



Friday 22 May 2009

Ref: #062/09

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

Dear Sir,

ANNOUNCEMENT TO ASX

PEL 218 FARMIN

Beach Petroleum Limited (Beach) advises that it has entered into a Farmin Agreement with Adelaide Energy Limited (Adelaide Energy) under which Beach will acquire a 90% interest in PEL 218, in the Cooper Basin, northeastern South Australia.

Subject to regulatory approval, Beach will acquire its interest by:

1. A cash payment to Adelaide Energy of \$5.14 million
2. Contributing a further \$2.5 million towards Adelaide Energy's share of future exploration expenditure in PEL 218.

PEL 218 is located in the Nappamerri Trough region of the Cooper Basin and is primarily prospective for gas with the Permian section, with additional prospectivity for oil within the overlying Jurassic (Eromanga Basin) sequence also recognised. Beach will assume operatorship of PEL 218 and expects to drill at least one gas exploration well in the permit during 2009/10.

Subject to regulatory approval of the Farmin Agreement, Beach will also be issued 8 million ordinary shares in Adelaide Energy at a price of \$0.12 per share.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Reg Nelson".

Reg Nelson
Managing Director, FAusIMM

