



10 July 2013

**Surprise West Development Funding Assured**

The Company has received a research and development ("R&D") tax incentive refund from the Australian Commonwealth Government, which provides financial capacity for the anticipated development costs of Surprise West.

The development of Surprise West Stage 1 is estimated to take approximately three months to complete. The work will include the re-entry of Surprise #1, for pump installation and the construction of a Production Facility to increase the present capacity to 5,000 barrels of oil storage with 2,000 barrels of water separation capacity. Project economics indicate that the up to \$5 million cost of development will be paid back in around nine months.

The development is conditional on the grant of a Production Licence, which is expected to be approved by the end of the quarter. The Company expects that production will commence by the end of this calendar year, providing valuable cash flow support for the Company's plans to develop its large conventional and unconventional oil and gas potential.

"Whilst the receipt of the R&D incentive is in excess of the of the Surprise West requirements, the Company hopes to conclude the already well advanced farm-in discussions by September. Importantly the Company is no longer dependant on the success of these negotiations for cashflow or the Surprise development. The ability to go it alone has taken a lot of pressure off the Company thus enabling any farmout deals to be at the optimal level from a risk management perspective", said Richard Cottee, Managing Director, Central Petroleum.

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