



6 September 2005

Ref: #205/05

Australian Stock Exchange Ltd
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

**ANNOUNCEMENT TO ASX
DRILLING REPORT, KIANA-1
(PEL 107, COOPER / EROMANGA BASINS SA)**

Beach Petroleum advises that the results of the DST 4 conducted in Kiana-1 this morning are:

Interval: 1939 - 1948 metres
Formation: Patchawarra Formation
Result: Flowed gas at 2.8mmcf per day and oil at 1100 barrels per day through a ½" choke.

Participants in the Kiana-1 well are:

| | |
|--------------------------------------|---------|
| Beach Petroleum Limited (Operator) | 40.00% |
| Great Artesian Oil and Gas Limited | 30.00% |
| Magellan Petroleum Australia Limited | 30.00%* |

* subject to commercial discovery

The time-depth chart is attached.

Yours faithfully,

A handwritten signature in black ink that reads "Hector Gordon".

Hector Gordon
Chief Operating Officer