



PRESS RELEASE ASX ANNOUNCEMENT – FOR IMMEDIATE RELEASE

Monday 1 June 2009

MAJOR UPGRADE AT OLIVER OILFIELD (AC/P33) IN TIMOR SEA

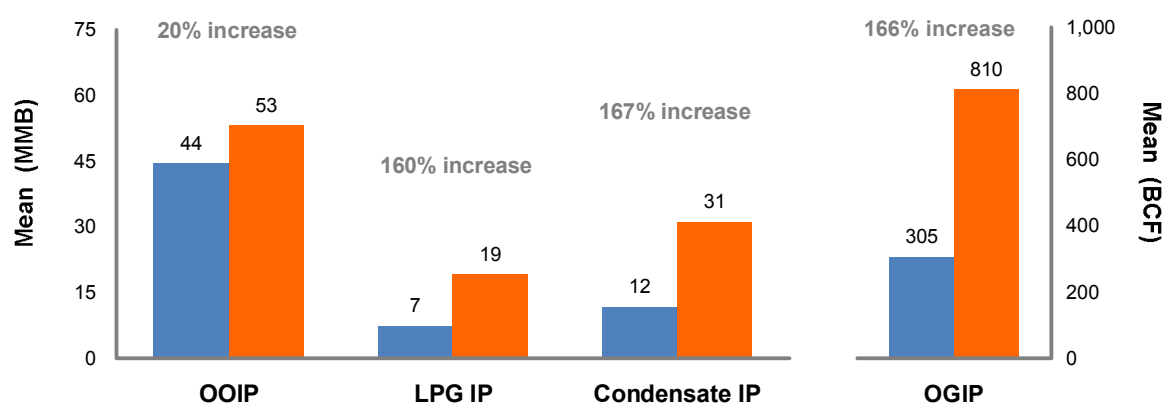
Stuart Petroleum Limited (**Stuart**) and its technical advisers have completed geophysical and reservoir engineering studies on the Oliver oil, gas and condensate discovery. These studies have resulted in a significant upgrade to the estimate of the volume of hydrocarbons contained in the Oliver structure.

The Oliver field is located in Timor Sea permit AC/P33, 700 kilometres west of Darwin, and Stuart is earning a 50% participating interest.

The Stuart studies, which have been independently verified, now indicate the following levels of hydrocarbons in place:

Realisation	Original Oil in Place (OOIP) MMB	LPG IP MMB	Condensate IP MMB	Original Gas in Place (OGIP) BCF
P90	20	9	14	348
P50	45	17	28	708
Mean	53	19	31	810
P10	100	34	55	1,441

This represents a substantial increase over Stuart's previous mean estimates as shown below:



These estimates have been assessed by ReservoirTeam Limited and independently reviewed by RISC Pty Ltd, an internationally recognised oil and gas consultancy. Both organisations are qualified to conduct such assessments and reviews and have consented to the use of these figures by Stuart for ASX reporting purposes.

Stuart intends to drill an appraisal well, Oliver 2, to establish the upper limits of the Oliver resource. It has contracted the semi-submersible *Songa Venus* drilling rig which is presently operating in the region, to undertake this work in December 2009/January 2010.

Commenting on the reservoir upgrade, Stuart's Managing Director Mr Tino Guglielmo, said:

"The Oliver field now joins the short list of major offshore petroleum development projects in Australia. Stuart's latest review of the field's resource provides further evidence of the prospectivity of this development."

The Oliver resource is now likely to be developed as an oil and gas liquids stripping operation, with the de-liquefied gas being injected back into the reservoir for production and sale at a later date.

Stuart Petroleum is in the process of developing reservoir models to assist the location of Oliver 2 and to enable the Company to derive estimates of the volumes of oil, condensate and gas which are likely to be recoverable under a range of development scenarios.

Attachment:
Location Map

For further information please contact:

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AC/P33 Permit Location Map Offshore Vulcan Sub-Basin Mesozoic

