ASX ANNOUNCEMENT **1 July 2009**
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ANGLO AMERICAN OPTION AND JOINT VENTURE

SKIRMISH HILL PROJECT - WEST MUSGRAVE

Beadell Resources Limited ("**Beadell**") is pleased to announce that an Option and Joint Venture Agreement has been entered into with Anglo American Exploration (Australia) Pty Ltd ("**Anglo American**") on the Company's 100% owned Skirmish Hill Project in the West Musgrave region of Western Australia.

The Skirmish Hill project covers an area of 560km^2 in three contiguous granted tenements 80km south west of BHPB's Babel Nebo nickel deposit (Figure 1). The project is considered highly prospective for nickel sulphide, PGE and copper gold mineralisation.

In the coming quarter Anglo American are planning an extensive geophysical survey in the form of a regional airborne electromagnetic ("**EM**") survey using their highly successful proprietary "Spectrem" EM system (Figure 2). This will be the first time the Spectrem EM system has been flown in Australia. The survey is planned to cover a majority of the Skirmish Hill tenure in search of geophysical anomalies that may represent metallogenic sulphide bodies.

Follow up ground activity will include Anglo American's proprietary EM "SQUID" system to investigate anomalies generated from the airborne survey. The SQUID system has the capacity to detect electrical conductors associated with massive sulphide mineralisation at substantial depths.

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Key Terms of the Agreement

The following key terms form the basis of the Option and Joint Venture Agreement:

1. Anglo American can elect to exercise the Option and earn an initial 51% equity in the project by the expenditure of $1 million within 3 years.
2. Upon Anglo American earning its 51% equity it can elect to earn an additional 24% by the additional expenditure of $2 million in an additional 4 year period.
3. Upon Anglo American earning its 75% equity, Beadell can elect to either contribute or dilute to a royalty of 2.0% Net Smelter Returns ("**NSR**") from gold deposits and 1.5% NSR for all other mineral resources.
4. The Agreement is subject to executing an Access Agreement with the Ngaanyatjarra Council.

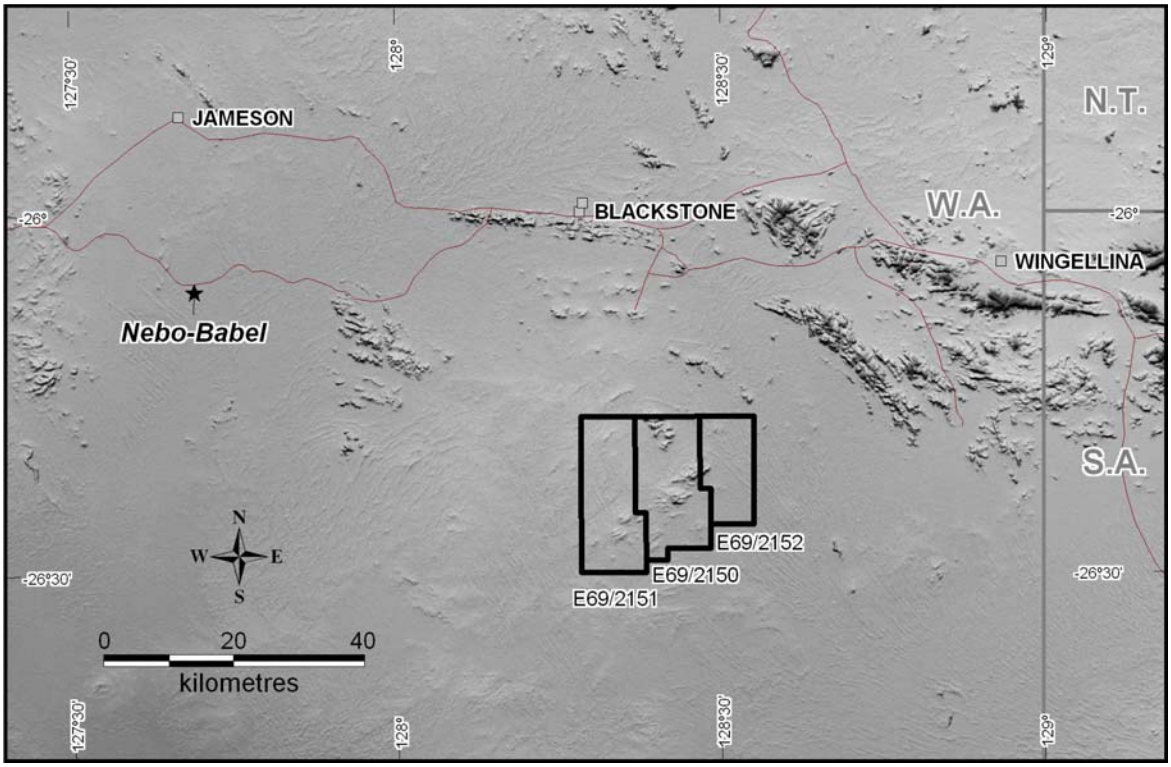

Figure 1. Location plan of Skirmish Hill tenements in the West Musgrave, Western Australia.

Figure 2. Anglo American's proprietary "Spectrem" EM system.

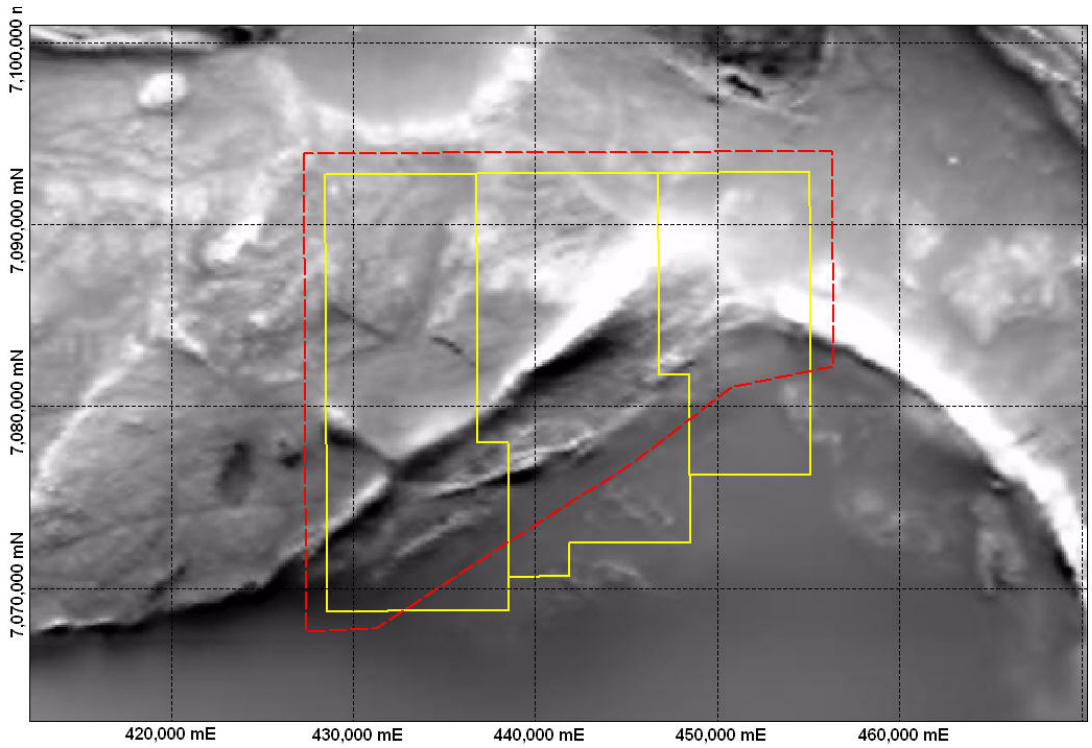

Figure 3. Aeromagnetic image showing area to be flown.

The Skirmish Hill Project is located in the south central section of the West Musgrave province. Anglo American have identified nickel and base metal targets within the Skirmish Hill project based on a magmatic nickel sulphide mineralisation model targeting suites of mafic-ultramafic rocks. The project also hosts late stage bimodal volcanic association of the Skirmish Hill group representing an analogous geological target to Beadell's Handpump project 80km to the west. The tenement package has seen very little previous exploration, which is limited to minor stream sediment and rock chip sampling and an unconfirmed copper-gold occurrence.

Beadell looks forward to developing a strong and successful relationship with Anglo American in the West Musgrave where both companies are actively exploring.

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Competency Statement

The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Watkins who is a member of the Australian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Ltd. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.