

Senex Energy provides \$5M loan facility to Stuart Petroleum and announces management changes

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As a result of expenses incurred in connection with its proposed merger with Senex Energy Limited (Senex), Stuart Petroleum Limited (Stuart) has approached Senex, its controlling shareholder, for a short-term loan facility to ensure that Stuart has sufficient liquidity to continue its normal level of business operations over the next 6 – 12 months.

Senex has agreed to provide Stuart with a \$5 million unsecured loan facility on commercial terms, repayable to Senex within 12 months. The board of Stuart will consider a range of measures to repay or refinance the facility within that term. Those measures may include a share issue to raise additional equity capital.

Management changes

The board of Stuart has also made key appointments to the Stuart management team. Senex Managing Director Ian Davies has been appointed as the Managing Director of Stuart and Senex Chief Financial Officer (CFO) Julie Whitcombe has been appointed as Stuart's CFO.

Mr Iain MacDougall, Stuart's acting Chief Executive Officer since October 2010, has accepted the position of General Manager Integration with Senex, with primary responsibility for delivering the benefits outlined in the Senex Bidder's Statement.

Status of merger proposal

On 21 February 2011, Senex and Stuart announced a merger, by way of an offer to all Stuart holders of 2.5 Senex shares for each Stuart share. The offer was strongly supported by all directors and the major shareholder of Stuart, and they have accepted the offer for all their shares. To date, Senex has received acceptances for more than 75% of Stuart shares. The offer is unconditional and Senex is issuing the offer consideration shares to accepting holders within 3 business days of receiving and processing their acceptance. Stuart shareholders have until 5:00pm (Brisbane time) on 29 March 2011 to accept the Offer, unless extended.

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About Senex

Senex Energy Limited is the new name for Victoria Petroleum NL - a respected energy business with more than a quarter of a century of experience in Australia's oil and gas industry. In July 2010 the company was rejuvenated with the appointment of a new management team, the relocation of its head office from Perth to Brisbane, and the decision to focus the business on its valuable acreage on Australia's east coast. The dynamic energy business is pursuing rapid growth in its oil production business in the Cooper Basin, and is working to build a valuable and highly profitable east coast gas business. Find out more by visiting www.senexenergy.com.au