



PRESS RELEASE
ASX ANNOUNCEMENT – FOR IMMEDIATE RELEASE

Monday, 6 September 2010

The Manager
Company Announcements
Australian Securities Exchange Limited

Dear Sir

Annual Review 2010

Australian oil producer and explorer, Stuart Petroleum Limited (ASX code: STU) advises the attached document has been circulated to Members of the Company.

The document contains information about Stuart, its activities for the year ended 30 June 2010 and its current portfolio of growth projects.

The Annual Report for 2010 will be available on the Company's website on 15 October 2010 and will not be mailed to individual Members unless specifically requested.

A printed copy of the attached document is available by contacting the office at Stuart Petroleum on (08) 8410 0611 or email reception@stuartpetroleum.com.au.

Yours faithfully

John McRae
Company Secretary

for and on behalf of
Stuart Petroleum Limited

Attachment:
Shareholder Review

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



ANNUAL REVIEW 2010

COOPER BASIN

Oil production increasing
Major gas potential recognised

PORT BONYTHON

Fuels Project
approaching final investment decision



CORPORATE DIRECTORY

Directors

Chairman:

John G Branson
AM., R.afD., LLB., C.Univ., FAICD

Managing Director:

Giustino (Tino) Guglielmo
B.Eng.(Mech.), MAICD., MSPE., FIEAust

Non-executive Directors:

J Bruce Parncutt
B.Sc, MBA, MFSIA

David B Clarke
B.Sc

Company Secretary

John F McRae
CPA

Registered Office and Head Office

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Website

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Home Stock Exchange

Computershare Investor Services
Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000

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Adelaide SA 5001

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Enquiries outside Australia:
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Home Stock Exchange

Australian Securities Exchange Limited
Level 30, 91 King William Street
Adelaide SA 5000
ASX Code: STU

Auditor

PricewaterhouseCoopers
Level 14, 91 King William Street
Adelaide SA 5000

Solicitor

Johnson Winter & Slattery
Level 10, 211 Victoria Square
Adelaide SA 5000

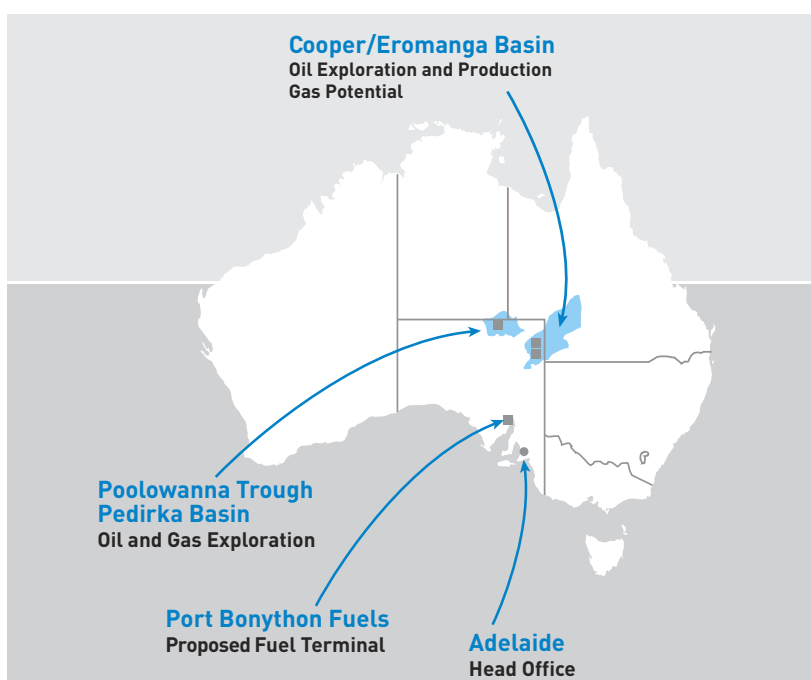
Banker

Commonwealth Bank of Australia
100 King William Street
Adelaide SA 5000

CONTENTS

1	Key Performance Indicators
2	Letter from the Chairman
4	Managing Director's Report
6	Port Bonython Project Report
7	Operations Report – Production – Exploration
10	Finance Report
11	Sustainability Report
12	Stakeholder Report

STUART BUSINESS LOCATIONS



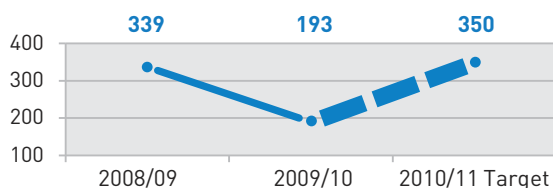
KEY PERFORMANCE INDICATORS

OIL PRODUCTION

Stuart plans to increase production in 2010/11 by around 80% to 350,000 barrels of oil. 2009/10 production was 193,000 barrels of oil, down compared to its target of 250,000 barrels as a result of flooding in the Cooper Basin in February through April 2010.

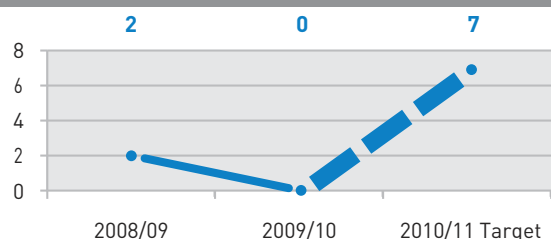
OIL PRODUCTION

('000 Barrels)



OIL DRILLING

(Number of wells)



OIL DRILLING PROGRAM

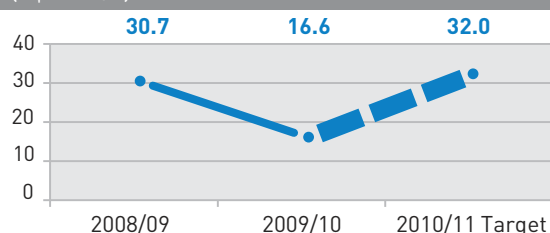
Stuart plans to drill seven oil exploration and development wells in 2010/11. The Company drilled no wells in the Cooper Basin in 2009/10. The oil drilling program is aimed at increasing production reserves, cashflow and profitability.

OIL SALES REVENUE

Stuart expects to receive total revenue from oil sales of approximately \$32 million in the 2010/11 year, a significant increase over 2009/10 sales of \$16.6 million. Increased sales revenue is expected to result from an 80% increase in production and higher oil prices.

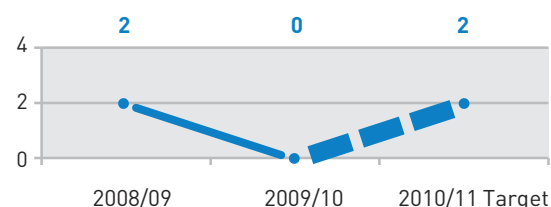
OIL SALES REVENUE

(A\$ million)



DIVIDEND PAYMENTS

(Cents per Share)



DIVIDEND PAYMENTS

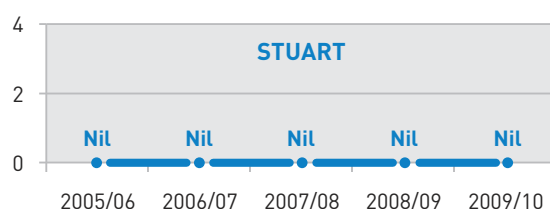
Stuart has declared a 2 cent per share dividend for the year ended 30 June 2010, payable on 16 September 2010. This is the fifth year that Stuart has paid dividends in the last six years. No dividend was paid in 2009.

SAFETY PERFORMANCE

For the fifth year in a row, Stuart recorded no injuries in the course of its operations. Statistics published by the Australian Petroleum Production and Exploration Association for 2008 and 2009 show that Stuart ranked equal first out of 22 companies in posting the lowest possible Total Recordable Injury Frequency Rate.

TOTAL RECORDABLE INJURY FREQUENCY RATE

(Events per million person-hours worked)





Stuart Petroleum Limited

From the Chairman's Office

Level 3, 22 King William Street
Adelaide SA 5000

31 August 2010

Letter from the Chairman

Dear Shareholder,

Stuart has completed an excellent year of rebuilding and growth and, for the fifth year in a row, your Company has had no lost time or medical treatment injuries. Your Directors acknowledge the outstanding achievement of staff and management in securing this excellent safety record.

On the financial front, your Company returned to profit with a Net Profit after Tax of A\$6.8 million. It substantially upgraded its holdings in the Cooper Basin and sold its Timor Sea exploration interests at a profit. Stuart is now projecting an 80% increase in oil production for the current financial year and it is currently returning to the ranks of dividend-paying oil producers with its fifth dividend payment in six years.

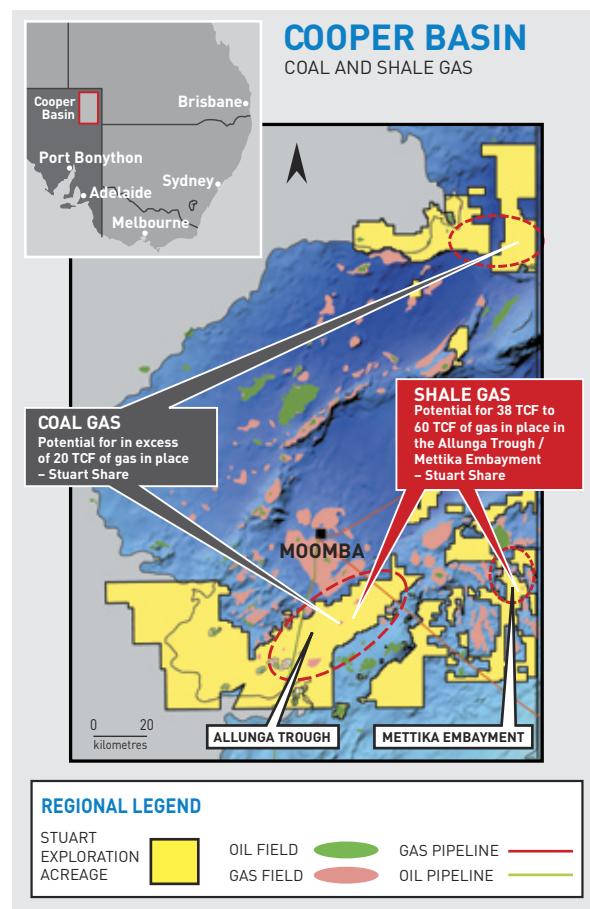
Most importantly for long term shareholders, Stuart has recently determined that its Cooper Basin acreage holds potential for World Class resources of gas in unconventional reservoirs. Independent gas expert, MHA Petroleum Consultants of Denver, Colorado, has advised that Stuart's Cooper Basin tenements have the potential to contain major resources of natural gas in two settings, in Shale and in Coal.

• SHALE

Thick organic Permian-age shales are thermally mature for the generation of petroleum liquids and gas in the southern Cooper Basin. MHA advises that Stuart may have between **38 and 60 Trillion Cubic Feet "TCF" of Shale Gas in place** in the Allunga Trough and Mettika Embayment regions of PEL 516, with potential to define additional gas resources elsewhere in the licence.

• COAL

Thick coal seams occur locally through the Permian Cooper Basin section. They are thermally mature for gas generation and MHA advises that Stuart has the potential to identify an additional **20 TCF of Gas in place in its Coal** measures.



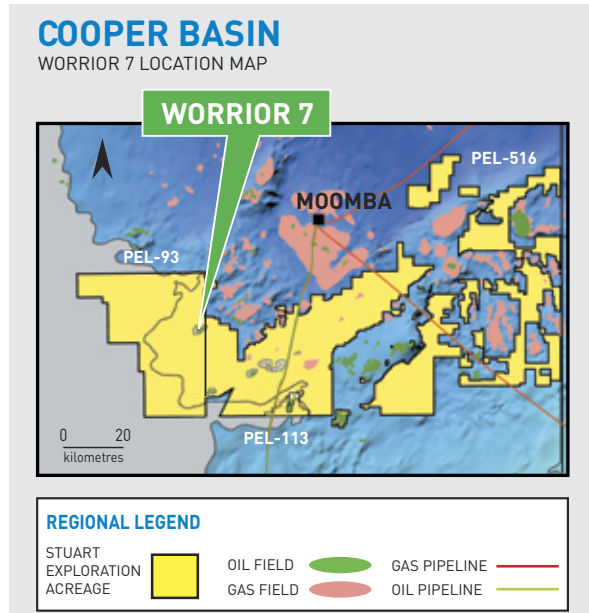
Stuart's tenements potentially contain WORLD-CLASS GAS RESOURCES, of significance to Australia and the Pacific/Indian Ocean region.



Top: Operations at the Worrior 7 well, July 2010

It is partly as a result of the success of its recently-completed Worrior 7 development well that Stuart is able to project a significant lift in its rate of oil production through 2010/11.

Worrior 7 delivered better than expected results, with a six metre oil column in the McKinlay Member and an unexpected four metre oil column in the Birkhead Formation. Both zones are expected to be particularly good oil producers and Worrior 7 has been completed for production.



Above: Worrior Location Map

During the year Stuart substantially progressed the commercial and Government discussions required for realisation of its proposed Fuel Infrastructure Project on Spencer Gulf in the mid-north of South Australia. Your Directors expect to be able to provide further and better particulars to shareholders later this calendar year.

As announced to ASX Limited, long-term Stuart shareholder, Mr. Bruce Parncutt, accepted a placement of shares in the capital of the Company in August this year at a premium to the then-prevailing share price and he has since joined the Board.

Mr. Parncutt is a senior figure in the Australian Securities Industry. He was Chief Executive of listed securities firm McIntosh Securities for seven years (1990–1996) and Senior Vice President of Merrill Lynch for three years (1997–1999). He was a member of the Australian Stock Exchange Limited for 19 years (1981–2000) and a director at the Australian Stock Exchange for six years (1994–1999).

He holds a Bachelor of Science, a Masters of Business Administration and he is a Member of the Financial Services Institute of Australasia.

On behalf of the Board I wish to thank shareholders for their support during this period of rebuilding. On behalf of shareholders, I wish to thank staff and management for the untiring efforts which now position the Company for a major phase of growth and for the care which they have shown for the physical safety of our workforce.

Yours faithfully

John G Branson AM., R.afD., LLB., C.Univ., FAICD
Chairman



MANAGING DIRECTOR'S REPORT

In a significant year, Stuart Petroleum has been able to:

- > Identify major gas resource potential – expressed in the tens of Trillion Cubic Feet (TCF) of gas – in its Cooper Basin acreage.
- > Commence a drill program designed to deliver an 80% increase in oil production and to concurrently increase reserves.
- > Advance the Port Bonython Fuel Terminal proposal to a point where the Company expects, within months, to hold all requisite approvals.

I am particularly pleased to report that Stuart has now completed its fifth year of operations in a row without a recordable injury.

Stuart's oil fields provide an ongoing productive life, with approximately 2 million barrels of proven and probable reserves and prospects believed capable of delivering a further 5 million barrels of risked mean recoverable oil.

Stuart plans to drill seven wells for oil in this financial year. Drilling commenced in July and the first well, Worrior 7, exceeded expectations. Your Company expects that drilling this financial year will replace produced oil reserves, increase the Company's reserve base and increase production, cashflow and profitability.

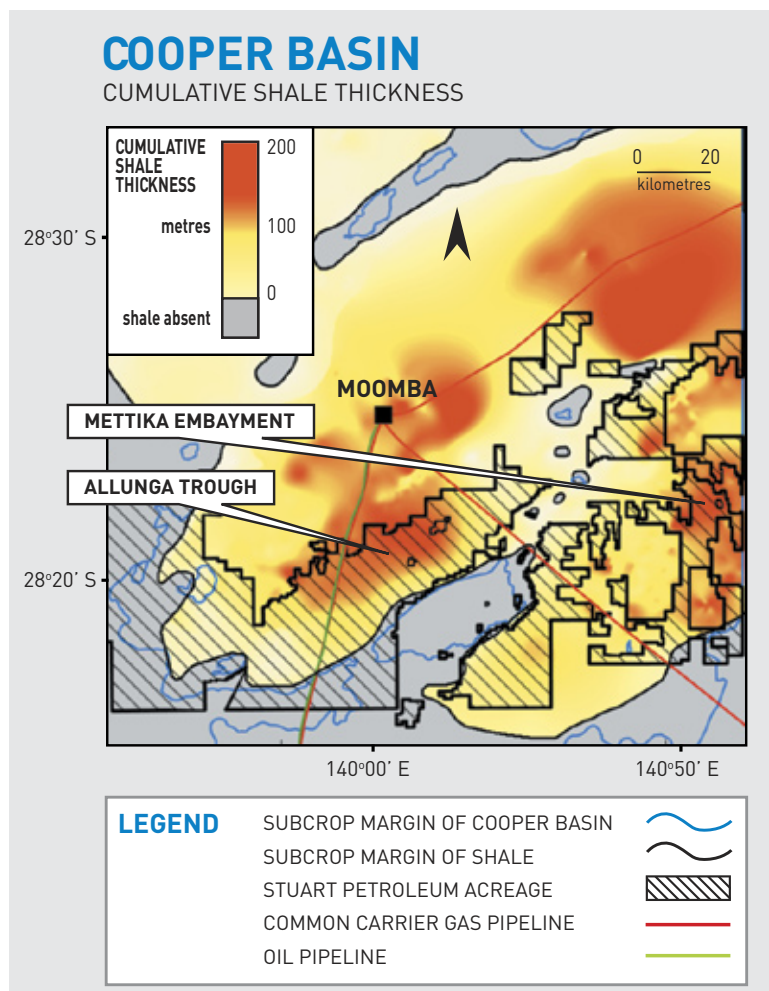
Stuart is targeting production of 350,000 barrels of oil in 2010/11, significantly in excess of 2009/10 production which was impacted by flooding in the Cooper Basin Region during February through April 2010.

POTENTIALLY WORLD CLASS GAS RESOURCES

SHALE GAS

During the year Denver-based unconventional gas expert, MHA Petroleum Consultants (MHA), delivered a Scoping Study on the potential for generation and entrapment of natural gas in the Roseneath and Murteree Shales in Stuart's 100% owned Petroleum Exploration Licence (PEL) 516, in the southern Cooper Basin.

MHA concluded that Stuart has the potential to define between **38 and 60 TCF** of Shale Gas-in-place **in the Allunga Trough and the Mettika Embayment**. MHA also notes additional Shale Gas potential in other sectors of PEL 516.



Isometric map of Cumulative Shale Thickness – Roseneath and Murteree Shales – in the Southern Cooper Basin

PEL 516 contains some of the thickest—and possibly some of the best—accumulations of Permian shale in the Cooper Basin. The Roseneath and Murteree Shales reach cumulative thicknesses in excess of 150 metres through the Allunga Trough and the Mettika Embayment. In these structural lows Permian Shales are comparable **in area, thickness, depth, organic content, thermal maturity and pipeline infrastructure with currently productive Shale Gas provinces in the United States.**

The Roseneath and Murteree Shales contain an average 2.6% Total Organic Carbon (1.7% to 4.7%). They also exhibit maturity levels which are optimal for the generation of gas rich in high value liquids – condensate, LPG and ethane – and lean in valueless carbon dioxide. PEL 516 Shale Gas characteristics are expected to be:

Gas Credits	(barrels/ million cubic feet of gas)	Gas Debits	(molar %)
Condensate	5 to 15		
LPG	5 to 15	CO ₂	10 to 15
Ethane	30 to 50		

The Roseneath Shale lies at approximately 2,400 metres and the Murteree Shale at approximately 2,600 metres in depth, well within the bounds of efficient shale gas production technology. Stuart’s drilling and well completion costs are expected to be mid-range as a result.

MHA advises that Permian Shale accumulations in PEL 516 are potentially amongst the best in the Cooper Basin in terms of their imputed capacity to deliver gas which is rich in liquids and low in CO₂.

Cumulative Shale thickness: – generally in excess of 150 metres

Depth of burial: – less than 2,750 metres and prospectively amenable to existing Shale Gas drilling and production technology

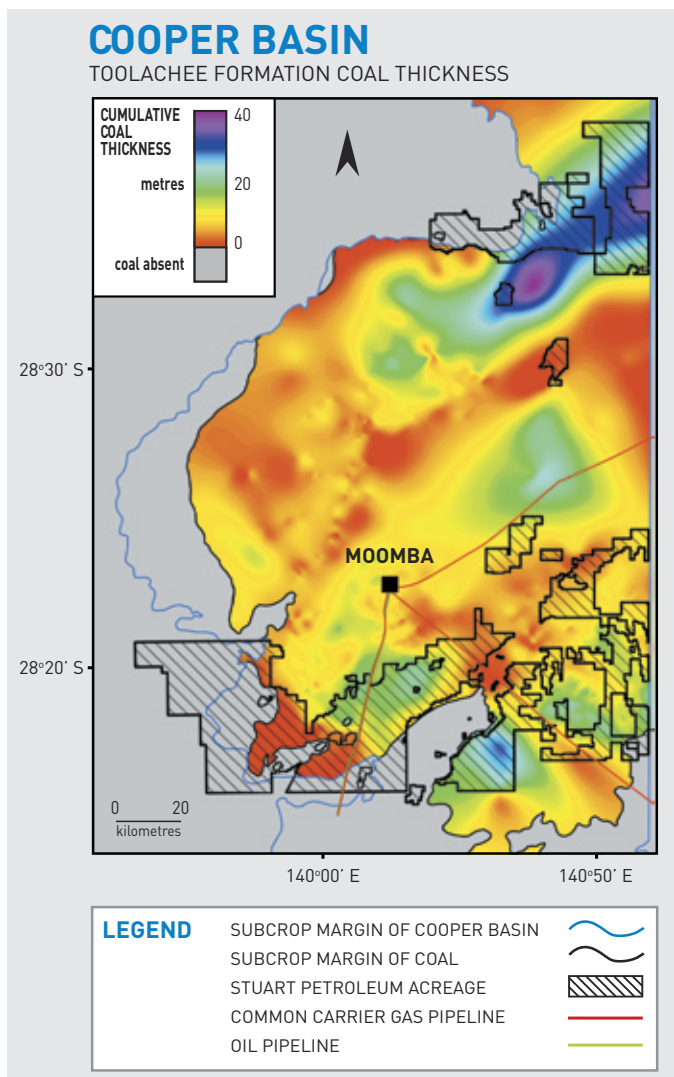
Gas Liquids content: – shale maturity is optimal for the generation of gas which is rich in high value liquids and lean in valueless carbon dioxide

COAL GAS

Stuart holds extensive areas underlain by coals of the Permian aged Toolachee and Patchawarra Formations. Stuart’s northern acreage is in part underlain by a single Toolachee coal seam which exceeds **30 metres** in thickness, while its southern acreage hosts Patchawarra coals which cumulatively exceed **25 metres** in thickness.

MHA’s studies concluded that Stuart’s coals have the potential to contain **in excess of 20 TCF of Coal Gas-in-place.**

MHA has opined that Stuart’s Toolachee Formation coals contain **340 standard cubic feet of gas per ton** and that observable coal cleating and fracturing can be expected to result in enhanced rates of gas production. MHA considers that Stuart’s Toolachee Coals are optimally mature for the generation of high-value, liquids-rich, low-CO₂ gas.



Coal measures Isopach map in the Cooper Basin showing the thickness of Toolachee Coal Measures.

Stuart is progressing studies to better understand the gas potential of its shale and coal. This work will enable Stuart to prepare a drilling and fracture stimulation work program designed to demonstrate the commercial producibility of what may prove to be extremely large resources of gas.

Tino Guglielmo
Managing Director

PORT BONYTHON PROJECT REPORT

JOHN MCRAE



Port Bonython Jetty looking landward towards the facilities which adjoin Stuart's Fuels Terminal site

PORT BONYTHON FUELS

During the year Stuart continued discussions with the South Australian Government regarding security of access from the head of the Port Bonython Jetty to the site of its proposed Fuels Terminal. All matters attendant on this question are likely to be resolved in the current Quarter. The Company also continued to progress its negotiations regarding long term fuel supply arrangements, project finance and marketing.

Port Bonython Fuels Pty Ltd (Stuart 100%) plans to develop a fuel import, storage and distribution business. The Company proposes to land fuel via the government-owned Port Bonython Jetty and to store and distribute fuel from tanks to be built on land which has been secured from the South Australian Government.

Port Bonython Fuels has received Development Approval from the Minister for Urban Development and Planning to construct the proposed Port Bonython Fuel facility.



Map showing the location of Port Bonython, the site of the proposed fuel import and storage facility, regional centres within areas of diesel consumption and their proximity to existing storage facilities in the Port of Adelaide.

OPERATIONS REPORT

IAIN MACDOUGALL



Flooding in the Cooper Basin in February/April 2010 impacted Stuart's production results for the 2009/10 year

PRODUCTION

Stuart produced 193,038 barrels of oil for the 2009/10 year. Of this total, 90% was produced from the Stuart-operated Worrior, Padulla, Acrasia and other fields and 10% was produced from the Santos-operated Derrilyn field.

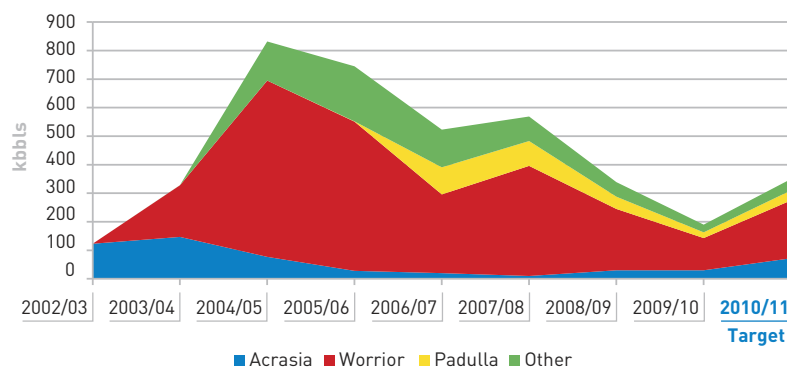
Production was artificially constrained by rain and flood-affected haul roads in the Cooper Basin in the period February to April 2010 and again in July 2010.

Production well, Worrior 7, was drilled in July 2010 and has been completed for production. The well encountered McKinlay Member oil pay as prognosed and unexpected oil pay in the underlying Birkhead Formation. The reserves impact of this second pay zone is currently being assessed.

Stuart plans to produce and sell in excess of 350,000 barrels of oil for the 2010/11 financial year, a significant uplift from the 2009/10 financial year production of 193,000 barrels of oil.

This production uplift will be drawn from the Worrior and Acrasia fields as a result of the drilling and connection of development wells Worrior 7 and Acrasia 5.

PRODUCTION HISTORY



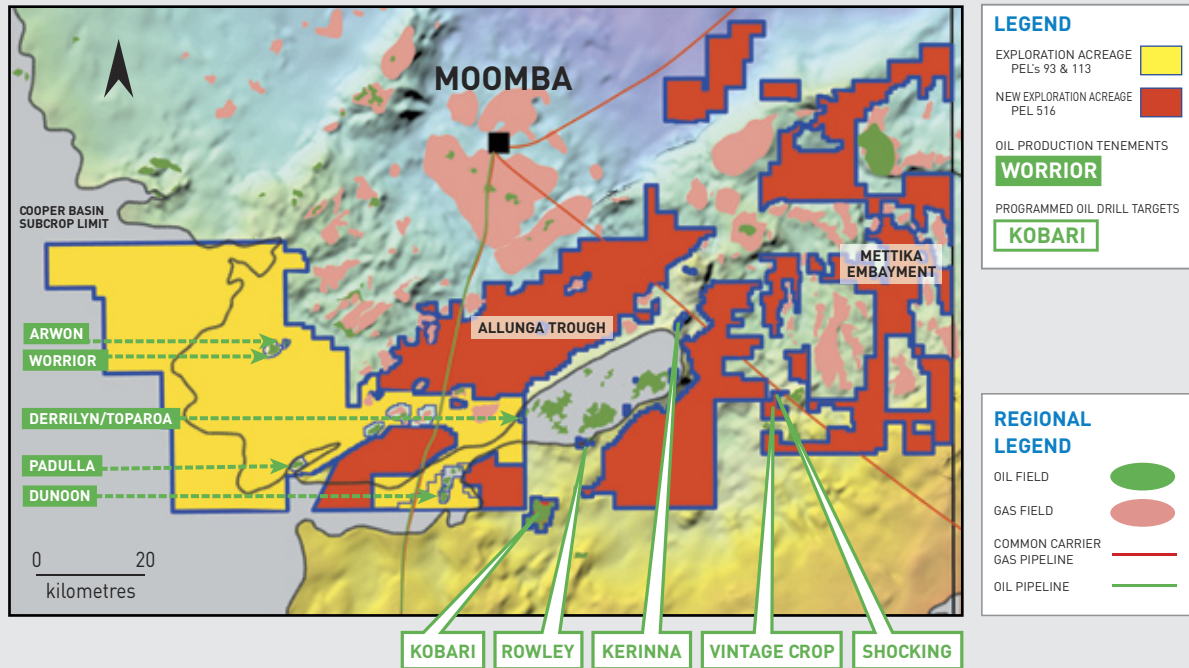
The Worrior 7 development well is scheduled to be brought on production in August and is forecast to contribute at least 100,000 barrels of oil to 2010/11 production. It is also expected to convert at least 400,000 barrels of proved and probable "undeveloped" oil reserves to the "developed" reserve category.

The Company is planning to drill up to 7 oil wells during the 2010/11 financial year. New discoveries will have a further positive impact on Stuart's production, cash flow and profitability for the 2010/11 year.



COOPER BASIN-SOUTH

PETROLEUM TARGETS, DISCOVERIES AND PRODUCTION TENEMENTS



Map of southern Cooper Basin reflecting current scale of Stuart's activities

EXPLORATION

COOPER BASIN

On 9 December 2009, Stuart was awarded exploration block CO 2009E of 5,700 square kilometres in the Southern Cooper Basin, for an initial term of 5 years with a right of renewal for a further 5 years. This area was granted to Stuart -100%- as Petroleum Exploration Licence (PEL) 516 in May 2010.

PEL 516 has outstanding exploration potential for Shale gas, in the Allunga Trough and the Mettika Embayment in particular. Studies by United States of America unconventional gas expert, MHA Petroleum Consultants, have confirmed the Company's expectations in this regard and Shale gas may prove to be the Company's principal business in the medium term.

The new licence also provides Stuart with outstanding oil exploration coverage in the productive southern reaches of the Cooper Basin where the Company already has established oilfield production.

At the time of writing, Stuart is about to spud its first exploration well on PEL 516 - Kerinna 2.

3D seismic mapping has located the crest of the Kerinna drape closure, approximately 700 metres northeast of discovery well Kerinna 1. Mapping suggests that the Hutton Sandstone contains 11 metres of oil pay at the Kerinna 2 location and that the recoverable oil potential of the structure will be, on a mean un-risked basis, between **250,000** and **300,000** barrels

Review of Stuart's Cooper Basin licence areas and the granting of PEL 516 has considerably expanded Stuart's oil exploration opportunity base. Seven oil prospects are now scheduled for drilling in the next two years.

Four of these prospects were identified following detailed seismic mapping of PEL 516 and by using the available library of 3D seismic data.

Stuart currently has an inventory of over 200 prospects and 150 leads mapped on its extensive landholdings in the South Australian sector of the Cooper/Eromanga Basin. These prospects and leads are believed capable of delivering a further 5 million barrels of mean risked recoverable oil.



Worrior 7 oil drilling rig, Cooper Basin, with the Worrior facilities in the background

POOLOWANNA TROUGH/PEDIRKA BASIN

Stuart is the registered applicant for four tenement areas - PELA's 288, 289, 290 and 331 – over an area of 33,000 square kilometres in the Poolowanna Trough/Pedirka Basin. Stuart is conducting laboratory work to test its expectation that the Permian, Triassic and basal Jurassic strata in this region are prospective for oil discoveries.

Preliminary work indicates that extensive areas of these strata contain appreciable levels of total organic carbon and that they are thermally mature for oil generation. Existing 2D seismic coverage indicates that large four-way dip closures have developed and that some of the structuring occurred early in the depositional record.

Each of these factors is potentially favourable for the discovery of oil and it is noted that Poolowanna 1 drilled by Delhi and partners reported a flow of 96 barrels of oil per day from the basal Jurassic Poolowanna Beds in 1977.

A Native Title Agreement is being negotiated and will be finalised before the Poolowanna/Pedirka Basin licences are granted.

FINANCE REPORT

ANDREW IKIN



2009/10 RESULTS

The Company recorded a Net profit after tax of \$6.8 million compared to the previous year's loss of \$25.9 million. The significant turnaround mainly reflected the impact of lower exploration expense and reduced impairment charges compared to the previous year which included a one-off exploration expense of \$35 million before tax.

The Cooper Basin delivered revenues of \$25.2 million (after hedging), down 29% on 2008/09. Production of 193,038 barrels of oil was also down 43% on the previous year total of 338,693.

Net cash inflow from operating activities was \$15.9 million, down from \$29 million on the previous year. This decrease reflected lower sales revenue and a reduced contribution from realised hedge gains through the year.

As at 30 June 2010, Stuart's reserves totalled 2.0 million barrels of oil, compared to 2.35 million barrels at 30 June 2009.

HEDGING GAINS

The Company realised \$2.2 million of value from the close-out of its currency hedge contracts during the period and has generated \$20.7 million of cash from the closeout of commodity price hedge contracts from November 2008 to October 2009.

Realised hedging gains are recognised in the profit and loss account in the period which corresponds to the underlying hedge.

CAPITAL MANAGEMENT

During the year, the Company used cash generated from oil sales, asset sales and the closeout of hedges to repay its borrowings. The Company's gearing ratio of zero at 30 June 2010 is down from 26.9% at the previous year end.

Stuart plans to fund its exploration and development expenditures by cash generated from operations, the \$2 million placement of shares and working capital facilities established with the Company's banker.

Where required, the Company plans to establish strategic partnerships to assist in funding major projects.

RESOURCE TAXATION

The Australian Government intends to apply a Petroleum Resource Rent Tax (PRRT) to oil and gas companies with effect from 1 July 2012.

The impact of the PRRT on Stuart is uncertain and will only be determined when further details are released.

OUTLOOK

Given its strong financial position and projected increase in production, Stuart expects to increase profitability in 2010/11 subject to prices and costs.

RESULTS AT A GLANCE

Year ending 30 June	% Change	2010	2009
Financial Performance (A\$million)			
Product Sales Revenue	(28.2)	25.2	35.1
Total Revenue	(13.2)	30.8	35.5
Gross Profit	(14.9)	14.8	17.4
Exploration Expense	94.9	(2.1)	(40.8)
Impairment	65.9	(3.0)	(8.8)
Income Tax	N/A	(3.2)	11.0
Net Profit (Loss) after Tax	N/A	6.8	(25.9)
Financial Position (A\$million)			
Total Assets	(25.7)	38.8	52.2
Borrowings	N/A	Nil	(11.3)
Shareholders Equity	4.1	30.8	29.6
Reserves and Production (mmbbls)			
Proven plus Probable Reserves	(13.0)	2.0	2.3
Production	(43.1)	0.193	0.339
Ratios			
Earnings per share (cents/share)	N/A	10.7	(41.0)
Gearing (%)	100	0	26.9
Ave Price Received Net of Hedging (A\$/bbl)	26.1	130.51	103.50

SUSTAINABILITY REPORT

2009/10 SUMMARY

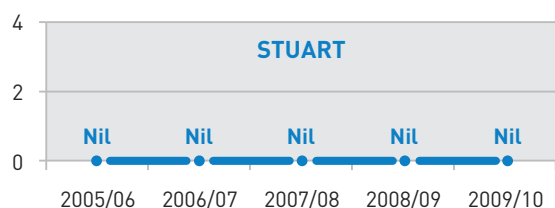
A summary of performance in respect of key areas follows:

- **Health and Safety**

Stuart operates are one of the safest workplaces in the Australian Oil and Gas Industry. For the fifth year in a row Stuart recorded no injuries in the course of its operations.

TOTAL RECORDABLE INJURY FREQUENCY RATE

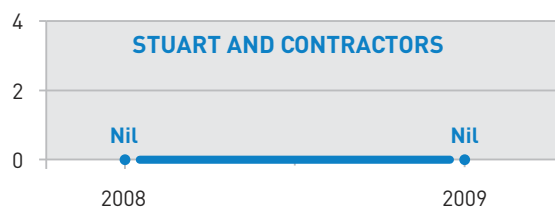
(Events per million person-hours worked)



For the second year running, Stuart and its contractors had no reportable injuries. Statistics published by the Australian Petroleum Production and Exploration Association show that Stuart ranked equal first out of 22 companies in posting the lowest possible Total Recordable Injury Frequency Rate.

TOTAL RECORDABLE INJURY FREQUENCY RATE

(Events per million person-hours worked)



- **Environment**

Stuart's objective is to, at all times, minimise the environmental impact of its work.

The relevant authorities were satisfied with your Company's environmental performance during the year with no incidents causing any harm to the local environment.

In February, Stuart made a significant contribution, along with several other industry participants, to the purchase of the Witchelina Station by the Nature Foundation SA, to discharge its Significant Environmental Benefit obligations under the Native Vegetation Act. The Nature Foundation is de-stocking the station and plans to have a Heritage Agreement placed over the property.

The Nature Foundation's objective is to implement a management plan to deliver a sustainable "Significant Environmental Benefit".

- **Greenhouse Gas Emissions**

Stuart currently produces oil with low concentrations of the volatile fractions that comprise a significant source of greenhouse gases.

Stuart's greenhouse gas measurement methodology is compliant with the Federal National Greenhouse and Emissions Reporting (NGER) legislation, introduced for the 2008/09 financial year.

Although required to report as a producer of hydrocarbons with an energy content of more than 500 Terra Joules per annum, the company's emissions are well below the 25 kilotonnes per annum of CO₂ equivalent reporting threshold.

Stuart's registration under the NGER system was approved by the Department of Climate Change (DCC) in August 2009. The Company's emissions for the year ended 30 June 2009, reported in October 2009 in accordance with the requirements of the legislation, reflected a decrease of more than 50% to less than 20,000 tonnes CO₂ equivalent, compared to the previous financial year.

2010/11 OUTLOOK

Stuart is actively working to ensure that it continues to achieve its excellent health & safety and environmental performance.

The Company is targeting a similar greenhouse gas emissions rate for the year ending 30 June 2011 based on equivalent operations.

STAKEHOLDER REPORT

INTRODUCTION

Stuart recognises that a large number of diverse stakeholders have ongoing interests in the activities of the Company. These include shareholders, staff, contractors, suppliers, landowners, indigenous communities and government bodies.

STAFF

Stuart had 16 employees at the 30 June 2010. This experienced team was supported by a group of pre-selected outsource partner organisations providing complimentary services.

The Company contributed over \$56,000 in 2009/10 to employee training, education and development allocated across its staff. Part of this investment has been directed to the management of succession planning and continued support for two employees pursuing tertiary qualifications.

COMMUNICATION

Stuart takes an active role in informing stakeholders of its corporate and community activities through the Company web-site and through direct consultation. Activities are communicated through the Company's continuous disclosure responsibilities under the Australian Securities Exchange Listing Rules, through corporate reports and publications and through meetings with individual and group members of the community from time to time.

INDIGENOUS RELATIONS

Stuart has also participated in initiatives designed to assist the education and training of representatives of Indigenous Australians whose traditional lands include some of Stuart's Cooper Basin exploration and production licences. These initiatives include:

- > Funding Indigenous education scholarships for students moving into year 8 or above
- > Arranging introductions to key contractors to develop training and supply chain employment opportunities.

INDUSTRY ASSOCIATIONS

Stuart has continued to contribute a substantial amount of senior management time in supporting the South Australian Chamber of Mines and Energy on Indigenous affairs. This work is community focused and targets industry bodies, State and Federal Governments for increased support with regard to Indigenous community based projects in South Australia.

CHARITIES

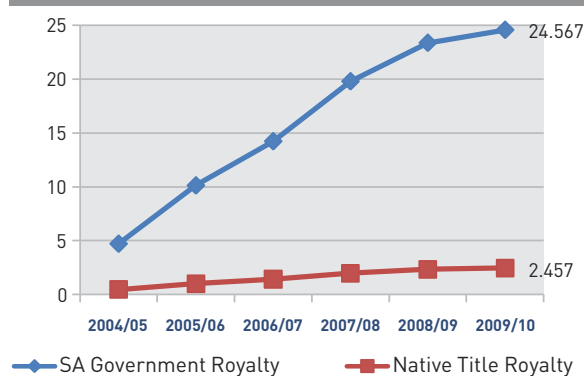
Stuart also contributed to a variety of charity and other community support groups.

ROYALTY CONTRIBUTIONS

During the year, Stuart (as Operator) paid over \$1.2 million in Royalties to the SA State Government and over \$120,000 of Native Title royalties to traditional land owners from its Cooper/Eromanga Basin production.

Over the past 6 years, amounts paid for SA Government Royalty and Native Title Royalty have totalled \$24.5 million and \$2.45 million respectively.

SA GOVERNMENT AND NATIVE TITLE ROYALTIES (CUMULATIVE A\$million)



2010/11 OUTLOOK

Stuart is committed to the ongoing support and development of relationships with its stakeholders.

The Company's staff will be assisted by outsource partners to progress its operations and growth projects during 2010/11, thus ensuring the continued cost effectiveness of the business model.

Stuart will continue to meet its Royalty obligations and contribute to the broader community in line with previous years.



Sunrise in the Cooper Basin – workers move drill pipe during the drilling of Worrior 7

This Annual Review for 2010 is not a concise report prepared under section 314(2) of the Corporations Act. Stuart Petroleum has not prepared a concise report for the 2009/10 financial year.

The 2010 Annual Report for the Stuart Petroleum Group containing the Directors' Report including the Remuneration Report, the Corporate Governance Report and the full financial statements will be available on the Company's web-site on 15 October 2010. Shareholders may request a copy of the 2010 Annual Report by calling the Company on +61 8 8410 0611 or by contacting the Share Registry (Computershare Investor Services Pty Limited) on 1300 556 161 from within Australia or +61 3 9415 4000 from outside Australia.

The Notice advising details of the 2010 Annual General Meeting will be circulated to all Shareholders on or before 15 October 2010.

DISCLAIMER

- This document 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.
 - > 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.
- Shareholders and potential investors should consult their financial advisors before acting on any information contained in the presentation.



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