ASX ANNOUNCEMENT **ASX CODE: CTP**

07 November 2011

TO: The Manager, Company Announcements ASX Limited

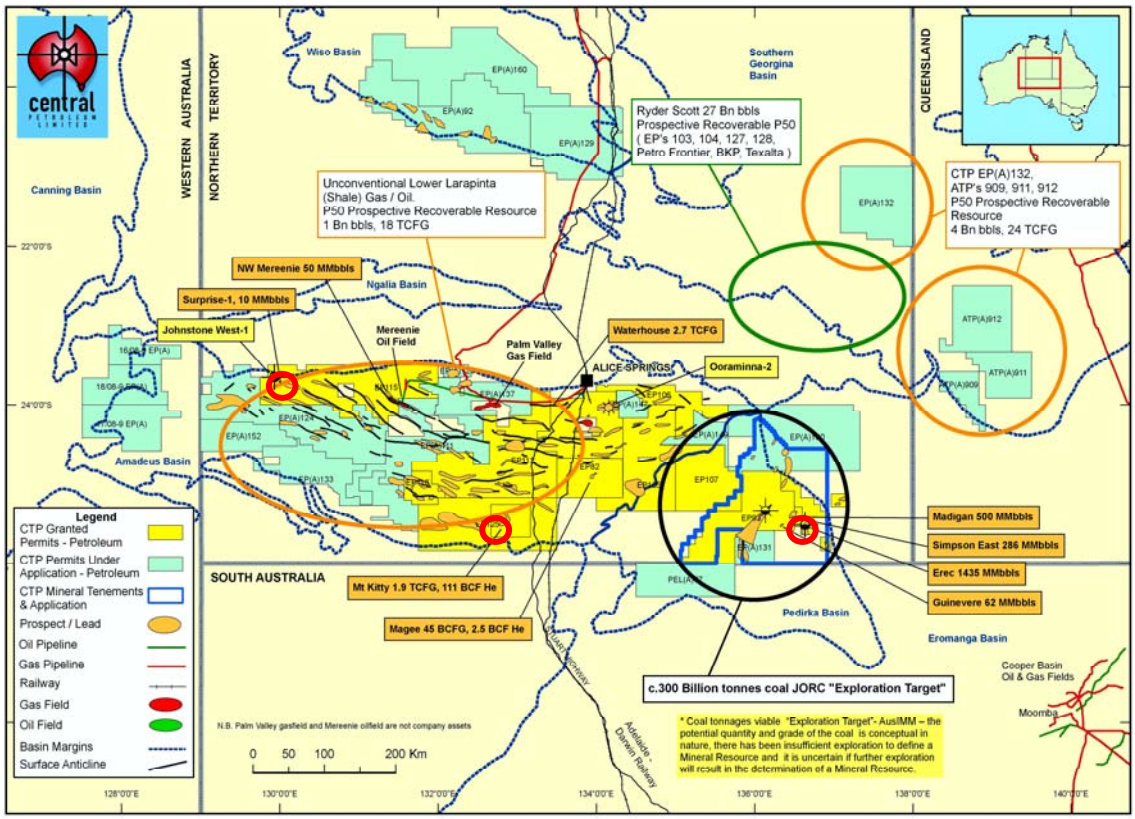
CONTACT: John Heugh +61 8 9474 1444

HUNT RIG 3 - MOBILISATION IN PROGRESS

Central Petroleum Limited (ASX:CTP) ("Central" or the "Company") has pleasure in announcing that Hunt Rig 3 is arriving on site and is commencing rigging up operations. Some delays were experienced due to a temporary road closure caused by localised rain.

It is planned to commence re-entry of the Surprise-1 well by the weekend. The Surprise-1 re-entry is the first of this current liquids focussed drilling programme on Central's acreage position including Madigan or Simpson East and Mt Kitty.

The Company plans to complete the drilling and testing of Surprise-1 by about mid December 2011.



Under the terms of the contract, Hunt Rig 3 is expected to be stacked in Central's warehouse and yard facilities at Alice Springs during any break in drilling occasioned by the wet season. Hunt Rig 3 has been extensively refurbished with new or upgraded main motors, rotary table, mud tanks, Blow Out Preventer (BOP) and mud pumps.

Central has previously reported estimates confirmed by independents RPS Energy, (subject to confirmation of visual hydrocarbon saturation by electric logging, pressure data and flow testing), that one 9m zone alone in the already drilled section of Surprise-1 has the ability to flow at between c.500 to c.1,000 barrels per day. Surprise-1 has not yet drilled into the main target zone, the Pacoota Sandstone and there are other potential Direct Hydrocarbon Indicators

central PETROLEUM LIMITED
ABN 72 083 254 308

Phone: 08 9474 1444
Fax: 08 9474 1555

Street Address:
Suite 3, Level 4
Southshore Centre
85 South Perth Esplanade
South Perth
Western Australia 6151

Postal Address:
PO Box 197
South Perth
Western Australia 6951

info@centralpetroleum.com.au

Wholly owned subsidiaries:

merlin ENERGY PTY LTD ABN 95 081 592 734

merlin COAL PTY LTD ABN 81 134 469 471

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

central GREEN PTY LTD ABN 84 128 245 876

central GEOTHERMAL PTY LTD ABN 86 128 245 885

central PETROLEUM SERVICES PTY LTD ABN 57 140 628 155

throughout the Pacoota Sandstone. Two additional oil shows in the Lower Stairway Sandstone above the 9m cored zone remain unevaluated other than in visual inspection of cuttings.

In accordance with the Northern Territory Department of Resources, (DOR) regulations, the well has been renamed Surprise-1 Sidetrack-1 (S1-ST1) in recognition of the plan to sidetrack to one side of the lower part of the existing well bore to get fresh reservoir through existing oil shows for testing and evaluation. Following the rig incident in December 2010, the section of existing well bore through various promising oil shows has been exposed to slightly overweight mud for approximately 10 months to date which would undoubtedly have caused formation damage.

John Heugh

Managing Director
Central Petroleum Limited

For further information contact:
John Heugh Tel: +61 8 9474 1444 or
Ray Beatty Corporate Writers Tel: +613 9224 5272, M: +61 409 174 565

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 Oil & Gas Exploration Limited ("OGE") (previously He Nuclear Ltd) Magee Prospect Block) - HEA 100%*
- *Magee Prospect Block, portion of EP 82 – HEA 84.66% and OGE 15.34%.*
- *EP-93, EP-105, EP-106, EP-107, EPA-92, EPA-129, EPA 130, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EPA-149, EPA-152, EPA-160, ATP-909, ATP-911, ATP-912 and PELA-77 - Central subsidiary Merlin Energy Pty Ltd 100% ("MEE").*
- *The Simpson, Bejah, Dune and Pellinor Prospect Block portions within EP-97 – MEE 80% and Rawson Resources Ltd 20%.*
- *EP-125 (excluding the Central subsidiary Ordiv Petroleum Pty Ltd ("ORP") and OGE Mt Kitty Prospect Block) and EPA-124 – ORP 100%.*
- *Mt Kitty Prospect Block, portion of EP 125 - ORP 75.41% and OGE 24.59%.*
- *EP-112, EP-115, EP-118, EPA-111 and EPA-120 - Central subsidiary Frontier Oil & Gas Pty Ltd 100%.*
- *PEPA 18/08-9, PEPA 17/08-9 and PEPA 16/08-9 - Central subsidiary Merlin West Pty Ltd 100%.*

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 relevant Joint Venture partners. Therefore those resource estimates, assessments of exploration results and opinions represent the views of Central only. Exploration programmes which may be referred to in this announcement or report have not been necessarily been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved. All exploration is subject to contingent factors including but not limited to weather, availability of crews and equipment, funding, access rights and joint venture relationships.