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Central Petroleum Limited Press Release 300505

Subject to the success of a major capital raising planned for Q3/4 2005, with Martin Place Securities Sydney, Central will exercise operating rights over 140,000 sq.km. of prospective ground in central Australia and aims to use the development of very large appraisal and exploration prospects to drive infrastructure development in the area. Examples of the prospects planned to be drilled in the Amadeus Basin in ex-Santos ground include the Murphy South prospect, estimated by the Northern Territory Geological Survey to have potential for up to 5 trillion cubic feet of gas. The prospect is a sub-salt play analogous in concept to the giant Siberian and Sichuan Basin fields. It is correspondent with the Magee 1 discovery that tested Helium at 6.2% in gas recovered at surface. Helium is used in the aerospace, medical, diving, metal manufacture and the welding industries and for specialised applications in superconductors and in 2004 sold in the USA in the range of \$54 - 65 USD per thousand cubic feet in bulk volumes. BOCS has recently announced plans to build the southern hemisphere's first helium plant for export at Darwin.

Central has established farmout agreements with White Sands Petroleum of up to a 15% interest in Central's 100% controlled EP 93, EPA 92 and PELA 77. These farmouts are promoted to the 22.5% level (1.5) and give the Company access to the latest technology in hydraulic top-drive land rigs that have automated pipe handling and offer improved standards of safety. The first two wells planned by the partners will be the Avalon and Blamore prospects, estimated by independent consultants to have potential for 118 MMbbls recoverable oil at P50 level at modest depths of less than 2,000m in the onshore Madigan Trough of the Pedirka Basin. The two prospects have shown numerous potential Direct Hydrocarbon Indicators (DHIs) in seismic analysis and related source rock analysis points towards oil dominated petroleum systems.

White Sands Petroleum is an Australian company that has imported the first of these high-tech drilling rigs into Australia that will give the benefits of deep drilling capacity, mobility and reduced operating costs. Drilling rigs for oil exploration and development are currently in very short supply and so the deal with White Sands Petroleum gives Central several advantages in the competitive E and P industry including access to suitable rigs, a farmin partner with considerable technical expertise in engineering, geology and geophysics and the underscoring of the intrinsic value of the prospects to be drilled. White Sands Petroleum is managed by Don Schofield and owned at the 25% level by the ASX listed Bounty Oil and Gas managed by Tom Fontaine.

The Company will continue to promote judicious farmouts as appropriate as exploration progresses to hedge risk and to bring other potential advantages particularly in the form of technology and access to suitable equipment and expertise.

Central is chaired by Dr Henry Askin who was Exploration Manager for Shell Development (Australia) from 1990 to 1997 and who also headed the Shell International seismic analysis unit in the Hague for several years.

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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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