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Media Announcement – for immediate release

Friday, 3 July 2009

Drillsearch bid conditions waived and offer date extended

In order to give Drillsearch shareholders certainty, Beach has announced today that it has waived all conditions in its takeover offer for Drillsearch.

In addition Beach has agreed to extend the offer until close of business on Friday 14 August 2009 to provide Drillsearch shareholders with an opportunity to sell into the unconditional offer.

Beach's Chairman, Mr Bob Kennedy said "It's clear from the Drillsearch Target Statement that there are no other serious deals on the table. It's the Beach offer or nothing. We are pushing ahead with the offer. We see a minimum acceptance condition as now unnecessary and have every confidence shareholders will recognise the quality of our offer, our scrip and our management."

Beach has also called upon Drillsearch to reveal its current cash balance after Drillsearch referred to its more favourable December 2008 financial position in its Target Statement with a note in small print showing their less favourable March quarter cash balance. Despite its considerable cash burn, Drillsearch has **failed to disclose an updated cash balance** as at 30 June 2009.

Mr Kennedy said "In the interests of transparency, we call upon Drillsearch to disclose its current cash balance to its shareholders. A lot has happened over the past 6 months and it seems only fair that Drillsearch shareholders be given the full picture of their company's finances, particularly in light of the tough market conditions."

The debt repayment milestone announced earlier this week will see Beach commence the new 2009-2010 financial year as one of the few Australian top 10 oil and gas companies to be totally debt free, and with some A\$125 million cash in the bank at 30 June 2009.

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