



ASX Release

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For Immediate Release – 29 March 2012

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ASX Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

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BEACH SUCCESSFULLY COMPLETES INSTITUTIONAL ENTITLEMENT OFFER AND PRICES CONVERTIBLE NOTE OFFER

Beach Energy Limited (ASX: BPT, "Beach") is pleased to announce the successful completion of the institutional component of its fully-underwritten 1 for 8 accelerated non-renounceable pro-rata entitlement offer ("Institutional Entitlement Offer"), and that it has successfully priced A\$150 million in convertible notes (the "Notes").

The net proceeds of the entitlement offer and Notes will be used, together with existing operating cash flow and other capital resources, to fund Beach's future capital expenditure initiatives over the next 2-3 years and for general working capital purposes. The key elements of Beach's capital expenditure program include:

- Cooper Basin conventional – ongoing exploration, appraisal and development of Beach's key cash producing assets
- Cooper Basin unconventional – continued appraisal of a gas resource in the Nappamerri Trough
- Egypt – ongoing appraisal and development of oil discoveries and further exploration
- Tanzania – exploration for oil reservoirs along the proven East African Rift.

Details of Institutional Entitlement Offer

The Institutional Entitlement Offer raised gross proceeds of approximately A\$117 million at the offer price of A\$1.40 per new share ("Offer Price") and attracted very strong demand from Beach's institutional shareholders.

A bookbuild for the Institutional Entitlement Offer shortfall was held through which entitlements not taken up by eligible institutional shareholders, and those entitlements that would otherwise have been offered to ineligible institutional shareholders, were sold to other institutional investors at the Offer Price.

New Shares taken up under the Institutional Entitlement Offer are expected to be issued on 5 April 2012 and commence trading on ASX on the same day.

Beach's Managing Director, Mr Reg Nelson said, "We are very pleased with the take up of both the Institutional Entitlement Offer and the convertible note bookbuild, which were both heavily oversubscribed. Feedback received to date has been overwhelmingly in favour of what we are seeking to achieve through our capital program over the coming years."

Details of Convertible Notes (ISIN: XS0766381528)

The Notes were sold primarily to European and Asian institutions during the trading halt period.

The Notes will be issued by Beach with a fixed coupon rate of 3.95% per annum for a term of five years. They will rank as senior unsecured obligations of Beach and are expected to be listed on the Singapore Stock Exchange. Prior to maturity, the Notes are convertible into Beach shares at a price of A\$2.00 per share (subject to certain adjustments), which reflects a premium of 28% to the theoretical ex-rights price of the entitlement offer of A\$1.56.

Beach has the right to redeem all of the Notes on or after the third anniversary of issue if Beach's share price exceeds 130% of the conversion price for a certain period of time or if 10% or less of the principal amount of Notes remains outstanding. Holders have the right to have the Notes redeemed at the issue price together with any accrued interest on the third anniversary of issue or following a delisting or change of control event.

Mr Nelson said, "The Notes are being issued on attractive terms, diversifying Beach's capital sources and providing it with a highly competitive source of funding."

Retail Entitlement Offer

The retail component of the entitlement offer ("Retail Entitlement Offer") is underwritten and will raise approximately A\$78 million. The Retail Entitlement Offer will open on 4 April 2012 and close at 5.00pm (Adelaide time) on 20 April 2012.

Eligible retail shareholders will be able to subscribe for 1 new share for every 8 Beach ordinary shares held on the record date of 7.00pm (Adelaide time) on 30 March 2012, at the same offer price as the Institutional Entitlement Offer of A\$1.40.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet which is expected to be despatched on or around 4 April 2012. Copies of the Retail Offer Booklet will be available on the ASX website and the Beach website.

Beach ordinary shares are expected to resume trading on ASX from market open today on an ex-entitlement basis.

Miro Advisors and Piper Alderman are Beach's financial and legal advisers, respectively.

Retail Entitlement Offer Important Dates

Event	Date
Record Date for the Entitlement Offer	30 March 2012
Retail Entitlement Offer opens	4 April 2012
Mailing of personalised Entitlement and Acceptance Form and the Retail Offer Booklet to Eligible Retail Shareholders	Completed by 4 April 2012
Retail Entitlement Offer closes	20 April 2012
Retail Entitlement Offer settlement	2 May 2012
Retail Entitlement Offer allotment	3 May 2012
Shares issued under the Retail Entitlement Offer begin trading on the ASX	4 May 2012

Notes:

1. All dates are indicative only. Beach reserves the right to change these dates without prior notice
2. All times are Adelaide, Australia times

Shareholder Enquiries

Retail shareholders who have questions relating to the Retail Entitlement Offer should call the Beach Offer Information line on 1300 607 506 (within Australia), +61 3 9415 4659 (outside Australia) from 8.00am to 4.30pm (Adelaide time) Monday to Friday during the retail offer period.

Yours sincerely,

**Reg Nelson**

Managing Director, FAusIMM

For more information contact**Corporate**

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Investor Relations

Chris Jamieson	Beach Energy Ltd	08 8338 2833
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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act of 1933 (the "**Securities Act**")) ("**U.S. Persons**"). The New Shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities law s of any state or other jurisdiction of the United States. Accordingly, in the Entitlement Offer, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons w ho are, or are acting for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities law s.