

ASX ANNOUNCEMENT

14 May 2010

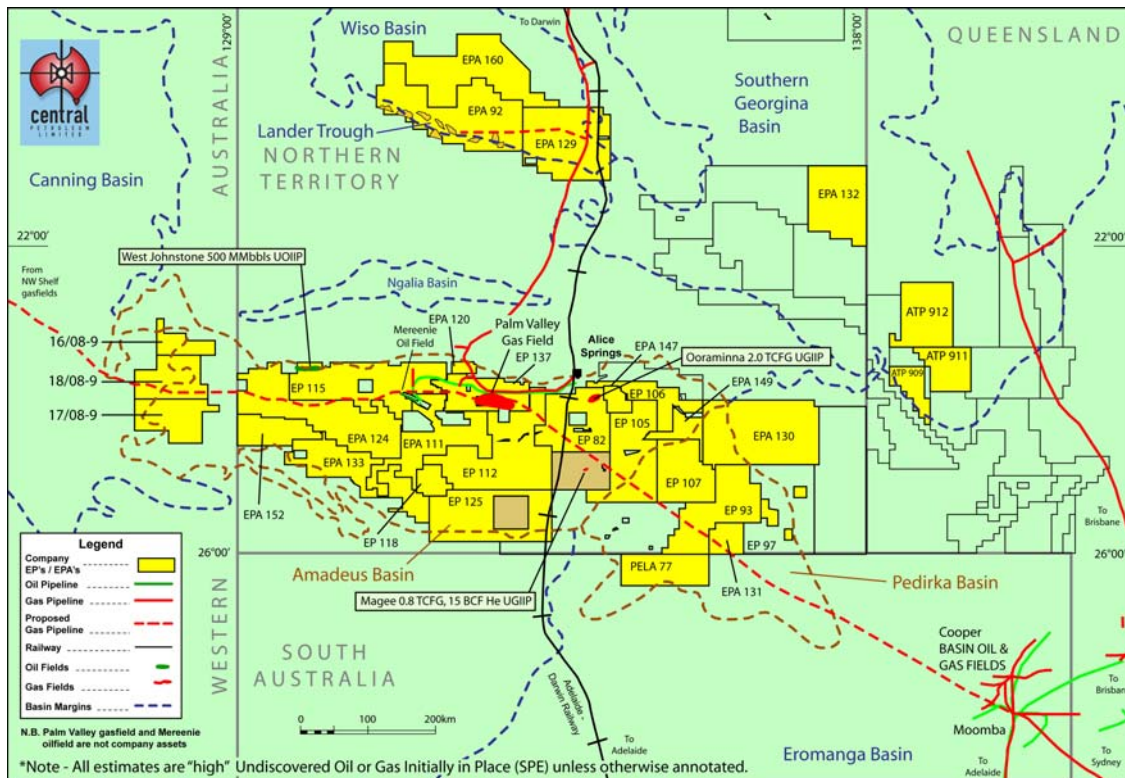
ASX CODE: CTP

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CENTRAL PETROLEUM CONFIRMS OORAMINNA 2 TO SPUD SOON

Central Petroleum Limited (ASX: "CTP", "Central" or "the Company") is pleased to announce it has executed a drilling contract with Century Energy Services Pty Ltd to drill up to 6 conventional wells in its Northern Territory acreage during 2010. The mobilization of various components of the drilling rig, camp and associated equipment is expected to start on Monday, May 17, 2010.

The first of 3 planned wells, Ooraminna 2 in EP 82 will be spudded no later than May 31, 2010 in accordance with contract terms.



Ooraminna 2 is the first conventional well in Central's Phase Two Amadeus Basin drilling programme and will target up to 2 trillion cubic feet of gas (TCFG -"high" estimate) in a fractured reservoir that flowed gas to surface in 1963 but was not effectively tested. Directional drilling techniques will be used on Ooraminna 2 to increase the number of anticipated vertical fracture systems with potential to host gas. This technique will be used to maximise the well's productive capacity.

Central plans to drill the well using air or air/mist techniques to avoid the potential of formation damage which could result from the use of conventional drilling mud. Ooraminna 1 was a vertical well which did not maximise fracture intersections and was filled with overweight mud for 60 days prior to testing

Central's Managing Director John Heugh said "The advantages of air or air/mist drilling techniques generally include a much faster rate of penetration and an almost instant response to gas being encountered."



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"This technique has been used very effectively and safely in most of the production and exploration wells drilled in the Amadeus Basin by Santos and Magellan Petroleum in the Mereenie and Palm Valley fields," said Mr Heugh.

"We are very much looking forward to this first exploration well test in the Amadeus since the Magee 1 well was drilled in 1992 - almost 20 years ago-it is a very significant well for Central."

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

AI 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 AI 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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