

ASX ANNOUNCEMENT

05 March 2010

ASX CODE: CTP

TO: The Manager, Company Announcements ASX Limited

Central Petroleum reports business as usual-exploration

Central Petroleum Limited (ASX: CTP) ("Central" or "the Company"), as Operator, and its relevant subsidiaries, have received a demand from Petroleum Exploration Australia Ltd (PXA) to withdraw notices of default and shortfall issued to PXA under each of the Farm Out Agreements (FOAs) and Joint Operating Agreements (JOAs) relating to the Broadacre Joint Ventures and the EP 97 Rawson Joint Venture as detailed in Central's announcement of 26 February 2010. Central's position in relation to the issuance of the notices remains unchanged.

PXA has also purported to give Central notice of a dispute and commence an arbitration process under the terms of the FOAs and JOAs respectively disputing the validity of: the default notices referred above; the 2010 minimum commitment programme and budget in respect of which certain Cash Calls were issued; those Cash Calls and others; certain Shortfall Notices; and in respect of certain funds retained by the Joint Ventures for the drilling of wells CBM107001, CBM93002 and Ooraminna 2.

Central today reaffirmed that it is continuing with planning for the drilling of Ooraminna 2 in EP 82 and Johnstone 1 or substitute within EP 115 (both minimum commitment wells, *inter alia*, to satisfy the Northern Territory Department of Resources terms and conditions for the grant of the Permits) and possible other wells including Magee 2 (EP 82). The Company has issued a Letter of Intent to contract the MB Century Rig 7 for two firm wells with an additional 4 options with a start date as early as mid-April 2010.

The rig - a Cooper LTO 750HP rated rig with a drilling capacity to 3,000 m - recently completed a successful drilling program for Santos Limited in Moonie, Queensland and is currently undergoing a 5 yearly inspection and maintenance period in Roma prior to commencing with Central. The rig should be ready to move to the Northern Territory early in April 2010.



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NOTICE: The participating interests of the relevant parties in the respective permits and permit applications applicable to this announcement are:

- EP-82 (excluding the Helium Australia Pty Ltd (“HEA”) and HE Nuclear Ltd Magee Prospect Block) - Central subsidiary HEA 70%, Petroleum Exploration Australia Ltd (“PXA”) 20% and Red Sky Energy (NT) Pty Ltd (“ROG NT”) 10%.
- EP-93, EP-105, EP-106, EP-107, EPA-92, EPA-129, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EPA-149, EPA-152, ATP-909, ATP-911, ATP-912 and PELA-77 - Central subsidiary Merlin Energy Pty Ltd 70% (“MEE”), PXA 20% and ROG NT 10%.
- EP-97 – MEE 65%, Rawson Resources Ltd 20% and PXA 15%.
- EP-125 (excluding the Ordiv Petroleum Pty Ltd (“ORP”) and HE Nuclear Ltd Mt Kitty Prospect Block) and EPA-124 - Central subsidiary ORP 70%, PXA 20% and ROG NT 10%.
- EP-112, EP-118 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd (“FOG”) 70%, PXA 20% and ROG NT 10%.
- EP-115 & EPA-111 - FOG 60%, PXA 20%, Trident Energy Limited TRI 10% and ROG NT 10%.
- PEPA 18/08-9 PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 70%, PXA 20% and ROG NT 10%.