BEACH PETROLEUM

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

Incorporated in South Australia

TELEPHONE: 61-8-8338 2833

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:** (including cover page)	14
SUBJECT:	**Form 604 Notice of change of interests of substantial holder**		

Please find attached **Form 604 Notice of change of interests of substantial holder** lodged with ASX Limited today.

Yours faithfully

Cathy Oster
Company Secretary

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme: DRILLSEARCH ENERGY LIMITED

ACN/ARSN: 006 474 844

1. Details of substantial holder(1)

Name: BEACH PETROLEUM LIMITED

ACN/ARSN (if applicable): 007 617 969

There was a change in the interests of the substantial holder on: 08 / 05 / 2009

The previous notice was given to the company on: 05 / 05 / 2009

The previous notice was dated: 05 / 05 / 2009

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	88,349,250	5.3%	227,555,872	13.2%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
08/05/2009	Beach Petroleum Ltd	Refer to agreement attached as Annexure A	Refer to agreement attached as Annexure A	60 million ordinary shares	3.5%

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Beach Petroleum	As listed in Annexure A	As listed in Annexure A	Relevant interest held under section 608(8) of the Corp act under the pre-bid agreement attached as Annex A	As listed in Annexure A	227,555,872

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
BEACH PETROLEUM LIMITED	25 Conyngham Street, Glenside SA 5065
As listed in Annexure A	As listed in Annexure A

Signature

print name CATHERINE LOUISE OSTER capacity COMPANY SECRETARY

sign here date 08 / 05 /2009

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(6) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, becom`e entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

"A"
Beach Petroleum Ltd
ACN 007 617 969

This is Annexure A of 11 pages referred to in Form 604 Notice of Change of Interests in Substantial Holder

PiperAlderman

Pre Bid Agreement

Beach Petroleum Limited

CPC Energy Pty Limited

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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Pre Bid Agreement

Parties

1. **Beach Petroleum Limited** ABN 20 007 617 969 of 25 Conynham Street, Glenside, South Australia, 5065 (**Beach**)

2. **CPC Energy Pty Limited** ABN 56 004 627 525 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 60,000,000 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 60,000,000 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 ha 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 an 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 and 8 May 09. 2009

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

Director

Name (please print) REGINALD GEORGE NELSON MANAGING DIRECTOR

~~Director~~/Company Secretary

CATHY OSTER

Name (please print)

Executed by
CPC Energy Pty Limited

in the presence of:

~~Director~~

JE MOLYNEUX

Name (please print)

Director/Company Secretary

JR MOLYNEUX

Name (please print)