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Wholly owned subsidiaries:

**merlin ENERGY**  
PTY LTD  
ABN 95 081 592 734

**merlin COAL**  
PTY LTD  
ABN 81 134 469 471

**ordiv PETROLEUM**  
PTY LTD  
ABN 29 111 102 697

**frontier OIL & GAS**  
PTY LTD  
ABN 91 103 194 136

**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

**central GEOTHERMAL**  
PTY LTD  
ABN 86 128 245 885

**central PETROLEUM SERVICES**  
PTY LTD  
ABN 57 140 628 155

# ASX ANNOUNCEMENT

ASX CODE: CTP

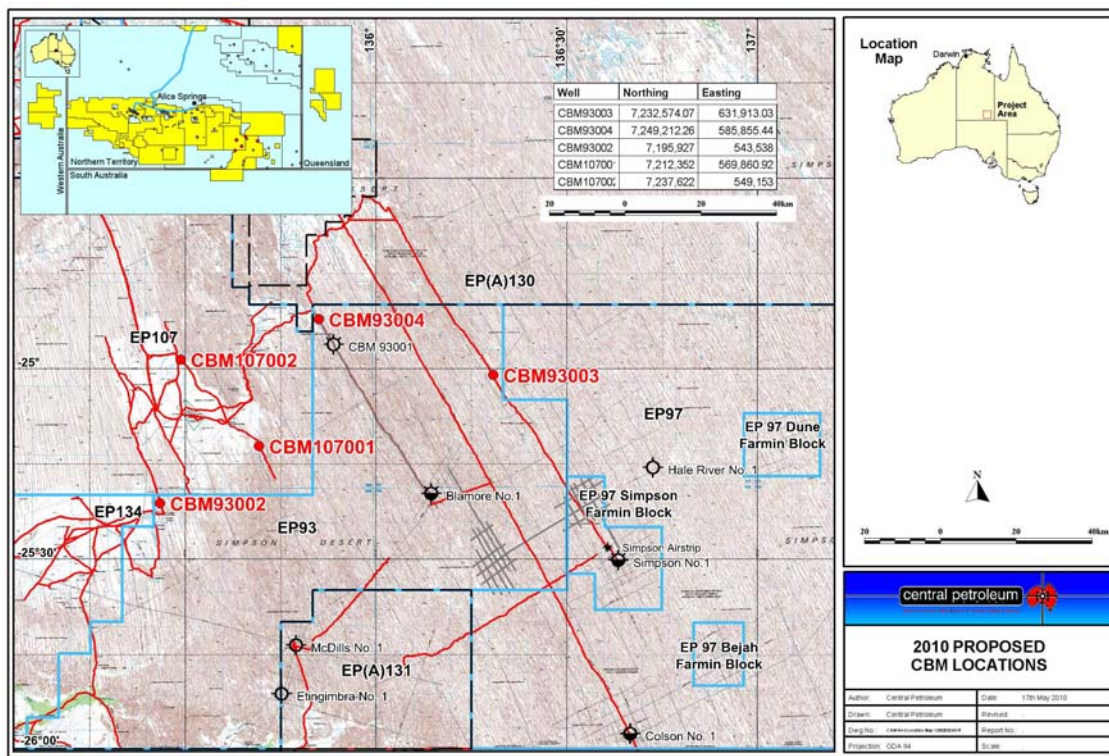
24 May 2010

TO: The Manager, Company Announcements ASX Limited

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## CENTRAL SPUDS CBM93-002

Central Petroleum Limited (ASX: "CTP", "Central" or "the Company") is pleased to announce the spud of coal seam gas (CSG) and coal exploration well CBM93-002 at 0800 Northern Territory Standard Time on May 22, 2010. It is estimated the well will take 25 days to drill.



Central holds a 70% interest and is Operator in EP 93, through wholly-owned subsidiary Merlin Energy Pty Ltd, and is in JV with Petroleum Exploration Australia Pty Ltd (20%) and Red Sky Energy (NT) Pty Ltd (10%). CBM 93-002 is located at Latitude 25 Degrees, 21 Minutes, 16.1 Seconds South and Longitude 135 Degrees 26 Minutes, 07.6 Seconds East.

The Top Purni is prognosed at 750 MD and TD at 1200mMD and the gross Permian thickness is prognosed to be 400m, with net coal of approximately 90m.

CBM 107-002, the previous well, encountered the first coal (c. 3.5 m) at 238m, now thought to be Triassic in age. The top Permian (Purni Formation) coal was encountered at 294m and the well reached a TD of 604m intersecting a cumulative thickness of coal of 65m including two seams of 16m and 20m thickness respectively.

All wells drilled in the 2009/10 coal seam gas/coal programme will be subject to a review by Netherland, Sewell & Associates Inc. as to the potential of the coals encountered to host coal seam gas. This report may not be completed until 6-8 weeks after the last CBM well in the current programme, CBM93-002, is completed.

These preliminary results are subject to further review as more data comes to hand. CBM 93-002 is expected to be the last CSG well in the 2010 programme but the Company is considering some more stratigraphic tests of coal in the Pedirka Basin later in 2010 subject to an appropriate drilling rig being available. Previous independent reports have estimated the total tonnage of coal above 1,000m as being 635 billion tonnes ("low" estimate) to 865 billion tonnes ("high" estimate) within Central's wholly owned subsidiary, Merlin Coal Pty Ltd's mineral leases and 1,110 billion tonnes ("low" estimate) to 1,385 billion tonnes ("high" estimate) above 1,000m in the same category in Central's petroleum leases in the same area in the JORC "Exploration Target" category. (Mulready and Maynard June 2009). Note : the potential quantity and grade of the coal is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

*NOTICE: The participating interests of the relevant parties in the respective permits and permit applications which may be applicable to this announcement are:*

*EP-82 (excluding the Central subsidiary Helium Australia Pty Ltd ("HEA") and He Nuclear Ltd ("HEN") Magee Prospect Block) - HEA 70%, Petroleum Exploration Australia Ltd ("PXA") 20% and Red Sky Energy (NT) Pty Ltd ("ROG NT") 10%.*

*Magee Prospect Block, portion of EP 82 - HEA 84.66% and HEN 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, ATP-909, ATP-911, ATP-912 and PELA-77 - Central subsidiary Merlin Energy Pty Ltd 70% ("MEE"), PXA 20% and ROG NT 10%.*

*The Madigan, Bejah and Dune Prospect Block portions within EP-97 - MEE 65%, Rawson Resources Ltd 20% and PXA 15%.*

*EP-125 (excluding the Central subsidiary Ordiv Petroleum Pty Ltd ("ORP") and HEN Mt Kitty Prospect Block) and EPA-124 - ORP 70%, PXA 20% and ROG NT 10%.*

*Mt Kitty Prospect Block, portion of EP 125 - ORP 75.41% and HEN 24.59%.*

*EP-112, EP-118 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd ("FOG") 70%, PXA 20% and ROG NT 10%.*

*EP-115 & EPA-111 - FOG 60%, PXA 20%, Trident Energy Limited 10% and ROG NT 10%.*

*PEPA 18/08-9 PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 70%, PXA 20% and ROG NT 10%.*



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#### *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 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 either Petroleum Exploration Australia Limited (PXA), QGC, Trident Energy Limited (TRI), He Nuclear Limited (HEN) or Red Sky Energy Limited (ROG). Therefore those resource estimates, assessments of exploration results and opinions represent the views of the Company only and not those of PXA, QGC, TRI, HEN or ROG. The company, CTP is interested in UCG and/or UCTL applications in its own right, outside of the current Joint Venture with PXA and reference to UCG potential represent the view of the company only and do not reflect the views of PXA, QGC, TRI or ROG. Exploration 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.*

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