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August 22nd, 2005

The Directors
Central Petroleum Limited
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SUMMARY – VALUATION OF:

EP 82 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 111 AMADEUS BASIN NORTHERN TERRITORY (100%)
EP 112 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 115 AMADEUS BASIN NORTHERN TERRITORY (100%)
EP 118 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 120 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 124 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 125 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 133 AMADEUS BASIN NORTHERN TERRITORY (100%)
EPA 92 WISO BASIN NORTHERN TERRITORY (85%)
EPA 129 WISO BASIN NORTHERN TERRITORY (100%)
EP 93 PEDIRKA BASIN NORTHERN TERRITORY (85%)
EPA 130 PEDIRKA BASIN NORTHERN TERRITORY (100%)
EPA 131 PEDIRKA BASIN NORTHERN TERRITORY (100%)
PELA 77 PEDIRKA BASIN SOUTH AUSTRALIA (85%)
EPA 132 GEORGINA BASIN NORTHERN TERRITORY (100%)

At your request I have prepared the following assessment of the value of Central Petroleum Limited's ("Central") current four Northern Territory Permits and eleven Applications to the Northern Territory Government for Exploration Permits, located in the Amadeus, Wiso, Pedirka and Georgina Basins, and PELA 77 located within the South Australian portion of the Pedirka Basin
The valuation has been determined by means of consideration of the value of the work commitment contained in the Application Submission as a point of reference, and predominantly by reference to current commercial transactions, or where these are not available, to hypothetical transactions informed by my assessment of the current market for oil & gas properties.

Note that such a valuation is a measure of the worth of these permits to Central in pursuing exploration programmes in the Northern Territory and South Australia. It does not necessarily follow that if these Permit and Application areas were offered for sale, such a figure would be realised in a cash sale.

The values derived are as summarised in the following table:

TABLE 1

Basin	Permit	Valuation $million	Cum. Total $million
Wiso	EPA 92	1.0	1.0
	EPA 129	0.5	1.5
Pedirka	EP 93	4.0	5.5
	EPA 130	0.5	6.0
	EPA 131	0.5	6.5
	PELA 77	2.0	8.5
Georgina	EPA 132	1.6	10.1
Amadeus	EPA 118	0.5	10.6
	EPA 124	0.5	11.1
	EPA 125	1.3	12.4
	EPA 133	0.5	12.9
	EP 82	3.8	16.7
	EPA 111	1.3	18.0
	EPA 112	2.7	20.7
	EPA 115	3.1	23.8
	EPA 120	0.9	24.7

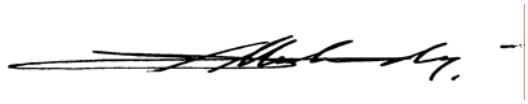
In recognition of the fact that as a package capable of attracting investment capital these Permits/Application areas have greater value as a whole than the sum of their individual worths, I have assigned a 10% premium to the above figure, **giving a final figure of $27.17 million, say $27 million.**

I note that Applications EPA 111,112,115,118,120,124 & 125, to be purchased from Frontier/Ordiv for $4.7 million in shares and $300,000 cash plus the issue of 5 million options for a total of $5.2 million, are herein valued at $7.6 million. This basically reflects the fact that Central have a viable chance of exploiting the value of the Application areas, whereas Frontier had no such plan in place.
I note also that the Valuations for EPA 92, EPA 93 (as it was then), and PELA 77 in 2004 have changed slightly ($8.4 million then vs. current $ 7 million.) reflecting the new terms negotiated for the White Sands farmin.

Note:

This valuation is conditional on grant of titles to Merlin Energy Pty Ltd, a wholly owned subsidiary of Central Petroleum Limited, which need to be preceded by an offer from the Minister and acceptance of the offer by Central.

In preparing this Report I have relied on technical information as included in our recent Independent Geologist's Report for the current Central Prospectus, written financial data relating to farmin-offers supplied by Central, and correspondence between Central and the Northern Territory & South Australian Governments.
This formal valuation is established as at August 22nd, 2005.



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INTRODUCTION

This Report establishes an estimate of the value of the four granted permits and twelve Applications listed in Table 1.

TITLE

Title has only been issued for four of the sixteen permits, and thus any value determined herein is only valid for the Applications as an estimate that will become valid if and when title is granted by the Northern Territory and South Australian Governments, the Company is listed and the transactions involving Frontier/Ordiv (EPA 111, EP 112, EPA 115, EP 118, EPA 120, EPA 124 and 125) and Helium Australia (EP 82) are completed.

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SOURCES OF INFORMATION

In preparing this Report I have relied on technical information as included in our recent Independent Geologist's Report for the Central Prospectus of August 2005, written financial data relating to farmin-offers supplied by Central, and correspondence between Central and the Northern Territory & South Australian Governments.
A copy of the Independent Geologist's Report for the Central Prospectus of August 2005 is attached hereto.

PREVIOUS INDEPENDENT VALUATIONS

I am advised by Central that the only previous valuation of any of these Applications/Permits commissioned by them has been the August 2004 Valuation Report of Mulready Consulting Services Pty Ltd involving PELA 77, EPA 92 and EPA 93 (as it was then).

BACKGROUND

Central's Licence Portfolio may be summarised as follows:

TABLE 1: LICENCE PORTFOLIO

Permit	Basin & State	Area in km^2 (rounded to nearest 1,000)	Status	Projected Company Interest %
PELA 77	Pedirka/SA	6,000	Application	85*
EPA 92	Wiso/NT	16,000	Application	85*
EP 82	Amadeus/NT	13,000	***Granted***	100
EP 93	Pedirka/NT	9,000	***Granted***	85*
EPA 111	Amadeus/NT	11,000	Application	100
EP 112	Amadeus/NT	16,000	***Granted***	100
EPA 115	Amadeus/NT	13,000	Application	100
EP 118	Amadeus/NT	2,000	***Granted***	100
EPA 120	Amadeus/NT	1,000	Application	100
EPA 124	Amadeus/NT	15,000	Application	100
EPA 125	Amadeus/NT	10,000	Application	100
EPA 129	Wiso/NT	12,000	Application	100
EPA 130	Pedirka/NT	16,000	Application	100
EPA 131	Pedirka/NT	2,000	Application	100
EPA 132	Georgina/NT	10,000	Application	100

EPA 133	Amadeus/NT	13,000	Application	100

*Farmin Agreement negotiated with White Sands Petroleum
Central has twelve applications for petroleum exploration permits pending, eleven in the Northern Territory ("N.T."), and one in South Australia, ("S.A.").
For a detailed discussion of all these permits' prospectivity refer to our Independent Geologist's Report in the Central Prospectus of August 2005.

VALUATION METHODOLOGY
Any valuation of exploration acreage must deal with the problems of uncertainty and risk inherent in the very nature of the exploration sector of the petroleum industry. Two alternative approaches to valuation have been undertaken herein:

1. Exploration Expenditure Commitment Method
This is a crude technique which sums the value of the commitment program. The assumption implicit in this method is that the work program represents the minimum premium placed on the acreage by the permit holder. It may also be interpreted as the opportunity cost for a participant wishing to enter into exploration within the Basin concerned – in effect an 'entry cost'. In most cases it will be determined by market conditions at the time of application: these may vary markedly over time, and caution must be employed in applying terms which may be well out of date at the time of valuation. With the exception of periods of major industry downturn, or highly competitive bidding rounds, this technique will normally provide a conservative estimate. The high bidding programs which characterise these permits presumably reflects the perceived prospectivity on the part of Central, Frontier, Ordiv and Hellium Australia, as well as the competitive nature of the bidding process.

2. Commercial Transactions Method
This method analyses and compares recent commercial transactions, ideally involving the property which is the subject of the valuation, or alternatively adjacent or nearby permits or prospects with similar prospectivity. Key assumptions are an arm's length transaction involving both a willing buyer and seller. Note that the value is established by calculation of the premium the farminee pays, which is implicit in the terms of the farmout. This is different from the 'gross' amount paid by the farminee in earning its interest.
Whilst such an approach is subject to prevailing market sentiment, it frequently provides the most realistic valuation available.
Where recent comparable transactions are not available or applicable the valuer may have recourse to an 'hypothetical farmout agreement', which draws on his knowledge of the prevailing market to arrive at a 'mostly likely' estimate of contract terms.

In the case of two of the permits under consideration the situation is unusual, in that farm-in offers have been received by Central prior to, but of course subject to, the granting of the permits.

VALUATIONS
A WISO BASIN (LANDER TROUGH) PERMITS
EPA 92
(a) Work Commitment Method
The work commitment submitted to the Northern Territory Government is substantial for a greenfields permit, and may be summarised as follows:

YEAR	WORK PROGRAMME	ESTIMATED COST
1	Geological and geophysical studies. Field environmental studies. Liaison with Traditional Owners.	$100,000
2	75 km 2D seismic, synthesis with existing database	$575,000
3	Drill one well to 1500 m.	$960,000
4	75 km seismic	$750,000
5	Drill one well to 2500 m.	$1,145,000
	Estimated Total Cost	**$3,530,000**

I have assumed the first 3 years of the commitment would, in a technical sense, be required to reach a conclusion regarding the merits of the play type, and that the fourth and fifth year commitments would be contingent on the results of year 3 drilling. I have thus used the first 3 years of the commitment as the relatively 'firm' value.
The value derived is thus $1.635 million, say $1.6 million.

(b) Commercial Transactions Method
In March 2005 White Sands Petroleum Pty Ltd, ("WSP"), a privately owned Australian company, entered into a Heads of Agreement whereby WSP will earn a 15% working interest in the entire permit by contributing 22.5% of the cost of the first well, i.e. $216,000. In addition Central retain a 2% royalty over the total production from the entire permit area in excess of 1000 bopd, to be paid from WSP's share of production, capped to a maximum of $10,000,000. The royalty is to be calculated on a similar basis to that applying for the government royalty,
The offer is dependent on

(i) Central demonstrating within 3 months of title grant that it is capable of funding its proportionate share of the financial obligations of the work programme
(ii) WSP demonstrating within 3 months of title grant that it is capable of funding its proportionate share of the financial obligations of the work programme

The well cost is estimated at $960,000, thus implying a value of $0.744 million, say $0.74 million for the permit as a whole.
In recognition of the additional value implied by the royalty terms, I have applied a 25% premium, to arrive at a value of $0.925 million, say $0.93 million.

The values derived thus range as follows:

Low	High
$0.93 million (WSP farmin offer)	$1.6 million (Firm' work commitment)

I have elected to select a single figure of $1 million, given that the White Sands offer is still current, and therefore most relevant. I have also rounded upwards slightly to allow for likely improvement in terms in the present high oil price environment.

EPA 129

a) Work Commitment Method

The work commitment submitted to the Northern Territory Government is substantial for a greenfields permit, and may be summarised as follows:

YEAR	WORK PROGRAMME	ESTIMATED COST
1	Geological & Geophysical Review. Planning for seismic. Liaison with traditional owners.	150,000
2	Acquire 75 km 2D seismic	575,000
3	Drill one well to 2000 m. Planning for seismic	2,550,000
4	100 sq km 3D seismic, or 170 km 2D seismic	1,200,000
5	Drill one well to 2000 m	2,500,000
	Estimated Total Cost	**6,975,000**

I have assumed the first 3 years of the commitment would, in a technical sense, be required to reach a conclusion regarding the merits of the play type, and that the fourth and fifth year commitments would be contingent on the results of year 3 drilling. I have thus used the first 3 years of the commitment as the relatively 'firm' value.

The value derived is thus $3.275million, say $3.3 million.

This is a high figure for a permit that has no defined prospects and leads, and high exploration costs. Although it undoubtedly reflects the perceived value on the part of Central, it is a figure I feel should be treated with extreme caution.

(b) Commercial Transactions Method

The only commercial transaction with any relevance to the Lander Trough is that applying to the WSP farmin to EPA 92 (above). A significant difference between the two permits is the cost of the proposed first well ($2.5 mill. for EPA 129 vs. $0.96 million for EPA 92).

I doubt the permit, which would be regarded by the industry as high risk, would attract a significant farmin offer unless the seismic from year 2 had produced positive outcomes. Given the high level of uncertainty relating to this permit compared with EPA 92 I have applied an arbitrary value of $5,000 per percentage point, **yielding a value for the permit of $500,0000.**

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The values derived thus range as follows:

Low	High
$0.5 million (market value estimate)	$3.3 million (work commitment)

Given the uncertainty of the outcome of seismic and the fact this is a virtually unexplored basin, and a viable petroleum system is yet to be established for the

Lander Trough, I have elected to select a single figure of $0.5 million, at the lower end of the range for farmin terms.

B PEDIRKA BASIN PERMITS

EP93

This Application area encompasses the Hallows Trend and the prospects & leads associated with it, in particular the Blamore & Avalon Prospects, and the Guinevere Lead**.** The best estimate of the potential recoverable hydrocarbon resource for the Blamore Prospect is 57 MMstbbls.

(a) Work Commitment Method

In the case of EPA 93 the work programme submitted by Central is again substantial, and reflects Central's perception of the prospectivity of their application areas in the Pedirka Basin.
The work programme as submitted to the Northern territory Government is as follows:

YEAR	WORK PROGRAMME	ESTIMATED COST
1	Data Acquisition, Geological and Geophysical studies, Field studies	$125,000
2	75 km 2D seismic, synthesis with existing data	$575,000
3	250 km 2Dseismic	$1,900,000
4	1 well to 3000 m.	$1,995,000
5	50 km seismic, 1 well to 3000 m	$2,395,000
	Estimated Total Cost	**$6.99 million**

I have assumed the first 4 years of the commitment would, in a technical sense, be required to reach a conclusion regarding the merits of the play type, and that the fifth and final year commitment would be contingent on the results of year 4 drilling. I have thus used the first 4 years of the commitment as the relatively 'firm' value.
On this basis the value derived is thus $4.595 million, say $4.6 million

(b) Commercial Transactions Method

In the case of EP93 **White Sands Petroleum** is offering to meet 22.5% of the cost of two wells to earn a 15% working interest in the permit..
The offer is dependent on

(i) Central demonstrating within 3 months of title grant that it is capable of funding its proportionate share of the financial obligations of the work programme
(ii) WSP demonstrating within 3 months of title grant that it is capable of funding its proportionate share of the financial obligations of the work programme

The total cost of this programme equates to $3.895 million, say $3.9 million, of which WSP would pay $0.88 million.

The premium implicit in these terms values the asset (EP93) at $3.0 million.

In addition Central retain a 2% royalty over the total production from any production in the permit in excess of 1000 bopd, to be paid from WSP's share of production, capped to a maximum of $10,000,000. The royalty relates to any production from the permit, and is to be calculated on a similar basis to that applying for the government royalty, Accordingly I have elected to apply an arbitrary 25% premium to the value derived from the basic farmin terms, yielding a final value of $3.75 million**.**

The value derived from the terms of the White Sands offer is thus $3.75 million, say $3.8 million.

The values thus range as follows:

Low	High
$3.8 million(White Sands farmin offer)	$4.6 million (Work commitment method)

I have elected to select a single figure of $4 million, honouring the current and most relevant farm-in offer, whilst allowing a small upside to reflect the present high oil price market.

EPAs 130 and 131

(a) Work Commitment Method

The work commitment submitted to the Territory Government for both of these two permits is as follows

YEAR	**WORK PROGRAMME**	**ESTIMATED COST**
1	Data Acquisition, Geological and Geophysical studies, Field studies	$150,000
2	75 km 2D seismic, synthesis with existing data.	$575,000
3	Drill one well to 2000 m ($2.5 mill.) Seismic planning $50,000	$2,550,000
4	100 sq km 3D seismic, or 170 km2D seismic	$1,200,000
5	Drill one well	$2,500,000
	Total Expenditure	**$6,975,000**

I have assumed the first 3 years of the commitment would, in a technical sense, be required to reach a conclusion regarding the merits of the play type, and that the fourth and fifth year commitments would be contingent on the results of year 3 drilling. I have thus used the first 3 years of the commitment as the relatively 'firm' value.

The value derived is thus $3.275million, say $3.3 million for each of the permits.

This is a high figure for grass-roots permits that have no defined prospects and leads, and high exploration costs. Although it undoubtedly reflects the perceived value on the part of Central, it is a figure I feel should be treated with caution.

(b) Commercial Transactions Method

Given the untried nature of both these permits, I consider it unlikely an incoming party would drill without adequate seismic definition of prospects.

This implies that central would either negotiate a seismic option, or conduct the seismic themselves beforehand.

Summary
I note the value of the EP 93 farmout, but also note that these permits are much less mature and peripheral in an exploration sense. **Accordingly I have allocated an arbitrary figure of $0.5 million ($5,000 per percentage point) to <u>each</u> of these permits.**

PELA77

(a) Work Commitment Method
The terms of the permit application for PELA 77 are as follows:

YEAR	WORK PROGRAMME	ESTIMATED COST
1	Data Acquisition, Geological and Geophysical studies, Field studies	$125,000
2	75 km 2D seismic, synthesis with existing data.	$575,000
3	100 km 2D seismic	$850,000
4	One well	$1,995,000
5	50 km seismic, 1 well	$2,395,000
	Total Expenditure	**$5,940,000**

In this case I have assumed that, since the drilling of a well is essential for the technical evaluation of the prospectivity of PELA 77, the first 4 years of the commitment would be required to reach a conclusion regarding the merits of the play type.
On this basis the value derived is thus $3.545 million, say $3.5 million.

(b) Commercial Transactions Method
In the case of PELA77 **White Sands Petroleum** is offering to meet 22.5% of the cost of one well to earn a 15% interest in the permit.
The offer is dependent on

(i) Central demonstrating within 3 months of title grant that it is capable of funding its proportionate share of the financial obligations of the work programme
(ii) WSP demonstrating within 3 months of title grant that it is capable of funding its proportionate share of the financial obligations of the work programme

Given the $1.995 million well cost, WSP would pay $0.449 million in order to earn their interest.
The terms of the farm-in offer thus set a value for the permit of $1.5million.
In addition Central retain a 2% royalty over the total production from the permit in excess of 1000 bopd, to be paid from WSP's share of production, capped to a maximum of $10,000,000. The royalty relates to the permit, and is to be calculated on a similar basis to that applying for the government royalty,

Accordingly I have elected to apply an arbitrary 25% premium to the value derived from the basic farmin terms, yielding a final value of $1.9 million**.**
The value derived from the terms of the White Sands offer is thus $1.9 million

The values derived thus range as follows:

Low	High
$1.9 million (WSP Farmin offer)	$3.5million (Work commitment)

I have elected to select a single figure of $2 million, honouring the current and most relevant farm-in offer, whilst allowing a small upside to reflect the present high oil price market.

B GEORGINA BASIN PERMIT EPA 132

(a) Work Commitment Method

The work commitment submitted to the Northern Territory Government is as follows:

Year	Programme	Estimated Cost
Year 1	Full review of all existing data including reprocessing of seismic data, integration of existing aeromags, synthesis with Landsat structural analysis, radiometric data analysis	$150,000
Year 2	75 line km multifold 2D/3D seismic	$575,000
Year 3	Drill one well to 1,000m	$1,550,000
Year 4	3D seismic in area of interest total of 50 sq. km.	$600,000
Year 5	Drill one well to 1,500m	$1,500,000
	Total Expenditure	**$4,375,000**

I have assumed the first 3 years of the commitment would, in a technical sense, be required to reach a conclusion regarding the merits of the play type, and that the fourth and fifth year commitments would be contingent on the results of year 3 drilling. I have thus used the first 3 years of the commitment as the relatively 'firm' value.
The value derived is thus $2.275million, say $2.3 million for the permit.

(b) Commercial Transactions Method

The Georgina Basin has only recently attracted the attention of the hydrocarbon exploration industry, with new permits being issued following a long period of dormancy. New exploration models are being applied, and the region has once again become 'fashionable'.
There is accordingly no history of recent commercial transactions to draw upon in determining a value. In view of this I have elected to once again derive a value on the basis of an hypothetical farmin.
Given the renewed attention to the Basin, and assuming seismic has defined a valid prospect, it is possible that a farminee would be prepared to meet the cost of the first well in return for a 50% working interest in the permit. This would value EPA 132 at $1.55 million, say $1.6 million.

The values derived thus range as follows:

Low	High
$1.6 million (Hypothetical farmin)	$2.3 million (Work commitment)

Given that this is still a grass roots exploration permit with no seismic or well control, I have elected to select the lower end of the range at $1.6 million.

EPAs 118, 124, 125 & 133
These four permits cover most of the southern platform, the southwest and west of the basin in the Northern Territory. Exploration to date is 2 wells and very limited seismic in EPA 125, limited seismic only in EP 118, and no seismic or wells in EPAs 124 and 133.

The main play in this very large area is Heavitree Quartzite natural gas and condensate. as well as **helium**.
Previous explorers drilled two wells and recorded limited seismic. The only well to intersect the Heavitree Quartzite, Magee-1, obtained a small gas flow with 6.3% Helium content. Because of the very limited seismic, exploration of this application area will benefit greatly from the recent high resolution aeromagnetic surveys and their interpretation.

The fairway for Siberian Platform style Heavitree Quartzite plays extends across the applications. Central Petroleum has selected the Mt Kitty area in EPA 125 to be first assessed for drilling. It is the only locality with seismic over a basement high. Depth to magnetic basement mapping has identified a number of basement highs to the west and south of the Mt Kitty structures which also warrant investigation. Any success at Mt Kitty would see a much expanded exploration campaign across the platform.

(a) Work Commitment Method
The work commitment submitted to the Northern Territory Government for these permits is as follows:

EP 118

Exploration year	Exploration commitment	Estimated cost
Year 1	Review geological and geophysical data Clearance survey for seismic	$100,000
Year 2	Record, process and interpret 100 km seismic	$400,000
Years 3 and 5	Record 150 km seismic	$600,000
Year 4	Drill 1 exploration well	$800,000
	Total Expenditure	**$1,900,000**

I have assumed that in a technical sense at least **$1.3 million** of expenditure (including the well) would be required to assess this play, with the decision regarding the well dependent on the outcome of seismic.

EPA 124

Exploration year	Exploration commitment	Estimated cost
Year 1	Review geological and geophysical data Clearance survey for seismic	$100,000
Year 2	Record, process and interpret 100 km seismic	$400,000

Year 3	Drill 1 exploration well	$800,000
Year 4	Record, process and interpret 100 km seismic	$400,000
Year 5	Drill 1 exploration well	$800,000
	Total Expenditure	**$2,500,000**

I have assumed that in a technical sense the first three years of expenditure would be required in order to assess the merits of the permit, leading to an expenditure of **$1.3 million**.

EPA 125

Exploration year	Exploration commitment	Estimated cost
Year 1	Review geological and geophysical data Clearance survey for seismic	$100,000
Year 2	Record, process and interpret 100 km seismic	$400,000
Year 3	Drill 1 exploration well	$800,000
Year 4	Record, process and interpret 100 km seismic	$400,000
Year 5	Drill 1 exploration well	$800,000
	Total Expenditure	**$2,500,000**

I have assumed that in a technical sense the first three years of expenditure would be required in order to assess the merits of the permit, leading to an expenditure of **$1.3 million**.

EPA 133

Exploration year	Exploration commitment	Estimated cost
Year 1	Review geological and geophysical data Clearance survey for seismic	$150,000
Year 2	Record 75 km 2D seismic or equivalent 3D	$575,000
Year 3	Drill 1 exploration well	$2,550,000
Year 4	Record and process 50 sq km 3D seismic or 85 km 2D seismic	$600,000
Year 5	Review of results to date	$100,000
	Total Expenditure	**$3,975,000**

I have assumed that in a technical sense the first three years of expenditure inclusive of the first well would be required in order to assess the merits of the permit, leading to an expenditure of **$3.275 million, say $3.3 million**. I regard this value as being unduly influenced by the high cost of drilling the firs well ($2.5 million) compared with the other 3 permits in this group, and consider such a value should (again) be treated with caution.

The work commitment assessment of value for these four permits thus totals $7.2 million.

(b) Commercial Transactions Method

I have elected to treat EPA 125 separately from the other three permits for the following reasons:

(a) It contains the Mt Kitty prospect scheduled for drilling in the next 2 years.
(b) It has some seismic defining Mt Kitty, but the feature is a basement high which provides greater confidence in the interpretation of structure. Further seismic is planned prior to drilling.

I consider a farmin to the permit with the drilling of Mt Kitty is likely to also involve participation in the acquisition of further seismic in order to optimally locate the well, these tougher terms reflecting the helium potential as well as natural gas/condensate. Assuming a program of 100 km of seismic and a well for a total cost of $1.2 million to earn a 50% interest, this equates to a value of $1.2 million for the permit.
The values derived thus range as follows:

Low	**High**
$1.2 million (Hypothetical farmin)	$1.3 million (Work commitment)

The mid point value of $1.25 million equates to the higher $1.3 million after rounding, and I have elected to choose this as the value for EP 125.

The remaining 3 permits, EPAs 118, 124 and 133 remain as grass roots permits, with an inadequate data base, and their potential, in large part, will be determined by the results of Mt Kitty.
Accordingly I have applied an arbitrary value of $5,000 per percentage point, **yielding a value for each permit of $500,0000.**

The values derived for the three permits thus range as follows:

Low	**High**
$1.5 million (Arbitrary assessment)	$5.9 million (Work commitment)

I have elected to choose the lower value of $1.5 million for the three permits, as I consider it more realistically reflects the current value, whilst recognising that exploration success at Mt Kitty would improve this estimate.

EP 82, EPA 111, EPA 112

These permits cover the central area of the Amadeus basin, south of the producing Mereenie and Palm Valley fields.

Arumbera Sandstone plays are well developed in the northern halves of EPs 82 and 112. Here the Arumbera Sandstone is well developed and is often sealed by Chandler salt. Six prospects have been drilled in the north. Gas flows were obtained at Ooraminna and Orange, a gas show at Wallaby and oil shows at Alice prospect.

The southern parts of the permit areas have been little explored, but have significant potential for Heavitree Quartzite Siberian Platform style gas-helium-condensate plays. There is very little seismic and only three wells have been drilled. None were optimally placed.

EPA 82

This permit contains part of the Waterhouse prospect, which straddles the EP 82 / EPA 112 boundary and is scheduled for early drilling by Centra, and the Ooraminna Prospect similarly scheduled for early drilling by Central**.** The estimated potential recoverable hydrocarbon resource for Waterhouse is between 2 and 1000 BCF, and the estimated recoverable hydrocarbon resource for the Ooraminna prospect is between 0 and 700 BCFG.

(a) Work Commitment Method

The work commitment submitted to the NT government for this permit is as follows:

Exploration Year	Exploration Commitment	Estimated Cost
Year 1	Review geological and geophysical data	$100,000
Year 2	Record 80 km seismic	$400,000
Year 3	Drill 1 exploration well	$1,000,000
Year 4	Record 200 km seismic	$1,000,000
Year 5	Drill 1 exploration well	$1,250,000
	Total Expenditure	**$3,750,000**

I have assumed that in a technical sense the first three years of expenditure inclusive of the first well would be required in order to assess the merits of the permit, leading to an expenditure of **$1.5 million**

(b) Commercial Transactions Method

In 2005 Central will purchase 100% of EPA 82 for $12,000 cash plus $3.5 million in Central shares and 8.75 million options, subject to grant of permit (now effected) and listing of Central.

The options have been issued at a 1 for 2 shares basis, with a five year term commencing at the date of listing (I.e. American type options). Such options are notoriously difficult to value, particularly since there is no trading history. The immediate value of these options would be determined by the opening price of Central shares once listed. However both the shares and options are likely to be subject to escroe. I recognise the value of the five year term, however, which would allow the holders to capitalise their value in the event of exploration success, in particular after the initial 2 year drilling programme. I have thus elected to assign a value of 3 cents to the options, effectively suggesting that Central shares are likley to trade in excess of 23 cents in this period, whilst recognising tha exploration success might well push Central's price much higher, and exploration failure may well depress Central share values below 20 c.

The options are thus valued at $262,500.

Ther total value of the purchase is thus $3,500,000 + $262,500 + $12000 + carrying costs, giving a total of just over $3.77 million plus holding costs, say $3.8 million.

This price recognises the helium production potential of the permit, and is current and appropriate in establishing a value.

The values derived for EP 82 thus range as follows:

Low	High
$1.5 million (Work commitment)	$3.8 million (purchase price from Helium Australia)

As stated the Helium Australia agreement is specific and current, and I have elected to assign the $3.8 million value associated with this agreement to the permit.

EPA 111
The work commitment submitted to the NT Government is as follows:

Exploration Year	Exploration Commitment	Estimated Cost
Year 1	Review geological and geophysical data. Clearance survey for seismic	$100,000
Year 2	Record, process and interpret 100 km seismic	$400,000
Year 3	Drill 1 exploration well	$800,000
Years 4 and 5	Record 150 km seismic	$600,000
	Total Expenditure	**$1,900,000**

I have assumed that in a technical sense the first three years of the programme would be required in order to assess the potential of the block, **yielding a work commitment figure of $1.3 million.**

(c) Commercial Transactions Method

The permit is seen to have potential for Heavitree gas /helium, (Wallara Lead).
I have had recourse to a hypothetical farmin, assuming that because of its size and the potential for a large number of prospects and leads after seismic, a farminee would reimburse the seismic planning of year 1 and undertake the year 2 seismic and year 3 drilling commitment to earn a 50% working interest. This would value EPA 111 at $1.25 million.

Summary
The values derived for EPA 111 thus range as follows:

Low	High
$1.25 million (hypothetical farmin)	$1.3 million (Work commitment)

These values are essentially identical, and I have assigned a value of $1.3 million for EPA 111.

EPA 112
This is a large permit requiring significant new seismic to identify its potential. The Wallara Lead straddles the EPA 111/EPA 112 boundary. It also contains the bulk of the Waterhouse Prospect with an estimated potentially recoverable hydrocarbon resource between 2 and 1,000 BCF scheduled for early drilling by Central following the acquisition of 35 line km of seismic.

(a) Work Commitment Method

The work commitment submitted to the NT Government is as follows:

Exploration Year	Exploration Commitment	Estimated Cost
Year 1	Review geological and geophysical data Clearance survey for seismic	$100,000
Year 2	Record, process and interpret 100 km seismic	$400,000

Years 3 and 5	Record 150 km seismic	$600,000
Year 4	Drill 1 exploration well	$800,000
	Total Expenditure	**$1,900,000**

The entire programme, costed at $1.9 million would seem to be required in order to assess its potential. The fact that the well is preceded by two rounds of seismic thus tends to inflate the value but this is a large permit with significant upside potential containing the bulk of one of the most attractive prospects in the portfolio, (Waterhouse anticline). More significantly, however, the estimate of well cost for an 1800m well in the Amadeus basin, with high mobilisation demobilisation and inter well move costs, plus air packages seems unreasonably low. A figure of $1.6 million would seem far more likely for such a well.

(b) Commercial Transactions Method

Given that this is a large permit with two play types present, (see above),and the majority of the Waterhouse Prospect I consider it is likely that a farminee would contemplate undertaking some seismic and a well to earn a substantial interest in the EPA. Accordingly I have postulated an **hypothetical farmin** whereby the farminee would earn a 50% working interest by meeting the cost of seismic and a well for an estimated $2,700,000. **This would value the permit at $2,500,000**

Summary

The values derived for EPA 112 thus range as follows:

Low	**High**
$2.7 million (hypothetical farmin)	$1.9 million (Work commitment)

As stated above I consider the value derived from the work programme to be compromised because of its unrealistically low well cost., and **I have accordingly elected to choose the higher value of $2.7 million as derived from the hypothetical farm-in method.**

EPA 115 AND 120

EPA 115 covers a large area along the northern margin of the basin. It surrounds the northern portion of Mereenie Oil and Gas Field and is west of Palm Valley Gas Field. The application area covers the main oil fairway for Pacoota Sandstone reservoirs. Seven prospects have been drilled in the application area. Oil shows were detected in three and a minor gas flow in another. A significant proportion of the basin's seismic has been recorded in the area. There are a number of prospects and leads which warrant further investigation.

EPA 120 covers a relatively smaller area adjacent to the northwest corner of EPA 115. This permit contains the undrilled Harajica Prospect, a Pacoota Sandstone play.

Central Petroleum has selected the Johnstone Prospect in EPA 115 as being the most prospective and will focus initial exploration there.

EPA 115

(a) Work Commitment Method.

The work commitment submitted to the Northern Territory Government is as follows:

Exploration Year	Exploration Commitment	Estimated Cost
Year 1	Review geological and geophysical data Clearance survey for seismic	$100,000
Year 2	Record 75 km seismic Reprocess 750 km seismic	$400,000
Year 3	Drill 2 exploration wells	$1,600,000
Year 4		
Year 5	Drill 1 well	$800,000
	Total Expenditure	**$2,900,000**

EP 115 is large and contains many prospects and leads. **Accordingly I consider at least 2 wells would be required to adequately assess this EPA, thus involving the first 4 years of the commitment, at a cost of $2.1 million. Again the $800,000 well cost seems to be unreasonably low.**

(b) Commercial Transactions Method

Nine of the 17 prospects and leads identified by Central within their Amadeus permits are found in EPA 115. accordingly I consider it possible that a significant farm-in involving 100 km of seismic at a cost of $700,000 and 2 wells at an average cost of $2 million each for a total of $4.7 million to earn a substantial interest of 60% would be appropriate. **Such terms would value the permit at $3.13 million, say $3.1 million.**

Summary

The values derived for EPA 115 thus range as follows:

Low	High
$2.1million (Work commitment)	$3.1 million (hypothetical farmin)

As stated above I consider the value derived from the work programme to be compromised because of its unrealistically low well cost., and **I have accordingly elected to choose the higher value of $3.1 million as derived from the hypothetical farm-in method.**

EPA 120

As previously noted EPA 120 is a small Application Area which contains the Harajica Prospect, a Pacoota play with four way dip closure, and a higher risk sub-thrust play..

(a) Work Commitment Method

The work commitment submitted to the Northern Territory Government for EPA 120 is as follows:

Exploration Year	Exploration Commitment	Estimated Expenditure
Year 1	Review geological and geophysical data	$20,000
Year 2	Clearance survey for drilling	$50,000
Year 3	Drill 1 exploration well	$800,000
Years 4 and 5	Clearance survey for seismic	$350,000

	Total Expenditure	**$1,220,000**

I have assumed that in a technical sense the first three years of exploration would be required in order to adequately assess the potential of the Harajica Prospect.
This equates to a work commitment value of $870,000, say $0.9 million.

(b) Commercial Transactions Method

Given that at this stage the Application Area is virtually restricted to one prospect, the issue is what would be the likely terms of a farmout of Harajica. Assuming the expenditure of the first two years would be required as part of the drilling programme, this equates to a total well cost of $870,000. **Assuming a hypothetical farmin whereby a farminee would earn a 50% interest by meeting this cost, the permit would thus be valued at $0.87 million, say $0.9 million.**

Summary
Since these values are identical, I have assigned a value of $0.9 million to EPA 120.

INDEPENDENCE

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Neither Mulready Consulting Services Pty Ltd nor any of its directors or employees has any beneficial interest in Central Petroleum Limited, nor in the pending permits which are the subject of this valuation, nor in any adjacent permits.

Mulready Consulting Services prepared the Independent Geologist's Report for Central Petroleum Limited's current Prospectus.
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DATE OF REPORT

This report was prepared in August 2005, and is dated August 22nd 2005.

QUALIFICATIONS

Jack N. Mulready graduated from the University of Melbourne with a B.Sc. (Geology) 1963, Dip. Ed.(1966) and B.A. (History)1999 and from R.M.I.T. with a Fellowship Diploma in Management in 1978. He has over 35 years of experience within the petroleum exploration and production industry in Australia, New Zealand, USA, Indonesia, China and PNG.
He is a member of the Petroleum Exploration Society of Australia, the Geological Society of Australia and the American Association of Petroleum Geologists (Certified APPG Geologist No. 5321), and has prepared numerous independent geologist's reports and valuations for a variety of Australian companies in accordance with the requirements of the Australian Stock Exchange.

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