

28 January 2010

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CBM93-003 Petroleum Exploration Australia (PXA) 20%, Red Sky Energy (ROG) 10%, Central Petroleum Limited (CTP) 70%

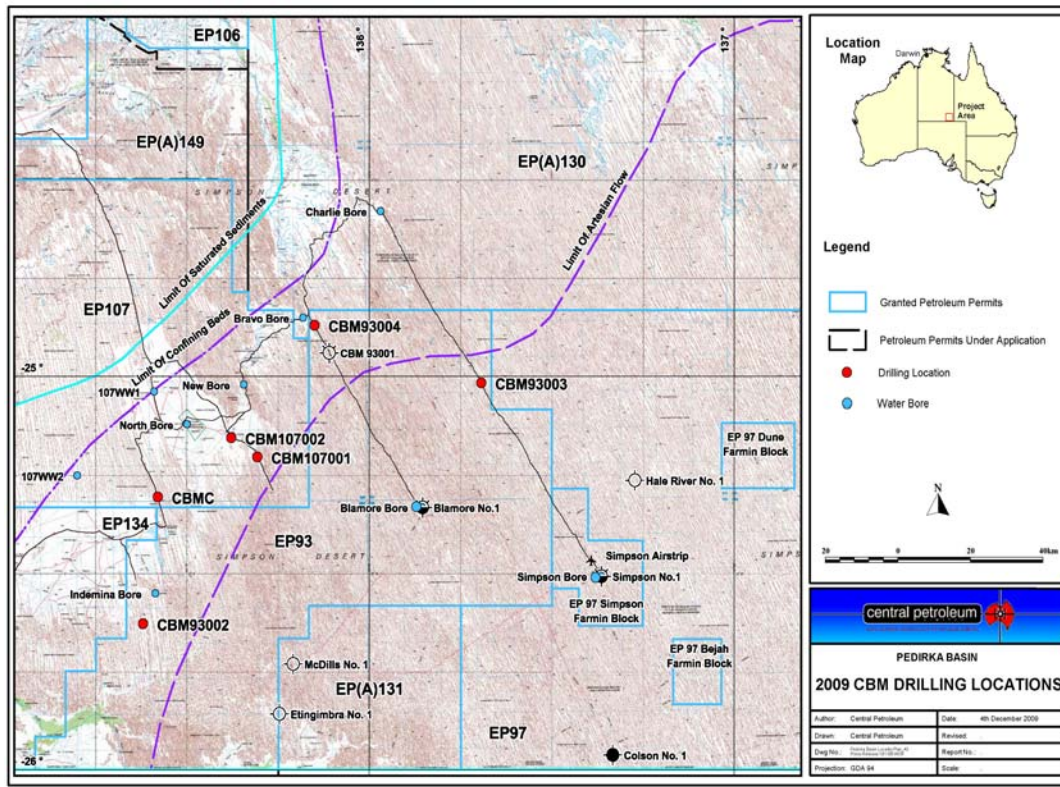
Coal Seam Gas (CSG) well CBM93-003 reached a total depth of 896m on Jan 26th 2010. The well has been successfully logged and will be plugged and abandoned. Two coal seams were confirmed in the 6m core retrieved between 824m and 830m MD. One coal layer was 0.4m thick and the other 1.2m thick. Age dating of these thin coals confirms an age correlation with coals intersected in CBM93-004 and CBM93-001 and may be interpreted to suggest a lateral extension of coals up to 30km northeast from CBM93-001.

Integration of results from this well with seismic data may confirm that coal thickens on the flanks down dip and southeast of the structural high where the well was located.

Up to 8mm blebs of residual tar (possibly degraded oil from a distal source) were observed at several levels in sandstones of the Purni Formation. These are being examined to determine age and compositional type. This may add to the validity of the search for oil in the Pedirka Basin.

Further laboratory testing of coals intersected at both CBM93-004 and CBM93-003 is underway.

Wallis Rig Number D39 is now being mobilised to CBM107-001 to test interpreted coal sequences approximately along strike from CBM93-004. The well is located at **Latitude:** 25° 12' 21.18 S and **Longitude:** 135° 41' 36.41 E and is anticipated to intersect the top of a coal bearing Permian Purni Formation at approximately 860m RT RT, with a total thickness of Purni Formation of some 300m and a planned total depth of approximately 1,214m RT.



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Sincerely



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Competent Persons Statement

AI Maynard & Associates

Information in this announcement or attached report or notification 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 AI 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 or notification 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. "Resources estimates, assessments of exploration results and other opinions expressed by CTP 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, assessments of exploration results and opinions represent the views of the Company only and not those of 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 reference to UCG potential represent the view of the company only and do not reflect the views of PXA, QGC, TRI or ROG. Exploration 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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