

27 September 2010

TO: The Manager, Company Announcements ASX Limited**CONTACT: John Heugh +61 8 9474 1444****CENTRAL BELIEVES IN POSSIBLE NEW AMADEUS BASIN OIL-GAS PROVINCE**

Central Petroleum Limited (ASX: CTP-“Central” or “CTP”) management said today they believed that the positive results of drilling and logging to date at the Johnstone West Well-1 (JW-1) in EP115 might lead to the establishment of a new Western Amadeus oil and gas province. To reinforce the possible oil and gas discovery made by JW-1, Central will drill a new wildcat well, Surprise -1 about 8 km south-southeast of JW-1. Surprise-1, targeting up to 50 MMbbls UOIP (6 MMbbls fully risked mean UOIP) is expected to spud in early October 2010 immediately following rig down at JW-1, the transport of the rig to the new site and rig up at the new site. The site works and the drilling location pad are already complete.

Central’s acreage, in central Australia, is to the north-west of the producing fields of the well-established Cooper Basin. The managing director of CTP, Mr John Heugh, said today that JW-1 results to date had been very encouraging and that further confirmation of the potential will be released over the next week or so.

“We have always known that our 270,000 km² portfolio in Central Australia has been underexplored and we know that the Amadeus Basin is a proven hydrocarbon province with two fields in production and very little cogent exploration to date,” he said. “JW-1 is the first ever well drilled west of the Central Ridge which is a major basement feature and it has confirmed that the Johnston Trough is a productive source kitchen.”

A conservative estimate of the incremental Horn Valley Siltstone (HVS) petroleum system potential producing area is 1,400 km² west of the Central Ridge.

What has encouraged Central Petroleum is that there is no seismic coverage to the west of JW-1 and very little to the south. Therefore the presence of viable HVS source rocks and the frequency of potential structures reservoiring hydrocarbons could be very significant, particularly if it is established with seismic that the HVS source rocks extend to the west into the Mt Rennie sub basin and south into the western platform.

Supporting the company’s claims of a potential new petroleum province Mr Heugh said that structures within and on the margins of the Johnstone Trough oil kitchen had become attractive targets, and the western extension of a prospective Ordovician petroleum system is a major breakthrough for Central. JW-1 is probably the most significant well drilled in the Amadeus since the discovery of the Mereenie oil field by West Mereenie-1 in 1963. No other well outside of the Mereenie oil field had shown such strong evidence of an active oil system.

In addition, Mr Heugh said that Central was basing its exploration drilling for oil and gas on modern comprehensive seismic and geological data, unlike the early Amadeus Basin discoveries which were made largely on surface outcrop patterns and/or limited seismic. A 2004 report by the Northern Territory Geological Survey, (the “Faultseal” report), concluded, inter alia, that of the 33 purely exploration wells drilled in the Amadeus to date, 13 had been drilled off structure, mainly due to a lack of seismic definition. “It is imperative that the Company has access to comprehensive seismic data going forward in any potential field developments surrounding the Johnstone West-1 and Surprise-1 wells; especially 3D seismic, which has been applied so successfully in the Cooper Basin in recent years” said Mr Heugh today.

Further interpretation of the potential commercial significance of hydrocarbon shows at JW-1 is dependent on further assessments via electric logging, pressure and flow testing. No



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conclusions can be reached as to the commercial potential of the Johnstone West prospect until these further assessments are completed. Further 3D seismic assessment and additional drilling may be required to evaluate the commercial significance of any possibly successful flow testing of JW-1 but the excellent oil shows discovered to date of "live" oil have proved the existence in the area of an active petroleum system, the Horn Valley Siltstone, dramatically increased the prospectivity of the western Amadeus Basin, underscored the potential of the next planned well, Surprise-1, and pointed the way to the potential for an emerging new petroleum province.

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.

Surprise-1 is located at Longitude 23 degrees, 42 minutes 50.758seconds South and Latitude 129 degrees 59 minutes 36.091 seconds East



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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 Ordv 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%

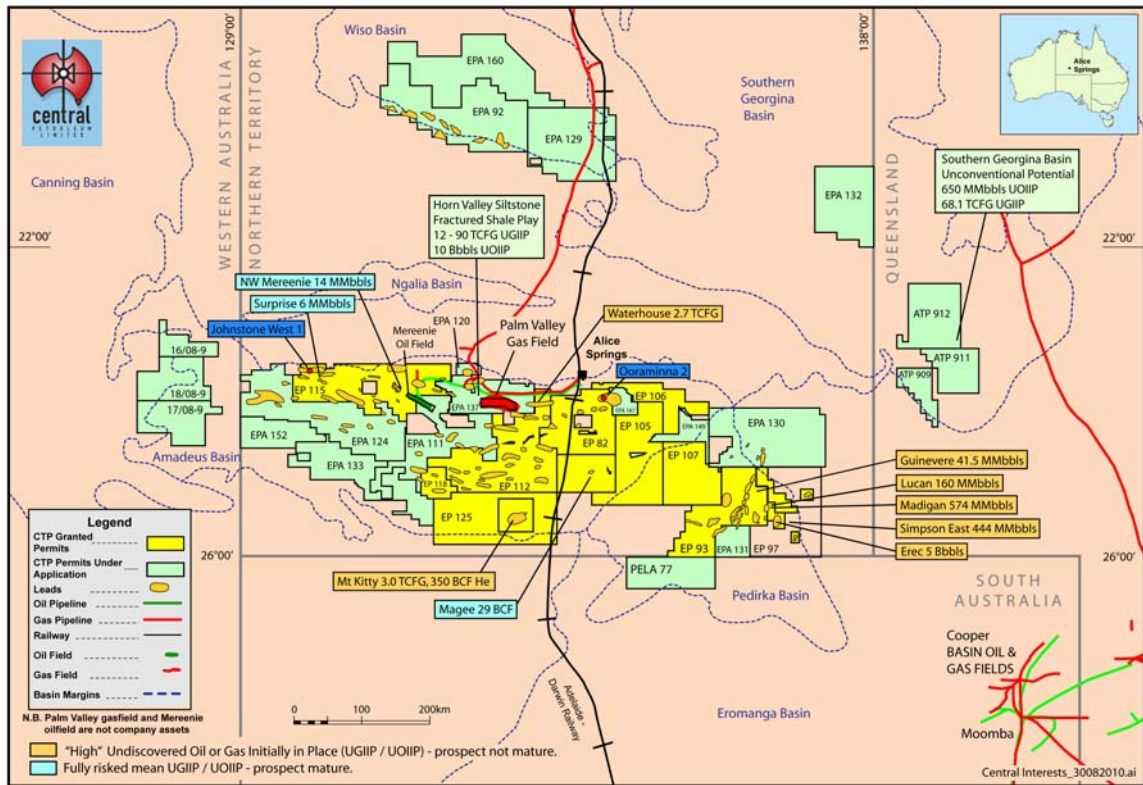
General Disclaimer and explanation of terms:

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. Unless otherwise annotated any potential oil, gas or helium UGIIP or UOIIP figures are at "high" estimate in accordance with the guidelines of the Society of Petroleum Engineers (SPE) as preferred by the ASX Limited but the ASX Limited takes no responsibility for such quoted figures.

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 relevant Joint Venture partners. Therefore those resource estimates, assessments of exploration results and opinions represent the views of Central only. Exploration programmes which may be referred to in this announcement or report have not necessarily been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.

Appendix Follows :

Signs Point to an Emerging New Western Amadeus Petroleum Province



Horn Valley Siltstone (HVS) Petroleum System

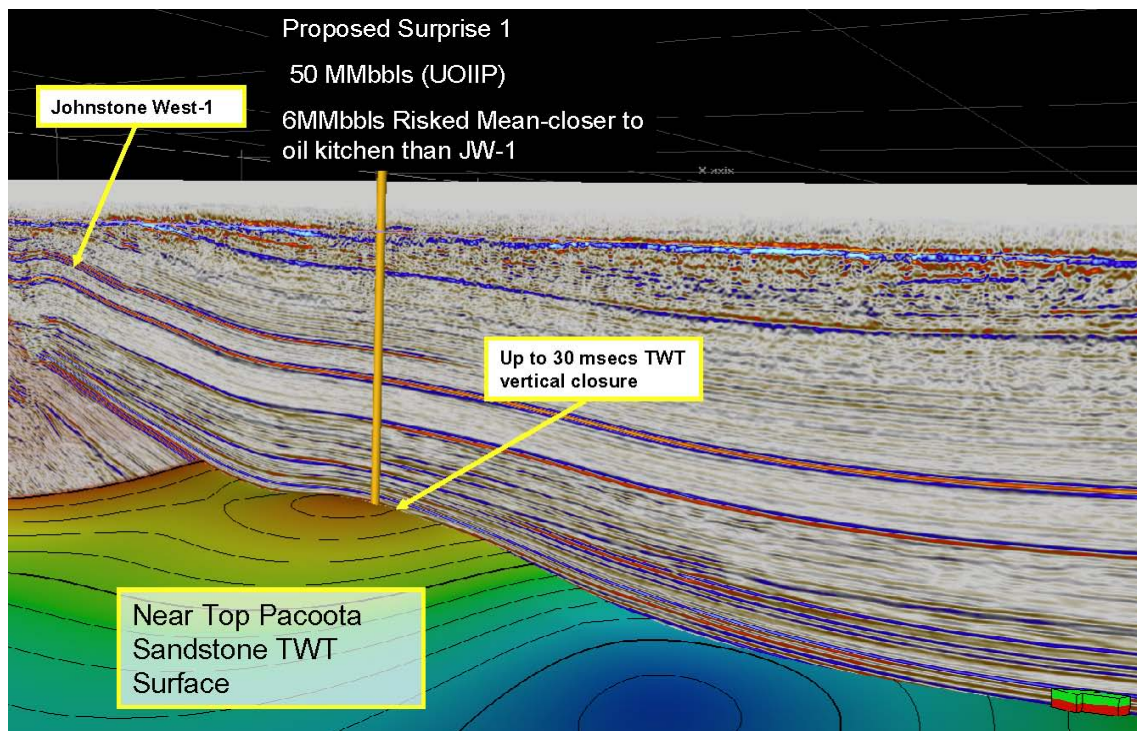
	Johnstone West 1	Mereenie NW-1	Mt Winter-1	Mereenie East -6	Palm Valley 1
HVS Isopach	38 m	89 m	62 m	74 m	75 m
Net Shale Isopach	30 m	77 m	40 m	68 m	75 m
% Shale	79 %	87 %	65 %	92 %	100 %

- The thickness and net shale content of the HVS in JW-1 is encouraging although it may have thinned from the Mereenie – Palm Valley field area (160 Km to the east) and adjacent wells Mt Winter - 1 (80 km distant) and Mereenie NW-1 (120 km distant)-however the HVS encountered at JW-1 is close to a fault and the true thickness of the formation may have been locally reduced by the proximity of the faulting activity. The unit is anticipated to thicken considerably down dip to the Surprise-1 location. Further assessment with drilling and seismic is required to quantify the thickness and distribution of the HVS in this general area
- Johnstone -1 is the first exploration well to be drilled west of the Central Ridge which is a major basement feature in the Amadeus

Basin. The well confirms the Johnstone Trough as a productive source kitchen area and a conservative estimate of the incremental HVS kitchen area is 1400 km², west of the Central Ridge. The excellent oil shows at JW-1 are possibly the most geologically significant oil shows encountered in the Amadeus Basin since the original oil discovery well at the Mereenie Field, West Mereenie-1 drilled in 1963.

- There is no seismic to the west of JW-1 and very little to the south dictating that the viable HVS source area could be triple the aforementioned number if the shale extends west into the Mt Rennie Sub-basin and south onto the Western Platform. Structures within and on the margins of these kitchens have become attractive targets and the western extension of prospective Ordovician geology is a major break through.
- Pre-drill thermal modelling of the HVS in the Johnstone Trough suggested oil generation was viable and these parameters can be calibrated in nearby basinal areas to assess their potential.
- The high gas readings in the HVS (over 500 units peak) are testimony to the apparent richness of the HVS which will be subject to detailed geochemical analysis. Gas readings of up to 520 units methane with significant higher hydrocarbons offer encouragement regarding unconventional gas/oil deposits over a much greater area than previously envisaged.
- There is also conventional gas/oil potential in the HVS from thin sandstone stringers within closure (perhaps in JW-1) and it is planned to flow test this unit in this well.
- At Mereenie and Palm Valley fields the hydrocarbon columns are in hydraulic pressure communication through the entire Pacoota/HVS/Lower Stairway/ Upper Stairway section hinting that at Johnstone West-1 the same may apply.
- In this case the gross hydrocarbon column at Johnstone West-1 in the Lower/Upper Stairway Sandstone would exceed 100 m (top seal is the Stokes Siltstone c.70 m thick). By inference this would confirm entrapment is partly controlled by fault seal thereby facilitating possible expansion of the trap updip to the eastern culmination at the greater Johnstone structure, thus greatly enhancing the potential of the accumulation.
- In addition, if fault seal can be proven at JW-1, it will be the first time this trap type has been recognised in the Amadeus Basin. This could be an important break through as the almost totally neglected foot wall/hanging wall, subthrust and 3-way dip-fault traps are the dominant play types in the basin and are much more common than the proven 4 way dip closures. The emergence of this play greatly enhances the entire potential of the basin encompassing not only the HVS petroleum system but also the other 7 petroleum systems present at various stratigraphic levels.
- The proven capacity of the Stokes Siltstone to act as a consistent regional seal is encouraging and the reservoir quality of underlying Ordovician sandstones will be evaluated by flow testing in JW-1; visual estimates from cuttings and early log analysis are encouraging. Further geochemical studies will target the HVS while

this unit's unconventional hydrocarbon potential will be further assessed by well testing and elogs.



Johnstone Trough Oil Kitchen (blue shading)

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