

15 April 2014

## ENCOURAGING GAS FLOW RECORDED AT MT KITTY EXPLORATION WELL

Central Petroleum Limited (**ASX:CTP**) (**Central** or **Company**) has been advised that its Mt Kitty 1 exploration well flowed gas in testing.

The preliminary findings were notified by Santos (**ASX:STO**), the Operator of Amadeus Basin permit EP 125, that the exploration well Mt Kitty 1 reached its programmed total depth of 2,295m in metasedimentary basement.

Central Managing Director, Richard Cottee, said the prime objective of the Mt Kitty 1 well was to confirm there is a hydrocarbon charge in the Southern Amadeus Basin which could be the catalyst to interconnect the Northern Territory with the eastern seaboard gas market.

"We are encouraged by the well results recorded to date. Mt Kitty 1 and Central's Magee 1 are the only wells to have tested the sub salt play, and both have flowed gas on test", Mr Cottee said.

The well air-drilled into the objective Heavitree Formation at a depth of 2,140 metres below rotary table. Upon penetration, elevated gas readings were observed, and a flow test at 2,144m recovered gas at an initial rate of 500,000 cubic feet per day (cfd) through a 1-1/4" choke declining to 70,000cfd after 10 minutes. A test at 2,156 mRT produced at rate of 530,000cfd decreasing to 420,000cfd after 18 minutes accompanied by a gas flare and no water. Further flow tests at 2,185m and 2,252m recorded comparable flow rates. A total thickness of 109 metres of Heavitree Formation was intersected. Gas samples have been collected and will be analysed. Preliminary on site analyses indicate that the gas is high in Helium, up to 5.8% (uncorrected for inert content). Helium is approximately 30 times more valuable than methane. The nearby Magee gas discovery recorded around 6% Helium, 45% inert gases being primarily Nitrogen, and 49% hydrocarbon.

Wireline logging operations had commenced to evaluate the quality of the Heavitree Formation reservoir section before an incident on the rig caused operations to be suspended. Santos notified Central that an incident occurred on the drill rig late in the day on Sunday 13 April at approximately 5.20pm. No persons were injured and there has been no environmental impact as a result of the incident.

Drilling operations have ceased and Santos is conducting an investigation. The well is secure and being monitored and Santos is working with the rig owner, government authorities and others to reinstate operations. Future operations will be advised by Santos in due course.

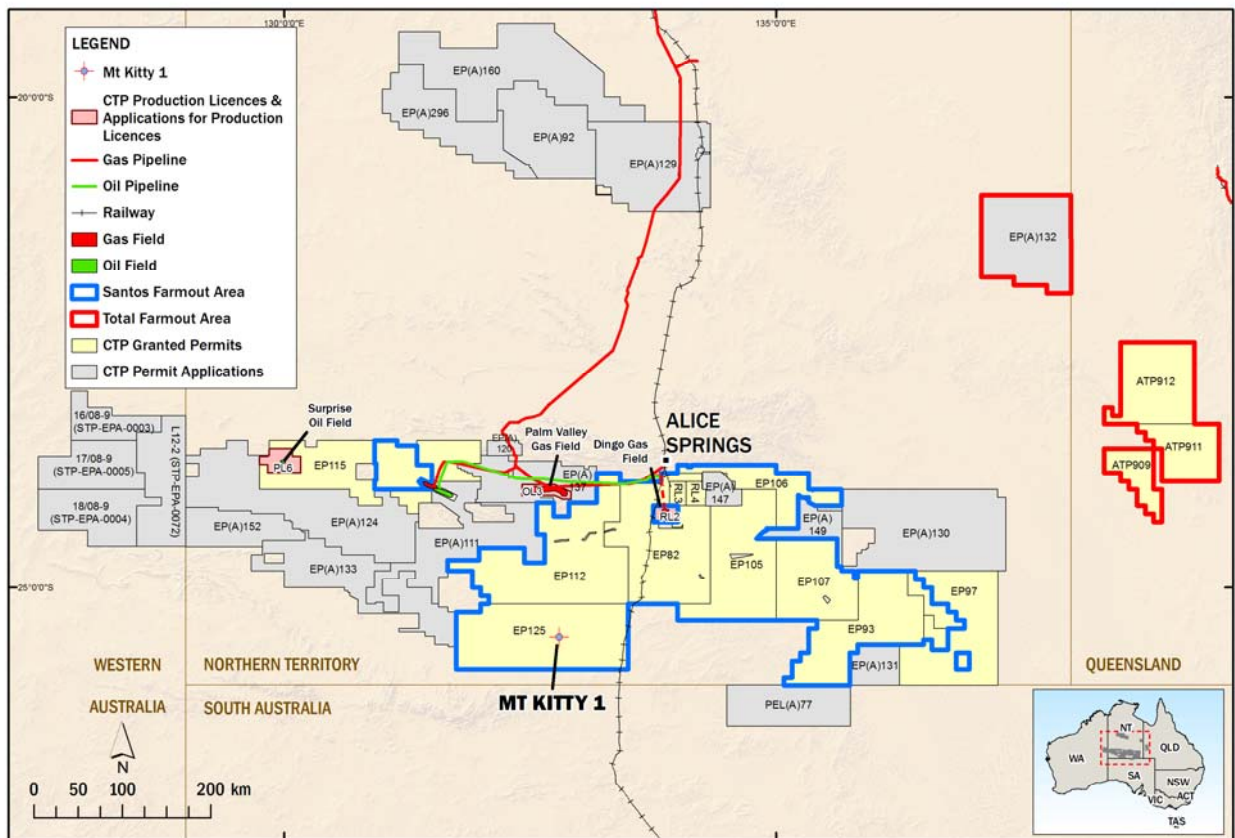
Mr Cottee said, "It is known that productive reservoirs in the Amadeus Basin have varying degrees of natural fracture enhancement. These have been exploited successfully through the

use of inclined or horizontal wells at Palm Valley gas field, Mereenie oil and gas field, and likely at Surprise oil field. It is hoped to obtain data adequate to establish the source of the gas influx, pressure data, and if present the direction and orientation of natural fractures.”

“Whilst it is too early to speculate on the commercial significance of the gas discovered in the Mt Kitty 1 well until logging operations are completed and gas samples are analysed, it should be noted that the geological parameters known to date are aligned with, if not better than, those expected prior to drilling for example, the gross Heavitree thickness is better than expected prior to drilling”, Mr Cottee said.

In the last 12 months 1,587km of seismic has been shot in the Southern Amadeus Basin providing a useful stepping stone to the future.

Central holds a 30 per cent working interest in the joint venture with Santos holding the other 70 per cent.



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