



ASX ANNOUNCEMENT - FOR IMMEDIATE RELEASE

15th December 2006

Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

DRILLING REPORT: DUNOON 2 PEL 113, COOPER / EROMANGA BASIN, SA

Stuart Petroleum Limited advises that the Dunoon 2 oil exploration well is currently running in the hole to run a drill stem test over the interval 1449m to 1461m in the Murta Member.

The status of Dunoon 2 at 06:00 hrs (CSST) on 15 December was:

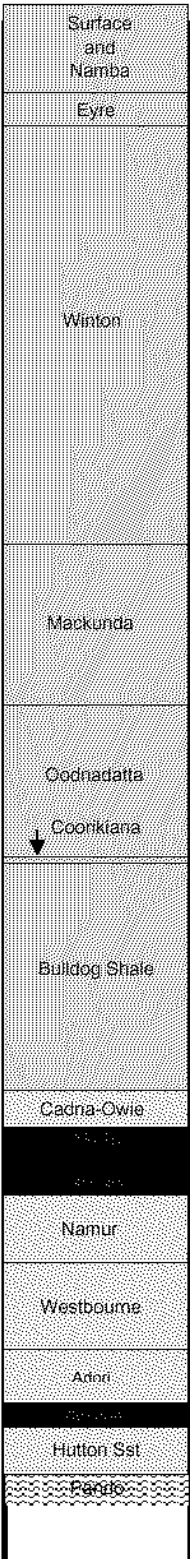
Location:	PEL 113
Planned Total Depth:	1470 metres (TVD)
Current depth:	1460 metres
Operation:	Running in the hole with test tools
Spud:	3 December 2006 at 12:00 hrs.

Participants in the Dunoon 2 well are:

Stuart Petroleum Limited (Operator)	66.7%
Beach Petroleum Limited	33.3%

Yours faithfully,

**Tino Guglielmo
Managing Director**



DAYS FROM SPUD

