

20 April 2009

The Manager
Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir

Preferred Exploration Programme

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 Seam Gas (CSG). An independent report by Mulready Consulting Services Pty Ltd announced by the Company has been published detailing prospective recoverable resources of CSG 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. *(Mr Allen Maynard from Al Maynard & Associates Pty Ltd a Competent Person for the purposes of the ASX Listing Rules).*

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.

The Company's preferred exploration programme when activity recommences is:

- (a) the drilling of 5 fully cored CSG (Coal Seam Gas) wells with a contingent additional 5 CSG wells in the Pedirka Basin;
- (b) the drilling of the Johnstone, Ooraminna and Magee prospects with the Mt Kitty prospect as a contingent well back to back, dependent on the results of Magee; and
- (c) the acquisition of approximately 1,250 line kilometres of new 2D seismic inclusive of the Simpson Block in EP 97.

It is to be noted that the preferred programme is contingent upon approval by all of the relevant Joint Venture OPCOMs (Operating Committee Meetings) with existing Joint Venture Partners Petroleum Exploration Australia (PXA), He Nuclear Limited (HEN) and Trident Energy Limited (Trident). The programme is also contingent upon other factors inclusive of capital available, weather conditions and the availability of appropriate crews and equipment. It is anticipated that relevant OPCOMs will be held before the last business day in June and that exploration activities could possibly commence as early as August 2009.



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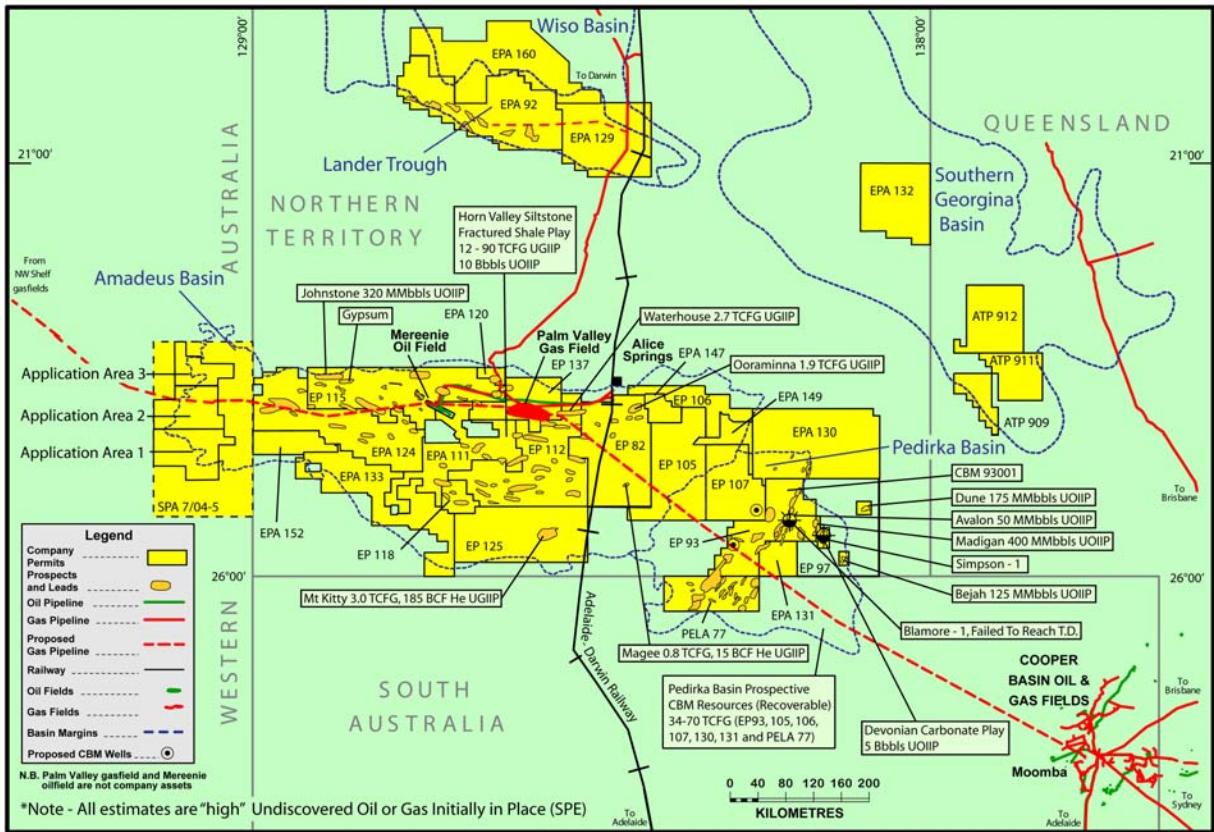
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PXA is a subsidiary of QGC, a leading CSG explorer and developer. QGC may provide technical supervision of CSG operations while the Company will provide technical supervision of all other operations and Operatorship of all permits.

A map of the Company's interests and basins concerned follows which helps to locate the proposed wells concerned while future updates will progressively better define the programme as well as locations of the proposed seismic operations.



Renounceable Rights Issue – Nominee for foreign shareholders

The Company wishes to advise that it has appointed Martin Place Securities Pty Ltd (MPS) as the Nominee to deal with the Entitlements (Rights) of foreign shareholders who are not eligible to participate in the Renounceable Rights Issue.

MPS will be authorised under the Nominee agreement to sell the Entitlements (Rights) (net of brokerage) of foreign holders during the trading of the Rights on ASX. MPS will be authorised to sell the Rights for the best price MPS can obtain at the time of each sale. MPS are not entitled to purchase Rights directly for MPS or any associated company.

Interested and qualified parties should contact Martin Place Securities' Mr Anthony Hung on +61 2 9222 9111 or email him on ahung@mpsecurities.com.au

Invitation for Shareholder Oversubscriptions to Rights Issue

The Company indicated in the Prospectus published on 17 April 2009 in relation to the Renounceable Rights Issue that it would consider applications from existing shareholders to subscribe for more than their Entitlement based on their current holdings, and that the Board would consider these applications individually as it deems appropriate for any shortfall in the Rights Issue.

Invitation to Sophisticated Investors

In addition to this, the Company will consider proposals from sophisticated investors (either institutional or of a technical/industry alignment) interested in taking up any shortfall in the Renounceable Rights Issue.

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

Yours faithfully



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

Competent Persons Statement

The information in this Prospectus 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 this Prospectus of the matters based on his information in the form and context in which it appears.

Disclaimer

Resource estimates included in this Prospectus by the Company, have not been reviewed by either PXA or QGC. Therefore those resource estimates represent the views of Company and are not necessarily held by either PXA or QGC.