



Central Petroleum's plans to target Helium receive boost

Central Petroleum, which is conducting an IPO with a current prospectus to raise up to \$25 million, is on track to target its helium production with the announcement that the Northern Territory Government has offered Exploration Permit (EP) 125 to be granted shortly.

EP 125 hosts the Mt Kitty prospect in the NT, targeting potentially recoverable resources of up to 1.7 TCFG, condensate and 105 BCF or billions of cubic feet of Helium.

"Helium is a valuable commodity which has recently commanded prices ranging up to US \$65 per thousand cubic feet which compares very well with conventional hydrocarbon based natural gas which currently sells for about AUD \$3 per thousand cubic feet or less in Australia," said John Heugh, managing director of Central Petroleum.

He said demand for Helium has grown at about 5% per annum for the last 10 years and total world reserves stood at about 580 BCF in early 2004. Helium is used as a cooling medium and energy source for electrical generation from nuclear reactors and is able to be recycled as it does not retain radiation. Other uses include applications in superconductors, rocket propulsion and guidance, specialised welding and medicine.

Central Petroleum has a Memorandum of Understanding with BOC Global Helium Inc. aimed at the joint exploitation of Helium targeted by Central's exploration and appraisal programme planned in Central Australia. Previous exploration here has resulted in confirmation of a sub-salt hydrocarbon and Helium play type thought to be directly analogous to some of the giant petroleum fields of the Siberian Platform and the Sichuan Basin. Previous flows to surface assayed over 6% Helium, twenty times the generally accepted threshold for commercial exploitation.

Including two appraisals of previous flows to surface, Central Petroleum has a 6 well programme planned in central Australia targeting potentially recoverable resources of 300 MMbbls oil and 3.4 TCFG in addition to the 105 BCF Helium target in the Mt Kitty prospect.

Subject to listing, the Company will control the biggest (165,000 sq.km.) cohesive acreage package onshore in Australia with over 200 defined prospects and leads for follow up exploration.

"Gas to liquids technology (GTL) to produce sulphur free diesel, jet fuel and naphtha is one of the Company's priorities but initially the Company will focus on drilling three oil prospects for early cash flow," said Mr Heugh. "The new rail link to Port Darwin makes monetisation of oil discovery a relatively simple exercise"

The response for the IPO has been good to date and growing daily with Central Petroleum now having applications in hand that would give a register of over 550 shareholders. The Prospectus has been extended until 2nd December to allow further subscriptions with the Company reserving the right to close earlier than that date.

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