



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 Adelaide Energy Ltd	Fax No:	08 8228 3235
AND TO:	Company Announcements Office ASX Limited (via ASX online)		
FROM:	The Company Secretary	Return Fax:	08 8338 2336
DATE:	23 July 2009	No. of Pages:	19 (including cover page)
SUBJECT:	Form 603 Notice of initial substantial holder		

Please find attached **Form 603 Notice of initial substantial holder** lodged with ASX Limited today.

Yours faithfully,

Cathy Oster
Company Secretary

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Adelaide Energy Limited

ACN/ARSN 116 256 823

1. Details of substantial holder (1)

Name Beach Petroleum Limited

ACN/ARSN (if applicable) 007 617 969

The holder became a substantial holder on

23/07/09

2. Details of 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 on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	8,000,000	8,000,000	7.07%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Beach Petroleum Ltd	As shareholder pursuant	8,000,000 ordinary
	to a Share Subscription marked "A"	shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Beach Petroleum Ltd	Beach Petroleum Ltd	Beach Petroleum Ltd	8,000,000

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Beach Petroleum Ltd		\$960,000		8,000,000
				ord shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

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

7. Addresses

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

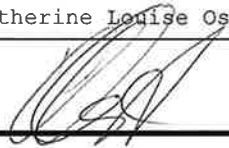
Name	Address
Beach Petroleum Ltd	25 Conyngham Street, Glenside SA 5065

Signature

print name Catherine Louise Oster

capacity Company Secretary

sign here



date 23/7/09

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 7 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 total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. 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.
- (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) 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, become 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.

Annexure "A"

Beach Petroleum Ltd
ACN 007 617 969

This is Annexure "A" of 16 pages referred to in
Form 603, Notice of Initial Substantial holder

**SHARE SUBSCRIPTION
AGREEMENT**

**BEACH PETROLEUM LIMITED
(ACN 007 617 969)**

**ADELAIDE ENERGY LIMITED
(ACN 116 256 823)**

Certified to be a true copy of
the original.


23/7/09
Cathy Oster
Company Secretary

D | M | A | W

L A W Y E R S

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Adelaide South Australia 5000

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SHARE SUBSCRIPTION AGREEMENT

PARTIES

1. **BEACH PETROLEUM LIMITED** (ACN 007 617 969) of 25 Conyngham Street, Glenside SA 5065 (**Subscriber**)
2. **ADELAIDE ENERGY LIMITED** (ACN 116 256 823) of Level 5, 70 Pirie Street, Adelaide SA 5000 (**Company**)

INTRODUCTION

The Subscriber has agreed with the Company to subscribe for the Placement Shares and pay the Subscription Price and the Company has agreed to issue the Placement Shares to the Subscriber, on the terms of this agreement.

OPERATIVE CLAUSES

1. Preliminary

1.1 Definitions

In this agreement:

ASTC means the ASX Settlement and Transfer Corporation Pty Limited;

ASTC Settlement Rules means the operating rules of the settlement facility provided by ASTC;

ASX means ASX Limited;

ASX Cleansing Statement means a notice that complies with subsections 708A(5)(e), (6), (7) and (8) of the Corporations Act;

ASX Listing Rules means the Listing Rules of the ASX, as amended or varied from time to time;

Authorisation means:

- (a) an authorisation, consent, declaration, exemption, notarisation or waiver, however it is described; and
- (b) in relation to anything that could be prohibited or restricted by law if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken,

including any renewal or amendment;

Business means the business and affairs of the Company;

Business Day means a business day as defined in the ASX Listing Rules;

Company Group means the Company and its Subsidiaries;

Constitution means the constitution of the Company at the date of this agreement;

Corporations Act means the *Corporations Act 2001* (Cth);

Farmin Agreement means the PEL 218 Farmin Agreement between the Subscriber and the Company dated on or about the same date as this agreement.

Farmin Interests has the same meaning as is given to that term under the Farmin Agreement.

Government Agency means any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal agency or entity;

Material Adverse Effect means an event which individually, or when aggregated with all such other events, is reasonably likely to have a material adverse effect on the Business, financial position or prospects of the Company and its Related Entities including its mining operations;

Placement Shares means 8,000,000 fully paid ordinary shares in the capital of the Company;

Related Entity means, in relation to an entity, any entity which is related to that entity within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any accounting standard in force under section 334 of the Corporations Act) that is controlled by that entity (other than managed investment schemes);

Subscription Completion means the completion of the subscription for and allotment and issue of the Placement Shares as provided for in clause 4;

Subscription Date means 3 Business Days after the condition precedent in clause 2.1 of the Farmin Agreement has been satisfied or such other date as the parties agree;

Subscription Price means \$0.12 per Placement Share, being a total of \$960,000 for all of the Placement Shares;

Warranty or **Warranties** means the warranties, undertakings and representations set out in clause 6.

1.2 Interpretation

In this agreement, unless the context otherwise requires:

- 1.2.1 singular includes plural and plural includes singular;
- 1.2.2 words of one gender include any gender;
- 1.2.3 reference to legislation includes any amendment to it, any legislation substituted for it, and any statutory instruments issued under it and in force;

- 1.2.4 a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- 1.2.5 reference to a person includes a corporation, a firm and any other entity;
- 1.2.6 reference to a party includes that party's personal representatives, successors and permitted assigns;
- 1.2.7 reference to 2 or more people means each of them individually and all of them jointly;
- 1.2.8 if a party comprises 2 or more people:
 - (a) a promise by that party binds each of them individually and all of them jointly;
 - (b) a right given to that party is given to each of them individually;
 - (c) a representation, warranty or undertaking by that party is made by each of them individually;
- 1.2.9 headings do not affect interpretation;
- 1.2.10 a provision must not be construed against a party only because that party put the provision forward;
- 1.2.11 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;
- 1.2.12 the Introduction is correct;
- 1.2.13 a word or phrase defined in the Corporations Act has the meaning given to it by that Act.

2. **Subscription for Placement Shares**

On the Subscription Date the Subscriber must subscribe for and pay the Subscription Price for the Placement Shares, and the Company must allot and issue the Placement Shares to the Subscriber.

3. **Condition to Completion**

- 3.1 Subscription Completion is interdependent upon the assignment from the Company to the Subscriber of the Farmin Interests taking place in accordance with clauses 6.1 and 6.2 of the Farmin Agreement (**Completion Condition**).
- 3.2 The Subscriber and the Company together have the benefit of the Completion Condition and any non-fulfilment of the Completion Condition can only be waived with the written consent of both parties.

- 3.3 Each of the Subscriber and the Company must use their best endeavours to procure that the Completion Condition is satisfied as soon as practicable after the date of this agreement and ensure there is no event or circumstance within the reasonable control or influence of the Subscriber and the Company that would prevent the Completion Condition being satisfied.
- 3.4 If the Completion Condition is not satisfied or validly waived within 120 days of this Agreement, a party may terminate this agreement by written notice to the other.
- 3.5 A party will not be entitled to terminate this agreement under clause 3.4 if the Completion Condition has not been satisfied as a result of a deliberate act or omission of that party which either alone or together with other circumstances prevents the Completion Condition being satisfied.
- 3.6 Termination of this agreement under clause 3.4 does not affect any accrued rights of either party arising from any breach of this agreement prior to termination.

4. **Subscription Completion**

4.1 **Time**

Subscription Completion must take place at 11am on the Subscription Date or at any other date and time that the parties agree in writing.

4.2 **Subscriber's obligations**

At Subscription Completion the Subscriber must:

- 4.2.1 give to the Company a duly executed application for the Placement Shares in the form of schedule 1 or in any other form the Company may agree to accept; and
- 4.2.2 pay the Subscription Price for the Placement Shares by telegraphic transfer, by bank cheque or in any other form that the Company may agree to accept as payment.

4.3 **Company's obligations**

At Subscription Completion the Company must:

- 4.3.1 allot and issue the Placement Shares to the Subscriber;
- 4.3.2 provide a certified extract of the minutes of the directors meeting resolving to allot and issue the Placement Shares;
- 4.3.3 instruct the Company's share registry to enter the name of the Subscriber in the register of members of the Company in respect of the Placement Shares and to give the Subscriber a holding statement showing the Subscriber as the holder of the Placement Shares; and
- 4.3.4 take all other steps required under the Constitution, ASTC Settlement Rules, the ASX Listing Rules and the Corporations Act to

constitute and evidence the Subscriber as the holder of the Placement Shares.

4.4 Quotation of Placement Shares

Immediately following the allotment and issue of the Placement Shares to the Subscriber the Company must apply to ASX for official quotation of the Placement Shares on ASX.

5. ASX Cleansing Statement and announcement

5.1 ASX Cleansing Statement

Immediately following the allotment and issue of the Placement Shares and within the period prescribed by section 708A(6) of the Corporations Act, the Company must give the ASX Cleansing Statement to ASX.

5.2 Announcement

The Company will, upon execution of this agreement, make an announcement to ASX of the Farmin Agreement and of the investment by the Subscriber in the Company (on terms previously agreed with the Subscriber). Subject to that announcement, neither party will make any public announcement in relation to the investment by the Subscriber in the Company without the prior consent of the other party or as required by law.

6. Warranties and representations

6.1 General

Each party represents and warrants that as at the date of this agreement and as at Subscription Completion:

- 6.1.1 **(status)** it is a company duly incorporated and registered;
- 6.1.2 **(power)** it has full legal capacity and power:
 - (a) to own its property and to carry on its business; and
 - (b) to enter into this agreement and to carry out the transactions that it contemplates;
- 6.1.3 **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this agreement and its carrying out the transactions that it contemplates;
- 6.1.4 **(agreement effective)** this agreement constitutes legal, valid and binding obligations, enforceable against that party in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally), subject to any necessary stamping or registration;
- 6.1.5 **(no contravention)** neither its execution of this agreement nor the carrying out by it of the transactions that it contemplates, does or will:

- (a) contravene any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (b) contravene any Authorisation;
 - (c) contravene any undertaking or instrument binding on it or any of its property; or
 - (d) contravene its constitution;
- 6.1.6 **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending, or to its knowledge or to the knowledge of any of its officers after due inquiry, threatened which, if adversely decided, could have a Material Adverse Effect on its ability to perform its obligations under this agreement;
- 6.1.7 **(no controller)** no receiver or receiver and manager or mortgagee in possession is currently appointed or acting in relation to any of its property; and
- 6.1.8 **(no trust)** it is not entering into this agreement as trustee of any trust or settlement.

6.2 **Company's warranties and representations**

The Company represents and warrants to the Subscriber that at the date of this agreement, and at Subscription Completion:

- 6.2.1 **(Authorisations)** the Company holds each Authorisation that is necessary or desirable to:
- (a) execute this agreement and to carry out the transactions that it contemplates;
 - (b) ensure that this agreement is legal, valid, binding and admissible in evidence; and
 - (c) enable it to properly carry on its Business,
- and the Company is complying with any conditions to which any of these Authorisations are subject;
- 6.2.2 **(solvency)** the Company is able to pay its debts as and when they fall due;
- 6.2.3 **(status)** it is a company limited by shares under the Corporations Act and listed on ASX;
- 6.2.4 **(events)** nothing has happened since 30 April 2009 within the Company's knowledge which has a Material Adverse Effect on the Company Group except for such information which is in the public domain;

- 6.2.5 **(Constitution)** the Constitution is in the form of the copy previously provided by the Company to the Subscriber with no further amendment or variation;
- 6.2.6 (share issues) there are no agreements, arrangements or understandings in force or securities issued (other than options issued prior to 30 April 2009 and disclosed on the ASX on 30 April 2009) which call for the present or future issue of, or grant to any person the right to require the issue of any shares or any other equity securities in the Company (including options);
- 6.2.7 **(disclosures)** the information about the Company, its Business and assets disclosed to the Subscriber before the date of this agreement is true, complete and accurate and is not misleading in any material respect;
- 6.2.8 **(disclosure)** the Company has complied with its obligations under Listing Rule 3.1;
- 6.2.9 **(no breach)** this agreement and Subscription Completion do not and will not conflict with or result in a breach of any obligation (including any statutory, contractual or fiduciary obligation) or constitute or result in any default under any provision of its Constitution or any material provision of any agreement, deed, writ, order, injunction, judgement, law, rule or regulation to which it is a party or is subject or by which it is bound; and
- 6.2.10 **(compliance with laws)** as far as the Company is actually aware, it and its Related Entities have complied in all material respects with all applicable laws and regulations which would, if breached, have a Material Adverse Effect.

6.3 On-sale restrictions

For the purposes of sections 707 and 708A of the Corporations Act, the Company represents and warrants to the Subscriber that as at the date of this agreement and as at Subscription Completion:

- 6.3.1 the Company is not issuing the Placement Shares for the purpose of the Subscriber selling or transferring them or granting issuing or transferring interests in, or options over them within 12 months after their issue;
- 6.3.2 there is no ASIC determination pursuant to subsection 708A(2) of the Corporations Act in force in respect of the Company;
- 6.3.3 the Company satisfies each of the preconditions to the case 1 exemption set out in subsection 708A(5)(a) – (d) of the Corporations Act;
- 6.3.4 as at the date of the ASX Cleansing Statement, the Company has, and will have, complied with:
- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and

(b) section 674 of the Corporations Act; and

6.3.5 there is no excluded information relating to the Company of the kind referred to in clause 708A(6)(e), (7) and (8) of the Corporations Act.

6.4 **Correction of ASX Cleansing Statement**

The Company will comply with subsection 708A(9) of the Corporations Act to correct any defective ASX Cleansing Statement should it become aware of a defect within 12 months of the date of issue of the Placement Shares.

6.5 **Reliance on representations and warranties**

The Company acknowledges that the Subscriber has entered into this agreement and has agreed to subscribe for the Placement Shares in reliance on the representations and warranties in clauses 6.1, 6.2 and 6.3.

6.6 **Warranties not extinguished or affected**

The Warranties are not extinguished or affected by any investigation made by or on behalf of a Subscriber into the affairs of the Company or by any other event or matter unless it is an event or matter affecting a Warranty:

6.6.1 for which the Subscriber has given a specific written waiver or release;

6.6.2 that relates to a thing done or not done by the Company after the date of this agreement at the request or with the approval of the Subscriber;

6.6.3 that relates to a disclosure made in writing by the Company or its representatives to the company secretary for the Subscriber before the date of this agreement;

6.6.4 that information about which was available in the public domain before the date of this agreement;

6.6.5 that is as a consequence of the enactment or amendment of any legislation or other subordinate legislation, change in the judicial or administrative interpretation or application of any law or a change in the practice or policy of any Government Agency occurring after the date of this agreement, including if any of the foregoing has retrospective effect; or

6.6.6 to the extent that it is caused by or contributed to by the Subscriber or its representatives.

6.7 **Update of disclosures**

If, after the date of this agreement and before the date of issue of the Placement Shares, the Company becomes aware of anything (**Circumstance**) which would cause a Warranty to be not true and accurate, or to be misleading in a material respect it will promptly give a notice to the Subscriber detailing the nature and effect of the Circumstance.

7. Confidentiality

- 7.1 A party may only use confidential information:
- 7.1.1 if necessary to perform that party's obligations under this agreement; or
 - 7.1.2 if the other party consents to the use.
- 7.2 A party may only disclose confidential information:
- 7.2.1 to that party's professional advisers;
 - 7.2.2 if required by law;
 - 7.2.3 if necessary to perform that party's obligations under this agreement; or
 - 7.2.4 if the other party consents to the disclosure.
- 7.3 In this clause, **confidential information** is:
- 7.3.1 any term of this agreement;
 - 7.3.2 any information acquired by a party for the purpose of, or under the terms of, this agreement;
 - 7.3.3 any other information belonging to a party which is of a confidential nature.
- 7.4 The provisions of this clause shall survive any termination or expiration of this agreement.

8. Notices

- 8.1 Notice must be in writing and in English, and may be given by an authorised representative of the sender.
- 8.2 Notice may be given to a person:
- 8.2.1 personally;
 - 8.2.2 by leaving it at the person's address last notified;
 - 8.2.3 by sending it by pre-paid mail to the person's address last notified;
 - 8.2.4 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.
- 8.3 Notice is deemed to be received by the addressee:
- 8.3.1 when left at the addressee's address;
 - 8.3.2 if sent by pre-paid mail, on the third Business Day after posting; and

- 8.3.3 if sent by facsimile and confirmed by pre-paid mail, at the time and on the day shown in a sending machine's transmission report which indicates that the whole facsimile was sent to the addressee's facsimile number last notified (or if the day shown is not a Business Day or the time shown is after 5pm at the addressee's location, at 9am on the next Business Day at the addressee's location).

9. GST

9.1 Construction

In this clause 9, and unless the context requires otherwise in this agreement:

- 9.1.1 words and expressions which are not defined in this agreement but which have a defined meaning in GST Law have the same meaning as in the GST Law; and
- 9.1.2 GST Law has the same meaning given to that expression in the A New Tax System (Goods and Services Tax) Act 1999.

9.2 Consideration GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this agreement are exclusive of GST.

9.3 Payment of GST

If GST is payable by a supplier or by the representative member for a GST group of which the supplier is a member, on any supply made under this agreement, the recipient will pay to the supplier an amount equal to the GST payable on the supply.

9.4 Timing of GST payment

The recipient will pay the amount referred to in clause 9.3 in addition to and at the same time that the consideration for the supply is to be provided under this agreement.

9.5 Tax invoice

The supplier must deliver a tax invoice or an adjustment note to the recipient before the supplier is entitled to payment of an amount under clause 9.3. The recipient can withhold payment of the amount until the supplier provides a tax invoice or an adjustment note, as appropriate.

9.6 Adjustment event

If an adjustment event arises in respect of a taxable supply made by a supplier under this agreement, the amount payable by the recipient under clause 9.3 will be recalculated to reflect the adjustment event and a payment will be made by the recipient to the supplier or by the supplier to the recipient as the case requires.

9.7 Reimbursements

Where a party is required under this agreement to pay or reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- 9.7.1 the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party, or to which the representative member for a GST group of which the other party is a member, is entitled; and
- 9.7.2 if the payment or reimbursement is subject to GST, an amount equal to that GST.

10. General

10.1 Duty

The Subscriber is liable for and must pay all duty (including any related fine or penalty except where it arises from default by the Company) on or relating to this agreement.

10.2 Legal costs

Each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this agreement.

10.3 Amendment

This agreement may only be varied or replaced by a document executed by the parties.

10.4 Waiver and exercise of rights

- 10.4.1 A single or partial exercise or waiver by a party of a right relating to this agreement does not prevent any other exercise of that right or the exercise of any other right.
- 10.4.2 A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

10.5 Rights cumulative

Except as expressly stated otherwise in this agreement, the rights of a party under this agreement are cumulative and are in addition to any other rights of that party.

10.6 Consents

Except as expressly stated otherwise in this agreement, a party may conditionally or unconditionally give or withhold any consent to be given under this agreement and is not obliged to give its reasons for doing so.

10.7 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this agreement and to perform its obligations under it.

10.8 Governing law and jurisdiction

10.8.1 This agreement is governed by and is to be construed in accordance with the laws applicable in South Australia.

10.8.2 Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts of South Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

10.9 Assignment

10.9.1 A party must not assign or deal with any right under this agreement without the prior written consent of the other parties.

10.9.2 Any purported dealing in breach of this clause is of no effect.

10.10 Counterparts

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

10.11 Entire understanding

10.11.1 This agreement contains the entire understanding between the parties as to the subject matter of this agreement.

10.11.2 All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this agreement are merged in and superseded by this agreement and are of no effect. No party is liable to any other party in respect of those matters.

10.11.3 No oral explanation or information provided by any party to another:

- (a) affects the meaning or interpretation of this agreement; or

(b) constitutes any collateral agreement, warranty or understanding between any of the parties.

10.12 Relationship of parties

This agreement is not intended to create a partnership, joint venture or agency relationship between the parties.

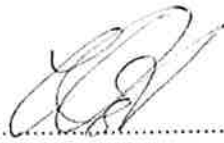
EXECUTED as an agreement on

21 May

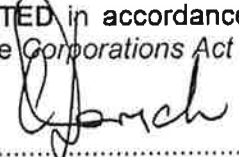
2009

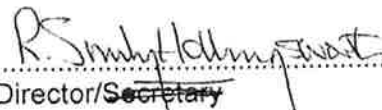
Executed by **BEACH PETROLEUM LIMITED** in accordance with section 127 of the *Corporations Act 2001* (Cth):


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


.....
Director/Secretary
Cathy Oster
.....
Company Secretary
Name
(Please print)

Executed by **ADELAIDE ENERGY LIMITED** in accordance with section 127 of the *Corporations Act 2001* (Cth):


.....
Director
CARL WILLIAM DORSCH
.....
Name
(Please print)


.....
Director/Secretary
RODERIC JOHN SMILY HOLLINGSWORTH
.....
Name
(Please print)

Schedule 1 – Application for Placement Shares (clause 4.2)

The Directors
Adelaide Energy Limited
Level 5,
70 Pirie Street
ADELAIDE SA 5000

Dear Sirs,

Beach Petroleum Limited ACN 007 617 969 (**Beach**) applies for 8,000,000 fully paid ordinary shares (**Shares**) in Adelaide Energy Limited (**Adelaide Energy**) at an issue price of AUD\$0.12 each. The total subscription price of AUD\$960,000 is to be paid in accordance with the Subscription Agreement between Beach and Adelaide Energy dated 21 May 2009.

Beach agrees to be bound by the constitution of Adelaide Energy.

Beach consents to its details being recorded in the register of members of Adelaide Energy.

The Shares are to be recorded as being held beneficially.

Yours faithfully,
Beach Petroleum Limited

Director