

30 October 2009

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street,  
Sydney NSW 2000

**QUARTERLY REPORT AND APPENDIX 5B  
JULY TO SEPTEMBER 2009**

**Exploration and Joint Venture Activities**

During the quarter the Company continued with the review of its exploration plans for the remainder of 2009 and further to 2010 with its farm-in participants Petroleum Exploration Australia Limited, Trident Energy Limited, He Nuclear Limited and Rawson Resources Limited.

*Energy Infrastructure and Resources Limited EPA 130*

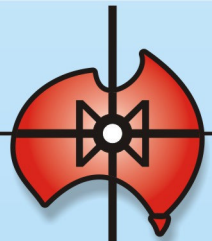
On 9 August 2009, Energy Infrastructure and Resources Limited (EIR) and the Company reached agreement on the terms of the farm-out by the Company of a 25% participating interest in the yet to be granted EPA 130. The agreed terms include the Company remaining as Operator, ongoing premium reserve payments to the Company of \$10,000,000 per potential discovery tranche of 3P reserves of one trillion cubic feet of gas or oil equivalent and a 60% to 25% "promote" on the costs of initial exploration including the first 3 wells and the first \$3 million of seismic. The agreement is subject to Board approval of final documentation and subject to the grant of the permit application. EIR is an unlisted public company headed up by Mr Rohan Gillespie, a former BHPB executive and under the terms agreed, EIR may nominate another company in place of itself in the proposed formal agreement. The Company has since been advised by Great Southern Gas Limited, (GSG), an existing farmin participant in EPA 130 headed up by Rohan Gillespie, that GSG is exercising its pre-emptive rights over the EIR offer and at the time of preparation of this report, the formal documentation to effect this transaction is under preparation by the Company and Great Southern Gas.

*Red Sky Energy (NT) Pty Ltd Broadacre Joint Venture*

On 30 September 2009, the Company, its relevant wholly owned subsidiaries and Red Sky Energy (NT) Pty Ltd, ("Red Sky") a wholly owned subsidiary of the ASX listed Red Sky Energy executed a farmout agreement whereby Red Sky was assigned a 10% interest in the Petroleum Exploration Australia ("PXA") Central Petroleum "Broadacre" Joint Venture consisting of granted permits and applications EP-82, EP-93, EP-105, EP-106, EP-107, EP-112, EP-118, EP-125, EPA-92, EPA-120, EPA-124, EPA-129, EPA-131, EPA-132, EPA-133, EPA-137, EPA-147, EP-149, EP-152, ATP-909, ATP- 911, ATP-912, PELA -77, PEPA 16/08-9, PEPA 18/08-9, PEPA 17/08-9 and in the case of Red Sky Energy (NT) Pty Ltd EPA 160.

The agreement calls for Red Sky to fund at the 2:1 promoted level the first 20% of the next three wells and the next \$3 million of seismic in each of the permits and applications subject to grant.

Red Sky will pay the Company a reserve premium of \$5 million indexed to various production standard prices from time to time for each incremental 3P (proved, probable and possible) trillion cubic feet of gas or oil equivalent at final investment decision which may be discovered in the Joint Venture area.



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It is the Company's view that PXA is obliged to execute certain ancillary documents to enable the full entry of Red Sky into the Joint Venture but the matter has been referred to the arbitration process to determine.

### **Management Changes**

In July 2009 Mr Julian Tambyrajah resigned as Chief Financial Officer and Company Secretary with the position being filled by Mr Kim Hogg. Mr Hogg continues as Joint Company Secretary and Mr Bruce Elsholz has recently taken up the position of Chief Financial Officer and Joint Company Secretary. Further appointments and consultancy positions are being considered as exploration activities ramp up.

### **Capital Structure**

During the Quarter the Company issued 12,500,000 ordinary shares at 8 cents per share pursuant to the conversion of \$1,000,000 of bonds under the Convertible Bond Facility. A further \$73 million remains available under this facility.

In addition 61,420 shares were issued as a result of the conversion of 61,420 listed options. The exercise price was 16 cents per share, raising a further \$9,827.

As a result of these new issues Central Petroleum Limited has 576,806,341 ordinary shares on issue at 30 September 2009.

### **Appendix 5B**

The Appendix 5B shows the cash movements and other information for the quarter ended 30 September 2009. In summary, cash at the beginning of the quarter was \$35.9 million and cash at the end of the quarter was \$35.2 million, representing a net decrease in cash of \$0.7 million. During the Quarter the Company received \$1 million from the issue of new shares to investors through the Convertible Bond Subscription Agreement and \$9,827 from the conversion of options. A number of the costs associated with the capital raising in June 2009 were paid in the Current Quarter resulting in a net cash inflow from financing activities of \$0.86 million for the quarter. The cash outflows on operating and investing activities for the quarter mainly reflects payments for administration, sundry exploration costs, environmental, heritage and sacred site clearances and other expenditure including legal and corporate costs associated with the administration of the Company.

Yours sincerely,

Central Petroleum Limited



Bruce Elsholz

Joint Company Secretary

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Central Petroleum Limited**

ABN

**72 083 254 308**

Quarter ended ("Current Quarter")

**30 September 2009**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(876)	(876)
(b) development	-	-
(c) production	-	-
(d) administration	(874)	(874)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	243	243
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,507)</b>	<b>(1,507)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(38)	(38)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) - deposits	(14)	(14)
<b>Net investing cash flows</b>	<b>(52)</b>	<b>(52)</b>
1.13 Total operating and investing cash flows (carried forward)	(1,559)	(1,559)

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,559)	(1,559)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds (net) from issues of shares, options, etc.	868	868
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>868</b>	<b>868</b>
	<b>Net increase (decrease) in cash held</b>	<b>(691)</b>	<b>(691)</b>
1.20	Cash at beginning of quarter/year to date	35,931	35,931
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>35,240</b>	<b>35,240</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	141
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' remuneration

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (Convertible Rolling Bond Facility *)	73,000	-
3.2 Credit standby arrangements	-	-

\* Bonds are issued in tranches of \$1,000,000 each. Each tranche must be fully converted into ordinary shares of the Company before subscription and issue of the next tranche can be completed.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,750
4.2 Development	-
<b>Total</b>	<b>1,750</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	1,331	1,942
5.2 Deposits at call	33,909	33,989
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>35,240</b>	<b>35,931</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	N.T.Mining Permits		
	EL-27094	In all cases a Direct Working Interest	0%	100%
	EL-27100		0%	100%
	EL-27101		0%	100%
	EL-27102		0%	100%
	EL-27103		0%	100%
	EL-27104		0%	100%
	EL-27105		0%	100%
	EL-27106		0%	100%
	EL-27107		0%	100%
	EL-27108		0%	100%
	EL-27109		0%	100%
	EL-27110		0%	100%
	EL-27114		0%	100%

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**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (Note 3)	Amount paid up per security (see Note3)
7.1 <b>Preference +securities</b>	-	-		
7.2 Changes during Qtr (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	576,806,341	576,806,341		
7.4 Changes during Qtr (a) Increases through issues (b) Increase through exercise of options (b) Decreases through returns of capital, buy-backs	12,500,000 61,420	12,500,000 61,420	8 cents 16 cents	8 cents 16 cents
7.5 <b>+Convertible debt securities</b>				
7.6 Changes during Qtr (a) Issues (b) Decreases through maturity, conversion				
7.7 <b>Options</b> ( <i>description and conversion factor</i> )	153,554,302 95,947,703 300,000 21,250,000 7,000,000 1,800,000 11,000,000 1,450,000 200,000 500,000 666,666 1,000,000 250,000 200,000 7,500,000 8,366,666	153,554,302 95,947,703 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	<i>Exercise price</i> \$0.16 \$0.25 \$0.25 \$0.20 \$0.20 \$0.30 Various \$0.30 \$0.33 \$0.30 \$0.25 \$0.25 \$0.25 \$0.25 Various \$0.20	<i>Expiry date</i> 31 Mar 2014 30 Jun 2010 31 Jan 2010 31 May 2010 20 Feb 2011 30 Nov 2010 03 Jan 2012 31 Mar 2011 31 Jul 2011 31 Aug 2011 17 Nov 2011 19 Jan 2012 16 Feb 2012 23 Feb 2012 31 Mar 2014 31 Mar 2014
7.8 Issued during quarter	0	0		
7.9 Exercised during Quarter	61,420	61,420	\$0.16	31 Mar 2014
7.10 Expired during Qtr	1,333,334	0	\$0.25	17 Nov 2011
7.11 <b>Debentures</b> ( <i>totals only</i> )				
7.12 <b>Unsecured notes</b> ( <i>totals only</i> )				

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Date: 30 October 2009

(Joint Company Secretary)

Print name: Bruce Elsholz

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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