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## ASX ANNOUNCEMENT

ASX CODE: CTP

20 September 2010

TO: The Manager, Company Announcements ASX Limited

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### Finance News Network Interview Sydney 17 September

Central Petroleum Limited (**ASX:CTP**) ("Central"), as Operator, is pleased to present a transcript of an interview with Central's Managing Director, John Heugh, conducted by Finance News Network on 17 September 2010. The transcript follows in italics.

The video interview is available at the following [link](#)

#### **TRANSCRIPTION OF FINANCE NEWS NETWORK INTERVIEW WITH CENTRAL PETROLEUM LIMITED (ASX:CTP) MANAGING DIRECTOR, JOHN HEUGH SYDNEY 17 SEPTEMBER 2010**

*Emma Pearson: Hello Emma Pearson reporting for the Finance News Network. Joining me today from Central Petroleum for an update is Managing Director, John Heugh. John welcome back.*

*Now the last time we spoke you were looking at entering into the helium market. However, you've announced changes recently to your 2010 drilling programme with a priority now to focus on your oil targets in the Amadeus Basin, rather than your helium targets. Tell us what was behind this decision.*

*John Heugh: Basically we've acquired new seismic on and about the Johnstone area and during processing of that seismic, we've come up with a very interesting new oil prospect only 8 kilometres away. We knew it was there before but it's now better to find and we've done some more geological and geophysical studies, which indicated that the drilling of Surprise should have taken a priority over the drilling of Magee. Johnstone will probably be a less expensive well to drill than Magee and oil of course, is much more readily marketable than helium.*

*Now we haven't shelved our plans to market helium or to discover, explore and produce helium and market it, but certainly the Magee and Mt. Kitty wells that we were talking about earlier this year, won't be drilled this drilling season. We would like to look at drilling those perhaps next drilling season.*

*Emma Pearson: How has exploration of your two helium prospects in the Amadeus Basin gone?*

*John Heugh: We've acquired more seismic this year on the Magee Prospect which has de-risked the Prospect. We are about to reprocess oldest vintage seismic at the Mt. Kitty Prospect and certainly the definition of both these Prospects has been improved. So we now know more accurately how big they are, we know what depths we'll have to drill to more accurately. And so we have a very definitive well programme and proposal already for Magee, and probably within the next six months we'll have one for Mt. Kitty.*

*So we have advanced the Prospects but the actual drilling at this stage has been put off at least until next year.*

*Emma Pearson: Looking at your drilling programme now John, you've announced some further oil shows at your Johnstone West - 1 well, tell us what have you found?*

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**John Heugh:** Well so far we've drilled through about 92 metres of continuous oil shows which is, we think a very, very encouraging result. The porosity and therefore the ultimate permeability and flow rate of the upper section hasn't been brilliant, but the last 10 metres that we've drilled through has shown good to very good porosity and in the opinion of the well site geologists up there, they think there's a very good chance that this 10 metre section, will actually flow to surface. So that's a very, very encouraging result.

Mind you, we can't predict that with any accuracy until the well has been logged, cased and flow tested to see whether we do have a commercial discovery on our hands. But certainly it appears at this stage that the very good oil shows we've got at the Johnstone Prospect may represent the most significant oil shows in the Amadeus Basin since the discovery of the Mereenie Field in 1963.

So for us this is a real milestone in the Company's history. Whether this well turns into a commercial well or not, we don't know, but we know we've got an active live oil system, we know we've got live oil, we know we've got porosity and we know there's a fair chance that it may produce.

**Emma Pearson:** And how significant are these new oil shows?

**John Heugh:** These are the first significant new oil shows in the Amadeus Basin, we believe since 1963. The significance will ultimately be determined by the testing programme at the end of the well. But certainly 10 metres of excellent porosity and the sandstone's excellent oil shows oil saturation, an oil slick with the drilling mud coming over the shakers, a strong petroliferous odour and you can actually see live oil in the cuttings underneath a microscope. These are very significant findings at this well to date.

**Emma Pearson:** And what's the next step from here?

**John Heugh:** The next step is to drill down until we get no more oil shows and hopefully to identify a formation called the Goyder Formation. Once we're in that, we know fairly well, that there's probably going to be no further chances of finding oil in this well.

At this stage there is some uncertainty where we are in the stratigraphic sequence. We think we may be in the Stairway Sandstone which means we've probably got another 50 metres of Stairway Sandstone with potentially good oil in it. Then we would drill through the Horn Valley Siltstone into the main target below that, which is the Pacoota Sandstone.

**Emma Pearson:** John what are your plans for the Amadeus Basin in say the next twelve to eighteen months?

**John Heugh:** If the oil shows continue at Johnstone and/or we get some encouragement at Surprise, we'd like to come back in the fourth quarter of this year and do at least a 300 square kilometre 3D seismic programme. Soon after that, probably March or April next year, we'd like to think we have potential for drilling at least 2 or 3 wells in the vicinity of Johnstone and/or Surprise.

We'd also like to drill several oil prospects in the Pedirka Basin that we are working up into drillable status. We'd like to drill some more coal holes in the Pedirka Basin to expand the envelope of known coal intersections, and we'd like to do some more regional 2D seismic as well.

**Emma Pearson:** John thanks for the update.

**John Heugh:** You're most welcome Emma.

**ENDS**

Final interpretation of these hydrocarbon shows and others which may be encountered is dependent on further assessments via electric logging, pressure and flow testing and no conclusions can be reached as to the commercial potential of the Johnstone prospect until these further assessments are completed.

Further updates of any significant results will be made as soon as practicable.

Central is Operator and holds a 90% interest in EP 115, through wholly-owned subsidiary Frontier Oil & Gas Pty Ltd and Trident Energy Limited conditionally holds a 10% interest in the permit. JW-1 is located at Latitude 23 deg 39 minutes and 21.86 seconds South, Longitude 129 degrees 56 minutes and 39.124 seconds East.



John Heugh  
Managing Director  
**Central Petroleum Limited**

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

- EP 115 Central subsidiary Frontier Oil & Gas Pty Ltd ("FOG") 90%, Trident Energy Limited ("TRI") 10%.
- EP-82 (excluding the Central subsidiary Helium Australia Pty Ltd ("HEA") and Oil & Gas Exploration Limited ("OGE") (previously He Nuclear Ltd) Magee Prospect Block) - HEA 100%
- Magee Prospect Block, portion of EP 82 – HEA 84.66% and OGE 15.34%.
- 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, EPA-160, ATP-909, ATP-911, ATP-912 and PELA-77 - Central subsidiary Merlin Energy Pty Ltd 100% ("MEE").
- The Simpson, Bejah, Dune and Pellinor Prospect Block portions within EP-97 – MEE 80% and Rawson Resources Ltd 20%.
- EP-125 (excluding the Central subsidiary Ordiv Petroleum Pty Ltd ("ORP") and OGE Mt Kitty Prospect Block) and EPA-124 – ORP 100%.
- Mt Kitty Prospect Block, portion of EP 125 - ORP 75.41% and OGE 24.59%.
- EP-112, EP-118, EPA-111 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd ("FOG") 100%.
- PEPA 18/08-9, PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 100%.
- EPA-130 - MEE 55% and Great Southern Gas Ltd 45%