

TO: The Manager, Company Announcements ASX Limited 10.01.06
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Preliminary Assessment of CBM93004 Petroleum Exploration Australia (PXA)
20%. Red Sky Energy (ROG) 10%. Central Petroleum Limited (CTP) 70%

Overall, the results of the drilling of CBM93-004, which reached Total Depth (TD) on Thursday Dec 31st 2009 at 1800hrs, were encouraging for the initial assessment of Coal Seam Gas (CSG) potential in the Pedirka Basin. Wallis Drilling Rig Number D39 is now being mobilised to CBM93-003, located at the following coordinates Latitude 25.00 degrees 58.877 minutes South, Longitude 136.18 degrees 26.427 minutes East (GDA94 Zone 53). Anticipated spud date is Jan 7th 2010.

Significant thicknesses of coal were encountered and initial gas desorption results varied from fair to excellent.

Some highlights of CBM93-004 are summarised below but the results given are preliminary and subject to further analysis and interpretation on an ongoing basis.

1) Total Depth (TD) for CBM-93004 was 978m; Top "Tirrawarra Sandstone"; 895.5m

2) **Total coal in seams 1m or greater in thickness as measured from core was approximately 144m.** CBM-93001 and Blamore -1 recorded 138 m and 132 m respectively with the same lower 1m coal thickness cutoff. This is significant as CBM-93004 was updip and shallower than both of the previous wells and it demonstrates lateral updip continuity of coal thicknesses without any thinning.

3) Coal was present between 545m and 944m, an overall percentage of 36% in seams greater than 1m in thickness.

4) Coal is far more common in the upper part of the Purni, above 792.5m, where it comprises 47% of the sequence. Seams between 5m and 18m in thickness were common.

5) Gas volumes produced in initial onsite tests were fair to excellent, although most samples were in the lower part of the range. Highlights were initially liberated volumes of 2710ml at 566-567m, 1605ml at 702.5 - 703.5, and 923ml at 845.5 - 846.5m.

6) Petrophysics: There was no evidence from core or cuttings of live or residual oil in the sequence nor of any gas reservoirs in sandstone.

7) Bottom Hole Temperature (BHT) was around 80 Deg C, gradient around 55 deg C/km – which is encouraging for future geothermal studies.

8) Further laboratory studies involving adsorption isotherm testing is underway on samples collected.

9) Four Injection Falloff Tests (IFT-an alternative to conventional drill stem testing with comparative outcomes) were run – see summary below. These results will be further assessed in more detail.



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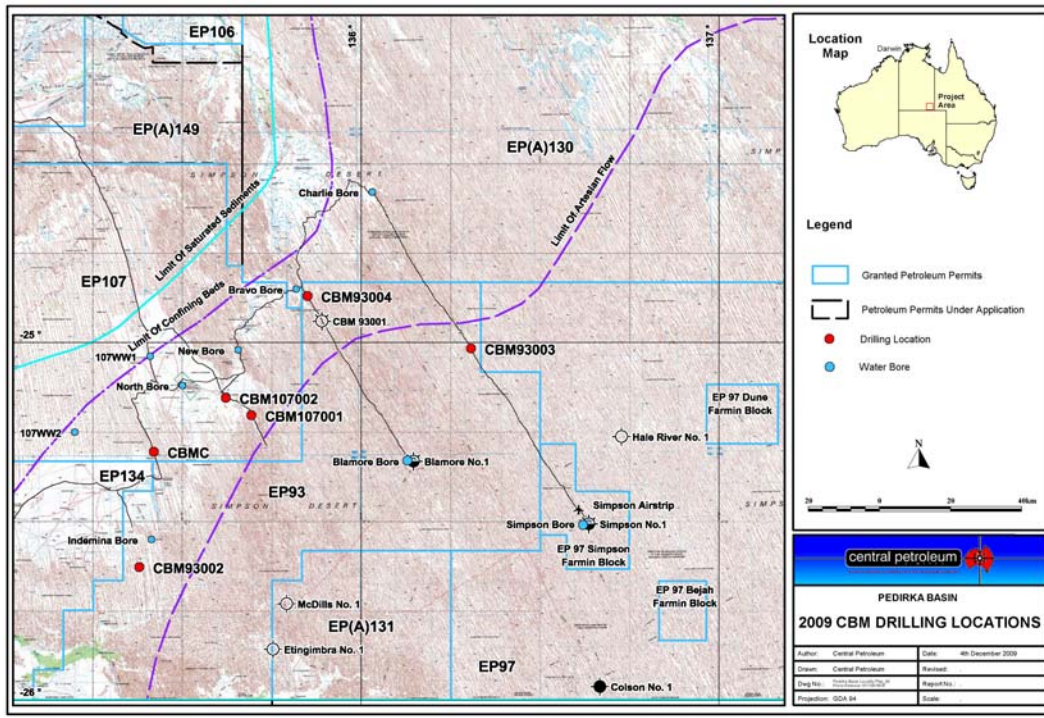
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Depth RT m	Coal Thickness	Effective K to water (md)	Kh (effective conductivity to water, md-m)
IFT 1: 612 - 621m	8.1 m	1.8	14.6
IFT 2: 664.5 - 675m	10.6 m	0.95	3.71
IFT 3: 758.9 - 773m	13.5 m	0.78	10.53
IFT 4: 874.2 - 879m	4.0 m	0.39	1.56

10) Overall the well intersected a thicker than anticipated coal section (144m), correlating generally with seismic and supporting the notion of coal with a widespread lateral extent.



Sincerely

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Competent Persons Statement**Al Maynard & Associates**

Information in this announcement or attached report 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 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 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 UOIIIP) 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.

Resource estimates which may be included in this announcement or report have not been reviewed by either PXA, QGC, Trident Energy Limited (TRI), He Nuclear Limited (HEN), Red Sky Energy Limited (ROG). Therefore those resource estimates represent the views of Company and are not necessarily held by PXA, QGC, TRI, HEN or ROG. The Company, CTP, is interested in UCG applications in its own right, outside of the current Joint Venture with PXA and references to UCG potential do not necessarily reflect the views of PXA, QGC, TRI or ROG. Exploration programme proposals in the Phase Two 2010 programme which may be referred to in this announcement or report have not been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.