



The Manager
Company Announcements
ASX Limited

8 October 2010

Dear Sir

Development Well Acrasia 5

Oil Producer Stuart Petroleum Limited (ASX code: STU) advises that Hunt Rig 2 is on site, earthworks are completed, and that drilling will commence shortly at the Acrasia 5 development well, the third well of Stuart's current drilling programme in the Cooper Basin.

Acrasia 5 is being drilled in the eastern section of the overall Acrasia Oil Field, central to the Hutton formation oil pool. It is programmed to reach a total depth of 2,345 metres to access reserves which are not tapped by the existing Acrasia well pattern and thereby increase the productivity, cash flow and profitability of the field.

The primary targets of the well are the Hutton and Tinchoo formations. The Birkhead and Poolowanna formations contain secondary targets.

Acrasia 5 is expected to convert approximately 164,000 barrels (100% JV share) of 2P undeveloped reserves into developed reserves in the Hutton and Tinchoo formations and it is expected to begin production at an initial rate of around 300 barrels of oil per day. This well is programmed to contribute approximately 60,000 barrels (100% JV share) to oil production in financial year 2010-2011.

Drilling progress will be reported prior to and during drilling of the primary target.

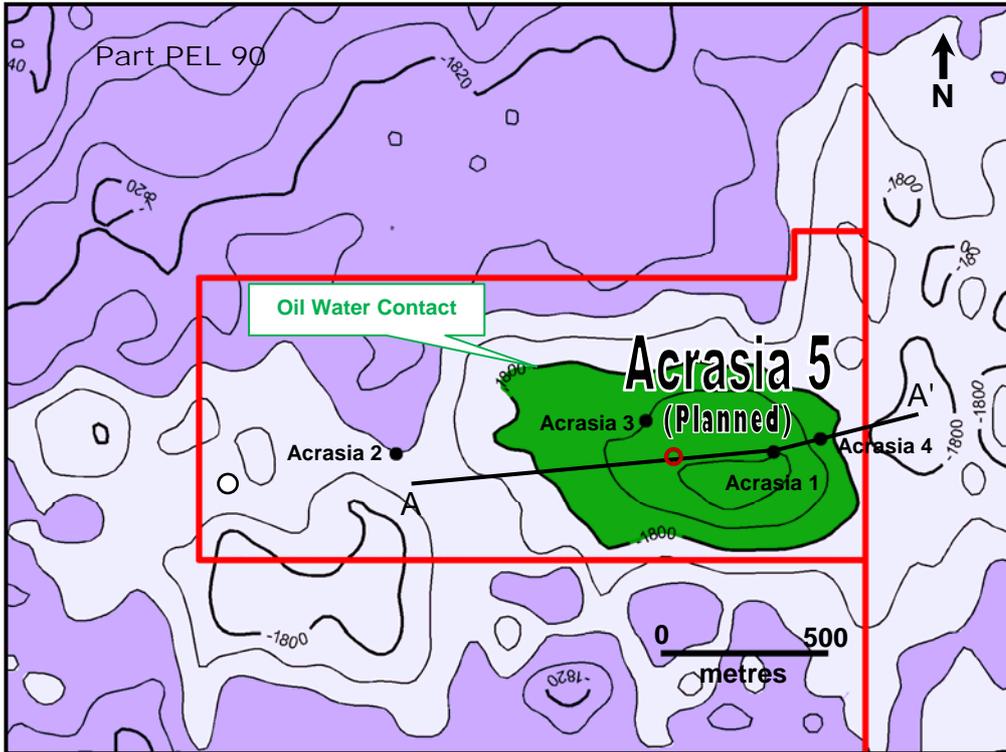
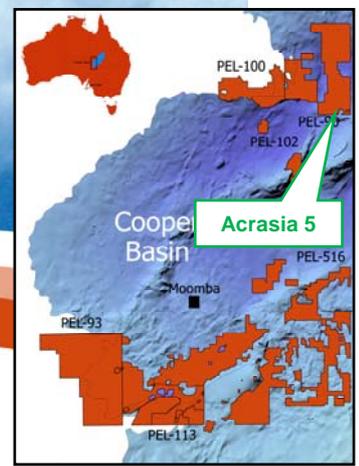
Participants in the drilling of Acrasia 5 and in PPL 203 are:

| | | |
|--------------------------------|----------|-----|
| Stuart Petroleum Limited (STU) | Operator | 75% |
| Mawson Petroleum Pty Ltd | | 25% |

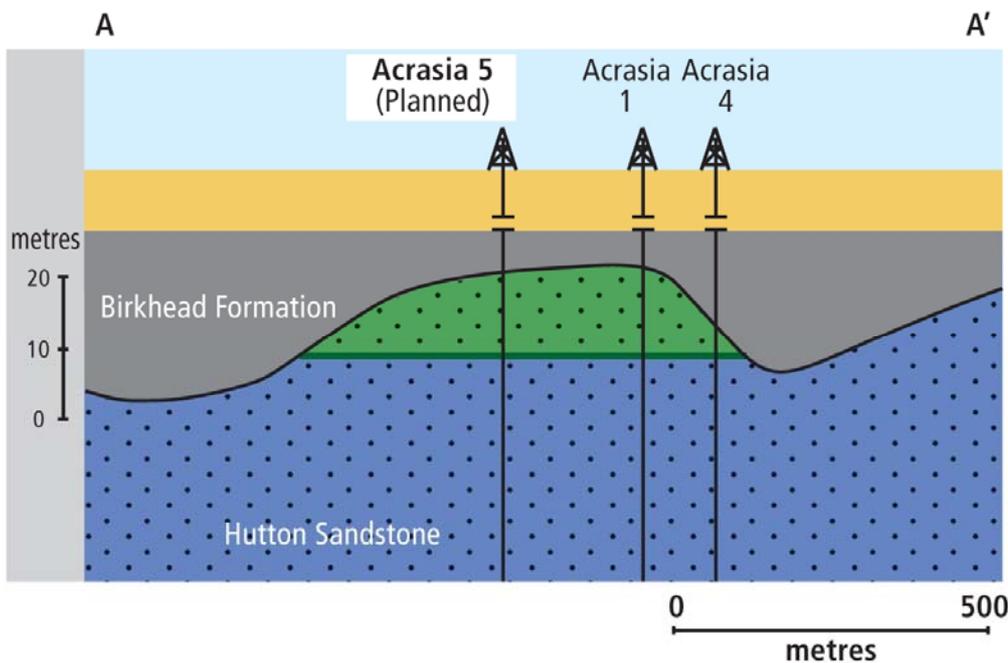
Yours faithfully

Iain MacDougall
Chief Executive Officer
Stuart Petroleum Limited

For further information please contact: Chief Executive Officer Iain MacDougall on (08) 8410 0611 or Email: macdougall.i@stuartpetroleum.com.au



Top Hutton Porosity Depth Structure Contour Map (metres)



Diagrammatic cross-section A - A' showing geological interpretation of seismic and well data from Acrasia 1 and Acrasia 4.

