



**PRESS RELEASE
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Monday 17 August 2009

The Manager
Company Announcements
Australian Securities Exchange Limited

Dear Sir,

South Australia Future Energy Conference Presentation

Australian oil producer and explorer, Stuart Petroleum Limited (ASX Code: STU) today released the attached document titled “Meeting the Challenge of Growing Demand for Energy” as presented on behalf of the Managing Director of Stuart Petroleum, Mr Tino Guglielmo at the South Australian Future Energy Conference today.

A printed copy of the document is available by contacting the office of Stuart Petroleum on 08 8410 0611 or e-mail info@stuartpetroleum.com.au.

Yours faithfully,

John F. McRae
Company Secretary

Attachments:
Conference Presentation

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



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Meeting The Challenge of Growing Demand for Energy

Tino Guglielmo
Managing Director
August 2009

Disclaimer



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This presentation may contain forward looking statements that are subject to risk factors associated with oil and gas businesses.

It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to:

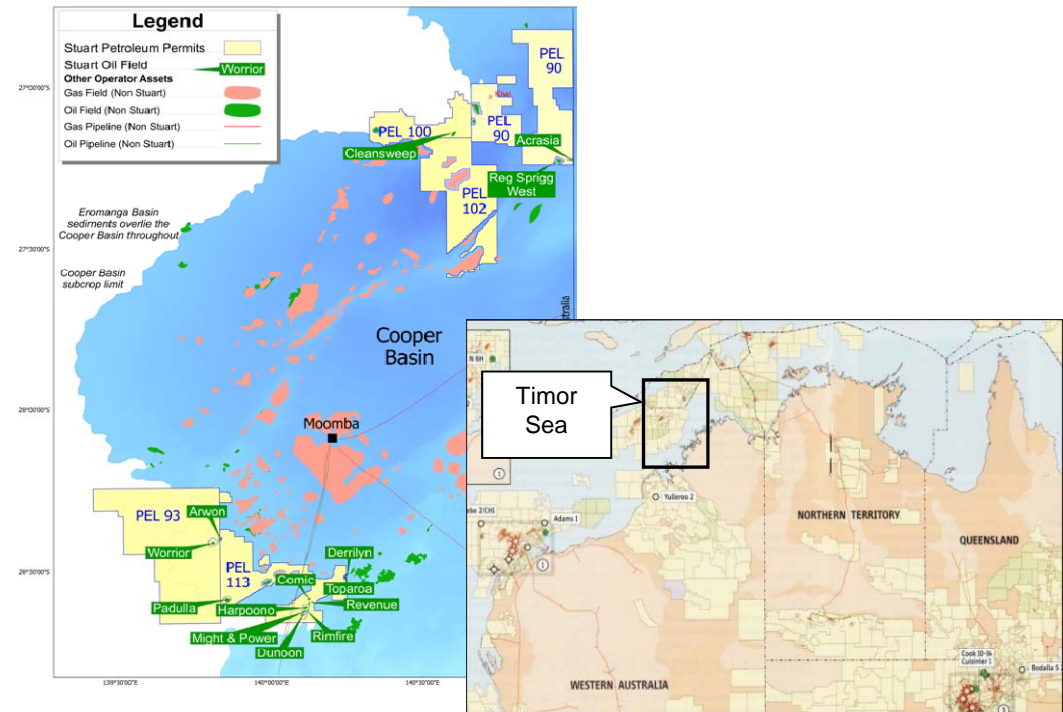
- Price fluctuations, actual demand, currency fluctuations, drilling and production results,
- Reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, and
- Economic and financial markets, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Meeting The Challenge of Growing Demand For Energy

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- Introduction to Stuart
- Industry Factors
 - The Energy Mix - Electricity Generation
 - The Opportunity for Gas
 - The Energy Mix – Transport Fuel
 - Diesel Market Growth
 - Greenhouse Gases and Carbon Capture
- Stuart Business
 - Cooper Basin
 - Timor Sea Developments
 - Port Bonython Fuels
- Summary and Conclusions



Introduction to Stuart



Strong Base Business in the Cooper Basin:

- Excellent Record as Operator
- 14 Oilfields in Production
- Equity Interests range from 35-100%

Starting to Realize Material Project Upside:

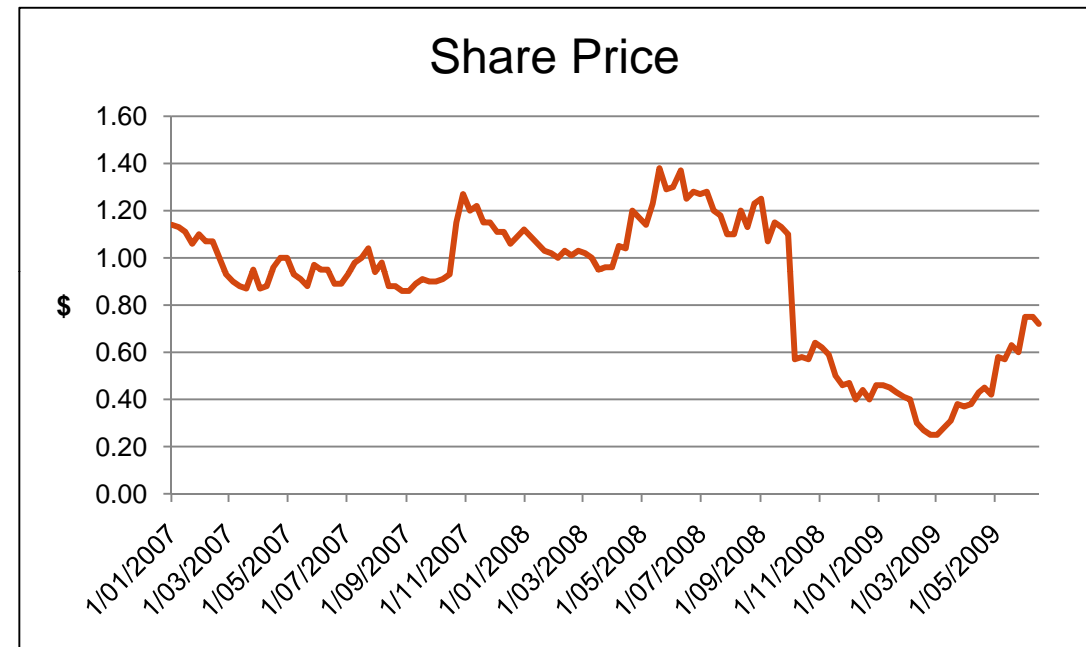
- Oliver
- Port Bonython Fuels

Reserves Growth Potential

Strong Balance Sheet and Share Register

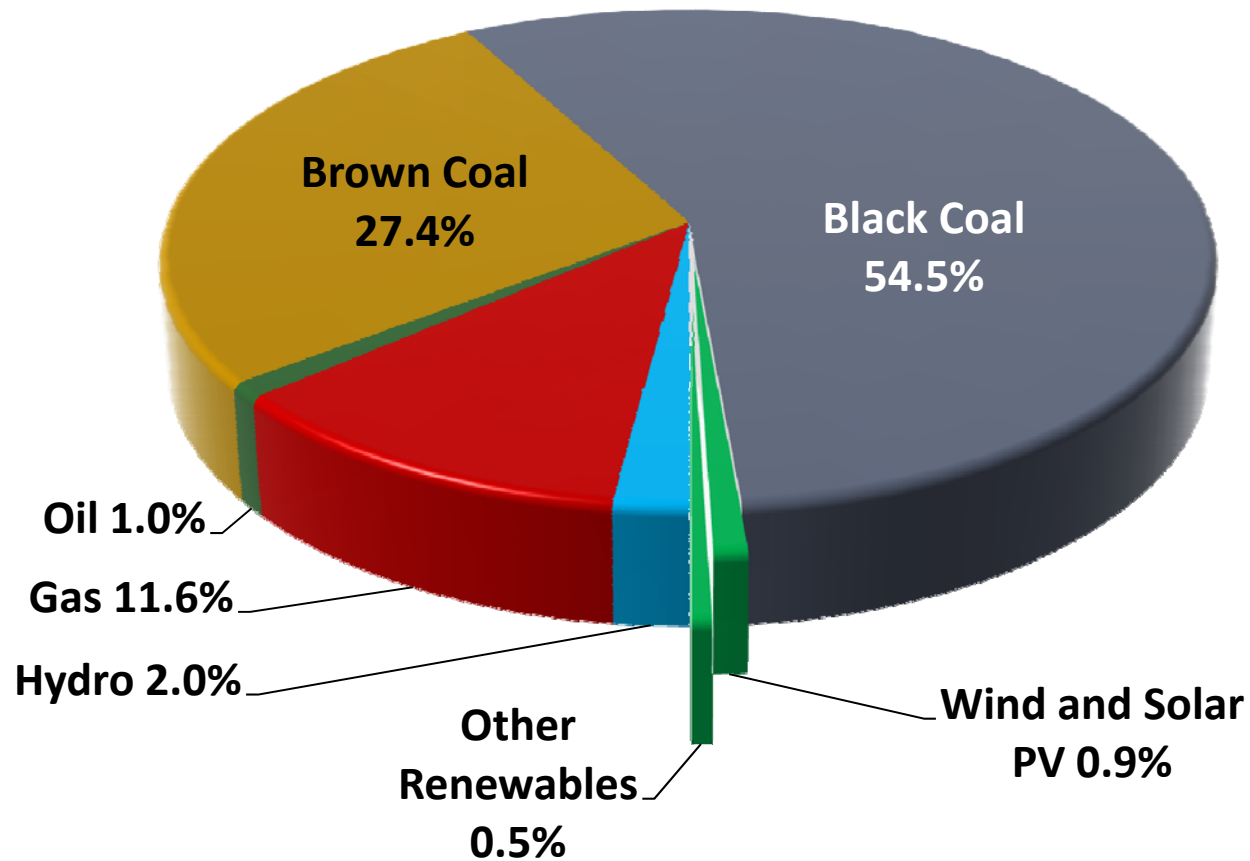
FY 2008/09 Production – 339,000 Barrels of Oil

Issued Shares	63,082,422
Options issued (unlisted)	4,250,000
Market Capitalisation	~ \$45 million





Fuel Inputs into Australian Electricity Production 2006 - 07



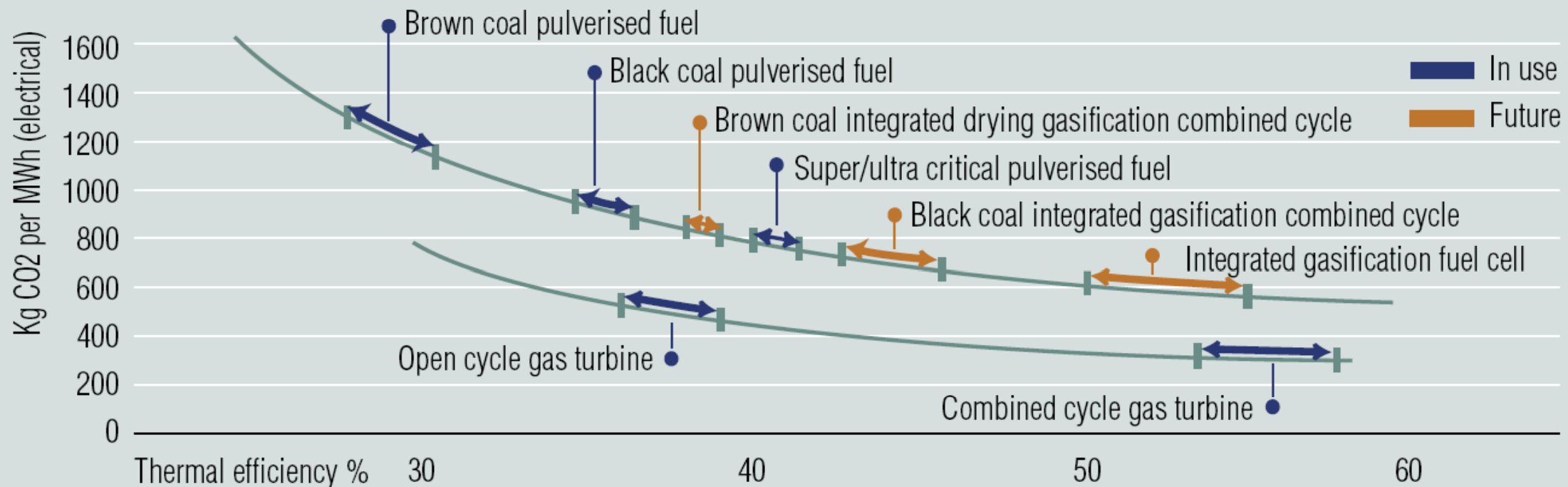
Note: Hydro is under represented because of the calculation method, 6.4% is a more representative output figure

Data for 2006-07
ABARE, Energy In Australia 2009

The Role of Gas Power Generation – Emissions Intensity

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- Gas technologies are clean and efficient
 - 50% less CO₂ than best black coal powergen
 - 70% less CO₂ than brown coal powergen



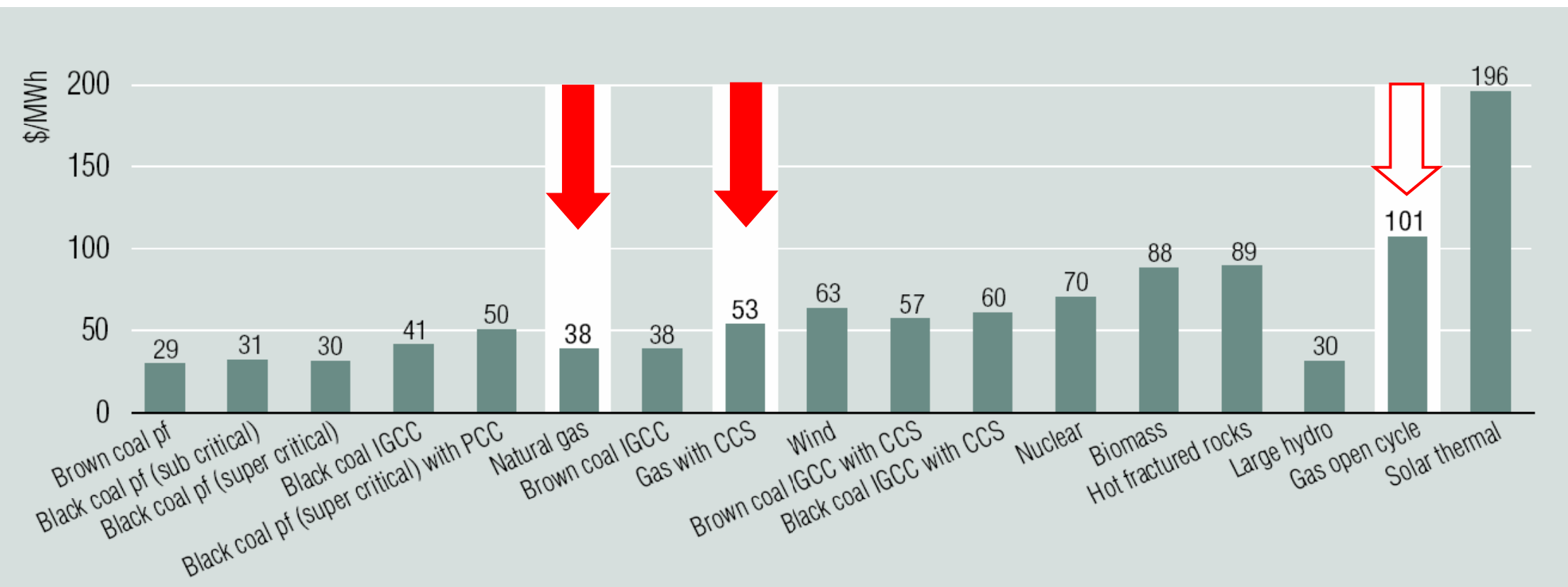
Source: CSIRO, Energy Transformed Flagship, Dr John Wright
Figure extracted from APPEA Strategic Leaders Report 2007

The Role of Gas Power Generation – Cost Estimates

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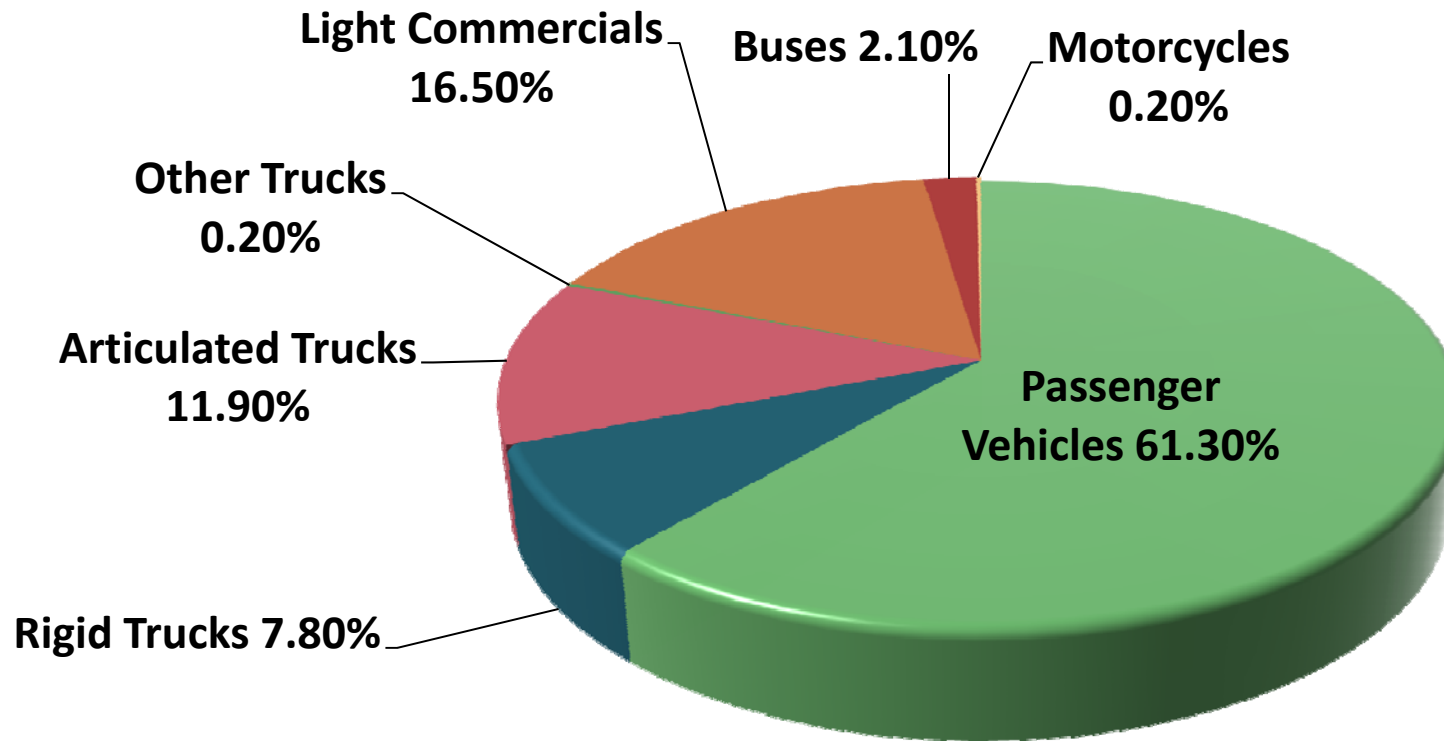
- Gas is cheap, clean, plentiful and available now
- Open Cycle Systems ideally suited to peak load applications



Source: CSIRO, Energy Transformed Flagship, Dr John Wright
Figure extracted from APPEA Strategic Leaders Report 2007

Our Energy Mix – Transport Fuels

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Data for 2006-07
ABARE, Energy In Australia 2009

Short / Medium Term Reductions

- Efficiency – Supply side and Demand side
- Decarbonization Transition Coal -> Oil -> Gas
- Eliminate fugitive / venting losses
(Methane GWP = 21 x CO₂)

Longer Term Reductions - Carbon Capture & Storage

- Unproven technology at required scales
- Requires significant additional energy and infrastructure
- Unlikely to be widely available before 2020

Longer Term Substitution

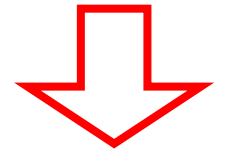
- Renewables
- Nuclear?
- Hydrogen Fuel Cells, Electric Vehicles

Hydrocarbon



+

Oxygen



Carbon
Dioxide



+

Water



+

ENERGY

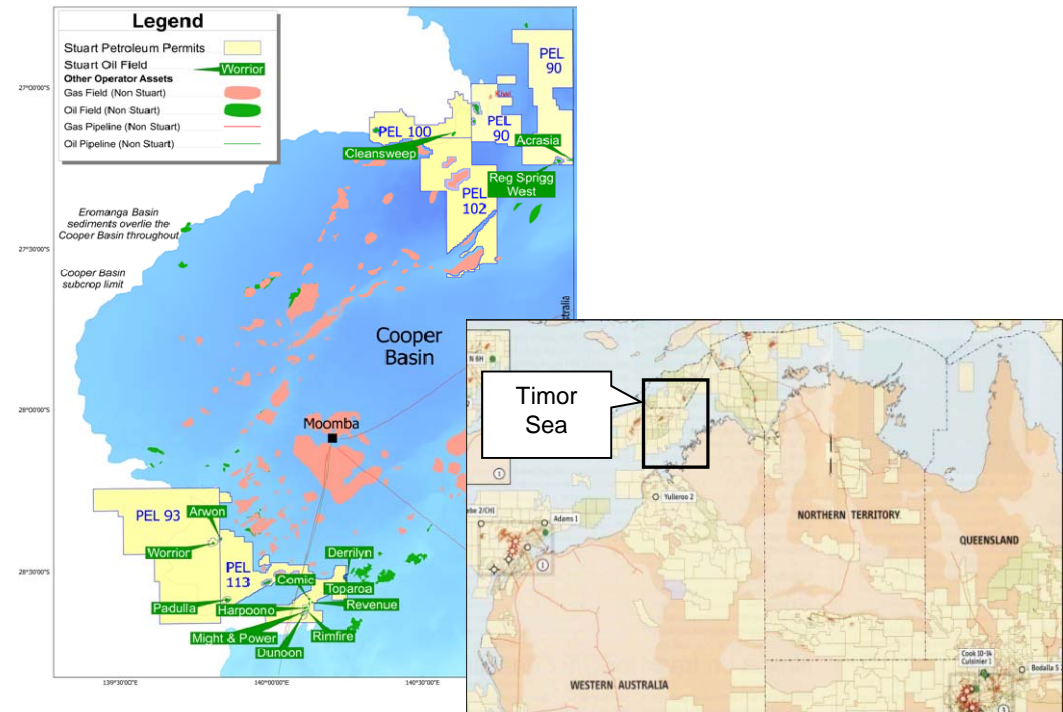


Stuart's Business - Implementing Our Growth Strategy

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Upstream:

1. Cooper Basin – harvest production.
Continue debt reduction strategy.
2. Timor Sea
 - a) Oliver growth project – appraise and develop Oliver oil/gas field in the Timor Sea. Recent work has upgraded potential recoverable hydrocarbon estimates and development potential.
 - b) AC/P35 Exploration Project – acquire and review 2D seismic prior to conducting 3D survey.



Downstream:

3. Pt Bonython Fuels project – continue FEED in expectation of Development Application approval.

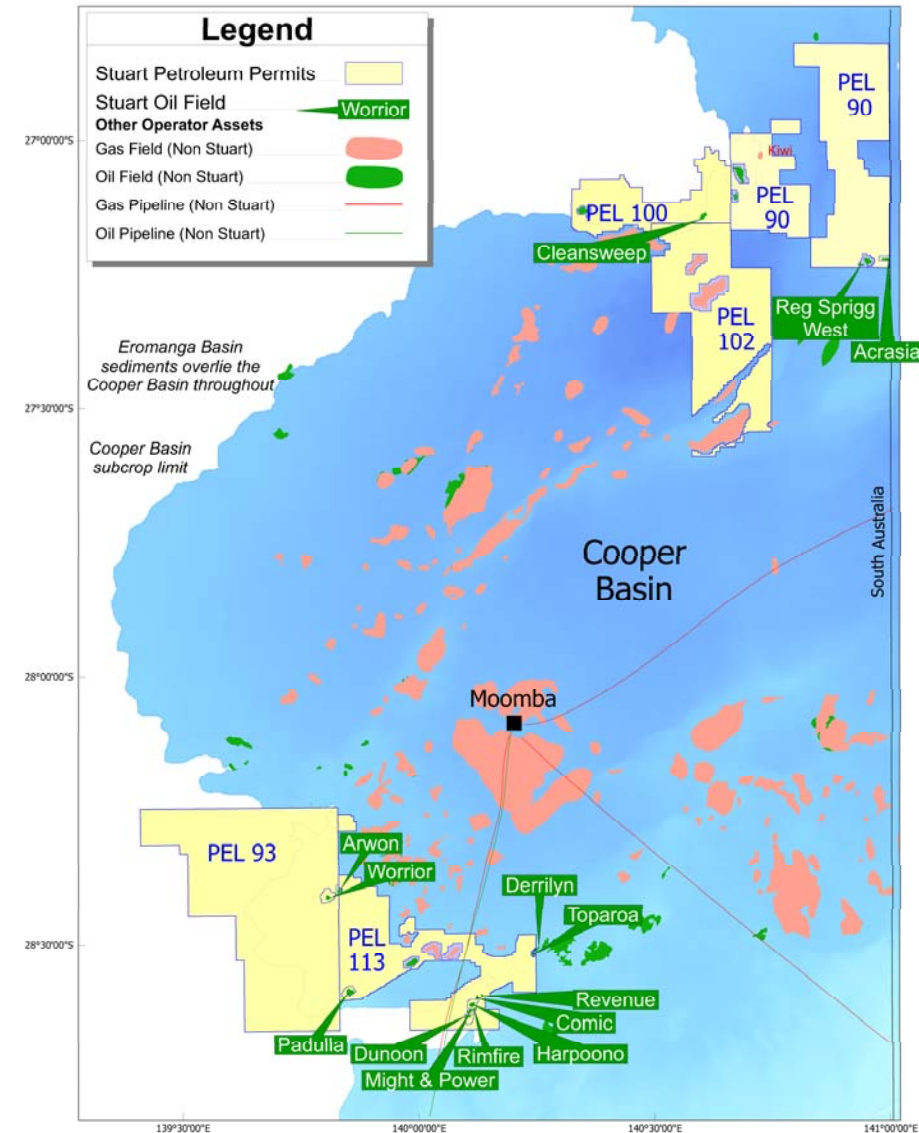


Key Assets 1

- Cooper / Eromanga Basin, Northern SA

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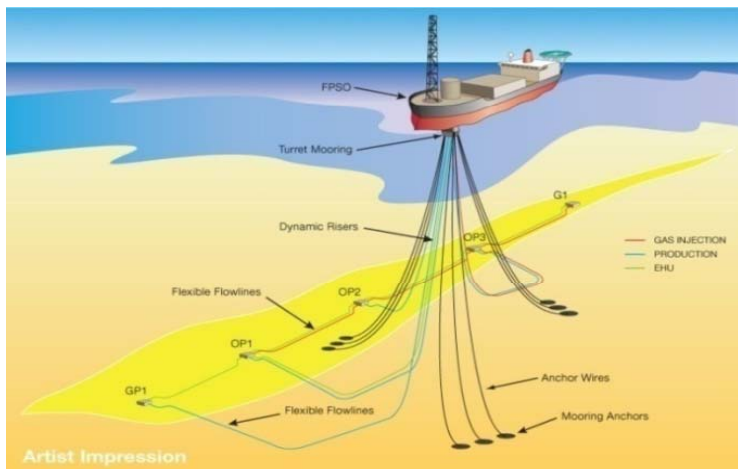
- Organic growth since IPO in 1999 realised by Stuart team.
- All reserves / production from the drill bit.
Average Finding Cost ~ A\$ 10.70/bbl
- Existing Licences (oil focus):
 - Operate 5 licenses with 14 producing oil fields.
 - 65 oil prospects – potential > 30 mmbbls unrisks
 - 5 gas prospects – potential > 70 BCF unrisks
- Strong cash flow generation, well established, low risk
- Harvesting 2.3 mmbbls of oil reserves with a gross cash flow potential of over \$200 million at A\$ 90/bbl
- Significant Geothermal licence position ~ 12,000 km²
 - Hot Fractured Rock Studies
 - Low Temperature Waste Heat Recovery



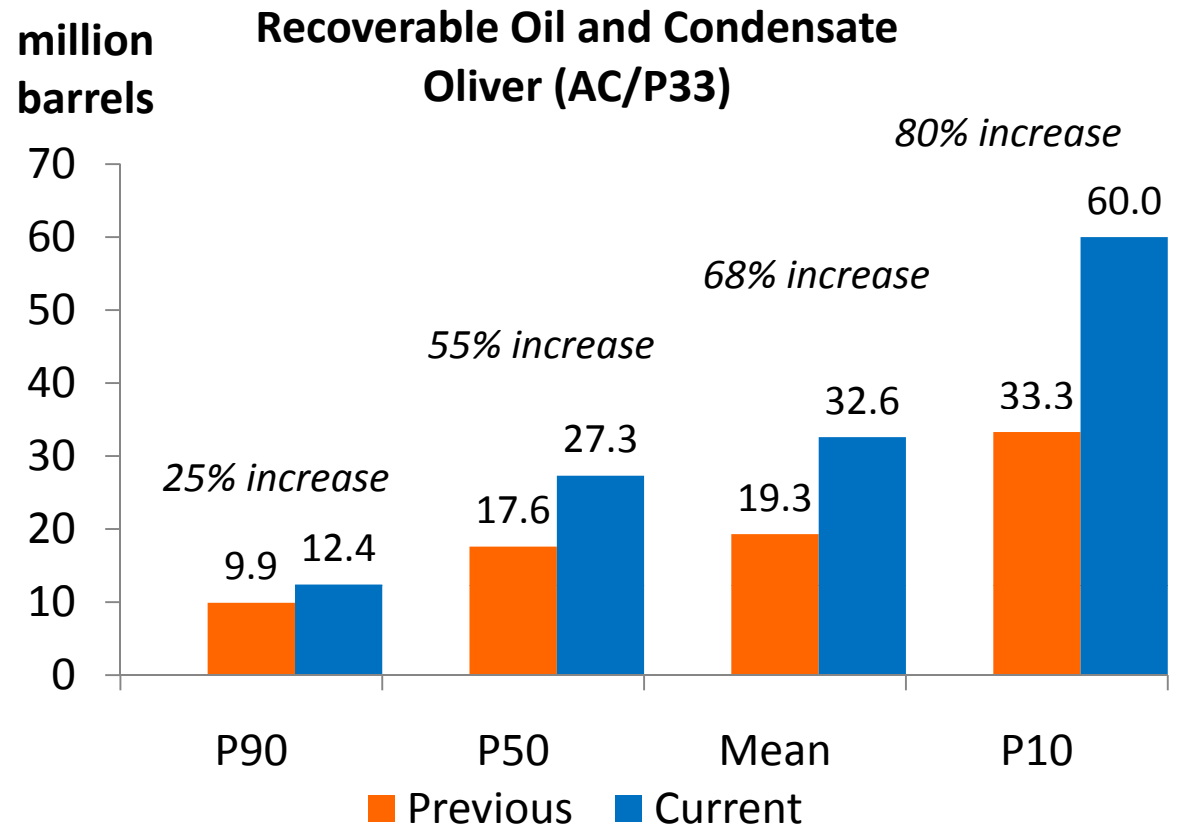
Key Assets 2 – Oliver Development Timor Sea



Songa Venus – Oliver 2 Appraisal Well - Dec 09 / Jan 10



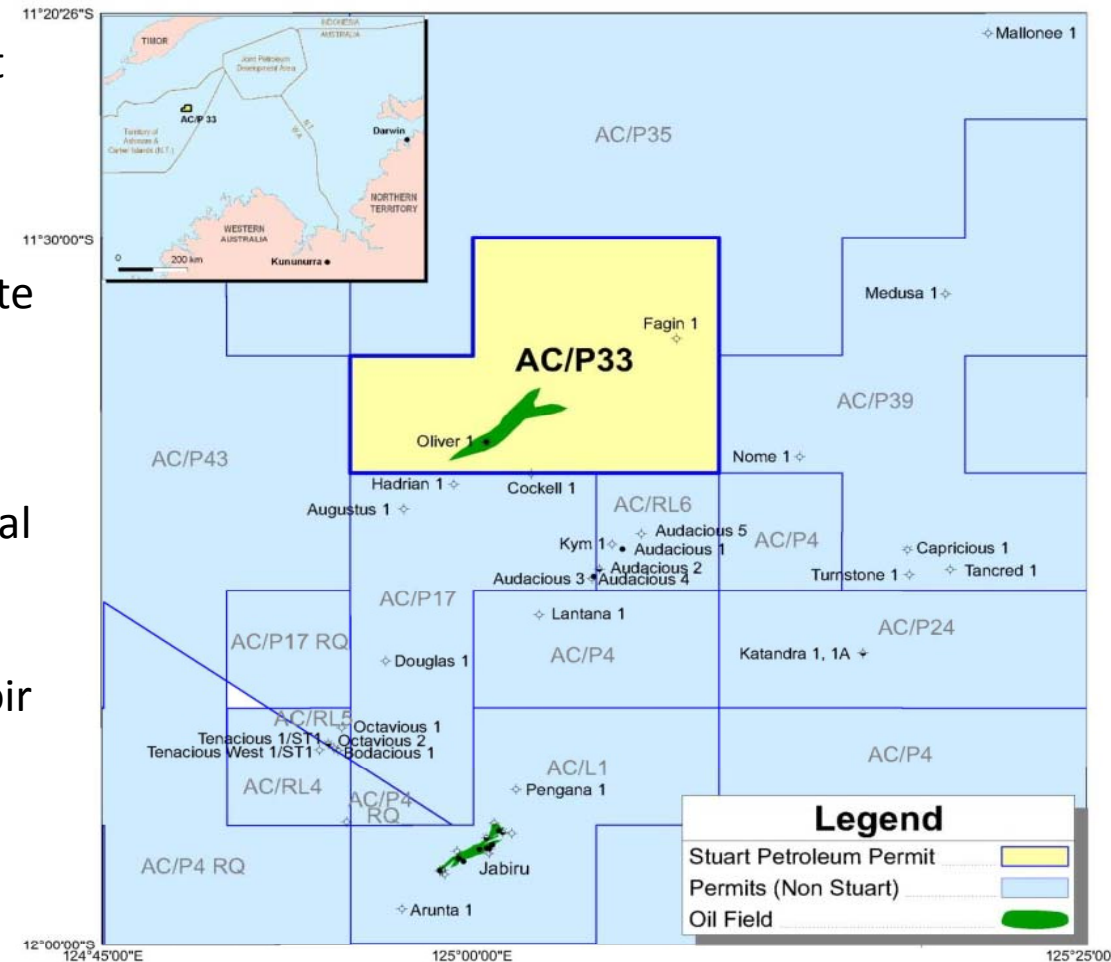
Project Development Schematic



Oliver Oil Appraisal and Development

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- Stuart is Operator of the permit.
- Stuart is funding appraisal well and development studies to earn 50% of permit.
- Oliver 2 appraisal well late December 2009/Jan 2010. Objective: to prove resource base adequate to justify development.
- Latest estimate shows 32.6 million barrels of “mean” recoverable oil and condensate. Potential upside from 810 BCF of mean gas in place.
- Field development feasibility studies and reservoir modelling / resource certification continuing.
- Development concept:
Oil recovery and condensate stripping.
(Possible future gas recovery / export)

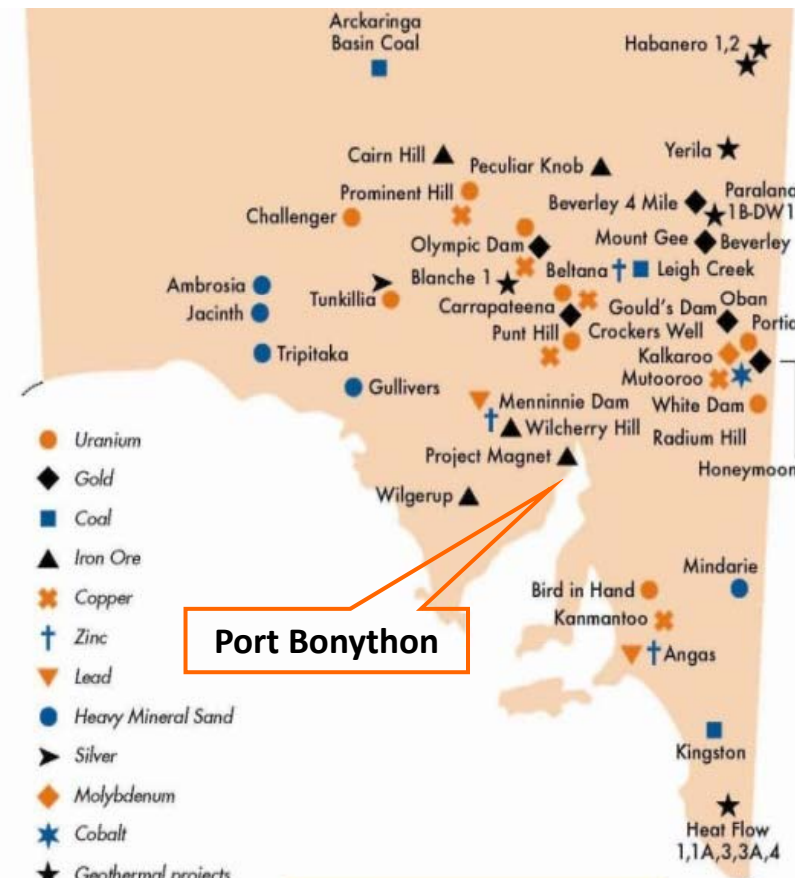


Key Assets 3 - Port Bonython Fuels Project

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- Diesel Fuel Storage and Distribution Facility.
- Australia is short diesel – demand met increasingly via regional imports.
- SA is a mining growth State. Increased fuel demand requires expansion of regional infrastructure.
- Port Bonython is strategically located. Enables efficient use of existing infrastructure.
- Project supports sustainable development and employment in northern SA.
- Reduces heavy vehicle congestion in metro/northern Adelaide.
- Improves delivery economics and lowers carbon footprint.

Port Bonython Fuels Project already has “Crown Sponsored” development status.



Advantages of Port Bonython



- A sheltered port with under-utilized existing wharf and jetty infrastructure.
- A deepwater port with the capability of handling 120,000 tonne vessels.
- Available land to build tankage and truck loading facilities.
- Existing Adelaide product terminals are at least 200-250km further from the SA mining projects and are limited to 28,000 tonne vessels.
- Potential for Road, Rail and Pipeline distribution.



Port Bonython Fuels Project - Development Status



- All site surveys and land clearances obtained.
- Contracted with SA Government to acquire land at Port Bonython.
- Development Application lodged end May 2009.
- Public Submissions closed mid-July. Responses being addressed.
- Development Application decision due in 3Q 2009.
- Front End Engineering, Supply and Marketing arrangements underway.
- Final Investment Decision in 4Q 2009.
- Startup ~18 months from FID.



Australian Oil and Gas Industry Directions

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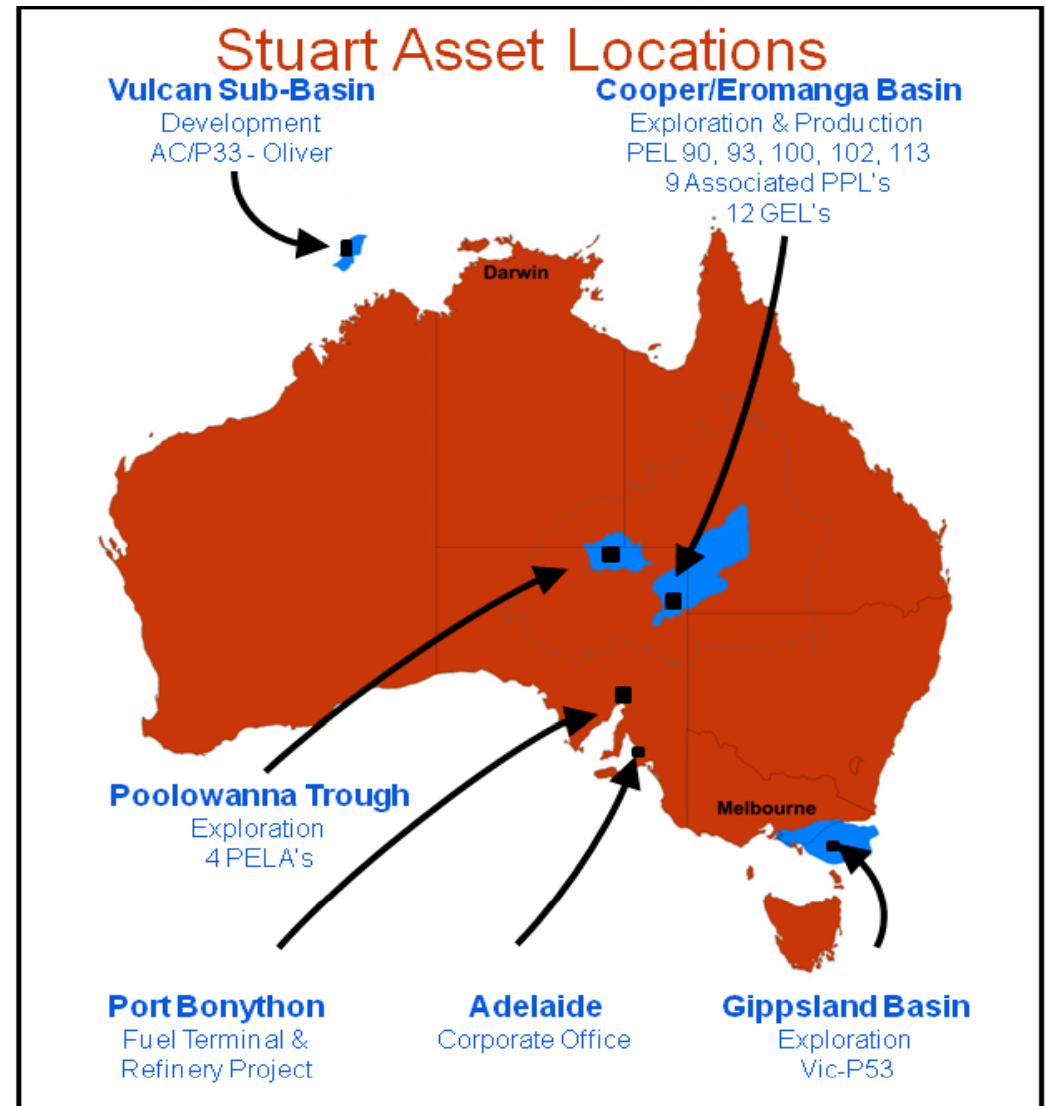
- **Oil – Limited Domestic Resources**
 - Reserves / Production Ratio = 20 years
 - Transport fuel demand unlikely to diminish anytime soon
 - Diesel demand growing strongly
- **Gas - Abundant resources in WA and QLD**
 - Reserves / Production Ratio = 63 years
 - Delivers energy security and GHG benefits
 - Large scale, cheap, proven technology, available now
 - Huge growth in QLD CSG / LNG sector
 - Transport challenge from WA for domestic use
- **Carbon Capture & Sequestration**
 - Coal rather than oil/gas industry is main focus
 - Coal Reserves / Production Ratio = 194 years
 - CO2CRC - Otway geosequestration pilot project
- **Geothermal**
 - Leverage subsurface expertise into HDR industry



Stuart Directions

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- Stuart has built a reliable platform for growth in the Cooper Basin providing strong profitable cash-flows.
- The Port Bonython Fuels business is getting closer to FID and will provide an opportunity for a strong stable long term cash flow.
- The Oliver appraisal and development project in the Timor Sea is transformational.
- We are seeking to repeat the process in the adjacent AC/P35 permit





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