central petroleum LIMITED

AGM 2008

Derived from a variety of previous announcements and public domain information

Does not reflect the views of PXA, QGC, or the BG Group, or the current Joint Venture with them

World energy demand

2004
470 exajoules

NON-OECD 44%
OECD 56%

2030
715 exajoules

NON-OECD 60%
OECD 40%
The presentation has been summarised from various reports including, “CBM Potential of the Pedirka Basin” by Mulready Consultants, “Pre-feasibility Study for a 10,000 bbl/day FT GTL Plant in Central Australia”, and “Appraisal of GTL Development Option for Potential CBM Resources of the Pedirka Basin” HCP independent consultant costing engineers and contains their conclusions on the potential for commercial production of Gas to Liquids utilising gas from central Australia which may or may not be present in resources of sufficient volume to justify the construction of such a plant. The presentation does not attempt to give other than conclusions based on the reasonable assumptions in the Holt Campbell Payton report and should not be construed as other than conceptual in nature. This presentation is not intended for prospective investors and does not purport to provide all of the information an interested party may require in order to investigate the affairs of Central. Negotiations on the BOC MoU are a work in progress. The information herein has not all been audited nor independently verified, nor has Central been able to undertake a full due diligence on the material provided. The information herein is provided to recipients on the clear understanding that neither Central nor any of its agents or advisers takes any responsibility for the information, data or advice contained or for any omission or for any other information, statement or representation provided to any recipient. Recipients of this presentation must conduct their own investigation and analysis regarding any information, statement or representation contained or provided to any recipient or its associates by Central or any of its agents or advisers. Each recipient waives any right of action, which it has now or in the future against Central or any of its officers, advisers or agents in respect of any errors or omissions in or from this presentation, however caused. Potential recoverable petroleum numbers are estimates only until the prospects are evaluated further by drilling and/or seismic and are untried deterministically derived. Unless otherwise annotated, potential recoverable hydrocarbon estimates are sourced from a report by Mulready Consultants, Independent Geologists and are “high” or P10 estimates. Mulready Consultants have consented to the publication of extracts from their Independent Geologists Report included in Central Petroleum’s prospectus dated September 12th 2005, now closed.

In relation to the HCP report referred to in this presentation, the preliminary Pre-feasibility Study reports upon the potential for commercial production and marketing of petroleum products utilising state of the art Gas to Liquids (GTL) technology and processes in central Australia. This report does not attempt to produce profit forecasts for Central Petroleum and should not be relied upon as a basis for investment into Central Petroleum. It presents details of scoping studies and does not present financial forecasts for potential shareholders.

The views and opinions expressed in this presentation, unless otherwise qualified do not reflect the views of Petroleum Exploration Australia, nor any Joint Ventures with PXA, particularly in the area of UCG potential.

UOIP : “Undiscovered Oil Initially in Place”-SPE
Prospective Resources : Undrilled potentially recoverable resources-SPE
Exploration Target : JORC
A new report today has identified an area of the Simpson Desert straddling the South Australian-Northern Territory border as sufficiently promising to be a serious contender in Australia’s rapidly emerging underground coal gasification, coal bed methane and gas-to-liquids industries.

The report found potential for well in excess of one trillion tonnes of coal in the Purni Formation of the Pedirka Basin with estimates suggesting the coal seam potential is very well identified between 200 and 1,000 metres depth.

Central Petroleum has other joint ventures over the acreage but is pursuing in its own right, outside the current Joint Venture, the potential for UCG and GTL options in the Pedirka Basin.

Mining Act Permits: Total area c. 19,000 km²
- Coal above vertical depth of 1,000m range 615 - 655 billion tonnes
- Coal below vertical depth of 1,000m range 935 - 985 billion tonnes

Petroleum Act Permits: Covering coal in the Pedirka c. 28,000 km²
- Coal above vertical depth of 1,000m range 1,205 - 1,265 billion tonnes
- Coal below vertical depth of 1,000m range 900 - 945 billion tonnes

Individual seams up to 40m thick.
Australia - Island Continent

- 7 million km² landmass
- Additional 3.5 million km² seafloor rights 2008
- Relatively underexplored
- Low sovereign risk
- Stable benign fiscal regime
- Stable politics
- Transparent democracy
- more insulated from USA/Europe meltdown (raw mats export China/India)
- Needs additional transport fuels: 2015-2025, 80% imported-112 MMbbls pa
- Lacks energy infrastructure cf. with USA/Europe
- Low domgas prices A$3-5.00/GJ
- Burgeoning LNG exports
- Increasing importance of CBM in domgas and LNG
- No GTL/GTF as yet
- Government support for GTL/GTF
- Significant advances in UCG trials
• Central operates one of the biggest underexplored single country exploration packages under single operatorship in the world-250,000 km²

• Proven prospectivity- ground surrounds 2 producing fields Mereenie, Palm Valley (Santos/Magellan JV)

• Billion barrel oil, multi TCF gas and multi BCF Helium conceptual potential

• Trillion tonne UCG potential

• Dominant position in 4 whole basins

• Conventional and Non-conventional plays

• Underexplored-well density 1/5,000 km²
• Started in 1998 with US$12/bbl oil prices
• Listed early 2006, current capitalisation c.$22 million 9 cps (150209)
• 257 million shares, 96 million options trading 4 cpo (150209)
• Share value retreat due to recent stockmarket chaos in line with BHP, Rio, Woodside
• Rolling Convertible Bond to $80 million, subject to share floor price
• JV partners PXA and HEN: 40-50% of costs covered, 2:1 promote on initial farmin
• Discussions continue with potential additional partner(s) on farmins, share placements and GTL/F and or UCG JV commitment
Central is looking for:

- additional risk sharing partner(s) via farmouts for E and P
- strategic investment into Central to stabilise share register
- Joint Venture with holder of appropriate GTL/GTF/UCG technology
Central value adding petroleum hub

CTP Central Australia Interests

Legend
- Company
- Permit
- Oil pipeline
- Gas pipeline
- Proposed gas pipeline
- Railway
- Oil field
- Gas field

Rail link to Port Darwin opened Jan 2004
Average Well Density: 1 Well/1.2 million acres
250,000 sq km/60 million acres
• Oil discovery and development for early cash flow

• Development of gas and Helium resources in conventional reservoirs

• Development of CBM and non conventional reservoirs Pedirka and Amadeus

• Examination of UCG applications outside of the current JVs

• Planned development of large scale GTL/GTF plant(s) to add value to gas discoveries

• Existing infrastructure linking resources to export or domestic markets via Darwin
Central Petroleum Limited 2008 programme

- Completed two stage 1,600 km seismic programme early 2008
- Drilled 2 conventional oil wells and 1 CBM well Pedirka Basin 2008
- Drilled Blamore 1, 160m net gassy coals, failed to test all oil targets-residual oil Algebuckina Formation
- Drilled CBM93001, 140m net gassy coals, enigmatic core test results, planning on flowtesting
- Drilled Simpson, dry oil well, but oil column potential in the Jurassic Poolowanna (under review)
- Demonstrated 50 km wide swathe of coal beds over at least 150 km fairway: UCG and CBM
- Developed many new targets with seismic, particularly associated with halo-tectonics
- Gained valuable stratigraphic information to plan forward and calibrate seismic
- Developed significant experience as a team in long range desert operations
- Programme suspended pending review with current JV partners
3-4 conventional wells-A$20 million (Amadeus Basin) oil, gas, condensate, Helium targets

10 fully cored CBM wells-A$12 million (Pedirka Basin) CBM

mix 2D and 3D seismic-A$15 Million (Amadeus and Pedirka)

This conditional programme proposal is solely Central’s in-house proposal and has not been presented to or discussed with current Joint Venture partners. It is subject to appropriate farmin partners, capital, contingencies and approval or modification at OPCOM meetings yet to be held.
Potential for UCG is being pursued by CTP in its own right outside of current JVs

- 2008 programme and historical data supports concept of 1,000s of km² thick coal at various depths Pedirka Basin
- No decision yet as to UCG under Petroleum or Mining Act Northern Territory, Qld debacle may point the way
- SA UCG under Petroleum Act
- UCG simple in concept, demonstrated technology USSR, Yerostigaz in Uzbekistan (LINC 60%) over 50 years : 400 MW power station
- Many pilot trials & planned applications, China in use already, Europe, USA, India, South Africa, Qld (LINC), Canada, New Zealand, Japan,

Thickness of coal seam and suitability

- > 2.0 m high
- 1.5 – 2.0 m medium
- 1.0 – 1.5 m low
- < 1.0 m unacceptable

- Perceived environmental problems, particularly in densely populated areas
- Energy conversion potential UCG 10-20 GJ/tonne coal, CBM much less-industry sources
- c. 10 PJ = 1 BBL syncrude or diesel, ie 1 tonne coal = 1-2 BBL CTL or UCG (industry sources)
- Potential “Exploration Target” for coal in CTP permits c. 1 trillion tonnes
2008 Programme-suspended

Legend

Company Permits
Prospects
Oil Pipelines
Proposed Gas Pipelines
Railway
Oil Fields
Gas Fields
Basin Margins
2008 CBM Wells

N.B. Palm Valley gasfield and Merenie oilfield are not company assets

*Note - All estimates are "high" Undiscovered Oil or Gas Initially in Place (SPE)
Worldwide the “low fruit” has been picked

Frontier basins and non-conventional reservoirs are now a priority
• 35 TCFG or 6 Bn BOE upside “yet to find” Amadeus Basin conventional targets-NTGS 2005

• 34-70 TCFG (recoverable) CBM Prospective Resources in Central’s Pedirka Basin-2007

• Additional potential UCG Pedirka Basin-currently attempting to quantify-Exploration Target c. 1 Trillion tonnes

• Horn Valley Siltstone-Amadeus, fractured shale gas play: 12-90 TCFG UGIIP-10,000 km² 2008

• Horn Valley Siltstone-Amadeus, fractured shale oil play : up to 10 Bn bbls UOIIP 2008

• Pedirka Basin -eg recent Devonian carbonate play upside UOIIP 5 Bn bbls

• Large number oil prospects and leads unquantified to date, not covered by seismic

• Additional upside Lander Trough, Georgina Basin

• Gas delivered to Alice Springs, estimated cost to Company A$1.65-2.50/GJ all up

• Oil delivered to Port Darwin estimated cost to Company A$20-25/bbl all up (road or rail bulk liquids)
Not included are non-conventional plays generally and prospects specifically in:


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Amadeus Basin-Seebase

- underexplored
- complex thrust/fold basin
- Neo-proterozoic to Devonian
- Prevalent halo-tectonics
- 34 exploration well
- 175,000 km²
- 2 producing fields
- 7,000 km seismic
Amadeus Sections-pervasive Gillen Member and Chandler Salt-efficient salt seals to trap hydrocarbons & Helium
GAS and OIL MATURE SOURCE SHALES HVS
-Similar concept to Barnett, Baxter, Bakken, Devonian and Marcellus Shales USA

- 10,000 km² in gas window  12-90 TCF UGIIP
- 7,000 km² in oil window - Bakken Shale type oil play up to 10,000 MMbbls UOIIP
HVS ("Bakken") Play Type
Target horizon c. 430 km² aerial closure, 1,000m max vertical closure prospective recoverable resources 1.7 TCFG, 105 BCF Helium, 2100m TD

Possibly the biggest undrilled seismically defined structure onshore Australia
Ooraminna Appraisal - Gas

- P10 - 0.7 TCFG Prospective Resources
- 300 km² aerial closure
- 60 km to Alice Springs
- 1300m TD
Waterhouse gas seepage

Waterhouse Gas Appraisal
• 300 km² aerial closure
• 1.0 TCFG P10 Prospective Resources
• 60 km to Alice Springs
• 2000m TD
Pedirka Basin Coal CBM/UCG

74 TCFG “High” estimate prospective recoverable
Up to 1.5 trillion tonnes coal exploration target
c. 28,000 km² coal < 1,250m
Warburton Basin EP 97 Rawson Farmin Blocks: Devonian carbonate platform, reef and slope-fan play, over 200 km² 5 Bbbls upside UOIP
Pedirka: many large leads/prospects
GTL?- flexible product slate, value added products readily disposable on local Australian market, hugely capital intensive, escalating EPC costs

GTF?- similar to GTL but apparently less capital intensive plant, more energy efficient, no naphtha production

*PIPELINE SALES? - not as profitable as GTL/GTF products but also possible as domgas prices escalate

*MINI/MAXI-LNG? - possible but not competitive with offshore projects due isolation, require long term take or pay

*UREA?- profitable but requires long term take or pay

*ETHYLENE?- similar to urea

*METHANOL- similar to urea

• Not as directly linked to upside of crude price as GTL/GTF products

• GTL/GTF have regional advantages re transport fuel sales
Diesel premium over Dubai crude

Note: Over the past two years FOB price of diesel cargos ex-Singapore has remained around US$20-25 above the price of ME crude. This is mainly because of the higher cost of refining high spec low-sulphur premium diesel and the declining quality of crudes.
Note: At OPEC’s informal meeting in Cairo in late November, Saudi Arabia stated that a fair price for crude oil is US$75, a level required to bring on stream new higher-cost supplies, needed once the global economy returns to more normal growth.
Aussie diesel price linked more to Singapore diesel price than to crude price,
Quality of crude dropping off TAPIS = DUBAI benchmark for refiners

Comparison of Singapore Diesel Price (Gasoil) with Australian Diesel TGP

Source AIP  (Note: Gasoil prices and Shipping rates are provided by Platts (McGraw-Hill Inc).
Escalating plant costs (were) overshadowed by regional fuel prices.
Central 20,000 bpd GTL Plant

Producer-owned gas field and Fischer-Tropsch GTL plant
(Feedstock at US$2.00/mscf)

Notes:
1. Feedstock 10 mscf per bbl GTL
2. Currency exchange US$ = 1.3 A$
3. GTL Product - 70/30 Diesel/Naphtha
4. GFT product value assumed 1.3 x WTI crude price
5. Total CAPEX US$ 75,000 per bpd
6. Assumed Capacity Factor ~ 90% (330 days per year)
7. O&M plus Insurance & Overheads ~6.4% of CAPEX
8. Rail Transport to Port US$2.50/bbl
Central 20,000 bpd Direct Conversion GTF Plant

Producer-owned gas field and Direct Conversion Gas-to-Fuels plant
(Feedstock at US$2.00 /mscf)

Notes:
1. Feedstock 9 mscf per bbl GTL
2. Currency exchange US$ = 1.3 A$
3. GTF Products- 110 octane gasoline and Diesel
4. GFT product value assumed 1.3 x WTI crude price
5. Total CAPEX US$ 64,000 per bpd
6. Assumed Capacity Factor ~ 90% (330 days per year)
7. O&M plus Insurance & Overheads ~6.4% of CAPEX
8. Rail Transport to Port US$2.50/bbl

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