

Supplementary bidder's statement

For the recommended unconditional offer by Senex Energy Limited to acquire all of your shares in Stuart Petroleum Limited

This document is a supplementary bidder's statement issued by Senex Energy Limited ACN 008 942 827 (**Senex**) in relation to Senex's off-market bid for all of the ordinary shares in Stuart Petroleum Limited ACN 059 146 226 (**Stuart**) (**Offer**). This document supplements, and must be read together with, the bidder's statement dated 21 February 2011, which was lodged with the Australian Securities and Investments Commission (**ASIC**) on 21 February 2011 (**Bidder's Statement**). Unless the context requires otherwise, the defined terms in the Bidder's Statement have the same meaning in this supplementary bidder's statement.

1 **Senex declares the Offer unconditional and brings forward the date for payment of consideration**

On 7 March 2011, Senex announced that its Offer for Stuart was unconditional and it would bring forward the date for issuing Senex Shares to persons who accepted the Offer.

Accordingly, from the date of this supplementary bidder's statement:

- (a) the Offer is no longer subject to the defeating conditions set out in Schedule 2 of the Bidder's Statement;
- (b) **Stuart Shareholders who accept the unconditional Senex Offer for their Stuart Shares will now be paid the Offer Consideration within 3 Business Days of their acceptance being processed;**
- (c) all Stuart Shareholders who have already accepted the Offer will be issued Senex Shares on Thursday, 10 March 2011; and
- (d) all remaining Stuart Shareholders who accept the Offer will wait no longer than 3 Business Days from the date their acceptance is processed to receive Senex Shares.

Payment of the Offer Consideration will continue to be subject to clause 5.3 (payments to foreign shareholders) and clause 5.4 (where additional documents are required) of the Offer Terms in Schedule 1 of the Bidder's Statement.

2 **Section 11 - Additional Information**

A new section 11.15 is added to the Bidder's Statement as follows:

11.15 Broker Handling Fees

Senex will pay a broker handling fee of 1.0%¹ to brokers in respect of valid retail acceptances of the Offer from 7 March 2011 onwards which bear the broker's official stamp (in respect of Issuer Sponsored Holdings) or are initiated by the broker via CHES and where the broker submits a valid fee claim form. The maximum fee per accepting Stuart Shareholder will be capped at \$250. Payment will be subject to conditions referred to in section 11 of the Offer Terms in Schedule 1

¹ Of the Offer Consideration, based on an implied Offer consideration of \$1.1375 per Stuart Share, using the closing price of Senex Shares of \$0.455 on the last trading day before the announcement of the Offer.

being satisfied. Brokers with any queries should contact RBS Morgans Corporate Limited or the shareholder information line on 1800 201 214 or +61 2 8256 3398 between 8.00am and 5.00pm Monday to Friday (Brisbane time).

3 Schedule 1 – Terms of the Offer

A new clause 11 is added to Schedule 1, Terms of the Offer in the Bidder's Statement as follows:

11 Broker Handling Fees

Subject to the conditions set out below, Senex will pay a broker handling fee to brokers in respect of valid acceptances received from 7 March 2011 until the end of the Offer Period from retail Stuart Shareholders in connection with the Offer. A retail shareholder of Stuart is a Stuart Shareholder who is not a broker or an Associate of a broker and who as at the date of the acceptance holds less than \$500,000 worth of Shares (as measured by the Offer consideration). A broker handling fee on the terms and subject to the conditions set out below will be payable to a broker in respect of all valid retail acceptances received by Senex for Shares which bear the broker's official stamp (for issuer sponsored holdings) or are initiated by the broker via CHESSESS and where the broker submits a valid broker fee claim form.

The broker handling fee will be 1.0% of the Offer consideration paid for the Shares² covered by the acceptance. The maximum fee per accepting Stuart Shareholder will be capped at \$250. Brokers are not entitled to payment of any broker handling fee in respect of Shares in which they or their Associates have a relevant interest. To qualify for the broker handling fee, a broker fee claim form must be received by RBS Morgans Corporate Limited within 5 Business Days following the end of the Offer Period. Brokers with any queries should contact RBS Morgans Corporate Limited or the shareholder information line on 1800 201 214 or +61 2 8256 3398 between 8.00am and 5.00pm Monday to Friday (Brisbane time).

Set out below are further conditions attaching to the offer of a broker handling fee:

- (a) the submission of any broker fee claim form and acceptance bearing a broker's official stamp will constitute an acknowledgment by the relevant broker that it has represented to Senex that:
 - (i) neither it nor an Associate of it is the accepting Stuart Shareholder;
 - (ii) the broker handling fee will not be shared directly or indirectly with the accepting Stuart Shareholder; and
 - (iii) it and the accepting Stuart Shareholder are not Associates for any other reason under the Corporations Act;
- (b) for Stuart Shareholders on the CHESSESS subregister, where that Stuart Shareholder directly requests Senex (and not the relevant CHESSESS participant) to initiate acceptance of the Offer on their behalf, that broker will not be entitled the broker handling fee;
- (c) subject to the terms set out above, payment of the broker handling fee will be made by cheque or electronic transfer within 10 Business Days of the end of the Offer Period; and
- (d) the broker handling fee is for acceptances from retail Stuart Shareholders only.

² Based on an implied Offer consideration of \$1.1375, using the closing price of Senex Shares of \$0.455 on the last trading day before the announcement of the Offer

Senex may, in its absolute discretion, refuse to pay broker handling fees on any acceptances it deems to be from a Stuart Shareholder in respect of which a handling fee has already been claimed, a non-retail Stuart Shareholder or acceptances that appear to have been split.

4 Clarifications to Bidder's Statement

- 4.1 Figure 4.7 of the Bidder's Statement sets out Senex's financial position as at 30 June 2010. The figures contained in figure 4.7 are set out in full and not in thousands as implied by the column headings. Accordingly, in figure 4.7 in section 4.7 on page 21 of the Bidder's Statement, the words "\$'000" are deleted from the heading of both columns.
- 4.2 Figure 6.4 of the Bidder's Statement states the 1P Reserves of Senex and Stuart as 1.5 mdbl and 2.3 mdbl respectively, with a combined total of 3.8 mdbl of 1P Reserves. Stuart's 1P Reserves were arrived at after subtracting Senex's 1P Reserves from the total Reserves of the Merged Group and rounding to one decimal point. Stuart's Target's Statement dated 28 February 2011 states the 1P reserves of Senex and Stuart as 1.4 mdbl and 2.3 mdbl respectively, with a combined total of 3.7 mdbl. The 1P Reserves of Senex and Stuart are 1.44 mdbl and 2.33 mdbl respectively. In determining the combined total 1P Reserves of the Merged Group, Senex combined both of these figure to reach a total of 3.77 mdbl and rounded this figure to 3.8 mdbl.

5 Further information

Senex has released a number of announcements to ASX since the Bidder's Statement was lodged on 21 February 2011. Stuart Shareholders are encouraged to consider those announcements which are available at www.asx.com.au.

If you have any questions about the Offer please call the shareholder information line on 1800 201 214 or +61 2 8256 3398 (for overseas domiciled holders) between 8.00am and 5.00pm Monday to Friday (Brisbane time).

Signed on behalf of Senex by Ian Davies, Managing Director, following its approval by a unanimous resolution of the directors of Senex.

Dated: 7 March 2011



Ian Davies
Managing Director
Senex Energy Limited

A copy of this supplementary bidder's statement was lodged with ASIC on 7 March 2011. Neither ASIC nor any of its officers takes any responsibility for the contents of this supplementary bidder's statement.