



Incorporated in South Australia

TELEPHONE: 61-8-8338 2833

BEACH PETROLEUM LTD
(A.C.N. 007 617 969)

25 Conyngham St
GLENSIDE SA 5065
AUSTRALIA
FACSIMILE: 61-8-8338 2336

FACSIMILE

TO:	The Company Secretary Drillsearch Energy Ltd	Fax No:	02 9241 4404
AND TO:	Company Announcements Office ASX Limited (via ASX online)		
FROM:	The Company Secretary	Return Fax:	08 8338 2336
DATE:	8 May 2009	No. of Pages:	169 (including cover page)
SUBJECT:	Form 604 Notice of change of interests of substantial holder - Further information.		

Further to the lodgement with ASX of **Form 604 Notice of change of interests of substantial holder** on 5 May 2009, please find attached true copies of the agreements referred to in Annexure B of that notice.

Yours faithfully

Cathy Oster
Company Secretary

" B "

Pre Bid Agreement

Beach Petroleum Limited

Delfam Pty Ltd <BFT A/C>

Certified to be a true copy of the original



Cathy Oster
Company Secretary

*Beach Petroleum Ltd
8/5/09*

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
Telephone +61 8 8205 3333
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Adelaide • Sydney • Melbourne • Brisbane

Pre Bid Agreement

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- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

- (3) other terms and conditions to be detailed in the Beach bidder statement.

- 3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,
(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.

17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
 - (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
 - (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Delfam Pty Ltd <BFT A/C>

in the presence of:

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

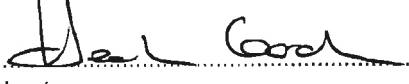
21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on ^{4th} May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act


.....
Director **Hector Gordon**
.....
Executive Director
.....
Name (please print)


.....
Director/Company Secretary
Reg Nelson
.....
Managing Director
.....
Name (please print)

Executed by
Delfam Pty Ltd <BFT A/C>

in the presence of:

.....
Director

.....
Name (please print)

.....
Director/Company Secretary

.....
Name (please print)



Piper Alderman

Pre Bid Agreement

Beach Petroleum Limited

Mr Pieter Hoekstra & Mrs Ruth Hoekstra <Hoekstra Super Fund A/C>

Certified to be a true copy of the original

Cathy Oster
Company Secretary

- Beach Petroleum
Ltd

8/5/09

**Piper Alderman
Lawyers**

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Pre Bid Agreement

Beach Petroleum Limited

Mr Pieter Hoekstra & Mrs Ruth Hoekstra <Hoekstra Super Fund A/C>

**Piper Alderman
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Two handwritten signatures are present at the bottom right of the page. The first signature is in dark ink and appears to be "P.H.". The second signature is in a lighter ink and appears to be "D.H.". Both are written in a cursive, stylized manner.

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Two handwritten signatures in dark ink, one above the other, located at the bottom right of the page.

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(a) Drilsearch converts all or any of its shares into a larger or smaller number of shares.
Prescribed Occurrence means the occurrence of any of the following:
Acquisitor Shares;
Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27
Offer means offers for Drilsearch Shares (if any) made by Beach described in clause 3 as
varied in accordance with the Corporations Act;
Corporations Act means Corporations Act 2001 (Cth);
Australia;
Business Day means a day that is not a weekend or a public holiday in the State of South
ASX means ASX Limited ABN 90 008 624 691;
ASIC means Australian Securities and Investments Commission;
Acquisitor Shares means 8,200,000 fully paid ordinary Drilsearch shares held by the
Shareholder;
In this agreement:

1. Definitions

Operative clauses

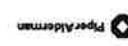
- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the
fully paid ordinary shares in the capital of Drilsearch Energy Limited ABN 73 008 474 844
(Drilsearch) that it does not own (Offer).
B. The Shareholder is the legal and beneficial owner of 8,200,000 Shares.
C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the
Acquisitor Shares on the terms and conditions contained in this agreement.

Introduction

1. Beach Petroleum Limited ABN 30 007 617 998 of 25 Conyngham Street, Glenade, South
Australia, 5065 (Beach)
2. Mr Peter Hoekstra & Mrs Ruth Hoekstra <Hoekstra Super Fund A/C> of 16 Fount Street
Hobart NSW 2006 (Shareholder)

Parties

Pre Bid Agreement





- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 80 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintabarra Block' (ATP 288P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;



- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

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A handwritten signature, possibly "PM", in dark ink.

A handwritten signature, possibly "R.H.", in dark ink.



PiperAlderman

- (3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

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- (d) before acceptance of the Offer by the Shareholder, another bidder:
- (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;
- and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
- (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
- (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
- (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.



8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) In the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) In the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;



- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, confidential information is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.



17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).



19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

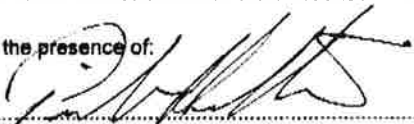
.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Mr Pieter Hoekstra & Mrs Ruth Hoekstra <Hoekstra Super Fund A/C>

in the presence of:



.....
Trustee



.....
Trustee

Pieter Hoekstra.....

Name (please print)

Ruth Hoekstra.....

Name (please print)



Pre Bid Agreement

Beach Petroleum Limited

Mr Pieter Hoekstra & Mrs Ruth Hoekstra <Hoekstra Super Fund A/C>

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
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Adelaide • Sydney • Melbourne • Brisbane

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PM.
DM.

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- 20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 4th May

2009

Executed by **Beach Petroleum Limited**
in accordance with section 127
of the Corporations Act


.....
Director **Hector Gordon**
Executive Director
Name (please print)


.....
Director/Company Secretary
Reg Nelson
Managing Director
Name (please print)

Executed by
Mr Pieter Hoekstra & Mrs Ruth Hoekstra <Hoekstra Super Fund A/C>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Mr Peter James Lewis Williams & Mr David Lewis Williams
<Peter Williams S/F A/C>

Certified to be a true copy of the original

Certified to be a true copy of the original



Cathy Oster
Company Secretary

*- Beach
Petroleum Ltd*

8/5/09

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Lawyers

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Pre Bid Agreement

Beach Petroleum Limited

**Mr Peter James Lewis Williams & Mr David Lewis Williams
<Peter Williams S/F A/C>**

**Piper Alderman
Lawyers**

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Adelaide SA 5000
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Telephone +61 8 8205 3333
Facsimile +61 8 8205 3300
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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Mr Peter James Lewis Williams & Mr David Lewis Williams <Peter Williams S/F A/C>** of 30 Murrabin Avenue, Matraville NSW 2036 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 1,350,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 1,350,000 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;

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- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

- (3) other terms and conditions to be detailed in the Beach bidder statement.

- 3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

(d) before acceptance of the Offer by the Shareholder, another bidder:

- (1) makes offers under a takeover bid for the whole of Drillsearch;
- (2) at a price per Share higher than the then Offer Price;
- (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;

and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:

- (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
- (5) waive any remaining defeating conditions;

(e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:

- (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
- (2) waive any remaining defeating conditions; or

(f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.

8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:

- (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
- (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

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- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
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A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
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- 17.1 This agreement records the entire agreement between the parties about its subject matter.
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However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).

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20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

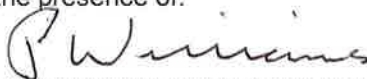
.....
Name (please print)

.....
Name (please print)

Executed by

Mr Peter James Lewis Williams & Mr David Lewis Williams <Peter Williams S/F A/C>

in the presence of:


.....
~~Director~~ *Trustee*

Peter James Lewis Williams
.....

Name (please print)


.....
~~Director/Company Secretary~~ *Trustee*

David Lewis Williams
.....

Name (please print)

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Executed as an agreement on 4th May

2009

Executed by **Beach Petroleum Limited**

In accordance with section 127
of the Corporations Act


.....
Director
Hector Gordon
.....
Executive Director.....
Name (please print)


.....
Director/Company Secretary
Reg Nelson
.....
Managing Director.....
Name (please print)

Executed by

Mr Peter James Lewis Williams & Mr David Lewis Williams <Peter Williams S/F A/C>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Cazenove Pty Ltd <Cardinal Provident Fund A/C>

Certified to be a true copy of the original



Cathy Oster
Company Secretary

8/5/09

Beach
Petroleum Ltd

**Piper Alderman
Lawyers**

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Cazenove Pty Ltd <Cardinal Provident Fund A/C>** of PO Box H32 Australia Square, Sydney NSW 1215 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 1,250,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

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Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

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- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

- (3) other terms and conditions to be detailed in the Beach bidder statement.

- 3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.

17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
 - (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
 - (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Cazenove Pty Ltd <Cardinal Provident Fund A/C>

in the presence of:

.....
Director

.....
Name (please print)

.....
Director/Company Secretary

.....
Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on th4 May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director Hector Gordon
.....
Executive Director
.....
Name (please print)

.....
Director/Company Secretary
Reg Nelson
.....
Managing Director
.....
Name (please print)

Executed by
Cazenove Pty Ltd <Cardinal Provident Fund A/C>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

**Mr John Edward Molyneux & Mrs Evelyn Molyneux <J and E
Molyneux Super A/C.>**

Certified to be a true copy of the original



Cathy Oster
Company Secretary

8/5/09

*Beach
Petroleum
Ltd*

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
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Facsimile +61 8 8205 3300
www.piperalderman.com.au

Adelaide • Sydney • Melbourne • Brisbane

Pre Bid Agreement

Beach Petroleum Limited

**Mr John Edward Molyneux & Mrs Evelyn Molyneux <J and E
Molyneux Super A/C.>**

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Adelaide • Sydney • Melbourne • Brisbane

Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Mr John Edward Molyneux & Mrs Evelyn Molyneux <J and E Molyneux Super A/C.>** of 11 Holbrook Avenue , Kirribilli NSW 2061 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 1,860,668 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 1,860,668 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;



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- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;



- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and



- (3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;



- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.



8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;



- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

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A party may only assign its rights or obligations under this agreement with the written consent of the other party.

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This agreement may only be amended in writing signed by the parties.

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- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
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A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

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- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

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- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
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- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

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- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
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 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).



19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

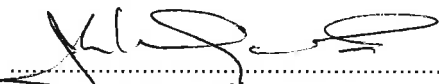
.....
Name (please print)

.....
Name (please print)

Executed by

Mr John Edward Molyneux & Mrs Evelyn Molyneux <J and E Molyneux Super A/C.>

in the presence of:


.....
Director ~~Trustee~~

J E MOLYNEUX
.....
Name (please print)


.....
Director/Company Secretary ~~Trustee~~

EMH MOLYNEUX
.....
Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

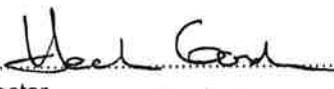
- 20.1 This agreement is governed by the law of South Australia.
- 20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 4th May 2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act


.....
Director Hector Gordon
Executive Director
.....
Name (please print)


.....
Director/Company Secretary
Reg Nelson
Managing Director
.....
Name (please print)

Executed by
Mr John Edward Molyneux & Mrs Evelyn Molyneux <J and E Molyneux Super A/C.>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Even Pty Limited

Certified to be a true copy of the original



Cathy Oster
Company Secretary

8/5/09

Beach Petroleum Ltd

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
Telephone +61 8 8205 3333
Facsimile +61 8 8205 3300
www.piperalderman.com.au

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Even Pty Limited** ABN 14 000 111 937 of 11 Holbrook Avenue Kirribilli NSW 2061 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 450,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 450,000 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;

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- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;



- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and



(3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;



- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.



8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;



- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.



17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).



19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

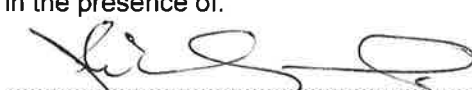
.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Even Pty Limited

in the presence of:


.....
Director


.....
Director/Company Secretary

J E MOLYNEUX
.....

Name (please print)

J R MOLYNEUX
.....

Name (please print)

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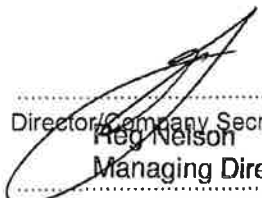
Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 4th May

2009

Executed by **Beach Petroleum Limited**
in accordance with section 127
of the Corporations Act


.....
Director **Hector Gordon**
Executive Director
.....
Name (please print)


.....
Director/Company Secretary
Reg Nelson
Managing Director
.....
Name (please print)

Executed by
Even Pty Limited

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Farrell Floyd Holdings Pty Limited

Certified to be a true copy of the original


Cathy Oster
Company Secretary

8/5/09

Beach Petroleum Ltd

**Piper Alderman
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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Farrell Floyd Holdings Pty Limited** of 12 Judge Street Randwick NSW 2031 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 750,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 750,000 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;



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- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and



(3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;



- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.

17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Farrell Floyd Holdings Pty Limited

in the presence of:

.....
Director

.....
IAN STUART KNOX

.....
Name (please print)

.....
Director/Company Secretary

.....
Dionne MITCHELL

.....
Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

- 20.1 This agreement is governed by the law of South Australia.
- 20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

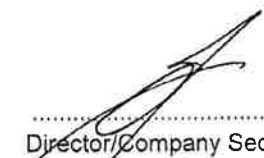
Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on  May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act


.....
Director Hector Gordon
Executive Director
.....
Name (please print)


.....
Director/Company Secretary
Reg Nelson
Managing Director
.....
Name (please print)

Executed by
Farrell Floyd Holdings Pty Limited

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Golden Spider Entertainment Pty Limited

Certified to be a true copy of the original



Cathy Oster
Company Secretary

8/5/09

Beach Petroleum Ltd

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
Telephone +61 8 8205 3333
Facsimile +61 8 8205 3300
www.piperalderman.com.au

Adelaide • Sydney • Melbourne • Brisbane

Pre Bid Agreement

Beach Petroleum Limited

Golden Spider Entertainment Pty Limited

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Golden Spider Entertainment Pty Limited** of 10 Crown Street, Sydney NSW 2011 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 2,000,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 2,000,000 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;

- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer;

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

(3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

(d) before acceptance of the Offer by the Shareholder, another bidder:

- (1) makes offers under a takeover bid for the whole of Drillsearch;
- (2) at a price per Share higher than the then Offer Price;
- (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;

and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:

- (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
- (5) waive any remaining defeating conditions;

(e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:

- (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
- (2) waive any remaining defeating conditions; or

(f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.

8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:

- (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
- (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting, (the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

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11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

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A party may only assign its rights or obligations under this agreement with the written consent of the other party.

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- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

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- 17.1 This agreement records the entire agreement between the parties about its subject matter.
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- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Golden Spider Entertainment Pty Limited

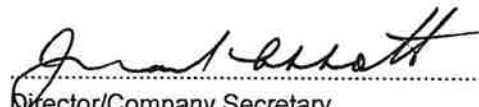
in the presence of:

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)



GRAHAM B. ABBOTT

Same Director

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on ^{4th} May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act


.....
Director
Hector Gordon
.....
Executive Director
Name (please print)


.....
Director/Company Secretary
Reg Nelson
.....
Managing Director
Name (please print)

Executed by
Golden Spider Entertainment Pty Limited

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Siwel Capital Pty Limited

Certified to be a true copy of the original


Cathy Oster
Company Secretary
8/5/09
Beach Petroleum Ltd

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Siwel Capital Pty Limited** of PO Box 906 Woollahra NSW 1350 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 3,056,965 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 3,056,965 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

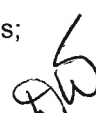
Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;



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- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;



- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and



- (3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;



- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

OK

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;



- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.



17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).



19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Siwel Capital Pty Limited

in the presence of:

Able
.....
Director

David Lewis Williams
.....
Name (please print)

.....
Director/Company Secretary

.....
Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 4th May

2009

Executed by **Beach Petroleum Limited**
in accordance with section 127
of the Corporations Act



Director
Hector Gordon
Executive Director

Name (please print)



Director/Company Secretary
Greg Nelson
Managing Director

Name (please print)

Executed by
Siwel Capital Pty Limited

in the presence of:

.....
Director

.....
Name (please print)

.....
Director/Company Secretary

.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

**Mr Daryl Albert Dixon & Mrs Katherine Dixon <Dixon Family
Super A/C>**

Certified to be a true copy of the original



Cathy Oster
Company Secretary

8/5/09

Beach Petroleum Ltd

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
Telephone +61 8 8205 3333
Facsimile +61 8 8205 3300
www.piperalderman.com.au

Adelaide • Sydney • Melbourne • Brisbane

Pre Bid Agreement

Beach Petroleum Limited

**Mr Daryl Albert Dixon & Mrs Katherine Dixon <Dixon Family
Super A/C>**

**Piper Alderman
Lawyers**

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Mr Daryl Albert Dixon & Mrs Katherine Dixon <Dixon Family Super A/C>** of GPO Box 1481, Canberra ACT 2601 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 50,412,405 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 50,412,405 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;

- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

(3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;

and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:

- (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

(a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and

(b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or

(b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

(a) if necessary to perform that party's obligations under this agreement; or

(b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

(a) to that party's professional advisers;

(b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

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- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
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 - (a) executing documents; and
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A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

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- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

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- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by

Mr Daryl Albert Dixon & Mrs Katherine Dixon <Dixon Family Super A/C>

.....
Daryl A. Dixon

.....
K. Dixon

.....
DARYL ALBERT DIXON

Name (please print)

.....
KATHERINE DIXON

Name (please print)

Witness

.....
Andrew Michael Downey Ford

.....
ANDREW MICHAEL DOWNEY FORD

Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

- 20.1 This agreement is governed by the law of South Australia.
- 20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 4th May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act


.....
Director Hector Gordon
.....
Executive Director
Name (please print)


.....
Director/Company Secretary
Reg Nelson
.....
Managing Director
Name (please print)

Executed by
Mr Daryl Albert Dixon & Mrs Katherine Dixon <Dixon Family Super A/C>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

**Michael North Constructions Pty Ltd <Superannuation Fund
A/C>**

Certified to be a true copy of the original


Cathy Oster
Company Secretary

8/5/09
Beach Petroleum Ltd

**Piper Alderman
Lawyers**

167 Flinders Street
Adelaide SA 5000
Australia
Telephone +61 8 8205 3333
Facsimile +61 8 8205 3300
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Pre Bid Agreement

Beach Petroleum Limited

**Michael North Constructions Pty Ltd <Superannuation Fund
A/C>**

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Michael North Constructions Pty Ltd <Superannuation Fund A/C>** of 35 Whiting Avenue, Terrigal NSW 2260 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 1,250,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 1,250,000 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;

- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;

- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

- (3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

- (d) before acceptance of the Offer by the Shareholder, another bidder:
 - (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
 - (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
 - (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
 - (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
 - (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
 - (b) in the case of a scheme – the 23 Business Days before the scheme meeting,
- (the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.

17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).



19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Michael North Constructions Pty Ltd <Superannuation Fund A/C>

in the presence of:

.....
Director

.....
Director/Company Secretary

.....
MICHAEL JOSEPH NORTH

.....
Name (please print)

.....
MERLE HEATHER NORTH

.....
Name (please print)

19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

- 20.1 This agreement is governed by the law of South Australia.
- 20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

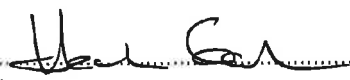
21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on  May

2009

Executed by **Beach Petroleum Limited**
in accordance with section 127
of the Corporations Act


.....
Director **Hector Gordon**
.....
~~Executive Director~~
Name (please print)


.....
~~Director/Company Secretary~~
Reg Nelson
~~Managing Director~~
Name (please print)

Executed by
Michael North Constructions Pty Ltd <Superannuation Fund A/C>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)

Pre Bid Agreement

Beach Petroleum Limited

Mr David Andrew Scanlen

Certified to be a true copy of the original



Cathy Oster
Company Secretary

8/5/09

Beach Petroleum Ltd

**Piper Alderman
Lawyers**

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Pre Bid Agreement

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Mr David Andrew Scanlen** of PO Box 861, Crows Nest NSW 1585 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 5,000,000 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 5,000,000 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;



- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;



- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and



(3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;



(d) before acceptance of the Offer by the Shareholder, another bidder:

- (1) makes offers under a takeover bid for the whole of Drillsearch;
- (2) at a price per Share higher than the then Offer Price;
- (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;

and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:

- (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
- (5) waive any remaining defeating conditions;

(e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:

- (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
- (2) waive any remaining defeating conditions; or

(f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.

8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:

- (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
- (b) in the case of a scheme, approval by the court in accordance with section 411 of the Corporations Act,

the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.

8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

- (a) in the case of a counter takeover bid – the later of the date that the offers under the bid are made and the date that the offers become unconditional; and
- (b) in the case of a scheme – the 23 Business Days before the scheme meeting,

(the Relevant Date).

If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

9. Severance

If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that provision or any other provision of this agreement.

10. Consent

The Shareholder consents to the inclusion of references to it and the subject matter of this agreement in any public announcement by Beach in relation to the Offer or to any such references or statements required in a Bidder's Statement issued in connection with the Offer.

11. Confidentiality

11.1 A party may only use confidential information:

- (a) if necessary to perform that party's obligations under this agreement; or
- (b) if the other party consents to the use.

11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;

- (c) if necessary to perform that party's obligations under this agreement; or
- (d) if the other party consents to the disclosure.

11.3 In this clause, **confidential information** is:

- (a) any term of this agreement;
- (b) any information acquired by a party for the purpose of, or under the terms of, this agreement;
- (c) any other information belonging to a party which is of a confidential nature.

12. Assignment

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

13. Amendment

This agreement may only be amended in writing signed by the parties.

14. No waiver

- 14.1 A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.
- 14.2 A waiver is limited to the instance referred to in the writing (or if no instance is referred to in the writing, to past breaches).

15. Further action

- 15.1 Each party must do all things necessary to carry out this agreement, including:
 - (a) executing documents; and
 - (b) ensuring its employees and agents perform their obligations.
- 15.2 A party must not do anything that will prevent this agreement from being carried out.

16. Force majeure

A party is not liable for a breach of this agreement, to the extent that the breach is caused by circumstances outside that party's direct control and for the period that those circumstances continue, if that party:

- (a) immediately notifies the other party; and
- (b) tries to remedy the cause quickly.



17. Entire agreement

- 17.1 This agreement records the entire agreement between the parties about its subject matter.
- 17.2 The parties exclude all terms implied by law, where possible.
- 17.3 Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this agreement.

18. Counterparts

- 18.1 This agreement may be executed in any number of counterparts. A counterpart may be a facsimile.
- 18.2 Together all counterparts make up one document.
- 18.3 If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

19. Notice

- 19.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 19.2 Notice may be given to a person:
- (a) personally;
 - (b) by leaving it at the person's address last notified;
 - (c) by sending it by pre-paid mail to the person's address last notified;
 - (d) by sending it by facsimile to the person's facsimile number last notified and then confirming it by pre-paid mail to the person's address last notified.
- 19.3 Notice is deemed to be received by a person:
- (a) when left at the person's address;
 - (b) if sent by pre-paid mail, three Business Days after posting;
 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

However, if the notice is deemed to be received on a day which is not a Business Day (at the person's address) or after 5pm (in the person's time zone), it is deemed to be received at 9am (in the person's time zone) on the next Business Day (at the person's address).



19.4 If two or more people comprise a party, notice to one is effective notice to all.

20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director

.....
Director/Company Secretary

.....
Name (please print)

.....
Name (please print)

Executed by
Mr David Andrew Scanlen

in the presence of:

.....
Director **WITNESS**

.....
IAN STUART KNOX

.....
Name (please print)

.....
~~Director/Company Secretary~~

.....
DAVID SCANLEN

.....
Name (please print)

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20. Governing law

20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

21. Costs

Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 4 May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

.....
Director Hector Gordon
Executive Director
Name (please print)

.....
Director/Company Secretary
Reg Nelson
Managing Director
Name (please print)

Executed by
Mr David Andrew Scanlen

in the presence of:

.....
Director

.....
Name (please print)

.....
Director/Company Secretary

.....
Name (please print)



Pre Bid Agreement

Beach Petroleum Limited

Peter Scanlon Pty Ltd <Bubble Gum Super Fund A/C>

Certified to be a true copy of the original


Cathy Oster
Company Secretary

Beach Petroleum Ltd

8/5/09

**Piper Alderman
Lawyers**

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Adelaide • Sydney • Melbourne • Brisbane

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Handwritten initials



Pre Bid Agreement

Beach Petroleum Limited

Peter Scanlon Pty Ltd <Bubble Gum Super Fund A/C>

**Piper Alderman
Lawyers**

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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)
2. **Peter Scanlon Pty Ltd <Bubble Gum Super Fund A/C>** of 1/41 The Esplanade, Balmoral NSW 2088 (**Shareholder**)

Introduction

- A. Beach proposes to announce an offer to purchase by way of an off market takeover bid all the fully paid ordinary shares in the capital of Drillsearch Energy Limited ABN 73 006 474 844 (**Drillsearch**) that it does not own (**Offer**).
- B. The Shareholder is the legal and beneficial owner of 1,126,584 Shares.
- C. If the Offer is made, the Shareholder has agreed to accept the Offer in respect to the Acceptance Shares on the terms and conditions contained in this agreement.

Operative clauses

1. Definitions

In this agreement:

Acceptance Shares means 1,126,584 fully paid ordinary Drillsearch shares held by the Shareholder;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ABN 90 008 624 691;

Business Day means a day that is not a weekend or a public holiday in the State of South Australia;

Corporations Act means Corporations Act 2001 (Cth);

Offer means offers for Drillsearch Shares (if any) made by Beach described in clause 3 as varied in accordance with the Corporations Act;

Offer Price means the consideration of 1 fully paid ordinary share in Beach for every 27 Acceptance Shares;

Prescribed Occurrence means the occurrence of any of the following:

- (a) Drillsearch converts all or any of its shares into a larger or smaller number of shares;



- (b) Drillsearch or a subsidiary of Drillsearch resolves to reduce its share capital in any way;
- (c) Drillsearch or a subsidiary of Drillsearch:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- (d) Drillsearch or a subsidiary of Drillsearch issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option, other than in respect of 60 million ordinary shares in Drillsearch to be issued to CPC Energy Limited in relation to the acquisition by Drillsearch of an equity interest in the company's 'Tintaburra Block' (ATP 299P);
- (e) Drillsearch or a subsidiary of Drillsearch issues, or agrees to issue, convertible notes;
- (f) Drillsearch or a subsidiary of Drillsearch disposes or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Drillsearch or a subsidiary of Drillsearch charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Drillsearch or a subsidiary of Drillsearch resolves that it be wound up;
- (i) a liquidator or provisional liquidator of Drillsearch or of a subsidiary of Drillsearch is appointed;
- (j) a court makes an order for the winding up of Drillsearch or of a subsidiary of Drillsearch;
- (k) an administrator of Drillsearch or of a subsidiary of Drillsearch is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Drillsearch or a subsidiary of Drillsearch executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Drillsearch or of a subsidiary of Drillsearch;

Shares means fully paid ordinary shares in the capital of Drillsearch.

2. Interpretation

In this agreement, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;



- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more people means each of them individually and all of them jointly;
- (j) if a party comprises two or more people:
 - (1) a promise by that party binds each of them individually and all of them jointly;
 - (2) a right given to that party is given to each of them individually;
 - (3) a representation, warranty or undertaking by that party is made by each of them individually;
- (k) a provision must not be construed against a party only because that party prepared it;
- (l) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (m) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (n) another grammatical form of a defined expression has a corresponding meaning;
- (o) an expression defined in the Corporations Act has the meaning given by the Law at the date of this deed.

3. Beach's promise and Shareholder's acknowledgment

3.1 Beach may publicly announce the Offer:

- (a) not later than five Business Days after the date of this agreement;
- (b) at not less than the Offer Price; and
- (c) subject to:
 - (1) Beach receiving acceptances from Drillsearch shareholders in respect of at least 90% of the issued ordinary shares in Drillsearch;
 - (2) there being no Prescribed Occurrence between the date of the Offer is announced and the close of the offer period of the Offer; and

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(3) other terms and conditions to be detailed in the Beach bidder statement.

3.2 The Shareholder acknowledges that nothing in this agreement obliges Beach to announce or proceed with the Offer.

4. Shareholders promise

In return for Beach paying to the Shareholder \$1.00 (receipt of which is acknowledged by Shareholder) the Shareholder agrees that if Beach publicly announces the Offer in accordance with clause 3.1, the Shareholder will:

- (a) subject to this agreement not having been terminated under clauses 7(d) or 7(e), accept the Offer in respect of the Acceptance Shares by no later than two Business Days after Drillsearch lodges its Target's Statement with ASIC under section 633 step 13 of the Corporations Act; and
- (b) do everything Beach may reasonably require to give full effect to the Shareholder's obligations to accept the Offer in respect of the Acceptance Shares.

5. Substantial holder notice

Beach agrees that it will lodge with the ASX a substantial holder notice in relation to all relevant Shares, including the Acceptance Shares, (which will attach a copy of this agreement) at the time required by the Corporations Act.

6. Warranties

The Shareholder and Beach each warrants to the other that:

- (a) it has full power and authority to enter into this agreement; and
- (b) the execution and performance of this agreement is not in breach of any trust, deed, contract or other obligation to which it is bound.

Beach warrants that the entry into this agreement by the parties will not cause Beach to breach section 606 of the Corporations Act.

7. Expiry and Termination

This agreement will expire and terminate and there will be no continuing rights or obligations of either party (other than the warranties under clause 6) on the first to occur of the following events:

- (a) the Offer is not announced as contemplated by clause 3.1 within five Business Days of the date of this agreement;
- (b) Beach contravenes section 631(1) of the Corporations Act by not making offers for the Shares within two months after the date of the announcement of the Offer;
- (c) the Shareholder accepts the Offer for all the Acceptance Shares;

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A handwritten signature, possibly 'RS', in the bottom right corner of the page.



- (d) before acceptance of the Offer by the Shareholder, another bidder:
- (1) makes offers under a takeover bid for the whole of Drillsearch;
 - (2) at a price per Share higher than the then Offer Price;
 - (3) which is or has become free from defeating conditions other than a Prescribed Occurrence or FIRB approval;
- and Beach does not, within five Business Days of the later of the date those offers were made and the date those offers became free from defeating conditions other than a Prescribed Occurrence or FIRB approval:
- (4) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than those offers; and
 - (5) waive any remaining defeating conditions;
- (e) before acceptance of the Offer by the Shareholder, Drillsearch announces a scheme of arrangement under which a third party will become the controlling shareholder of Drillsearch and the shareholders will dispose of all of their Shares to the third party at a price per Share higher than the then current Offer Price and Beach does not, on or before the 23 Business Days before the scheme meeting:
- (1) vary the Offer in accordance with section 650D of the Corporations Act to increase the Offer Price to equal to or greater than the scheme price; and
 - (2) waive any remaining defeating conditions; or
- (f) after the Shareholder accepts the Offer, Beach validly withdraws its Offer or the Offer otherwise expires or lapses in accordance with its terms and conditions.

8. Acknowledgments

- 8.1 The Shareholder acknowledges and agrees that Beach has the right, subject to the Corporations Act, to delete, waive or vary any of the conditions in any Offer, declare any Offer unconditional or extend any Offer at any time.
- 8.2 Each of the Shareholder and Beach acknowledge and agree that clauses 7(d) and 7(e) operate successively so that for each successive counter takeover bid meeting the requirements in clause 7(d), or scheme announcement meeting the requirements of clause 7(e), Beach may increase the Offer Price as provided in the relevant clause to prevent termination. If an increase to the price of offers under a counter takeover, or the price under a scheme, is contingent on an event occurring other than:
- (a) in the case of a takeover bid, a Prescribed Occurrence or FIRB approval; or
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the consideration offered under the counter takeover bid or the scheme is not regarded as being at the price unless and until that event occurs.



8.3 Each of the Shareholder and Beach acknowledge and agree that, for the purposes of clauses 7(d), 7(e) and 8.2, shares which are offered under a counter takeover bid or scheme as consideration will be valued at the volume weighted average sale price of those shares on ASX (or other recognised exchange on which such securities are quoted) in the five trading day period before:

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If this methodology cannot be applied, the value will be the value as assessed by an independent investment bank (acting as expert) appointed by agreement between the Shareholder and Beach, as at the Relevant Date. Failing agreement, the investment bank will be appointed by the President for the time being of the Institute of Chartered Accountants (South Australia Division) or his or her nominee.

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If, at any time, any provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

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11.2 A party may only disclose confidential information:

- (a) to that party's professional advisers;
- (b) if required by law;



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11.3 In this clause, **confidential information** is:

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- 17.1 This agreement records the entire agreement between the parties about its subject matter.
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 - (c) if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified.

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20.1 This agreement is governed by the law of South Australia.

20.2 The parties irrevocably submit to the non-exclusive jurisdiction of the courts of South Australia and the South Australian division of the Federal Court of Australia, and the courts of appeal from them.

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Beach must pay the costs of preparing this agreement and any document required by this agreement.

Executed as an agreement on 30 April

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act

Director

Director/Company Secretary

Name (please print)

Name (please print)

Executed by
Peter Scanlon Pty Ltd <Bubble Gum Super Fund A/C>

in the presence of

Director

PETER ROBERT SCANLON

Name (please print)

Director/Company Secretary

SUSAN VERONICA SCATLE

Name (please print)

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Executed as an agreement on ^{4th} May

2009

Executed by Beach Petroleum Limited
in accordance with section 127
of the Corporations Act


.....
Director **Hector Gordon**
Executive Director
.....
Name (please print)


.....
Director/Company Secretary
Reg Nelson
Managing Director
.....
Name (please print)

Executed by
Peter Scanlen Pty Ltd <Bubble Gum Super Fund A/C>

in the presence of:

.....
Director
.....
Name (please print)

.....
Director/Company Secretary
.....
Name (please print)