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FINANCE NEWS NETWORK VIDEO INTERVIEW MANAGING DIRECTOR JOHN HEUGH CENTRAL PETROLEUM LIMITED

The transcript follows or you can watch the interview at the [interview link](#)

TRANSCRIPTION OF FINANCE NEWS NETWORK INTERVIEW WITH CENTRAL PETROLEUM (ASX:CTP) MANAGING DIRECTOR, JOHN HEUGH

Clive Tompkins: Hello Clive Tompkins reporting for the Finance News Network. Joining me for the first time from Central Petroleum is Managing Director John Heugh.

John welcome to FNN. Can you start by introducing Central Petroleum, how long have you been going, what do you do and when did you list?

John Heugh: Thanks Clive. Central Petroleum started in 1998 and myself and Richard Faull put the company together at the time when oil was trading at \$12 a barrel. So we had almost an untrammelled opportunity to put together what is now the largest exploration acreage portfolio in Australia at over 250,000 square kilometres. We're exploring for oil and gas in central Australia also helium, a very valuable commodity and in very short supply with a rapidly escalating price. And also we're looking at non-conventional reservoirs - that is coal seam gas, shale gas and shale oil.

Clive Tompkins: Okay, so where's your share price now and what's your market cap?

John Heugh: Clive the share price is round about 14 or 15 cents at the moment. We've got a drilling program starting imminently; we are due to spud the first well tomorrow or the next day. We've got about 570 million shares on issue and the market cap's about \$90 million.

Clive Tompkins: Turning to your tenements, what stage are they at, what is their potential to transform the company and how quickly? Let's start with the Pedirka Basin.

John Heugh: Generally speaking the Pedirka Basin contains coal seam gas we believe. Also there is a huge potential for underground coal gasification to produce gas. It also contains a large number of conventionally reservoired gas and oil prospects.

Now with the coal seam gas that's probably a longer term option along with underground coal gasification potential. But certainly if we make a discovery of oil in the Pedirka Basin, there's an opportunity to probably monetize such a discovery within six to twelve months.

Clive Tompkins: And the Amadeus Basin?

John Heugh: The Amadeus Basin is one of the older Basins in Australia. It has a lot of similarity to the eastern Siberian Platform in Russia – a prolific producer of oil and gas. And it has potential for conventional oil, conventional gas, large volumes of helium and as I've mentioned before, non-conventional resources in terms of shale gas and shale oil. So again, oil or helium we believe could be monetized fairly quickly.

Gas discoveries of course would await a longer time frame to monetize via a pipeline to Darwin for LNG, or perhaps running through a centrally located gas to liquids plant



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to produce value added ultra clean diesel and jet fuel in central Australia prior to export.

Clive Tompkins: And finally the Southern Georgina Basin?

John Heugh: The Southern Georgina Basin is a very interesting Basin. It's basically a Cambrian Basin which is fairly old by world standards, but some Russian studies a decade ago indicated that over fifty billion tons of oil may have been generated and expelled from the Arthur Creek shale in the Southern Georgina Basin. So that's a major target for us, both for conventionally reservoir oil and also for shale gas and shale oil.

Clive Tompkins: John you raised 30 million with the rights issue in June. What was this for and how much cash do you have now?

John Heugh: The \$30 million cash was actually heavily oversubscribed. Patersons Stockbrokers orchestrated the particular raising. It started off as a rights issue and then we accepted oversubscriptions on that.

Our current cash position is over \$33 million in the bank. We are very well cashed up for the Phase One Exploration Programme due to kick off in the next couple of days and that money will be used primarily for exploration purposes.

Clive Tompkins: John in terms of exploration, are you principally going it alone or do you have joint venture partners?

John Heugh: Clive, we've got a number of very significant joint venture partners including in effect BG Group Australia which is regarded generally now as an oil major or I should say, a gas major. They are probably going to be Australia's biggest producer of coal seam gas into the LNG industry. So they're one of our joint venture partners via the acquisition of QGC who had previously bought out Petroleum Exploration Australia, one of our early farm-in partners.

We also have three other significant joint venture partners – Red Sky Energy. There is a little bit of an altercation going on between ourselves and BG Australia about the entry of Red Sky into the joint venture, but we are sure that will be sorted out very soon. We also have Trident Energy and HE Nuclear Ltd, both unlisted public companies and both gearing up for IPO's I believe in the near future.

Clive Tompkins: Last question John. What makes Central Petroleum different from other junior oil and gas explorers?

John Heugh: That's a fairly easy question to answer Clive. It's got the biggest portfolio of exploration assets in Australia bar none. We're looking for oil, gas, helium and as I said before unconventionally reservoir oil and gas. We also have plans in the future to get into the LNG game via a pipeline to Darwin. And of course we want to monetize gas also by running it through a gas to liquids plant centrally located, with the idea of producing ultra clean synthetic diesel and jet fuel.

Clive Tompkins: John Heugh thanks for introducing Central Petroleum.

John Heugh: Most welcome Clive.

ENDS

Competent Persons Statement

AI Maynard & Associates

Information in this announcement or attached report which relates to Exploration Results of coal 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 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 referred to in the following presentation 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.

General Disclaimer

Potential volumetrics of gas or oil may be categorised as Undiscovered Gas or Oil Initially In Place (UGIIP or UOIIP) or Prospective Recoverable Oil or Gas in accordance with AAPG/SPE guidelines. Since oil via Gas to Liquids Processes (GTL) volumetrics may be derived from gas estimates the corresponding categorisation applies.

Resource estimates included in this announcement or attached presentation by the Company, have not been reviewed by either PXA, QGC, Trident Energy Limited (TRI), He Nuclear Limited (HEN), Red Sky Energy Limited (ROG). Therefore those resource estimates represent the views of Company and are not necessarily held by PXA, QGC, TRI, HEN or ROG. The Company, CTP, is interested in UCG applications in its own right, outside of the Joint Venture with PXA and references to UCG potential do not necessarily reflect the views of PXA or QGC.

Exploration programme proposals in the Phase Two 2010 programme have not been approved by relevant Joint Venture partners and accordingly constitute a proposal only unless and until approved.

Red Sky Energy Limited

The farmin agreement by Red Sky Energy Limited subsidiary, Red Sky Energy (NT) Pty Ltd executed on 30 September 2009 has been challenged by PXA and the matter formally referred to arbitration.

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Sincerely



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