



PRESS RELEASE

ASX ANNOUNCEMENT - FOR IMMEDIATE RELEASE

Wednesday 25 February 2009

STRONG CASH FLOW HIGHLIGHT OF HALF YEAR RESULTS

Australian oil explorer and producer, Stuart Petroleum Limited (ASX Code:STU), today released its results for the half year ending 31 December 2008.

The results highlight the strength of the Company in generating cash from Cooper/Eromanga Basin crude oil sales (\$30 million) and cash realised from the sale of hedges (\$12 million).

Since the end of the half year, the Company has sold its remaining commodity hedge position, adding an additional \$1.3 million to cash realised on the sale of its hedges. This amount, along with the \$12 million previously realised, has been applied to further debt reduction.

Half Year Results

The Company highlighted its strong cash generating position at the same time as announcing a net loss after tax of \$26 million for the half year, reflecting the expensing of costs of the Bazzard-1 exploration well in Vic P53 drilled during the half year and the impairment write-down of Cooper/Eromanga Basin assets caused by lower oil prices in the latter part of 2008.

Production of 183,000 barrels of oil for the half year was 36% down on the previous corresponding period, reflecting natural field decline and disruptions caused by rain and mechanical equipment failure.

Oil prices averaged A\$96.96 per barrel during the December half year, a 7.3% decrease on the previous corresponding period.

The Company's net debt at 31 December 2008 was A\$12 million.

Outlook

Cooper/Eromanga Basin cash flows are forecast to remain strong based on the Company's existing oil fields which continue to produce as forecast.

Surplus cash will fund the Company's portfolio of growth projects, particularly the Oliver appraisal and development project and the Port Bonython Fuels project; and reduce debt.

The Company restated its full year production forecast of 350,000 barrels of oil.

Further information is contained within the Half Year Financial Report released today.

For further information please contact: Managing Director Tino Guglielmo on (08)8410 0611 or Email: guglielmo.t@stuartpetroleum.com.au