

12 January 2010

TO: The Manager, Company Announcements ASX Limited 10.01.12
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Central Petroleum Limited (CTP) Spuds CBM93003, second well in a five well initial Coal Seam Gas (CSG) drilling programme.

CBM93-003, the second of five CSG wells to be drilled by Central Petroleum Limited as Operator, was spudded at 0900hrs WAST on Saturday 9th January 2009 and is located at Latitude 25 degrees 00 minutes 58.877 seconds South, Longitude 136 degrees 18 minutes 26.427 seconds East in Exploration Permit EP-93 on a plunging nose that forms the southern edge of the Hector Trend in the Pedirka Basin. The well is approximately 30km to the east of CBM93-001 drilled in 2008 and CBM93-004, the first well drilled in this current programme.

At 0600 NTST today the well had reached a depth of 191m RKB in the Mackunda Formation.

The Joint Venture participants are Merlin Energy Pty Ltd a wholly owned subsidiary of CTP 70%, Petroleum Exploration Australia Limited 20% and Red Sky Energy (NT) Pty Ltd 10%. The well will target the Permian Purni Formation coals which have been regionally mapped using limited seismic data coverage. The well is located approximately on seismic line 66SDB-3AL at VP 275. The top Permian Purni Coal in CBM93-003 is prognosed at 510 mRT with a prognosed gross Purni Formation thickness of 220m. The prognosed TD is 780 mRT. A net column of approximately 20-30m of coal is prognosed to be encountered in this well.

As the Hector Trend may comprise potential reservoir sediments within structural closure (Kingsley 1987), conventionally reservoired hydrocarbon potential will also be closely monitored throughout the drilling of CBM93-003.



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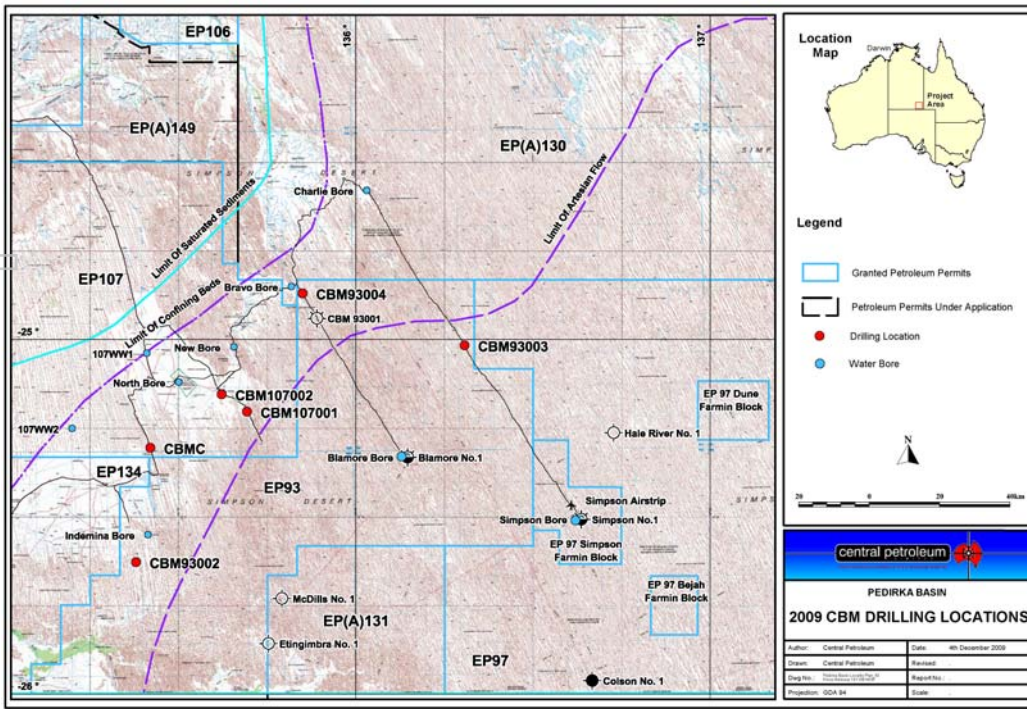
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Coal thicknesses

The table below details the different net coal encountered in different wells drilled by CTP to date in the Pedirka Basin. Some of the previous wells were reported with net coal with a lower cut-off seam thickness of 20 cm (0.2m) while CBM93-004, the first well drilled in 2009 was reported with an increased lower cut-off seam thickness of 1m or 100cm. CTP seeks to standardise its net coal thickness reporting to include only seams with a thickness 1m or greater. The results gained to date with this 1m increased lower thickness cut off are as follows:

Well	Permit	Net Coal 1m or greater thickness (m)
Blamore 1 (2008)	EP93	136
Simpson 1 (2008)	EP97	7
CBM93-001 (2008)	EP93	143
CBM93-004 (2009)	EP93	144

(See disclaimer overleaf)

Sincerely



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Competent Persons Statement

Al Maynard & Associates

Information in this announcement or attached report which may relate to Exploration Results of coal tonnages in the Pedirka Basin is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and an independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in this Report or announcement of the matters based on his information in the form and context in which it appears.

Mulready Consulting Services

The Mulready Consulting Services Report on UCG and CSG which may be referred to in this report or announcement was prepared by their Associate Mr Roger Meaney, who holds a BSc (Hons) from Latrobe University and has over 30 years experience in the petroleum exploration and production industry with 8 years experience in the field of Coal Seam Gas.

General Disclaimer

Potential volumetrics of gas or oil may be categorised as Undiscovered Gas or Oil Initially In Place (UGIIP or UOIIP) or Prospective Recoverable Oil or Gas in accordance with AAPG/SPE guidelines. Since oil via Gas to Liquids Processes (GTL) volumetrics may be derived from gas estimates the corresponding categorisation applies.

As new information comes to hand from data processing and new drilling and seismic information, preliminary results may be modified.

Resource estimates or assessments of exploration results which may be included in this announcement or report have not been reviewed by either Petroleum Exploration Australia Limited (PXA), QGC, Trident Energy Limited (TRI), He Nuclear Limited (HEN) or Red Sky Energy Limited (ROG). Therefore those resource estimates represent the views of the Company and are not necessarily held by PXA, QGC, TRI, HEN or ROG. The Company, CTP, is interested in UCG and/or UCTL applications in its own right, outside of the current Joint Venture with PXA and references to UCG potential do not necessarily reflect the views of PXA, QGC, TRI or ROG. Exploration programme proposals in the Phase Two 2010 programme which may be referred to in this announcement or report have not been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.

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