

9 April 2009

The Manager
Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade

Dear Sir

Renounceable Rights Issue

Central Petroleum Limited (**Company**) is pleased to announce that it will be undertaking a renounceable rights issue (**Rights Issue** or **Offer**) to holders of shares in the Company (**Shareholders**) as at 5:00 pm (WST) on Monday 27 April 2009 (**Record Date**).

The Rights Issue will consist of one share for every one share held (1:1) in the capital of the Company as at the Record Date and one free attaching listed option for every two shares taken up (1:2) (**Entitlement**). The rights to subscribe to the shares in accordance with an Entitlement under the Offer (**Rights**) will be renounceable. The Company will make application to ASX to list the Rights to begin trading on 21 April 2009.

Pursuant to the Rights Issue, the Company will issue up to 257,013,526 fully paid ordinary shares in the capital of the Company (**New Shares**) at a price of \$0.10 each (**Issue Price**) (being the greater of \$0.075 or 75% of the VWAP (volume weighted average share price) for the 21 days preceding this announcement) which is \$0.10). The Rights Issue will raise a maximum amount of \$25,701,352 (before costs) if the entire Offer is taken up. Additionally, the Entitlement includes a free attaching listed option (**New Options**) with an exercise price calculated as the VWAP for the month of March 2009 plus 25%, which is \$0.16 with an expiry date of 31 March 2014. The Company will make an application to ASX for official quotation of the New Shares and the New Options.

The Company intends to apply the funds raised from the Rights Issue to progress its exploration development in central Australia and acquisition opportunities.

A Prospectus for the Rights Issue (**Offer Document**) will be lodged with ASX on or about 17 April 2009 in respect of the Rights Issue and the Offer Document will be mailed to eligible Shareholders on or about 27 April 2009.

The total number and class of all securities of the Company quoted and unquoted on ASX (including the maximum number of shares and free attaching Options to be issued under the Rights Issue) is as follows:



central
PETROLEUM
LIMITED

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6151

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Wholly owned
subsidiaries:

merlin
ENERGY
PTY LTD
ABN 95 081 592 734

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

Security	Amount	ASX Code
Quoted - Ordinary Shares	257,013,526	CTP
<i>New Shares (to be quoted on ASX)</i>	<i>257,013,5262</i>	
TOTAL	514,027,052	
Quoted - Options (\$0.25 expiring 30 June 2010)	95,947,703	CTPOA
Unquoted - Options (\$0.25 expiring 31 January 2010)	300,000	CTPAZ
Unquoted - Options (\$0.20 expiring 30 June 2010)	21,250,000	CTPQA
Unquoted - Options (\$0.20 expiring 20 February 2011)	7,000,000	CTPAS
Unquoted - Options (\$0.30 expiring 30 November 2010)	1,800,000	CTPAA
Unquoted - Options (various prices expiring 3 January 2012)	11,000,000	CTPAB
Unquoted - Options (\$0.30 exercise 31 March 2011)	1,450,000	CTPAC
Unquoted - Options (\$0.33 expiring 31 July 2011)	200,000	CTPAK
Unquoted - Options (\$0.30 expiring 31 August 2011)	500,000	CTPAM
Unquoted - Options (\$0.25 expiring 17 November 2011)	2,000,000	CTPAO
<i>New Options – Options (\$0.16 expiring 31 March 2014)</i>	<i>128,506,763</i>	

The proposed timetable for the Rights Issue is as follows:

Event	Date
Rights Issue / Offer announcement	9 April 2009
Offer Document lodged with ASX	17 April 2009
Shares quoted on an "ex" basis	21 April 2009
Rights trading commences	21 April 2009
Record Date to identify Shareholders entitled to participate in issue	27 April 2009
Offer Document and Entitlement and Acceptance Forms dispatched to Eligible Shareholders	1 May 2009
Rights trading ends	15 May 2009
Closing Date for acceptances and payment 5pm (WST)	22 May 2009
Issue of New Shares and New Options	29 May 2009
Commencement of trading of New Shares and New Options	1 June 2009

This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, the Directors of the Company, reserve the right to vary these dates including the closing date of the Offer, without prior notice. The Directors also reserve the right not to proceed with whole or part of the Offer at any time prior to allotment. In that event, application money will be returned without interest. The Directors reserve the right to seek to underwrite the Rights Issue or allocate the shortfall to interested investors as the Directors deem appropriate.

Full details of the terms and conditions of the Rights Issue will be contained in the Offer Document to be lodged with ASX and despatched to eligible Shareholders in accordance with the timetable set out above.

Strategic Initiatives

The purpose of the Rights Issue is to reward Shareholders and to provide additional working capital and funding for an anticipated drilling and exploration programme with the Company's Joint Venture partners, Petroleum Exploration Australia Limited, (PXA), He Nuclear Limited (HEN) Trident Energy Limited (Trident), and Rawson Resources Limited (RAW).

The Company seeks to build on the success of exploration conducted to date resulting in the delineation of numerous large prospects and leads for oil, gas, condensate and helium, as well as the potential for extensive prospective recoverable resources of Coal Bed Methane (CBM). An independent report announced by the Company has been published detailing prospective recoverable resources of CBM in the Company's Pedirka Basin acreage of between 34-70 TCFG (trillions of cubic feet of gas). A second independent report recently announced has detailed a viable Exploration Target of over 1 Trillion tonnes of coal at less than 1,000m in the Company's Pedirka Basin acreage.

The Johnstone Oil Prospect has potential Undiscovered Oil Initially in Place potential of up to 300 MMbbls while the Ooraminna, Mt Kitty and Magee Prospects have Undiscovered Gas Initially in Place potential of over 1 TCFG, over 2 TCFG/150 BCFG Helium and over 500 BCFG/15 BCFG Helium respectively with condensate credits.

If you have any queries in relation to the Offer please contact the Chief Financial Officer & Company Secretary on +61 8 9474 1444.

Yours faithfully



Julian Tambyrajah
**Chief Financial Officer &
Company Secretary**

Competent Persons Statements

The information in this report which relates to Exploration Results 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 the report of the matters based on his information in the form and context in which it appears.