



29 September 2010

The Manager
Company Announcements
ASX Limited

Dear Sir,

Cooper Basin Activities

Stuart Petroleum Limited (ASX:STU) advises that its 70% owned Worrior 7 well is now producing at around 300 barrels of oil per day from the McKinlay Formation. Additional, unexpected pay intersected in the Birkhead Formation is planned to be accessed towards the end of the third Quarter of this financial year as part of a workover programme to enhance production from Worrior 1, 2 and 7.

Pending this work, production rates from the Worrior field will be reduced from those previously anticipated and for this reason the Company does not presently expect to achieve the production guidance of 350,000 barrels of oil advised in the Annual Review dated 31 August 2010. Subject to weather or other unforeseen production interruptions Stuart's production is nevertheless expected to exceed 2009/2010 production levels.

Stuart also wishes to advise that Hunt Rig # 2 will begin this week to move to the location of Stuart's next well, Acrasia 5. A spud date will be advised shortly.

Acrasia 5 is a development well programmed to drill to 2345 metres to test for extensions to the oil pools which the Company currently produces from the Hutton, Tinchoo and Poolowanna Formations elsewhere on the Acrasia field. Stuart is 75% interest holder and Operator for the well and for the Acrasia field.

Stuart has recently completed site preparation work at the site of a further proposed exploration well, Vintage Crop 1, on PEL 516. Stuart is 100% interest holder and Operator for the tenement. The timing of drilling this well is yet to be finalised and the Company will advise when this has been settled.

Yours faithfully,

John Branson AM