



Essential  
Petroleum  
Resources  
Limited

29 September 2009

Kate Kidson  
Principal advisor  
ASX Limited

**BY EMAIL: KATE.KIDSON@ASX.COM.AU**

Dear Ms Kidson

### **Restructure Proposal**

Essential Petroleum Resources Limited (*EPR* or *the Company*) has received an in-principle proposal from Beach Petroleum Limited (*Beach*) in respect of the restructure of EPR and its ongoing commitments.

The proposal includes the following:

1. The debt owed to Beach under the VIC/P46 Joint Operating Agreement be converted to voting shares in the Company so that following the issue of shares under the proposal Beach will hold 51% of the Company's voting shares on issue.
2. The debt owed to Mitsui E&P Australia Pty Ltd (*Mitsui*) be released in full on payment of approximately \$660,000, such payment to be made after completion of a capital raising in the Company to a minimum amount of \$2 million.
3. The Company transfer to Beach a 50% interest in PEP168.
4. On Completion Beach will appoint nominee directors to the Board and the existing directors of the Board will resign.
5. The offer is conditional upon execution of a legally binding agreement between Beach, Mitsui and the Company recording the terms of the proposal and shall be subject to various approvals including Mitsui board approval and EPR shareholder approval.

The Board of the Company and the Company's major shareholder Dr Peter Woodford support the proposal. The Company and Beach are currently preparing legally binding documentation to reflect the proposal outlined above and the Company has commenced the process for the calling of a General Meeting.

**Essential Petroleum Resources Limited**  
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The Company advises that it will not be in a position to complete and lodge its 30 June 2009 statutory accounts until such time as the proposal is finalised. Accordingly, the Company requests that its shares remain in voluntary suspension until lodgement of its 30 June 2009 statutory accounts, which event will follow the outcome of the proposed General Meeting.

Yours faithfully

A handwritten signature in blue ink that reads "John Remfry". The signature is written in a cursive style with a large initial 'J'.

John Remfry  
**Managing Director**