

# ASX ANNOUNCEMENT

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## Central Petroleum reports preliminary drilling on CSG well shows 120m of coal, up 300% on estimates

### Key Points

- Central Petroleum (ASX: CTP) reports preliminary results from CSG exploration well CBM107001 (Latitude: 25° 12' 21.18 S and Longitude: 135° 41' 36.41 E) in EP 107 in central Australia's Pedirka Basin show 120m of coal (in seams > 1m thick) with individual seams up to 30m thick.
- Results were 300% higher than estimated and coals were intersected over the interval 745m-1163m.
- Results are consistent with analogous sub-bituminous coals intersected 95km north in CBM93001 and CBM 93004. These wells intersected 138m and 144m of coal respectively, in seams greater than 1m thickness.
- Central holds a 70% interest and is Operator in EP 107, through wholly-owned subsidiary Merlin Energy Pty Ltd, and is in JV with Petroleum Exploration Australia (20%) and Red Sky Energy (NT) Ltd (10%).
- Next well in the drilling program, CBM107002 (EP 107), will target the coal sequence in an updip location about 31 km to the northwest of CBM107001.

Central Petroleum Limited (ASX:CTP) ("**Central**" or "**the Company**"), as Operator, today advised that coal seam gas ("CSG") exploration well CBM107001 in EP 107 reached a TD of 1251m on 24 February 2010.

The well targeted early Permian Purni Formation coals in the Pedirka Basin in central Australia (see Figure 1) and preliminary results show drilling encountered 120m of coal (in seams > 1m thick) with individual seams up to 30m thick.

This result was significantly (300%) higher than the prognosed coal section of 20-40m of coal in seams greater than 1m thickness. The coals were intersected over the interval 745m to 1163m.

These preliminary results, which are subject to review dependent on further analysis and review of data being generated, are essentially consistent with analogous sub-bituminous coals intersected 95km to the north in exploration wells CBM93001 (EP 93) and



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CBM93004 (EP 93) which intersected 138m and 144m of coal respectively in seams greater than 1m thickness.

The coal will require remapping and may result in an upgrading of the potential coal exploration target resource on the southern Andado Shelf.

The wells are part of Phase One of Central's 2009/10 exploration program. This program included approximately 1400km of seismic across the breadth of the Company's extensive holdings in central Australia's Amadeus and Pedirka Basins and 5 cored Coal Seam Gas (CSG) wells targeting coal and CSG in the Pedirka Basin.

Central Petroleum Managing Director John Heugh said "The intersected thickness of coal seams add further confidence to the opportunity to enhance estimates of the coal resource in this general area."

"Importantly, these results show the coal/formation isopach (thickness of total Permian Purni Formation hosting coals) closely matches the Independent Expert's coal resource report. This report concluded that a viable exploration target for coal above 1000m in depth in the permits and applications held by Central was over one trillion tonnes.

The nett column of 120m provides strong support for previously estimated viable coal exploration resources in the Pedirka Basin

The next well in the program, CBM107002 (EP107), will target the coal sequence in an updip location about 31km to the northwest of CBM107001.

The final well in Phase One of Central's 2009/10 exploration program is CBM93002 (EP93) located 57km southwest of CBM107001. The well lies on the downthrown side of a significant fault and is expected to intersect > 90m of Purni Formation coal in an area that is currently considered to have much higher potential for thermogenically generated CSG and for conventionally-trapped hydrocarbons. Overall, the Pedirka has considerable potential for significant prospective resources, both CSG, particularly in biogenically derived methane as well as Underground Coal Gasification (UCG).



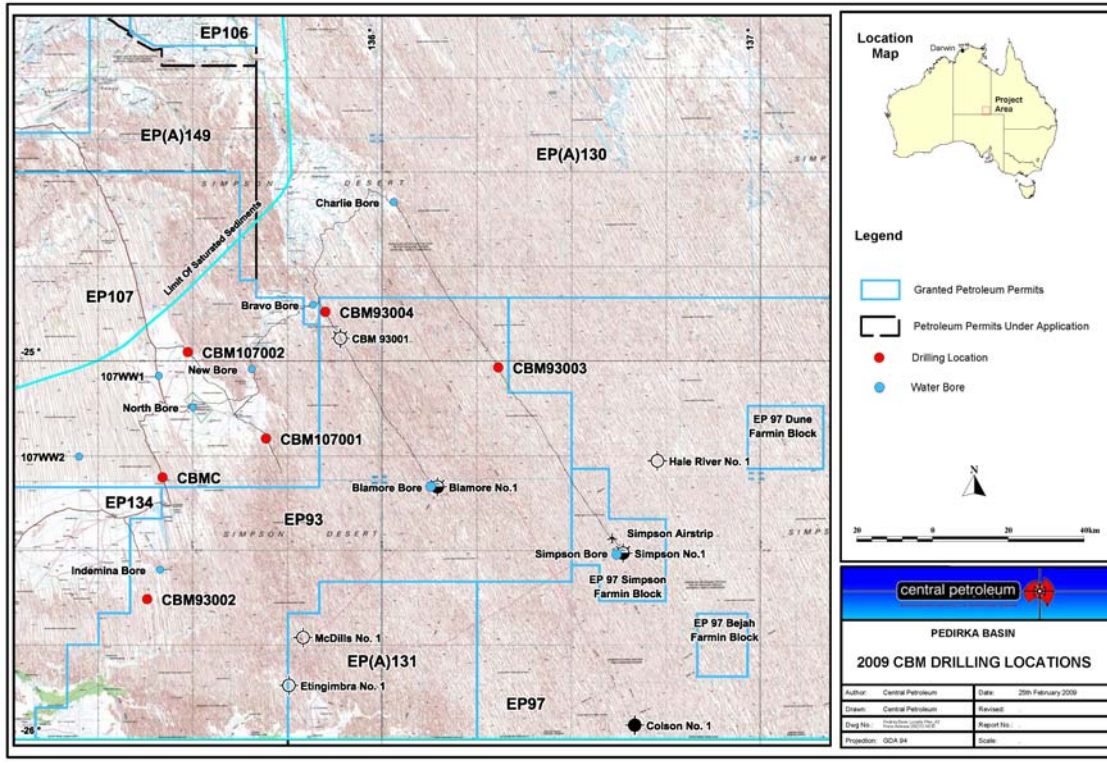
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**Figure 1: CBM drilling locations**



**Competent Persons Statement**

**AI Maynard & Associates**

Information in this announcement or attached report or notification which may relate to Exploration Results of coal tonnages in the Pedirka Basin is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and an independent consultant to the Company. Mr Maynard is the principal of AI Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in this Report or announcement of the matters based on his information in the form and context in which it appears.

**Mulready Consulting Services**

The Mulready Consulting Services Report on UCG and CSG which may be referred to in this report or announcement or notification was prepared by their Associate Mr Roger Meaney, who holds a BSc (Hons) from Latrobe University and has over 30 years experience in the petroleum exploration and production industry with 8 years experience in the field of Coal Seam Gas.

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