

17 April 2009

[Address]
[Address]
[Address]
[Address]

Dear Security holder

INFORMATION FOR SHAREHOLDERS PRO-RATA RENOUNCEABLE RIGHTS ISSUE

As you may be aware, Central Petroleum Limited (**Company**) will shortly be offering to holders of shares (**Shareholders**) an opportunity to acquire more securities in the Company pursuant to a pro-rata renounceable rights issue (**Rights Issue**) of approximately 257,013,526 fully paid ordinary shares (**New Shares**), together with approximately 128,506,763 free attaching listed options.

As previously announced, the Rights Issue will consist of an offer of one New Share for every one share acquired prior to 21 April 2009 (**Ex Date**) by persons who continue to hold these shares in the capital of the Company as at 5.00pm (WST) on Monday 27 April 2009 (**Record Date**) at an issue price of \$0.10 per New Share, and one free attaching listed option (with an exercise price of \$0.16 and an expiry date of 31 March 2014) for every two shares taken up. If the Rights Issue is fully subscribed, the Rights Issue will raise approximately \$25,701,352.

This offer will be made pursuant to a prospectus (**Prospectus**). A copy of the Prospectus has been lodged with ASX and is available on the ASX website (www.asx.com.au). If you wish to participate in the Rights Issue, you will need to complete the Entitlement and Acceptance Form that is included in the Prospectus, which will be sent to people entitled to participate in the Rights Issue.

A copy of the first announcement of the Rights Issue dated 9 April 2009 and a further announcement of the Rights Issue - Explanation of Timetable dated 15 April 2009 is attached to this letter for your reference.

Pursuant to the Listing Rules of ASX Limited (**Listing Rules**), the Company is required to provide certain information to you before proceeding with the Rights Issue. This letter contains all the information that is to be provided.

1. Approximately 257,013,526 New Shares (assuming no existing options are exercised) and 128,506,763 free attaching listed options will be issued pursuant to the Rights Issue.
2. The New Shares to be issued will rank equally in all respects from the date of allotment with the existing quoted ordinary shares.
3. The issue price of the New Shares will be \$0.10 each. The rights and obligations attaching to New Shares are set out in the Company's constitution which is available on the Company's website (www.centralpetroleum.com.au). The free attaching listed options will have an exercise price of \$0.16 and an expiry date of 31 March 2014. The rights and liabilities attaching to these options are set out in the Prospectus.



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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

4. The Company will apply for quotation on ASX of both the New Shares and the free attaching options that are issued pursuant to the Rights Issue.
5. 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, He Nuclear Limited, Trident Energy Limited and Rawson Resources Limited.
6. It is anticipated that the securities will be entered into uncertificated holdings or certificates despatched on 1 June 2009.
7. The total number and class of all securities quoted on ASX (including the approximate number of New Shares and free attaching listed options to be issued in the Rights Issue, but assuming no existing options are exercised prior to the Record Date) is as follows:

Capital	Number
Ordinary Shares	514,027,052
Listed Options (exercisable at \$0.16 on or before 31 March 2014)	128,506,763
Listed Options (exercisable at \$0.25 on or before 30 June 2010)	95,947,703

8. The total number and class of all securities not quoted on ASX is as follows:

Capital	Number
Unlisted Options (exercisable at \$0.25 on or before 31 January 2010)	300,000
Unlisted Options (exercisable at \$0.20 on or before 31 May 2010)	21,250,000
Unlisted Options (exercisable at \$0.20 on or before 20 February 2011)	7,000,000
Unlisted Options (exercisable at \$0.30 on or before 30 November 2010)	1,800,000
Unlisted Options (various exercise prices on or before 3 January 2012)	11,000,000
Unlisted Options (exercisable at \$0.30 on or before 31 March 2011)	1,450,000
Unlisted Options (exercisable at \$0.33 on or before 31 July 2011)	200,000
Unlisted Options (exercisable at \$0.30 on or before 31 August 2011)	500,000
Unlisted Options (exercisable at \$0.25 on or before 17 November 2011)	2,000,000

9. The Company currently has no dividend policy.
10. Shareholder approval for the Rights Issue is not required.

11. The Rights Issue is **renounceable**.
12. The New Shares in the Rights Issue will be offered on the basis of one New Share for every one share acquired prior to the Ex Date by persons who continue to hold these shares on the Record Date and one free attaching listed option (with an exercise price of \$0.16 and an expiry date of 31 March 2014) for every two shares taken up.
13. The offer under the Rights Issue relates to fully paid ordinary shares and listed options in the Company.
14. The "**ex date**" is 21 April 2009.
15. The "**record date**" to determine entitlements is 27 April 2009.
16. Holdings on different registers (or subregisters) will not be aggregated to calculate entitlements.
17. In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.
18. The Company will not be sending an offer under the Rights Issue to any security holders resident outside of Australia and New Zealand.

In compliance with Listing Rule 7.7.1, the Company has decided that it is unreasonable to make the offer to security holders resident outside of Australia and New Zealand having regard to each of the following:

- the number of security holders registered outside of Australia and New Zealand;
 - the number and value of the securities to be offered to security holders outside of Australia and New Zealand; and
 - the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.
19. In compliance with Listing Rule 7.7.1, the Company has appointed a nominee of foreign holders of the Company's securities. The Company will transfer to the nominee the rights that would have been offered to the foreign holders. The nominee will account to those foreign Shareholders for the net proceeds of the sale of the rights (if any). The nominee will have an absolute and sole discretion to determine the timing and the price at which the rights may be sold and the manner of any such sale.
 20. The closing date for receipt of acceptances is 5.00pm (WST) on 22 May 2009.
 21. The Rights Issue has not been underwritten at this stage. The Company reserves the right to appoint an underwriter at any time or allocate the shortfall to other investors as the directors of the Company (**Directors**) deem appropriate.

22. If an underwriter is appointed, the Company may pay the underwriter (for its role as lead manager and underwriter) an underwriting fee, no greater than 7% of the aggregate funds raised under the Rights Issue. Further, if an underwriter is appointed, the Company must pay, indemnify and keep indemnified, the underwriter for all costs incurred by the underwriter in connection with the Rights Issue.
23. There is no broker to the Rights Issue.
24. The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on 1 May 2009.
25. This notice is also being sent to option holders to notify them of their right to participate in the Rights Issue upon exercise of their options.
26. Rights trading will begin at commencement of trading on 21 April 2009.
27. Rights trading will end at close of trading on 15 May 2009.
28. If you wish to sell all of your entitlement on ASX, please follow the instructions set out on the reverse of the Entitlement and Acceptance Form under the section marked "Sale of your Entitlement in full by your Stockbroker/Agent". You must deal with that part of your entitlement which you do not intend to accept by close of trading on ASX on 15 May 2009, when rights trading ceases.
29. If you wish to take up part of your entitlement and sell the balance on ASX, please follow the instructions set out on the reverse of the Entitlement and Acceptance Form under the section marked "Sale of your Entitlement in part by your Stockbroker/Agent and acceptance of the balance" and then liaise accordingly with your stockbroker. You must deal with that part of your entitlement which you do not intend to accept by close of trading on ASX on 15 May 2009, when rights trading ceases.
30. If you wish to transfer all or part of your entitlement to another person or party other than on market using the ASX, then you must send:
 - a completed standard renunciation and transfer form (obtainable from our stockbroker or the Company's website (www.centralpetroleum.com.au));
 - an Entitlement and Acceptance Form completed by the transferee; and
 - the transferee's cheque for the amount due in respect of the New Shares,to the Company's Share Registry by no later than 5.00pm (WST) on 22 May 2009 or such later date as the Directors advise. Cheques should be made payable to "Central Petroleum Limited – Share Account" and crossed "Not Negotiable".
31. The latest date for despatch of certificates or entry of the securities into your security holdings is 1 June 2009.

The above information was provided to ASX on 17 April 2009.

If you have any queries regarding your entitlement of participation in the upcoming Rights Issue, please do not hesitate to contact the Company's Share Registry, Computershare Investor Services Pty Limited, on 1300 557 010.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J Tambyrajah', is written over a light blue rectangular background.

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