

ASX ANNOUNCEMENT FOR IMMEDIATE RELEASE

03 February 2010

STUART PROFITABLE FIRST HALF 2009/10

Stuart Petroleum Limited (ASX code: STU) is pleased to announce that 2009 marked a return to profitability after the Company wrote off the expense of an unsuccessful well, Bazzard 1, in the half year ended 31 December 2008.

Stuart expects to announce a Net Profit after Tax of approximately A\$1.8 million for the half year ended 31 December 2009, when audited results for the period are released on or before 26 February 2010.

The first half 2009/10 result will not include the \$4.6 million pre-tax profit to accrue from Stuart's October 2009 sale of its interest in Timor Sea permit AC/P33. Profit from this transaction will be reportable when Foreign Investment Review Board approval has been received.

Stuart's production for the December 2009 half year totalled 122,051 barrels of oil and the Company expects to produce in excess of **250,000 barrels of oil for the full year**, consistent with previous guidance. Looking ahead, Stuart is planning a 10-well Cooper Basin oil and gas drilling program for this year and 2011, designed to increase sales, replace annual oil production and lift reserves.

Stuart's Managing Director, Mr Tino Guglielmo said, "Stuart is planning to increase its rate of oil production during 2010 by drilling an additional development well at its Worrior Oilfield and by completing workovers to enhance the performance of two other wells.

"Stuart has recently become the largest holder of exploration acreage along the oil-prone southern margin of the Cooper Basin and the Company will drill an important 10-well drill programme in this region and in its northern Cooper Basin tenements during this year and next designed to increase reserves and increase production."

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