

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Stuart Petroleum Limited

ACN/ARSN 059 146 226

1. Details of substantial holder (1)

Name Senex Energy Limited

ACN/ARSN (if applicable) 008 942 827

The holder became a substantial holder on 21/02/2011

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	13,416,484		19.99%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Senex Energy Limited	Under Pre-bid acceptance agreement, a copy of which is at Annexure A	13,416,484

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
David Brian Clarke	David Brian Clarke	Unknown	3,251,374 shares
Kabininge Nominees Pty Ltd as trustee for the Kabininge Super Fund	Kabininge Nominees Pty Ltd as trustee for the Kabininge Super Fund	Unknown	10,165,110 shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Senex Energy Limited	21/02/2011	As per Pre-bid acceptance agreement, a copy of which is at Annexure A		

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Senex Energy Limited	Level 11, 144 Edward Street, Brisbane, QLD 4000
David Brian Clarke	'Milton Park', Gawler Park Road, Angaston SA 5353
Kabininge Nominees Pty Ltd as trustee for the Kabininge Super Fund	13 Greenhill Road, Wayville, SA 5304

Signature

print name Francis Leo Connolly

capacity Secretary

sign here

Frank Connolly

date 21/02/2011

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A

Senex Energy Limited ACN 008 942 827

This is 'Annexure A' of pages referred to in Form 603 Notice of initial substantial holder.

Dated: 21 February 2011



.....
Frank Connolly
Legal Counsel & Corporate Secretary
Senex Energy Limited

Pre-bid acceptance agreement

David Brian Clarke

Kabininge Nominees Pty Ltd ACN 116 543 778 as trustee for the
Kabininge Super Fund

Senex Energy Limited ACN 008 942 827

Execution Version

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Pre-bid acceptance agreement

Dated

Parties

Clarke	David Brian Clarke of 'Milton Park', Gawler Park Road, Angaston SA 5353
Kabininge	Kabininge Nominees Pty Ltd ACN 116 543 778 as trustee for the Kabininge Super Fund of 13 Greenhill Road, Wayville, SA 5304
Bidder	Senex Energy Limited ACN 008 942 827 of Level 11, 144 Edward Street, Brisbane, QLD 4000

Background

- A The Bidder proposes to make the Takeover Bid.
- B The Shareholders hold Target Shares.
- C In consideration of the Bidder making the Takeover Bid, the Shareholders will accept the Offer for the Acceptance Shares subject to the terms of this document.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Acceptance Shares	means: <ul style="list-style-type: none">(a) in respect of Clarke, 3,251,374 Target Shares; and(b) in respect of Kabininge, 10,165,110 Target Shares.
Business Day	means a day that is not a Saturday, Sunday or bank or public holiday in Brisbane or Adelaide.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Deal	means to sell, transfer, dispose of, declare a trust over,

Term	Definition
	part with the benefit of, encumber or otherwise deal with, or agree to do any of those things.
MIA	means the merger implementation agreement between Bidder and Target dated on or about the date of this document.
Offer	means an offer under the Takeover Bid.
Offer Consideration	means 2.5 fully paid ordinary shares in the Bidder for every Target Share.
Shareholders	means Clarke and Kabinige.
Takeover Bid	means a takeover bid by Bidder or an associate under chapter 6 Corporations Act for Target Shares: <ul style="list-style-type: none"> (a) for consideration which is at least the Offer Consideration; and (b) subject to defeating conditions no less favourable to Target Shareholders than those set out in the Schedule.
Target	means Stuart Petroleum Limited ACN 059 146 226.
Target Share	means a fully paid ordinary share in the Target.

1.2 Interpretation

In this document:

- (a) a singular word includes the plural and vice versa;
- (b) a word which suggests one gender includes the other gender;
- (c) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (g) a reference to this document includes the agreement recorded by this document;
- (h) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (i) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;

- (j) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (k) an obligation of a Shareholder under this document includes, if the Acceptance Shares attributable to that Shareholder are held by a nominee, an obligation to do all things necessary to ensure that the nominee complies with that obligation;
- (l) terms not defined in this document but defined in the Corporations Act, have the meaning given to them in the Corporations Act; and
- (m) a reference to 'month' means calendar month.

2 Condition precedent

Except for this clause and clauses 1 and 7, this document has no effect unless the Bidder publicly proposes the Takeover Bid within two Business Days after the date of this document.

3 Acceptance of the Offer

3.1 Shareholders must accept Offer

The Shareholders must:

- (a) in respect of Clarke, accept the Offer for the Acceptance Shares held by him on the earlier of:
 - (i) the registration of Clarke on either the CHESSE subregister or issuer sponsored subregister as the holder of the number of Target Shares equal to the Acceptance Shares, being the number of Target Shares to be transferred from Commonwealth Securities Limited, Clarke's current CHESSE sponsor; and
 - (ii) 11.00am (Brisbane time) on the date of the Offer,in accordance clause 3.2 or as otherwise directed by the Bidder, provided that, if the Offer is not open for acceptance at the relevant time, the Offer is accepted immediately upon the Offer being open for acceptance;
- (b) in respect of Kabinige, accept, or procure the acceptance of, the Offer for the Acceptance Shares held by it or its nominee on the earlier of:
 - (i) Kabinige being recorded on the register of the Target as the holder of the Acceptance Shares attributed to it, by following the procedure set out in clause 3.2 or as otherwise directed by the Bidder; and
 - (ii) 5.00pm (Brisbane time) on the date of the Offer; and
- (c) do everything (including signing any document) that the Bidder reasonably requires to give effect to the Shareholders' obligations under this document.

3.2 How to accept the Offer

The Offer must be accepted in accordance with its terms, except that the Shareholders must, subject to receipt of a draft of the bidder's statement in respect of the Takeover Bid, on

execution of this document, immediately deliver to the Bidder a valid acceptance of the Offer for the Acceptance Shares (which, in the case of Kabininge, means those shares which it is entitled to hold and, in the case of Clarke, those Target Shares to be transferred to a new account on either the CHES subregister or issuer sponsored subregister), in which case the Bidder undertakes that the acceptance form will be held in escrow and will not be released or varied pursuant to the attorney in clause 3.3 until the relevant date and time for acceptance set out in clause 3.1. Kabininge and Clarke will take all necessary steps to have:

- (a) Kabininge recorded in the register of the Target as the registered holder of the Acceptance Shares attributed to it as soon as practicable after the execution of this document and in any event no later than 5.00pm (Brisbane time) on the date of the Offer;
- (b) the number of Target Shares equal to the Acceptance Shares transferred from Clarke's existing CHES sponsored holding with Commonwealth Securities Limited to a new account on either the CHES subregister or issuer sponsored subregister,

in each case, Clarke must immediately notify the Bidder, providing details of the relevant holder identification number (HIN) or shareholder registration number (SRN) (as the case requires).

Alternatively, the acceptance in respect of:

- (c) Kabininge will be effective if a nominee of Kabininge accepts the Offer on Kabininge's behalf by the relevant date and time for acceptance set out in clause 3.1; and
- (d) Clarke will be effective if he otherwise accepts the Offer for no less than the Acceptance Shares by the relevant date and time for acceptance set out in clause 3.1,

in each case, to be notified to the Bidder as soon as practicable.

3.3 Appointment as attorney

Each Shareholder irrevocably appoints the Bidder as its attorney to exercise all powers and rights attaching to or otherwise as a consequence of ownership of the Acceptance Shares, including to complete any acceptance form, rectify any errors in or omissions from the acceptance form, deal with the register of the Target about the Acceptance Shares and such other matters necessary to give effect to this document or to enable registration of the transfer of the Acceptance Shares and in exercising the powers conferred by this power of attorney, the Shareholders acknowledges that the Bidder is entitled to act in its own interest.

4 Other undertakings

4.1 No Dealing in Acceptance Shares

Until the termination of this agreement, the Shareholders must not Deal in any Acceptance Shares other than by accepting the Offer.

4.2 No talk

Until the termination of this agreement, the Shareholders must not enter into any discussions or negotiations in respect of, or which might cause, any Dealing in any Acceptance Shares.

4.3 Right to withdraw acceptance of Offer

The Shareholders must not withdraw their acceptance of the Offer, including in circumstances where they have a right of withdrawal under section 650E Corporations Act.

5 Termination

5.1 Termination events

This agreement terminates automatically on the first to occur of the following:

- (a) the Shareholders accept the Offer for the Acceptance Shares and any defeating conditions to the Offer are satisfied or waived;
- (b) the Bidder does not dispatch Offers under the Takeover Bid within two months of the date on which the Bidder publicly announces that it intends to make the Takeover Bid;
- (c) the Offers lapse (without being free of all conditions);
- (d) the date which is three months after the date of this document; or
- (e) the Bidder or the Target terminates the MIA pursuant to clause 13.1 of that agreement.

5.2 No further action required

Subject to clause 5.3, if this agreement terminates or expires under clause 5.1, the parties will have no further obligations or liabilities to each other under this document except for claims which arose before the termination or expiry.

5.3 Effect of termination

Clause 4.2 survives termination of this agreement pursuant to clause 5.1(e) if the termination of the MIA which invokes the operation of clause 5.1(e) is effected pursuant to clause 13.1(a) of the MIA.

6 Warranties and acknowledgements

6.1 Shareholders warranties

Each Shareholder represents and warrants at the date of this document and on the date that the Shareholder must accept the Offer under clause 3.1(a), that:

- (a) this document constitutes valid and binding obligations on it in accordance with the document's terms and the signing, delivery and performance of this document by it will not result in a breach or default under any agreement to which it is a party; and
- (b) in respect of Clarke, he is the legal owner of the Acceptance Shares attributable to him and on completion of his obligations under clause 3.1 he will be able to deliver or cause to be delivered unencumbered legal and beneficial title to those Acceptance Shares;
- (c) in respect of Kabininge, at the time prescribed for completion of its obligations under clause 3.1 it will be able to deliver or cause to be delivered unencumbered legal and beneficial title to those Acceptance Shares;

- (d) the Acceptance Shares held by Kabininge are not subject to any encumbrance; and
- (e) the Acceptance Shares held by Clarke will not be subject to any encumbrance upon his acceptance of the Offer in respect of those shares in accordance with clause 3.1(a).

6.2 Shareholders acknowledgement

Each Shareholder acknowledges that:

- (a) nothing in this document obliges the Bidder to make the Takeover Bid;
- (b) the Bidder may:
 - (i) vary the terms of the Offers, so long as the varied terms are not materially less favourable to Target Shareholders than those set out in this document; and
 - (ii) subject to the Corporations Act, waive any condition of the Offers, declare the Offers unconditional or extend the Offers at any time; and
- (c) monetary damages alone would not be adequate compensation to the Bidder for a Shareholder's breach of its obligations under this document and that specific performance is the appropriate remedy.

7 General

7.1 Amendments

This document may only be amended by written agreement between all parties.

7.2 Announcements and Confidentiality

- (a) The parties must keep confidential the existence and contents of this document and their negotiations.
- (b) No public announcement or communication about the existence and contents of this document or the negotiations of the parties may be made or authorised by a party unless:
 - (i) the other party has given its written approval;
 - (ii) the disclosure is to the disclosing party's employees, consultants, professional advisers, bankers, financial advisers and financiers or to a person whose consent is required under this document or for a transaction contemplated by it; or
 - (iii) the disclosure is made to comply with any applicable law or the requirements of any regulatory body (including any relevant stock exchange).

7.3 Counterparts

This document may be signed in any number of counterparts. All counterparts together make one instrument.

7.4 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

7.5 Entire agreement

- (a) This document supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion has no effect except to the extent expressly set out or incorporated by reference in this document.

7.6 Further assurances

Each party must do all things necessary to give effect to this document and the transactions contemplated by it.

7.7 No waiver

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

7.8 Governing law and jurisdiction

- (a) Queensland law governs this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

7.9 Severability

A clause or part of a clause of this document that is illegal or unenforceable or which the Takeovers Panel decides constitutes unacceptable circumstances may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.

8 Notice

8.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) given as follows:

- (i) delivered by hand to that person's address;
- (ii) sent by prepaid mail (and by prepaid airmail if the person is overseas) to that person's address; or
- (iii) sent by fax to that person's fax number where the sender receives a transmission confirmation report from the despatching machine indicating the transmission has been made without error and showing the relevant number of pages and the correct destination fax number or name of recipient.

8.2 When is notice given

A notice, consent or communication delivered under clause 8.1 is given and received:

- (a) if it is hand delivered or sent by fax:
 - (i) by 5.00pm (local time in the place of receipt) on a Business Day – on that day; or
 - (ii) after 5.00pm (local time in the place of receipt) on a Business Day, or at any time on a day that is not a Business Day – on the next Business Day; and
- (b) if it is sent by post:
 - (i) within Australia – three Business Days after posting; or
 - (ii) to or from a place outside Australia – seven Business Days after posting.

8.3 Address for notices

A person's address and fax number are those set out below, or as the person notifies the sender:

- (i) **Bidder**
Attention: Ian Davies
Address: Level 11, 144 Edward Street, Brisbane QLD 4000
Facsimile: (07) 3837 9999
- (ii) **Shareholders**
Attention: David Clarke
Address: Level 3, 22 King William Street, Adelaide SA 5000
Facsimile: (08) 8410 0250

8.4 Time of the essence

Time is of the essence for the Shareholders obligations under this document.

Schedule

Conditions of the Offer

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- 1 **(Minimum acceptance)** Before the end of the Offer Period, the Bidder has a Relevant Interest in at least 50.1% of Target Shares (by number).
- 2 **(Regulatory Approvals)** Before the end of the Offer Period, the Regulatory Approvals are:
 - (a) granted, given, made or obtained unconditionally, or on the basis of conditions that impose only non-material requirements incidental to the approval or consent;
 - (b) remain in full force and effect; and
 - (c) do not become subject to any notice, indication or intention to revoke, suspend, restrict, modify or renew them.
- 3 **(No regulatory action)** Between the Announcement Date and the end of the Offer Period:
 - (a) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;
 - (b) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and
 - (c) no application is made to any Regulatory Authority (other than by the Bidder or any Associate of the Bidder),

which restrains, prohibits, impedes or otherwise adversely affects the making of the Offer, the acquisition of the Target Shares by the Bidder, the rights of the Bidder in respect of the Target and the Target Shares or materially restrains, prohibits, impedes or otherwise adversely affects the continued operation of the businesses of the Target or its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).
- 4 **(No Target Prescribed Occurrences)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Target Prescribed Occurrence.
- 5 **(No Target Regulated Events)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Target Regulated Event.
- 6 **(No Target Material Adverse Change)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Target Material Adverse Change.

Capitalised terms in this schedule have the meaning in the MIA.

Execution

EXECUTED as an agreement

Executed by
Senex Energy Limited ACN 008 942 827 by:



^ Director

IAN RICHARD DAVIES

^ Full name of Director



^ Director/Secretary

Francis Leo Connolly

^ Full name of Director/Secretary

Signed sealed and delivered
by David Brian Clarke in the presence of:

^ Signature of David Brian Clarke

^ Signature of witness

^ Name of witness (print)

Executed by
Kabininge Nominees Pty Ltd ACN 116 543 778 as
trustee for the Kabininge Super Fund by:

^ Director

^ Full name of Director

^ Director/Secretary

^ Full name of Director/Secretary

Execution

EXECUTED as an agreement

Executed by
Senex Energy Limited ACN 008 942 827 by:

^ _____
Director

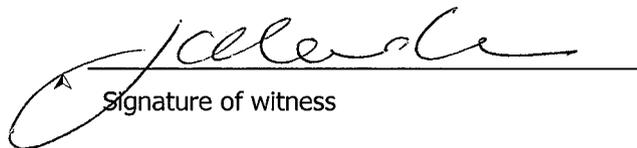
^ _____
Director/Secretary

^ _____
Full name of Director

^ _____
Full name of Director/Secretary

Signed sealed and delivered
by David Brian Clarke in the presence of:


^ _____
Signature of David Brian Clarke


^ _____
Signature of witness

JAMES, C. MARSHALL
^ _____
Name of witness (print)

Executed by
Kabinige Nominees Pty Ltd ACN 116 543 778 as
trustee for the Kabinige Super Fund by:


^ _____
Director


^ _____
Director/Secretary

CHERYL HELEN CLARKE
^ _____
Full name of Director

DAVID BRIAN CLARKE
^ _____
Full name of Director/Secretary