



central
PETROLEUM
LIMITED

9 Meadow Close
Kardinya, Perth
Western Australia
6163

Phone:
+61 (0) 8 9310 7690

Fax:
+61 (0) 8 9310 7690

Mob:
+61 (0) 427 10 7690

johnheugh@westnet.com.au
info@centralpetroleum.com.au
www.centralpetroleum.com.au

ABN 72 083 254 308

190905 Central Petroleum Limited Media Release:

Central Petroleum is planning to drill up to 6 wells over 2 years and has lodged a prospectus with ASIC and the ASX dated the 12th September to raise up to \$25 million at 20 cents per share with a free attaching option for each two shares. Copies of the prospectus with application forms are available as downloads on the Company's website: www.centralpetroleum.com.au or hard copies on request by emailing info@centralpetroleum.com.au

Central has an interesting and valuable package of ground covering almost all of three major sedimentary petroliferous basins in Central Australia and over 200 defined prospects and leads. The region is demonstrably under-explored and has the potential to transform the company into a serious player in the petroleum industry after any major successful appraisal or discovery on the identified large structures.

The synergy of the acreage package, the potential to rapidly monetise oil discoveries via the new rail link and the potential of GTL value adding coupled with the possibility on discovery to produce significant quantities of Helium means that Central's capital raising should be supported by astute investors looking for both short and long term capital appreciation if appraisal and exploration programmes are successful.

Central Petroleum Limited is a company which is poised to control one of the biggest packages of prospective oil and gas acreage in Australia. Subject to listing and in some cases, native title negotiations, Central will acquire 165,000 square kilometres (40 million acres) in the Amadeus, Perdika and Georgina Basins and the Lander Trough in central Australia.

Company Managing Director John Heugh says any one of its prospects, if a successful discovery could add considerably to the company's capitalisation.

"We don't know of any larger undrilled prospects onshore in Australia. Any drilling success we have could deliver a significant increase to our bottom line."

"We have negotiated a package deal delivering 100% ownership over most of the prospective portions of the entire Amadeus Basin, which surrounds the producing Palm Valley and Mereenie fields, once Australia's biggest onshore mainland reserves," he said.

Central was formed by John Heugh and Richard Faull in 1998 when oil was trading at \$US12 a barrel to get after big targets in big acreage positions in a counter cyclical investment strategy. Since then the company has progressively added to its asset portfolio.

"Our investment view at the time was indeed counter cyclical and well founded, but we could not have predicted the current tenor of extended, unprecedented oil price highs."

"I don't think there will be many other opportunities for a company in Australia to put together such a package again. Competition to acquire large areas hosting prospective petroleum accumulations potentially capable of supporting major infrastructure or value adding plant development is intense and gaining momentum," he said.

The company has six main prospects in two basins, with four different play types and sets of geological characteristics. According to John Heugh, such a wide variety of play types will help to minimise risk for investors.

"According to independent assessment, we have 2 oil prospects in the Perdika Basin targeting 200 million barrels of potentially recoverable oil resources and a third oil prospect known as Johnstone in the Amadeus Basin targeting 100 million barrels of potentially recoverable oil resources. The company also has 2 very large gas prospects and a subsalt play targeting both hydrocarbon gas and Helium at Mt Kitty in the Amadeus Basin," he said. "The gas prospects collectively have been independently estimated to hold potentially recoverable resources of 3,400 billion cubic feet of gas"

Ooraminna and Waterhouse, two of the six prospects Central intends to drill have already returned gas to surface and are regarded by the Company as appraisal prospects.

Central is targeting a cumulative total of over 300 MMbbls oil and 3.4 TCF of gas assessed as potentially recoverable resources as well as the upside of 105 BCG of Helium, a valuable commodity in high demand. An MoU with BOC has already been signed aimed at joint exploitation of any Helium reserves the Company may discover. A previous well in the Amadeus Basin, Magee 1, drilled into the same play type as that targeted by Central's Mt Kitty prospect, flowed gas to surface with 6.3% Helium, much more concentrated than typical gases where it is extracted in other parts of the world.

"With over 200 prospects and leads, our package includes enough exploration acreage to keep us busy for a long time," Mr Heugh said.

Until now, the economics of oil in Central Australia has been problematic. However, the advent of the new rail link from Alice Springs to Darwin means that it is possible to monetise any oilfield discovered in the region through simple trucking and rail transport to Port Darwin for domestic consumption or export. Oil produced in central Australia is currently being trucked all the way to Port Bonython in South Australia

Central has commissioned a pre-feasibility study on the conceptual use of Gas to Liquids technology in central Australia to produce a range of value added products including zero sulphur diesel, jet fuel and naphtha.

John Heugh is of the opinion that GTL products might prove to be very economic for the company and intends to allocate some funds from the current raising towards further studies of the potential development of the GTL option.

"Gas To Liquids (GTL) products could be railed from a central Australian plant to Port Darwin for domestic or export markets although it is anticipated that any diesel, jet fuel and naphtha produced could be easily absorbed by the domestic market," he said.

"There have been a lot of developments in GTL technology and there's a huge demand for low sulphur diesel throughout the world. This particular type of diesel is very environmentally friendly and can be mixed with conventional diesel to reduce pollution " he said.

Another major benefit enjoyed by the company is a farm out deal with Whitesands Petroleum which owns a modern drilling rig and plans to purchase more.

"This gives Central access to a new type of hydraulic top drive drilling rig, which means our mobilisation and demobilisation costs are significantly reduced. We'll also be able to manage difficult conditions and probably horizontal drilling with a relatively light weight rig," Mr Heugh said.

Of the \$25 million Central hopes to raise, approximately 76 per cent will be directed towards exploration, appraisal and drilling wells.

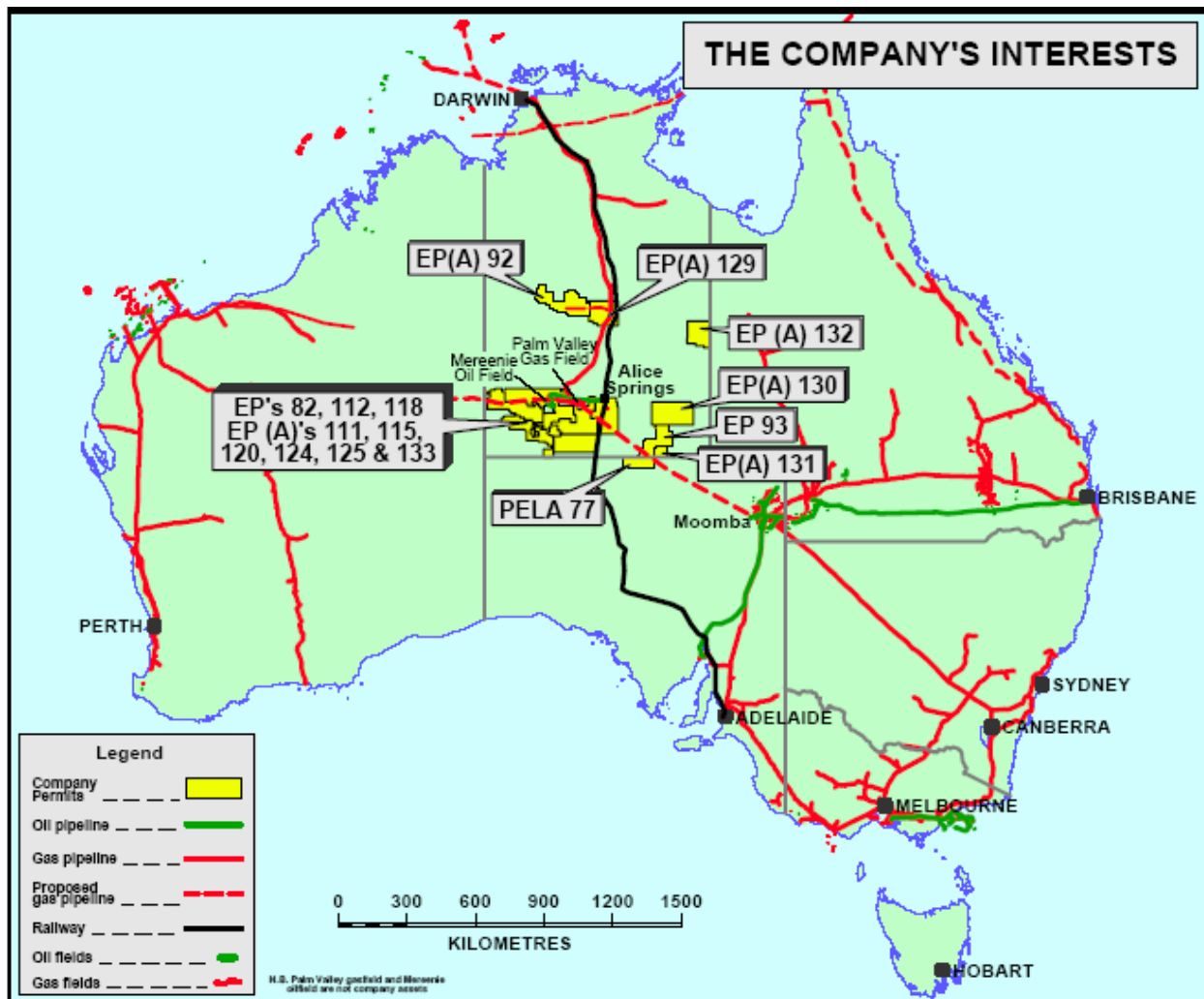
"Our very first priority is to finalise road access along pre-existing seismic lines to Central's first 3 oil prospects targeting 300 million barrels of oil between them and although most of our drilling prospects are in granted permits, to complete environmental and traditional owner site clearances," Mr Heugh said.

"We'll then move in a drill rig to start work on our Perdika Basin priority oil targets, Avalon and Blamore, which have been assessed independently as having potential recoverable resource numbers of about 200 MMbbl."

Once drilling has begun on the company's oil targets in the Perdika, Central will look to the Amadeus Basin where a seismic crew from WA has already been booked.

Central's Board of Directors, headed by Chairman Dr Henry Askin, a previous Exploration Manager for Shell, has over 100 man years of relevant experience in both national and international operations involving exploration, production and development.

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John Heugh
 Managing Director
 Central Petroleum Limited
 +61 8 9310 7690

Barry Dawes
 Managing Director
 Martin Place Securities Pty Ltd
 +61 8 9222 9111

johnheugh@westnet.com.au

bdawes@mpsecurities.com.au

www.centralpetroleum.com.au

www.mpsecurities.com.au