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ASX ANNOUNCEMENT

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**CONDITIONAL AGREEMENT TO ACQUIRE NEWCREST'S 70%
INTEREST IN THE CRACOW GOLD MINE FOR A\$200 MILLION**

Beadell Resources Limited ("**Beadell**" or the "**Company**") is pleased to announce that a conditional agreement has been signed with Newcrest Mining Limited ("**Newcrest**") to acquire its 70% controlling interest in the Cracow Gold Mine ("**Cracow**"), located in Queensland, Australia (the "**Acquisition**"). The Acquisition includes the underground gold mining and processing operations and 550km² of highly prospective surrounding tenements. It is conditional on Newcrest's Joint Venture Partner, Lion Selection Limited ("**Lion**"), either waiving or not exercising a pre-emptive right to acquire the 70% interest on the same terms and conditions as those offered by Beadell.

The addition of Cracow to Beadell's existing portfolio of assets will form a strong platform for the Company to become a significant participant within the Australian gold industry. Beadell's 70% ownership of Cracow represents a unique investment opportunity for the Company to take control of a high quality, low risk, producing gold asset that is fully leveraged to the gold price. Cracow will also be highly complementary to Beadell's existing portfolio of exploration and development assets located in Australia and Brazil.

Whereas Cracow's reserves, resources and production were not material to Newcrest, Cracow will be "showcased" within Beadell where it will constitute the majority of the Company's portfolio.

Merrill Lynch and Morgan Stanley have been engaged to act as joint lead managers to the proposed capital raising to fund the Acquisition.

Newcrest has informed Beadell that it is prepared to underwrite a portion of Beadell's equity raising up to the lesser of A\$50 million or 19.9% of Beadell's post-acquisition fully diluted issued capital.

NB. All numbers relating to Cracow in this release refer to **100%** of Cracow's resources, reserves and production, unless otherwise stated. Unless specifically attributed to a third party, all statements of fact, opinions, forecasts and forward-looking statements reflect the views of Beadell which has completed comprehensive due diligence on Cracow.

The 100,000 oz pa Cracow Gold Mine is a high quality, low cost, long life mine

Cracow is one of the lowest cost gold mines currently in operation in Australia. Beadell expects Cracow to generate strong cash flows over the ensuing years with cash costs forecast to average approximately A\$400 per ounce.

Cracow has consistently delivered exceptional operational and financial performance since its first gold pour in November 2004, and the Company expects this to continue for many years to come. Beadell's initial 5 year mine plan includes an average of 400,000 tonnes of ore mined per year at a head grade of 8g/t, producing approximately 100,000 ounces of gold per annum from existing reserves and resources.

Upon acquisition, Beadell will also secure the benefit of the highly valued pre-emptive right to acquire the remaining 30% joint venture interest.

There is scope to rapidly increase Cracow's reserves

The Beadell due diligence team expects the current reserves at Royal and Crown Shoots and high confidence resources at Sovereign and North Klondyke Shoots to generate consistent gold production through to May 2011. From 1 July 2008, these ore sources are expected to produce 1.1 million tonnes at 8.3g/t (300 koz) and result in the recovery of 280 koz of gold. The Cracow reserve and resource statement will be updated as at 30 June 2008, and Beadell expects to see a material proportion of Sovereign resources converted into the reserve category soon after the Acquisition completes.

The Beadell due diligence team has also analysed the inferred resources at Cracow and concluded that the combined deposits of Empire, Roses Pride Underground and Kilkenny South are highly likely to be converted into reserves and become mill feed post the exhaustion of the reserves and high confidence resources at the Royal, Crown, Sovereign and North Klondyke Shoots. The conversion of these resources into reserves is expected to extend the mine life from 3 to 5 years, representing approximately 0.9 million tonnes at 7.7g/t (230 koz), and result in an additional 210 koz of recovered gold.

An additional resource outside of the current mine plan (due to the lack of definition drilling) is Kilkenny North Limb. This resource currently contains 155,000 tonnes at 6.5g/t (32.5 koz of gold resource) and is open at depth, but it will require further work before it is included in any future mine plan.

The Acquisition delivers exceptional free cash flow

The consolidation of the above ore sources is expected to produce a life of mine plan of more than 5 years that will generate significant net cash flows.

Importantly, the vertical and a majority of the horizontal underground capital development for the next three years has been completed. Additionally, reliable coal fired grid power, which provides power for all of the plant requirements and the electrically driven underground earthmoving equipment, will effectively insulate the operation from any anticipated rise in oil prices.

Using a gold price of A\$1,000/oz, Beadell estimates that approximately A\$110 million of free cash flow will be generated in the first two years of ownership. It is the Company's intention to purchase gold put options at a price well above the cost of production to underpin these early free cash flows. The Company will not cap the upside of gold price increases.

The secure cash flow from the mine will be used to fund an exploration program that will fully test the potential of the proven mineralised system at Cracow.

Cracow offers significant potential for further resource additions

It is anticipated that Beadell's forecast 5 year mine life comprising approximately 500 koz in total gold poured will be greatly enhanced as a result of focused and systematic exploration on the existing tenements. Beadell's estimate of the gold resource is 1.0 Moz (at 30 June 2007), and Beadell is very focused on conversion of outstanding resources to reserves. The Cracow Gold Mine is a proven epithermal gold system which has consistently delivered new exploration discoveries following the initial discovery of the Royal Shoot in 1998. Beadell is confident that with ongoing exploration drilling, the Company will continue to delineate new ore shoots in the area.

The main known lode-producing fault structure at Klondyke has only been systematically drilled to an average depth of 350m. Numerous other highly prospective structures within the mine corridor are yet to be systematically explored, such as the Kilkenny and Fordee structures which have only minimal drill coverage. The Klondyke and Kilkenny structures are interpreted to have strike lengths in excess of 7km, of which only 3km has had any systematic exploration.

Outside of the main mineralised district, approximately 30km strike of prospective stratigraphy has had little or no previous drilling demonstrating the longer term potential of the Cracow project to yield new epithermal gold deposits.

The Acquisition will compliment Beadell's current exploration and development assets

Cracow's strong projected cash flows will compliment Beadell's portfolio of exploration and development assets in Brazil and Australia. By leveraging the cash generated from the Cracow Gold Mine, the Company's existing exploration and development projects can be significantly accelerated.

First class workforce and on site management team

Beadell's current management, with extensive operational experience of underground mining in Australia, will complement the existing highly competent management team and workforce based at the Cracow site where staff turnover is very low.

Beadell will encourage the Cracow employees to continue in their current roles. The site has a reputation for consistently meeting or exceeding its production targets whilst maintaining a safety record which is the envy of the Australian gold industry.

A singularly focused exploration and resources development team will be created to extend the mine plan.

Consideration for the Acquisition is A\$200 million

Beadell has agreed to pay Newcrest A\$200 million for their 70% joint venture interest and management rights in Cracow. The success of the Acquisition is predicated on Lion not exercising its pre-emptive right over this majority interest, Beadell receiving shareholder approval for its proposed capital raising to fund the Acquisition (under ASX Listing Rules 7.1 and 11.1.2) and the successful financing of the Acquisition.

Beadell has paid a deposit of A\$2 million to Newcrest which will be deducted from the consideration paid at settlement should the above conditions be met. This deposit will be refunded if Lion exercise its pre-emptive right. If Shareholder approval is not forthcoming, then the deposit is not refundable to Beadell. If financing is not secured, Beadell is entitled to a refund of A\$1 million with interest, and if Newcrest considers that the failure to secure the finance was

due to the prevailing market conditions and not through any act or omission of Beadell or its advisers, then Beadell is entitled to a refund of the balance of A\$1 million of the deposit, with interest. A working capital adjustment will be made to the purchase price at settlement which are customary in an acquisition of this type.

Lion's pre-emption period will be triggered when Newcrest submits a pre-emption notice to Lion. Newcrest has advised Beadell of its intention to serve this notice today.

The Sale and Purchase Agreement between Beadell and Newcrest will terminate prior to Completion in the event that a material adverse change affects the Sale Interest during the pre-completion period, or the conditions precedent are not satisfied or waived by 30 June 2008, or such later date as the parties may agree. Post acquisition, Newcrest will be entitled to a cash Royalty equivalent to 2% of gold production attributable to the Sale Interest exceeding 1.25 million ounces of production.

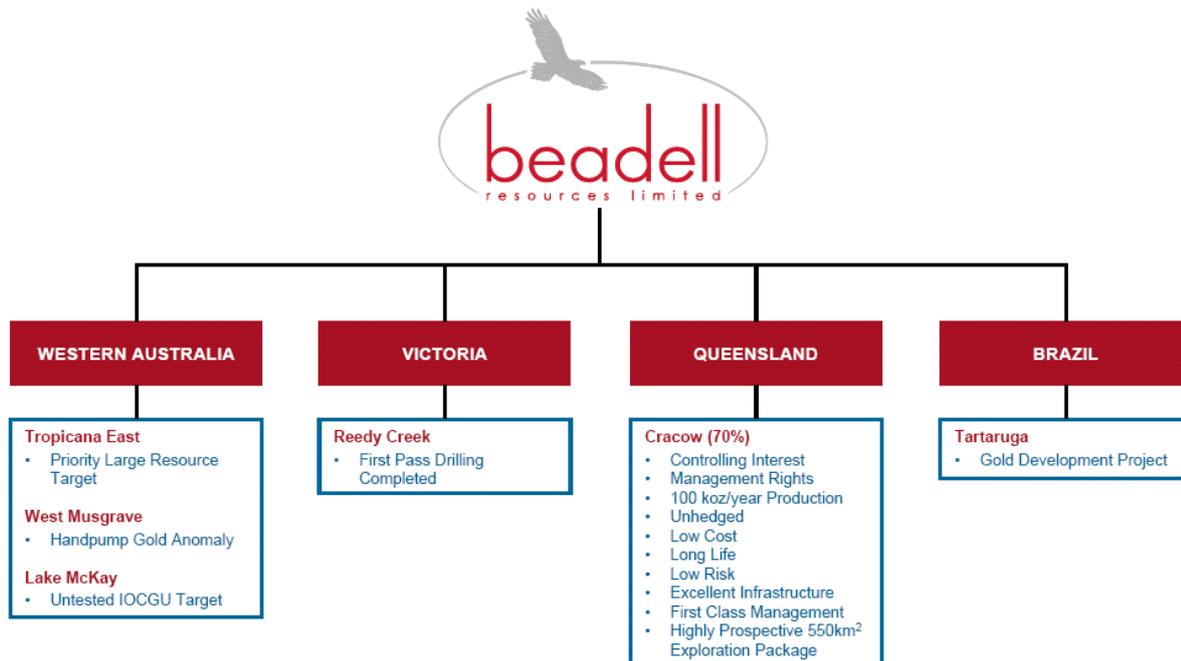
The Completion Date for the Acquisition is scheduled for 30 June 2008.

Strengthening Beadell's Board

New positions will be created to strengthen Beadell's Board of Directors with the addition of appropriately skilled, high calibre candidates.

Effects of the transaction

The assets of the Company post completion will be as follows:



Joint Lead Managers

Merrill Lynch and Morgan Stanley have been engaged to act as joint lead managers to Beadell in relation to the proposed capital raising to fund the Acquisition.

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Competency Statement

The information in this report relating to Exploration Results, Mineral Resources or Ore Reserves 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 the company and he consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Important Statement

This announcement has been prepared by Beadell based on information available to it. The distribution of this announcement in jurisdictions outside Australia may be restricted by law, and persons coming into possession of this announcement should inform themselves as to and observe any such restrictions. No shares of the Company have been or will be registered under the US Securities Act of 1933 as amended, and may not be offered or sold in the US or to US persons including any US resident; any partnership or corporation or other entity organised or incorporated under the laws of the US or any state thereof; any trust of which any trustee is a US person; or any agency or branch of a foreign entity located in the US.

This announcement is not an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, or the solicitation of any vote or approval in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. No action should be taken on the basis of, or in reliance on, this announcement. This announcement does not constitute a representation that an offering of securities will occur either at all or in the manner indicated in this document. This announcement does not contain all material information, and must not be relied upon, to make an investment decision. This announcement is made for informational purposes only. Nothing in this document shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. The information in this document does not take into account your investment objectives, financial situation or particular needs. You should make your own independent evaluation of this announcement, its contents and any potential investment in Beadell.

This announcement contains references to certain intentions, expectations, future plans, strategy and prospects of Beadell, which are based on certain assumptions which may or may not be met or on which views may differ and which may be affected by known and unknown risk, and which may or not be achieved. No representation, warranty or guarantee, express or implied, is made as to the fairness, accuracy, completeness, reliability or correctness of the information, opinions and conclusions contained in this announcement. Since anticipated events may not occur as expected and variations may be material, actual results may be different from those forecast. To the maximum extent permitted by law, none of Beadell, Merrill Lynch International (Australia) Ltd, Morgan Stanley Australia Limited, their affiliates and their respective directors, employees or agents, nor any other person, accepts any liability, including without limitation any liability arising from fault or negligence on the part of any of them or any other person, for any loss (including without limitation consequential loss, direct, indirect or consequential loss or damage or loss or damage arising by negligence) arising from the use of or reliance on this announcement or its contents or otherwise arising in connection with it. The forecasts used in this announcement are still subject to change.

OVERVIEW OF THE CRACOW PROJECT

Cracow Gold Project

Cracow is an underground epithermal gold operation located 350 kilometres NW of Brisbane, within the northern New England Fold Belt and on the western margins of the Connors-Auburn arc. The western side of the Cracow Goldfield is the focus of current mining activities. Modern mining operations initially commenced in the Royal deposit, with current and near term activities focused in the Crown and Sovereign deposits. Beadell assesses that the current mine planning inventory supports a mine life to approximately 2013. A number of significant mineralised zones await underground definition drilling before they can be included in mine planning inventory. Beadell is confident that Cracow's mine planning inventory will be significantly increased and that Cracow will continue to produce gold well beyond 2013.

History of the Project

The Cracow Joint Venture's first gold pour occurred in November 2004 and to 30 June 2007, has produced a total of 263,608 ounces of gold (100% basis) at an average cash cost of approximately A\$315 per ounce. Cracow's key historical production statistics to 31 December 2007 (100% basis) are outlined in the table below:

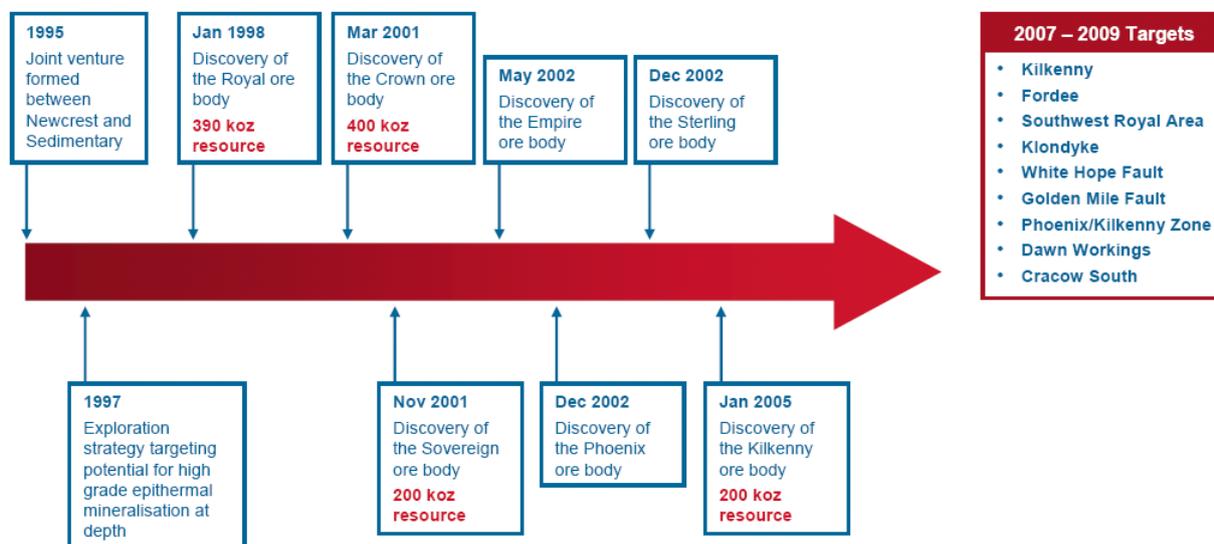
	Years Ending 30 June,			Half Year Ending
	2005A	2006A	2007A	31 Dec 2007A
Ore Mined (t)	142,565	322,380	376,639	215,010
Grade Mined (g/t)	9.9	11.4	10.0	8.5
Gold Produced (oz)	36,934	111,003	116,683	55,856
Cash Cost (A\$/oz)	\$351	\$290	\$327	\$422
Development Capex (A\$m)	\$17	\$29	\$15	\$11

Led by its management team, Cracow's strong culture of continuous improvement has delivered outstanding operational performance. Process improvements at Cracow have enhanced the operation. Mill production has reached, and is expected to continue at, a sustainable rate of 400,000 tonnes per annum.

Geology

Gold mineralisation within the Cracow Goldfield occurs in structurally controlled, steeply dipping, low sulphidation epithermal quartz veins. The veins are hosted in Permian Camboon Volcanics which are unconformably overlain by post mineralisation sediments referred to as the Back Creek group. Cracow's extensive tenement package covers the entire Cracow Goldfield. Prior to the formation of the Joint Venture, the Cracow Goldfield produced 850,000 ounces from mining of near surface high grade epithermal quartz veins from 1932 until the Golden Plateau mine closed in 1994. In 1995 Newcrest entered into a joint venture with Sedimentary Holdings Limited to explore the Cracow tenements. Initial exploration was focused on large tonnage, low grade mineralisation of the Round Mountain (porphyry) style. In 1997 the focus shifted to exploring for low tonnage, high grade, epithermal vein style mineralisation. Deep drill testing of known mineralised structures led to the discovery of the Royal shoot in 1998. This was followed by the discovery of the Crown shoot in 2001, located 800 metres along strike from the Royal shoot. The discovery of the Crown shoot, which is masked by post mineralisation cover, highlighted the potential for further discoveries under cover and west of the known field. Subsequent exploration within the cover areas led to the discovery of five epithermal veins, including the Sovereign and

Kilkenny shoots. The Cracow Goldfield (comprising current operations and the nearby Golden Plateau mine) now has a historical gold endowment exceeding 2 million ounces.



Exploration potential

Recent discoveries made by the Joint Venture are situated within the western portion of the Cracow Goldfield. The western field comprises a network of NW, NNW, N and NE trending veins that extend over an area of 3 kilometres x 1 kilometre. As 60% of the western field is masked by post mineralisation cover, the true extent of the western field is yet to be defined. Within the western field two major gold bearing structural corridors have been identified, the Klondyke Fault Zone and the Kilkenny Fault Zone. These structures remain open along strike. Magnetic data indicates that these structures have strike lengths in the order of 7 kilometres. At this stage only 3 kilometres of strike have been subject to any systematic exploration with deep drilling. Multiple high priority targets have been identified for drill testing on the 550km² of Exploration Permits.

Resources, reserve and development potential

Cracow's Ore Reserve and Mineral Resource position as at 30 June 2007 is summarised in the following tables:

Deposit	Proved Reserves		Probable Reserves		Total Reserves		
	Tonnes (kt)	Gold Grade (g/t)	Tonnes (kt)	Gold Grade (g/t)	Tonnes (kt)	Gold Grade (g/t)	Contained Metal (koz)
Royal	229	11.2	-	-	229	11.2	82
Crown	272	9.4	479	7.9	751	8.4	204
Stockpiles	6	6.5	-	-	6	6.5	1
	507	10.2	479	7.9	986	9.1	287

A design cut-off grade of 4.5 g/t was used for both the Royal and Crown ore bodies, and the reserves were prepared on the basis of A\$600 per oz gold prices and an average gold recovery of 93%

Deposit	Measured Resource		Indicated Resource		Inferred Resource		Total Resource		Contained Metal (koz)
	Ore (kt)	Grade (g/t)	Ore (kt)	Grade (g/t)	Ore (kt)	Grade (g/t)	Ore (kt)	Grade (g/t)	
Royal	240	13.1	76	7.9	31	4.8	347	11.2	125
Crown	328	9.9	627	8.0	109	6.1	1,064	8.4	287
North Klondyke	-	-	-	-	120	6.9	120	6.9	27
Sovereign	-	-	-	-	784	8.0	784	8.0	202
Kilkenny	-	-	-	-	894	7.1	894	7.1	204
Roses Pride	-	-	-	-	152	13.9	152	13.9	68
Empire	-	-	-	-	263	9.8	263	9.8	83
Stockpiles	6	6.5	-	-	-	-	6	6.5	1
	574	11.2	703	8.0	2,353	8.1	3,630	8.5	997

Roses Pride and Empire mineral resources were calculated by Beadell and prepared using an inverse distance resource methodology. All other mineral resources were calculated by Newcrest and prepared on the basis of a A\$600 per ounce gold price and a minimum mining width of 2 metres

Categorisation of these reserve and resource estimates were undertaken in accordance with the guidelines of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, published by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, and Minerals Council of Australia, 2004.

Cracow has a demonstrated track record of replacement to its Ore Reserve and Mineral Resource portfolio through systematic, drilling-focused exploration.

Infrastructure, land and native title

The Joint Venture operates a conventional treatment plant with a carbon-in-leach (CIL) gold processing circuit, associated mill and onsite infrastructure. The comminution circuit comprises new and refurbished equipment. Ore is treated via a three-stage process which involves tertiary crushing, grinding in a ball mill and a cyanide leach. Activated carbon absorbs gold from the leach liquor and the gold is stripped using a cyanide solution. Gold is then electro-won from solution and smelted into gold doré bars.

Electrical power for the treatment plant and underground mine is supplied from the state grid. Process water is reticulated from an onsite bore. All the other infrastructure, plant and equipment necessary to operate the Cracow Mine are included in the Acquisition.

The Joint Venture has also purchased a number of pastoral leases and freehold blocks in order to carry out its mining activity without causing disruption to neighbouring landholders.

An Indigenous Land Use Agreement ("ILUA") has been signed with the registered claimants. The ILUA is binding in respect of heritage protocols and land use and the benefits paid under the ILUA are agreed to be in full and final satisfaction of any compensation payable under the Native Title Act.

Joint Venture terms and conditions

Two Joint Venture Agreements govern all activities on the Cracow Mining Leases (including exploration) and on the surrounding Cracow Exploration Permits. The structure and commercial terms of each of the Joint Venture Agreements are reasonably typical of unincorporated joint ventures in the Australian gold sector. Upon acquiring Newcrest's 70% interest in Cracow, Beadell will become the Joint Venture Manager and will be entitled to a management fee calculated as a percentage of total project expenditure and regional exploration expenditure.