

Second 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 the second supplementary bidder's statement issued by Senex Energy Limited ACN 008 942 827 (**Senex**) in relation to Senex's off-market takeover offer 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 that date (**Bidder's Statement**) and the supplementary bidder's statement dated 7 March 2011, which was lodged with ASIC on that date (**First Supplementary Bidder's Statement**). Unless the context requires otherwise, the defined terms in the Bidder's Statement have the same meaning in this second supplementary bidder's statement.

Since lodgement of the First Supplementary Bidder's Statement, Senex has:

- (a) extended the Offer Period by two weeks;
- (b) agreed to lend Stuart \$5 million under an unsecured loan facility; and
- (c) decided to make an offer to acquire all remaining options over unissued shares in Stuart that have an exercise price below the implied Offer Consideration.¹

The Bidder's Statement is therefore amended as set out below.

1 Extension of Offer Period

On 28 March 2011, Senex gave notice under section 650D Corporations Act that it varied the Offer by extending the Offer Period by two weeks. The Offer will now close at 5.00pm (Brisbane time) on 12 April 2011 (unless further extended). Accordingly, the Bidder's Statement is amended by replacing all references to '29 March 2011' in the Bidder's Statement with references to '12 April 2011'.

2 Section 10 - Important documents

A new section 10.3 is added to the Bidder's Statement as follows:

10.3 Loan agreement

Senex and Stuart have entered into a loan agreement dated 28 March 2011 pursuant to which Senex has agreed to lend Stuart \$5 million for expenses incurred in connection with the Offer and to ensure that Stuart has sufficient liquidity to continue its normal level of business operations over the next 6 to 12 months. The loan is not secured.

A summary of the key terms and conditions of the loan are set out in the following table.

Advance	\$5 million.
Interest rate	The monthly money market rate for 30 day bank accepted bills plus a margin of 3.0% per annum.

¹ Based on Senex's closing share price of \$0.455 on the trading day immediately before the Announcement Date.

Fees	A facility fee of 3.0% of the Advance is payable on commencement of the facility.
Term	12 months (but with a six month review).
Interest	Interest is payable monthly. Senex may charge interest on overdue amounts, capitalise unpaid interest, or both.
Review	Senex may review the facility after six months and following that review, give a notice requiring changes to the conditions of the facility (including as to interest and charges or security) or otherwise require repayment. If the requested changes are not agreed by Stuart or the loan not repaid within 30 days, the loan is immediately due and payable.
Default events	If a default event occurs, the facility is immediately due and payable. A default event means: (a) Stuart fails to pay amounts owing under the facility when due; (b) an encumbrance becomes enforceable against Stuart; (c) Stuart creates an encumbrance over the whole or a substantial part of its assets; (d) Stuart provides financial accommodation to another person in excess of \$200,000; (e) a person takes possession or attempts to take possession of any property of Stuart; (f) an insolvency event occurs in respect of Stuart; (g) an execution or distress is issued or levied against Stuart, and is not stayed or satisfied within seven days; (h) Stuart deals with or disposes of its assets other than in the ordinary course of business without Senex consent; or (i) there is, in the opinion of Senex, a material adverse effect on Stuart's financial condition or ability to perform its obligations under the facility or another circumstance arises which, in the opinion of Senex, prejudices the ability of Stuart to meet its obligations under the facility.

3 Offer to Stuart Option holders

- 2.1 Section 11.6 of the Bidder's Statement is amended by adding the following paragraphs at the end of that section:

*'Senex will also make a separate offer to holders of Stuart Options to acquire all Stuart Options that are 'in the money', that is, Stuart Options which have an exercise price below the implied Offer Consideration (**In the Money Stuart Options**).*

*The consideration offered for the In the Money Stuart Options will be options over unissued shares in Senex (**Senex Options**) on corresponding terms to the Stuart Options. That is, the In the Money Stuart Option holders will be entitled to receive 2.5 Senex Options for every one Stuart Option held and the exercise price of those Senex Options will be the exercise price of the Stuart Options divided by 2.5. The Senex Options will have the same expiry date as the In the Money Stuart Options.*

The offer to acquire In the Money Stuart Options is not part of the Offer for Stuart Shares as set out in this Bidder's Statement.'

- 3.2 Section 2.1 of the Bidder's Statement is amended by removing the words '*that are 'out of the money'*' next to the question 'What happens if I exercise my Stuart Options?'

4 Further information

Senex has released a number of announcements to ASX since the Bidder's Statement was lodged on 21 February 2011 and the First Supplementary Bidder's Statement was lodged on 7 March 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: 28 March 2011



Ian Davies
Managing Director
Senex Energy Limited

A copy of this second supplementary bidder's statement was lodged with ASIC on 28 March 2011. Neither ASIC nor any of its officers takes any responsibility for the contents of this second supplementary bidder's statement.