

## Central buys up \$A8.5m assets, listing imminent

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**CENTRAL Petroleum has finalised a pre-listing requirement to buy all of the assets belonging to three privately-held petroleum companies that control a large proportion of the exploration permits and applications in the prospective Amadeus Basin, in central Australia.**

The company expects to list on the ASX this week, following an oversubscribed initial public offering of \$9.5 million.

Earlier last week, Central announced its share registry will comprise more than 600 individual shareholders, with institutional support totalling over 50% of the funds raised.

The company paid a total of \$A8.5 million to acquire 100% of the issued capital of Helium Australia, Ordiv Petroleum and Frontier Oil and Gas.

Central managing director John Heugh said the transactions were completed as a pre-listing requirement of the ASX.

"This completes negotiations that began in mid-2004 and delivers to the company over 80,000 square kilometres of prospective ground surrounding the Santos/Magellan Joint Venture producing assets, the Mereenie and Palm Valley fields in the Amadeus Basin, which have been in production since the mid '80s," Heugh said.

"The total price paid of approximately \$8.5 million, composed predominantly of scrip at face value of 20 cents per share, represents a good deal when the assets concerned have been independently conditionally valued at about \$15 million."

Central has outlined four initial prospects in the Amadeus Basin permit package. These include the Johnstone oil prospect estimated to contain a potential 100 million barrels of oil, as well as three other prospects with 3.4 trillion cubic feet of natural gas and 105 billion cubic feet of helium gas potential

The company said two of the prospects have flowed gas to surface during prior drilling, but neither have been properly evaluated to date. All three of the gas, condensate and/or helium targets have aerial closure of up to 300-500sq.km, making them some of the largest targets onshore Australia, Heugh said.

An independent geologist report and the Northern Territory geological survey have both indicated the Amadeus Basin prospects and play types are geologically similar to the giant fields of the Siberian Platform and the Sichuan Basin, according to Heugh.

"The fairway for large Siberian Platform type plays extends across the Amadeus Basin's almost unexplored southern platform where a number of large basement structures have been identified," Heugh said.

"This system is analogous to the very large Eastern Siberian Platform gas and oil fields and is the same age as the gas fields of the Sichuan Basin in China."

Heugh said a recent report by the Northern Territory geological survey stated the Amadeus Basin was "enormously under-explored by world standards with only one well on average per 5000 square kilometres".

Central's IPO underwriter, Martin Place Securities, claims that this Amadeus Basin package of permits and applications could prove to be one of the most significant and important acquisitions in Australian onshore petroleum exploration history.

"For a listed junior to control such vast areas of prospective ground is very rare and gives the company tremendous leverage in terms of future potential farm-outs to add value for shareholders because whole of basin exploration concepts can be tested, and this is particularly appealing to oil and gas majors," Martin Place said.

Central expects to start its exploration program with the Avalon or Blamore prospects in the Pedirka Basin in central Australia, targeting up to about 100 million barrels of potentially recoverable resources in either well.