



120505 Central Petroleum Limited (formerly Merlin Petroleum Limited)

**Press Release:**

Since changing its name to Central Petroleum Limited early in 2005, the Company has been involved in an exciting phase of its growth leading towards a proposed capital raising early in the second half of 2005. Martin Place Securities Pty Limited ("MPS") has signed a mandate agreement with the Company to provide corporate advice and, subject to market conditions, to progress a major capital raising to further the Company's growth strategies. MPS has also completed a seed capital issue on behalf of Central under Section 708 of the Corporations Act. The Company now has over 100 shareholders.

In line with our revitalised float plans to focus on strategically located Central Australian exploration, appraisal and potential development and production, we have also made some changes to the board. Mr Jock McGregor, Mr Denzil Griffiths and Ms Emma Stein have left the board to allow the Company to add board members with specific technical expertise in exploration, engineering and production.

The new board members are: Dr Henry Askin, independent non-executive Chairman, previously Exploration Manager for Shell Australia and currently a non executive director with BSOC; Mr Bill Dunmore, independent non-executive Director, previously reservoir engineer with Unocal, BHP and other oil companies and advisor to the Bank of Scotland, Dresdner Kleinwort and NM Rothschild and Sons. Messrs John Heugh and Richard Faull remain as Managing Director and Executive Finance Director / Company Secretary respectively.

The Company welcomes the two new board members and wishes the departing members good fortune in their new endeavours. The Company would like to thank Ms Stein, and Messrs McGregor and Griffiths for their time, effort and commitment and in particular, for the establishment of a corporate governance regime with attendant policies and procedures which provides a solid platform for the Company's future growth.

The general philosophy embraced by the Company of a focus on big targets in Central Australia capable of underpinning infrastructure development has recently been significantly enhanced by the formal agreement, subject to successful listing, to acquire a permit package in the Amadeus Basin of over 80,000 sq. km. surrounding the established producing Mereenie and Palm Valley fields.. Previous exploration wells drilled in this area have encountered hydrocarbons, but additional seismic coverage is required prior to appraisal drilling.

The Company, subject to settlement of various dealings, has operating rights over approximately 140,000 sq.km. of ground including permit EP 93 in the Pedirka Basin, in which two prospects with assessed (success case) P50 recoverable petroleum of 118 MMbbls are considered mature for drilling. The permit package proposed in the Amadeus and elsewhere in the Lander Trough and the Georgina Basin in central Australia also offers additional appraisal prospects, together with leads and prospects requiring pre-drilling seismic. A cumulative total of over 100 MMbbls oil and 4 Tcf gas assessed potentially recoverable petroleum is being targeted by the Company over the next two years with an aggressive drilling programme of 6 wells subject to a successful capital raising.

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