



17 May 2004

Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgement System

Dear Sir,

ANNOUNCEMENT TO ASX

2004 DRILLING PROGRAM UPDATE

Stuart Petroleum Limited advises that it has added to its 2004 drilling program.

Stuart has concluded an agreement with the PPL 194 Joint Venture operated by Santos, to drill the upcoming Reg Sprigg West # 1 exploration well where Stuart will fund 18.75% of the well costs to earn an 18.75% working interest.

The Reg Sprigg West prospect, which straddles the border of the Stuart operated PEL 90 Candra Block, is on trend with and 1.5 km west of the recent Reg Sprigg 3 oil discovery which flowed some 3000 barrels of oil per day from the Tinchoo and Paning formations combined.

Stuart Petroleum's 2004 program consists of a minimum of seven exploration wells and one Warrior appraisal well, the largest in Stuart's history.

The attached table and chart summarises the program and location of the wells.

The status and key features of the program are:

- The Galilee # 1 well failed to encounter commercial hydrocarbons
- A farmout agreement was concluded with Beach Oil & Gas Pty Ltd for Saintly # 1. The well is currently drilling
- The Derrilyn #1 and Reg Sprigg West # 1 wells are due to spud next week
- It contains the highly prospective Arwon #1 adjacent to the Warrior field
- It marks Stuart's entry into gas exploration

Farmouts again feature in this program and a number are currently being finalised.

Yours faithfully,

Tino Guglielmo
Chief Executive Officer



Stuart Petroleum Limited - 2004 Drilling Programme

Block	Well Name	Type	Status	Expected Spud	Expected TD (m)	Participants	Location	Potential 2P HC in place
PEL 90	Galilee #1	Explo	Firm	Mar 04	2750	Stuart 75% Beach 25%	10 km WNW of Acrasia Field	6.9 mmbbl
PEL 113	Saintly #1	Explo	Firm	7 May 04	1660	Stuart 66.67%* Beach 33.33%*	52km South of Moomba	1.9 mmbbl
PEL 90/PPL 194	Reg Sprigg West #1	Explo	Firm	16 May 04	2425	Patchawarra E JV 75% Santos (Operator) Stuart 18.75% Beach 6.25%	1.5 km West of Reg Sprigg # 3	1.2 mmbbl
PEL's 113/114	Derrilyn #1	Explo	Firm	17 May 04	1600	Santos 65% (Operator) Stuart 35%	48 km SSE of Moomba	2.0 mmbbl
PEL 113	Harpoono #1	Explo	Firm	27 May 04	1560	Stuart 100%**	52km South of Moomba	1.9 mmbbl
PEL 113	Arwon #1	Explo	Firm	Aug 04	1920	Stuart 100%**	47km SW of Moomba, 2.5km ENE of Worrior #1	4.0 mmbbl
PEL 93	Worrior #2	Appr	Firm	Aug 04	1950	Stuart 70% Cooper 30%	Worrior Field. To be finalised after 3D seismic interpretation	10 bcf
PEL 102	Doriemus #1	Explo	Firm	Sep 04	2640	Stuart 100%**	750m WSW of Packsaddle #2	10 bcf

* Post farmout interests

** Farmout negotiations in progress

Cooper Basin - South Australia 2004 DRILLING PROGRAM

