

ASX ANNOUNCEMENT

ASX CODE: CTP

12 October 2010

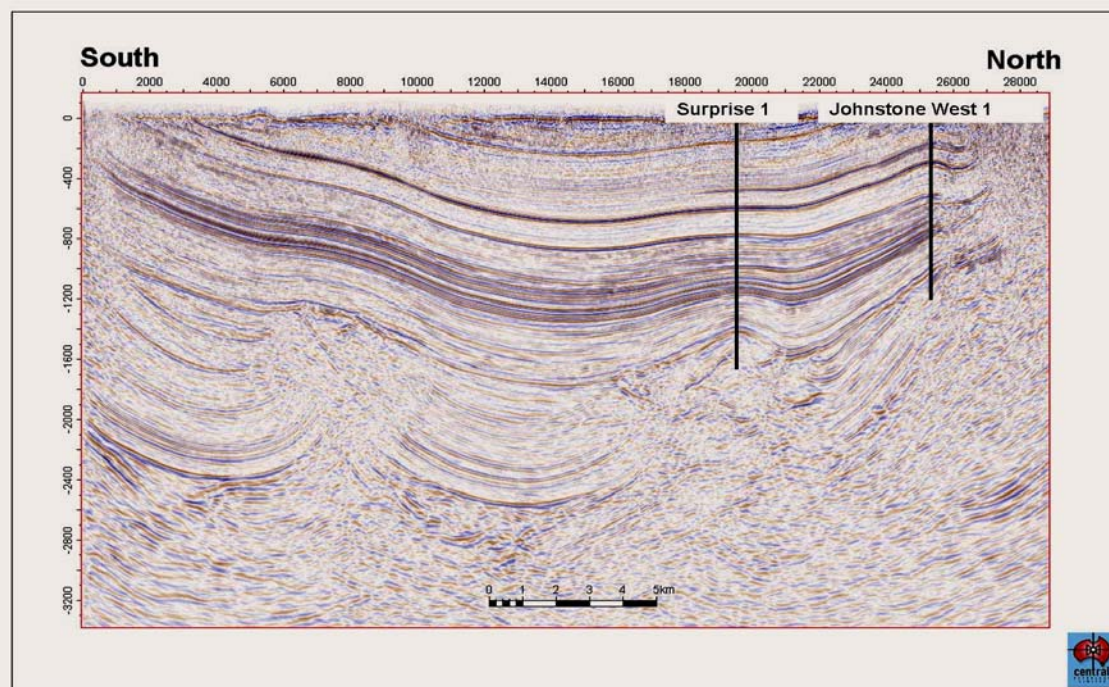
TO: The Manager, Company Announcements ASX Limited

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SURPRISE-1 OPERATIONS UPDATE (EP-115)

Central Petroleum Limited (ASX:CTP) ("Central"), as Operator is pleased to announce that the Surprise-1 well was spudded at 1130 hours CST on 11 October 2010 by MB Century Rig 7.

The rig is expected to take approximately 30 days to drill the well to a total depth of approximately 3,000 meters. A depth versus time curve for the well is attached to this announcement.



A summary of the Surprise-1 Prospect is as follows:

Primary target: Oil in the Pacoota & Stairway Sandstone Formation

Primary target size: 50 million bbls oil in place

Location: Longitude 23 degrees, 42 minutes 50.758 seconds South and Latitude 129 degrees 59 minutes 36.091 seconds East

Target chance of success: 29% (supported by live oil in Johnstone-1)

Formation depth main Pacoota Sandstone Target : 2,600 meters

Equity Interest: Frontier Oil & Gas Pty Ltd (a Central wholly owned subsidiary) (90% and Operator), Trident Energy Ltd (10%)

Should hydrocarbons be discovered, and the wireline logging results are positive, it is planned to evaluate the reservoir(s) by conducting flow test(s).

Mr John Heugh, Managing Director said "We are pleased to spud Surprise-1 following the extensive oil shows encountered in Johnstone-1. Whilst the Johnstone-1 flow rates were disappointing, Surprise-1 is located and closer to the regional source kitchen in



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frontier
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PTY LTD
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helium
AUSTRALIA
PTY LTD
ABN 11 078 104 006

merlin
WEST
PTY LTD
ABN 59 114 346 968

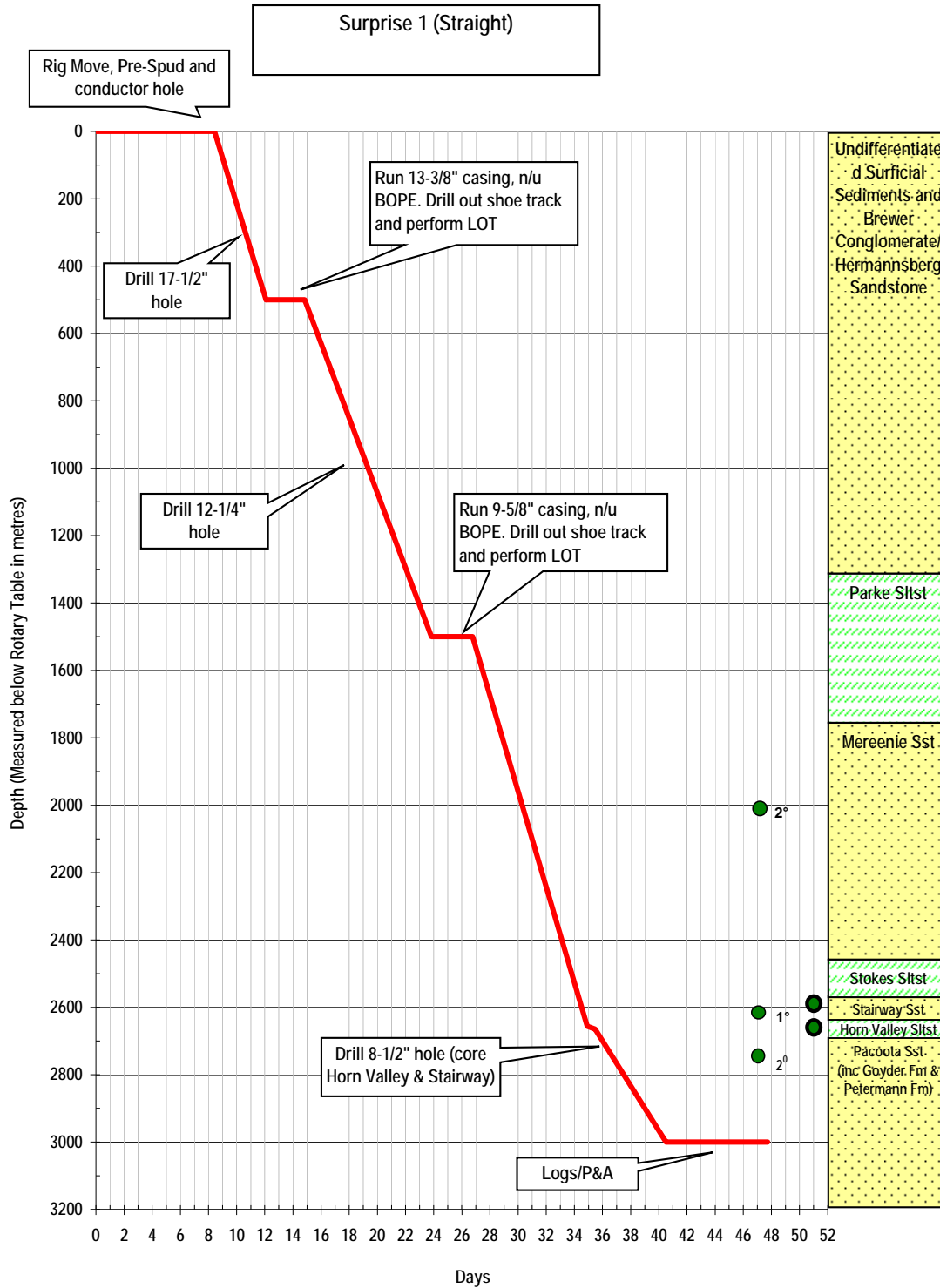
central
GREEN
PTY LTD
ABN 84 128 245 876

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GEOTHERMAL
PTY LTD
ABN 86 128 245 885

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PETROLEUM
SERVICES
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the Johnstone Trough where we expect formation pressure to be higher and thus a greater chance of successful oil flows if a suitable reservoir is discovered.”

Central will update the market on Surprise-1 drilling operations when significant results warrant or else on a weekly basis.





John Heugh
Managing Director
Central Petroleum Limited

For further information contact:

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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 115 Central subsidiary Frontier Oil & Gas Pty Ltd ("FOG") 90%, Trident Energy Limited ("TRI") 10%.
- 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-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%.

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.