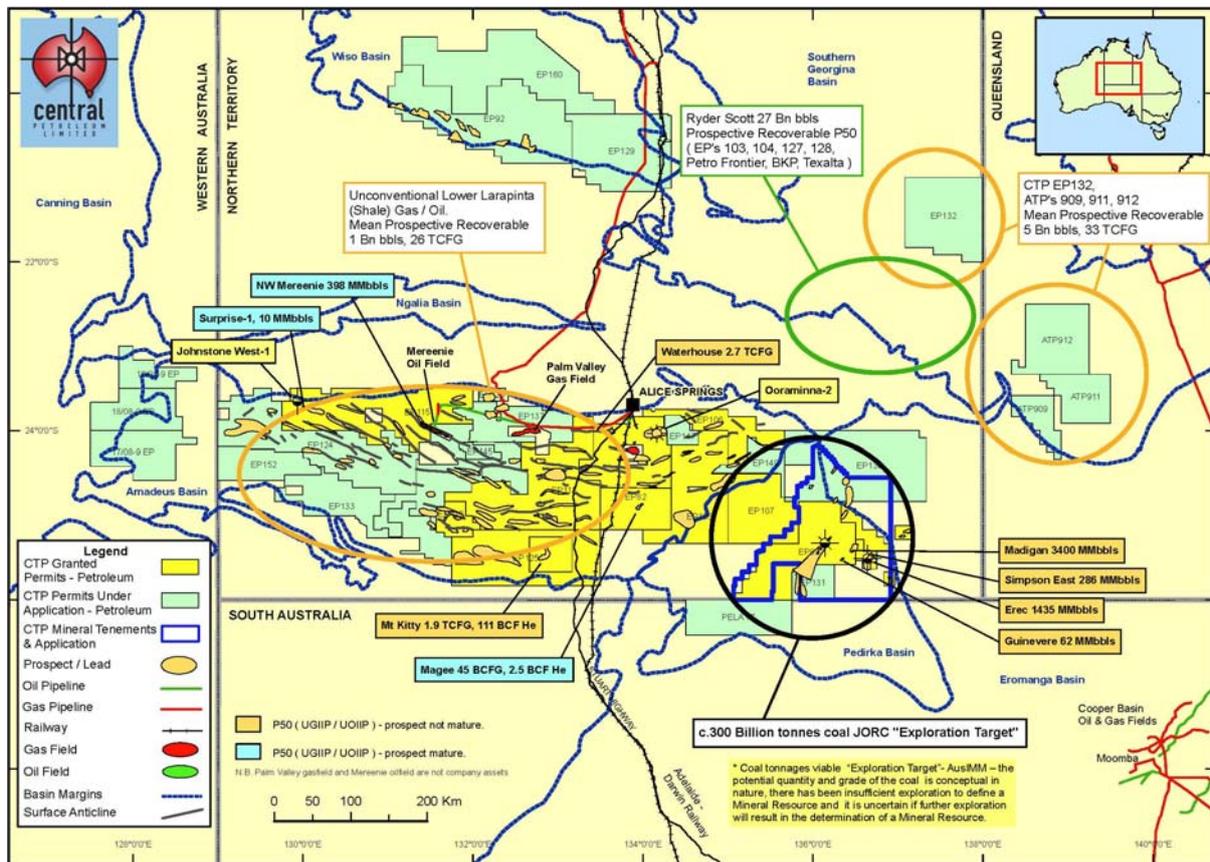


Central Petroleum Limited

ABN 72 083 254 308

Operations Report and ASX Appendix 5B For the quarter ended 31 March 2011



Petroleum and Mineral Granted Licence and Application Interests of Central Petroleum Limited

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Company Goals

Since listing in early 2006, the Company has frequently stated and restated that its focus is crude oil and condensate discovery and monetisation for potential early cash flow with future value adding for any gas discoveries via conversion to liquid transport fuels and/or LNG. Within the constraints of land access, sequence of grant and the inherent constraints of joint ventures the Company's focus has not changed. Early cash flow from any oil discoveries may initially be possible simply via trucking to port facilities at either of Port Darwin or Port Bonython with later development potential lying in additional pipeline facilities and/or bulk liquids haulage on the rail system connecting central Australia with port facilities.

Early cash flow may also be possible from helium and "mini" LNG production and sales and this is regarded as an intrinsic part of the Company's overall strategy for relatively short term cash flow. In the longer term the Company is seeking to build gas resources to a threshold point where value-adding processes via the conversion of gas into liquid transport fuels (GTL) can be brought into play.

Apart from conventional oil and gas reservoir potential, the Company has significant areas prospective in unconventionally reservoired oil and gas potential in the Company's acreage in the Amadeus Basin and the Southern Georgina Basin. 16 billion barrels of oil equivalent at "mean" prospective recoverable resource level have been independently estimated.

Several areas in central Australia with unconventional potential have recently received significant investor attention due to the involvement of companies such as the North American groups Hess, PetroFrontier, Rodinia and TME. Independent (Ryder Scott) estimates of prospective recoverable resources of up to 27 billion barrels of oil at P50 level have been made in permits adjoining the Company's acreage.

Recently announced CTP Technical Note 11.04.27 has detailed a major Devonian reef/platform play type thought to have P50 UOIP (Undiscovered Oil Initially In Place) potential of c. 6 billion barrels.

The Company is keen to accelerate a liquids (crude oil/condensate) focussed programme over the next 12 months focussed on re-entry and testing of Surprise-1 for oil potential in both conventional and unconventional horizons, drilling of the Mt Kitty prospect, a sub-salt 2 TCFG UGIIP ("best") gas/condensate/helium prospect and the drilling of Madigan-1, the first well on a giant structure in the Pedirka Basin with UOIP ("best") potential of over 3 billion barrels based on preliminary mapping of new seismic acquired in 2010. Seismic acquisition and future drilling plans over a number of play types are also being evaluated inclusive of the Surprise-Johnstone area in EP115 for conventional and unconventional oil exploration or development, the Madigan and Pellinor Devonian reefal carbonate plays in the Pedirka and, subject to grant, unconventional and conventional oil and gas potential within the Company's Southern Georgina Basin Arthur Creek Shale plays.

Recent developments in the worldwide coal sector and recent coal discoveries by the Company in its vast Pedirka Basin mineral leases have led to interest from various groups in the Company's potential coal resources with monetisation pathways being evaluated including coal mining and beneficiation for export, coal to liquids (CTL) and underground coal gasification (UCG) with gas to liquids value adding to any gas produced such as gas to liquids (GTL) processing.

The Company holds a 100% working interest in all of its permits and application areas other than the Simpson, Pellinor, Bejah and Dune prospect blocks within EP97 where the Company has a farm-in agreement with Rawson Resources Limited, and the Mt Kitty and Magee prospect blocks within EP125 and EP82 respectively which are the subject of a farm-out to Oil and Gas Exploration Limited (previously known as He Nuclear Limited).

The Company is seeking potential joint venture participants with the financial capacity and the will to explore the vast prospective acreage at its disposal and is focussing its efforts on large companies and majors. This is a shift away from previous joint ventures involving smaller partners who in the past have had difficulty in funding their share of the various joint ventures that the Company had entered into. Interest in Central's acreage has been shown by a number of Chinese, North American, South American and Indian entities for conventionally and unconventionally reservoired hydrocarbons, helium and coal. It is most important therefore that the Company qualify aspiring partners most assiduously. Prospective exploration acreage values in the energy industry, particularly in the overlooked central Australian basin areas are escalating rapidly so that Central is determined to extract maximum value for its shareholders in any deal being contemplated.

Review of Operations

Potential new petroleum exploration province

In December 2010 the Company attained a milestone in its corporate objectives with the discovery of significant oil shows in the Surprise-1 well within EP 115 in the north western Amadeus Basin. Although the well has been suspended for re-entry and deepening into the main target zone due to problems with the drilling rig, a core was taken in the Lower Stairway Sandstone, a primary target above the main objective zone, the deeper Pacoota Sandstone. The core ended in sandstone which exhibited close to 100% fluorescence attributed to the presence of oil, with the base of the Lower Stairway Sandstone yet to be reached. Independent tests on the core taken concluded that the cored zone had potential to flow at up to 1,000 barrels per day although electric logging, pressure gradient and other work needs to be done which may either confirm or negate this preliminary interpretation.

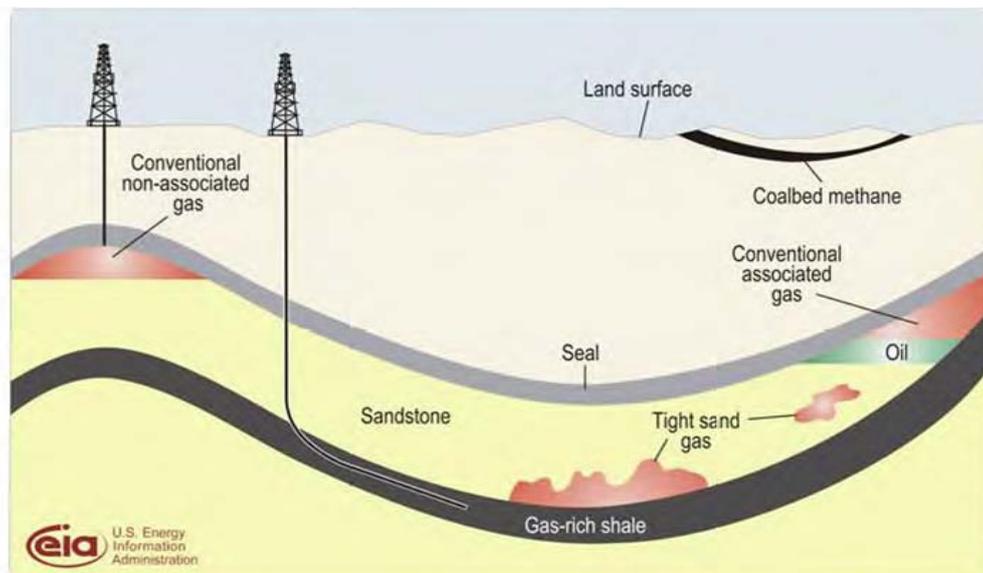
Elsewhere in EP115 the Johnstone West-1 well failed to flow oil to surface on test, but the oil shows here and at Surprise-1 have pushed the most westerly occurrence of oil within the Amadeus Basin much further west than any other occurrence of oil. The discovery of a "live" petroleum system this far west has potentially opened up a new petroleum exploration province.

In 2011 the Company plans to continue with an active programme of oil well drilling including the re-entry and deepening into the main target zone of Surprise-1, the drilling of the 400 km² Mt Kitty gas/condensate and helium prospect and the giant Madigan oil prospect thought to have P50 UOIP of over 3 billion barrels. Additional seismic inclusive of a 3D survey in the vicinity of Surprise-1 and Johnstone West-1 is also being planned but not committed to as yet.

Unconventional Reservoir Resource Assessments

Unconventional resources are also referred to as Basin centred or continuous hydrocarbon accumulations and do not rely upon either stratigraphic or structural closures to trap gas or oil, the host rock being simply too "tight" to allow hydrocarbons to escape in commercial volumes without horizontal drilling or "fracking".

Examples in North America are the Barnett Shale now with total recoverable resources of 44 TCF gas and the Bakken Shale with 4 Billion barrels of oil.



Schematic of unconventionally reservoired hydrocarbon models

The Company has recently released two separate independent reports on the unconventional reservoir resource assessments of its permit areas – one for the Amadeus Basin and the other the Georgina Basin.

Lower Larapinta Group - Amadeus Basin

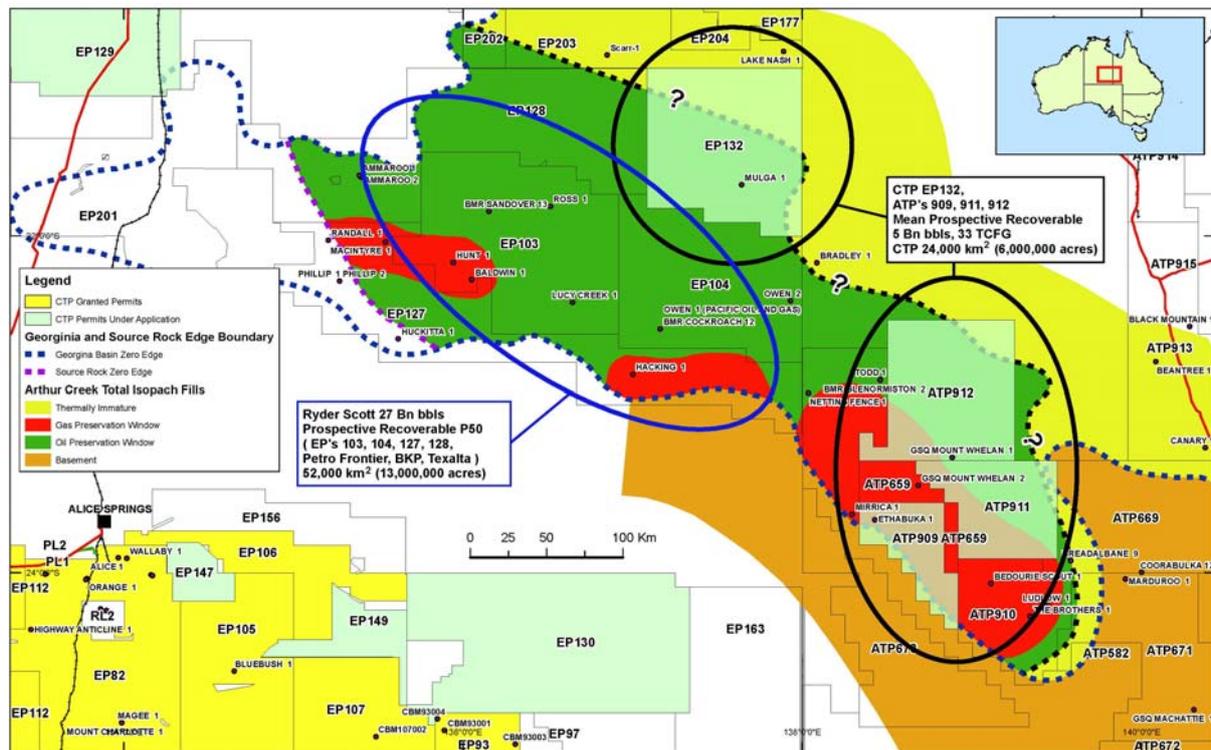
DSWPET Pty Ltd, an independent consulting group has concluded that the Company has “mean” prospective recoverable resources of 26 TCFG and 1 billion barrels of oil in the Lower Larapinta Group sediments in permits and applications operated by the Company within the Amadeus Basin.

The Arthur Creek Formation – Georgina Basin

This study, also from DSWPET Pty Ltd, concluded that in Central’s Southern Georgina Basin permit applications, there is a total “mean” prospective recoverable resource of 5 billion barrels of oil and 33 trillion cubic feet of gas over a CTP net acreage position of 6 million acres, subject to the granting of the permits concerned.

Overall, the resource estimates for unconventionally reservoir hydrocarbons in the Company’s acreage translates to some 16 billion barrels of oil equivalent at “mean” estimate, with Central enjoying a 100% net acreage position less certain production royalties in the mix of granted permits and applications it operates.

According to DSWPET, although the resource estimates for these unconventional plays will require significant amounts of seismic, drilling and testing to potentially confirm or re-define, Central’s recoverable resources at “mean” level in the Company’s permits and applications in the Amadeus and Southern Georgina Basins rival the well established Bakken and Barnett Shale plays in North America which are rapidly assuming a dominant position in onshore North American oil and gas production. The North American companies have been successfully exploiting unconventional resources for over a decade and the Company believes that access to capital, technical know-how and ultimately appropriate equipment and crews will flow to Australia to aid in exploration of ground held by various companies including Central Petroleum Limited.



The Company’s interests in the Southern Georgina Basin

Shallower coals with average Specific Energy of some 20-21 Mj/kg have been tested and shown to have potential via washing and floatation to increase the Specific Energy to some 24-25 Mj/kg and this, prima facie, means that one of the coal products contemplated (briquetted or pelletised) may be comparable in part to many other "steaming" or thermal coals being exported from Queensland and New South Wales.

Known Coal Intersections Pedirka Basin				
Well	Top Coal (m)	Base Coal (m)	Net Coal>1m	Thickest Seam (m)
CBM93-001	699.0	1191.0	139.4	34.6
CBM93-002	513.8	902.2	101.7	14.2
CBM93-003	719.6	834.6	1.2	1.2
CBM93-004	543.5	879.5	153.0	17.7
Blamore-1	1533.6	2037.4	111.3	16.9
SHEL27109-1	739.0	1035.6	70.3	17.8
SHEL27109-2	769.0	1170.3	41.6	9.0
SHEL28095-1	375.1	375.4	0.0	0.3
Simpson-1	1699.0	1721.3	6.0	6.0
CBM107-001	745.0	1227.0	128.3	32.3
CBM107-002	296.5	470.9	63.5	21.4
Mt Hammersley	617.3	844.6	48.2	6.6
Dalmatia-1	593.2	640.9	1.8	1.8
Etingimbra-1	615.5	625.6	2.5	2.5
Colson-1	2132.9	2204.5	16.2	6.7

Geothermal Exploration Permits

During the quarter the Northern Territory Government awarded Central Geothermal Pty Ltd, a wholly owned subsidiary, three Geothermal Exploration Permits, GEP 27833, GEP 27834, and GEP 27835, for a term of five years. These three permits cover an area of some 11,000 sq km.

Farm-ins /Farm-outs

Great Southern Gas Limited Farmin Agreement EPA 130

In line with the Company's policy of furthering farmouts to big companies and majors, a settlement was reached with Great Southern Gas Limited for them to withdraw from the joint venture over EPA 130.

Legal Action

On 31 March 2011, the Company announced it had initiated legal proceedings against Century Energy Services Pty Ltd to protect its interests.

The proceedings follow an unplanned incident which occurred during the drilling of Surprise-1 in EP 115 whereby the monkey board and 129 stands of racked drill pipe twisted around the rig mast by thirty degrees whilst the wireline sheaves were being repositioned. This incident resulted in the Company having to necessarily terminate the drilling contract with Century Energy Services Pty Ltd for performance related issues.

Cash Position

The Company started the quarter with \$17.7 million in cash and cash equivalents and at 31 March 2011 held \$9.3 million, both amounts inclusive of its share of cash held in Joint Venture bank accounts. Cash expenditure for the quarter was principally the payment of drilling costs associated with the Surprise-1 well and the stratigraphic coals wells and for seismic acquisition. A Share Purchase Plan announced during the December 2010 half year was allowed to expire in the current quarter and all funds received were returned to shareholders.



John Heugh
Managing Director
29 April 2011

Competent Persons Statement

Al Maynard & Associates

Information in this announcement or attached report or notification which may relate to Exploration Results of coal tonnages in the Pedirka Basin is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and an independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in this Report or announcement of the matters based on his information in the form and context in which it appears.

Mulready Consulting Services

The Mulready Consulting Services Report on UCG and CSG which may be referred to in this report or announcement or notification was prepared by their Associate Mr Roger Meaney, who holds a BSc (Hons) from Latrobe University and has over 30 years experience in the petroleum exploration and production industry with 8 years experience in the field of Coal Seam Gas.

General Disclaimer

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.

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 the Company in this announcement or report have not been reviewed by any relevant joint venture partners, therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only. Exploration programmes which may be referred to in this announcement or report may not have been approved by relevant Joint Venture partners in whole or in part and accordingly constitute a proposal only unless and until approved.

This document may include statements that are forward looking statements. Such forward looking statements are by their nature speculative and based on various assumptions. Any such statements are hypothetical with respect to prospective events and should not be construed as being indicative of the actual events which will occur or a guarantee of future performance. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ from those contemplated by the relevant forward looking statements. Any exploration programme proposal is contingent upon several factors, including, but not limited to, access, weather, funding, and availability of appropriate crew and equipment.

NOTICE: The participating interests of the relevant parties in the respective permits and permit applications 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, EPA-92, EPA-129, EPA-130, 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-115, EP-118, EPA-111 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd 100%.
- PEPA 18/08-9, PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 100%.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Central Petroleum Limited

ABN

72 083 254 308

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(6,882) - - (1,602)	(29,464) - - (5,342)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	224	809
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R&D refunds, other income)	402	402
Net Operating Cash Flows	(7,858)	(33,595)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(50) - (423)	(50) - (508)
1.9 Proceeds(net) from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other- Lodgement of bonds	(51)	(81)
Net investing cash flows	(524)	(639)
1.13 Total operating and investing cash flows (carried forward)	(8,382)	(34,234)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(8,382)	(34,234)
Cash flows related to financing activities			
1.14	Proceeds (net) from issues of shares, options.	(20)	5,984
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(20)	5,984
	Net increase (decrease) in cash held	(8,402)	(28,250)
1.20	Cash at beginning of quarter/year to date	17,682	37,530
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9,280	9,280

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	188
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Directors' remuneration and expenses	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (Convertible Rolling Bond Facility)*	70,000	-
3.2 Credit standby arrangements		

*Bonds are issued in tranches of \$1,000,000 each. Each tranche must be fully converted into shares of the Company before subscription and issue of the next tranche can be completed.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,513
4.2 Development	0
4.3 Production	0
4.4 Administration	1,800
Total	6,313

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	9,280	17,682
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	9,280	17,682

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Changes in interests in petroleum permits and mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed Nil			
6.2	Interests in mining tenements acquired or increased	All equity or working interests		
	Petroleum Permit Applications <u>Northern Territory</u> EPA130		55%	100%
	Geothermal Exploration Permits <u>Northern Territory</u> GEP 27833 GEP 27834 GEP 27835		0% 0% 0%	100% 100% 100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	982,298,842	982,298,842		
7.4 Changes during quarter (a) Increases through issues (b) Increases through exercise of options (b) Decreases through returns of capital, buy-backs	- - -	- - -		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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Appendix 5B
Mining exploration entity quarterly report

7.7	Options (description and conversion factor)			<u>Exercise price</u>	<u>Expiry date</u>
		274,310,525	274,310,525	\$0.16	31 Mar 2014
		11,000,000	0	Various	03 Jan 2012
		200,000	0	\$0.33	31 Jul 2011
		500,000	0	\$0.30	31 Aug 2011
		666,666	0	\$0.25	17 Nov 2011
		1,000,000	0	\$0.25	19 Jan 2012
		250,000	0	\$0.25	16 Feb 2012
		200,000	0	\$0.25	23 Feb 2012
		7,500,000	0	Various	31 Mar 2014
		8,366,666	0	\$0.20	31 Mar 2014
		6,340,000	0	\$0.122	31 May 2015
		800,000	0	0.11	31 Oct 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	7,000,000	0	\$0.20	20 Feb 2011
		1,450,000	0	\$0.30	31 Mar 2011
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:
 (Joint Company Secretary)

Date: 29 April 2011...

Print name: ..Bruce Elsholz.....

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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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