ASX ANNOUNCEMENT & PRESS RELEASE **ASX CODE: CTP**

11.06.27 TO: The Manager, Company Announcements ASX Limited

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CENTRAL PETROLEUM COMMENCES GLOBAL SEARCH FOR PEDIRKA BASIN UCG/GTL COMMERCIALISATION PARTNERS

Petroleum and minerals explorer, Central Petroleum Ltd (ASX Code CTP-"Central" or "CTP") have pleasure in announcing that they have entered into a Deed of Cooperation with Allied Resource Partners Pty Ltd, ("ARP") to oversee the sourcing of funding and technology for a series of underground coal gasification ("UCG")/gas-to-liquids ("GTL") Projects aimed at, inter alia, developing energy security for Australia in liquid transport fuels.

Key Points:

- **Exclusive agreement signed with Allied Resource Partners ("ARP"), a fully aligned commercialisation partner over part of Central's permit and application areas in the Pedirka Basin covering coal deposits.**
- **ARP will instigate and oversee the global search for funding and technology partners for part of Central Petroleum's coal assets located in the Northern Territory and South Australia.**
- **A rigourously prescriptive Request for Proposal ("RFP") process will be used to bind commitments to the Project from already identified carefully selected major domestic and global petroleum and mining companies, sovereign funds, energy funds and investment funds.**
- **Compliant RFP respondents will be required to detail:**
  - **i) their plans to explore for coal and potentially complete a Bankable Feasibility Study ("BFS") in which Stage 1 output of a minimum of 60,000 barels per day (bpd) of ultra-clean fuels would be based on a yet to be drilled minimum JORC compliant resource of 4 billion tonnes of accessible coal and;**
  - **ii) their plans to commence construction of Stage 1 of the Project within 5 years.**
- **Compliant RFP respondents will also be required to detail their incremental expansion strategies to a potential rate of 3 million bpd, should exploration succeed in transforming a substantial portion of the current coal Exploration Target* of approximately 1,700 ("low") to 2,500 ("high") billion tonnes of coal into compliant JORC resources in a mix of Mining and Petroleum Act permits and applications.**

*Note : * Coal tonnages where quoted are a viable "Exploration Target" - AusIMM – the potential quantity and grade of the coal is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a JORC Mineral Resource; exploration programmes are contingent on access, funding, force majeure, availability of rigs, crews and equipment and land access. An independent report on the Exploration Target tonnages is appended herewith.*

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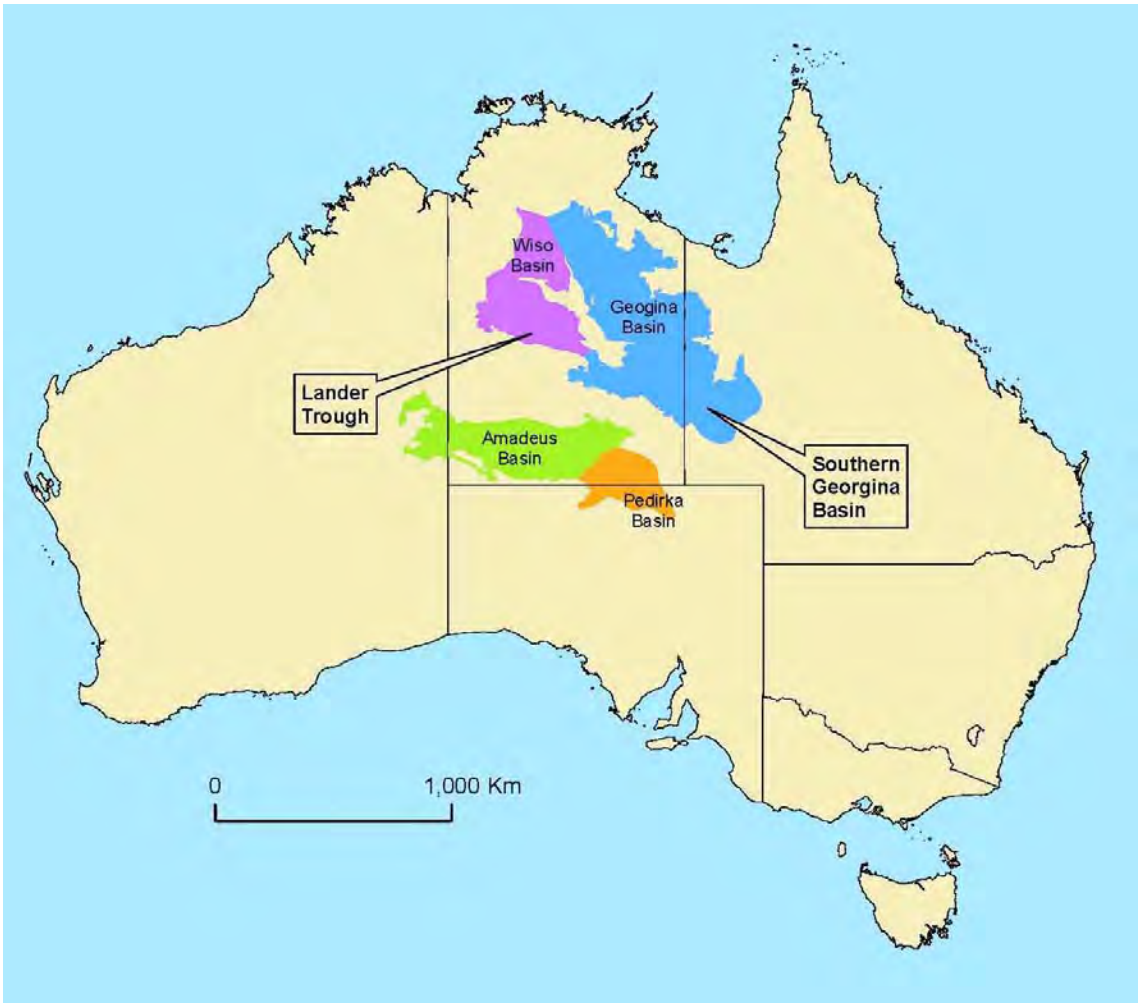


The Pedirka Basin

ARP's Chairman, Michael Doyle stated today that "this inspirational, watershed agreement with CTP is aimed at creating significant and multi-generational benefits to Australia, including; liquid fuels self-security, taxation and royalty revenues, employment, and indigenous empowerment. These benefits combine to potentially make the Project of national and state significance".

The initial proposed development plan timelines are as follows:

- Request for Proposal (RFP) process initiated December half, 2011.
- Final consortia selected March quarter 2012.
- Bankable Feasibility Study (BFS) initiated June half, 2012, inclusive of a drilling programme aimed at a potential minimum JORC compliant 4 billion tonne resource of coal, suitable for UCG and capable of supporting a GTL plant.
- Construction Stage 1 commencing 3 to 5 years after contract signing – estimated cost for the 60,000 bpd plant to be circa $7.5 billion.
- Potential to increase liquids output to 3 million bpd through modular plant expansions provided extensive drilling of coal exploration targets translates into JORC resources.

The foregoing effort is predicated upon significant expenditure, exploration success, technical due diligence and other attendant requirements such as State and Federal support and legislative clarification. Whilst the tenements under scrutiny are highly prospective with coal intersections up to 35m in thickness, they remain sparsely drilled at this time, hence the exploration phase is critical to the long term success of the proposal.

CTP and ARP jointly believe the deeper coal seams under 200-300m will be amenable to environmentally safe underground coal gasification (UCG) extraction techniques offering capital and operating cost benefits, compared to traditional open cut and underground coal mining. UCG is a way of gasifying coal underground by heating and then extracting the produced "Syngas", mostly a mixture of hydrogen and carbon monoxide". At surface the Syngas can be converted to liquid fuels by the Fischer Tropsch process (GTL) and then readily transported to markets.

Unlike coal seam gas extraction, (CSG), UCG does not rely on lowering the water table to drain the coal seams and does not rely upon "fraccing" to release the gas. By re-injecting any CO_2 or alternatively by using it in the production of methanol, another valuable liquid petrochemical, the UCG and GTL processes are capable of being engineered to produce a negligible carbon footprint. Because the coal seams in the Pedirka Basin are multi-layered and separated by layers of sandstone and shale, invasion of the associated overlying aquifers can be prevented by design engineering as well as comprehensive monitoring and combustion pressure control, a feature sadly lacking in many failed UCG trials historically.

CTP's Managing Director John Heugh noted "CTP is now looking further afield to its immense untapped coal exploration potential to augment its already substantial petroleum exploration potential. Any active tenement holder possessing deep coal assets as CTP does, would find it incumbent upon them to scrutinise every possible method and means of exploiting those assets as soon as possible in the best interests of the Company and the nation."

CTP and ARP will require compliant RFP respondents to bear the entire BFS costs, which will allow CTP to concentrate its efforts and finances on its conventional and unconventional oil, gas and helium gas assets in Australia.

ARP's Joint Managing Director, David Shearwood, is quoted as saying "The Stage 1 60,000 bpd project is estimated to cost approximately $7.5 billion and the eventual scale and estimated high margins of the Project are such that we expect a high level of interest. Our initial financial modelling indicates that Stage 1 will likely be expanded rapidly with each expansion likely to be 100% debt fundable due to their rapid payback periods and high margins."

The Project, if successful as envisaged, will help Australia become self-sufficient in liquid transport fuels, **a National security imperative;** Australia could indeed become an exporter of liquid fuels. Australia's proximity to Asia lowers transportation costs and our location outside the Middle East reduces political risk. These advantages along with the ultra-clean nature of the product ensure sales prices achieved should be at a premium to benchmark prices for finished petroleum products such as diesel and jet fuel.

Federal, Northern Territory and South Australian governments would benefit from development expenditure, construction and operating employment, royalties and taxes.

Indigenous communities would benefit from extremely long term royalty income streams, training, employment and community development programmes which can support and positively impact the lives of current and future generations.

The Project as envisaged would be environmentally sound and conform to best practices on many fronts;

- Liquid products planned will be "ultra clean" due to extremely low contaminant levels especially sulphur which will produce substantial reductions in pollutants when compared to today's generation of liquid transport fuels.
- Much of the CO_2 emissions generated on site will be captured and stored and the remainder could be diverted to the production of methanol, another valuable petrochemical.
- There will be no "fraccing" of coal seams
- There will be no draining of coal seams or lowering of the water table
- Combustion pressures and geological selection of appropriate coal seams will be carefully monitored to ensure no leakage into any possible overlying aquifers
- Remnant pillars will be carefully optimised to ensure no ground subsidence

UCG Projects are "Clean Coal" as they offer a major step towards reducing CO_2 intensity of power generation and transport fuels.

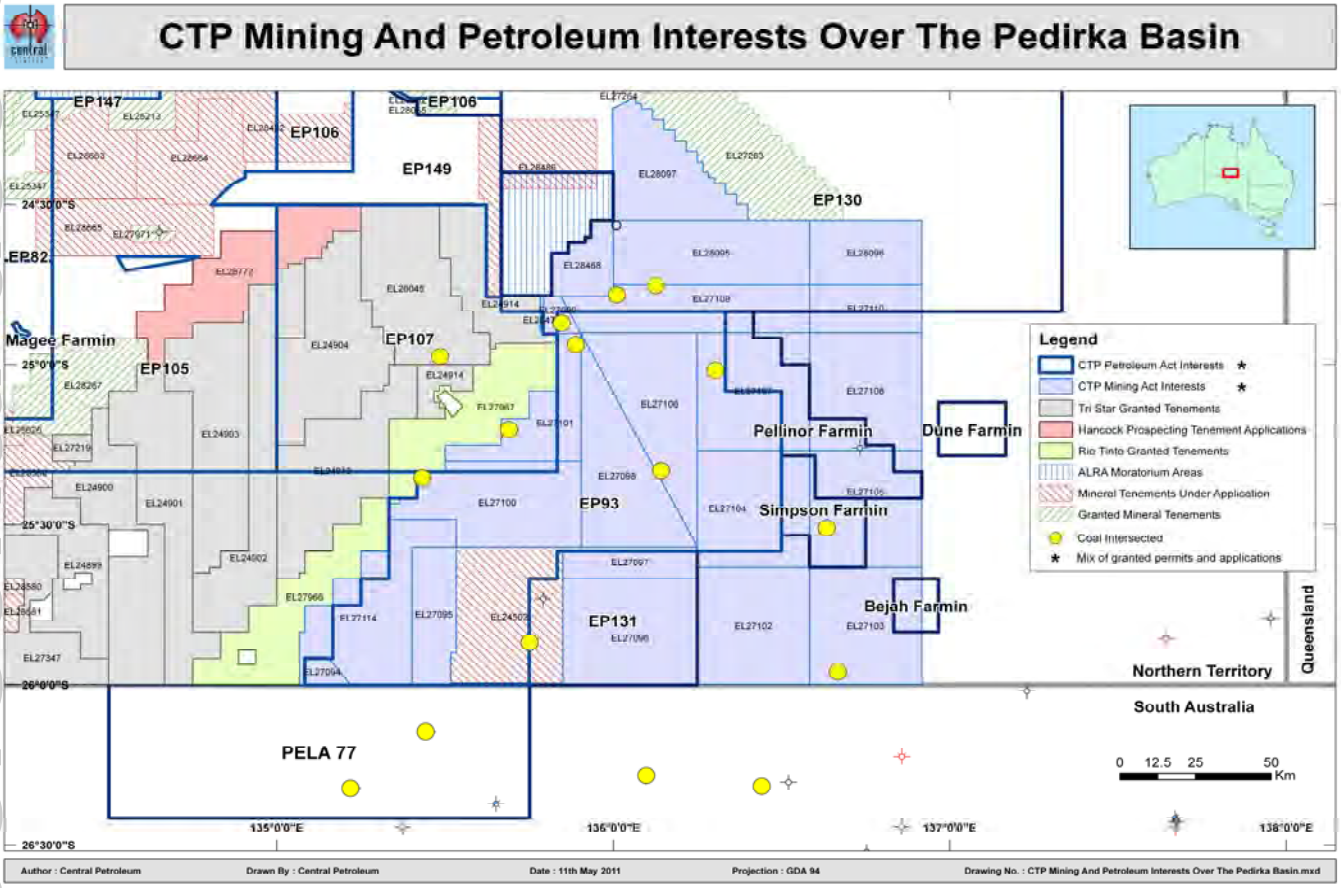
ARP's Chairman, Michael Doyle commented "UCG extraction does not employ the same technology methods as Coal Seam Methane or Coal Seam Gas. UCG does not require the lowering of the water table to drain coal seams, the use of fraccing techniques to rupture rock underground, or the use of carcinogenic chemicals. There is a groundswell of total misinformation in the market regarding these facts.

UCG technology based projects are increasingly becoming mainstream and we expect many more to appear across the globe in the next decade. Current examples of UCG projects in existence and planned near term include;

- Yerostigaz, 50 years of UCG for power generation in Uzbekistan (now majority owned by Linc Energy Limited, of Australia);
- Chinchilla, 10 years of UCG operation in Queensland Australia, including 3 years of liquids production (100% Linc Energy).
- Eskom, the South African government's power utility has been conducting UCG trials for many years and is presently co-firing a power station with UCG derived Syngas as well as coal.
- Eskom have announced its intention to develop a 2,100 MW 100% UCG fired power station in South Africa.

- Linc Energy plans multiple UCG/GTL projects (power generation and liquids production) starting with Wyoming in the December half 2011 and rolling out other UCG projects across coal assets in Alaska, Australia and Asia."

In concluding, David Shearwood stated, "ARP is pleased to be working with CTP who over a decade ago set about exploring Australia's remote interior in a brilliant forward looking counter cyclical strategy. CTP has discovered oil shows in areas never before explored as well as the enormous coal exploration target which now underpin the UCG effort. ARP is dedicated to supporting CTP's ambition to commercialise and then expand its UCG assets in the Pedirka Basin of Australia. The robust RFP process will help identify the best mix of technical and financial partners for the Project. ."



The area covered by the CTP-ARP Agreement consists of EPs 93, 105 & 107 as well as PELA 77 or those areas of mining interests held by CTP co-incident with these permits and applications.

About Allied Resource Partners Pty Ltd (ARP)

ARP's Chairman, Michael Doyle is a specialist in investment banking, corporate finance, project and infrastructure financing. He has worked on toll roads, project financing, coal acquisitions and heavy industry in Australia and abroad. He is well connected in Asia having worked with Deutsche Bank, Merrill Lynch and private merchant banks in Hong Kong on numerous major cross-border transactions in the PRC and Asia. He holds a BA (Hons) from Sydney University.

ARP's Managing Director, David Shearwood, has extensive experience in mining engineering, funds management, as a resources analyst, in infrastructure and coal mining. He worked with Macquarie Bank's infrastructure and specialised funds division as well as Westpac and QBE Insurance in their funds management divisions. He was a highly experienced stockbroker, a highly rated fund manager and has a BE Hons in Mining and an Order of Merit from the Australian Institute of Company Directors. He has been a director of Fat Prophets and most recently Chief Investment Officer of Atom Funds Management, one of the highest performing funds in Australia under David's management.

ARP is a developer of resource assets. They utilise their specialised and experienced team to identify lucrative environmentally sound projects, helping modest sized companies manage the financial and technical aspects of the project in partnership with various domestic and international resource project funders to the benefit of asset owners.

ARP aims to be a pre-eminent independent developer of Australian Mineral, Metal, Resource and Energy assets. By combining the talent of some of the most senior resource experts in Australia, from all related disciplines (exploration, development, financing, promoting, infrastructure, project management and more) Allied Resource Partners is a single source in developing or acquiring a natural resource asset. Renowned international coal specialists McElroy Bryan Geological Services (MBGS) for example will work under the Allied Resource Partners' umbrella in the provision of geoscientific and geomechanical advice and analysis to Central's UCG/GTL programme.

Allied Resource Partners puts the myriad of consultants, suppliers and intermediaries under one roof – allowing their client to deal with a single, well- resourced partner. This drastically reduces the project risk and margin leakage. One Partner, One Pricing Structure. ARP has aligned interests with their clients.

Further information about ARP can be obtained from its website at:
www.alliedresourcepartners.com.au

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About Central Petroleum Ltd

Central Petroleum is an ASX listed junior exploration and production company operating what is regarded as the biggest package of prospective acreage in Australia at approximately 70 million acres in a mix of petroleum and mining permits and applications. The Company gained admission to the Official List of the ASX on March 3rd 2006 with shares and options commencing to trade on Tuesday the 7th March 2006. The acreage has been assembled since 1997 when the Company was first formed as Merlin Synergy NL.

The acreage includes the majority of the Pedirka Basin in the Northern Territory and in South Australia, the majority of the Amadeus Basin in the Northern Territory, all of the known Lander Trough in the Northern Territory and approximately 20,000 km^2 of the Southern Georgina Basin.

The Company was formed by Mr John Heugh and Mr Richard Faull in 1997 in a countercyclical strategy aimed at securing large acreage tracts with very large targets in prospective areas of strategically well placed parts of central Australia and later to examine potential for the monetization of gas resources via Gas to Liquids (GTL) Fischer Tropsch technology in the production of zero sulphur diesel, naphtha and jet fuel.

John Heugh, the Company Managing Director has worked in exploration operations or in prospect development in 14 different basins in Australia and overseas with companies such as Ampol, Santos, Arco, Exxon, Pancontinental, Phoenix, Kufpec and others and was responsible for putting together the acreage package Central now operates. Central uses well-credentialled external service providers and consultancies to back up its in-house expertise and has an active forward looking programme to identify and fulfil its needs in additional staffing.

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-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,EP 115, 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 - 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%*
- *EL-27094, EL-27095, EL-27096, EL-27097, EL-27098, EL-27099, EL-27100, EL-27101, EL-27102, EL-27103, EL-27104, EL-27105, EL-27106, EL-27107, EL-27108, EL-27109, EL-27110, EL-27114, EL-28095, EL-28096, EL-28097 and ELAs 28468 and 28472 - Central subsidiary Merlin Coal Pty Ltd 100%("MEC").*

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. This document may contain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Central Petroleum. These risks, uncertainties and assumptions include (but are not limited to) commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statement in this document is valid only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, or any other Listing Rules or Financial Regulators' rules, Central Petroleum, its agents, directors, officers, employees, advisors and consultants do not undertake any obligation to update or revise any information or any of the forward looking statements in this document if events, conditions or circumstances change or that unexpected occurrences happen to affect such a statement. Sentences and phrases are forward looking statements when they include any tense from present to future or similar inflection words, such as (but not limited to) "believe," "estimate," "anticipate," "plan," "predict," "may," "hope," "can," "will," "should," "expect," "intend," "is designed to," "with the intent," "potential," the negative of these words or such other variations thereon or comparable terminology, may indicate forward looking statements.

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.

JOINT MEDIA RELEASE
World Class Clean Fuel Production Project in Central Australia

Central Petroleum Limited (CTP - ASX listed) and Allied Resource Partners Pty Ltd (ARP) have today signed an agreement that works towards the establishment of a significant new Clean Fuel Production Project in the Pedirka Basin in Central Australia.

The Project is underpinned by CTP's recent discovery of a very large coal field in the Pedirka Basin, in south east Northern Territory and northern South Australia, which is estimated to contain a coal exploration target of thousands of billions of tonnes.

The $7.5billion Pedirka Basin Clean Fuel Production Project intends to:

- Use Underground Coal Gasification (UCG) and Gas to Liquids (GTL) technologies to unlock energy from the vast "stranded" coal deposits of the Pedirka Basin in the arid Simpson Desert;
- Convert these underground coal resources into environmentally friendly, ultra clean liquid fuels;
- Enable carbon capture and permanent underground storage (sequestering) of CO2;
- Create an economically and environmentally sustainable industry in Central Australia; generating infrastructure, investment, jobs, skills and economic growth;
- Support the development of long term revenue streams and Foundation programs in health, education, employment and training for local Indigenous communities; and
- Help secure Australia's energy supply, with the potential to generate significant export revenue.

David Shearwood, ARP Joint Managing Director stated:

> "*We have no doubt the global RFP process will attract a large number of potential project partners and consortia because the proposed project is world class in size, expected profitability and environmentally because it is a giant leap towards lower emission fuel. It has the potential to be expanded many fold with enormous benefits to Government, regional economies, Indigenous communities and Australia's long term oil self sufficiency.*"

Bankable Feasibility Study

Today's announcement will commence the search for $300m in funding and technology partners for a Bankable Feasibility Study (BFS) from major global and Australian sources. Funders will be asked to formally respond to a Request for Proposal (RFP) process in the December half of 2011.

The BFS will include an intensive exploration program; UCG / GTL Demonstration Plant and trials; obtaining relevant government licenses and approvals processes; and Engineering, Procurement, Construction Management (EPCM).

Stage 1: Full Commercial Production

It is anticipated that construction of Stage 1 (requiring investment of approximately $7.5 billion) will commence within 5 years of the signing of funding partners. Stage 1 aims to produce an estimated minimum 60,000 barrels per day (22 million barrels pa), which will be piped to Darwin for use in domestic markets and for export. At that rate, the Project aims to generate long-term revenue of over $6 million per day, at low operating costs and create up to 3,000 jobs during construction and 1,000-1500 jobs once operational.

Stage 2: Expansion Through Modularization

Additional expansions are anticipated with Stage 2 using faster construction through modular plants and further pipelines.

The Partners

CTP is an ASX listed junior exploration and production company operating the largest holding of prospective onshore acreage in Australia totalling over 270,000 km2, c.70 million acres. CTP holds granted exploration tenements and tenement applications pending over the majority of the Pedirka Basin in south east Northern Territory and northern South Australia. More details on CTP are available here: http://www.centralpetroleum.com.au/.

ARP is a new Australian company focused on developing high quality Australian energy and mining assets. With a highly experienced technical, legal and financial team, ARP provides a one stop solution for asset owners and asset funders. ARP sources capital (debt and equity) for owners; identifies quality assets - usually unheralded - for asset funders; and is capable of operating assets and related infrastructure. More details on ARP are available here: http://alliedresourcepartners.com.au/.

Background on UCG / CTL Technology to Produce Ultra Clean Liquid Products

The underground coal in the Pedirka Basin is suitable for extraction on site, via UCG technology - by heating the coal underground till it becomes a gas. UCG gas from coal will be piped from underground to the GTL plant where it will be cleaned prior to producing liquids. The refining process:

- Removes contaminants, particulants, sulphur and CO2; and
- Produces ultra clean liquid products including diesel with superior emissions properties compared with conventional diesel. Ultra clean diesel has almost zero sulphur; fewer emissions, particulants and contaminants; almost no aromatics; and delivers more power per volume than conventional diesel.

Proven Technology

UCG with subsequent GTL processing is successfully being operated by Linc Energy Limited at their Chinchilla facility in SE Queensland; and Eskom in South Africa is operating UCG for power generation. UCG technology enables extraction of coal's energy in an environmentally sustainable way.

While some waste CO2 will be produced on site, the project will enable carbon capture and permanent underground storage (sequestering) of CO2 during the UCG process. Waste CO2 could also be transported to old oil fields, for example the Cooper Basin, where the gas can be pumped underground to enhance oil recoveries whilst sequestering the CO2. Additional CO2 can also be removed through the production of methanol, a valuable petrochemical.

Importantly, UCG does not employ the same technology as Coal Seam Methane extraction.
UCG does not require:

- The water table to be lowered;
- Fracking of rock (forced rupturing); or
- The use of carcinogenic chemicals.

Media Contact and Resources

For media comment, please call David Shearwood, ARP Joint Managing Director, on 0412 691 344.

Maps of CTP's tenements can be downloaded here: http://www.centralpetroleum.com.au/.

27 June 2011

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Australian & International Exploration & Evaluation of Mineral Properties

SUMMARY INDEPENDENT

APPRAISAL REPORT

ON THE COAL POTENTIAL

HELD BY

CENTRAL PETROLEUM LTD (ASX:CTP)

IN THE PURNI FORMATION,

PEDIRKA BASIN,

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Writers: Phillip A Jones B. AppSc (Geol), M Aus IMM, MAIG
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Company: Al Maynard & Associates Pty Ltd

Revised: 9th May, 2011.

EXECUTIVE SUMMARY

This independent appraisal has been prepared by Al Maynard & Associates ("AM&A") at the request of Central Petroleum Limited ("CTP"), ABN 72 083 254 308, to conduct an independent report on the potential tonnage of Permian coal within CTP's licences that could possibly be amenable to mining, to underground coal gasification ("UCG") and/or gas to liquids ("GTL") which could also include coal to liquids ("CTL") subject to suitable results from future testwork.

Under current Northern Territory legislation, UCG has not been classified as being a process available under either the Petroleum Act or the Mining Act. Industry observers anticipate that UCG will be available under the Petroleum Act as it is in the jurisdiction of South Australia. Such a decision will avoid the imbroglio that has developed in Queensland where UCG applications are available under the Mining Act and Coal Bed Methane ("CBM") is available under the Mining Act.

CTP has announced that most of the acreage it operates under the Petroleum Act in the Northern Territory has also been covered by the Company in separate exploration licence applications under the Mining Act (by its wholly owned subsidiary Merlin Coal Pty Ltd) in case the Northern Territory decides, counter to industry expectations, to allow UCG under the Mining Act. This approach would also allow CTP to explore for and ultimately develop Coal to Liquids ("CTL") applications and/or mining in its Mining Act tenements subject to granting.

This report concludes that there is an "Exploration Target Potential" within the Northern Territory **petroleum permits** for 470 to 570 billion tonnes of coal **less than** 1,000m below the surface, at an as yet unspecified coal quality although drilling results to date indicate the coal generally being sub-bituminous in rank with a specific energy range from 20 to 23Mj/kg. The Target potential range **below** 1,000m depth is a further 1,500 to1,900 billion tonnes of coal.

This report also concludes that there is an "Exploration Target Potential" within the **mineral tenements** for 260 to 320 billion tonnes of coal less than 1,000m below the surface, at an as yet unspecified coal quality although drilling results to date indicate the coal is generally sub-bituminous in rank. The **mineral tenements** Target potential range **below** 1,000m is a further 1,420 to 1,740 billion tonnes of coal. Note that the mineral tenements that contain this Target Mineralisation estimate covers much the same area as the petroleum permits and is therefore a subset of the Target Mineralisation estimate quoted in the preceding paragraph, NOT an additional target resource.

It is noteworthy that Hancock Coal Ltd have applied for ELA28772, within the Pedirka Basin adjacent to CTP's existing ground under the Mining Act and Rio Tinto have applied for nearby ELA27966 & ELA27967. Any mining and export of coal by these companies would probably require beneficiation to increase specific energy to 25 Mj/kg or so and briquetting or pelletising for transport. Similar processing would probably be required for any CTL applications whether sited in the Pedirka Basin or at remote locations.

The preferred target tonnage is based on the structure and geometry of the basin and three-dimensional information derived from seismic surveys, drill holes with lengthy coal intercepts and geological and geophysical down-hole logging data.

The potential quantity and quality is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will eventually result in the determination of a Mineral Resource and due to the conceptual nature of the estimate it is quoted as an appropriate range that properly indicates the unreliability of the estimate. In this case a range of 20% was chosen as appropriate based on geological experience.

Petroleum Tenements	Low Range	High Range
Northern Territory	Billion tonnes	Billion tonnes
Tonnes coal above 1000m contour	470	570
Tonnes coal below 1000m contour	1,570	1,920
Totals (Rounded)	2,040	2,500

Mineral Tenements	Low Range	High Range
Northern Territory	Billion tonnes	Billion tonnes
Tonnes coal above 1000m contour	260	320
Tonnes coal below 1000m contour	1,420	1,740
Totals (Rounded)	1,680	2,060

(Note that the Mineral Tenement estimates are a sub-set of the Petroleum Permit estimates NOT additional.)

CTP previously announced a new coal discovery in the Purni Formation of the Pedirka Basin (18th Nov. 2008 – Discovery Advice EP-93). This was announced to the NT Department of Mines and the Australian Securities Exchange ("ASX") on 18th November, 2008.

The announcement stated that recent drilling had discovered significant coal thicknesses of well over 100m of cumulative coal seams and that sufficient drilling and seismic results were in hand to indicate the presence of over 9,000km^2 of coal-bearing Purni Formation of various thicknesses within Exploration Permit EP-93 alone.

The discovery was as a result of an oil and CBM search exploration program within CTP's large central Australian oil permit holdings (+60 million acres or 23 million hectares) and the initial estimates are based on comprehensive wireline logs and modern 2D seismic data acquired by CTP supplemented by older 2D data sets acquired by other explorers during the 1960s -80s.

Three wells drilled during 2008 by CTP and six wells drilled by previous explorers in the Pedirka Basin contributed useful data. A further five wells drilled in 2010 have supported and enlarged this data set.

The work completed to date includes acquisition and interpretation of all recent and historical seismic and well data pertaining to the permit areas that is available. Seismic data was interpreted by CTP's technical staff. Well log data was compiled and partially interpreted. This information was provided to AM&A. Consent for CTP's use of this report is given in the form and context provided.

Yours faithfully,

Allen J Maynard
BAppSc(Geol) MAIG, MAusIMM

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The Directors
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Suite 3, Level 4, Southshore Centre,
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WA 6151, Australia.

Revised 9th May, 2011

Dear Sirs,

The following report is compiled from information provided by Central Petroleum Ltd ("CTP"), the Department of Resources (DOR) Northern Territory, the Department of Primary Industries & Resources of South Australia ("PIRSA") and other publicly available data.

1.0 INTRODUCTION

This report has been prepared by AM&A at the request of CTP to provide an independent appraisal of the coal tonnage (JORC "Exploration Target") potential within the Company's Central Australian mineral tenement and petroleum permit holdings.

1.1 Scope and Limitations

This appraisal has been prepared in accordance with the requirements of the Valmin (2005) and the JORC Codes as adopted by the Australian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM').

CTP will be invoiced and expected to pay a fee for the preparation of this report. This fee comprises a normal commercial daily rate plus expenses, if incurred. Payment is not contingent of the results of this report or the success of any subsequent public or private fundraising. Except for these fees, neither the writers nor their families nor associates have any interest, either direct, indirect or contingent, in the properties reported upon, nor in CTP itself nor in any of CTP's associated entities.

1.2 Statement of Competence

This report has been prepared by Brian J. Varndell ("BJV") BSc(Spec Hons Geol), FAusIMM, a geologist with more than 35 years experience in mineral exploration and mining and more than 25 years experience in mineral asset valuation, and the AM&A principal Allen J. Maynard BAppSc(Geol) MAusIMM and Member of AIG, a geologist with 30 years in the exploration industry and 25 years in mineral asset valuation and Philip A. Jones BAppSc(Geol) MAusIMM, MAIG, a geologist with more than 30 years continuous experience in the exploration and mining industry. The writers hold the appropriate qualifications, experience and independence to qualify as independent "Experts" under the definitions of the Valmin Code.

The writers also acknowledge the work done by CTP's own staff and other independent consultants who interpreted the seismic data, geophysical well logs and prepared the various isopach maps in relation to the Pedirka Basin and the Purni Formation.

2.0 DESCRIPTION OF THE MINERAL ASSETS

2.1 Environmental Implications

Information to date indicates that the project area does not contain fauna or flora species regarded as being rare, threatened or endangered. This is subject to clarification environmental surveys by appropriate parties.

2.2 Commodities-Metal Prices

In this appraisal current mineral (coal) prices were not considered.

2.3 Mineralisation Summary

Not enough drilling has been completed to date to define JORC compliant resources (Measured Indicated or Inferred) within CTP's permit holdings so all coal potential tonnage estimations are defined under the JORC

Code "Exploration Target" definition. *This potential quantity and quality is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will eventually result in the determination of a Mineral Resource.*

2.4 Encumbrances/Royalty

There will be statutory State royalties due on all production and statutory land rentals levied.

3.0 BACKGROUND INFORMATION

3.1 Location

The Pedirka Basin coal deposits are located approximately 250km southeast of Alice Springs in Central Australia. Central Petroleum Limited and its subsidiary companies operate both mineral tenements and petroleum permits over the area.

EP-93 is the main petroleum tenement in which the coal deposits are located. EP-93 is located in the southeast corner of the Northern Territory (Figure 1). Details of the Petroleum permits operated by Central Petroleum Limited are illustrated in Table 1. This table details the permits that have been granted and those which are still under application. Those permits under application are expected to be awarded to Central Petroleum.

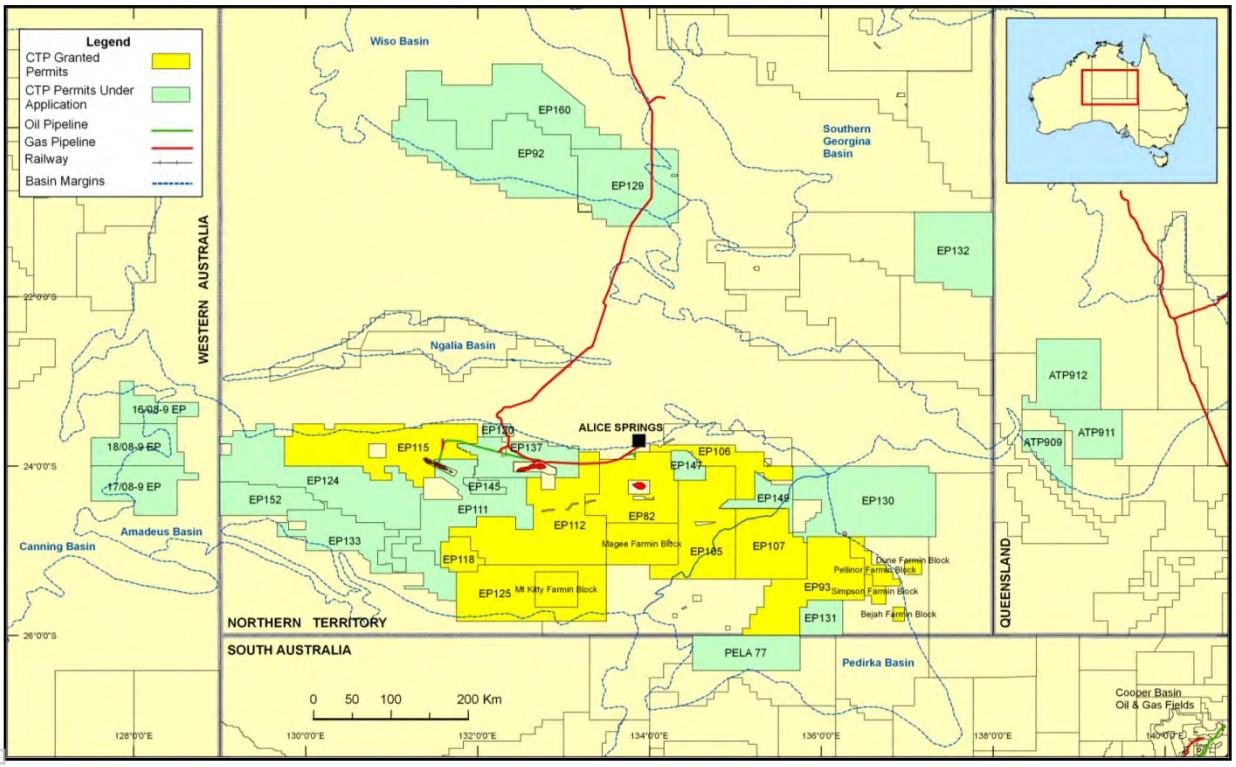

Figure 1: Location of CTP petroleum permits Pedirka Basin.

Permit ID	km^2	Holder	Status	Granted	Expiry
EP93	*9,000*	CTP	Granted.	01/11/2004	31/10/2011
EP97*	*1291??*	CTP	Granted	21/10/2001	14/02/2011
EP105	*5,000*	CTP	Granted	28/09/2007	27/09/2012
EP106	*7,000*	CTP	Granted	28/09/2007	27/09/2012
EP107	*6979*	CTP	Granted	28/06/2007	27/09/2012
EPA130	*16,000*	CTP	Application	NA	NA
EPA131	*2,000*	CTP	Application	NA	NA
PELA77	*6,000*	CTP	Application	NA	NA
Total	***42,979***				

Table 1: CTP petroleum permit details Pedirka Basin.

The location of the mineral tenements operated by Central Petroleum are illustrated in Figure 2.
It is noted the mineral tenements are administered under different legislative guidelines to those of the Petroleum Permits, hence the use of the coal may be for open cut mining or for UCG.

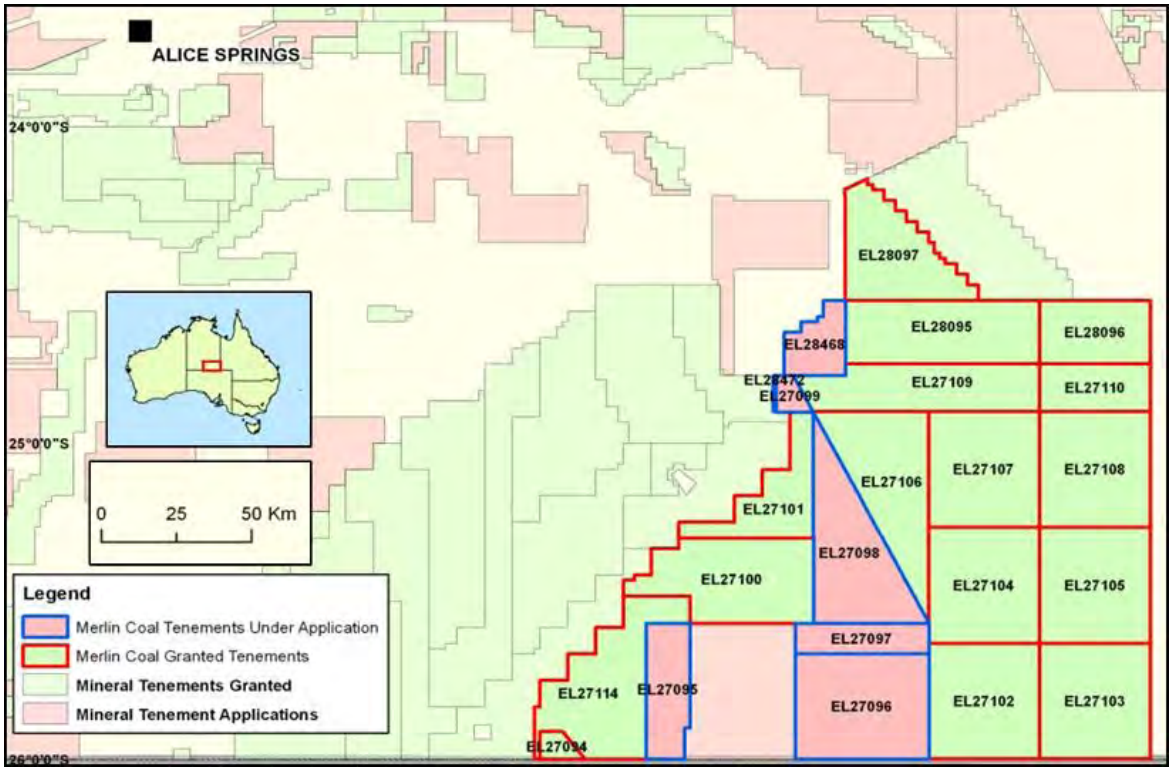

Figure 2: Mineral Tenements Pedirka Basin.

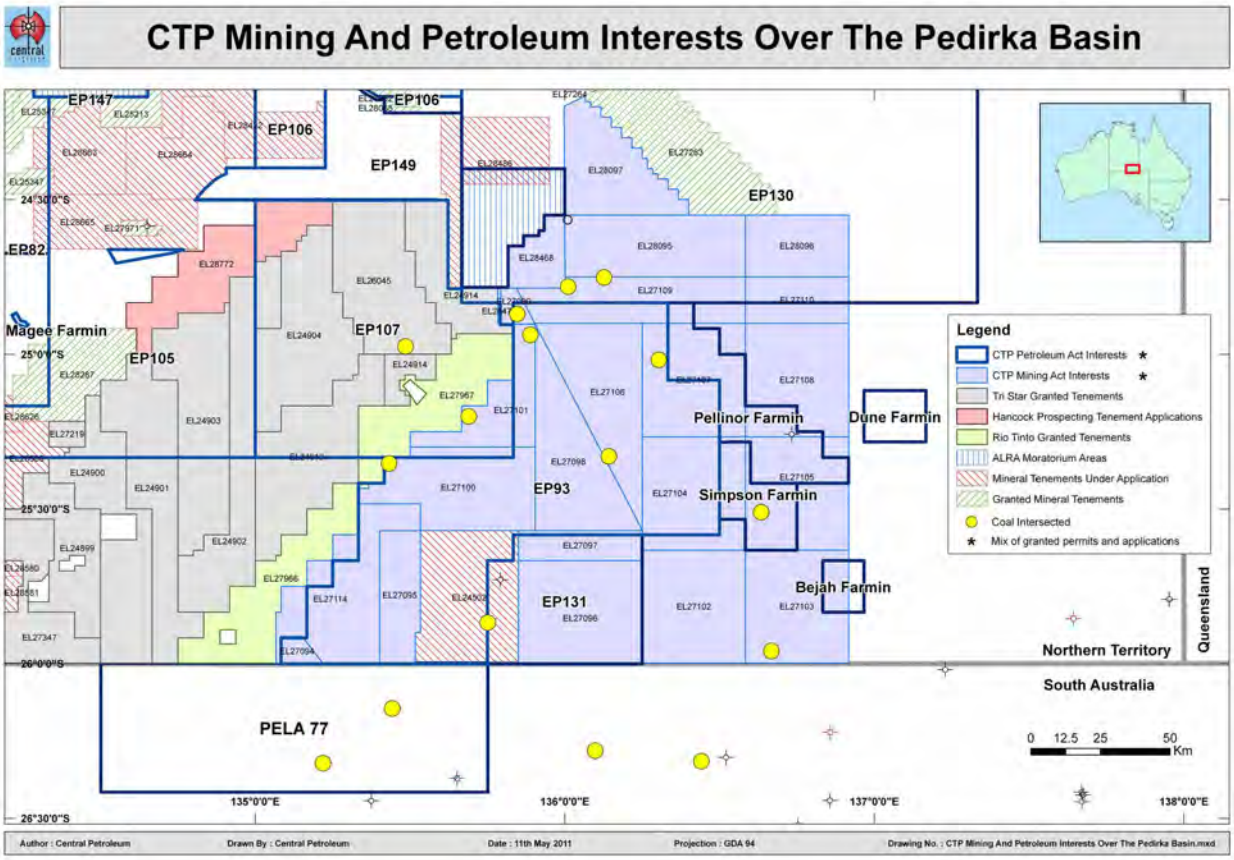

Figure 3: Mineral and Petroleum Tenements Pedirka Basin.

Figure 3 illustrates the relationship between the mineral tenements and the petroleum permits. The blue boundaries define the mineral tenements and the green boundaries the Petroleum tenements.

It can be observed that there is common ground between the two, hence even though this report provides separate resources associated with both the mineral and petroleum tenements, it should be noted that they cover much the same overlapping area. Also illustrated are the locations of all petroleum and coal bed methane wells (CBM) and mineral coal stratigraphic holes (SHEL) drilled to date.

All the CBM and SHEL holes were fully cored in the Purni coal section and form the basis of this report.

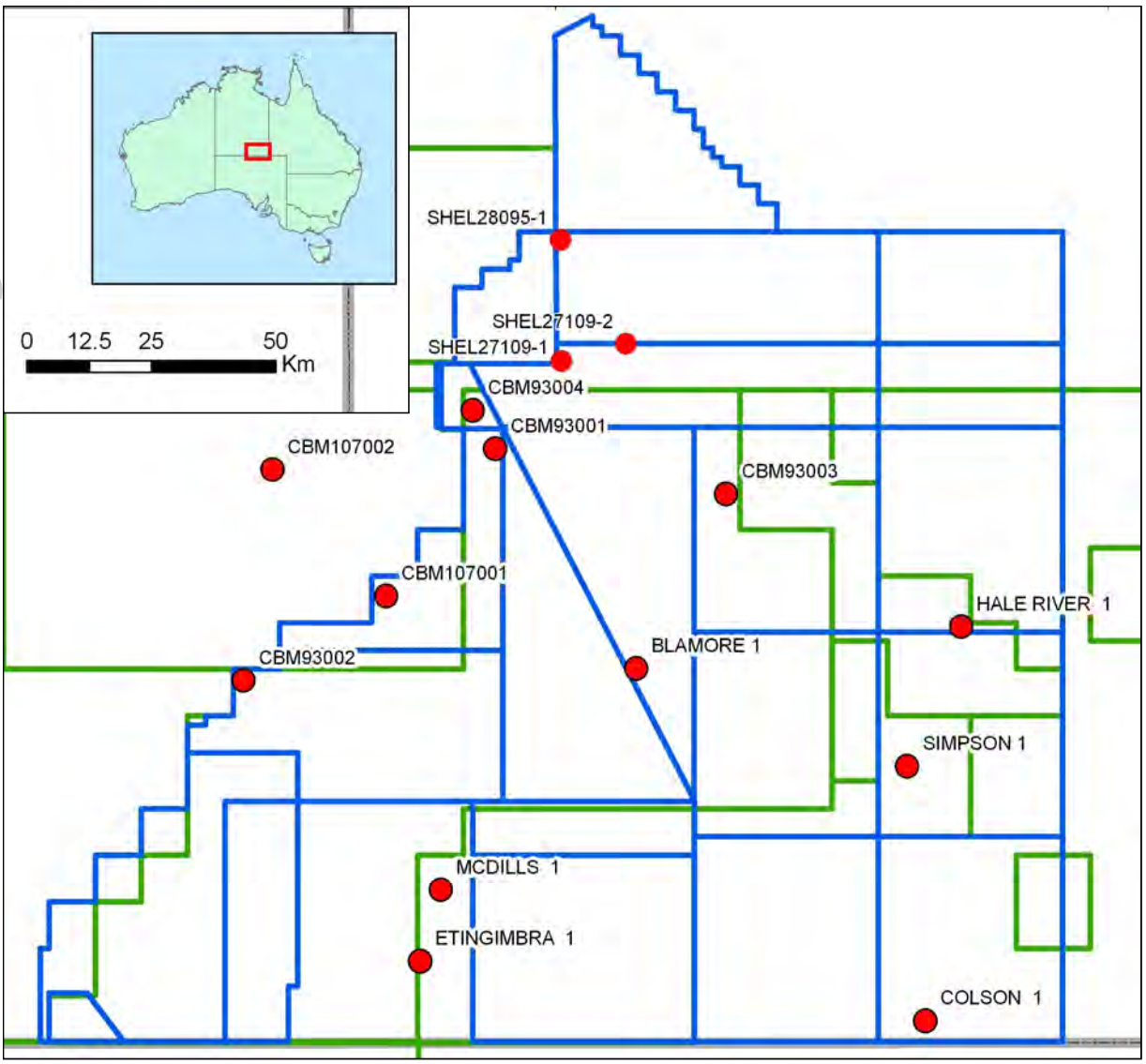

Figure 4 Location of mineral and petroleum tenements and wells drilled

Granted tenements as of January 2011						
Type	**Tenement Number**	**Grant Date**	**Expiry Date**	**Status**	**Size - Blocks**	**Size - Square km**
EL	27094	07-Aug-09	06-Aug-15	Granted	47	98
EL	27100	04-Sep-09	03-Sep-15	Granted	476	1382
EL	27101	04-Sep-09	03-Sep-15	Granted	255	735
EL	27102	04-Sep-09	03-Sep-15	Granted	440	1349
EL	27103	04-Sep-09	03-Sep-15	Granted	440	1354
EL	27104	04-Sep-09	03-Sep-15	Granted	440	1364
EL	27105	04-Sep-09	03-Sep-15	Granted	440	1365
EL	27106	04-Sep-09	03-Sep-15	Granted	449	1296
EL	27107	04-Sep-09	03-Sep-15	Granted	440	1369
EL	27108	04-Sep-09	03-Sep-15	Granted	440	1369
EL	27109	04-Sep-09	03-Sep-15	Granted	373	1144
EL	27110	04-Sep-09	03-Sep-15	Granted	180	561
EL	27114	04-Sep-09	03-Sep-15	Granted	480	1375
EL	28095	24-Dec-10	23-Dec-16	Granted	420	1310
EL	28096	24-Dec-10	23-Dec-16	Granted	240	749
EL	28097	24-Dec-10	23-Dec-16	Granted	364	1065
	Total of 16 granted tenements				Blocks	Square km
				Totals	5924	17,885

Table 2: Granted mineral tenements.

Tenement Applications as of January 2011						
Type	**Tenement Number**	**Grant Date**	**Expiry Date**	**Status**	**Size - Blocks**	**Size - square km**
EL	27095	Application	RTN exp 31-10-11	ALRA	202	610
EL	27096	Application	RTN exp 31-10-11	ALRA	500	1482
EL	27097	Application	RTN exp 31-10-11	ALRA	150	433
EL	27098	Application	RTN exp 31-10-11	ALRA	473	1295
EL	27099	Application	RTN exp 31-10-11	ALRA	52	106
EL	28468	Application		ALRA	166	498
EL	28472	Application		ALRA	7	21
	Total of 7 tenement applications				Blocks	Square km
				Totals	1550	4,445

Table 3: Mineral tenements under application.

3.2 Topography, Vegetation & Climate

The area extends over fairly flat topography with sparse vegetation comprising low shrubs and bushes and occasional small trees. The warm to hot climate ensures that exploration and mining are possible all year round although the paucity of good roads mean that significant areas are relatively inaccessible during the northwest-monsoon period from December to February inclusive.

The winters are mild (averaging 20^0C) and dry, the summers are hot (averaging 35^0C) with occasional thunder storms and an average annual rainfall (mostly falling during the monsoon period) of 280 mm (11 inches). The Pedirka Basin is overlain by the Simpson Desert, the world's largest parallel sand dune desert, which was crossed for the first time in a motor vehicle in 1962 by Reg Spriggs, one of the pioneers of petroleum exploration in the Cooper Basin. The dunes are 5-15m in height and the construction of roads traversing them can be expensive on a dollar per kilometre basis whereas long inter-dune corridors allow rapid construction of far less expensive roads.

4.0 GEOLOGY

4.1 Introduction

The Pedirka Basin coalfield is being investigated by CTP to supply potential coal-to-liquids and gas-to-liquids projects. This technology has undergone significant innovative improvements in recent .years compared to the original Fischer-Tropsch Process developed before and during the second world war.

4.2 Structural Elements

The structural elements for the Pedirka Basin with petroleum permits are illustrated in Figure 5. The axis of the narrow depocentre of the Eringa Trough is interpreted to run northeast-southwest through EP-93. The Andado Shelf is located to the west of the Eringa Trough and runs from permit EPA-130 south through EP-107 and EP-105 to PELA-77. The Madigan Trough is located in the northeastern corner of EP-93 and is flanked to the north by the Arunta Platform. The northern Poolawanna Trough defines the eastern extent of the Pedirka Basin. The majority of this area is covered by permits either operated or under application by Central Petroleum Limited.

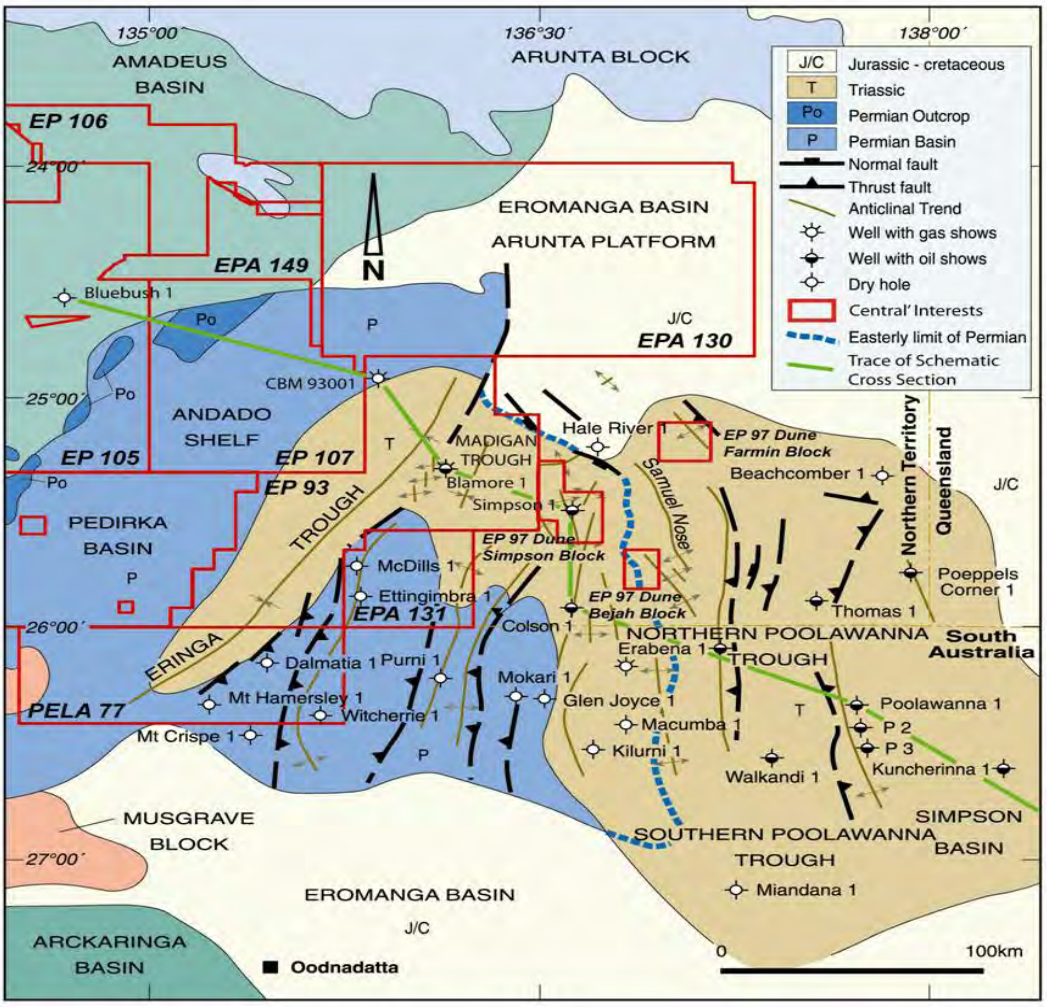

Figure 5: Structural Elements Pedirka Basin.

4.3 Stratigraphy

The stratigraphy of the Pedirka Basin is illustrated in Figure 6. It encompasses four superimposed sedimentary basins, namely the Palaeozoic Warburton Basin, the Permo–Carboniferous Pedirka Basin, the Triassic Simpson Basin and the Jurassic–Cretaceous Eromanga Basin.

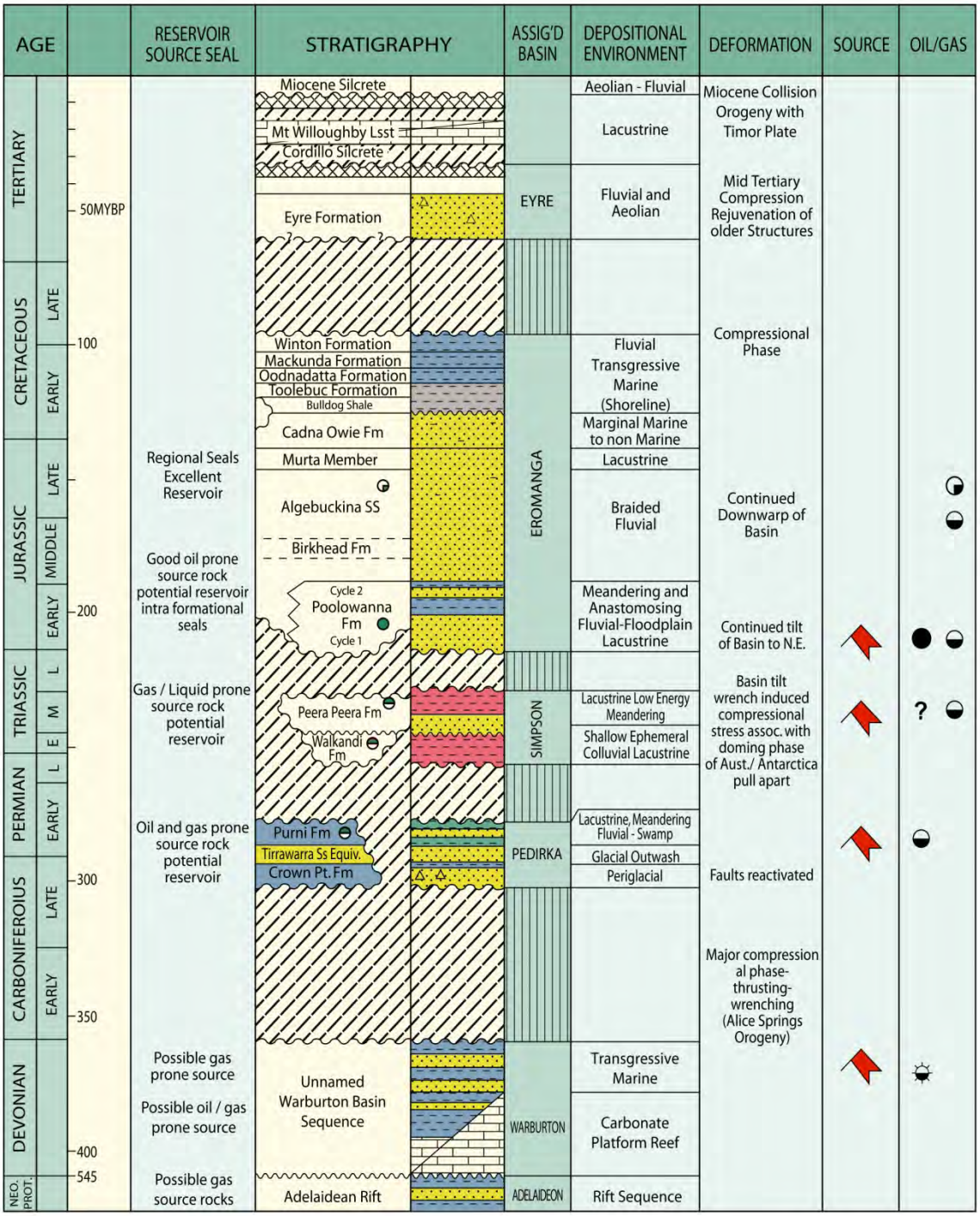

Figure 6: Stratigraphic Section Pedirka Basin.

Pre-Permian

The earliest sediments in the area are a succession of Neoproterozoic to Late Devonian intracratonic sediments of the Warburton Basin. These strata occur extensively in the subsurface and onlap Mesoproterozoic gneiss, amphibolite and granites of the Musgrave Province.

Permian Sedimentation (Pedirka Basin)

The Pedirka Basin and its associated depocentres, the Eringa and Madigan troughs and the Jurassic/Cretaceous Poolowanna Trough all lie east of the well. The Permo–Carboniferous record is dominated by widespread glaciation and basal diamictites (Crown Point Formation). This sequence is overlain by intracratonic sediments of the Early Permian Purni Formation which are equivalent to the Patchawarra Formation of the Cooper Basin. This interpretation recognises regional development of glacial outwash sandstones at the top of the Crown Point Formation which are believed to be equivalent to the Tirrawarra Sandstone of the Cooper Basin.

Permo-Carboniferous Crown Point Formation / Tirrawarra Sandstone Equivalent

The basal Permian unit, the Crown Point Formation, is a dominantly glacial succession comprising extensive diamictite, glacial-fluvial outwash sandstones, ripple laminated sandstone and siltstone, together with thick shale and varved successions. Coarse sandstone, conglomerate and diamictite are common around palaeo-highs, whereas basinal areas focused shale and varve sedimentation. The succession is thickest in the Eringa Trough where 700m of clean sandstone and siltstone was encountered in Mount Hammersley-1; these are believed to represent glacio-lacustrine deposits. The topmost unit is a glacial outwash sandstone equivalent to the Tirrawarra Sandstone of the Cooper Basin. The sandstones are most porous at the base and are commonly feldspathic with lithics. The thickest known development of this sandstone is 200m in Mt Hammersley-1 in South Australia where the sequence comprises glacial outwash sandstone, displaying both fining-upward and coarsening-upward GR log motifs.

Early Permian Purni Formation

The Purni Formation conformably overlies the Crown Point Formation, being a depositional continuum following the termination of glaciation during the Sakmarian. A glacial outwash sandstone intervening between these two units correlates with the Tirrawarra Sandstone. The Purni Formation has been subdivided in Mokari-1 and Purni-1 into three members with a total maximum thickness of 350m in Mokari-1 and 286 m in Mount Hammersley-1. The lowest member comprises thinly interbedded sandstone and siltstone, with minor carbonaceous shale and conglomerate. This facies resulted from a predominantly low-energy, meandering-fluvial depositional system. The sandstones are commonly pyritic which differentiates them from feldspathic sandstones of the Tirrawarra Sandstone. The upper part of the Purni Formation consists of paludal/floodplain deposits, comprising very fine to fine-grained carbonaceous sandstone and interbedded siltstone, shale and coal. The coals and shales contain up to 10% exinite and are expected to be rich in vitrinite and inertinite thus providing excellent source rocks for oil and gas.

Early Jurassic Poolowanna Formation

In the Eromanga Basin, the Early Jurassic Poolowanna Formation is an important target for hydrocarbons. To the east in the Poolowanna Trough and beyond, this unit can be subdivided into two vertically stacked upward-fining cycles, each being 50 to 100m in thickness. This sequence, which relates to distal sea-level change may be present in the Eringa Trough but probably pinches out down-dip of the well location. Care should be exercised in differentiating any Poolowanna coals (not predicted but could possibly be present) from those expected in the top Purni Formation.

Jurassic Algebuckina Sandstone / Cretaceous Marine Shales

The Poolowanna Formation is disconformably/unconformably overlain by thick continental sandstones of the Algebuckina Sandstone. This thick fluvial package is in turn sometimes overlain by thin Murta Member shales in turn succeeded by marginal-marine Cadna-Owie Formation, comprising fine-grained sandstone, siltstone, and claystone, with minor limestone. Geochemistry of oil stains recorded at the top Algebuckina Sandstone indicates a marine source rock – the most likely candidate is the Murta Member shales which appear to have acted as both source and seal.

The onset of full marine conditions during the Early Cretaceous is represented by the Bulldog Shale/Toolebuc/Oodnadatta succession. In the Late Cretaceous, non-marine conditions prevailed and the Winton Formation was deposited in a fluvial-floodplain environment denoted by interbedded sandstones, siltstones and coals. It was during Winton Formation sediment loading that most hydrocarbon generation is

believed to have occurred in the Eringa Trough to the east. Indeed the Andado Shelf is a target for migrated hydrocarbons formed in the Eringa Trough as well as for coal-bed-methane.

4.4 Geochemistry

Geochemistry of potential Permian source rocks (shales and coals) are shown in Figure 7. The coals have excellent potential for hydrocarbon generation with up to 10% liptinites suggesting good potential for oil as well as gas. Overall the Pedirka coals are very similar to the Early Permian Patchawarra coals from the southern Cooper Basin.

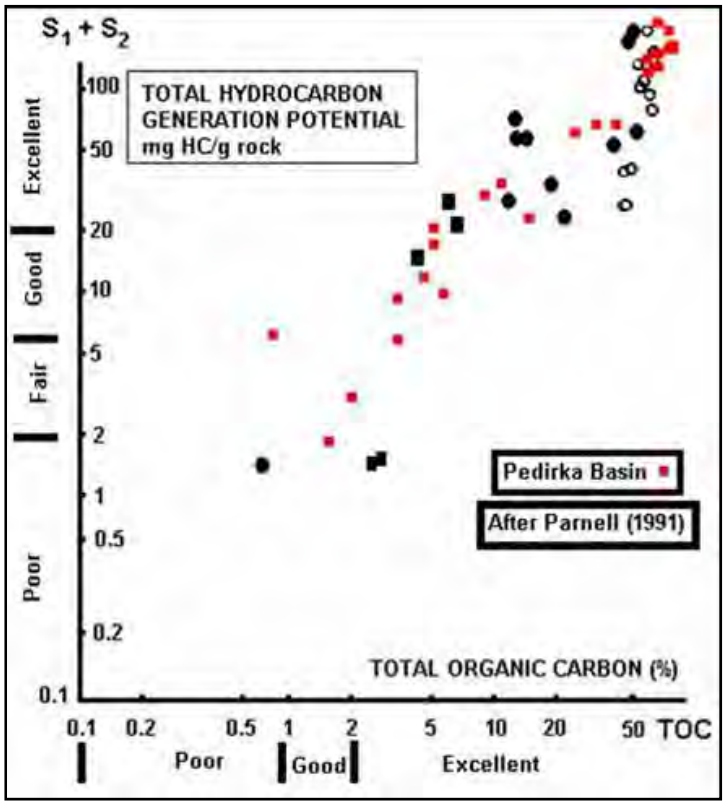

Figure 7: Geochemistry of Permian Coals.

5.0 EXPLORATION SINCE 2008

5.1 Introduction

No historical mining of coal has taken place on any of the permit areas

5.2 History of exploration

The first drilling of the Pedirka Basin coal sequences in the Pedirka area occurred in the South Australian portion of the basin. These wells (Dalmatia-1, Mt Hammersley-1, Mt Crispe-1 and Witcherrrie-1), with the exception of Mt Hammersley-1 (46m of coal) were drilled on depositional palaeo-highs and coal intersections in the Permian Purni Formation included less than 10m of coal. Similarly, early exploration drilling in the NT portion of the basin (Colson-1, Mc Dills-1, Etingimbra-1 and Hale River-1) tested similar palaeo-highs in the search for oil and Purni coal intersections were less than 20m.

However the more recent drilling since 2008 carried out by CTP intersected more basinal Permian sections that included thicker coal sequences.

Several wells were drilled in this area in the 1980's and 90's however none of them have any major significance to the current resource assessment as they were all drilled on paleogeographic highs and were targeting hydrocarbon accumulations. Since 2008 seven exploration wells have been drilled, the first Blamore-1 intersected coal and as a result the remaining wells were drilled with the specific objective of targeting coal. All the CBM and SHEL wells drilled, apart from CBM93-001, fully cored the Purni coal section.

The recent wells were both conventional and unconventional. Blamore-1, the only conventional well was spudded on July 5th 2008. Six coal bed methane wells, CBM 93-001, CBM93-002, CBM 93-003, CBM93-004, CBM107-001 and CBM107-002 were drilled. Also three coal stratigraphic holes SHEL 27109-1, SHEL 27109-2 and SHEL 28095-1 were drilled.

Blamore-1
The Blamore-1 well was drilled by Central Petroleum Ltd in July and August 2008. The well was spudded at 0400hrs on 5 July 2008 reached Total Depth of 2128m on 0700hrs 22 July 2008 when the drill pipe became stuck on pulling out of the hole to change the drill bit. The pipe probably became stuck as a result of packing-off of cavings around the bit and drill collars. Several attempts were made to jar the drill pipe free without success. The drill pipe was backed off leaving the bit, five drill rods and two stabilizers in the hole. Due to continuing hole problems, no further attempts were made to retrieve the lost pipe. The top of the fish is located at 2064 m.

Blamore-1 was drilled to test the Algebuckina Sandstone, Poolowanna, Purni, Tirrawarra Sandstone (Equivalent), Crown Point and Warburton formations. All geological horizons were intersected except the Crown Point and the Warburton formations which were secondary target horizons. The geologic prognosis for this well was based on seismic data and the Colson-1 well located 88 kilometres from Blamore-1. Prognosed depths were quite different to the actual depths of the target zones.

No live oil was found in Blamore-1 but a positive indication of prior oil entrapment was seen with the intersection of plus 25m residual oil column from 998m – 1023m (up to 60% staining) at the top of the Algebuckina Sandstone. This is the fourth well in the Pedirka Basin and overlying Jurassic to intersect residual oil columns; the others being Colson-1, Simpson-1 and Poolowanna-1 (flowed live oil).

Coal seams which liberated gas comprising C1 to C5 were encountered in the upper part of the Purni Formation over the interval 1533.7m to 1983m with a net 160m of coal in seams greater than 0.2m.

Wireline logs were run successfully although tools hung up several times around 1300-1320mRT.

Three open hole drill stem tests were attempted using dual inflatable packers. These tests were proposed to assess the permeability of Purni Formation coal seams, however all three were unsuccessful due to mechanical failure.

The well was plugged and abandoned and the rig was released 1000hrs 22 August 2008.

CBM93-001
This CBM well was located on the Andado Shelf about 50 km northeast of Blamore-1 and was the first targeted CBM well aimed at testing the lateral continuity of thick coal seams initially encountered in Blamore-1.

- The early Permian Purni Formation was 593+ m thick, and no hydrocarbon shows were present in any of the intersected Mesozoic / Permian sequence. An intra-Purni unconformity was delineated in the well on the basis of log correlations, seismic evidence, palynology, gas show composition and aquifer salinity; the Purni Formation was subdivided into upper and lower units on this basis.

- Thick coal seams up to 30m thick were intersected and total net coal (seams> 1m thick) totalled 141.8m with the thickest seam being 34.5m. The coals were thermally immature (Vr0= 0.43) being largely sub-bituminous.

CBM93-002
This well provided incremental coal data on the southern Andado Shelf. The well reached a total depth of 1044.2m in the lower sandy portion of the Purni Formation. The well was relatively low risk but was not located on a seismic line. Salient data pertinent to the Purni Formation is summarised below:

- The top Purni Fm was intersected at 511.7m with a thickness of 532+m. The well intersected a total of 107.9m of coal with seams up to 14.4m thick. The coals were sub-bituminous and thermally immature to early mature. Only very low gas contents were recorded.

- A relatively thick coal isopach extends from the vicinity of earlier wells 93-001/93-004 southwards and extending on to CBM93-002. There is some indication a northwest-southeast transform fault (Camelot Fault) segments the Madigan Trough into northern and southern components. The fault probably transects the Andado Shelf about 40km southwest of CBM93-002 and may have influenced depositional patterns perhaps resulting in a diminution of coal development in this direction; incremental drilling and seismic will resolve this issue.

CBM93-003
This was the second CBM well in the basin being located on the south plunging nose of the Hector Trend, 30km north of Blamore-1. The well reached a total depth of 900.8m but failed to intersect any significant coal and instead penetrated a conglomeratic molasse facies building off a local fault block developed on the southern margin of the Hale River High. Summary results are listed below.

- The Purni Formation comprised 313m+ of pebbly, cobbly conglomerate with rounded basement clasts supported in a matrix of very fine grained, kaolinitic and micaceous sandstone. The latter aspect suggests these conglomerates were deposited by debris flows building off a local fault scarp. Occasional intervals of carbonaceous silty claystone were accompanied by rare coal seams up to 1m thick but usually less then 50cm thick. Total coal intersected was less then 2m.

- Palynology suggests this sequence belongs to the lower Purni Formation (Stage 3b), and represents a proximal molasse facies feeding south-southeastwards to basinal coal sequences intersected on the Hallows Trend in Blamore-1 and also in the Madigan Trough proper.

CBM93-004
This well was located 9km up dip of CBM 93-001 on the Andado Shelf. Results are listed below:

- The intersected Permian section was 436m+ and included total net coal of 150.2m (seams> 1m thick) with the thickest seam being 18m.

- The intra-Purni unconformity was recognized on the basis of elog and palynology correlations and comparison with the drill hole CBM93-001.

- Rockeval Tmax and vitrinite reflectance values suggest the coal sequence is thermally immature.

- The presence of CO_2 in the coal reflects thermal immaturity of what is basically a humic coal sequence.

CBM 107-001
- This was the fourth CBM well in the area and reached a total depth of 1250m after intersecting an early Permian Purni Formation sequence 558+m in thickness. Pertinent data is summarised below:

- In this well coals total 148m in thickness (seams > 1m) with individual seams up to 32.5m thick. The well was not located on a seismic line and the initial prognosed coal section estimate of 20-40 m was regarded as highly speculative. The well in fact encountered a much thicker coal sequence which will boost coal resource potential on the southern Andado Shelf.

- The coals were intersected over the interval 745m-1163m and are essentially consistent with analogous sub-bituminous coals intersected 95 km to the north in CBM 93-001 and CBM 93-004, which included 141.8m and 150.2m of coal respectively. The intersected thickness of coal seams will enhance estimates of the coal resource in this general area to some degree.

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CBM 107-002

This was the fifth CSG well drilled in the area and targeted the coal sequence in an up dip location about 31 km to the northwest of CBM 107-001. It was planned to intersect the Purni Formation coal at depths of 200-400m RT to test the model that at these shallower depths, bacterial action on organic matter may have produced biogenic methane in commercial quantities. The well was high risk as it targeted the coal sequence close to the basin margin in an area without any seismic or well control. Salient data pertinent to the Purni Formation is summarised below:

- The well penetrated the entire Purni Formation (269.5m thick) reaching a total depth of 607m in glacial sediments of the Crown Point Formation. Total thickness of coal seams intersected was 62.7m with the thickest seam being 20.1m. The Tirrawarra Sandstone had pinched out at this location.

- A sequence of Late Permian sediments overlies the Early Permian Purni Formation. Overall the coals were sub-bituminous and thermally immature lacking any significant gas content thus negating the possibility of biogenic gas in this area.

- Approximately 5km updip of this location, Malcom's Bore intersected Permian shales at about 197m and the glacial Crown Point Formation is interpreted at 387.1m. The absence of Purni Formation coals suggests the coal zero edge lies between these two wells.

SHEL27109-2:

This was the first of 3 stratigraphic holes programmed to fully core the Purni Formation sequence in mineral tenements taken up by Central Petroleum Limited's wholly owned subsidiary Merlin Coal Pty Ltd. These three holes were drilled during December 2010 through January 2011, the others being SHEL27109-1 and SHEL28095-1. The wells were designed to provide the information required to extend the known boundaries of the coal measures and compile a new estimate of the volume and tonnes. Diamond coring was utilised for sampling the coal bearing Purni Formation.

The well penetrated the Purni Formation at 756m and the first coal seam was intersected at 759m. The base of the Purni Formation was at 1174m. Net coal thickness was 38.16m with the thickest seam being 9m.

The coals are sub-bituminous and deemed not to be containing biogenic gas due to depth of burial.

SHEL27109-1:

This was the second of 3 stratigraphic holes programmed to fully core the Purni Formation sequence in mineral tenements taken up by Merlin Coal Pty Ltd.

The well penetrated the Purni Formation at 720m and the first coal seam was intersected at 739m. The base Purni Formation was at 1110m. Net coal thickness was 74.7m with the thickest seam being 17.8m.

The coals are sub-bituminous and deemed not to be containing biogenic gas due to depth of burial.

SHEL28095-1:

This was the third of 3 stratigraphic holes programmed to fully core the Purni Formation sequence in Mineral tenements taken up by Merlin Coal Pty Ltd.

The well penetrated the Purni Formation at 367m and the first coal seam was intersected at 375.08m. The base Purni Formation was at 412m. Net coal thickness was 0.32m in one seam.

The Purni is thinner and possibly eroded at the basin margin and most of the coal seams have thinned or pinched out at this location.

6.0 DATA

It is recorded that whilst the data have been sourced from various Government and commercial sources, there is, through the geologists and consultants currently working on the project, a good working relationship with the geologist who managed all aspects of the Northern Territory DME (now DOR) information gathering and assessment, Mr Greg Ambrose. Mr Ambrose resigned from his position as Deputy Director of the Geological Survey of the Northern Territory in 2007 and now works for Central Petroleum Limited.

6.1 Review, Audit and Database Integrity

The data and information has been reviewed using a number of verification methodologies such as visual scans of borehole logs versus data base entries, log depths and widths compared to core log depths and widths, and the checking of the figures for partings, seam widths and elevations in the digital database.

6.2 Borehole Data

6.2.1 Drilling in the 1980s

Data recovered on the earlier relevant petroleum exploration drill holes, as listed above, included comprehensive wireline logs and lithological logs with accurately recorded coal intersections. The true coal seam widths were easily established as all drill holes were drilled vertically

Coordinate information supplied by CTP is in degrees latitude and longitude, in decimal degrees, degrees minutes and seconds format, and in UTM co-ordinates

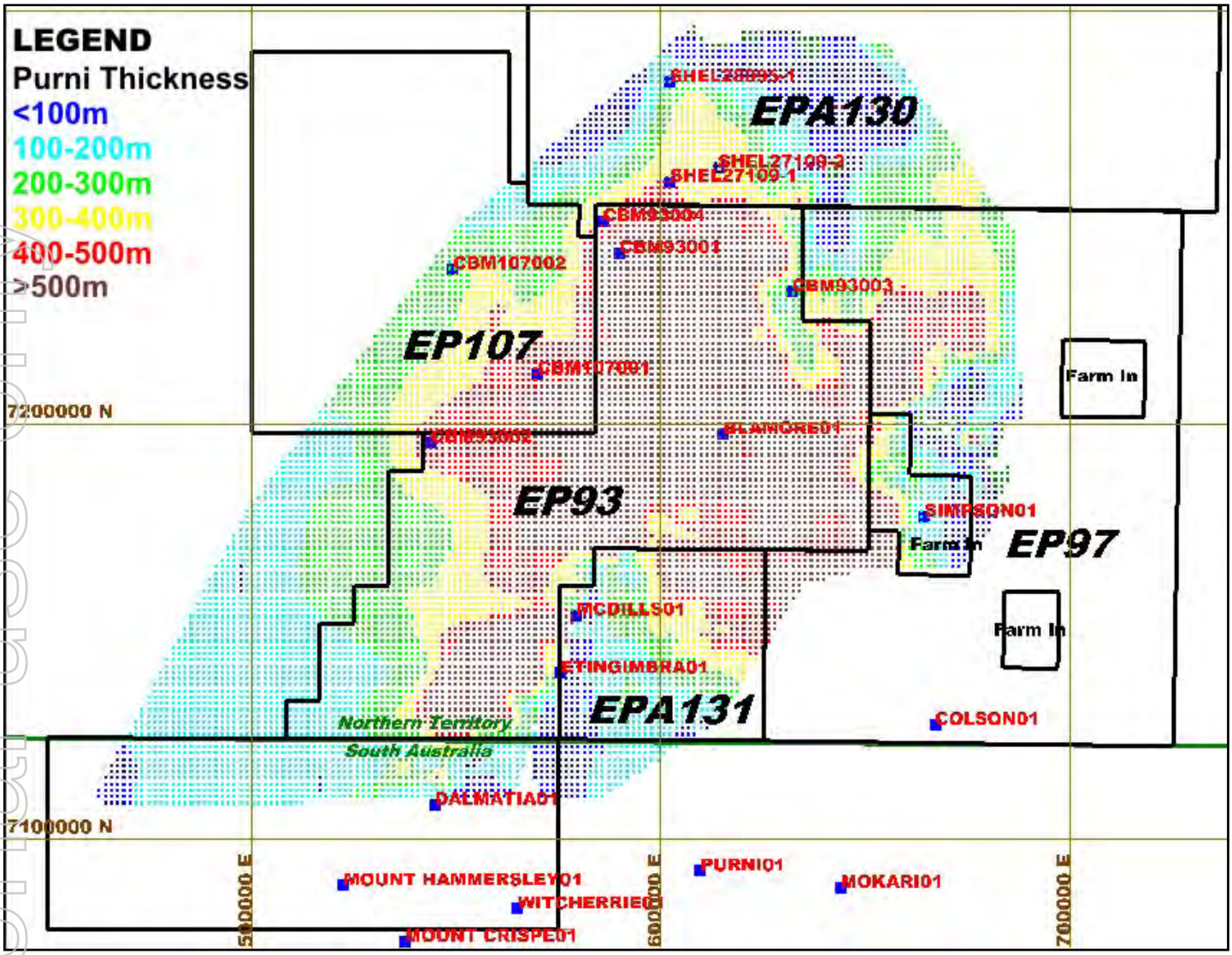


Figure 8: Purni Isopach map showing gridded thickness data and Petroleum Permits.

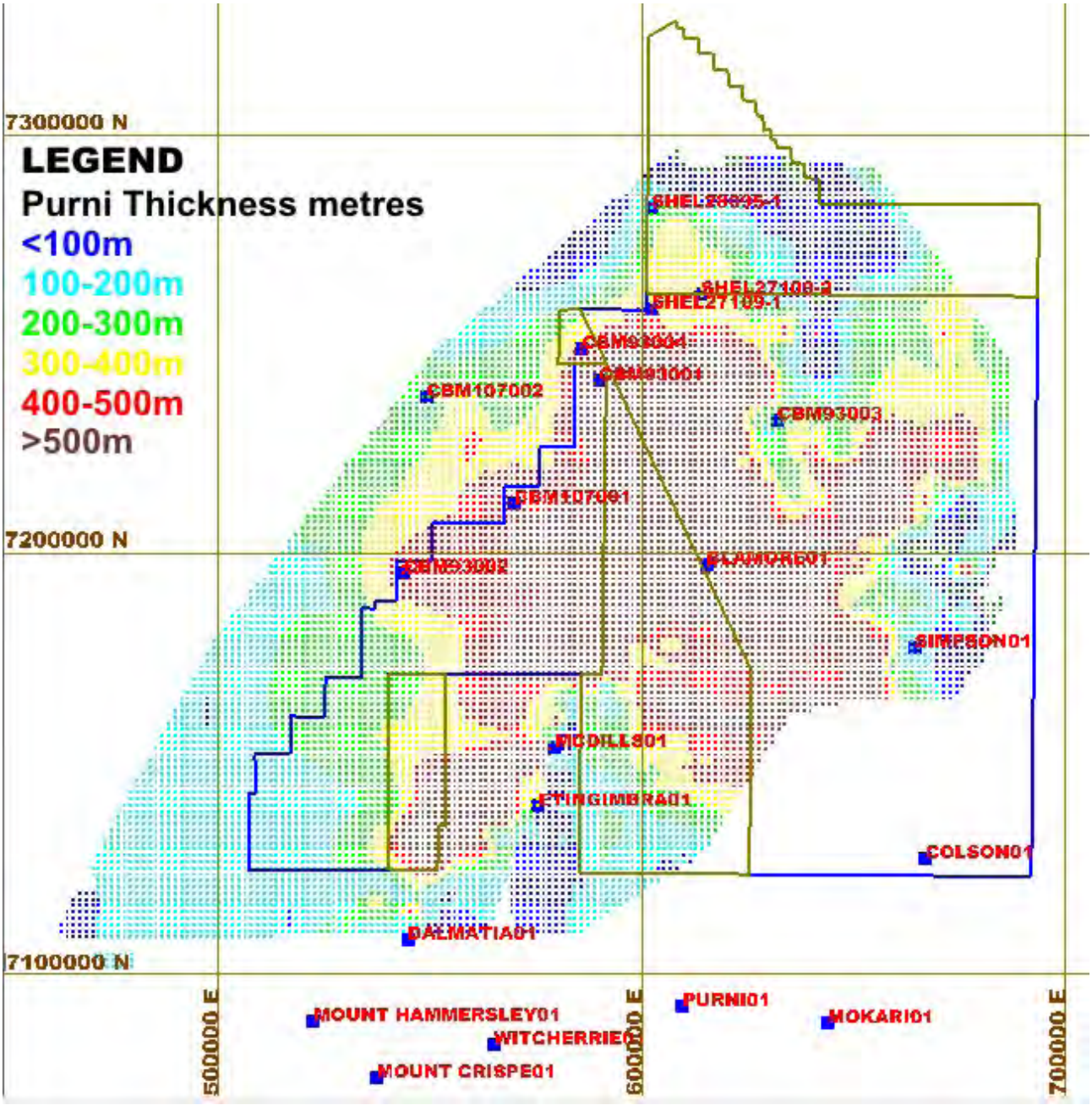


Figure 9: Purni Isopach map showing gridded thickness data and Mineral Tenements (blue) & Applications (brown).

6.2.2 Geological Logging

Detailed geological descriptions on the occurrence and presence of coal and other rock types were recorded in the borehole/well logs.

The minimum geological logging interval for all drilling was 10 feet (3m) through coal bearing units. Wireline logs of varying vintage were collected in all cases.

6.2.3 Sampling and Analysis

Sampling data and coal intersection results are only available for portions of some of the boreholes.

6.3 2D Seismic Data

Several vintages of 2D seismic data within the study area have been acquired over the last 30 years. Figure 10 illustrates the extent of the seismic control.

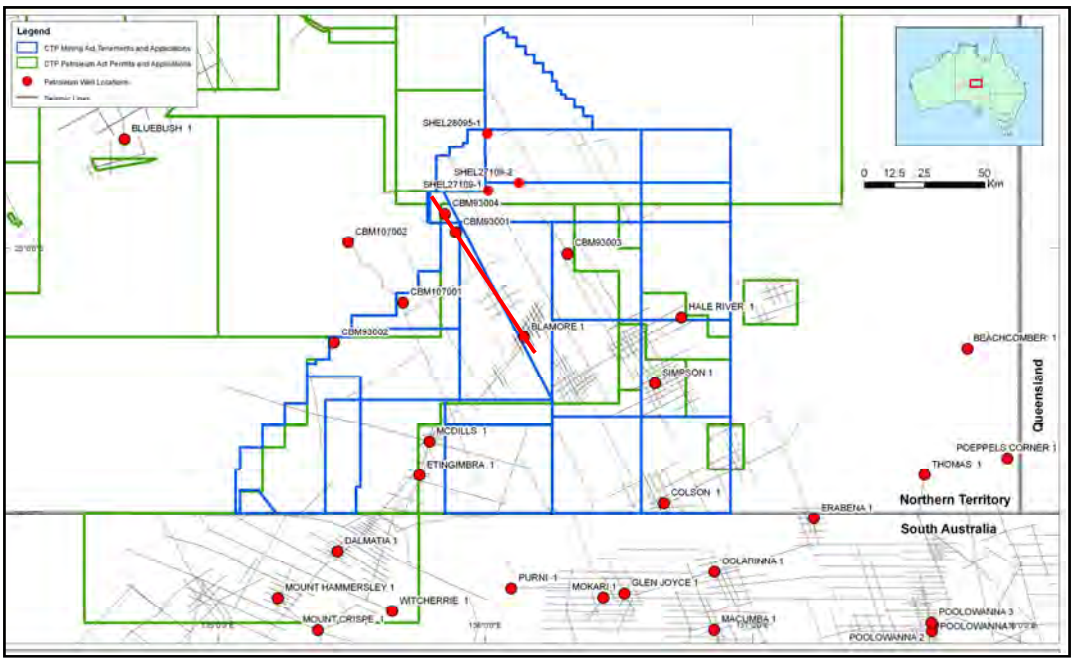


Figure 10: 2D Seismic data control lines in the Pedirka Basin.

Seismic line CB08-01 (see location marked with red line in Figure 10) which ties three wells is illustrated in Figure 11 and shows the seismic character of the Purni coal sequence as proven by well control. The line displays a characteristic high amplitude reflection expression for the coal and as such has permitted robust seismic mapping through the area.

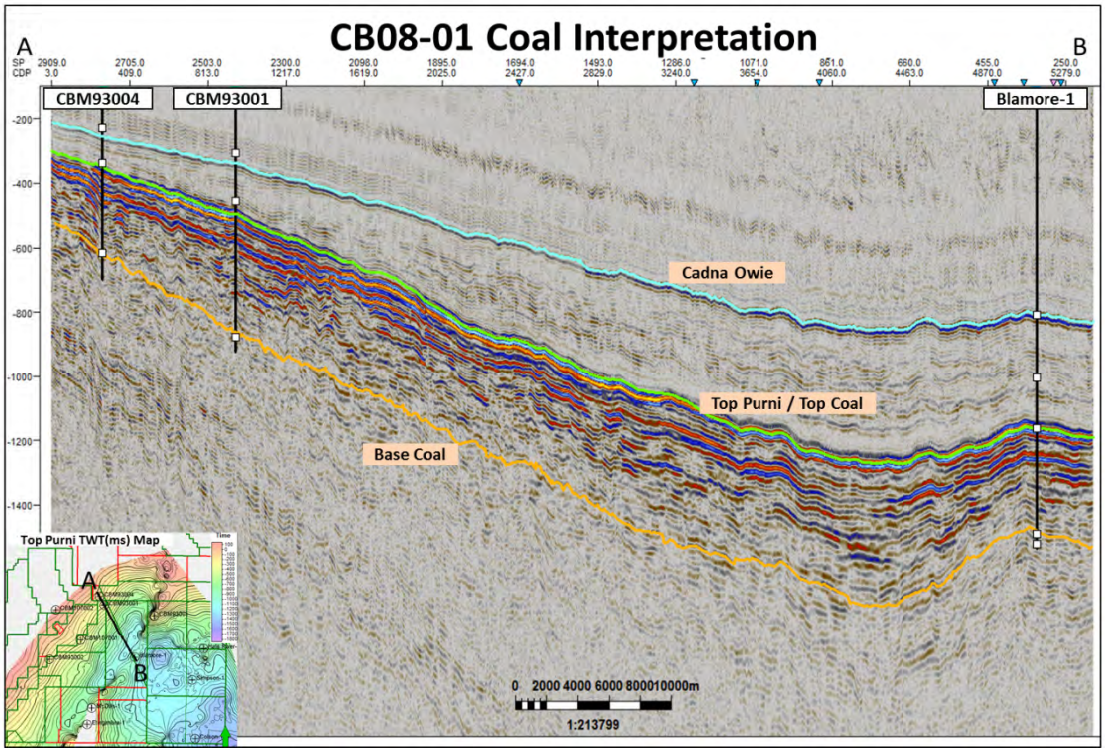


Figure 11: Seismic line CB08-01.

Figure 12 illustrates Top Purni depth map interpreted from this seismic data set and defines the lateral extent of the coal within the depth range 500m to 1000m. It is interpreted the lateral extent of the coal sequences extends over many thousands of square kilometres covered by the mineral tenements operated by Central Petroleum.

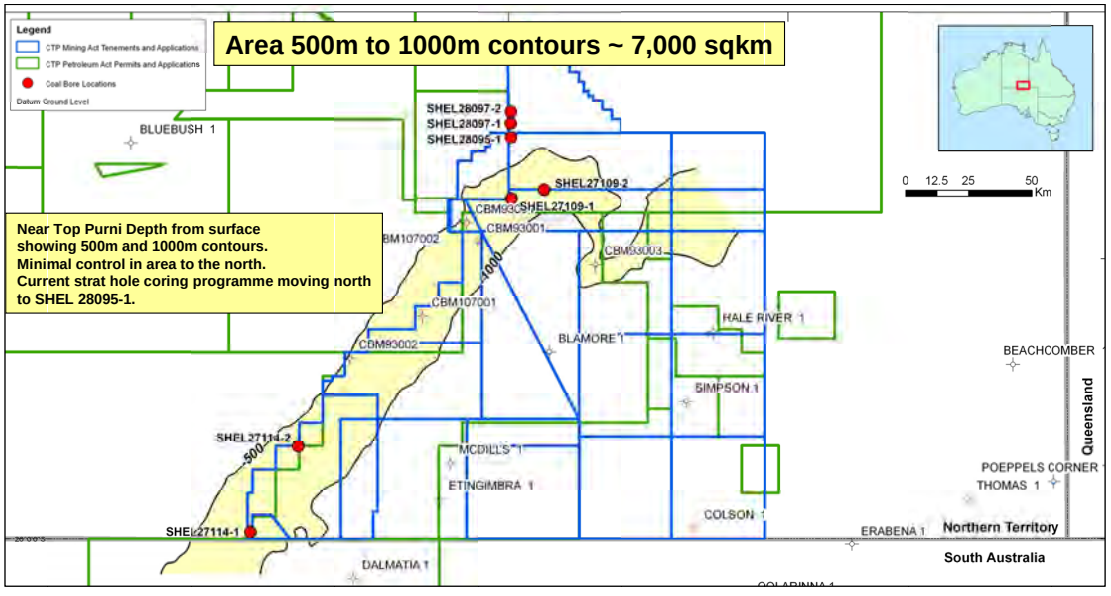


Figure 12: Lateral extent of coal within depth range 500 to 1000m.

7.0 GEOLOGICAL MODELLING

7.1 Purni Topography

The target coal sequences occur in the Permian Purni Formation, the thickness of the Purni Formation and it's contained coals being strongly influenced by the ancient palaeo-topography.

7.2 Assumptions Made

Potential tonnages were estimated using MineMap Software ® and graphical methods. All roof and floor elevations and Purni isopach data obtained from CTP based on the drilling and seismic data that had been gridded using a normalised kriging algorithm. This gridded data was uploaded into MineMap and modelled and the estimated quantities reported.

8.0 COAL POTENTIAL ESTIMATES

The classification of coal resources into exploration target, inferred, indicated and measured, is a function of increasing geological confidence in the estimate. Coal resources are reported on either a gross in situ, in situ, or mineable in situ reporting basis.

There are no resource estimates for the Purni Coal project as not enough information is available to categorise any such estimates within JORC Code guidelines. However, we have estimated the range of potential tonnages in the JORC "Exploration Target" category taking into account all available information. .

8.1 Method

To calculate the potential coal tonnage potential within each of the Central Petroleum licences the area of the modelled Purni formation was multiplied by the average coal seam thickness then by the bulk density of the coal. The difficulty is estimating the average coal seam thickness.

Only eighteen relevant drill holes have been drilled through the Purni Formation with coal seam thickness data available (Table 4). These holes include six wells testing palaeo-highs, with gross coal thicknesses less than 10m.

Well	Depth to Purni Top (m)	Depth to Purni Base (m)	Purni Thickness (m)	Gross Coal Thickness (m)	Net Coal seams >1m	Net Coal seams >2m	Net Coal seams >3m	Net Coal seams >4m	Net Coal seams >5m	Thickest Seam (m)
Witcherrie-1			0.0	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0
Mt Crispe-1			0.0	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0
Etingimbra-1	615.5	625.6	10.1	**3.2**	2.5	2.5	0.0	0.0	0.0	2.5
Simpson-1	1721.3	1699.0	22.3	**9.8**	5.4	5.4	5.4	5.4	5.4	5.4
McDills-1	720.8	755.7	34.9	**2.0**	0.0	0.0	0.0	0.0	0.0	0.0
SHEL 28095-1	367.0	412.0	45.0	**0.3**	0.0	0.0	0.0	0.0	0.0	0.3
Dalmatia-1	593.2	640.9	47.7	**5.5**	1.8	0.0	0.0	0.0	0.0	1.8
Colson-1	2132.9	2204.5	71.6	**16.7**	16.2	16.2	13.2	13.2	13.2	6.7
CBM 93-003	719.6	834.6	115.0	**7.9**	6.6	0.0	0.0	0.0	0.0	1.7
Mokari-1	1805.7	1952.0	146.3	**27.8**	23.4	17.3	15.2	11.8	7.2	7.2
CBM107-002	296.5	470.9	174.4	**65.2**	62.7	54.6	41.4	41.4	37.0	20.1
Mt Hammersley-1	617.3	844.6	227.3	**56.1**	48.2	37.4	25.3	15.8	6.6	6.6
Purni-1	1425.0	1660.8	235.8	**19.4**	15.3	6.9	4.3	4.3	0.0	2.6
CBM 93-004	543.5	879.5	336.0	**153.8**	150.2	144.0	139.6	125.2	111.9	18.0
CBM 93-002	513.8	902.2	388.4	**117.3**	107.9	92.9	80.4	76.6	71.3	14.4
SHEL 27109-1	720.0	1110.0	390.0	**74.4**	70.3	63.4	54.4	54.4	50.0	17.8
SHEL 27109-2	756.0	1174.0	418.0	**49.9**	40.1	32.0	26.0	19.2	14.5	9.0
CBM107–001	745.0	1227.0	482.0	**156.0**	148.7	136.2	119.9	115.9	111.3	32.5
Blamore-1	1533.6	2037.4	503.8	**148.8**	141.6	128.9	119.5	101.6	83.6	17.0
CBM 93-001	698.5	1203.2	504.7	**143.2**	141.8	130.2	117.3	113.8	100.8	34.5

Table 4: Purni Coal Seam Intersections.

Unfortunately this small number of holes and the irregular spacing of the holes (Figure 13) is not representative of all the Purni Formation within the licences as the pre 2008 wells were originally drilled to locate petroleum and gas, not properly test the Purni formation for coal. A method was required to find a plausible "average" coal seam thickness.

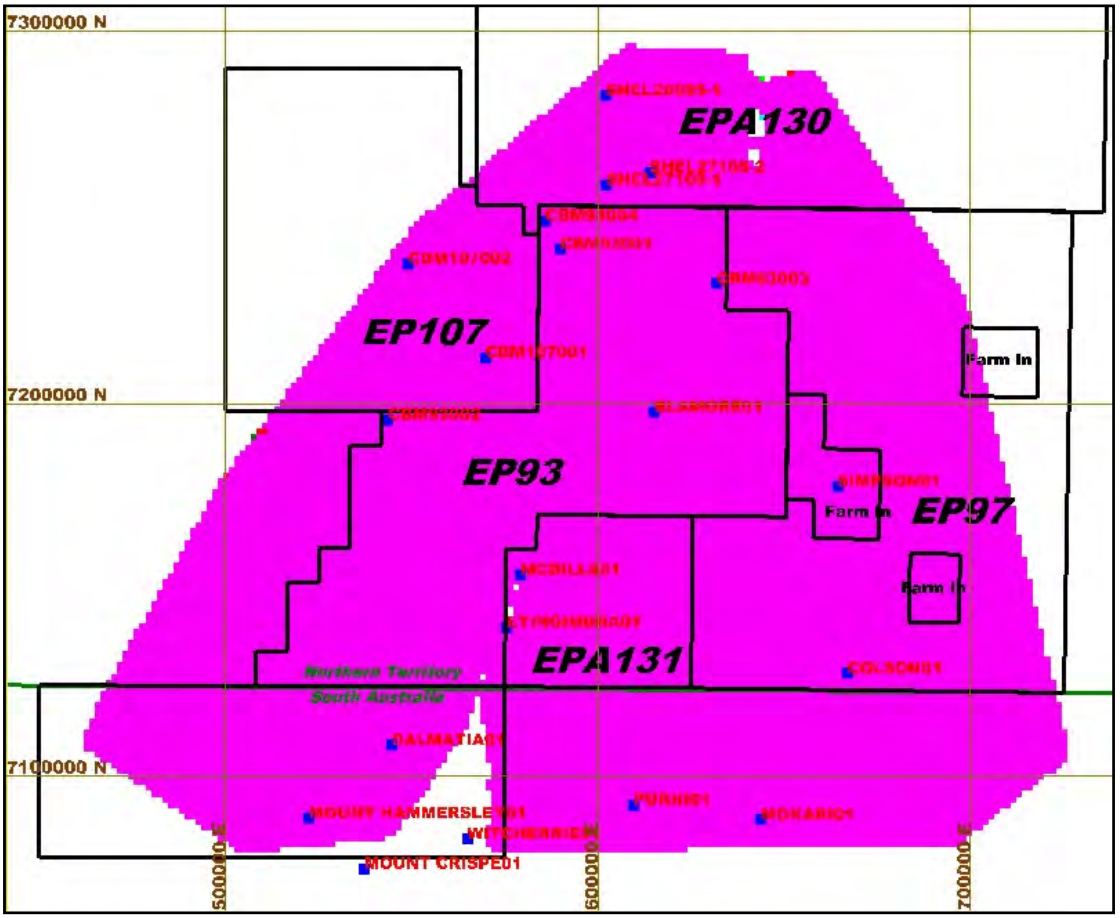


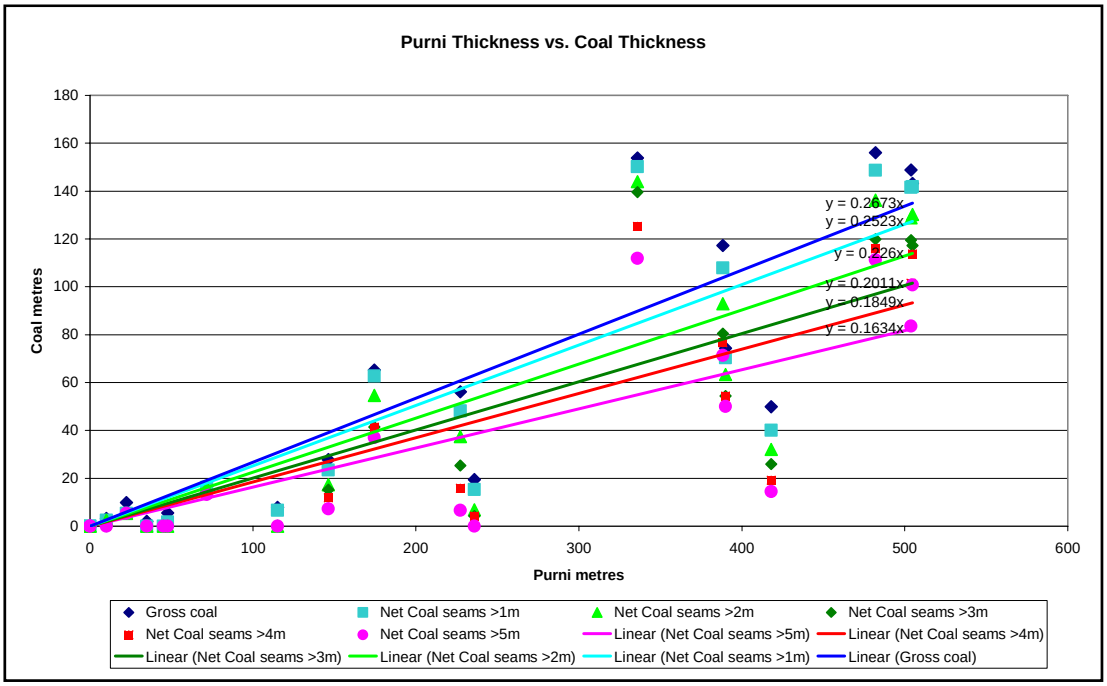
Figure 13: Map showing main holes intersecting the Purni Formation with Petroleum Permits (NT only). The area shown in pink is the modelled Purni Formation

It can be expected that the coal seam thickness would be approximately directly related to the thickness of the Purni Formation, i.e. as the Purni Formation thickens the coal seams would also generally thicken. This is by and large the case from inspection of the logging of the holes.

The measured thickness of the Purni Formation vs. the coal seam thickness at various minimum coal seam thicknesses from 1m to 5m for the fifteen available useable holes in Table 4 were plotted graphically to determine this relationship in these holes, Graph 1.

The expected general relationship held in these holes, although with a very broad scatter relative to the average linear trend. However without many more measured holes the calculated Purni vs. coal seam thickness relationships must be considered as approximate only.

Plate 1: Hunt Rig 2 drilling at Blamore-1 (2008) Source CTP.



Graph 1: Purni Formation vs. Coal Seam Thickness of available holes.

To calculate the average thickness of the Purni Formation on each licence the Purni Formation isopach data supplied by CTP was gridded into 1500m square cells. Areas for a range of Purni thicknesses were then calculated in m^2 within each of the licences.
The areas of each Purni thickness interval were then multiplied by the estimated thickness of the coal seams using the graphical formulae shown on Graph 1 for minimum coal thicknesses ranging from >1m to >5m. These estimated volumes were then multiplied by a bulk density of 1.3 to calculate the estimated tonnes of coal.

8.2 Target Tonnage Estimate

The calculations for the Target coal tonnage estimates for each licence in the Northern Territory using this method are summarised in Table 2 and in more detail in Appendix 1.

These target estimates are conceptual nature so quoted as *an appropriate range that properly indicates the unreliability of the estimate. In this case a range of 20% was chosen as appropriate based on geological experience.*. The average of the target tonnages estimates for all the Northern Territory petroleum permits is 2.25 trillion tonnes for a minimum coal seam thickness of 2m OR 1.88 trillion tonnes within the mineral tenements (see below). *The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Petroleum Tenements	**Low Range**	**High Range**
Northern Territory	**Billion tonnes**	**Billion tonnes**
Tonnes coal above 1000m contour	473	578
Tonnes coal below 1000m contour	1,573	1,922
	2,045	2,500

Mineral Tenements	**Low Range**	**High Range**
Northern Territory	**Billion tonnes**	**Billion tonnes**
Tonnes coal above 1000mcontour	266	325
Tonnes coal below 1000m contour	1,426	1,743
	1,692	2,068

Table 5: Purni Formation coal Target Potential estimates summary for coal seams >2m thick.

(Note that the Mineral Tenement estimates are a subset of the Petroleum Permit estimates NOT additional).

The potential tonnages in Table 5 are JORC Exploration Target tonnage estimates only and are not JORC compliant Resources. When estimating this target-tonnage-potential no consideration was made of either the quality of the coal, the recoverable depth of the coal or the practicalities of extracting this coal or its gas.

Note that this estimate refers only to coal seams greater than 2m in thickness whereas drilling at Blamore-1 and CBM93001 intersected cumulative coal thicknesses of 148.8m and 143.2m respectively if coal intersections down to 0.2 m were included compared to the 128.9m and 130.2m used in these estimates respectively.

Note: This estimate of coal potential may be conservative given the thick coal sections correlated on seismic over wide areas of the Andado Shelf (only one drill intersection available with a cumulative 138m of coal seams). Seismic data indicates that the coal percentage on this broad shelf may be higher than that modelled from existing drill data but this needs to be confirmed by incremental drilling before accurate assessments can be made.

8.3 Target Range Conclusions

The target range estimated for coal seams of greater than two metres thickness, using raw drill hole data only, within Central Petroleum's Northern Territory petroleum permit areas is estimated to range from 2.0 trillion tonnes to over 2.5 trillion tonnes.

The average figure of 2.25 trillion tonnes based on isopach contours of the Purni Formation and calculated coal seam thicknesses based on the limited available drilling is considered to be a more realistic target tonnage. It is noted that future exploration may not necessarily define this coal in whole or in part according to the JORC Code guidelines and that this is NOT a resource estimate.

Should the UCG resources covered by this report eventually be legislated by the NT government fall under the Minerals Act, a smaller 1.9 trillion tonnes target is estimated to be covered by the CTP mining tenements, both granted and under application, that in part cover the same area covered by the CTP Petroleum Permits.

9.0 PROPOSED EXPLORATION

9.1 Legality of Exploration

Looking forward, there are, as far as AM&A is aware, neither legal encumbrances nor outstanding legal proceedings that could influence or curtail any activities that will be conducted by CTP.

9.2 Exploration Potential

There is insufficient drilling to undertake a coal resource estimate; nonetheless, it is considered that the potential to contain significant quantities of coal is demonstrated by the work carried out to date.

9.3 Proposed Drilling Program

CTP has advised that it intends to carry out significant exploration drilling in the Pedirka Basin aimed at evaluating coal potential in the area. It has planned a coal stratigraphic program to determine both lateral extent, thickness and depth to coal in the region. Independent of this conventional petroleum exploration will also be conducted. Additional and complimentary information to be collected will include, inter alia:

- Down-hole geophysics,
- Core photography, and
- Identification of the coal zones and thus sampling intervals (from geological logging and down-hole wire line logging).

9.4 Exploration Objectives

AM&A consider that the CTP proposed exploration program is warranted, based on the current estimated Target coal potential tonnages described in this report plus the demonstrated potential for further coal discovery elsewhere within the licenses.

10.0 CONCLUSIONS

The salient features of the Purni Coal Project are detailed in the above sections 3 to 8. The target tonnage estimated for coal seams of greater than two metres thickness within Central Petroleum's petroleum permit areas is estimated to range from 473 to 578 billion tonnes of coal less than 1,000m below the surface, at an as yet unspecified coal quality although drilling results to date indicate the coal generally being sub-bituminous in rank. The petroleum permits potential below 1,000m is a further 1,573 to 1,922 billion tonnes of coal.

A target tonnage estimate of 266 to 325 billion tonnes of coal less than 1000m below the surface is contained within the mostly overlapping mineral tenements with a further 1,426 to 1,743 billion tonnes of coal estimated below 1000m.

The preferred target tonnage is based on the geometry and structure of the basin and three-dimensional information derived from over 3,000km of 2D seismic data, drill holes (oil wells) with lengthy coal intercepts and geological and geophysical down-hole logging data.

The potential quantity and quality is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will eventually result in the determination of a Mineral Resource.

The figure of 525 billion tonnes is considered to be a realistic expectation within the petroleum permits for coal shallower than 1000m below the surface within the Purni Formation and this estimate is considered conservative to allow for the theoretical nature of the calculations, assumptions used and the amount of sub-surface data available from drilling. It is noted that future exploration may not necessarily define this coal in whole or in part according to the JORC Code guidelines.

Allen J Maynard

BAppSc(Geol), MAIG, MAusIMM.

APPENDIX 1: Detailed Target Estimates.

TOTAL PURNI											
Petroleum Licence	AREA (m^2)	Purni TOP DEPTH (m)	Purni BASE DEPTH (m)	Purni ISOPACH (m)	Total Coal Billion Tonnes	Coal >1.0m Thick B t	Coal >2.0m Thick Bt	Coal >3.0m Thick Bt	Coal >4.0m Thick Bt	Coal >5.0m Thick Bt	Purni Bt
EP93	9,083,250,064	1,105	1,605	501	1,580	1,492	1,336	1,189	1,093	966	9,095
EP97	3,667,499,968	1,163	1,454	292	372	351	314	280	257	227	2,140
EP107	2,774,250,000	312	650	338	326	308	276	245	226	199	1,877
EPA130	3,600,000,048	303	471	172	215	203	182	162	149	131	1,238
EPA131	2,045,249,984	1,122	1,398	274	195	184	165	147	135	119	1,121
Total/Average	21,170,250,064	876	1241	365	2,688	2,537	2,273	2,022	1,859	1,643	15,471
EP97 (Farm-In Only)	639,000,000	1,716	1,950	233	218	26	23	21	19	17	298

Table 6: Purni coal tonnage estimates at various minimum coal seam thicknesses by Petroleum Permit.

<1,000m TO BASE PURNI											
Petroleum License	AREA (m^2)	Purni TOP DEPTH (m)	Purni BASE DEPTH (m)	Purni ISOPACH (m)	Total Coal Billion Tonnes	Coal >1.0m Thick Billion Tonnes	Coal >2.0m Thick Billion Tonnes	Coal >3.0m Thick Billion Tonnes	Coal >4.0m Thick Billion Tonnes	Coal >5.0m Thick Billion Tonnes	Purni Billion Tonnes
EP93	1,349,999,984	584	844	260	122	115	103	92	84	74	701
EP97	578,250,000	420	634	212	43	40	36	32	29	26	245
EP107	2,353,500,048	239	550	312	255	241	216	192	176	156	1,468
EPA130	3,314,250,080	279	437	162	186	176	157	140	129	114	1,071
EPA131	429,750,000	714	822	104	16	15	13	12	11	10	89
Total/Average	**8,025,750,112**	**352**	**574**	**223**	**621**	**586**	**525**	**467**	**430**	**380**	**3,574**

Table 7: Coal tonnage estimates in the Purni Formation less than 1000m depth to the base of Purni at various minimum coal seam thicknesses by Petroleum Permits.

>1,000m TO BASE PURNI											
Petroleum License	AREA (m^2)	Purni TOP DEPTH (m)	Purni BASE DEPTH (m)	Purni ISOPACH (m)	Total Coal Billion Tonnes	Coal >1.0m Thick Billion Tonnes	Coal >2.0m Thick Billion Tonnes	Coal >3.0m Thick Billion Tonnes	Coal >4.0m Thick Billion Tonnes	Coal >5.0m Thick Billion Tonnes	
EP93	7,733,250,080	1,195	1,738	543	1,459	1,377	1,233	1,097	1,009	892	
EP97	3,089,249,968	1,302	1,607	307	329	311	278	248	228	201	
EP107	420,749,952	719	1,204	486	71	67	60	53	49	43	
EPA130	285,749,968	576	862	293	29	27	25	22	20	18	
EPA131	1,615,499,984	1,231	1,551	319	179	169	152	135	124	110	
Total/Average	13,144,499,952	1,196	1,648	453	2,067	1,951	1,748	1,555	1,430	1,264	
EP97 (Farm-In Only)	639,000,000	1,716	1,950	233	218	26	23	21	19	17	

Table 8: Coal tonnage estimates in the Purni Formation deeper than 1000m depth to the base of the Purni at various minimum coal seam thicknesses by Petroleum Permits.

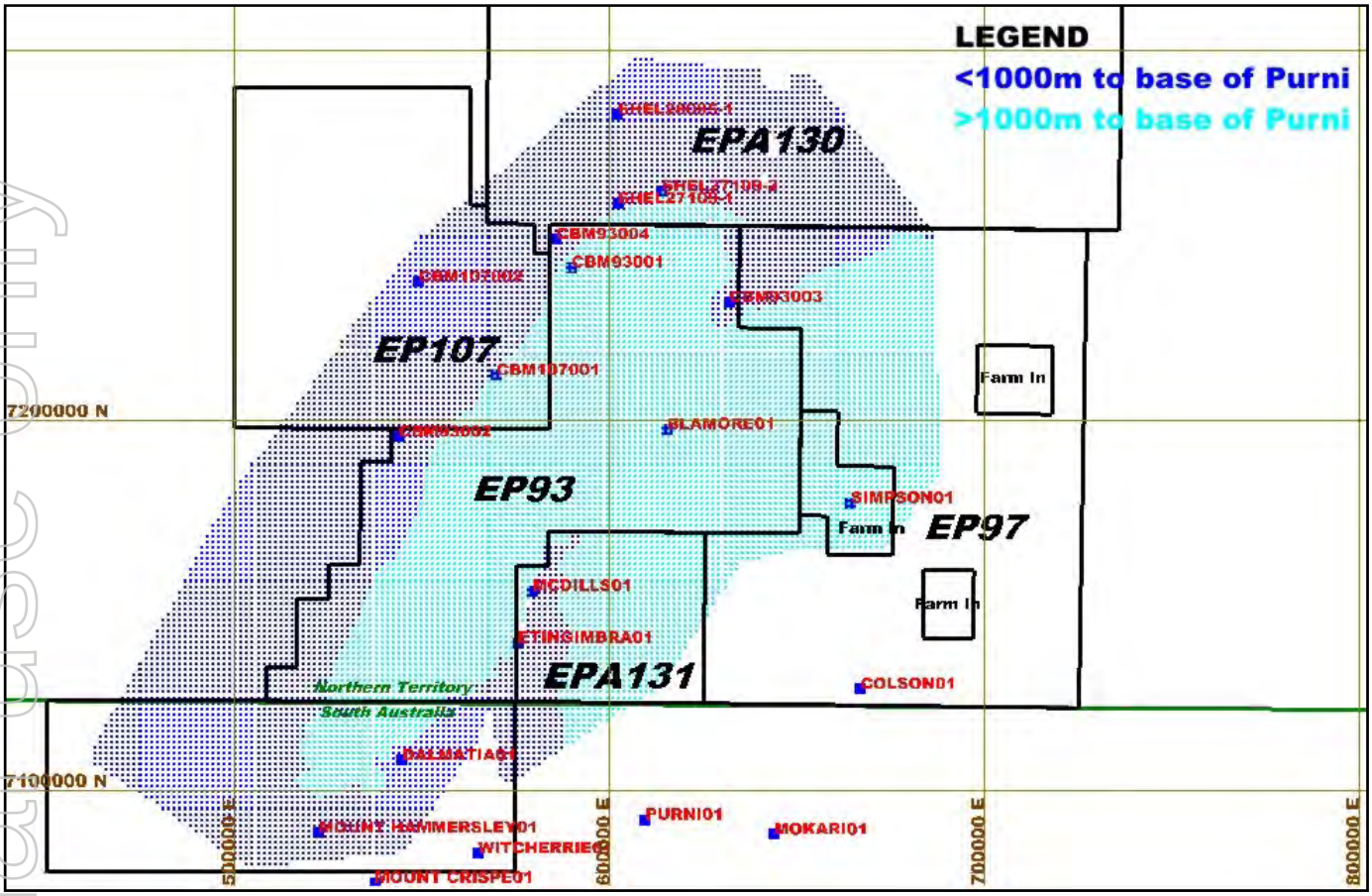


Figure 14: Depth of Purni base showing gridded data and petroleum permits.

All Mineral Tenements (granted and applied)	Purni TOP DEPTH (m)	Purni BASE DEPTH (m)	Purni ISOPACH (m)	Total Coal Billion Tonnes	Coal >1.0m Thick Billion Tonnes	Coal >2.0m Thick Billion Tonnes	Coal >3.0m Thick Billion Tonnes	Coal >4.0m Thick Billion Tonnes	Coal >5.0m Thick Billion Tonnes	Purni Billion Tonnes
<1,000m TO BASE PURNI	419	624	206	350	330	296	263	242	214	2,012
>1,000m TO BASE PURNI	1,214	1,664	450	1,874	1,769	1,584	1,410	1,296	1,146	10,785
TOTAL PURNI	984	1,363	380	2,224	2,099	1,880	1,673	1,538	1,359	12,798

Table 9: Coal tonnage estimates in the Purni Formation, with sub-totals above and below 1000m depth to the base of Purni, at various minimum coal seam thicknesses within CTP mineral tenements.

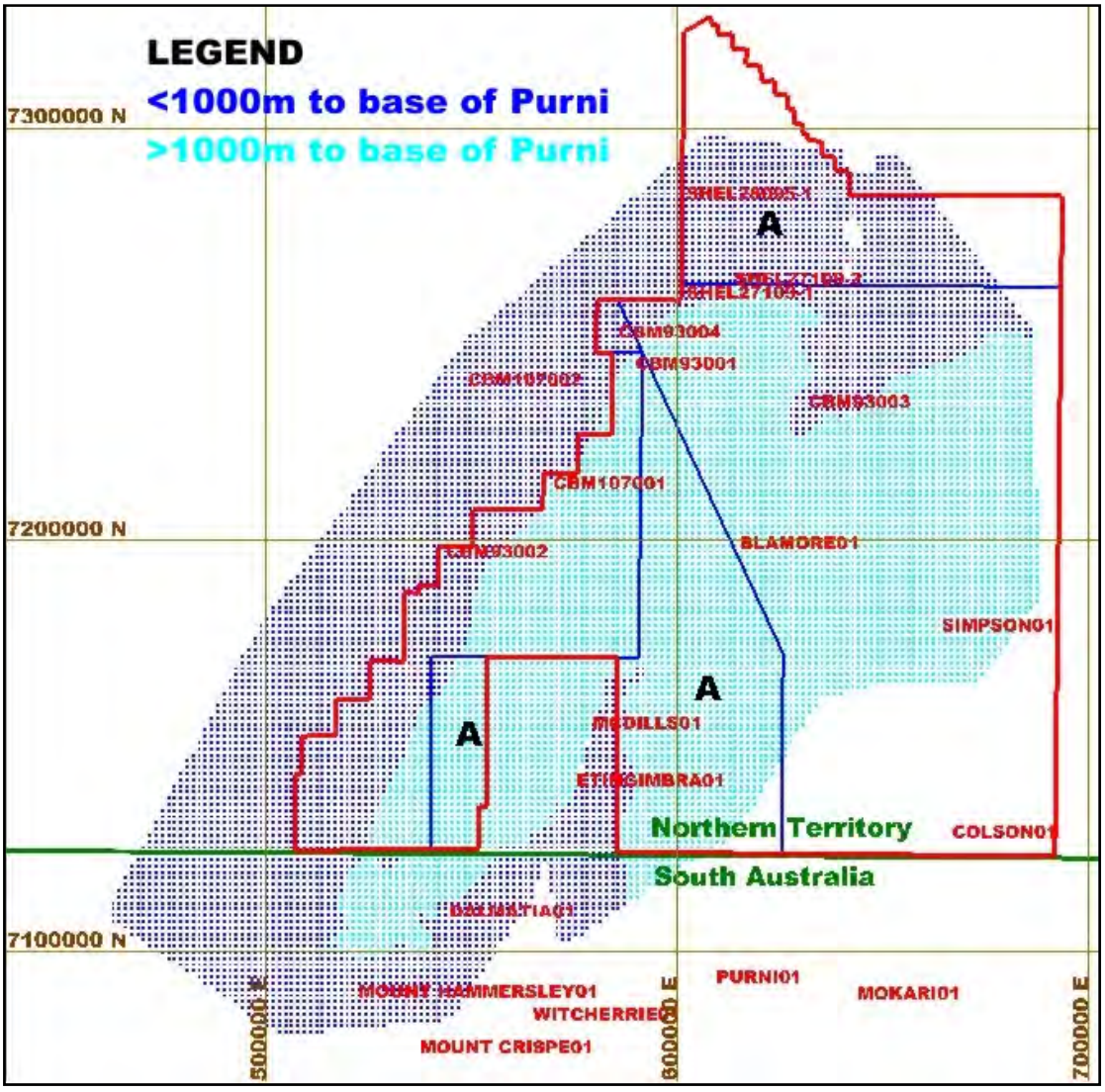
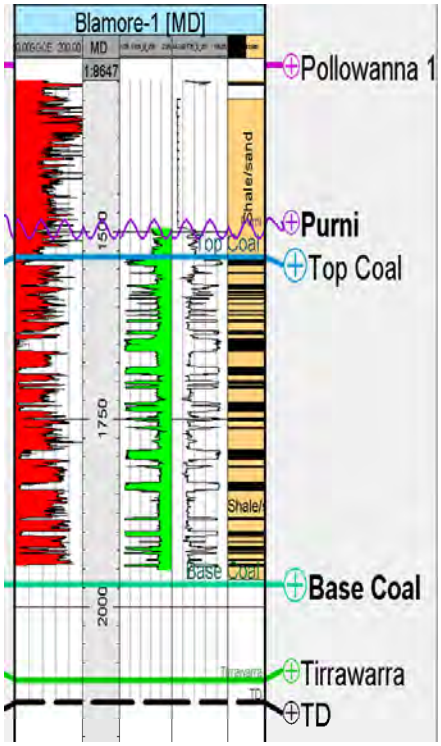


Figure 15: Depth of Purni base showing gridded data and mineral tenements. Applications shown with "A"

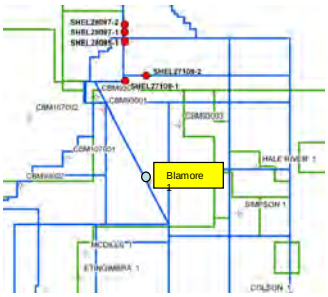
APPENDIX 2: Drill Hole Results.

Blamore 1

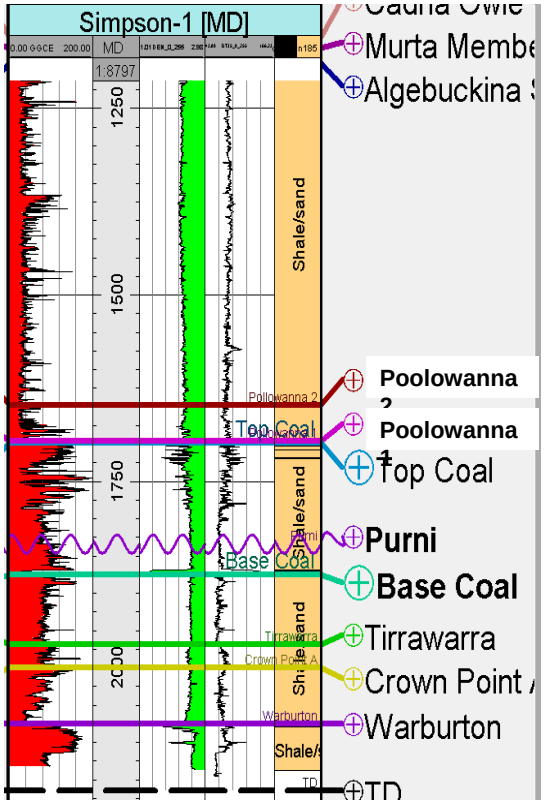


Coal intersections

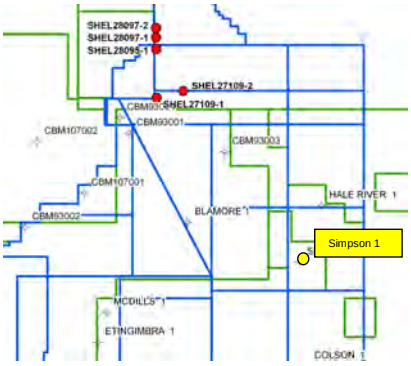
Top (MD)	Base (MD)	Thickness (m)
1533.6	1535.1	1.4
1537.6	1545.4	7.8
1554.3	1555.9	1.6
1570.8	1575.5	4.6
1579.8	1581.1	1.2
1583.7	1585.3	1.6
1589.0	1589.8	0.9
1595.4	1596.7	1.2
1603.9	1606.2	2.3
1610.5	1612.0	1.5
1616.9	1621.1	4.2
1631.7	1637.4	5.7
1642.7	1659.8	**17.0**
1680.0	1689.3	9.3
1690.0	1690.7	0.7
1699.0	1703.9	4.9
1705.7	1709.3	3.6
1714.4	1714.8	0.4
1727.3	1731.1	3.7
1732.1	1740.3	8.2
1746.2	1747.1	0.9
1747.8	1750.2	2.4
1751.4	1753.2	1.8
1759.7	1763.9	4.2
1790.2	1790.4	0.2
1791.3	1803.7	**12.4**
1805.0	1805.9	0.9
1812.4	1814.4	2.1
1834.3	1844.7	**10.4**
1845.5	1846.4	0.9
1854.2	1854.8	0.5
1858.1	1859.0	1.0
1880.9	1884.8	3.8
1899.1	1906.2	7.1
1913.3	1914.3	1.0
1920.1	1925.6	5.5
1927.3	1929.9	2.6
1937.3	1938.4	1.1
1943.2	1946.5	3.3
1967.0	1970.3	3.3
2036.6	2037.4	0.8
	Total	**148.7**



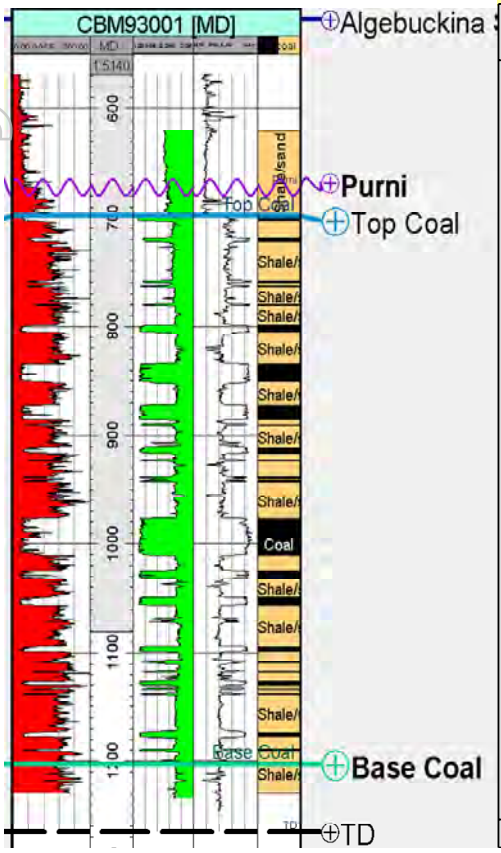
Simpson 1



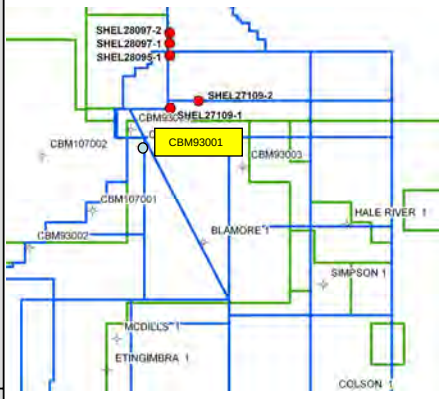
Coal intersections Top (MD)	Base (MD)	Thickness (m)
1699.0	1699.2	0.2
1702.1	1702.8	0.7
1707.5	1708.1	0.6
1708.9	1709.0	0.1
1712.4	1712.8	0.4
1714.2	1714.8	0.6
1718.6	1719.0	0.4
1720.3	1720.7	0.4
1721.3	1721.9	0.6
1724.9	1725.3	0.3
1869.3	1874.7	5.4
	Total (m)	9.8



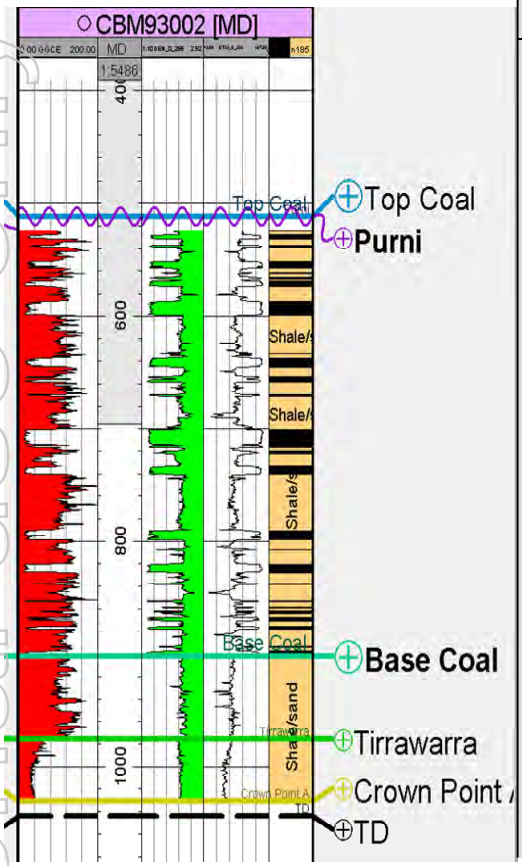
CBM93001



Coal intersections		
From	To	Thickness
698.5	702.7	4.2
718.6	722.1	3.5
757.4	759.5	2.1
761.9	763.3	1.4
779.9	781.3	1.4
798.7	805.8	7.0
834.0	850.5	**16.6**
872.0	886.5	**14.4**
910.1	916.8	6.7
937.6	939.3	1.8
890.5	891.9	1.4
923.0	923.7	0.7
940.9	943.9	3.0
976.0	1010.6	**34.5**
1023.6	1031.0	7.4
1034.9	1035.6	0.7
1048.6	1056.4	7.8
1070.5	1071.6	1.1
1093.4	1097.6	4.2
1106.4	1108.9	2.5
1115.6	1118.4	2.8
1125.1	1129.7	4.6
1132.5	1134.3	1.8
1137.1	1138.5	1.4
1172.3	1178.7	6.3
1188.7	1191.2	2.5
1201.8	1203.2	1.4
	Total	143.3

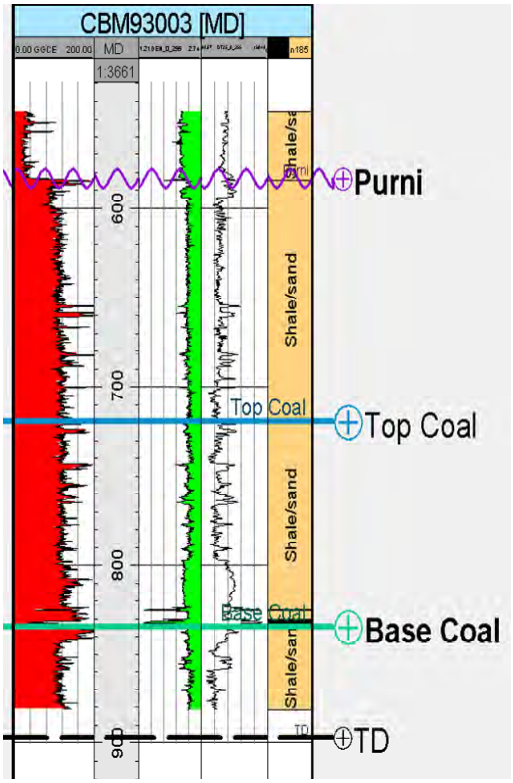


CBM93002



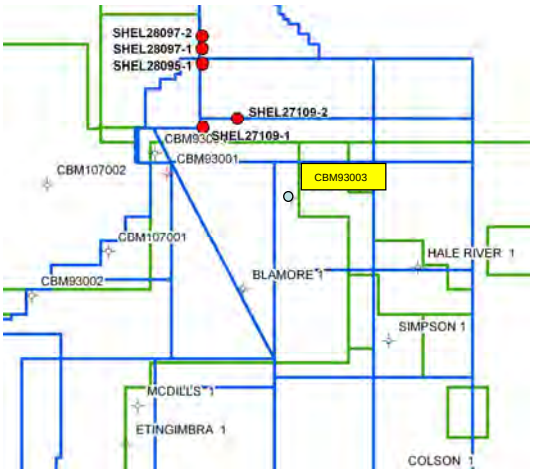
Coal intersections		
Top (MD)	Base (MD)	Thickness (m)
513.8	520.7	6.8
527.5	531.3	3.8
537.0	538.8	1.8
551.5	557.6	6.2
561.2	561.9	0.7
564.7	567.4	2.8
568.4	573.3	4.9
587.0	599.4	12.4
632.8	633.4	0.7
634.3	635.0	0.6
636.8	645.1	8.3
653.2	655.0	1.8
656.0	658.5	2.5
663.3	663.7	0.3
669.6	671.2	1.6
698.4	698.7	0.3
699.2	699.4	0.2
700.3	714.6	14.4
715.2	716.9	1.7
719.7	722.3	2.6
733.2	740.6	7.4
743.8	744.2	0.4
744.8	745.0	0.1
790.1	798.7	8.7
806.7	808.0	1.2
811.5	812.0	0.4
819.9	827.6	7.7
830.9	831.0	0.1
831.5	831.8	0.3
836.1	836.2	0.1
837.0	838.3	1.3
852.5	854.0	1.6
858.4	859.2	0.8
861.7	862.6	0.8
863.4	863.9	0.5
864.2	864.7	0.5
867.2	868.8	1.6
869.1	870.3	1.2
873.2	873.4	0.2
874.6	874.7	0.1
875.5	878.1	2.6
884.6	885.0	0.5
892.7	893.1	0.4
893.3	894.4	1.2
895.4	895.5	0.1
897.7	899.7	2.0
900.6	900.8	0.3
901.4	902.2	0.7
	Total (m)	117.3

CBM93003

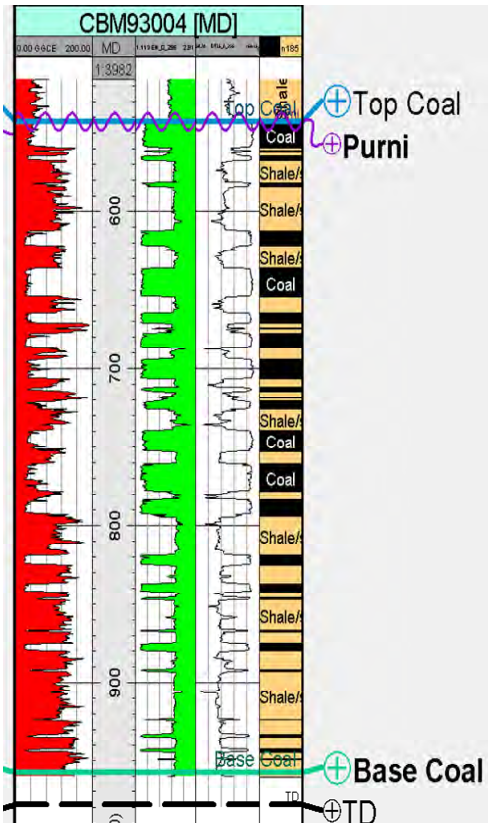


Coal Intersections		
Top MD	Base MD	Thickness
719.6	720.1	0.5
824.6	825.4	0.8
830.3	830.4	0.2
831.3	832.6	1.2
833.8	834.1	0.3
Cumulative	Total	2.9m

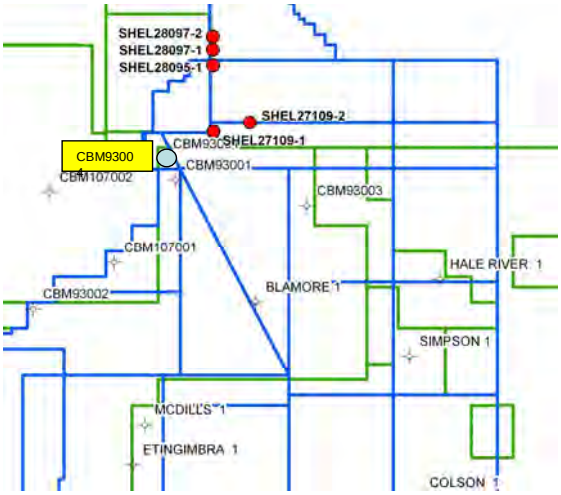
CBM93003 was drilled on a palaeo-geographic high which had a very thin Permian (Purni Fm) section.



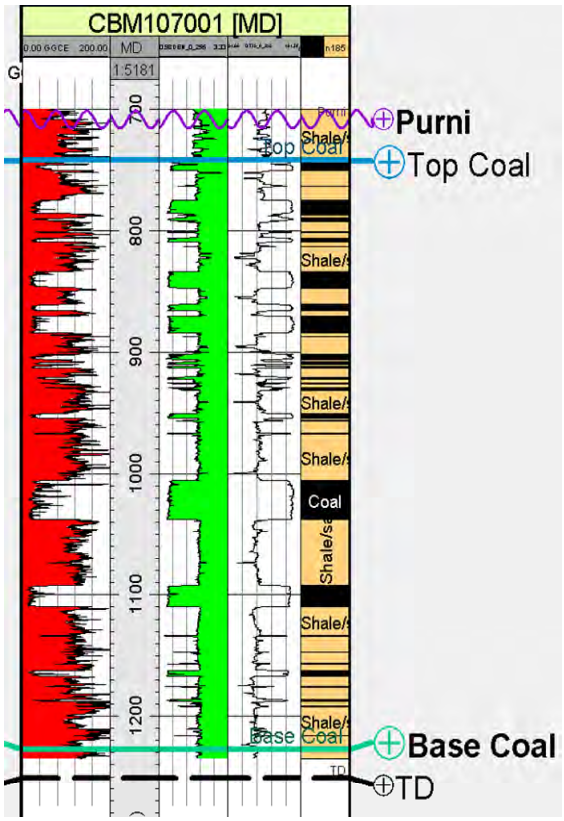
CBM93004



Coal Intersections		
Top MD	Base MD	Thickness
543.2	559.2	16.0
561.1	562.2	1.1
564.6	567.8	3.2
581.6	584.3	2.7
612.2	621.9	9.8
636.1	653.8	17.7
664.8	671.3	6.6
674.2	674.8	0.6
677.3	686.6	9.3
693.7	706.4	12.6
711.9	714.8	2.9
718.0	718.4	0.5
720.4	725.7	5.3
739.0	752.6	13.6
760.3	778.0	17.7
783.2	792.8	9.6
793.4	793.9	0.5
818.5	825.1	6.6
836.5	842.0	5.5
845.7	847.0	1.4
866.1	867.2	1.1
875.2	880.0	4.7
891.4	892.9	1.5
922.9	923.5	0.6
932.4	934.7	2.3
942.1	944.1	2.0
948.7	949.0	0.3
Cumulative	Total	155.4

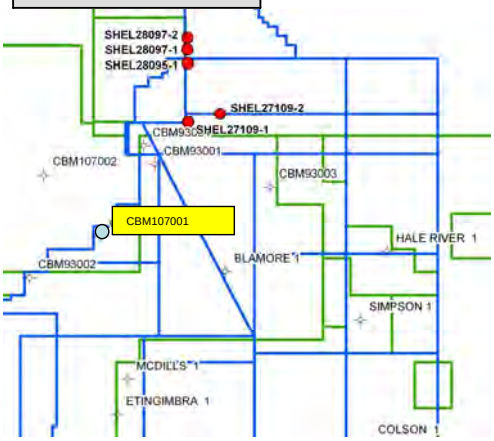


CBM107001



Coal Intersections

Top MD	Base MD	Thickness
743.3	744.7	1.4
745.5	750.3	4.8
762.9	763.3	0.5
774.7	785.8	11.1
786.9	787.1	0.2
789.4	791.4	2.0
791.9	792.1	0.2
800.4	801.6	1.2
805.7	809.3	3.6
812.7	812.8	0.0
833.6	847.1	13.5
860.7	865.9	5.2
870.1	884.2	14.1
887.1	887.1	0.1
901.3	905.9	4.6
908.0	910.1	2.1
911.6	913.3	1.6
920.3	922.1	1.8
925.4	925.8	0.5
929.1	929.7	0.6
929.9	930.2	0.3
930.7	931.2	0.4
950.6	954.6	4.0
956.2	956.3	0.1
956.5	956.7	0.3
966.6	967.7	1.1
1005.7	1038.0	32.3
1092.4	1109.8	17.4
1133.4	1134.3	0.9
1147.1	1147.4	0.2
1156.6	1156.9	0.3
1162.2	1166.9	4.7
1175.4	1175.8	0.4
1186.3	1188.0	1.7
1191.7	1191.9	0.2
1216.0	1216.3	0.3
1226.2	1226.4	0.2
	Total	133.8



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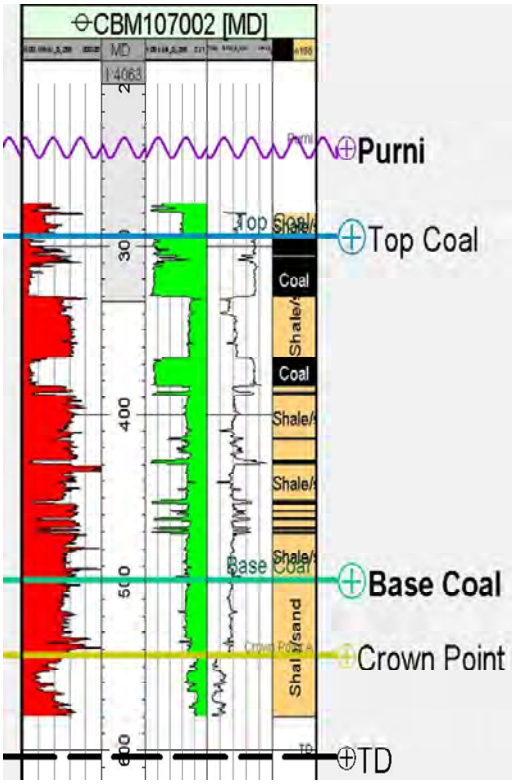
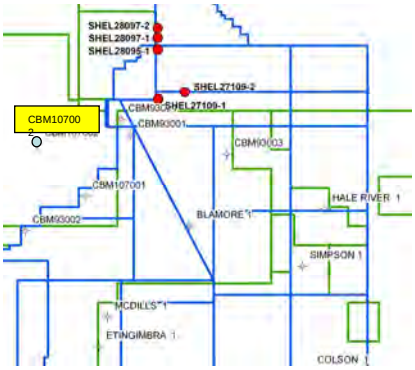
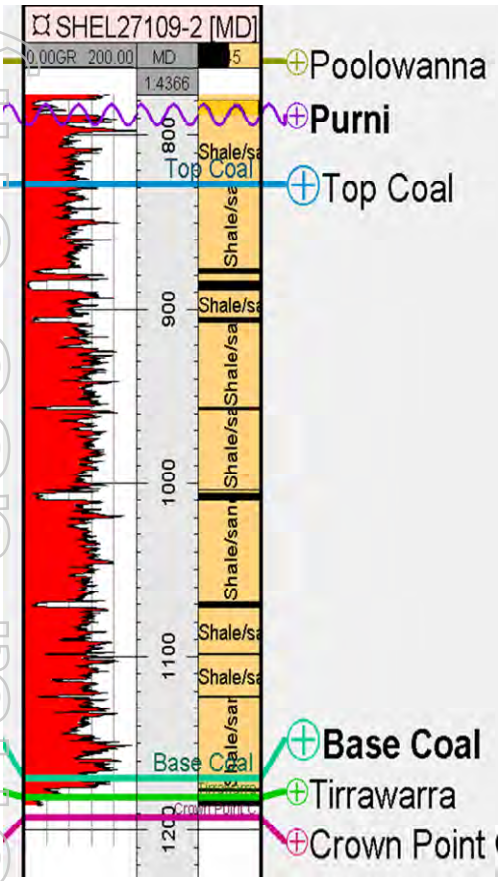


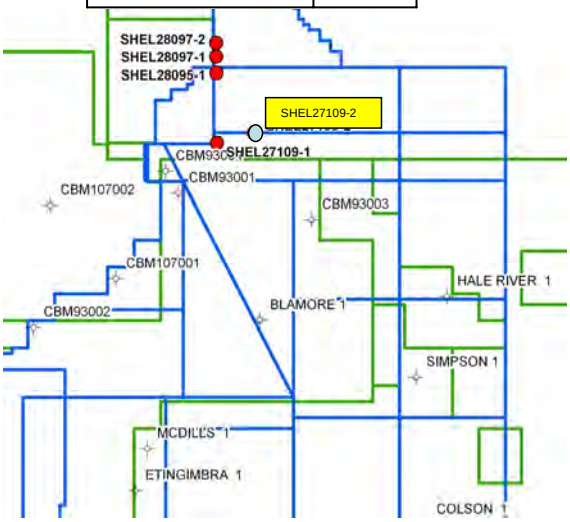
Coal intersections		
Top	Base	Thickness
294.0	296.5	2.5
297.4	301.8	4.4
302.6	303.0	0.4
304.0	305.6	1.6
306.6	307.5	0.9
308.9	309.3	0.4
310.0	330.1	20.1
365.7	382.6	16.9
385.9	388.7	2.8
413.9	415.5	1.6
426.6	429.4	2.8
450.8	453.8	3.0
457.1	458.0	0.9
461.7	463.7	1.9
467.2	468.6	1.4
469.3	470.9	1.6
496.6	498.7	2.1
	Total	65.2



SHEL27109-2

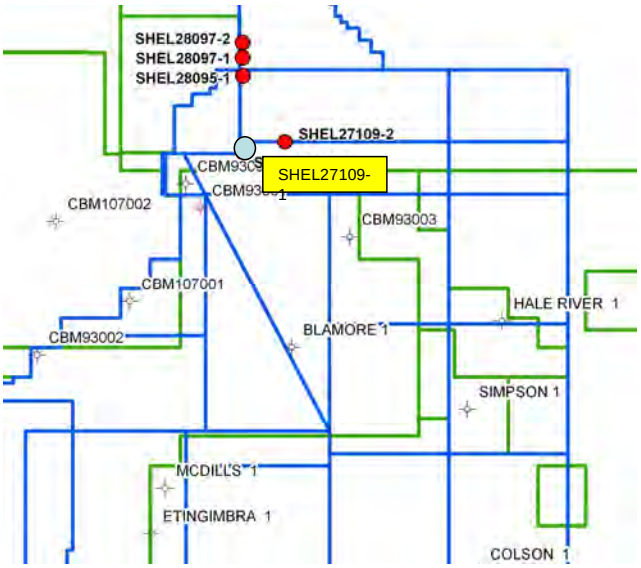


Coal intervals		
Top	Base	Thickness
828.1	829.3	1.2
846.3	848.1	1.8
874.9	878.1	3.3
882.1	888.2	6.1
903.8	907.2	3.4
915.5	915.9	0.4
939.9	940.4	0.5
954.5	956.3	1.8
959.1	959.6	0.5
1002.7	1003.6	0.9
1004.3	1009.0	4.7
1014.7	1015.2	0.5
1019.1	1019.6	0.5
1038.8	1039.0	0.2
1067.0	1070.4	3.3
1087.9	1088.8	0.9
1089.0	1090.0	1.0
1096.6	1097.5	0.9
1112.5	1114.0	1.5
1122.1	1123.9	1.8
1131.1	1131.8	0.7
1148.0	1148.2	0.2
1148.3	1148.6	0.3
1148.7	1149.0	0.3
1159.1	1159.7	0.6
1168.5	1169.0	0.5
1169.6	1170.3	0.7
	Total	**38.6**



SHEL27109-1

Coal intersections		
From (top)	**To (base)**	**Thickness**
739.0	743.3	4.3
751.2	753.6	2.4
759.2	761.6	2.5
767.2	785.0	17.8
791.7	792.0	0.3
798.1	806.7	8.6
832.1	837.8	5.7
852.7	853.8	1.1
854.9	855.5	0.6
877.0	879.1	2.2
940.2	953.0	12.8
962.2	963.2	1.0
968.2	969.1	1.0
992.9	998.1	5.1
1000.5	1001.9	1.4
1013.7	1014.7	1.0
1016.7	1017.1	0.4
1018.7	1020.8	2.1
1025.1	1026.0	0.9
1031.5	1033.0	1.6
1033.8	1035.6	1.8
Cumulative	**Total**	**74.4**



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From: http://www.ergoexergy.com/eucg.htm - Ergo Energy UCG notes

The *ε*UCG technology uses a variety of modern drilling methods, including high-precision directional holes, as well as conventional vertical and inclined (or angled) holes. In its arsenal are various methods of well-linking, the capability to inject different oxidants (air, enriched air, O_2/H_2O, CO_2/O_2 and so on), and a great variety of designs of underground gasifiers. It can be applied to coal in a wide range of geological conditions, with the following preferred parameters:

- Coal seam thickness from 0.5 to 30 m.
- Dip from 0^o to 70^o.
- Depth from 30 to 800 m.
- Calorific value (LHV) from 8.0 to 30.0 MJ/kg (which includes low-quality lignite and bituminous coal).

Unmined and un-minable coal deposits, with such obstacles to mining as high fault frequency, volcanic intrusions and other complex depositional and tectonic features, have been often found a part of the *ε*UCG resource base. In every geological setting, a specific *ε*UCG design will be tailor-made to fit the unique conditions of a target coal seam.

Normally, *ε*UCG is applied to relatively deep coal in water-saturated conditions, although it is also possible to gasify unsaturated coal seams that lie above the water table.

*ε*UCG is an industrial technology that operates large-scale gas production facilities consisting of multiple modules or gasifiers.

The specific benefits of operating a large *ε*UCG underground gasifier include the following:

- A practically unlimited supply of coal will be available for gasification; no external coal and water supply is required to sustain the reaction.
- The *ε*UCG process creates an immense underground gas and heat storage capacity, making the gas supply very stable and robust.
- An underground gasifier comprises a number of underground reactors with largely independent outputs. The gas streams from different reactors can be mixed as required, to ensure consistency of overall gas quality. The outputs of reactors can also be varied, in order to optimize coal extraction and overall gas output from the gasifier.
- No ash or slag removal and handling are necessary, since inert material predominantly remains in the underground cavities.
- Ground water influx into the gasifier creates an effective "steam jacket" around the reactor, making the heat loss in situ tolerably small.
- Optimal pressure in the underground gasifier promotes groundwater flow into the cavity, thus confining the chemical process to the boundaries of the gasifier and preventing contamination of the underground environment.

Multiple gasifiers may be required to supply fuel to an industrial consumer; the exact number will depend on the size of the fuel supply required and the precise geology of the coal deposit targeted.

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From: http://www.lincenergy.com.au/process.php Linc Energy

11.1 PROCESS OVERVIEW

COAL TO GAS .. GAS TO DIESEL .. GAS TO POWER

Underground Coal Gasification (UCG) clean coal technology is a proven underground combustion process, which produces a synthetic gas or Syngas at the surface that can be economically used for a variety of purposes including:

- Production of liquid fuels using Coal To Liquids technology
- Electricity generation using gas turbines / combined cycles
- As feedstock in different petrochemical processes

UCG clean coal technology has been successfully operating commercially at a number of sites in the ex-Soviet Union for more than 40 years, where two plants are still in operation. In this application the Syngas is used primarily for power generation and heating.

Linc Energy through an extensive R&D programme, which included government support, has developed a benchmark UCG facility at Chinchilla in Queensland, Australia. This is the first facility of its kind to have achieved sustained success in the western world.

Linc Energy´s long term business plan is to use the Syngas produced via UCG as feedstock to an adjacent on-site Coal To Liquids (CTL) plant with a target production capacity of 20,000 barrels of diesel fuel per day (20,000 BPD). Most importantly, the diesel fuel produced from Linc´s Syngas will be a cleaner alternative to conventional refinery diesel.

Additionally, Linc Energy´s long term business plan is to use the Syngas produced via UCG as feedstock in a Gas Turbine or Combined Cycle plant to generate much-needed and more environmentally friendly electricity.

Bringing together the unique production processes of UCG clean coal technology and CTL presents exciting opportunities for the future of the company and the country. Linc´s Syngas is a much cheaper feedstock for the CTL process than traditional sources such as Natural Gas or Coal Gas derived from above ground coal gasification.

The unique advantage is that Linc can produce its Syngas directly from the coal seam and then feed the output straight into the CTL Plant and Power Plant planned for the Chinchilla site.

The innovative thinking that has led to this unique process combination has the potential to make Linc Energy one of the world´s leading producers and suppliers of ultra-clean liquid fuels. This has an added advantage of helping address the insatiable global demand for diesel and other liquid fuels.

12.0 PERSONAL DETAILS OF COMPETENT PERSONS

Personal Details	Allen J Maynard [Director – Al Maynard & Associates Pty Ltd ("AM&A")] Residential Address: 2 Marian Street, Leederville, WA, 6007, Australia.
Qualifications	BAppSc(Geol), MAIG, MAusIMM

Experience	Allen has continuously been engaged as a geologist in the mineral exploration and evaluation industry since 1978 working on gold, diamonds and other precious stones, base metal and platinum group minerals, coal, mineral sands and industrial minerals projects. He has explored and evaluated in more than 28 countries on the five continents and Greenland. He is a Corporate Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), Member of the Australian Institute of Geoscientists (MAIG) and satisfies Australian Securities Exchange Limited (ASX) and Australian Securities and Investments Commission (ASIC) regulations and requirements to provide independent expert reports for listed and unlisted public companies.
Employment Summary	Independent Geological Consultant since 1982. Principal of AM&A.
Areas of Expertise	Surface mineral exploration, project generation and valuation, design and implementation of mineral exploration programs from conception to completion. Provision of independent project appraisals and valuations for companies listed on AIM, ASX, JSE, LSE, TSE:VX Exchanges.

Personal Details	Brian Varndell
Qualifications	BSc(Spec Hons Geology) Fellow AusIMM
Experience	Continuously engaged since 1971 in a wide variety of exploration & mining operations including underground and surface mines. Headed the very successful Indonesian team of Aurora Gold (2.0Moz Au) during 1994-98. Responsible for significant discoveries in West Africa and elsewhere.
Employment Summary	Managerial roles and Consultant in the capacity of Acting or Chief Geologist, overseeing mining operations, both open-pit and underground and also supervising exploration (essentially from grass roots through to drilling operations, programme planning and feasibility studies). Independent expert property reports for IPO's and independent expert valuations.
Areas of Expertise	Surface mineral exploration, project generation and valuation, design and implementation of mineral exploration programs from conception to completion. Provision of independent project appraisals and valuations for companies listed on AIM, ASX, JSE, LSE, TSE:VX Exchanges.

Personal Details	Philip A Jones [Consulting Geologist – Al Maynard & Associates Pty Ltd ("AM&A")] Residential Address: 4 Buchan Pl, Hillarys, WA, 6025, Australia.
Qualifications	BAppSc(Geol), MAIG, MAusIMM
Experience	Philip has continuously been engaged as a geologist in the mineral exploration and evaluation industry since 1975 working on iron ore, gold, phosphate and base metals and industrial minerals projects. He has worked on numerous mines and exploration projects in Australia, New Zealand, Papua New Guinea, Indonesia, China and Kyrgyzstan. He is a Corporate Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), Member of the Australian Institute of Geoscientists (MAIG).

Employment Summary	Independent Geological Consultant since 1992 as well as employed by CRA (Rio Tinto) Christmas Island Phosphates P/L, Nevoria Gold Mines P/L, Aurora Gold NL.
Areas of Expertise	Resource estimation, project evaluation, mine geologist.

13.0 DEFINITION OF TERMS

Units	
B	billion
cm	centimetre
g	gram
g/cc	gram per cubic centimetre or per centilitre
ha	Hectare
hrs	hours
K	one thousand units
kg	kilogram
km	kilometre
kt	thousand metric tonnes
ktpm	thousand metric tonnes per month
M	metre
m^2	square metre – measure of area
m^3	cubic metre
mm	millimetre
mpa	metres per annum
M	million
Mt	million metric tonnes
Mtpa	million metric tones per annum
pa	per annum
pha	per Hectare
S	second
T	metric tonne
tpa	metric tonne per annum
tpd	metric tonne per day
tpm	metric tonne per month
tm^{-3}	density measured as metric tonnes per cubic metre
AUD	Australian Dollar

Glossary of Terms	
anticline	arch-shaped fold in rocks, closing upwards, with the oldest rocks in the core
antiformal	arch-shaped rock structure, closing upwards, but in which it may not be possible to determine the oldest rocks
arenaceous	term describing sedimentary rocks with a modal grain size in the sand fraction
argillaceous	term describing sedimentary rocks with a modal grain size in the silt fraction

Glossary of Terms	
assay	the chemical analysis of mineral samples to determine the elemental content
basinal	a basin like depression that may be erosional or structural in origin
braided	divergence of stream channels into complex system of smaller channels
calorific value	The heat liberated by the coal's complete combustion in oxygen
carbonaceous	carbon rich
channel	watercourse, also in this sense sedimentary material course
composite	combining more than one sample result to give an average result over a larger distance
cross section	a diagram or drawing that shows features transacted by a vertical plane drawn at right angles to the longer axis of a geologic feature
density	measure of the relative "heaviness" of objects with a constant volume,; density = mass/volume
dilution	waste which is unavoidably mined with ore
dip	angle of inclination of a geological feature/rock from the horizontal
drill-hole	method of sampling rock that has not been exposed
extensional faults	faulting resulting in the extension of the earth's crust
facies	a rock unit defined by its composition, internal geometry and formation environment
fault	the surface of a fracture along which movement has occurred
fluvial	pertaining to the processes and actions of a river/stream
fold	plastic deformation of previously horizontal rock strata
graben	a block of rock that lies between two faults and has moved downward to form a depression between the two adjacent fault blocks. See also horst
horst	a block of rock that lies between two faults and has moved upward relative to the two adjacent fault blocks. See also graben
Indicated Mineral Resource	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. it is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. the locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
Inferred Mineral Resource	that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. it is inferred from geological evidence and assumed but not verified geological and/or grade continuity. it is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
Insitu tonnage	an estimated measure of mass of coal in the ground containing inherent moisture
intercalated	existing or introduced between layers of a different type
lineament	a large-scale linear feature which expresses itself in terms of topography, which is

Glossary of Terms	
	in itself an expression of underlying structural features
lithological	geological description pertaining to different rock types
Measured Mineral Resource	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. it is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. the locations are spaced closely enough to confirm geological and grade continuity
metasediments	metamorphosed sedimentary rock
Mineral Resource	a concentration (or occurrence) of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. the location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral resources are sub-divided in order of increasing confidence, in respect of geoscientific evidence, into inferred, indicated and measured categories
moisture	inherent water content in coal expressed as a percentage
normal fault	fault in which the hangingwall moves downward relative to the footwall
palaeohigh	a topographic high portion of a basin that has draped over a pre-existing topographic high usually resulting in thinning of the basin sediments. A favoured target for oil exploration as a potential trap for oil, but since the basin sediments become thinner over these structures any coal seams would be expected to become proportionally thinner.
petrographic	systematic description and interpretation of rock textures and mineralogy in thin section
sedimentary	pertaining to rocks formed by the accumulation of sediments, formed by the erosion of other rocks
sill	a thin, tabular, horizontal to sub-horizontal body of igneous rock formed by the injection of magma into planar zones of weakness
stratigraphy	study of stratified rocks in terms of time and space
strike	direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction
subcrop	describing a rock stratum that unconformably underlies another rock stratum
syncline	concave fold in stratified rock in which the strata dip down to meet in a trough
unconformity	buried erosion surface separating two rock masses; older exposed to erosion for long interval of time before deposition of younger
vitrinite	a maceral, or petrological unit of coal, analogous to a mineral in non-organic rock
Washproduct	an analytical compositing verification and simulation software program
yield	the actual quantity of product realised after the mining and treatment process.

Abbreviations	
ABARE	Australian Bureau of Agricultural and Resource Economics
AMSL	above mean sea-level
CPI	Consumer Price Index
GIS	Geographical Information System
GPS	Global Positioning System
GDP	Gross Domestic Product
JORC	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy
PCI	pulverised coal injection
QA/QC	Quality Assurance and Quality Control
RC	Reverse circulation
RD	Relative density