

28 September 2010

TO: The Manager, Company Announcements ASX Limited**CONTACT: John Heugh +61 8 9474 1444****CENTRAL RAISES \$19.35 MILLION TO ACCELERATE APPRAISAL IN THE WESTERN AMADEUS**

Central Petroleum Limited (ASX: CTP) is pleased to announce that it has conditionally raised \$19.35 million (before costs) with the assistance of Patersons Securities Limited via a Placement and an underwritten Share Purchase Plan (SPP). The over subscribed Placement of 75.0 million ordinary shares to a range of institutions and sophisticated investors at 8.6 cents per share raised \$6.45 million and the underwriting of a SPP to the level of the first 150 million shares at the same price to be offered to existing shareholders has conditionally raised a minimum of \$12.9 million.

The issue price of 8.6 cents per share represents a 18 percent discount to the Company's last closing price of 10.5 cents. The issue was heavily oversubscribed and resulted in a scale back of institutional demand.

The funds from the capital raising will be used to accelerate exploration programs at its Johnstone and Surprise project areas in the Western Amadeus region, pay for the costs of the issue and for general working capital purposes. Central intends to rapidly finalise a contract to complete approximately 300km² of 3D seismic over the greater Johnstone and Surprise areas and plan for additional appraisal wells to delineate the potential of the Johnstone and the Surprise areas as it moves to a potential commercialisation.

Under the SPP all eligible shareholders will have the opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares. No brokerage, commission or other transaction costs apply to applicants for the shares issued under the SPP.

The SPP offer is open to all holders of fully paid ordinary shares registered on the Company's share register at the record date of 27 September 2010, with a registered address in Australia and New Zealand.

Following the success at Johnstone the board has taken this step to provide an opportunity for **existing shareholders** to increase their participation in the future growth of the Company on similar terms to those of the Placement.

John Heugh, Managing Director of Central said "With the significant demand encountered for Central stock by institutions introduced by Patersons it would have been possible for the Company to raise the entire amount sought from capital raising through a Placement, however the Board of Central wanted to reward our loyal shareholders through participation in the SPP particularly on the back of the success encountered at Johnstone West-1 to date".

Patersons Securities Limited was the lead manager for the Placement and is also the Underwriter of the Share Purchase Plan.

Full details of the Share Purchase Plan will be announced shortly.

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



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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 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%

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 been necessarily approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.