

ASX ANNOUNCEMENT - FOR IMMEDIATE RELEASE

16 July 2007

STUART PETROLEUM 2007 COOPER/EROMANGA DRILLING PROGRAM COMMENCES WITH COMIC 1

Stuart Petroleum Limited advises that its 2007 Cooper/Eromanga Basin Drilling Program will commence on 17 July with the Comic 1 exploration well in PEL 113. The Comic structure, which has a stratigraphic component, has un-risked P10 oil in place potential of over 1.3 million barrels.

Stuart's Managing Director, Mr. Tino Guglielmo advised that, "Comic's close proximity to known economic oil producing fields makes it a very attractive exploration target with potential to increase the current reserves base."

Comic 1 is sited between the Harpoono 1 and Revenue 1 oil discoveries in the northeast area of the Dunoon Ridge.

Harpoono 1, discovered in 2004 and located two kilometres to the South West of Comic, has produced oil from the Murta Formation and the McKinlay Member. Revenue 1, discovered in 2006 and located 1.2 kilometres to the North East of Comic, has produced oil from the McKinlay Member and Birkhead Formation.

Interest holders in the well, to be operated by Stuart, are Stuart Petroleum Limited (66.7%) and Beach Petroleum Limited (33.3%).

The Comic 1 structure and the nearby oil discoveries are located on the northeast area of the Dunoon Ridge, an area bald of Cooper Basin sediments, with thick Permian source rocks to the north and northeast.

Comic 1 is being drilled primarily for oil in the Murta Formation, McKinlay Member and Birkhead Formation. The Birkhead reservoir in Revenue 1 is believed to have a stratigraphic component as it has substantial production from a location outside of closure. Comic 1 will test the Birkhead stratigraphic potential in a location updip of Revenue 1.

Comic 1 will be drilled with Ensign Rig 20.

(Comic Court won the 1950 Melbourne Cup as a 5 year old horse carrying 59.5kg, was trained by Jim Cummings and ridden by P. Glennon)

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COMIC 1 EXPLORATION WELL

Details

Licence:	PEL 113 – DUNOON Farmout Block Cooper / Eromanga Basins SA		
Participants:	Stuart Petroleum Ltd (Operator)	66.7%	
	Beach Petroleum Ltd	33.3%	
Rig:	Ensign Rig 20		
Potential Original Oil in Place:	680,000 barrels (Mean Value)		
Target Strata:	Primary:	Birkhead (oil) McKinlay (oil) Murta (oil)	

Total Depth: 1500 metres

Commentary

Comic 1 is an exploration well designed to test the oil potential of the Murta Formation, the McKinlay member and the Birkhead Formation in a location between the Harpoono and Revenue producing oil fields.

Latest depth mapping of the Revenue/Comic area shows Revenue 1 at the top Hutton to be at the spill point of a trap with the Comic structure updip to the southwest. Oil production from the lower Birkhead at Revenue 1 has been significant with more than 35,000 barrels produced from what is interpreted to be a structural/stratigraphic trap. It is thought that the Birkhead reservoir at Revenue extends to Comic 1.

At the top Namur horizon, the structural crest extends further to the southeast than at the Hutton. The Comic 1 location will test the oil potential of the Murta formation which is the most significant producing pool in Harpoono and the McKinlay Member which has had good production rates in both Harpoono and Revenue.

The Comic structure is covered by the Harpoono 3D Seismic Survey.

Un-risked Pre-Drill Estimate of Oil in Place (thousands of barrels)

Formation	P90	P50	Mean	P10
Murta	66	139	164	310
McKinlay	77	190	248	511
Birkhead	95	217	268	523

Probability of Success

Formation	Pg
Murta	50%
McKinlay	40.5%
Birkhead	28%

Pg = Geological probability of success

Target Horizons

Primary Targets:

Murta Formation – Primary Target (Oil)

The area of the Dunoon Ridge in which Comic 1 will be drilled has relatively high quality reservoir sands in the Murta. Production in Harpoono 1 exceeds 50,000 barrels and appears to have a stratigraphic distribution to the reservoir. Murta production has not yet commenced in Revenue 1. The Murta is expected to be of similar quality to that in Harpoono.

McKinlay member (Murta Formation) – Primary Target (Oil)

The McKinlay Member at Comic 1 is anticipated to be in a simple four way trap with relatively good reservoir above an oil water contact. Production is expected to be high rate initially with rapid onset of formation water. McKinlay production occurs on either side of Comic 1.

Birkhead Formation – Primary Target (Oil)

The Birkhead reservoir in Revenue 1 does not occur in Harpoono 1 and it is anticipated that the reservoir extends as far as Comic 1. Comic 1 is updip of Revenue at the top Hutton horizon and could contain a thicker pay section than that found in Revenue. Revenue produced initially at over 1000 barrels of oil/day from 1 metre of perforations. With total production approaching 40,000 barrels, the Birkhead reservoir at Revenue is thought to be producing from a stratigraphic trap that extends southwest past Comic.

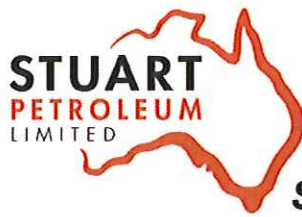
Summary of Potential

Comic 1 will evaluate the oil potential of Murta, McKinlay and Birkhead oil targets in an area of the Dunoon High which has proven multiple oil targets. Comic 1 is only 2km northeast of Harpoono 1 and 1.2km southwest of Revenue 1.

Comic has a predrill potential of 680,000 barrels of oil (Mean Value) in three potential reservoirs. If oil is discovered in the Birkhead an updip Revenue location between Comic 1 and Revenue 1 may be drilled.

Timing

The Comic 1 exploration well is expected to spud on or about 17 July 2007.



Comic-1 Well Location Map

Southern Cooper Basin - South Australia

