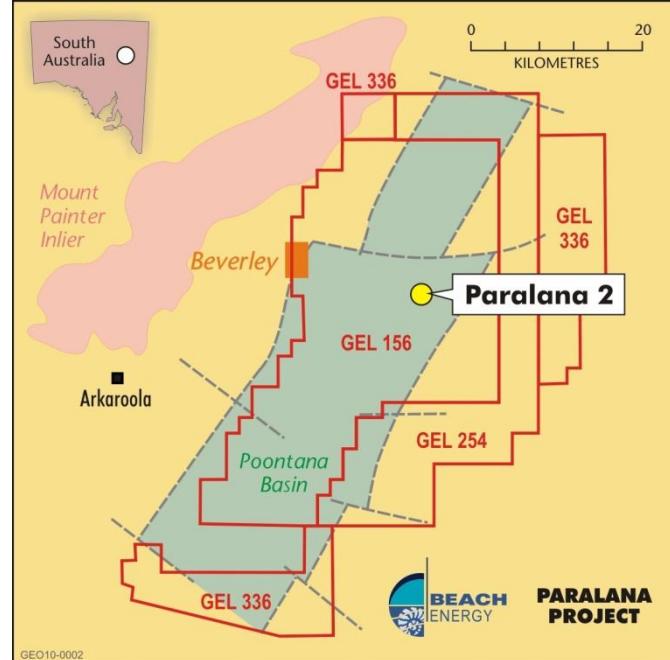


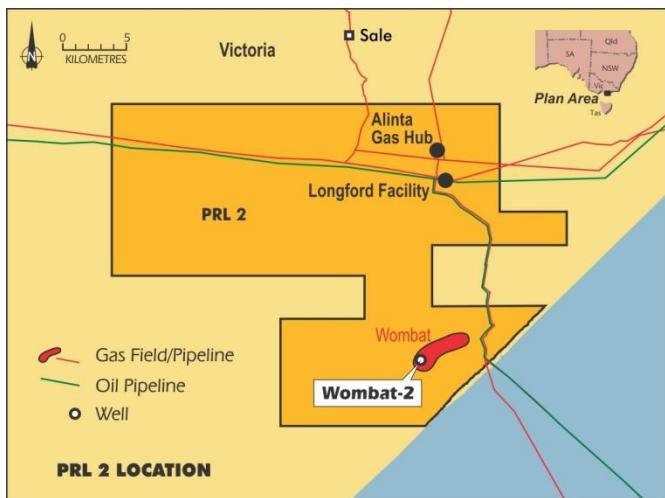
intersected 30% more target section than predicted and the interval appears to be gas saturated with no evidence of water through and into the underlying Patchawarra Formation. This is a best case scenario for fracture stimulation as the thicker interval and absence of water reduces the risk of fracturing into zones that may produce formation brines. An eight zone fracture stimulation treatment is planned for Encounter-1 early in the second quarter of 2011 once the second shale gas well, Holdfast-1, has been drilled. The rig is currently moving to the Holdfast-1 location.



Beach Operated Geothermal - Paralana Project, Arrowie Basin

After extended delays due to weather, crew and equipment associated with the injectivity test were mobilised to Paralana-2 (Beach 21%) in late December. Coiled tubing was used to displace the existing heavy brine solution in the casing with water and the well was then perforated and an injection test conducted. The zone was successfully fractured and data from the test will be used to design the main fracture stimulation treatment which is expected in the first quarter this year.





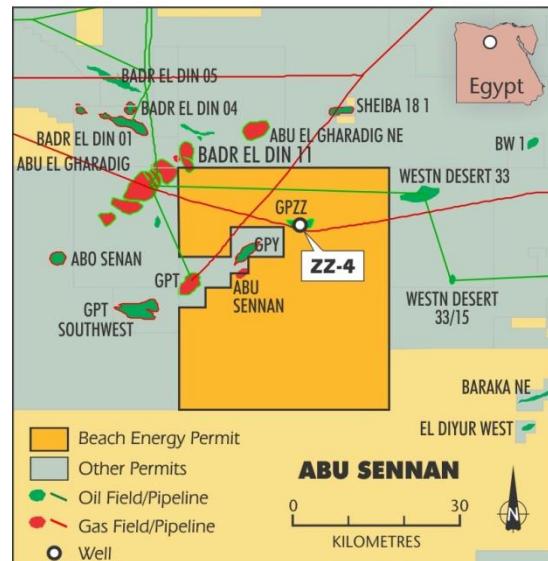
Beach Operated Gippsland Basin - PRL-2

Well testing operations commenced on Wombat-2 in PRL-2 (Beach earning up to 33.3%) on 17 December. Wireline gauges were run in hole prior to opening the well for flow testing. The well was flowed through a separator for twelve days at an average rate of approximately 0.8 mmscfd on a 1" choke and is currently shut in for a four week build up. The down-hole gauges will be recovered in late January.

INTERNATIONAL

Kuwait Energy Operated Western Desert Oil Exploration - Abu Sennan Concession, Egypt

The ZZ-4 well (Beach 22%) commenced drilling operations on Dec 27. The well is the first in a four-well drilling program to test multiple target horizons. ZZ-4 is an appraisal well of the Cretaceous GPZZ Oil Field and will be deepened to target oil exploration potential in the Jurassic. Current depth is 956m with a prognosed total depth of 4,600m.



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

Fracture stimulation operations on the Henderson 4-26/35H shale oil appraisal well (Beach 14.7% net revenue interest) commenced in mid-December and are currently ongoing.

Drilling Report – Period ending 5 January 2011

Well	Participants		Weekly Progress & Summary				Primary Targets
Encounter-1 PEL218 Gas Exploration C/E Basin, SA	BPT*	90.00%	Report Time:	0600 (CST) 5/01/2011			
	ADE	10.00%	Depth:	3612m (TD)			
			Operation:	Well is cased and suspended for future fracture stimulation.			
			Progress:	241m			
Cook-15 PL 97 Oil Development C/E Basin, QLD	BPT	20.00%	Report Time:	0600 hrs (AEST) 05/01/2011			
	STO*	55.00%	Depth:	2042m (TD)			
	ORG	25.00%	Operation:	Well is cased and suspended as a future Hutton Sandstone oil producer.			
			Progress:	2042m			
Cook-19 PL 97 Oil Development C/E Basin, QLD	BPT	20.00%	Report Time:	0600 hrs (AEST) 05/01/2011			
	STO*	55.00%	Depth:	2039m (TD)			
	ORG	25.00%	Operation:	Well is cased and suspended as a future Hutton Sandstone oil producer.			
			Progress:	2039m			
Cook-18 PL 97 Oil Development C/E Basin, QLD	BPT	20.00%	Report Time:	0600 hrs (AEST) 05/01/2011			
	STO*	55.00%	Depth:	311m			
	ORG	25.00%	Operation:	Drilling out casing shoe track.			
			Progress:	311m			
Coonacie-15 PPL131 Gas Development C/E Basin, SA	BPT	17.14%	Report Time:	0600 hrs (CST) 05/01/2011			
	STO*	72.32%	Depth:	2184m			
	ORG	10.54%	Operation:	Drilling Ahead			
			Progress:	2184m			
Tirrawarra-78 PPL20 Gas Development C/E Basin, SA	BPT	20.21%	Report Time:	0600 hrs (CST) 05/01/2011			
	STO*	66.60%	Depth:	3065m (TD)			
	ORG	13.19%	Operation:	Well is cased and suspended as a future Permian gas producer.			
			Progress:	3065m			
ZZ-4 Abu Sennan Concession Oil Exploration Western Desert, Egypt	BPT	22.00%	Report Time:	0600 hrs (local) 05/01/2011			
	KEE*	50.00%	Depth:	956m			
	DVPC	28.00%	Operation:	Drilling Ahead			
			Progress:	710m			

(*) Operator
BPT Beach Energy Ltd
ORG Origin Energy Resources Ltd

(s) Secondary Targets
STO Santos Ltd
ADE Adelaide Energy Ltd

KEE Kuwait Energy
DVPC Dover Petroleum



Neil Gibbins
Chief Operating Officer

For more information contact

Corporate

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