

ASX ANNOUNCEMENT 6 August 2010
ASX Code: BDR

LEGAL SETTLEMENT – WILLIAM CREEK

Beadell Resources Limited (**Beadell**) is pleased to announce the settlement of a long standing claim of around \$47 million for approximately \$440,000. As disclosed in previous announcements, the claim related to an alleged environmental disturbance of the William Creek system dating back several years.

This was a claim that Beadell inherited when it acquired the Tucano Gold Project earlier this year. The Company was advised that the claim was without substantive merit. In the interest of fostering continuing good relations with the local stakeholders, it was resolved that this course of action will provide greater clarity for the development of the project.

Managing Director Peter Bowler said "We are particularly pleased to settle this claim even though it has had no effect on the operation and management of the Tucano gold mine in the past or present. The payment will terminate potential lengthy discussions in the lower and superior courts. Our Definitive Feasibility Study remains on track and we are very pleased with current progress. We are looking forward to transforming Tucano into a large and profitable CIL gold mine within a tight time frame for the benefit of all stakeholders."

For further information please contact;

Peter Bowler | Managing Director T: +61 8 9429 0801 peter.bowler@beadellresources.com.au Greg Barrett | Chief Financial Officer T: +61 8 9429 0803 greg.barrett@beadellresources.com.au