



ASX ANNOUNCEMENT - FOR IMMEDIATE RELEASE

24 February 2010

Stuart Profitable, Debt Free and Highly Prospective

Oil producer, Stuart Petroleum Limited ("Stuart" - ASX code **STU**) reported a net profit after tax of \$1.8 million for the half-year ended 31 December, 2009. This profit derived from production of oil from the Company's Cooper Basin oil fields and from associated hedge positions.

Stuart's production for the half-year totalled **122,000 barrels of oil**. Revenue for the period was **A\$15.1 million**, including the recognition, during the half-year, of production-associated hedges sold prior to the period.

In a post-half event, the Company received **A\$10.3 million** in settlement of its sale of interest in Timor Sea exploration tenement AC/P33. This includes an amount for recovery of some prior costs and an amount to cover the cost of casing transferred to the purchaser.

In recent months, Stuart has:

- eliminated bank debt
- retained cash at bank
- retained its strong cash flow from Cooper/Eromanga Basin oil production
- secured a much-stronger Cooper/Eromanga Basin exploration portfolio, the consequence of a recent award of acreage from Government.

Stuart's Managing Director, Mr Tino Guglielmo, said today:

"Stuart's successful sale of its Timor Sea exploration interest has left it able to capitalize on the outstanding opportunities contained in its Cooper/Eromanga exploration portfolio."

"Stuart is looking forward to a strong performance in the Cooper Basin when drilling resumes shortly" he said.

Stuart Petroleum plans to announce details of the first phase of its 2010 exploration drilling shortly. Drilling will focus on high probability oil and liquids-rich gas targets located close to existing production facilities.

Further details relating to the results for the half-year ended 31 December 2009 are contained in the Financial Report released today.

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