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ASX ANNOUNCEMENT

ASX CODE: CTP

10 January 2011

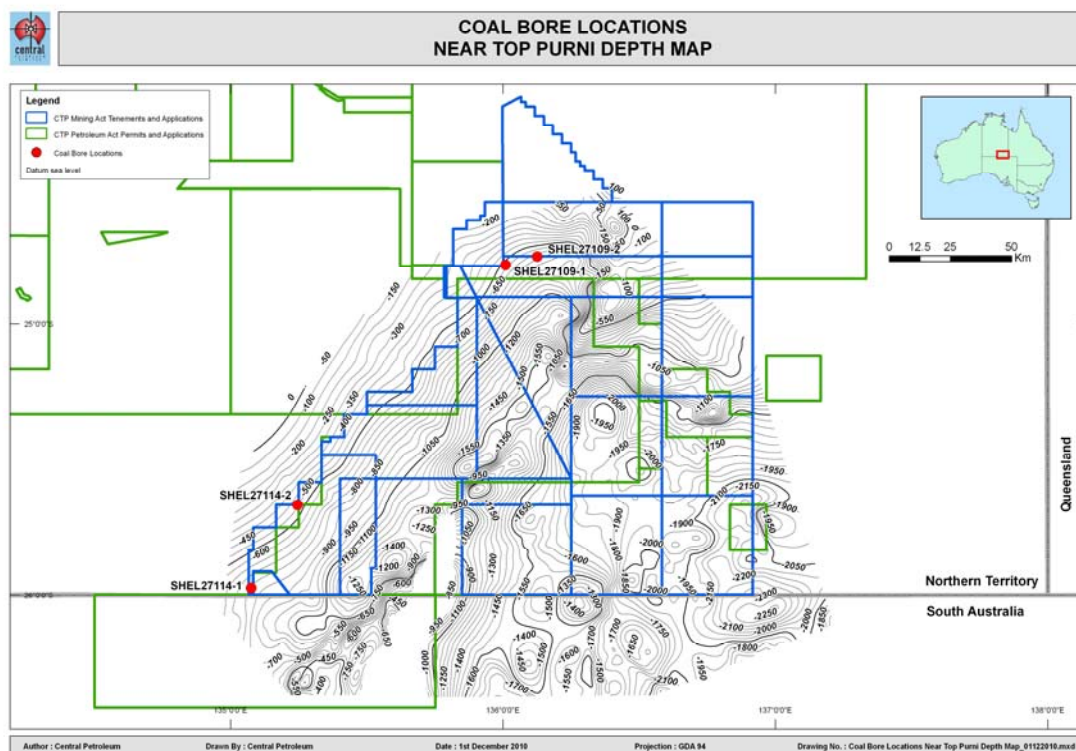
TO: The Manager, Company Announcements ASX Limited

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CENTRAL CONTINUES WITH COAL STRATIGRAPHIC PROGRAMME

Central Petroleum Limited (ASX:CTP) ("Central"), as Operator has pleasure in providing this update for the coal stratigraphic drilling programme.

Central Petroleum as operator of mineral tenement EL 27109 spudded the second of the fully cored stratigraphic mineral holes in the Pedirka Basin on Sunday 9th January 2011. The hole SHEL27109-1 is located at latitude 24 degrees 46 minutes 56.243 seconds, longitude 136 degrees 0 minutes 38.736 seconds and is approximately 20km southwest of the first hole drilled (SHEL27109-2). It is anticipated the hole will take up to 2 weeks to drill to the TD prognosed at approximately 1040m from surface.



The first hole in the programme SHEL27109-2 was drilled to a depth of 1,209m MD prior to Christmas 2010 when the drilling contractor stood down for the Christmas/New Year break. The hole intersected approximately 33m of nett coal seams greater than 1m in thickness. It is possible that the programme may be redefined to include some drilling in anticipated shallower coal within three new mineral tenements EL's 28095, 28096 and 28097, the grant of which have been accepted by Central.

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John Heugh
Managing Director
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Competent Persons Statement

Al 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 Al 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 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 been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved. All exploration is subject to contingent factors including but not limited to weather, availability of crews and equipment, funding, access rights and joint venture relationships.

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