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frontier
OIL & GAS
PTY LTD
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helium
AUSTRALIA
PTY LTD
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WEST
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ASX ANNOUNCEMENT

ASX CODE: CTP

11 January 2012

TO: The Manager, Company Announcements ASX Limited

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SIGNIFICANT OIL FLOWS TO SURFACE - SURPRISE-1 RE-ENTRY H

- Maximum sustained flow rate over a four hour test period 300 BOPD to date, 7.5% drilling fluid cut, still cleaning up
- API Gravity averaging 40 Degrees-light sweet crude
- Significant additional production potential with planned further cleanup flows
- Low Gas Oil Ratios
- First ever horizontal well completion producing oil in central Australia
- First significant oil flow from an onshore discovery well for almost five decades in the Northern Territory
- Success at Surprise has materially enhanced the prospectivity of Central's extensive acreage in the western Amadeus Basin
- In addition to a full evaluation of the results from this testing program, Central is also assessing the unconventional shale oil/gas potential in this well.

Central Petroleum Limited (ASX:CTP) ("Central" or the "Company") advises that initial flow testing of the Surprise-1 Re-entry H (S1REH) well has resulted in a maximum sustained flow rate via a 24/64" choke of 300 bbls/day with a low water cut. The oil flowed to date is a "light sweet crude" with an API Gravity averaging 40 Degrees. There is no evidence of Hydrogen Sulphide (H₂S).



Central Petroleum's First Tanker of Crude Oil Surprise-1Re-entry H

Some drilling fluid is still being recovered from the horizontal section of the wellbore and further well clean up and Extended Production Testing (EPT) is planned which is

intended to enhance production potential. The Company, depending on further flow testing, may clean up the horizontal section with a coiled tube process if further flow testing does not recover all of the drilling fluid remaining in the wellbore.

Subject to Government approvals, the Company will fast track additional storage to allow for an EPT to commence. In the interim the well will be suspended as per the current Completion and Testing Program once the first phase of the Well Test clean up has been completed using the Hunt Energy Rig 3 infrastructure.

Success at Surprise has materially enhanced the prospectivity of Central's extensive acreage in the region and significantly expanded the commercial oil potential of the Company's Western Amadeus Basin holdings.

In addition to a full evaluation of the results from this testing program, Central is also assessing the unconventional shale oil/gas potential of drilling samples taken from the Horn Valley Siltstone, where the presence of hydrocarbons and elevated organic material in sections of this formation was previously noted.

Further evaluation of all the data collected over the Surprise prospect will be required before determining the next course of action in relation to additional drilling and seismic surveys in the Surprise prospect area.

Central is continuing to pursue a listing on the TSX Ventures Exchange (TSXV) and these discussions are also at an advanced stage along with farmout discussions with majors.

The Company's Share Purchase Plan with Shares available at \$0.055 to Shareholders on the Record Date (see ASX Announcement dated 23 September 2011) will remain open until and including 25 January 2012.

Further updates will be provided as significant information becomes available.

A short video clip, going live at 1000 am EDST 11 January 2012 is available for viewing by cutting and pasting the following link in your web browser :
<http://www.brr.com.au/event/90323>

Any results or conclusions reported herein are based on preliminary data analysis and may be subject to change as more data becomes available. Nothing in this report represents or should be construed to represent any conclusions as to the ultimate flow capability of the well or to its commercial significance. Such conclusions must await, inter alia, further cleanup flow testing, extended production testing, data analysis and economic studies of potential commercial production and marketing scenarios.

John Heugh



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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 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.

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